Helvetia Group analysts' conference call
Half-year results 2018
Tuesday, 4 September 2018

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(the spoken words take precedence)

Philipp Gmür, CEO Helvetia Group

(Slide 1) Half-year results 2018
Ladies and gentlemen, welcome to our conference call on the results of the first half of 2018. Within the next 45 minutes, we would like to give you detailed information on our business development and the key financials of the reporting period.

(Slide 3) Agenda
Following my introduction, our CFO Paul Norton will go through the financial figures. After my summary at the end of the presentation, Paul Norton and I, as well as our Chief Investment Officer Ralph-Thomas Honegger, will be pleased to answer your questions, as always.

(Slide 4) Key figures and highlights at a glance
On slide 4, I would like to share with you a brief overview of the main performance indicators. Paul will give you detailed information on the developments of these figures later on.
In view of the challenging environment, we can look back on resilient key performance indicators in the first half of 2018. We achieved a solid result despite headwinds from the capital markets and losses from bad weather. Growth, combined ratio in non-life and new business margin in life business are developing in line with our strategy.

In the first half of 2018, we achieved a business volume at Group level of CHF 5.8 billion compared to the first half of 2017 of CHF 5.5 billion. On a currency-adjusted basis, this represents an increase of 2.9 percent. The main growth driver was non-life business, which achieved higher premiums of 5.5 percent year-on-year. The European units, which are back on growth track after the portfolio restructurings, as well as Active reinsurance significantly contributed to the pleasing growth. In life business, volume increased by 0.8 percent in original currency. This was mainly driven by higher volumes in investment-linked products in Switzerland and Germany.

At CHF 224 million, the IFRS result after tax was *above* the IFRS result of CHF 210 million for the same period in 2017, but *below* the respective underlying earnings of CHF 258 million.
The main reason for this was the weaker performance of the stock markets in particular, which was reflected in both non-life and life business. In non-life business, the quality of the portfolio remains good overall, as reflected by the solid net combined ratio of 92.7 percent. Yet a higher number of bad weather events in Germany and Switzerland had a negative impact.
The factors just mentioned above naturally also weighed on the results of the segments Switzerland and Europe, which therefore lagged behind the previous year. The development in the Specialty Market segment, however, has to be positively emphasised. Driven by strong technical results in France and in Active Reinsurance we were able to increase earnings by 12.7 percent.

I am also pleased with the development of new business in life: the new business margin rose compared to the first half of 2017 and now stands at 1.4 percent (first half of 2017: 1.2 percent). One driver was the higher new business volume in capital-light, investment-linked insurance solutions. On the other hand, the product adjustments made in traditional savings products also had a positive effect.

Both, in terms of combined ratio and new business margin, we continue to meet our targets for the current strategy period. Helvetia continues to have a solid capital base and a strong dividend capacity.

After all, we are also making good progress in implementing our strategy. I will come back to this later in the second part of my presentation.
With that, I would like to turn over the presentation to our CFO, Paul Norton, who will now provide you with the most important information about the financial figures. >>>>