

Your Swiss Insurer.



# Helvetia Group

## Half-year results 2013

# Cautionary statement regarding forward-looking statements

---



This document is prepared by Helvetia Group and may not be copied, altered, offered, sold or otherwise distributed to anybody by the recipient without the consent of Helvetia Group. Although all reasonable effort has been made to ensure that the facts stated herein are correct and the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to and an overview of the business of Helvetia Group. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed as accurate by Helvetia Group. Neither Helvetia Group nor any of its directors, officers, employees and advisors nor any other person is liable in any way for any loss howsoever arising directly or indirectly from the use of this information.

The facts and information contained in this document are as up to date as is reasonably possible and may be subject to revision in the future. Neither Helvetia Group nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. This document may contain projections or other forward-looking statements related to Helvetia Group which, by their very nature, involve inherent risks and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These include (1) changes in general economic conditions, in particular in the markets in which we operate; (2) the performance of financial markets; (3) changes in interest rates; (4) changes in currency exchange rates; (5) changes in laws and regulations, including accounting policies or practices; (6) risks associated with implementing our business strategies; (7) the frequency, magnitude and general development of insured events; (8) mortality and morbidity rates; (9) policy renewal and lapse rates. We caution you that the foregoing list of important factors is not exhaustive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties. All forward-looking statements are based on information available to Helvetia Group on the date of its publication and Helvetia Group assumes no obligation to update such statements unless otherwise required by applicable law.

The purpose of this document is to inform Helvetia Group's shareholders and the public of the business activities of Helvetia Group in the first half of 2013. This document does not constitute an offer or a solicitation to exchange, buy or subscribe to securities, nor does it constitute an offering circular as defined by Art. 652a of the Swiss Code of Obligations or a listing prospectus as defined by the listing rules of the SIX Swiss Exchange. Should Helvetia Group make one or more capital increases in the future, investors should make their decision to buy or subscribe to new shares or other securities solely on the basis of the relevant offering circular.

This document is also available in German. The German version is binding.

---

- 
- Highlights Stefan Loacker
  - Financial figures Paul Norton
  - Asset management Ralph-Thomas Honegger
  - Swiss business Philipp Gmür
  - Conclusion Stefan Loacker
  
  - Q&A

# Highlights of the half-year results 2013

---



## Solid results in a challenging environment

### Profit growth

- **Group profit for the period of CHF 179 million (+13.4%)** emphasises the solid development of earnings in a challenging economic environment
    - Sustainably sound home market
    - Stable profit contributions by our foreign markets: **DE, IT and ES**
- 

### Well diversified portfolio

- Robust results in life and non-life business
    - **New business margin of 1.4%** back in target corridor
    - **Combined Ratio at 94.9%** despite severe weather events
- 

### Good business development

- Increase of **business volume** to CHF 4,775 million
    - **Growth impulse by life CH, DE and AT**
- 

### Well capitalised

- Pleasing investment result, **direct yield stable at 2.8%** (annualised)
  - 210% Solvency I / SST coverage between 150 and 200%
  - **Upgrade:** S&P Rating from A- to **A**
-

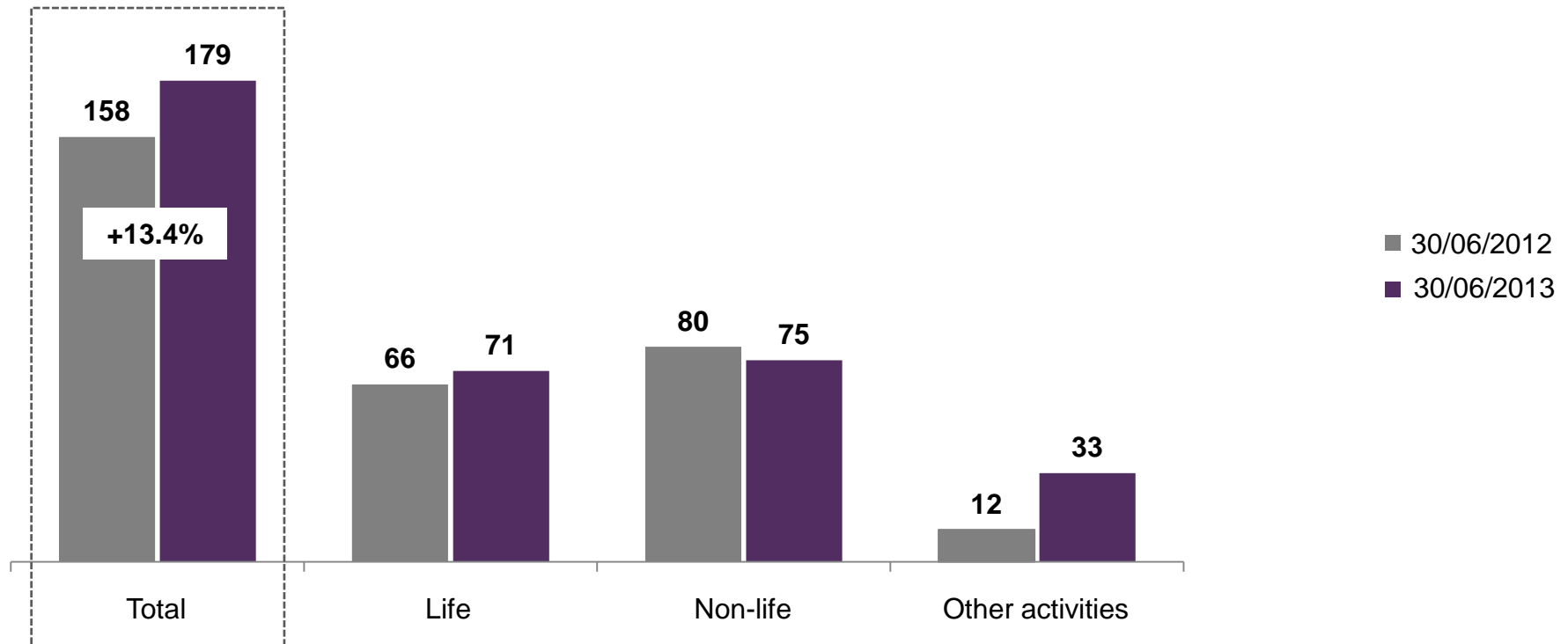


**Financial figures**  
Paul Norton, Group CFO

# Result by business area

## Solid operating result in a challenging environment

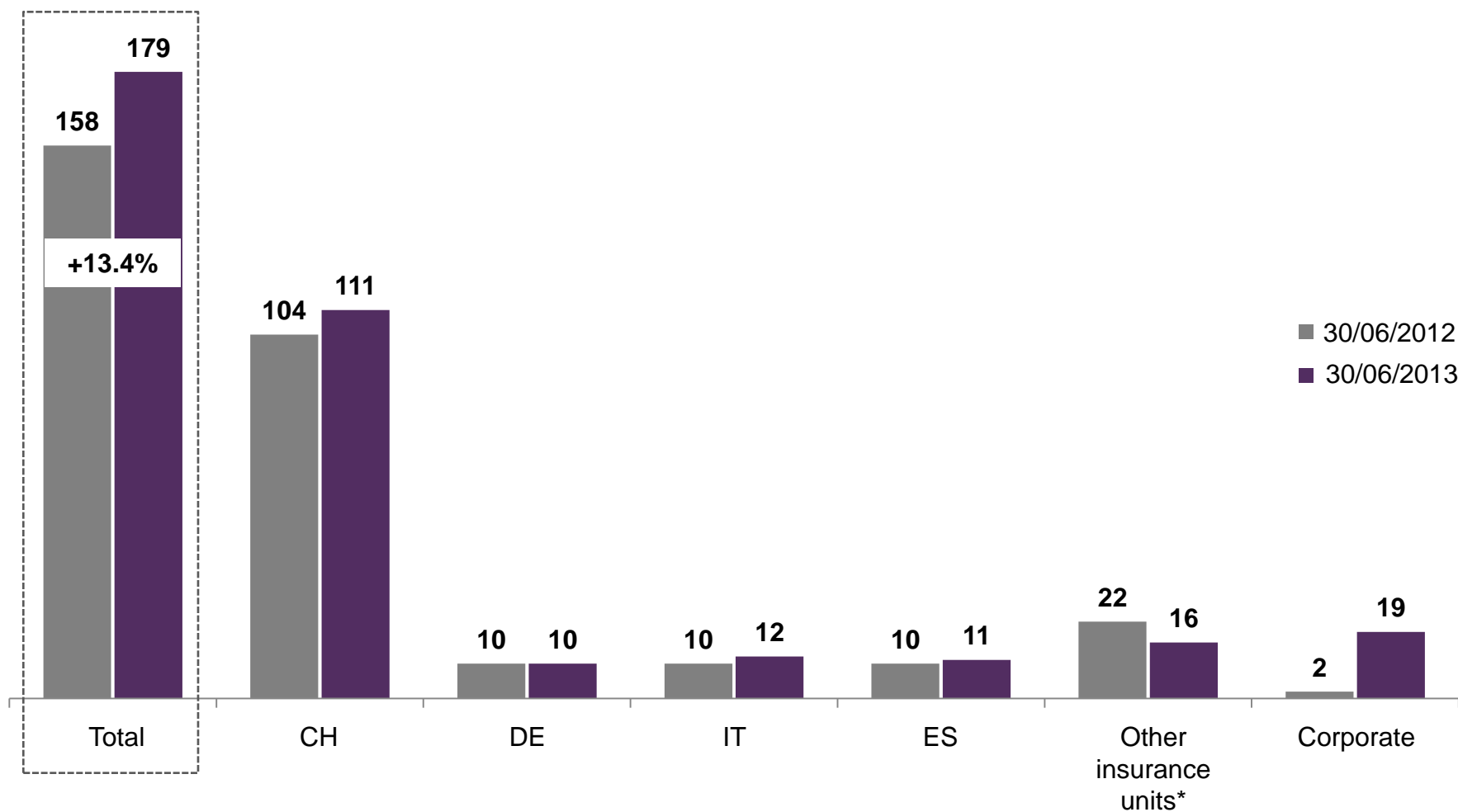
(in CHF million)



# Result by geography

## Sound performance of segments despite tough market environment

(in CHF million)



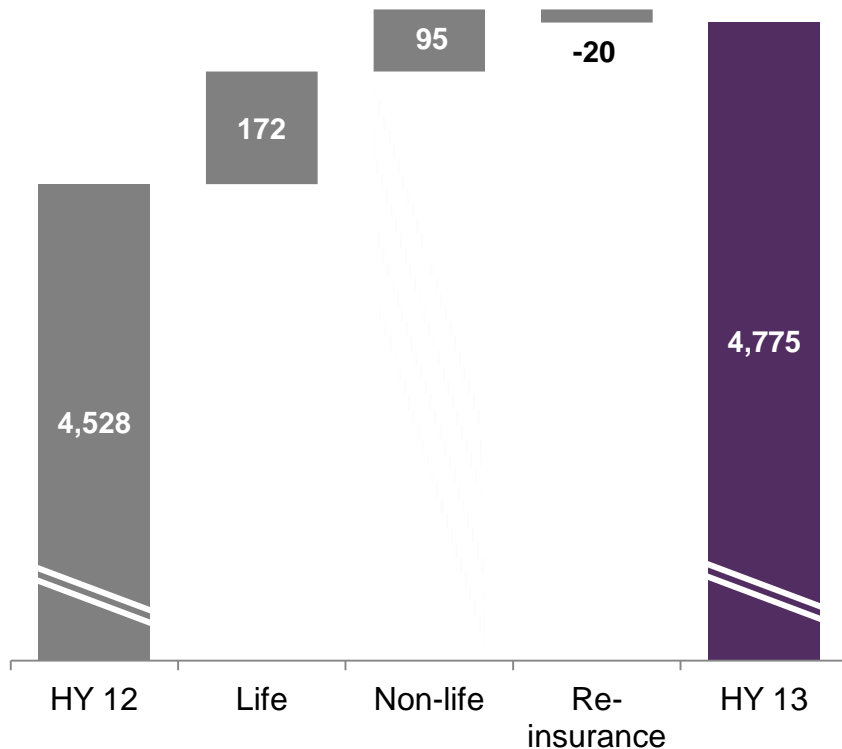
\* This segment consists of the countries Austria and France as well as the reinsurance business.

# Business volume in original currency: +4.7%

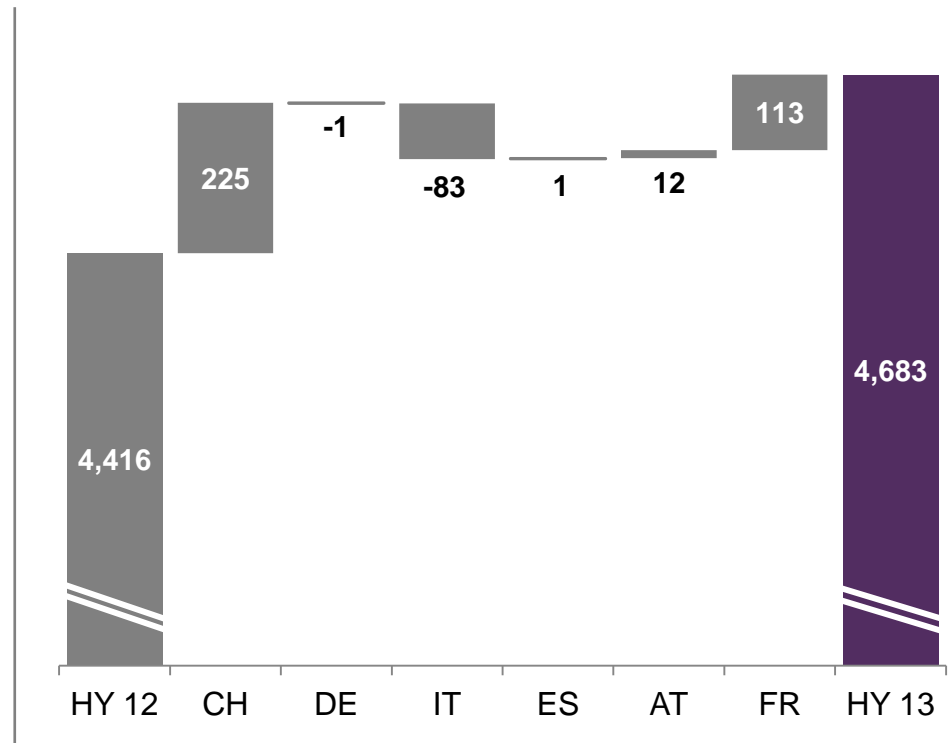


(in CHF million)

## By business area

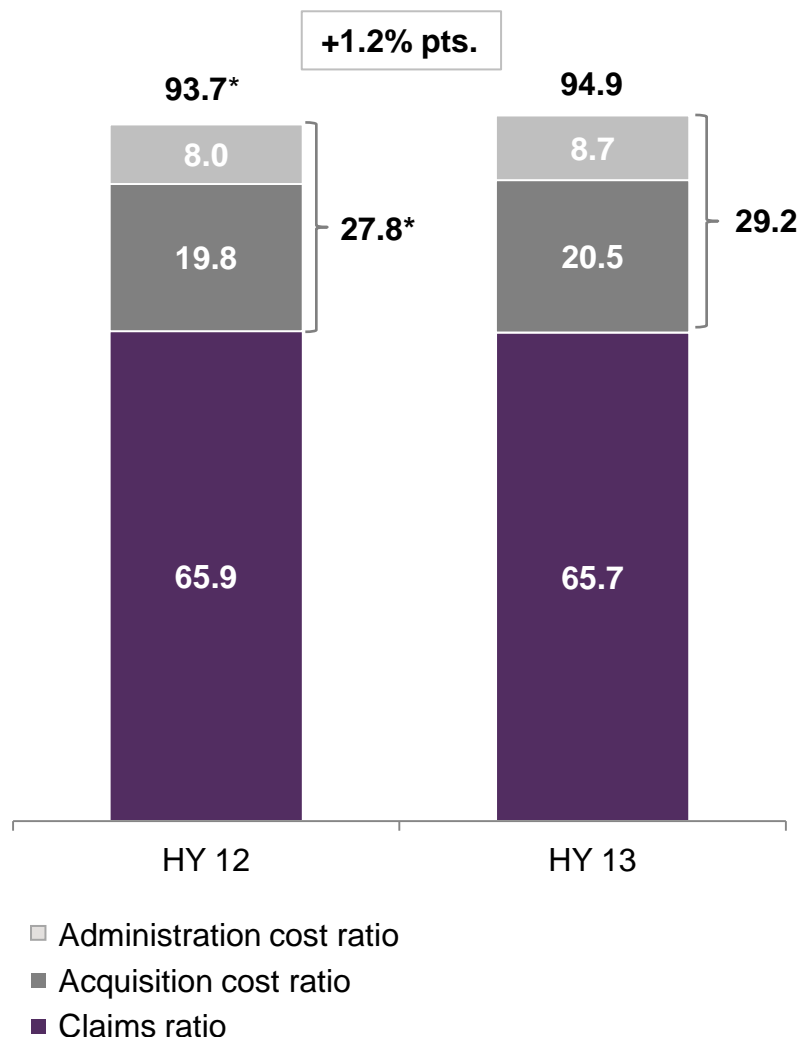


## Direct business by country

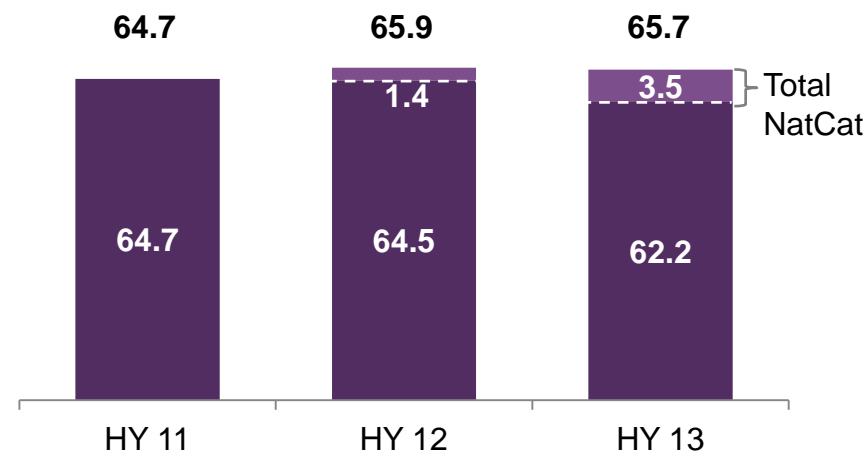




# Combined ratio non-life



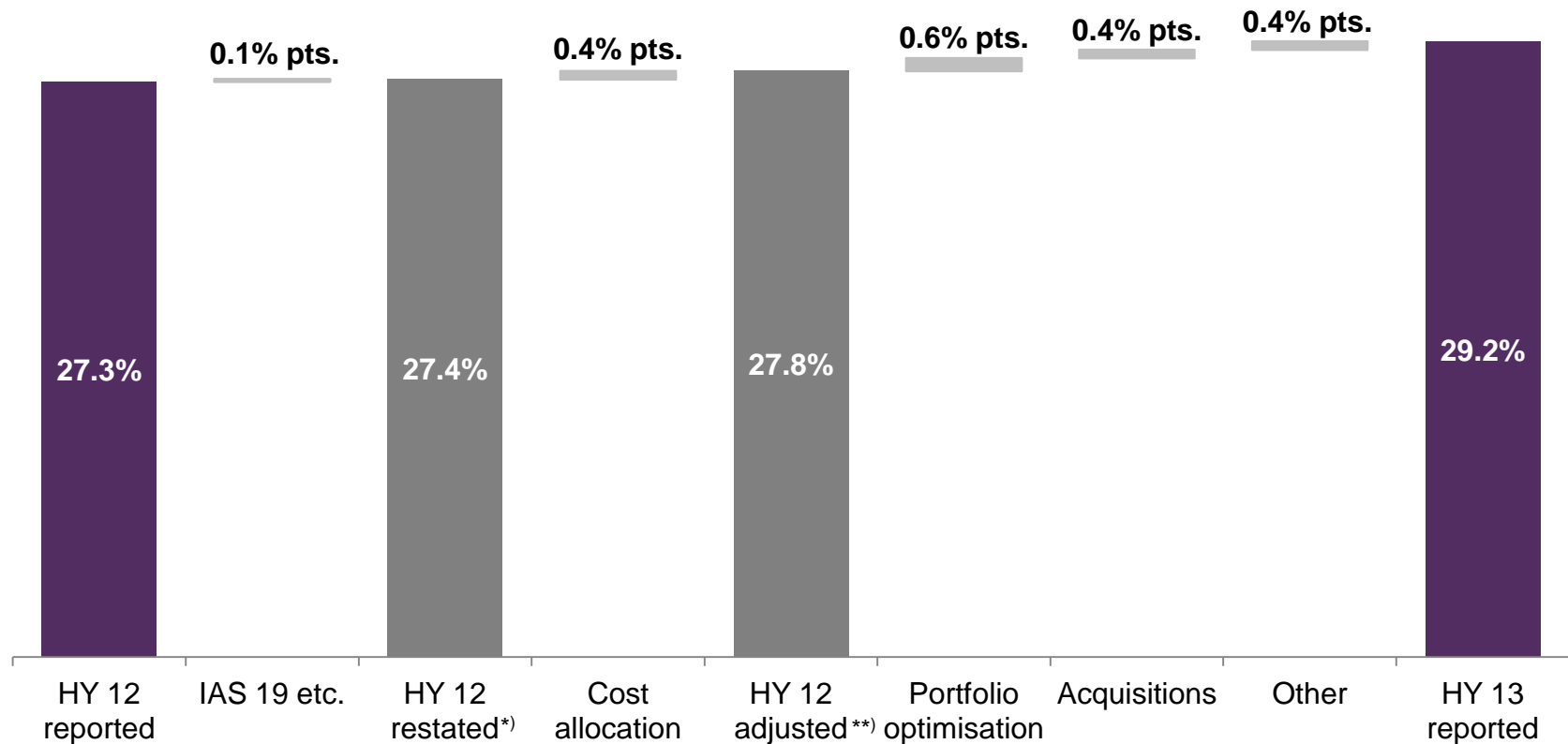
## Claims ratio development



- Claims ratio remains on prior year level despite higher NatCat claims burden – improvement of 2.3% pts. excluding NatCats
- Gross claims ratio clearly reduced due to lower claims cessions despite higher NatCats
- Cost ratio has increased due to acquisitions and portfolio optimisation in Italy and Germany

\* Previous year's cost ratio respectively combined ratio restated due to first-time application of amended IAS 19 and adjusted as a result of revised allocation of structural costs.

# Cost ratio walk



<sup>\*)</sup> Restated due to first-time application of amended IAS 19.

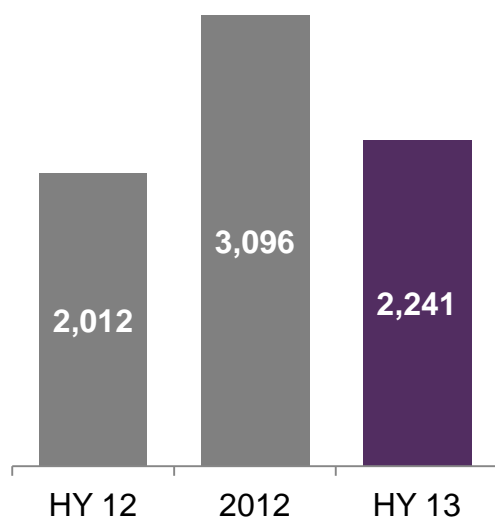
<sup>\*\*)</sup> Adjustment as a result of revised structure cost allocation.

# Value of new business

Higher margins driven by improved capital market environment

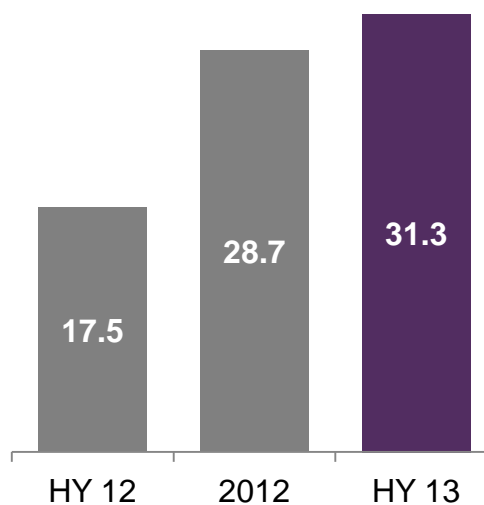
## New business volume

(in CHF million)



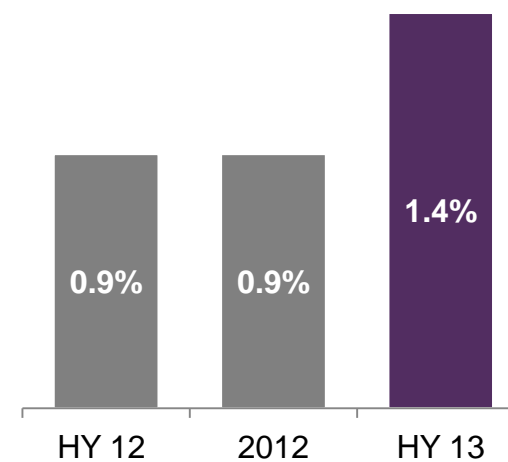
## Value of new business

(in CHF million)



## New business profitability

(in %)

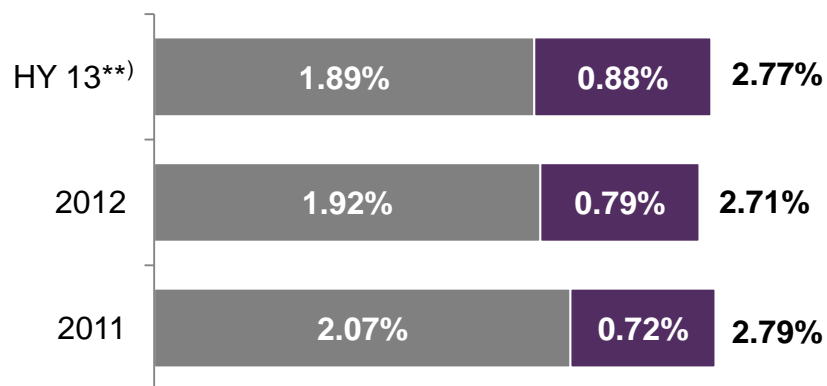


# Direct yield and guarantees in life business

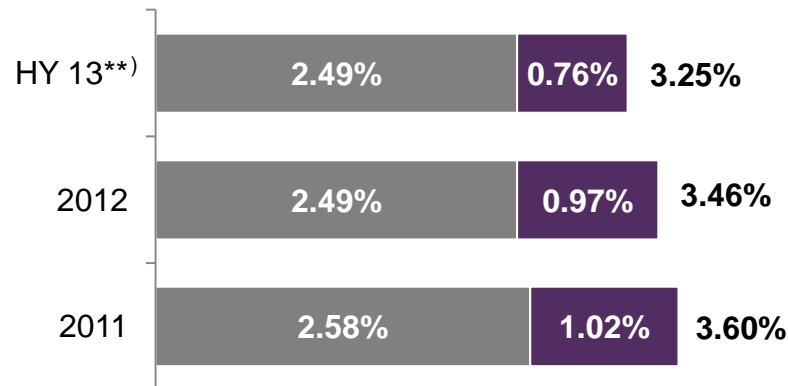


Stable gross margin<sup>\*)</sup> benefits policy holders and shareholders

Switzerland



EU



■ Margin  
■ Average guaranteed interest

## Half-year results 2013

	CH	EU	Total
Direct yield**)	2.77%	3.25%	2.86%
Average guaranteed interest	1.89%	2.49%	2.00%
Margin	0.88%	0.76%	0.86%

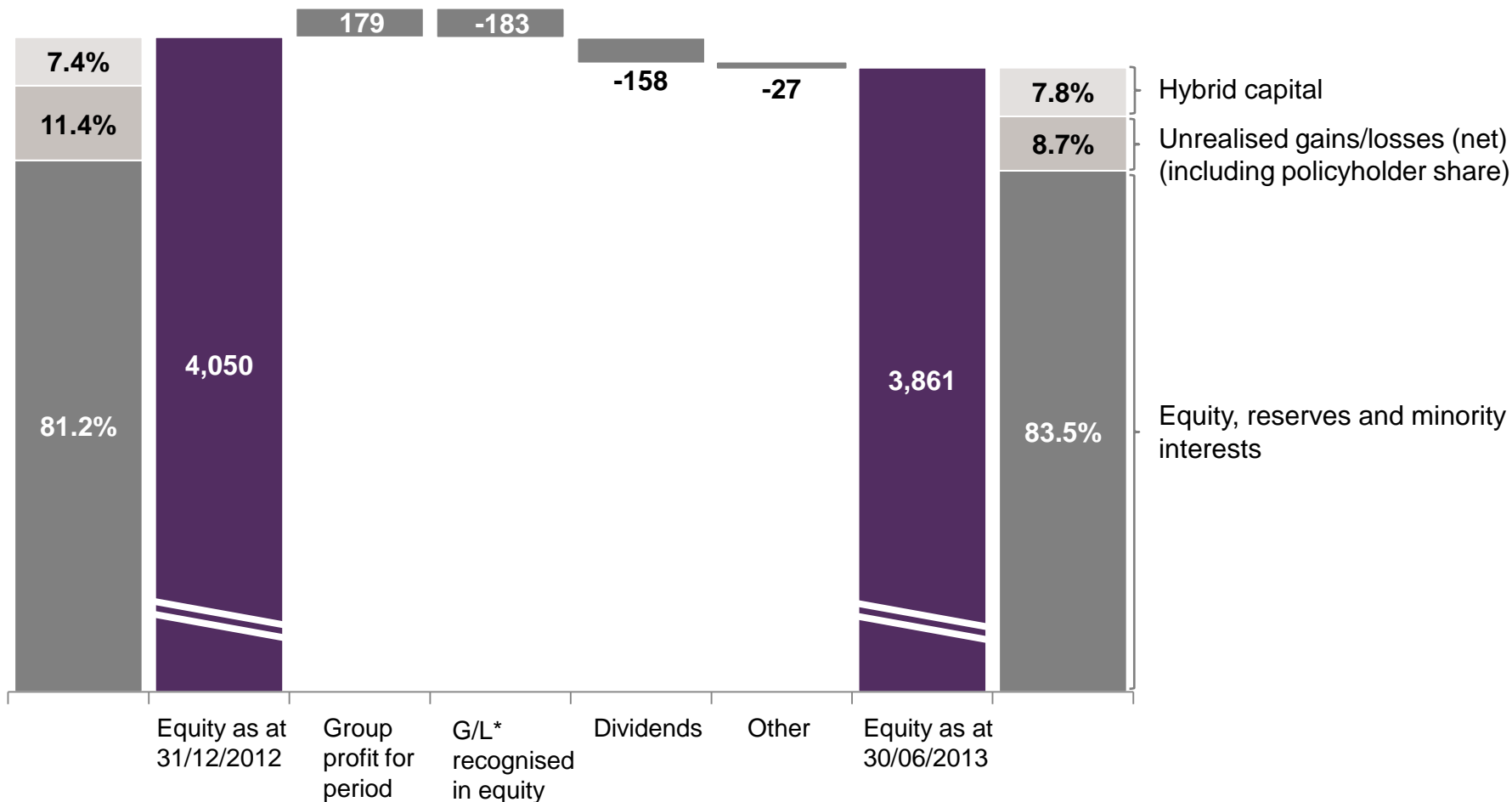
\*) Before legal quote

\*\*\*) Direct yield annualised

# Changes in Equity

## Equity influenced by rising interest rates and dividend payment

(in CHF million)



\* Contains unrealised gains/losses

## Improved SST coverage ratio – Range confirmed

### Update on model approval process

- Six out of seven of our internal models have conditional approval from FINMA. The approval process is on track and proceeding as planned

### SST coverage ratio

- For the end of 2012\* Helvetia Group reports a consolidated SST coverage ratio within the range 150 to 200%
- We also expect a sound development of the SST coverage ratio within the first half of 2013

### Sensitivity analysis

(in CHF million)

SST

**Equities**  
-30%

-9% pts.

**Interest rates**  
-100 bp

-13% pts.

**Credit Spreads**  
+100 bp

-23% pts.

\* Excluding temporary alleviations which can be used in accordance with FINMA for the period 2013-2015.

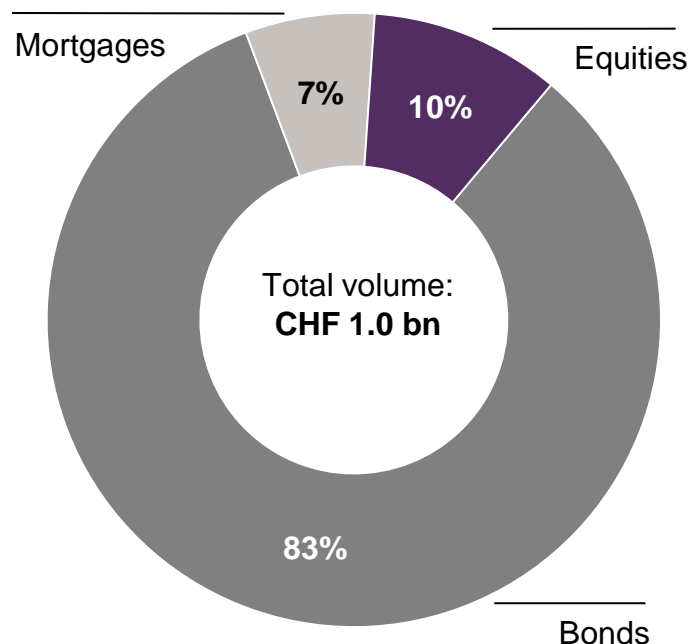


## **Asset management**

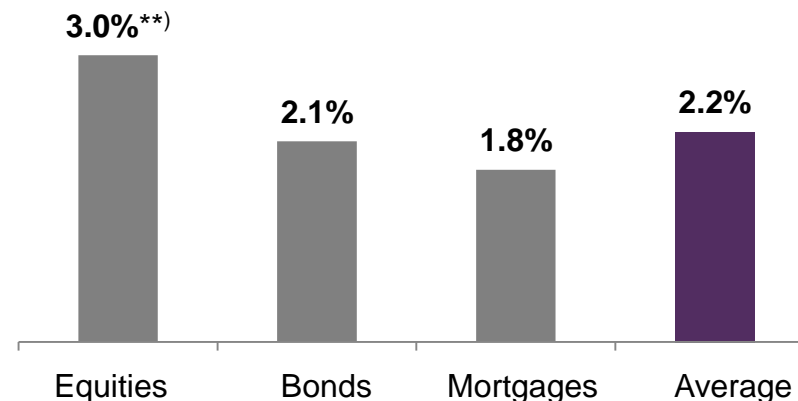
Ralph-Thomas Honegger, Group CIO

# New and reinvestment of maturing funds in HY 13

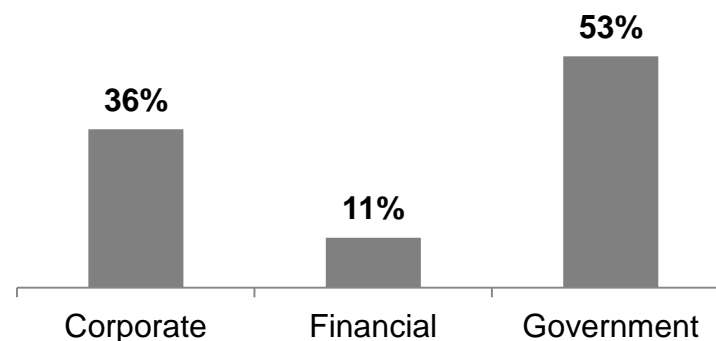
## Invested capital by asset class



## Direct yield by asset class<sup>\*)</sup>



## Segment split of new bond investments



<sup>\*)</sup> Direct yield annualised

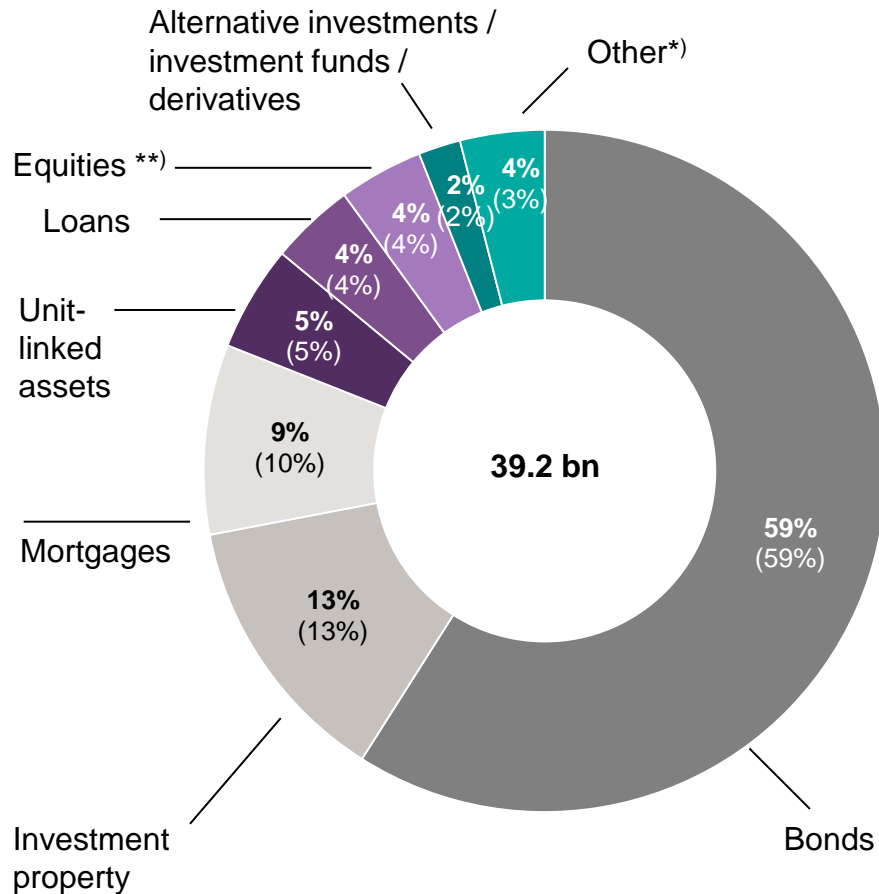
<sup>\*\*)</sup> Average dividend yield of our equities portfolio (excl. capital gains)



# Well-diversified investment portfolio

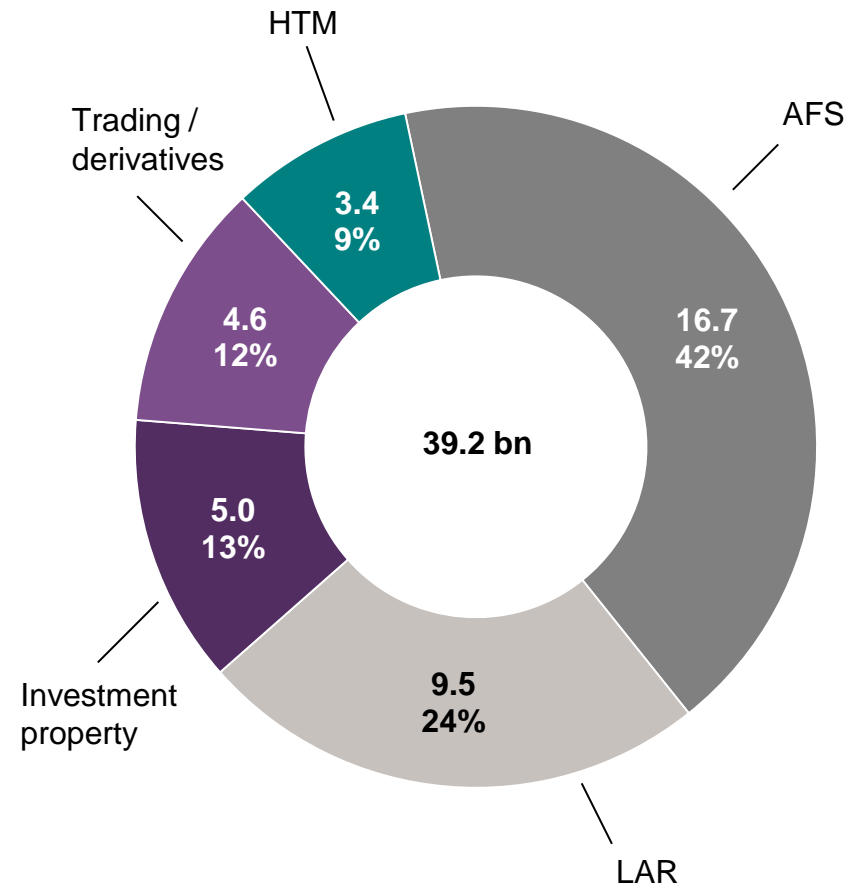
## By asset class

(Dec 12 in brackets)



## By IFRS category

(in CHF billion)

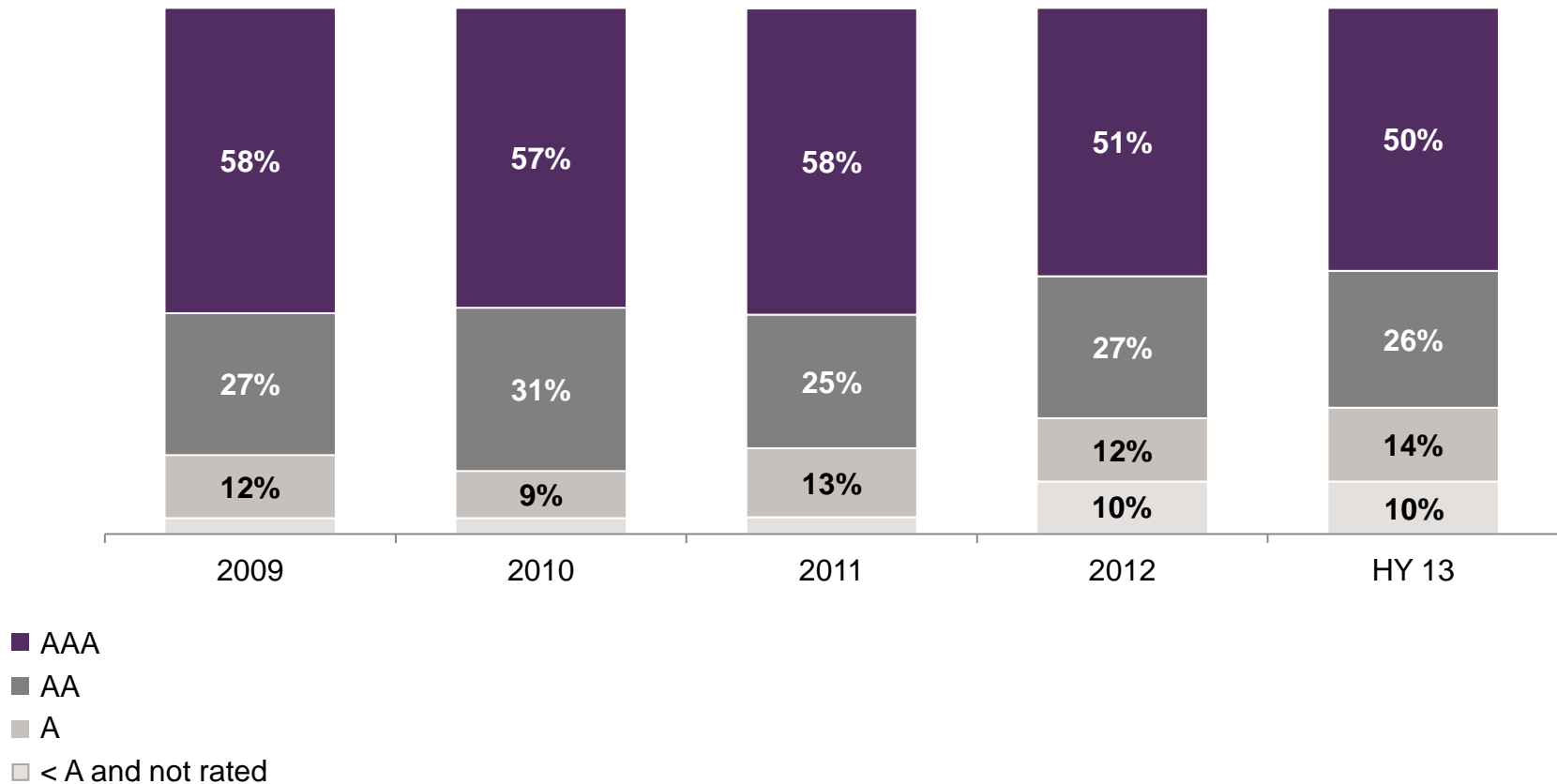


\*) Money market instruments and investments in associates

\*\*\*) Net equity exposure after hedging: 2.1%

# Bond credit ratings (1/2)

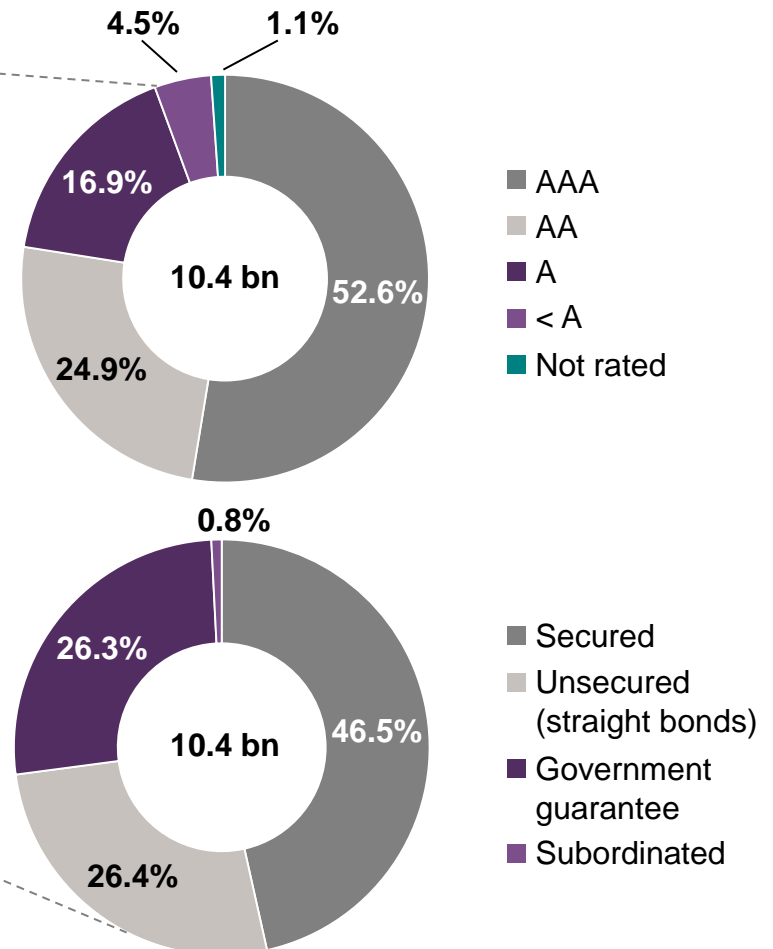
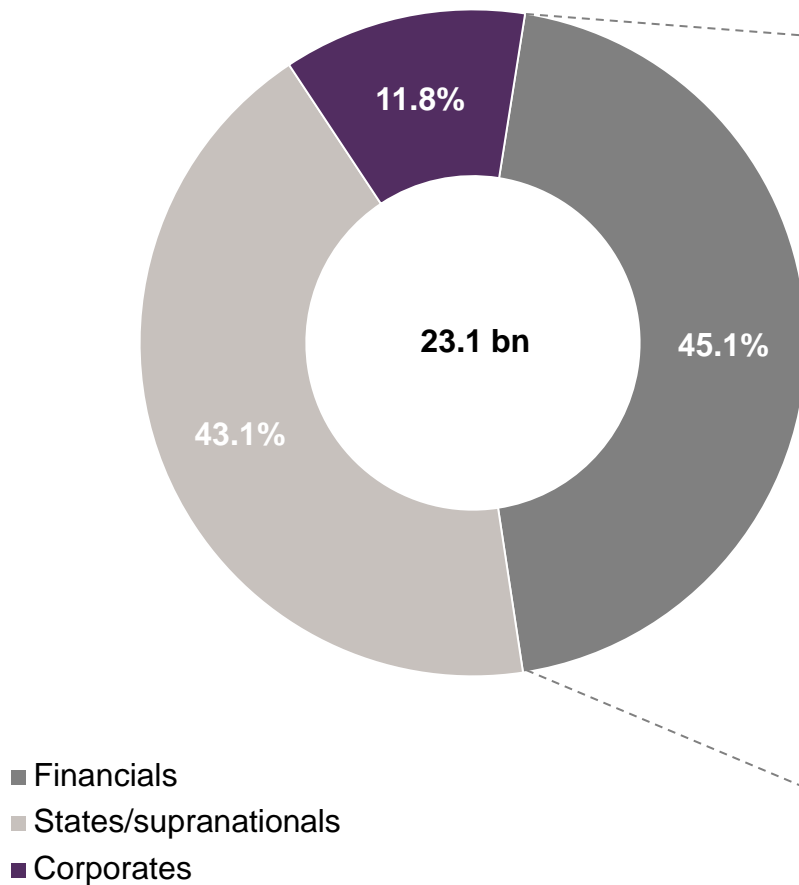
Rating quality remained very solid



# Bond credit ratings (2/2)

Sector allocation as at 30/06/2013

Risk profile of financials

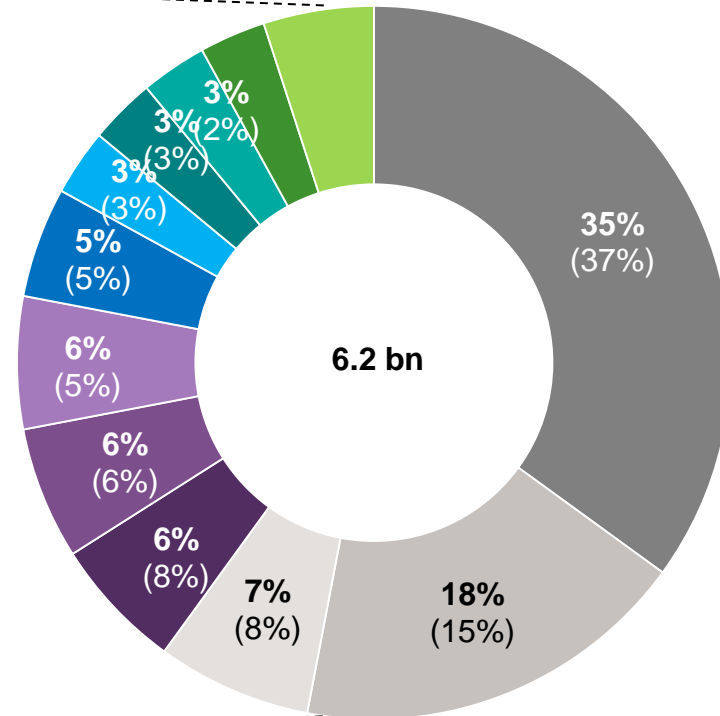
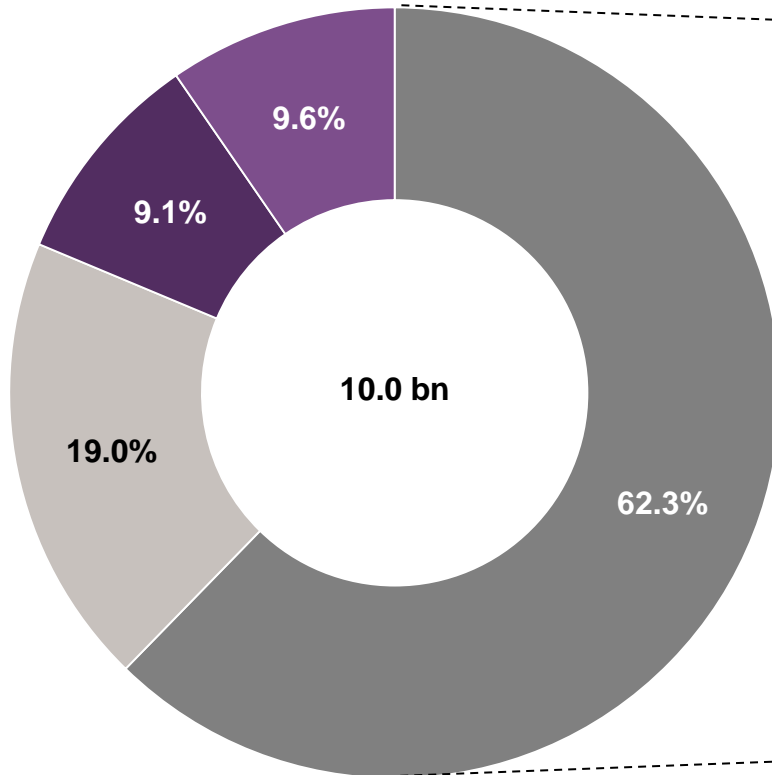


# Government and supranational bond exposure

Governments / supranationals

Government bonds by country

(Dec 12 in brackets)

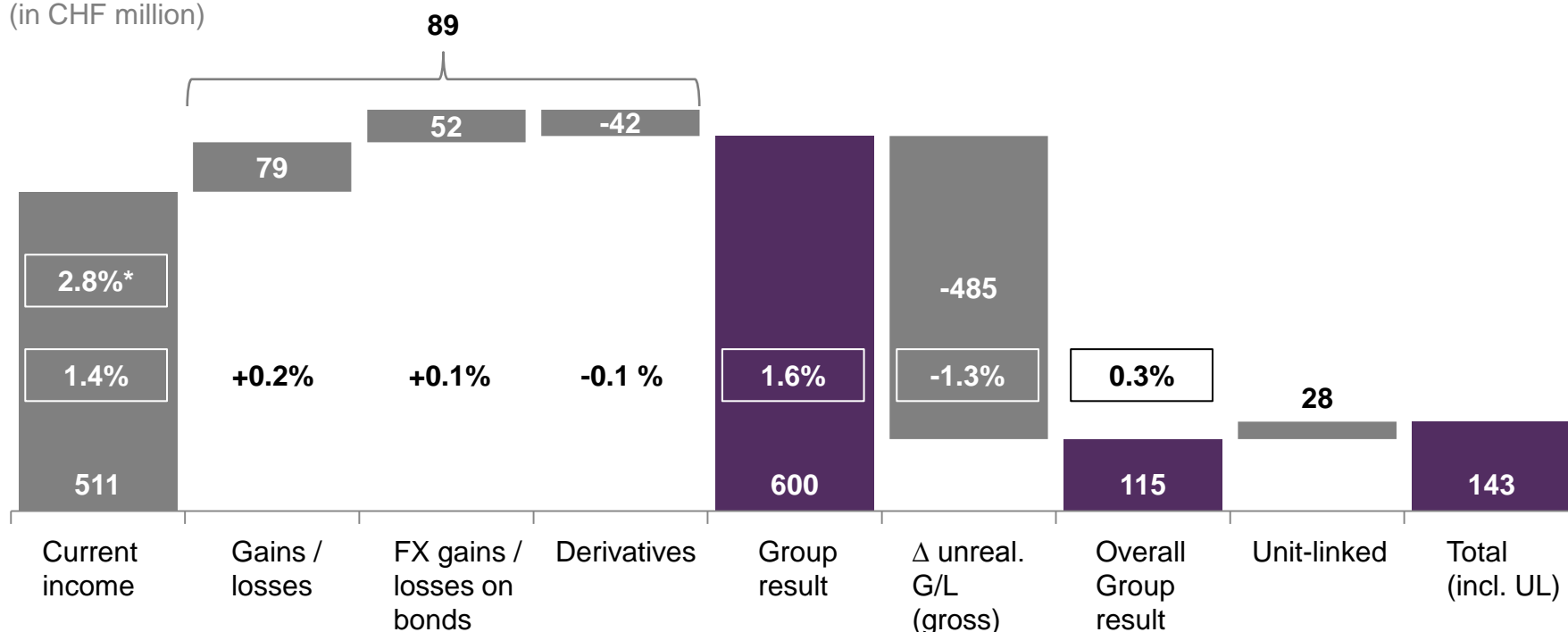


- Country
- Regional authorities excl. countries / incl. cities
- Near-government enterprises
- Supranational banks

- Switzerland (35%) (AAA)
- Italy (18%) (BBB)
- Luxemburg (7%) (AAA)
- France (6%) (AA)
- Netherlands (6%) (AAA)
- Austria (6%) (AAA)
- Germany (5%) (AAA)
- Spain (3%) (BBB)
- Finland (3%) (AAA)
- Slovakia (3%) (A)
- Belgium (3%) (AA)
- Other (5%), of which:
  - 0.00% Greece (CCC)
  - 0.00% Portugal (BB)
  - 0.00% Ireland (BBB)

# Investments - overall performance

(in CHF million)



- Stable current investment income in spite of low interest rates (2.8% direct yield, annualised), only 12 bp lower than in the previous year; bond and mortgage yields decrease by 12 respectively 20 bp (annualised), real-estate and dividend yields on equities remain at a high level
- Investment performance (0.3%, not annualised) is only slightly positive due to negative contribution of bonds (-0.7%), equities (8.1% performance before hedging) and real-estate (2.2% performance) contribute positively to result
- Decline of valuation reserves in equity because of increased interest rate

\* Half-year annualised

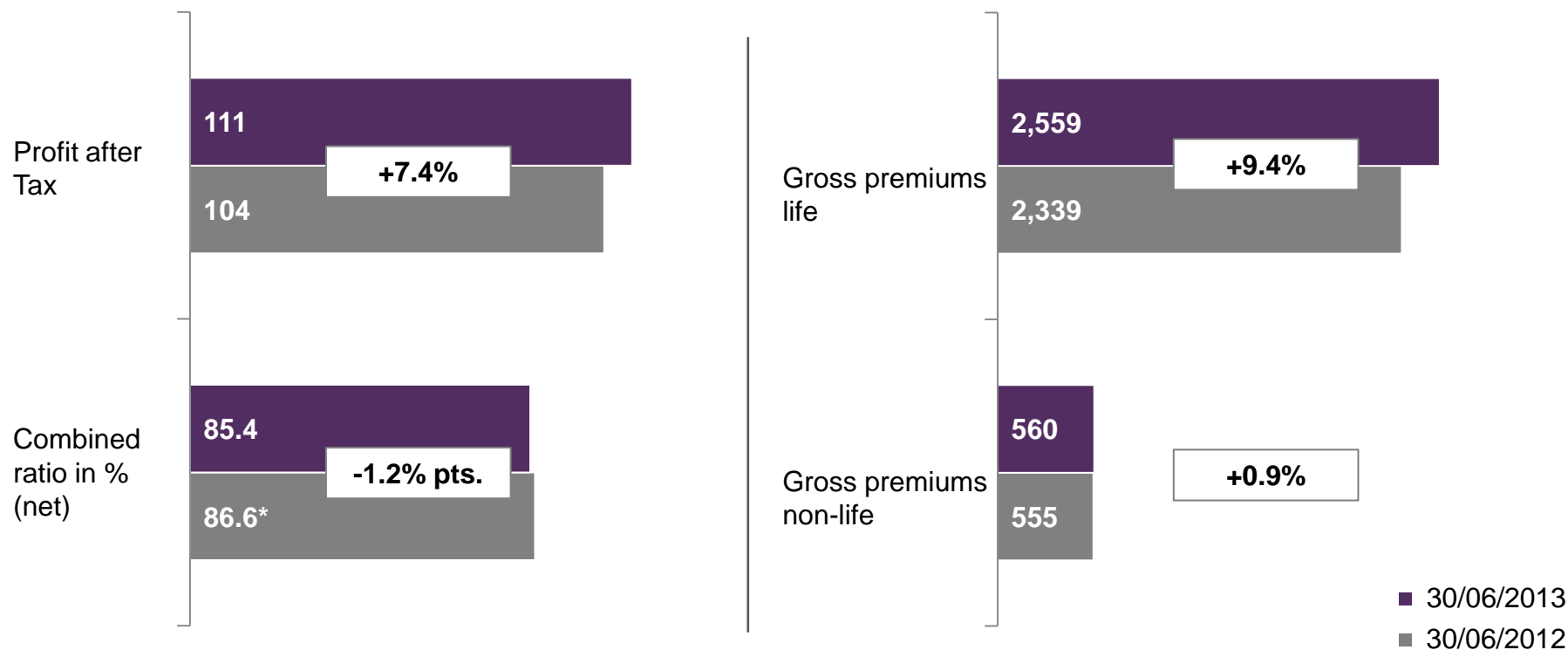
Your Swiss Insurer.



**Swiss business**  
Philipp Gmür, CEO Switzerland

Total gross premiums: CHF 3,119 million (+7.8%)

(in CHF million)



- Life: Pleasing growth of regular premiums in group life as well as individual life; demand for full insurance solutions in group life continues; SEVV portfolio fully consolidated
- Non-life: Excellent performance with slight growth (mostly driven by motor vehicle business)

\* Previous year's combined ratio restated due to first-time application of amended IAS 19 and adjusted as a result of revised allocation of structural costs.

# Highlights: Non-life business Switzerland



## Slight growth at robust result

(in CHF million)

	HY 13	HY 12	Δ 13/12
<b>Total premiums non-life</b>	<b>560</b>	<b>555</b>	<b>+0.9%</b>
Property	234	235	-0.2%
Transport	18	19	-1.7%
Motor vehicle	233	225	+3.1%
Liability	75	74	+0.9%
Accident/health	0	2	-100.0%
<b>Combined Ratio (net)</b>	<b>85.4%</b>	<b>86.6%*</b>	<b>-1.2% pts.</b>
Claims ratio (net)	57.9%	59.9%	-2.0% pts.
Cost ratio (net)	27.5%	26.7%*	+0.8% pts.

- Slight growth of total premiums in non-life business
- Growth driver is motor vehicle business; transport and property is declining
- Combined ratio has slightly decreased; claims ratio improved by 2% pts. thanks to solid portfolio performance; cost ratio slightly increased because of the implementation of new generations table, changes of pension and supplementary fund as well as planned investments in business development

\* Previous year's cost ratio respectively combined ratio restated due to first-time application of amended IAS 19 and adjusted as a result of revised allocation of structural costs.



# Highlights: Life business Switzerland



## Pleasant growth at regular premiums

(in CHF million)

	HY 13	HY 12	Δ13/12
<b>Total premiums direct life</b>	<b>2,559</b>	<b>2,339</b>	<b>+9.4%</b>
Total individual life	<b>393</b>	<b>502</b>	<b>-21.6%</b>
Regular premiums	221	210	+5.5%
Single premiums	172	292	-41.2%
Total group life	<b>2,166</b>	<b>1,837</b>	<b>+17.9%</b>
Regular premiums	1,113	1,061	+4.9%
Single premiums	1,053	776	+35.7%

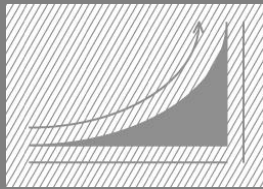
- Individual life: Regular premiums with continuous growth; growth of single premiums under prior-year period due to the fact that the tranche product "Helvetia Value Trend" is only partly invoiced
- Group life: Continuous growth of regular premiums, strong increase of single premiums by new business
- Technical performance: Very good technical result and further enhancement of reserves
- Acquisition: Premiums of last years acquired SEVV portfolio fully consolidated



**Conclusion**  
Stefan Loacker, Group CEO

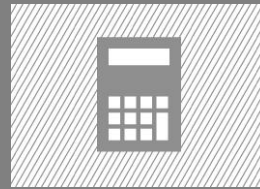
## H2015+

**Growth+**



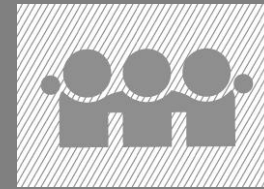
**Strongly expand  
market position**

**Profitability+**



**Sustainably improve  
profitability**

**Customer loyalty+**



**Improve customer  
loyalty in line with  
needs**

Your Swiss Insurer.



**Q&A**

Your Swiss Insurer.

helvetia 



# Appendix

# Business volume by geography half-year 2013



(in CHF million)

	Life			Non-life			Total		
	HY 13	Δ 13/12	Δ 13/12 (LC)	HY 13	Δ 13/12	Δ 13/12 (LC)	HY 13	Δ 13/12	Δ 13/12 (LC)
<b>Switzerland</b>	<b>2,559</b>	<b>+9.4%</b>	<b>+9.4%</b>	<b>560</b>	<b>+0.9%</b>	<b>+0.9%</b>	<b>3,119</b>	<b>+7.8%</b>	<b>+7.8%</b>
<b>EU</b>	<b>538</b>	<b>-8.1%</b>	<b>-10.1%</b>	<b>1,026</b>	<b>+9.6%</b>	<b>+7.3%</b>	<b>1,564</b>	<b>+2.7%</b>	<b>+0.6%</b>
Germany	130	+15.4%	+13.0%	344	-5.2%	-7.1%	474	-0.3%	-2.4%
Italy*	291	-19.9%	-21.6%	252	-4.2%	-6.2%	543	-13.3%	-15.1%
Spain	60	+3.2%	+1.1%	152	-0.3%	-2.4%	212	+0.7%	-1.4%
Austria	57	+10.5%	+8.1%	105	+6.6%	+4.4%	162	+8.0%	+5.7%
France	-	-	-	173	+188.8%	+182.7%	173	+188.8%	+182.7%
<b>Direct business</b>	<b>3,097</b>	<b>+5.9%</b>	<b>+5.5%</b>	<b>1,586</b>	<b>+6.3%</b>	<b>+4.9%</b>	<b>4,683</b>	<b>+6.0%</b>	<b>+5.3%</b>
<b>Assumed reinsurance</b>							<b>92</b>	<b>-17.5%</b>	<b>-17.5%</b>
<b>Total</b>							<b>4,775</b>	<b>+5.5%</b>	<b>+4.7%</b>

\* Including deposit volumes (not reported as premiums under IFRS)

# Life business volume half-year 2013



(in CHF million)

Currency-adjusted growth	Individual life	Group life	Unit-linked	Deposits	Total Life
Switzerland	352	2,166	41	-	2,559
	-25.1%	+17.9%	+28.4%	-	+9.4%
Germany	70 **)	- **)	60	-	130
	+65.1%	-	+20.3%	-	+13.0%
Italy*)	212	7	-	72	291
	-21.7%	-45.8%	-	-17.3%	-21.6%
Spain	23	28	9	-	60
	-6.7%	+1.2%	+27.5%	-	+1.1%
Austria	44	-	13	-	57
	-1.2%	-	+60.3%	-	+8.1%
<b>Total</b>	<b>701</b>	<b>2,201</b>	<b>123</b>	<b>72</b>	<b>3,097</b>
	<b>-17.8%</b>	<b>+15.8%</b>	<b>+26.8%</b>	<b>-17.3%</b>	<b>+5.5%</b>

\*) Including deposit volumes (not reported as premiums under IFRS)

\*\*\*) The former group life contracts are reported now under individual life due to contractual conception.

# Non-life business volume half-year 2013



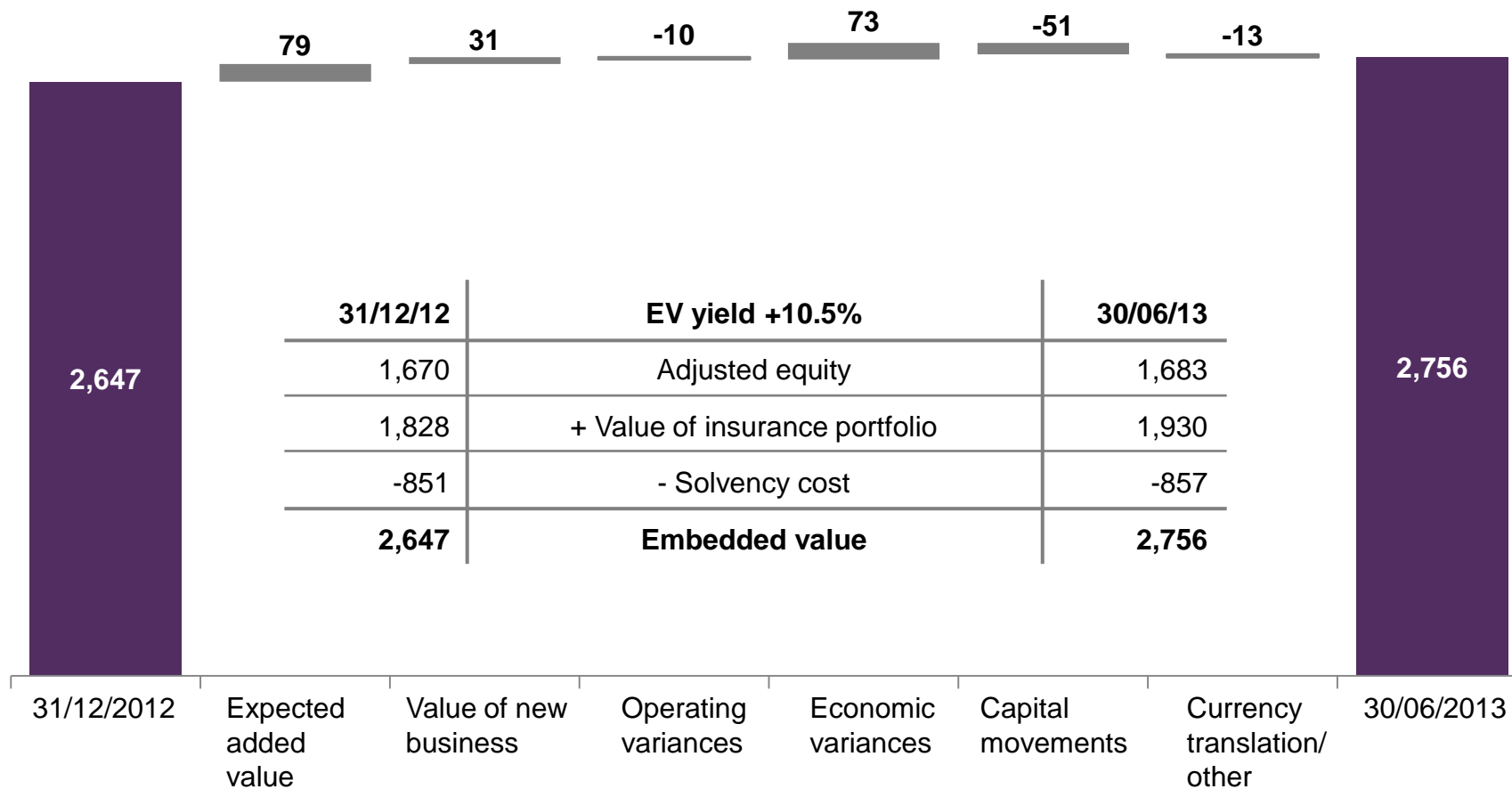
(in CHF million)

Currency-adjusted growth	Property	Transport	Motor vehicle	Liability	Accident/health	Total NL
Switzerland	234	18	233	75	0	560
	-0.2%	-1.7%	+3.1%	+0.9%	-100.0%	+0.9%
Germany	169	35	85	37	18	344
	-8.2%	+25.3%	-14.7%	-9.7%	+0.8%	-7.1%
Italy	39	1	143	21	48	252
	-0.8%	-4.3%	-11.9%	+9.0%	+2.6%	-6.2%
Spain	66	7	57	11	11	152
	+0.3%	-11.8%	-1.4%	-4.6%	-12.6%	-2.4%
France	8	143	20	2	-	173
	+750.5%	+270.0%	+1.6%	+2.2%	-	+182.7%
Austria	38	6	41	12	8	105
	+7.1%	+14.5%	+1.4%	+3.3%	+3.2%	+4.4%
<b>Total</b>	<b>554</b>	<b>210</b>	<b>579</b>	<b>158</b>	<b>85</b>	<b>1,586</b>
	<b>-1.1%</b>	<b>+111.5%</b>	<b>-4.4%</b>	<b>-1.0%</b>	<b>-2.1%</b>	<b>+4.9%</b>



# Traditional embedded value

(in CHF million)



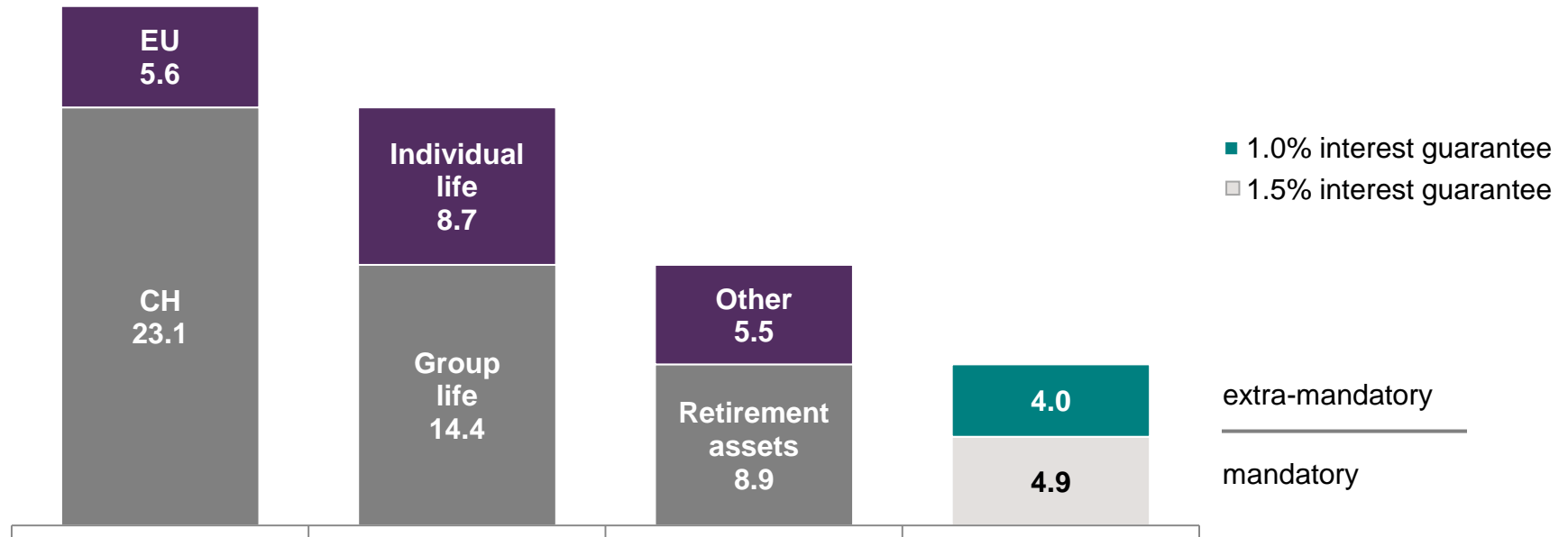
# Assumptions for EV calculation

Assumptions for calculation	Switzerland		EU	
	HY 13	HY 12	HY 13	HY 12
Risk discount rate (RDR)	5.5%	5.5%	6.5% - 9.5%	7.0% - 10.0%
Yield on bonds	1.7% - 2.5%	1.1% - 2.1%	3.9% - 4.9%	4.0% - 5.6%
Yield on equities	5.5%	6.5%	6.5%	7.5%
Yield on real estate	4.5%	4.5%	5.0%	4.9%

- Due to strongly diverging interest rates since end of 2011, the EV of each country has been calculated with separately defined risk discount rates

# Life reserves with interest guarantee

(in CHF billion)



- 21.2% of Swiss life reserves are subject to the BVG minimum interest rate

	<b>3-pillar-concept</b>		
	<b>Pillar 1</b>	<b>Pillar 2</b>	<b>Pillar 3</b>
	<b>General state insurance AHV (1948)</b>	<b>Occupational pension plan for employees BVG (1985)</b>	<b>Private coverage</b>
<b>Purpose</b>	Basic level of provision	Ensure living standard	Coverage of individual requirements
<b>Responsibility</b>	Government	Employer's responsibility	Personal responsibility
<b>Financing</b>	Employer (50%) Employee (50%)	Employer (min. 50%) Employee	100% self-financing
<b>Parameters</b>	-	- Min. quota 90% - Min. interest rate 1.5% - Conversion rate 6.9%	At the discretion of the insurer
<b>Helvetia CH business volume 2012</b>	-	Group life: CHF 2,262 million	Individual life: CHF 921 million
<b>Helvetia CH 2012 market share</b>	-	2012: 10.0% Number 3 provider	2012: 12.0% Number 4 provider

# Overview of net combined ratios



(in %)

	CH	DE	IT	ES	AT	FR	Group <sup>*)</sup>	RE
Claims ratio (net)	57.9	68.2	67.1	72.8	70.7	70.6	65.7	66.7
Cost ratio (net)	27.5	30.4	30.2	24.7	32.8	33.1	29.2	28.7
<b>Combined Ratio HY 13</b>	<b>85.4</b>	<b>98.6</b>	<b>97.3</b>	<b>97.5</b>	<b>103.5</b>	<b>103.7</b>	<b>94.9</b>	<b>95.4</b>
Combined Ratio HY 12	86.6 <sup>**),***)</sup>	98.6 <sup>**)</sup>	96.1 <sup>**),***)</sup>	97.6 <sup>**)</sup>	101.5 <sup>**)</sup>	84.8 <sup>**)</sup>	93.7 <sup>**),***)</sup>	96.2 <sup>**)</sup>
<b>Change from HY 12</b>	-1.2	0.0	1.2	-0.1	2.0	18.9	1.2	-0.8

\*) The Group ratio reflects the non-life business segment, which includes the direct business, while reinsurance is included in the Other business segment.

\*\*\*) Previous year's combined ratio restated due to first-time application of amended IAS 19.

\*\*\*) Previous year's combined ratio adjusted as a result of revised allocation of structural costs.

# Non-life technical account



(in CHF million)

	HY 13			HY 12		
	Gross	Share RE	Net	Gross	Share RE	Net
Premiums earned	1,270	-182	1,088	1,198	-124	1,074
Insurance benefits	-786	71	-715	-767	59	-708
Technical costs	-359	41	-318	-320	26	-294
<b>Technical result</b>	<b>125</b>	<b>-70</b>	<b>55</b>	<b>111</b>	<b>-39</b>	<b>72</b>
Investment income, net			67			58
Other non-technical expenses and income			-25			-19
<b>Pre-tax profit</b>			<b>97</b>			<b>111</b>
Taxes			-22			-31
<b>Profit after tax</b>			<b>75</b>			<b>80</b>
Claims ratio (incl. profit participation)	61.8%		65.7%	64.1%		65.9%
Cost ratio*	28.3%		29.2%	26.7%		27.4%
Combined ratio*	90.1%		94.9%	90.8%		93.3%

\* Previous year's cost ratio respectively combined ratio restated due to first-time application of amended IAS 19, without consideration of revised structure cost allocation.

# Investment result by business area



(in CHF million)

	Life		Non-life		Other*		Total		
	HY 13	HY 12	HY 13	HY 12	HY 13	HY 12	HY 13	HY 12	Δ13/12
<b>Current income (net)</b>	<b>450</b>	<b>434</b>	<b>53</b>	<b>53</b>	<b>8</b>	<b>6</b>	<b>511</b>	<b>493</b>	<b>+18</b>
- Current income on Group investments	354	344	44	46	8	6	406	396	+10
- Rental income	96	90	9	7	-	-	105	97	+8
<b>Gains and losses on Group investments (net)</b>	<b>54</b>	<b>46</b>	<b>13</b>	<b>5</b>	<b>22</b>	<b>-1</b>	<b>89</b>	<b>50</b>	<b>+39</b>
- Equities, investment funds alternative investments, derivatives	-7	-	7	3	10	-3	10	-	+10
- Bonds	57	26	11	-	2	3	70	29	+41
- Investment property	-4	17	5	1	-	-	1	18	-17
- Other	8	3	-10	1	10	-1	8	3	+5
<b>Income from Group financial assets and investment property</b>	<b>504</b>	<b>480</b>	<b>66</b>	<b>58</b>	<b>30</b>	<b>5</b>	<b>600</b>	<b>543</b>	<b>+57</b>
Unit-linked	28	52	-	-	-	-	28	52	-24
<b>Income from financial assets and investment property</b>	<b>532</b>	<b>532</b>	<b>66</b>	<b>58</b>	<b>30</b>	<b>5</b>	<b>628</b>	<b>595</b>	<b>+33</b>
<b>Direct yield</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>2.9%</b>			<b>2.8%</b>	<b>2.9%</b>	
<b>Performance</b>	<b>0.3%</b>	<b>2.3%</b>	<b>0.3%</b>	<b>2.6%</b>			<b>0.3%</b>	<b>2.3%</b>	

\* Incl. elimination of intra-Group interest and dividend income

# Direct yield and performance

(in CHF million)

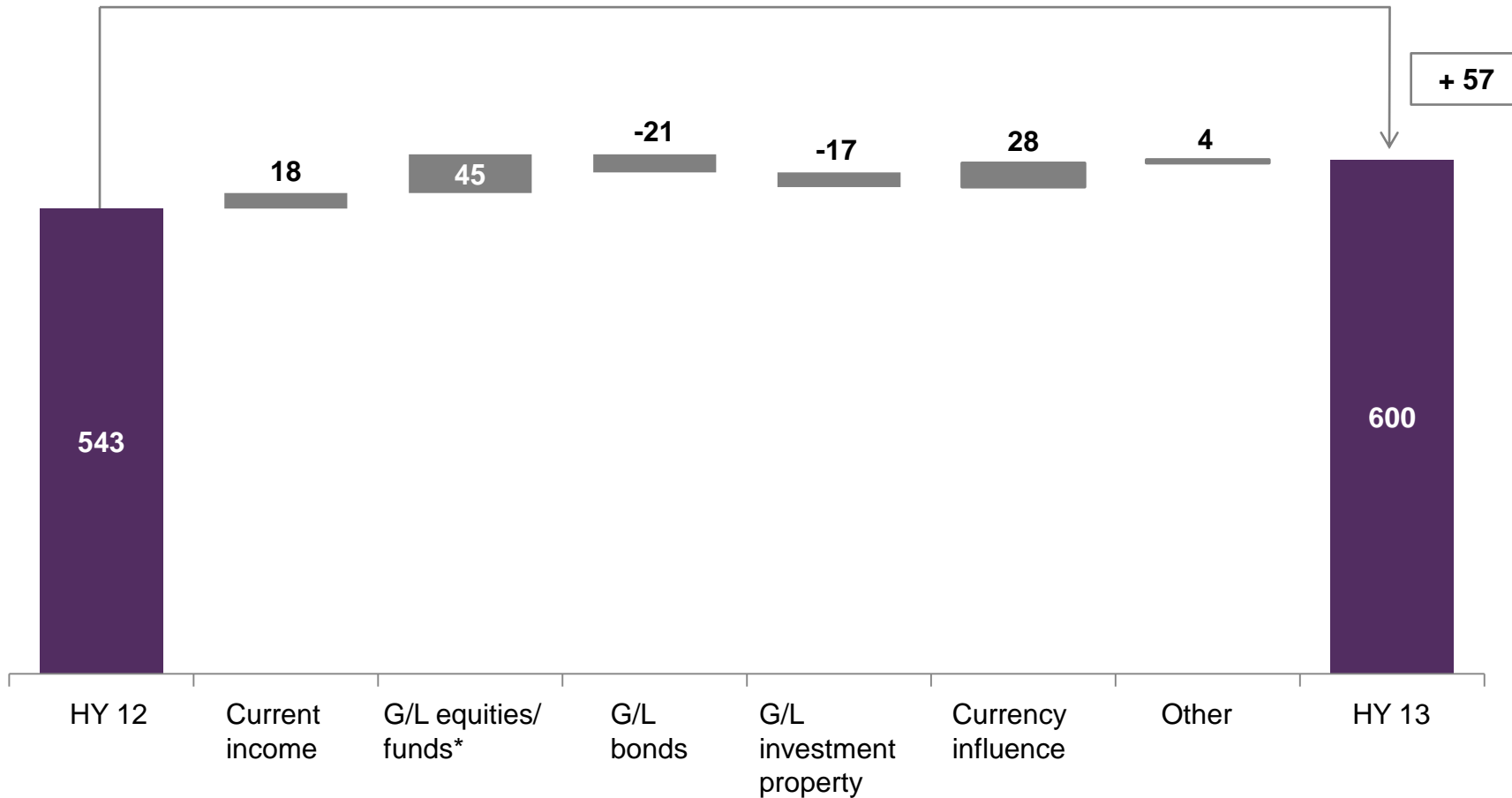
	Current income	Direct yield*	G/L	Investment result	Yield	Un-realised G/L	Total	Yield
Equities	44	2.6%	53	97	5.9%	36	133	8.1%
Bonds	291	1.3%	70	361	1.6%	-523	-162	-0.7%
Investment property	106	2.1%	-	106	2.1%	1	107	2.2%
Mortgages	47	1.3%	1	48	1.3%	-	48	1.3%

\* Not annualised



# Group investment result compared to HY 12

(in Mio. CHF)

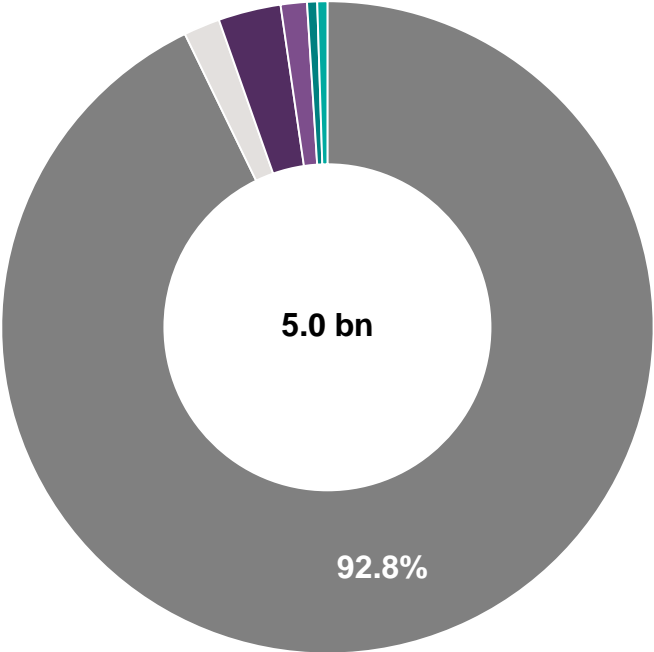


\* Also includes alternative investments and equity derivatives

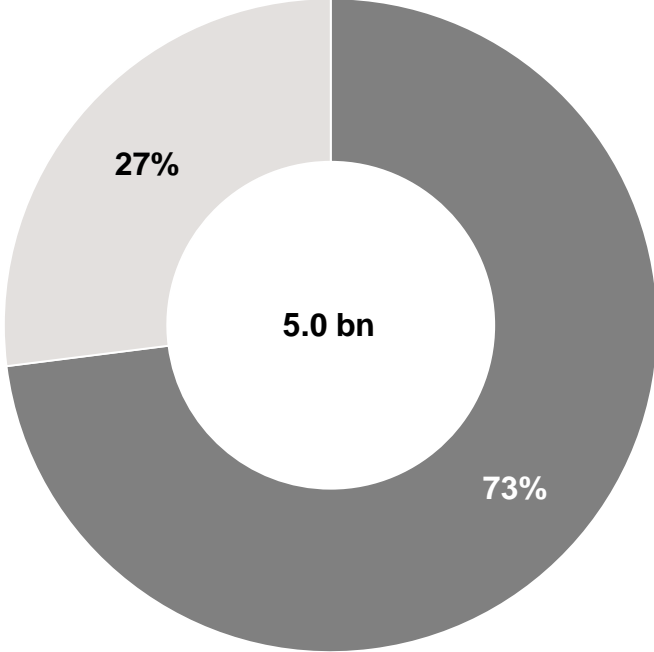
# Investment property



By country



By use



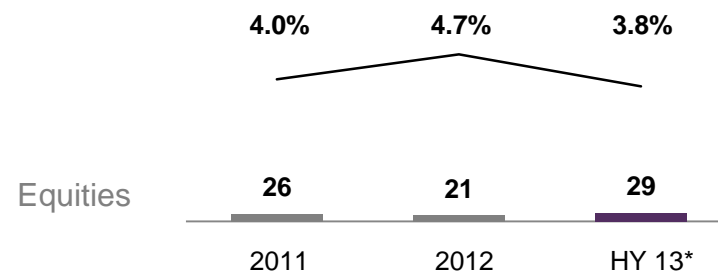
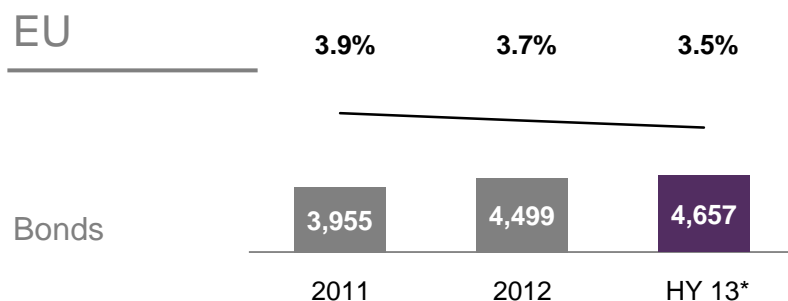
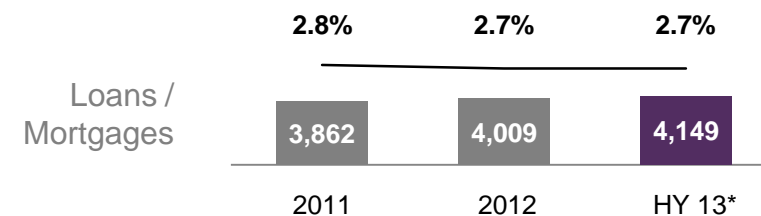
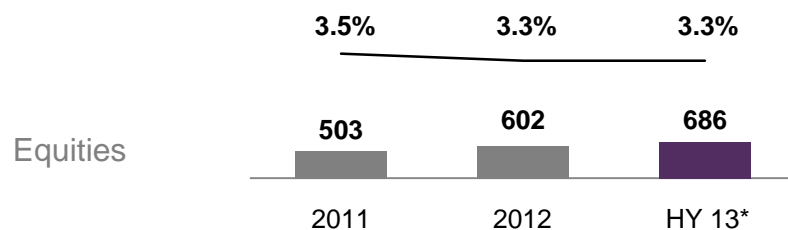
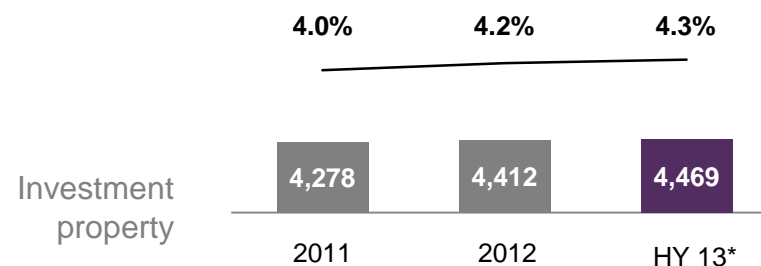
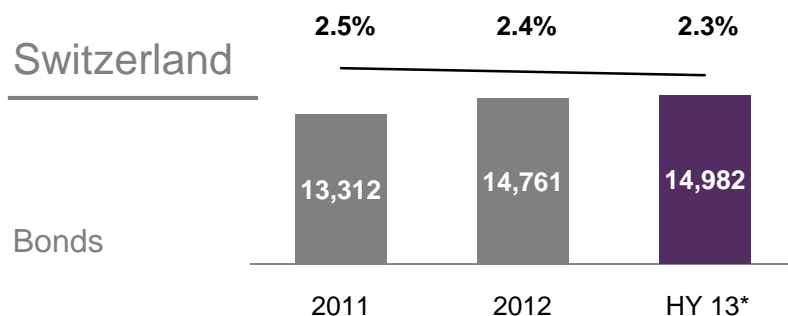
- Switzerland (92.8%)
- Spain (1.3%)
- Germany (1.8%)
- Italy (0.5%)
- Austria (3.1%)
- France (0.5%)

- Residential
- Commercial

# Direct yield in life business

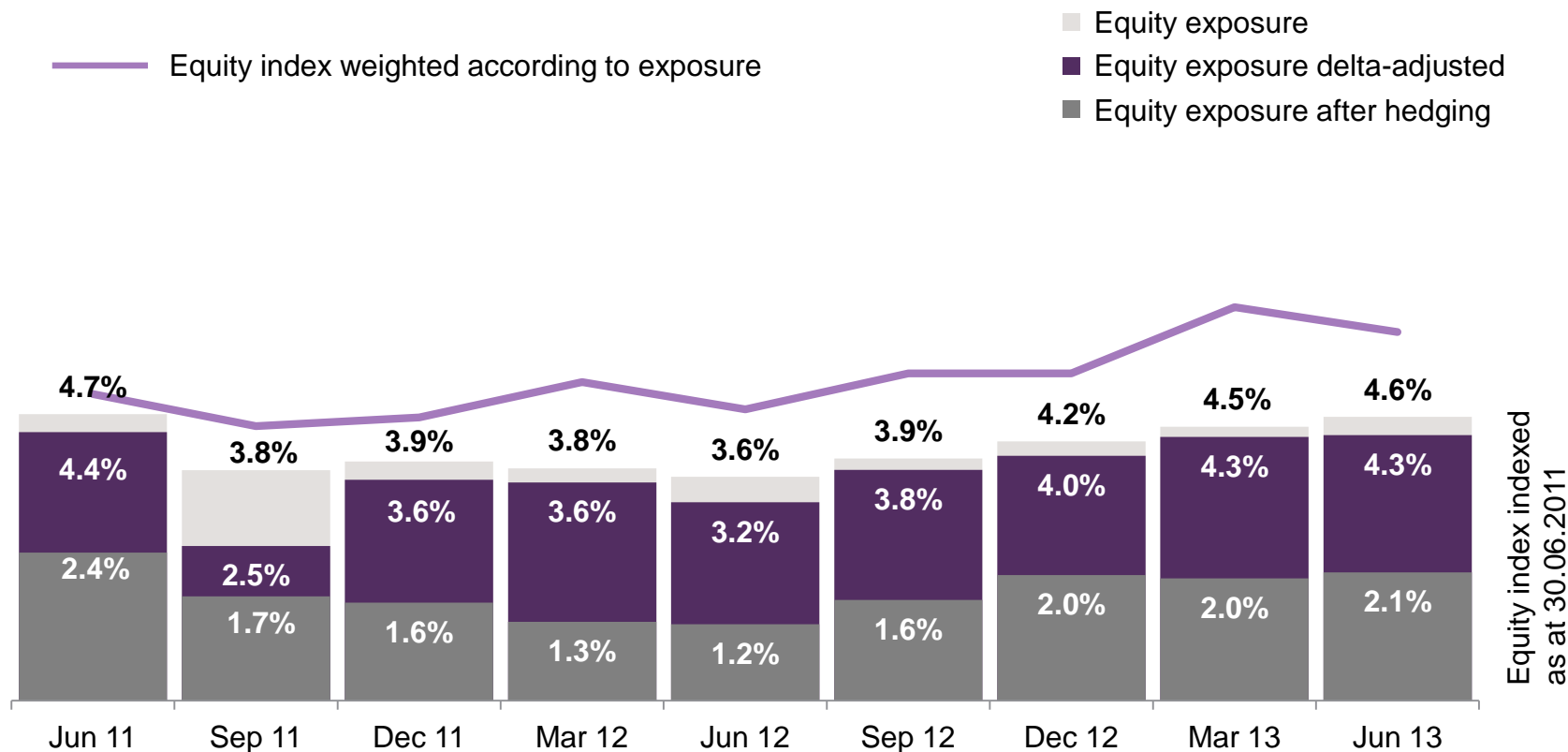


(in CHF million)



\* Half-year annualised except for equities

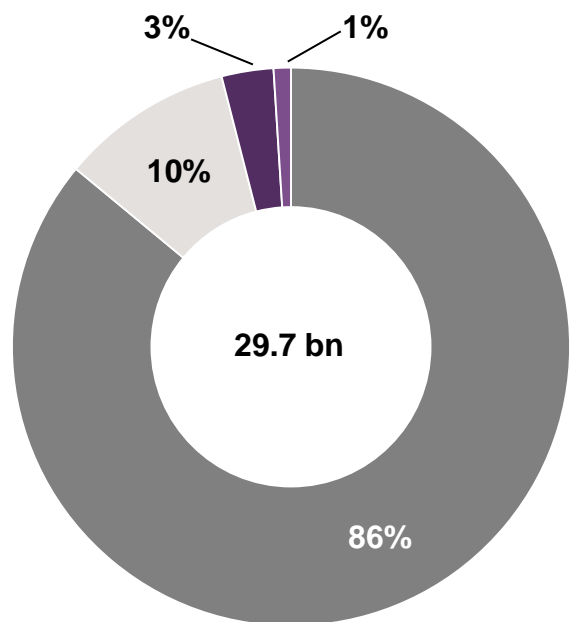
# Equity exposure\* vs market trends



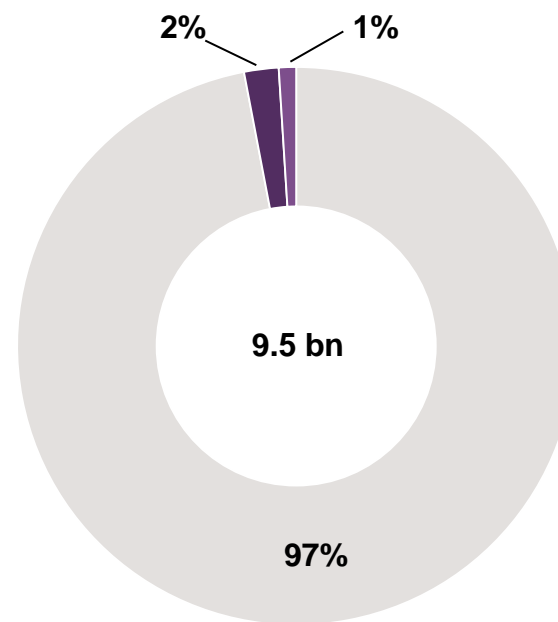
\* Equity exposure incl. group equity funds

# Investments in original currency

## Switzerland



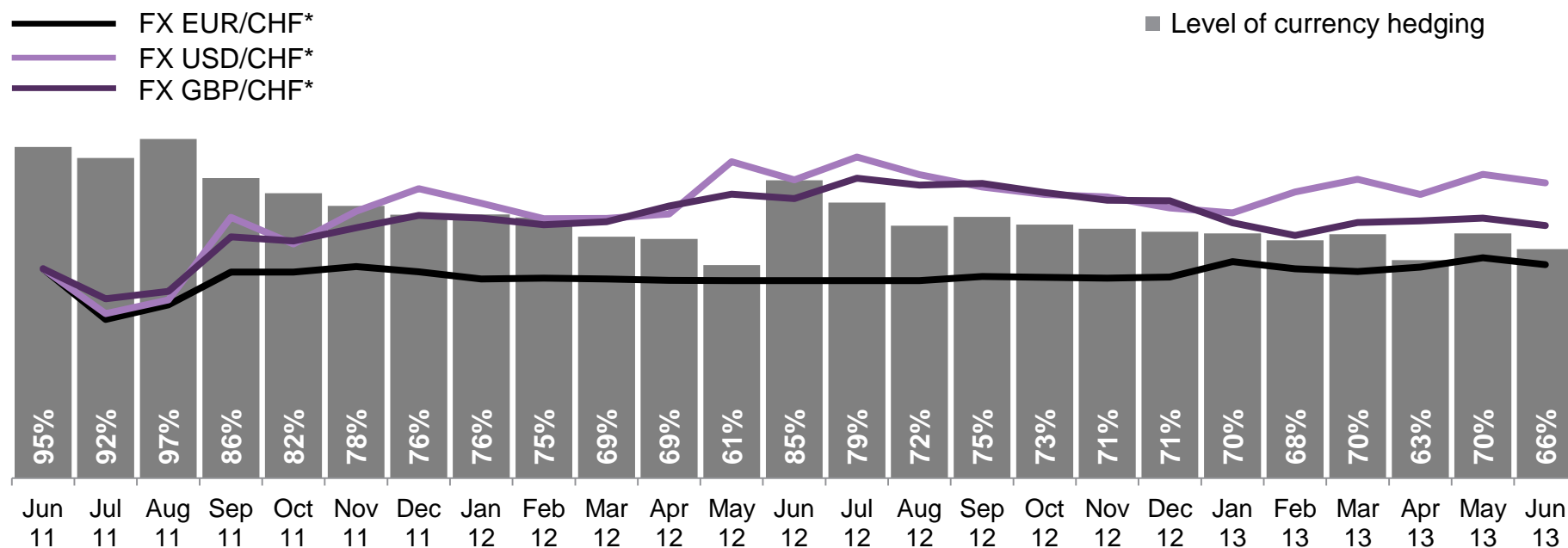
## EU



■ CHF  
 ■ EUR  
 ■ USD  
 ■ Other

	Bonds	Equities	Investment funds	Other
CHF	58%	48%	39%	88%
EUR	38%	25%	53%	12%
USD	3%	19%	8%	-
Other	1%	8%	-	-

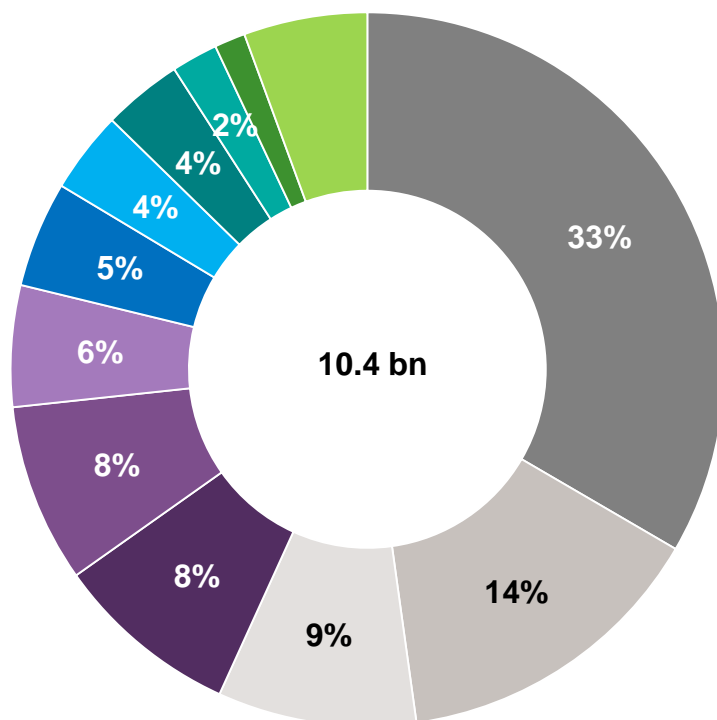
# Currency hedges vs currency trends



- Helvetia holds investments in foreign currencies to cover liabilities in the same currencies and to diversify its investment base. This currency exposure of around CHF 3.2 billion is hedged comprehensively and permanently
- After an exchange rate target was set by the SNB, the Euro hedges were steadily reduced and partially replaced by currency options
- The hedges largely reduce the volatility of the investments in foreign currency in the income statement
- In comparison to the foreign currency exposure, the remaining currency movements in the result are relatively small

\* Indexed as at 30/06/2011

# Financial bonds by country of issuer's origin



## 10 largest counterparties in financial bonds...

Pfandbriefbank der Schweizerischen Hypothekarinstitute

Pfandbriefzentrale der Schweizerischen Kantonalbanken

Luzerner Kantonalbank

N.V. Bank Nederlandse Gemeenten (BNG)

Zürcher Kantonalbank

Basler Kantonalbank

Hypothekenbank Frankfurt International

Compagnie de Financement Foncier (CFF)

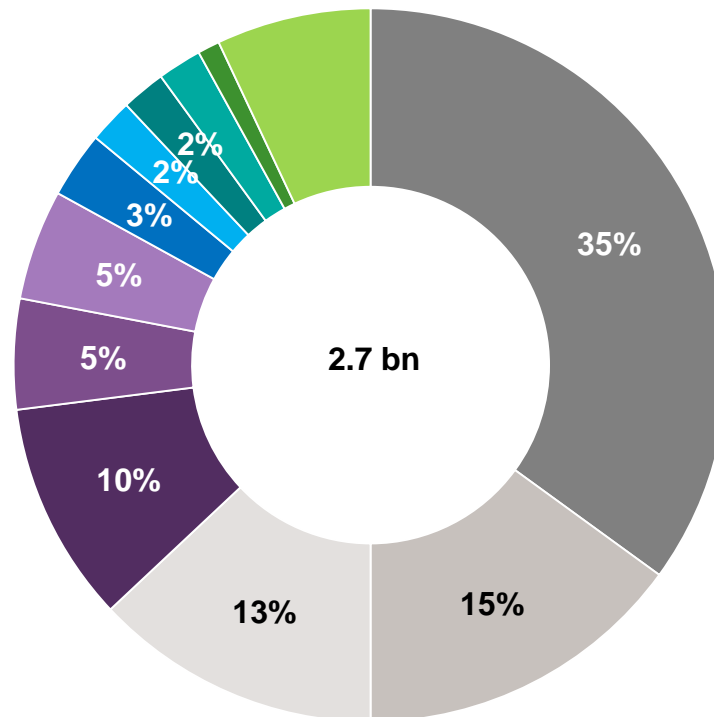
Kreditanstalt für Wiederaufbau

Eurofima

**... make up around 38% of the Group's financial bond portfolio**

- Switzerland (33%)
- Germany (14%)
- Austria (9%)
- France (8%)
- Netherlands (8%)
- Luxembourg (6%)
- UK (5%)
- Italy (4%)
- USA (4%)
- Australia (2%)
- Ireland (1%)
- Other (6%)

# Corporate bonds by country of issuer's origin



- France (35%)
- Netherlands (15%)
- Switzerland (13%)
- USA (10%)
- Austria (5%)
- Italy (5%)
- Germany (3%)
- Australia (2%)
- Luxembourg (2%)
- UK (2%)
- Japan (1%)
- Other (7%)



# Sovereigns under observation

## Exposure to government bonds\*

(gross / in CHF million)

	Non- life	Life	Total
Italy	53.0	1,041.3	1,094.3
Spain	40.6	176.7	217.3
as % of investments			3.5%
other PIIGS	0.0	0.0	0.0
as % of investments			0.0%
<b>Total</b>	<b>93.5</b>	<b>1,218.0</b>	<b>1,311.6</b>
as % of investments			3.5%

## Solvency I scenario – sensitivities\*

(net / in %)

- Helvetia's strong balance sheet can cope very well with the direct risks associated with the PIIGS default scenario:

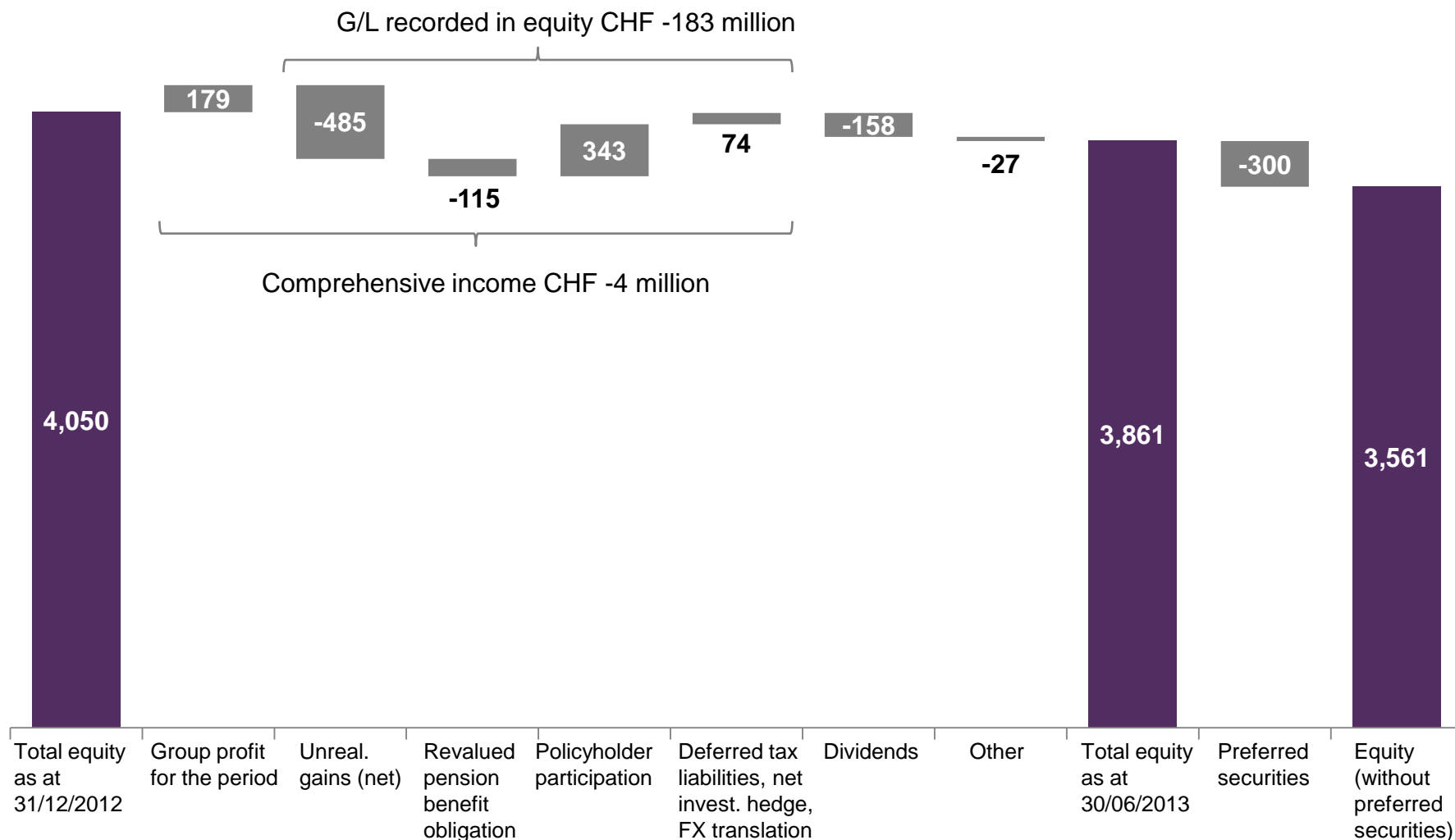
	20% default	50% default
HY 2013	-10% pts.	-25% pts.
2012	-9% pts.	-23% pts.
HY 2012	-10% pts.	-26% pts.
2011	-11% pts.	-27% pts.

Without investments for account and risk of life policyholders.

\* Includes direct exposure to bonds as well as bond exposure of significant funds.

# Equity / comprehensive income

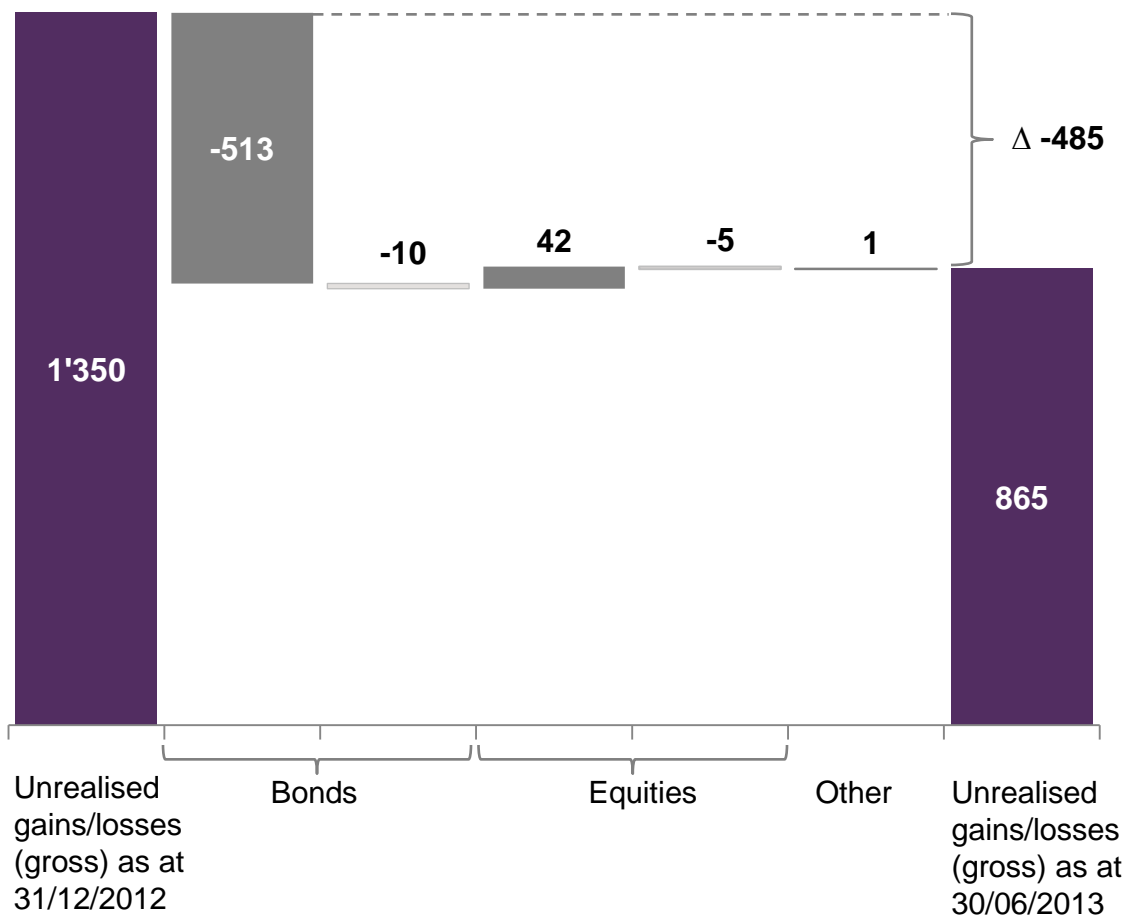
(in CHF million)



# Changes in unrealised gains/losses

(in CHF million)

- Changes in fair value
- Gains/losses transferred to the income statement



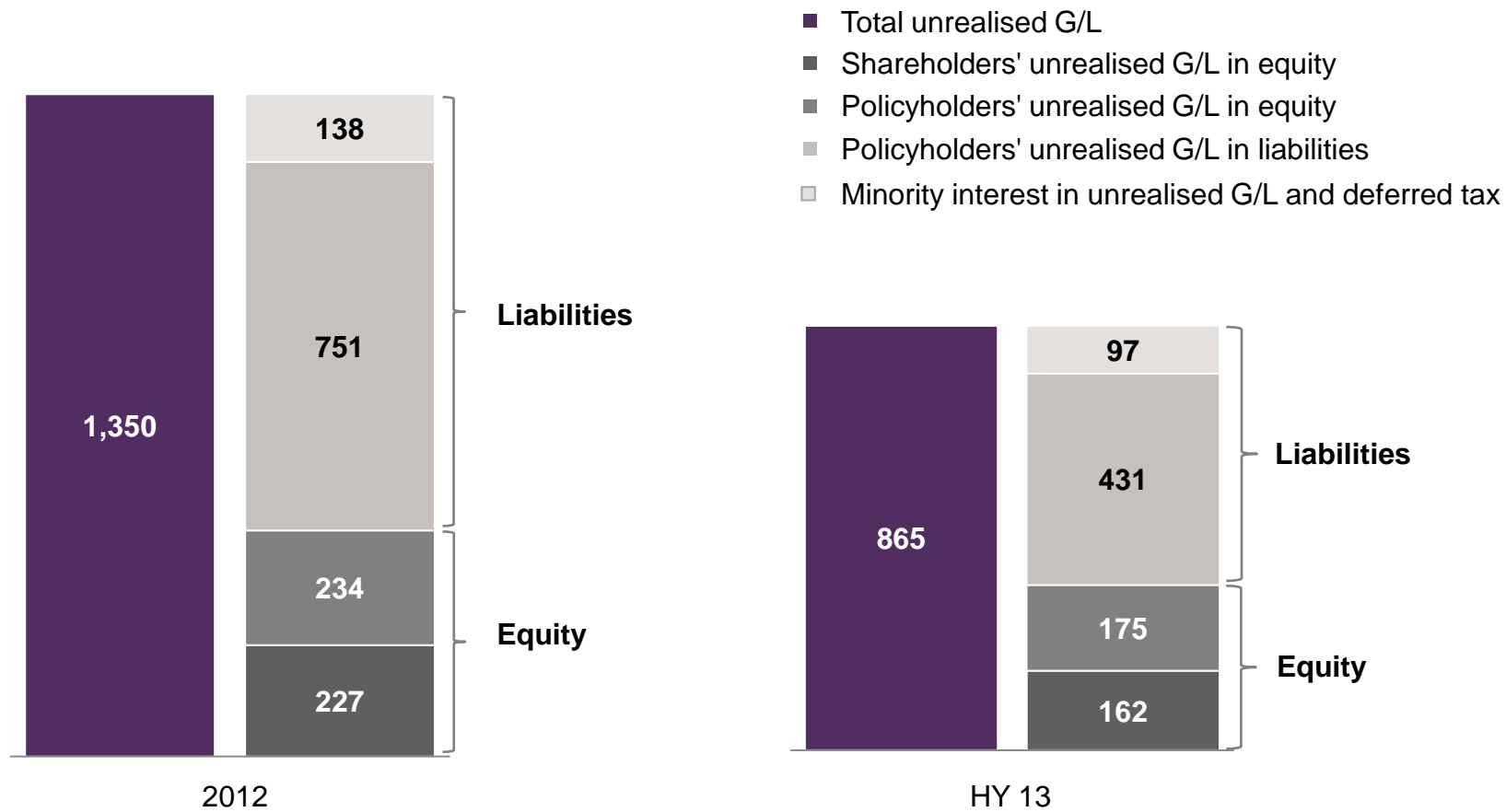
## Unrealised gains/losses on assets

	HY 13	2012	Δ
Equities	240	203	+37
Bonds	609	1,132	-523
Other	16	15	+1
<b>Total</b>	<b>865</b>	<b>1,350</b>	<b>-485</b>

# Unrealised gains/losses

## Breakdown between shareholders and policyholders

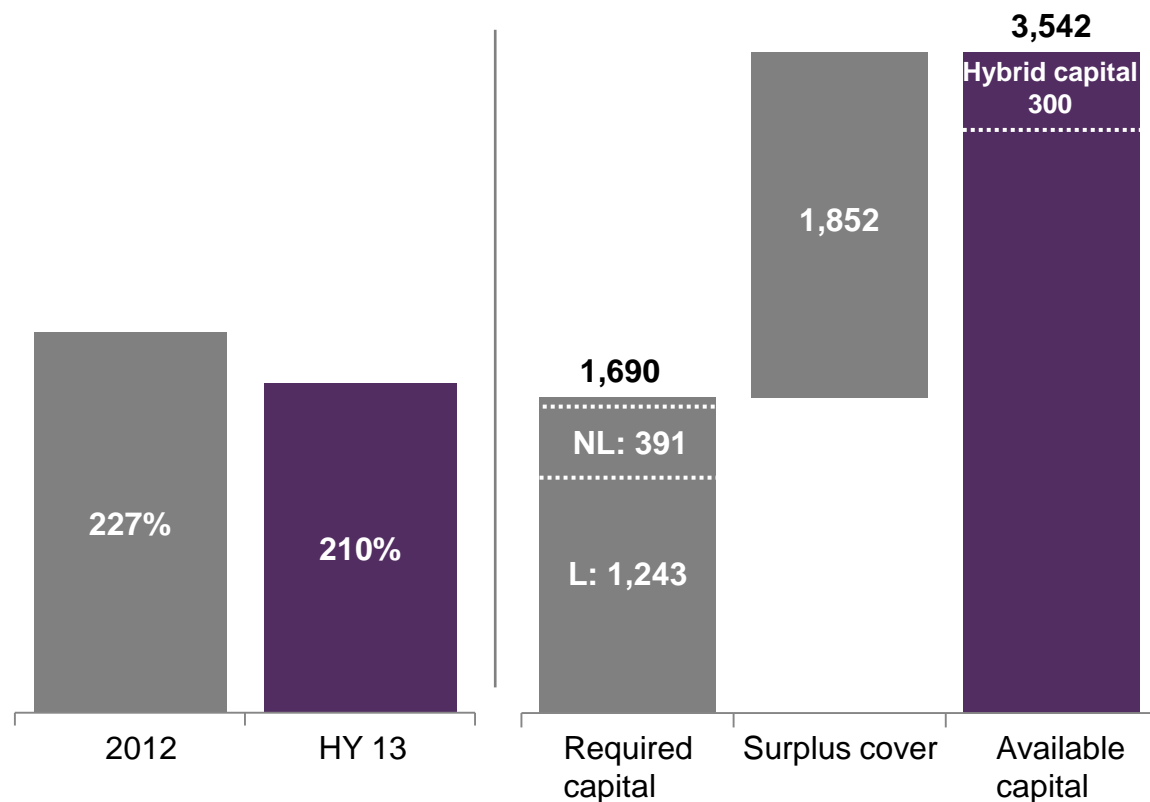
(in CHF million)



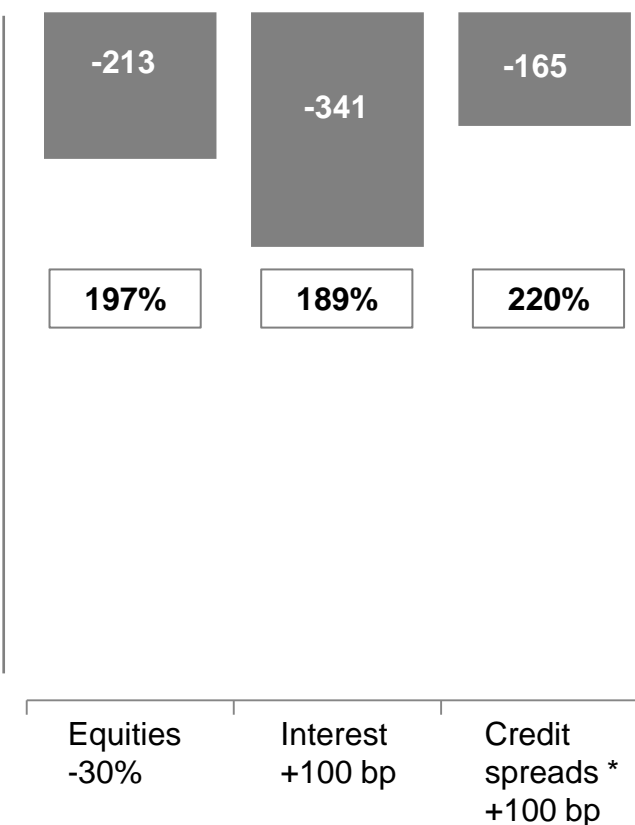
# Group solvency and sensitivities

(in CHF million)

Solvency I 210% (reported)



Sensitivity analysis:  
IFRS equity and Solvency I



\* Contains corporate spreads and sovereign spreads for PIIGS countries.

	Modified duration <sup>*)</sup>	Share in %
Bonds	7.8	77.7
Other interest rate instruments and loans	4.1	22.3
<b>Total interest rate instruments and loans</b>	<b>7.0</b>	<b>100.0</b>
<b>Liabilities life and non-life</b>	<b>7.3</b>	<b>100.0</b>

- Duration gap of 0.3<sup>\*\*)</sup> (before consideration of real estate as additionally matching asset class)

<sup>\*)</sup> Based on the current SST model. Real estate durations are not taken into account.

<sup>\*\*)</sup> The duration gap represents the exposure of risk-bearing capital to interest rate changes.

# Retroactive restatement due to IAS 19

(in CHF million)

## Effect due to IAS 19

► **Equity -109**

Amendments to IAS 19 (effective since January 2013) have material impact on the recognition of employee benefits:

- **Abolition of the "corridor" approach**  
Immediate recognition of G/L in the statement of comprehensive income, option to defer recognition of G/L no longer allowed  
  
Increased volatility in the balance sheet and income statement expected

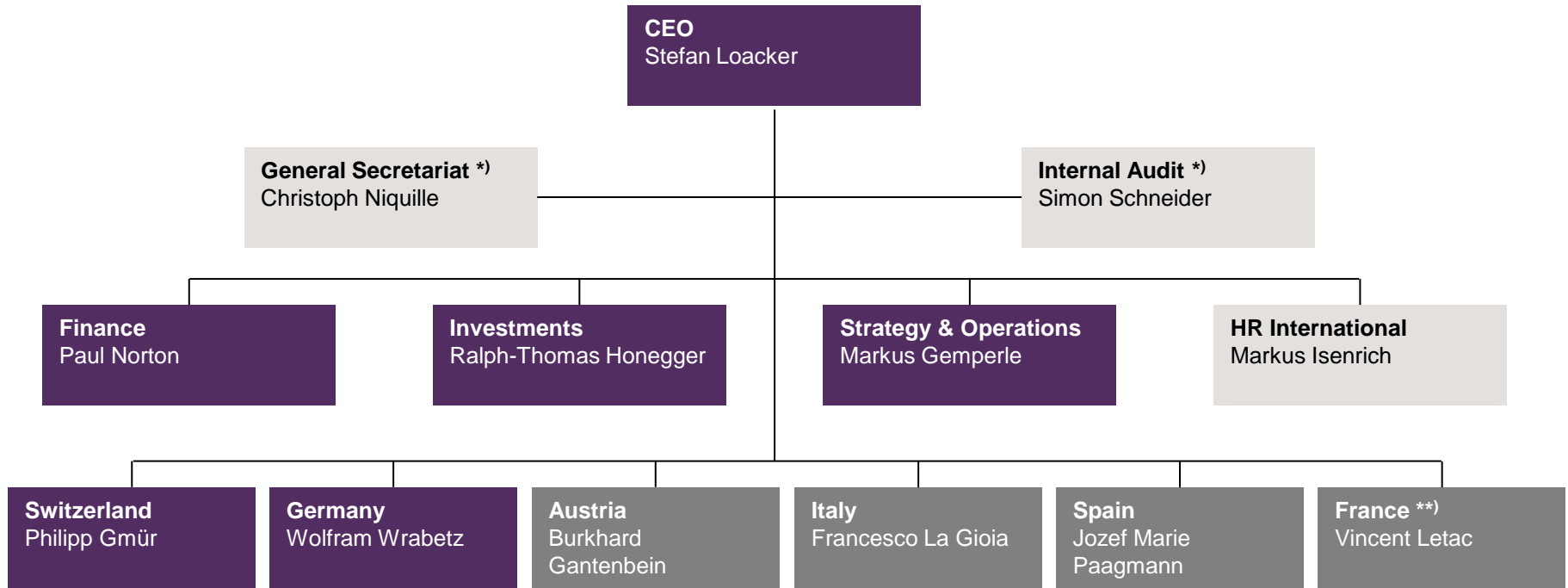
Further effects within the reporting period due to first time application of additional changes and amendments (without restatement):

- **Introduction of new generation tables**
- **Amendment to the pension and supplementary fund regulations**

Helvetia is a Europe-wide all-line insurance provider with core competences in risk management (life and non-life insurance business, reinsurance) as well as in pensions. The Group is active in Central and Southern Europe through its regional offices and subsidiaries. The Group is headquartered in St. Gallen, while the Swiss company's headquarters are located in Basel. With approximately 5,200 employees, Helvetia provides services to more than 2.7 million customers in six European countries. Around 2,500 people work for the company in Switzerland. The Group generated a business volume of about CHF 7.0 billion in the past financial year and a net profit of about CHF 333.1 million. The registered shares of Helvetia Holding are traded on the SIX Swiss Exchange under the symbol HELN.



# Management structure of Helvetia Group



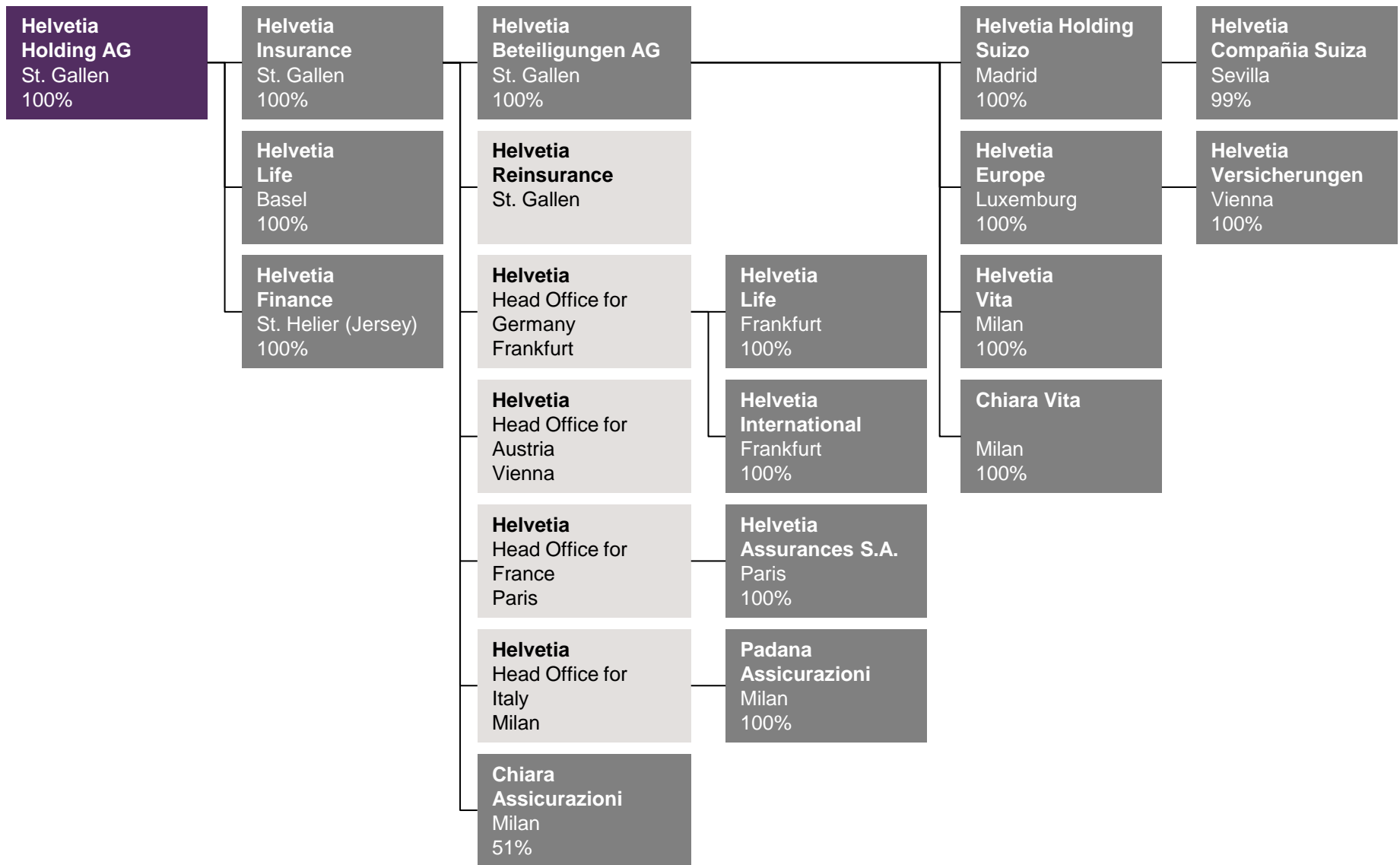
■ Members of the Group Executive Management

■ Support functions

\*) reports to the Chairman of the Board of Directors

\*\*) Vincent Letac has succeeded Alain Tintelin as CEO as of 1<sup>st</sup> July 2013.

# Group structure



- 10.03.2014 Publication of annual financial results for 2013
- 25.04.2014 Ordinary Shareholders' Meeting
- 02.09.2014 Publication of half-year results for 2014

## Investor Relations

---

Susanne Tengler  
Head of Investor Relations  
Helvetia Group  
Dufourstr. 40  
CH 9001 St.Gallen  
Telephone: +41 (0)58 280 57 79  
Email: [susanne.tengler@helvetia.ch](mailto:susanne.tengler@helvetia.ch)

Simon Weiss  
Investor Relations Manager  
Helvetia Group  
Dufourstr. 40  
CH 9001 St.Gallen  
Telephone: +41 (0)58 280 54 49  
Email: [simon.weiss@helvetia.ch](mailto:simon.weiss@helvetia.ch)

## Corporate Communications & Brand Management

---

Martin Nellen  
Head of Corporate Communications  
Helvetia Group  
Dufourstr. 40  
CH 9001 St.Gallen  
Telephone: +41 (0)58 280 56 88  
Email: [martin.nellen@helvetia.ch](mailto:martin.nellen@helvetia.ch)