

## Media release

St.Gallen, 1 September 2014

### Helvetia increases profits and prepares to join forces with Nationale Suisse

In the first half of 2014, Helvetia Group increased its profit by 9.8 per cent to CHF 196.9 million. The business volume grew by 1.3 per cent (in original currency) to CHF 4,821.7 million. The process of joining forces with Nationale Suisse is proceeding according to plan.

#### Key data for the first half of 2014 at a glance:

<b>Earnings after tax:</b>	<b>CHF 196.9 million</b>	First half 2013: CHF 179.4 million; +9.8 per cent
<b>Business volume:</b>	<b>CHF 4,821.7 million</b>	First half 2013: CHF 4,775.0 million; +1.3 per cent in original currency
<b>Solvency I ratio</b>	<b>238 per cent</b>	2013: 218 per cent
<b>Combined ratio (net)</b>	<b>93.6 per cent</b>	2013: 94.9 per cent
<b>Equity</b>	<b>CHF 4,382.6 million</b>	2013: CHF 4,131.2 million

Please see the Notes for other key data, including comments.

Helvetia Group can look back on a strong first half of the year in 2014 with earnings of CHF 196.9 million, an increase of 9.8 per cent over the previous year. The premium volume grew by 1.3 per cent to CHF 4,821.7 million. The capital base remains at a high level with a Solvency I ratio of 238 per cent (2013: 218 per cent).

#### Strong rise in profits

The main driver for the increase in earnings for the period at Group level was the result of the non-life business, which increased by 37.5 per cent to CHF 103.1 million, based on solid technical results and a good investment result. Earnings are broadly based geographically. 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. The combined ratio

improved to 93.6 per cent thanks to a lower level of storm claims than in the previous year. All the markets have a combined ratio of below 100 per cent.

The result in life insurance was CHF 71.9 million, slightly above the same period of the previous year (+0.9 per cent). The solid technical performance was able to compensate for the weaker investment result due to the development of interest rates. The good results made it possible to further strengthen reserves, particularly in Switzerland and Germany, due to the continued low interest rates.

### **Sustainable growth strategy**

At CHF 4,821.7 million, the business volume was up slightly over the first half of the previous year (CHF 4,775.0 million). The growth driver was the more profitable non-life business, which increased by 2.8 per cent. After the portfolio restructuring last year, the German business recorded a solid increase of 3.4 per cent. Helvetia was also able to achieve a significant increase of 2.8 per cent in our home market of Switzerland. Spain and Italy are also seeing the first rays of hope after the weak growth in recent years resulting from the recession: the Spanish unit again realised slight growth of 1.2 per cent and the Italian country market profited from the acquisition of Chiara Assicurazioni.

In the life business, Helvetia managed to keep the business volume stable. Helvetia achieved double-digit growth in this area in Germany, Italy and Austria. In Switzerland, the volume decreased due to the slight decline in the occupational pension business and the fact that a tranche product in the individual life business was only partially reported by the end of June. In Spain, the premium volume followed the market trend and was likewise lower than in the first half of 2013.

### **Solid capital ratios**

Earnings from the Group's financial assets and investment property amounted to CHF 582.1 million, compared to CHF 594.4 million in the first half of 2013. Higher investment volumes resulted in an increase in the direct income to CHF 510.1 million, CHF 8.8 million more than in the previous year. The direct yield remained largely stable at an annualised 2.7 per cent (previous year: 2.8 per cent).

Helvetia further improved its robust capital position thanks to its overall convincing performance. This can be seen in our outstanding Solvency I ratio of 238 per cent. Despite the payment of an attractive dividend, equity increased from CHF 4,131.2 at the end of 2013 to CHF 4,382.6 million. Return on equity increased from 9.3 per cent to 9.4 per cent due to increased profitability.

### **Joining forces with Nationale Suisse**

Helvetia also announced key strategic steps in the first half of 2014, including the acquisition of Basler Austria. The transaction, which was completed in late August, makes Helvetia 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. The new group will take a leading position in the home market. International growth potential exists owing to

attractive positions in selected European markets and expertise in the area of specialty lines.

The takeover of Nationale Suisse is proceeding according to plan. A public purchase and exchange offer for the acquisition of its shares has been extended to the shareholders of Nationale Suisse. The offer period started on 26 August 2014 and continues until 19 September 2014. The Board of Directors and the Executive Management of Helvetia are convinced of the strategic and economic success of this acquisition and recommend that Helvetia shareholders support this offer. Shareholders, customers and employees will receive lasting benefits from the much stronger position in the home market and the further improvement in opportunities abroad. The Board of Directors of Nationale Suisse also recommends that the company's shareholders accept Helvetia's offer.

Stefan Loacker, CEO of the Helvetia Group, is pleased with the 2014 interim financial statements and the planned union with Nationale Suisse: "The impressive 2014 interim results underscore Helvetia Group's successful performance. Profitable growth and a solid capital base create the best foundation to form a unique insurance group with Nationale Suisse with excellent prospects for success."

## Notes

- A conference call in German will be held today at 9.00 a.m. and a conference call for analysts in English will be held today at 11.00 a.m.
- The (English) conference call can be followed online at [www.helvetia.com](http://www.helvetia.com) (audio). A replay will be available on [www.helvetia.com](http://www.helvetia.com) from about 4.00 p.m.
- The letter to shareholders, including the interim report, and the slide show for the media and analysts' conference are available online now at [www.helvetia.com/en/ir-infokit](http://www.helvetia.com/en/ir-infokit).
- The most important key figures can be found in the factsheet.

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### **About the Helvetia Group**

Over the past 150 years, the Helvetia Group has developed out of various Swiss and foreign insurance companies into a successful insurance group with a presence throughout Europe. Helvetia now has branches in Switzerland, Germany, Austria, Spain, Italy and France. It also conducts some of its investment and financing operations via subsidiary and fund companies in Luxembourg and Jersey. The Group's head office is located in the Swiss town of St. Gallen. Helvetia offers life policies, insurance against loss and reinsurance. With around 5,200 employees, it provides services for more than 2.7 million customers. In the 2013 financial year, Helvetia generated net income of CHF 363.8 million on a business volume of CHF 7.5 billion. The registered shares of Helvetia Holding are traded on the SIX Swiss Exchange under the code HELN.

### **Cautionary note**

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### **Important note**

This communication is exclusively for information purposes in connection with the public purchase and exchange offer of the Helvetia Holding AG for the shares of Schweizerische National-Versicherungs-Gesellschaft AG (Nationale Suisse). This communication constitutes neither an offer nor a solicitation to exchange, buy or subscribe any securities, nor an issue prospectus in the sense of Article 652 a or 1156 of the Swiss Code of Obligations or a listing prospectus pursuant to the listing rules of SIX Swiss Exchange AG. Decisions regarding the sale,

purchase or subscription of shares of Helvetia or Nationale Suisse should be made exclusively on the basis of the official offer prospectus and listing prospectus published by Helvetia. This communication is also available in English, French and Italian. The German version is binding.

## **Offer restrictions**

### **General**

The public offer is made neither directly or indirectly in any country or jurisdiction in which such an offer would be unlawful or in which it would otherwise violate applicable law or applicable regulations, or which would require Helvetia to make any changes to the terms or conditions of the offer, an additional application or take additional actions with respect to any government, regulatory or legal authorities. There are no plans to extend the offer to any such countries or jurisdictions. Documents relating to the offer may not be distributed in or be sent to such countries or jurisdictions. Such documents may not be used for the purpose of soliciting the purchase of securities of Nationale Suisse by legal entities or natural persons residing or incorporated in such countries or jurisdictions.

### **United States**

The public tender offer described in this press release will not be made directly or indirectly by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America (hereinafter the «U.S.» meaning the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia) and may only be accepted outside the U.S. This includes, but is not limited to, facsimile transmission, telex or telephones. This press release and any other offering materials with respect to the public tender offer described in this press release must not be distributed in nor sent to the U.S. and must not be used for the purpose of soliciting the sale or purchase of any securities of Nationale Suisse, from anyone in the U.S. Helvetia is not soliciting the tender or exchange of securities of Nationale Suisse by any holder of such securities in the U.S. Securities of Nationale Suisse will not be accepted from holders of such securities in the U.S. Any purported acceptance of the offer that Helvetia or its agents believe has been made in or from the U.S. will be invalidated. Helvetia reserves the absolute right to reject any and all acceptances determined by them not to be in the proper form or the acceptance of which may be unlawful.

The securities to be issued pursuant to the public tender offer described in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the «U.S. Securities Act»), nor under any law of any state of the United States of America, and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the U.S., except pursuant to an exemption from the registration requirements of the U.S. Securities Act and the applicable state securities laws. Neither this press release nor the public tender offer described in this press release does constitute an offer to sell or the solicitation of an offer to buy any securities in the U.S. or in any other jurisdiction in which such an offer or solicitation would be unlawful. Securities may not be offered or sold in the U.S. absent registration or an exemption from registration. Helvetia will not register or make a public offer of its securities, or otherwise conduct the public tender offer, in the U.S.

### **United Kingdom**

This communication is directed only at persons in the U.K. who (i) have professional experience in matters relating to investments, (ii) are persons falling within article 49(2)(a) to (d) («high net worth companies, unincorporated associations, etc») of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as «relevant persons»). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

### **Australia, Canada and Japan**

The public tender offer described in this press release is not addressed to shareholders of Nationale Suisse whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the offer.

### **European Economic Area**

The public tender offer described in this press release (the «Offer») is only being made within the European Economic Area («EEA») pursuant to an exemption under Directive 2003/71/EC (as amended and together with any applicable adopting or amending measures in any relevant member state (as defined below), the «Prospectus Directive»), as implemented in each member state of the EEA (each a «relevant member state»), from the requirement to publish a prospectus that has been approved by the competent authority in that relevant member state and published in accordance with the Prospectus Directive as implemented in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive.

Accordingly, in the EEA, the Offer and documents or other materials in relation to the Offer and the shares in Helvetia (the «Offeror Shares») are only addressed to, and are only directed at, (i) qualified investors («qualified investors») in the relevant member state within the meaning of Article 2(1)(e) of the Prospectus Directive, as adopted in the relevant member state, and (ii) persons who hold, and will tender, the equivalent of at least EUR 100,000 worth of shares in Nationale Suisse (the «Target Shares») in exchange for the receipt of Offeror Shares (collectively, «permitted participants»). This press release and the documents and other materials in relation to the Offer may not be acted or relied upon by persons in the EEA who are not permitted participants, and each Nationale Suisse shareholder seeking to participate in the Offer that is resident in the EEA will be deemed to have represented and agreed that it is a qualified investor or that it is tendering the equivalent of EUR 100,000 worth of Target Shares in exchange of Offeror Shares.