

Pleasing growth. Good portfolio quality. Solid results.

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Your Swiss Insurer

Ladies and Gentlemen

Helvetia can look back on a successful first half of 2019: The result improved significantly due to buoyant capital markets, strong technical results and a one-off positive tax effect. Premium growth is also pleasing, driven by the attractive non-life business. Regarding growth, we continue to value a high-quality customer portfolio.

The IFRS net income after tax amounted to CHF 289.7 million in the first half of 2019 and was thus considerably higher than the 2018 IFRS profit for the period of CHF 223.9 million. The good result was driven by strong investment results following the favourable development of the stock markets. The technical development – especially in the life business – also contributed to the profit increase. Finally, Helvetia benefited from a one-off positive tax effect of CHF 63.3 million. This is mainly due to the reduction of deferred tax provisions resulting from the federal tax reform and the associated cantonal tax reductions in Switzerland.

The business volume amounted to CHF 5,965.7 million (first half of 2018: CHF 5,832.8 million), which corresponds to a currency-adjusted increase of 3.3%. The non-life business was the main growth driver with an increase of 6.4% in original currency. Here, Helvetia was able to post gains, in particular, in the property insurance business. Growth in Europe and Specialty Markets was particularly pleasing, with premium growth in non-life of 5.9% and 17.5% year on year. In the life insurance business, Helvetia also posted a higher business volume compared to the previous year (+0.6% in original currency). A decline in traditional life insurance products was compensated for by increases in capital-



Doris Russi Schurter Chairwoman of the Board of Directors
Dr Philipp Gmür Chief Executive Officer

efficient investment-linked insurance products in individual life in Switzerland and Germany. Growth was also observed for the group life business (+2.9% in original currency). Worthy of special mention here is the growth in new business with capital-efficient insurance solutions in the Swiss business. Owing to the market withdrawal of a competitor from them the full-insurance model, it was possible to expand the volume for Swisscanto by almost 50%.

The implementation of our *helvetia 20.20* strategy, with which we want to strengthen our core business, establish new business models and make targeted use of innovation, remains on track. The expansion of the B2B2C business model is an example of strengthening the core business. The B2B2C business contributes to the expansion of our distribution capacity. It enables customers to conclude insurance for their purchase directly at the point of sale, thus meeting the need to insure special products individually. We apply this approach, for example, to electrical equipment and electronics or vehicles. In that context, Helvetia acquired Helvetic Warranty GmbH as of 1 July. Helvetic Warranty acts as an interface between distribution partners and insurers and provides comprehensive services from the initial sale to the handling of claims. Moreover, Helvetic Warranty has considerable know-how in efficient claims settlement.

We are developing new business models in the mobile sector with Smile, the leading Swiss online insurer. Smile wants to offer customers a unique digital customer experience by being the first Swiss provider to offer "mobile first". At the start of July, Smile fully overhauled its brand presence and differentiated itself further from the traditional insurance market. The customer experience will be more data-driven in future, similar to the major online traders. Moreover, Smile will launch an app in September, which will act as a central interface for its own offer and via which customers can be

offered additional services. Smile enables us to reach a growing and complementary customer segment that is used to flexible services offered directly via smartphone.

One way in which Helvetia accesses innovations is through holdings in start-ups through its proprietary venture fund, for example the current involvement in the Italian start-up MyPass. The company develops mobile apps to facilitate the purchase and management of tickets, parking cards, ski passes and the like. Helvetia has been working with MyPass since March 2019 and offers ski insurance through this platform. The plan is to market other insurance solutions, for example in the travel sector, via MyPass apps in future.

Our employees remain central to the implementation of the *helvetia 20.20* strategy. That does not just mean working on the further development of permanent staff but also includes training junior staff. Helvetia has about 200 young talents as of 2019, the majority (150) of whom are apprentices. We consider it very important to allow our junior staff the scope they need to realise their full potential. For example, they are responsible for the management and team organisation of a customer service centre. We are deliberately breaking with tradition through this service centre and emphasising our attractiveness as an employer.

The financial figures and examples of the strategy implementation process show that we can look back on the first half of 2019 with satisfaction. With our *helvetia 20.20* strategy, we add value for our customers, shareholders and employees as underlined by the latest initiatives originating from our junior staff. We would like to thank you most warmly for the trust that you place in us.

Yours sincerely,



Doris Russi Schurter

Chairwoman of the Board of Directors



Dr Philipp Gmür

Chief Executive Officer

Important information

For reasons of sustainability, we will no longer physically send the letter to shareholders to all shareholders from autumn 2020. We will, however, make all information available in German and English on our website at www.helvetia.com/publications.

Shareholder information with respect to the annual financial statements will continue to be sent out to Helvetia shareholders as before together with the invitation to the Shareholders' Meeting.

30.6.2019 30.6.2018

in CHF million

Business volume

Gross premiums life	3 002.7	3 006.7
Deposits received life	93.3	85.9
Gross premiums non-life	2 578.6	2 485.0
Active reinsurance	291.1	255.2
Business volume	5 965.7	5 832.8

Key performance figures

Result life	108.9	78.0
Result non-life	198.6	146.8
Result other activities	-17.8	-0.9
Group profit for the period after tax	289.7	223.9
Investment result	969.3	464.9
of which investment result from Group financial assets and investment property	655.8	506.0

Key balance sheet figures

Consolidated equity (without preferred securities)	5 565.6	4 994.4
Provisions for insurance and investment contracts (net)	46 552.0	45 371.2
Investments	53 936.2	52 234.5
of which Group financial assets and investment property	49 964.6	48 509.4

Ratios

Return on equity annualised ¹	10.3%	8.3%
Combined ratio (gross)	90.0%	90.2%
Combined ratio (net)	92.5%	92.7%
New business margin	3.1%	1.4%
Direct yield annualised	2.1%	2.1%
Investment performance	4.2%	-0.1%

Key share data Helvetia Holding AG²

Group profit for the period per share in CHF	5.6	4.3
Consolidated equity per share in CHF	112.5	101.0
Price of Helvetia registered shares at the reporting date in CHF	122.5	113.3
Market capitalisation at the reporting date in CHF million	6 091.4	5 633.9
Number of shares issued	49 725 685	49 725 685

¹ Based on the earnings per share (including interest on preferred securities through profit and loss) divided by the average shareholder capital (equity before preferred securities).

² Retroactive adjustment of figures due to share split at a ratio of 1 to 5 as at 13 May 2019

BUSINESS VOLUME

5,966 million

+ 3.3 % (in OC)

In the first half of 2019, Helvetia generated business volumes at Group level of CHF 5,965.7 million, which corresponds to pleasing year-on-year growth of 3.3% in currency-adjusted terms. At 6.4%, the main growth driver was the non-life business, which grew, in particular, in the property insurance business in all three segments, in engineering and in active reinsurance. However, the strong increase recorded for capital-efficient investment-linked insurance products in the individual life business in Switzerland and Germany as well as the growth in the Swiss group life business also contributed to this good growth. The new business with capital-efficient insurance solutions (Swisscanto and BVG Invest) performed especially positively here.

NET COMBINED RATIO

92.5 %

The net combined ratio improved relative to the previous year and is at a very good level. Compared to the first half of 2018, the claims ratio fell by 0.6 percentage points. In addition to a lower burden from large losses from natural catastrophes, the attritional claims development also made a positive contribution. This reflects the continued good quality of our portfolio.

NEW BUSINESS MARGIN LIFE

3.1 %

+ 1.8 percentage points

The new business margin in the life business developed very well during the first half of 2019. Compared to the previous year, the new business margin increased by 1.8 percentage points. The reasons for this were model adjustments, especially in the Swiss group life business as well as a better product/business mix.

FIRST HALF OF
2019

IFRS NET INCOME AFTER TAX

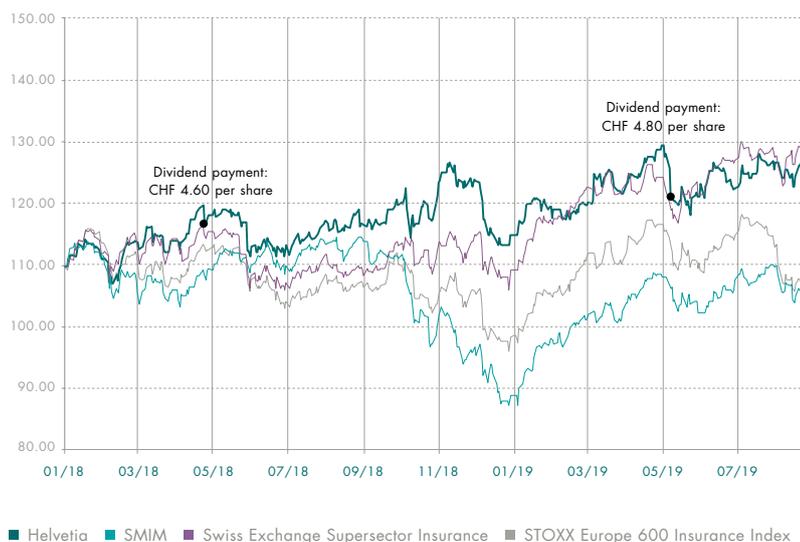
289.7 million

+ 29.4 %

This marked improvement in earnings compared to the prior-year period can be attributed to, among other factors, the strong investment results owing to the favourable performance of the stock markets in the first half of 2019. The technical performance – especially in the life business – as well as a one-off positive tax effect in the amount of CHF 63.3 million due to the reduction of deferred tax provisions driven by the federal tax reform also had a positive impact.

Market trend 1.1.2018–23.8.2019

in CHF



Important dates

4 March 2020: Publication of financial results 2019

24 April 2020: Ordinary Shareholders' Meeting in St. Gallen

27 August 2020: Publication of half-year financial results for 2020

Further information for the half-year results you will find on www.helvetia.com/corporate/web/en/home/investors/overview/publications.html.

Cautionary note regarding forward-looking information

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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 risks exist 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, ex-

pectations, estimates and intentions expressed in such forward-looking statements. These factors 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 claim events; (8) the mortality and morbidity experience; (9) policy renewal and lapse rates. We caution you that the foregoing list of important factors is not exclusive; 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 posting 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 Helvetia Group's business activities for the year ended first semester 2019. This document does not constitute an offer or a solicitation to exchange, buy or subscribe for securities and it does not constitute an offering circular within the meaning of Art. 652a of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of SIX Swiss Exchange. Should Helvetia Group make in the future one or more capital increases, investors should make their decision to buy or to subscribe for new shares or other securities solely based on the relevant offering circular.

This document is also available in German and French. The German version is legally binding.

Contacts Helvetia Group

Susanne Tengler
Head of Investor Relations
P.O. Box, CH-9001 St. Gallen
Phone +41 58 280 57 79
www.helvetia.com
susanne.tengler@helvetia.ch

Doris Oberhänsli
Share register
P.O. Box, CH-9001 St. Gallen
Phone +41 58 280 55 83
www.helvetia.com
doris.oberhaensli@helvetia.ch