Helvetia Group Conference Call
Monday, 1 September 2014

Half-year financial statements 2014
(The spoken word takes precedence)

Stefan Loacker, CEO of Helvetia Group

Half-year results 2014

Ladies and Gentlemen, I have the pleasure of welcoming you to the presentation of our results for the first half of 2014. Helvetia once again performed very well in the first half of the year. Business volume rose to CHF 4.8 billion. Net income at around CHF 197 million was also up by almost 10% on the previous year. The successful first half shows that we are on track. We would now like to use this presentation to provide you with the most important facts and background in more detail.

(Slide 3) Programme

After my introduction, Paul Norton will explain our current results, Ralph Honegger will discuss the investment result, and Philipp Gmür will describe the development of the business in our very successful home market of Switzerland. Finally I will give you an update on the acquisition of Basler Austria and an outlook on the combination with Nationale Suisse. After this, we will be available to answer any questions you may have.

(Slide 4) Key messages of the half-year results 2014

I would now like to start with a brief overview on page 4 of the presentation:

§ Helvetia Group can look back at an excellent first half-year. Net income rose to around CHF 197 million, which is almost 10% over the comparable period in the prior year. The sharp increase at Group level is mainly due to a very good result in non-life business which increased by 37.5% to CHF 103.1 million, based on solid technical results and a good investment result. Helvetia's profits are, however, also broadly based in geographic terms. In addition to the usual strong earnings in the home market of Switzerland, almost all the foreign markets contributed to the increased earnings and improved their share of the overall result. We are very pleased with this performance.

- Due to a decreased burden from severe weather and major losses compared to the prior year, we once again improved the net combined ratio in non-life business, which was already at a good level. All the country markets had a net combined ratio of below 100%. Paul Norton will give you detailed information on this.

- Our business volume rose during the reporting period to CHF 4.8 billion, slightly above the figure for the same period last year, with growth driven by stronger momentum in non-life business. We generated 2.8% more premiums here compared to the first half of 2013. Following the portfolio restructuring of the previous year, we are particularly pleased by the 3.4% growth in German business. The extremely profitable Swiss business also enjoyed another 2.8% growth over the previous year. The first rays of hope were also seen in Spain and Italy after the stunted economic growth caused by the recession: Our Spanish subsidiary again achieved slight growth of 1.2% in the non life business, and Helvetia Italia benefited from the acquisition of Chiara Assicurazioni.

  Business volume in life business remained stable at Group level. While Germany, Italy and Austria posted double-digit growth, business volume in Switzerland slipped back slightly. The reasons for this were a special effect in occupational pension business and a tranche product in individual life that was only partially booked due to a timing effect. Philipp Gmür will later explain the details concerning the Swiss life business. In Spain, the premium volume followed the market trend and was likewise lower than in the first half of 2013.

  Assumed reinsurance increased premiums by 12.3% during the reporting period due to successful new business and portfolio increases.

- Investment result from Group financial assets and investment property amounted to CHF 582 million compared to CHF 594 million in the first half of 2013. Despite continued low interest rates the direct yield fell by only 7 basis points to an annualized 2.7%. Generally strong business performance is reflected in what continues to be a robust capital position. The Solvency-I ratio was 238%. SST ratio is in the range of 150 to 200% as at the end of the 2013 financial year. Return on equity rose from 9.3% to 9.4% due to increased earnings power, despite the attractive dividend strategy and growth in equity over the same time in the prior year.

- Finally, I would like to draw your attention to the important strategic steps we announced in May and July of this year. To supplement our organic growth we are pursuing an active acquisition policy at Helvetia. In the first half of 2014, Helvetia acquired Basler Austria, thereby becoming one of the Top 10 Austrian insurance companies. A landmark decision was made in July this year: Helvetia and Nationale Suisse reached an agreement to form a new insurance group together. This union will create a strong Swiss insurance group with outstanding prospects. At the end of this presentation I would like to update you on the status of this.

Allow me to pass you over to Paul Norton now. >>>