

Helvetia Group 2007 Financial Statements

Welcome

Cautionary note regarding forward-looking information



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

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2008

- n **The most important results**
- n **The financial figures**
- n **The Swiss business**
- n **The foreign business units**
- n **Group strategy**

- n **Questions and answers**

Stefan Loacker

Paul Norton

Philipp Gmür

Stefan Loacker

Stefan Loacker

Helvetia: On course for success with a convincing performance.

Stefan Loacker, Group CEO

Performance of Helvetia Group in 2007



Profitable growth

Non-life premium growth:	7.1% (FX-adjusted: 4.0%)
Combined ratio (net):	94.5%
Life premium growth:	2.2% (FX-adjusted: 1.2%)
Volume of new business (APE):	+13.1%
Embedded value yield:	21.3%

Solid financial strength

Equity: + 4.1 %
Stable solvency margin at: 217.4 %
Interactive rating: "A-" with stable outlook

Attractive return on equity

RoE after taxes: 14.4% (06: 16.2%)
Pay out ratio of 54%
Above-average dividend yield of 6.1%
(excl. par value reduction: 3.7%)

The financial figures

Paul Norton, Group CFO

Key figures for total business

Stable profit and capital position



(CHF million)

	2007	2006	+/- %
Profit for the period, after taxes	402.0	423.8	-5.1
Return on equity	14.4%	16.2%	-1.8%-pt
Group solvency ¹⁾	217.4%	221.7%	-4.3%-pt
Investment performance ²⁾	2.4%	3.1%	-0.7%-pt
Gross premiums written	5'488.9	5'255.7	4.4
Net combined ratio	94.5%	94.1%	+0.4%-pt

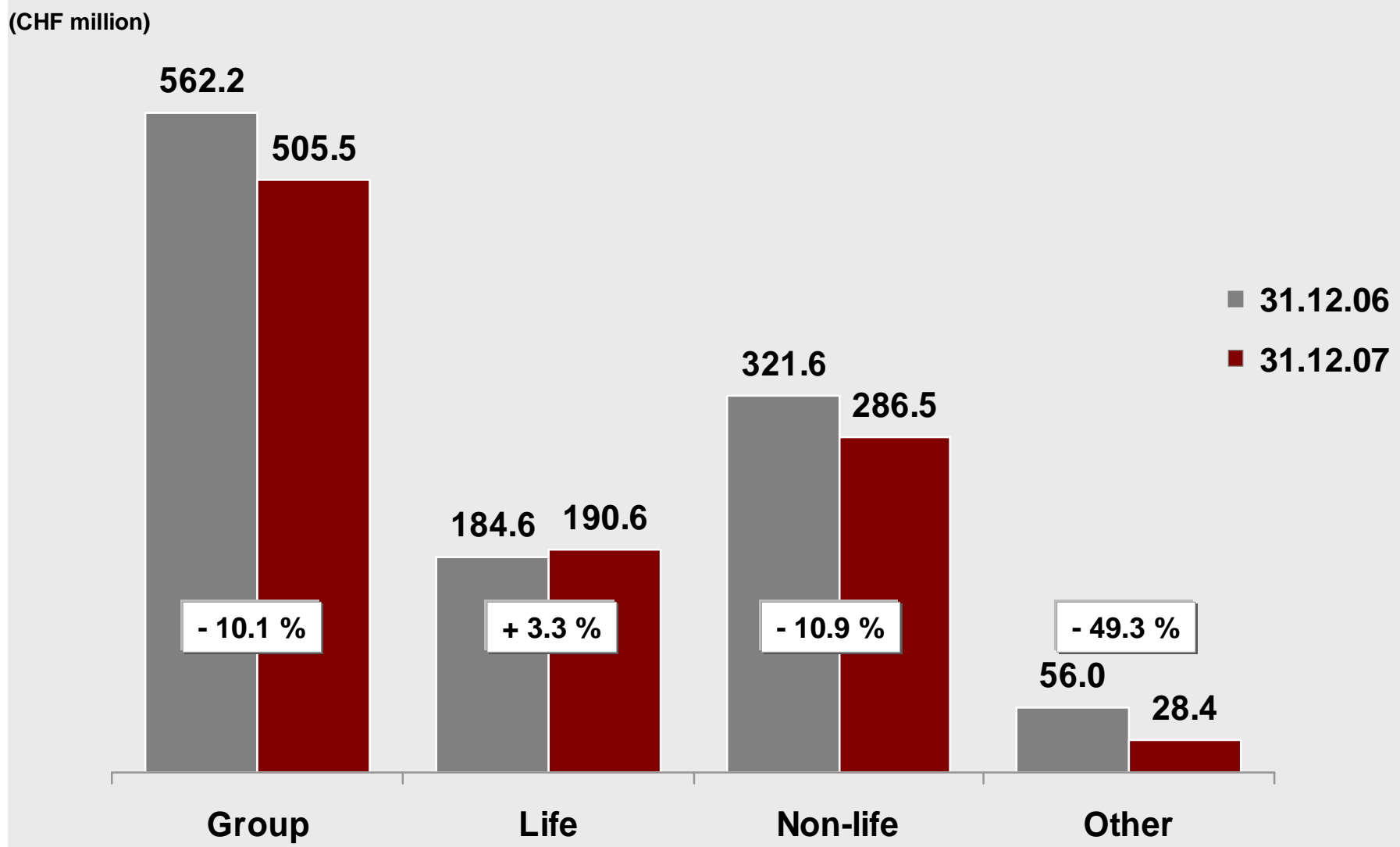
¹⁾ Calculated according to regulations of the lead regulator, the BPV

²⁾ Profit and loss and unrealised gains and losses in % of average invested capital (without unit-linked life insurance)

Pre-tax profit by business segment

Record result in life business

Strong non-life result in spite of bad weather

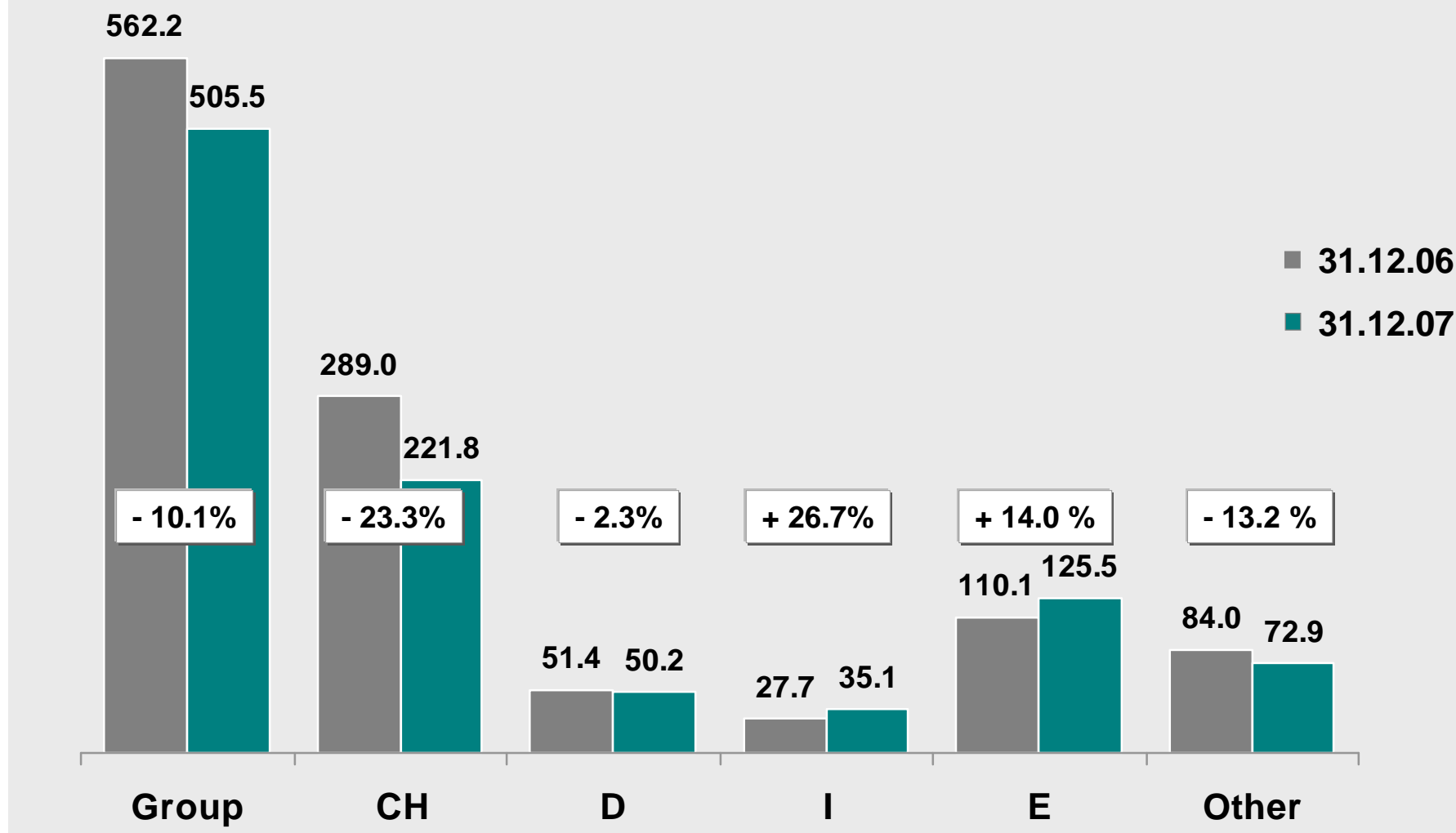


Pre-tax profit by region

All markets contributed substantial results



(CHF million)

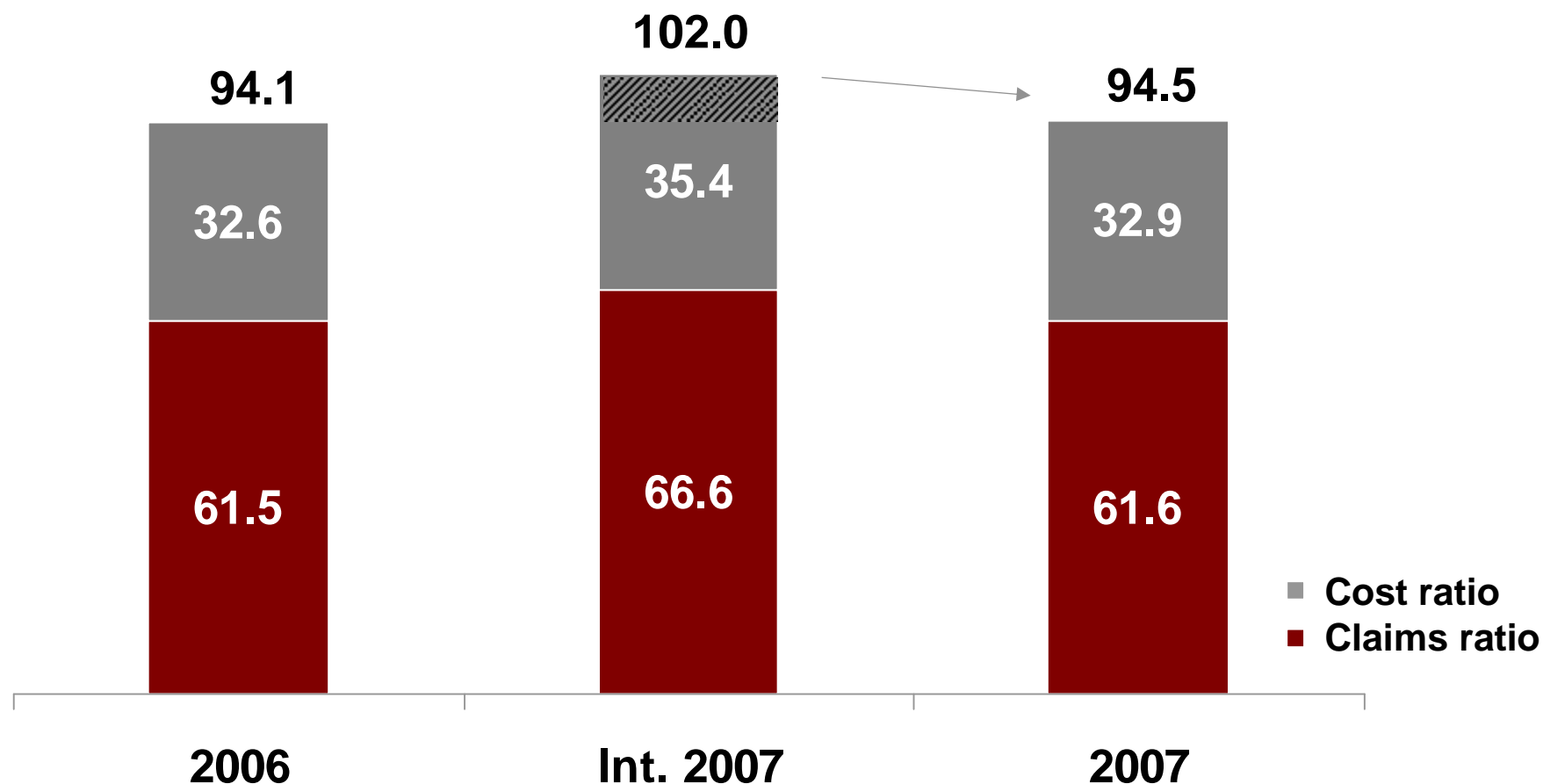


Non-life: Net combined ratio

Combined ratio on course again



(in %)



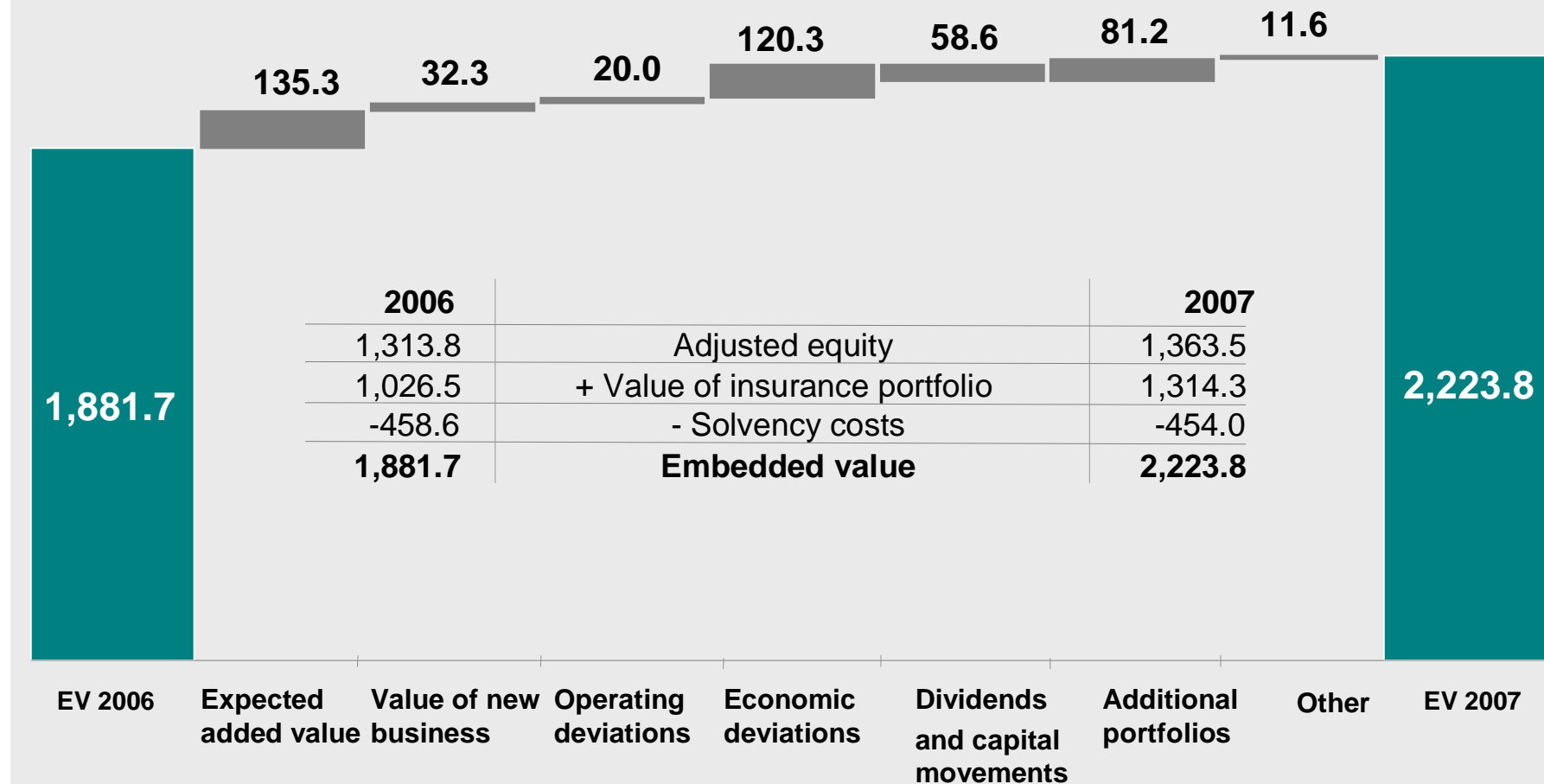
Traditional embedded value

Increase in EV 18.2%

EV yield of 21.3%

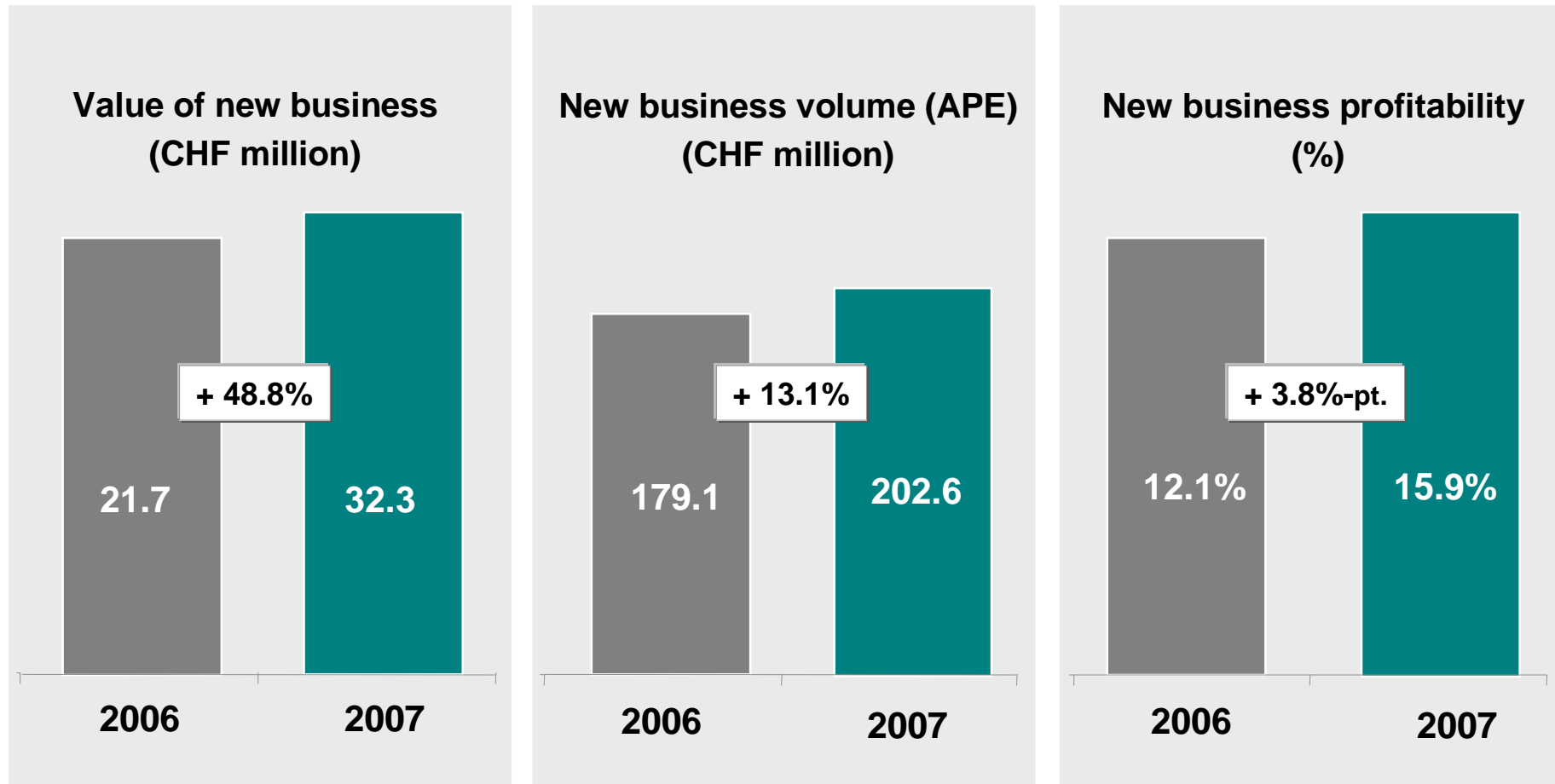


(CHF million)



Value of new business

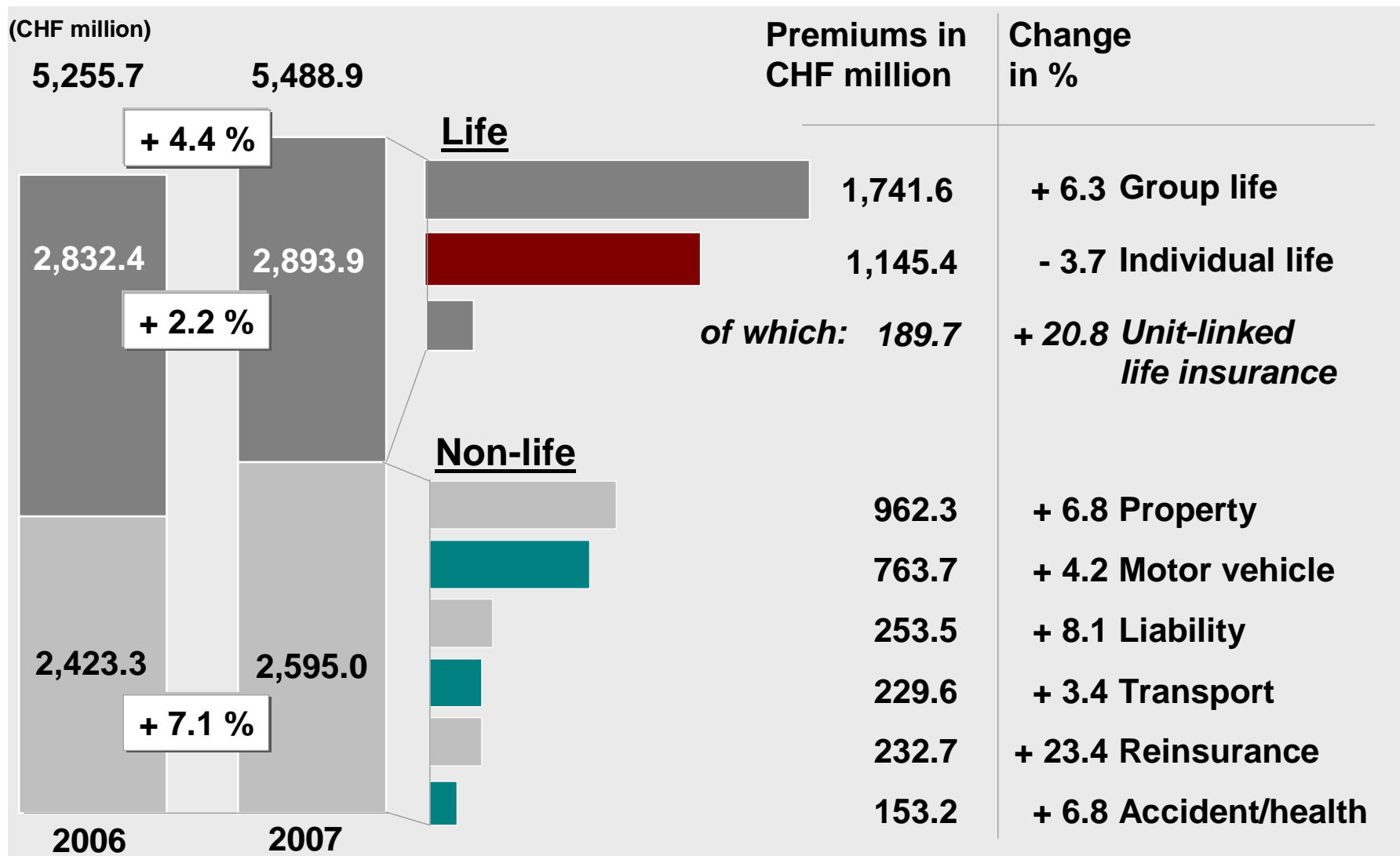
New business profitability improved from 12.1% to 15.9%



Volume of new business: annual premium equivalent (new annual premiums + 10% of new single premiums)

Premium growth

Pleasant growth in non-life business and in unit-linked life insurance



Life premium growth by country

Excellent growth in Germany and Spain



(CHF million)

Life

		2007	2006	Change in %
Switzerland		2'206.7	2'217.0	- 0.5
EU		680.3	610.9	+11.4
- Germany		297.9	211.3	+40.9
- Italy		117.8	157.8	- 25.3
- Spain		127.0	108.3	+ 17.3
- Austria		137.6	133.5	+ 3.1

■ Individual life
■ Group life
■ Unit-linked

Non-life premium growth by country

Strong growth in most markets



(CHF million)

Non-life

		2007	2006	Change in %
Switzerland		617.4	607.5	+ 1.6
Germany		633.0	586.9	+ 7.9
Italy		391.3	365.0	+ 7.2
Spain		421.2	386.5	+ 9.0
Austria		208.8	195.9	+ 6.6
France		90.6	92.8	- 2.4
Assumed reinsurance		232.7	188.7	+ 23.4

- Property
- Transport
- Motor vehicle
- Liability
- Accident/health
- Reinsurance

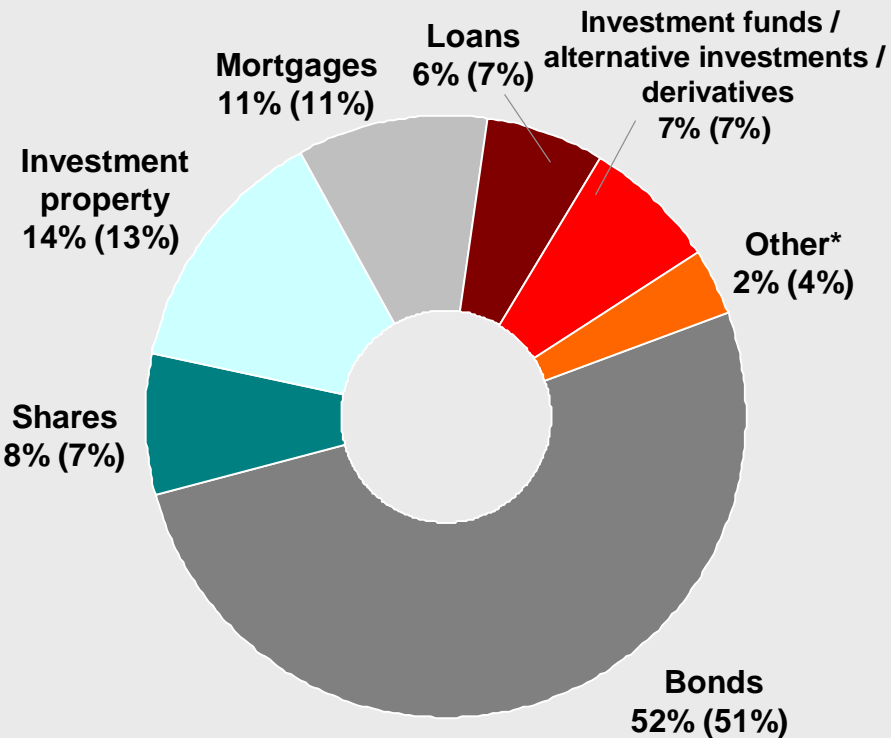
Investment structure

Valuable portfolio thanks to prudent investment strategy



(in %)

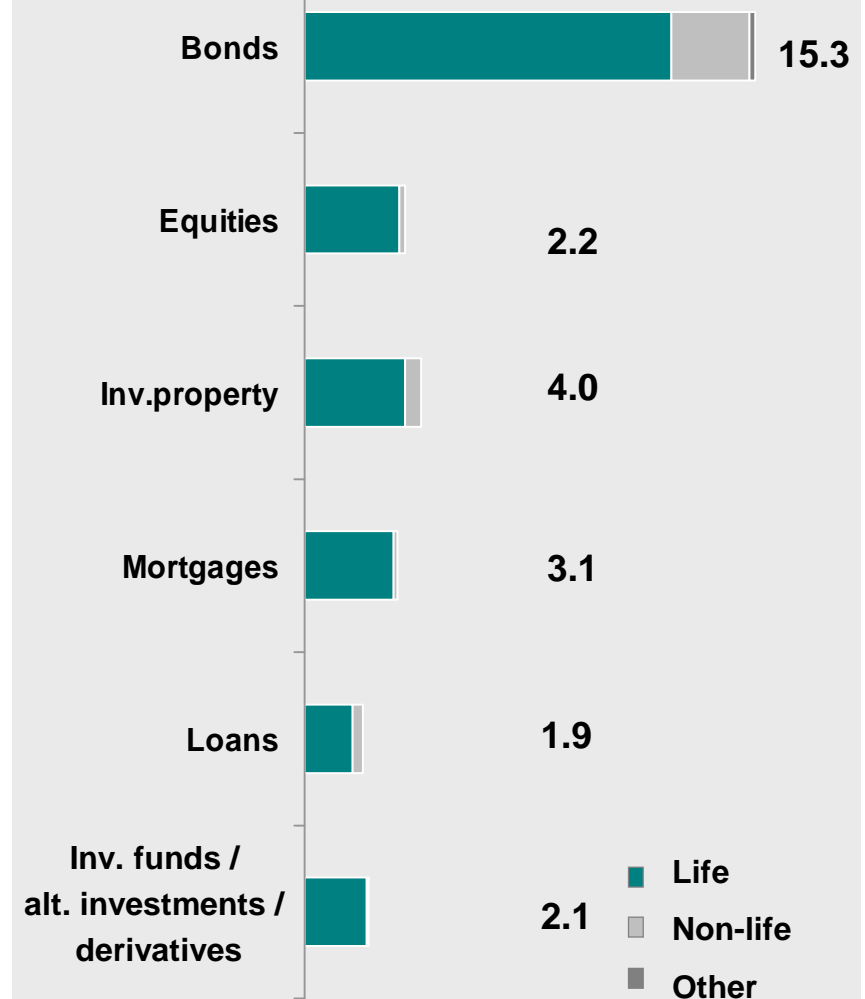
As at 12.2007 (12.2006)



Total investments:
CHF 29.4 billion/ +1.6%
(CHF 28.9 billion)

*Other:
 Money market instruments, investments in associates

(CHF billion)



■ Life
 ■ Non-life
 ■ Other

Investment income and performance

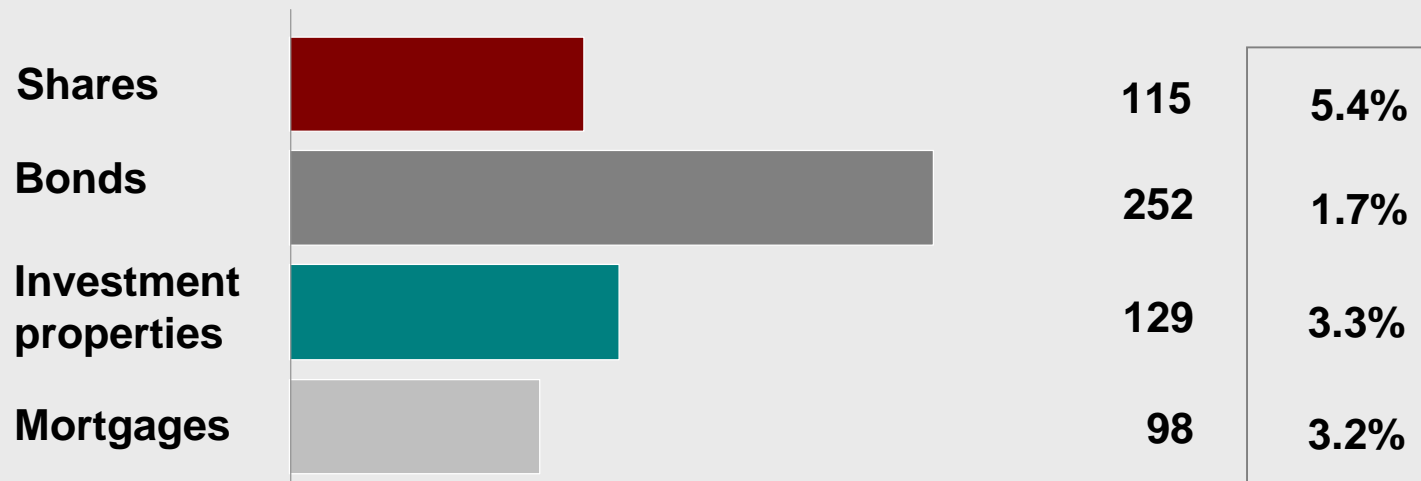
Solid performance



(CHF million)

Total performance ¹⁾ of 2.4%

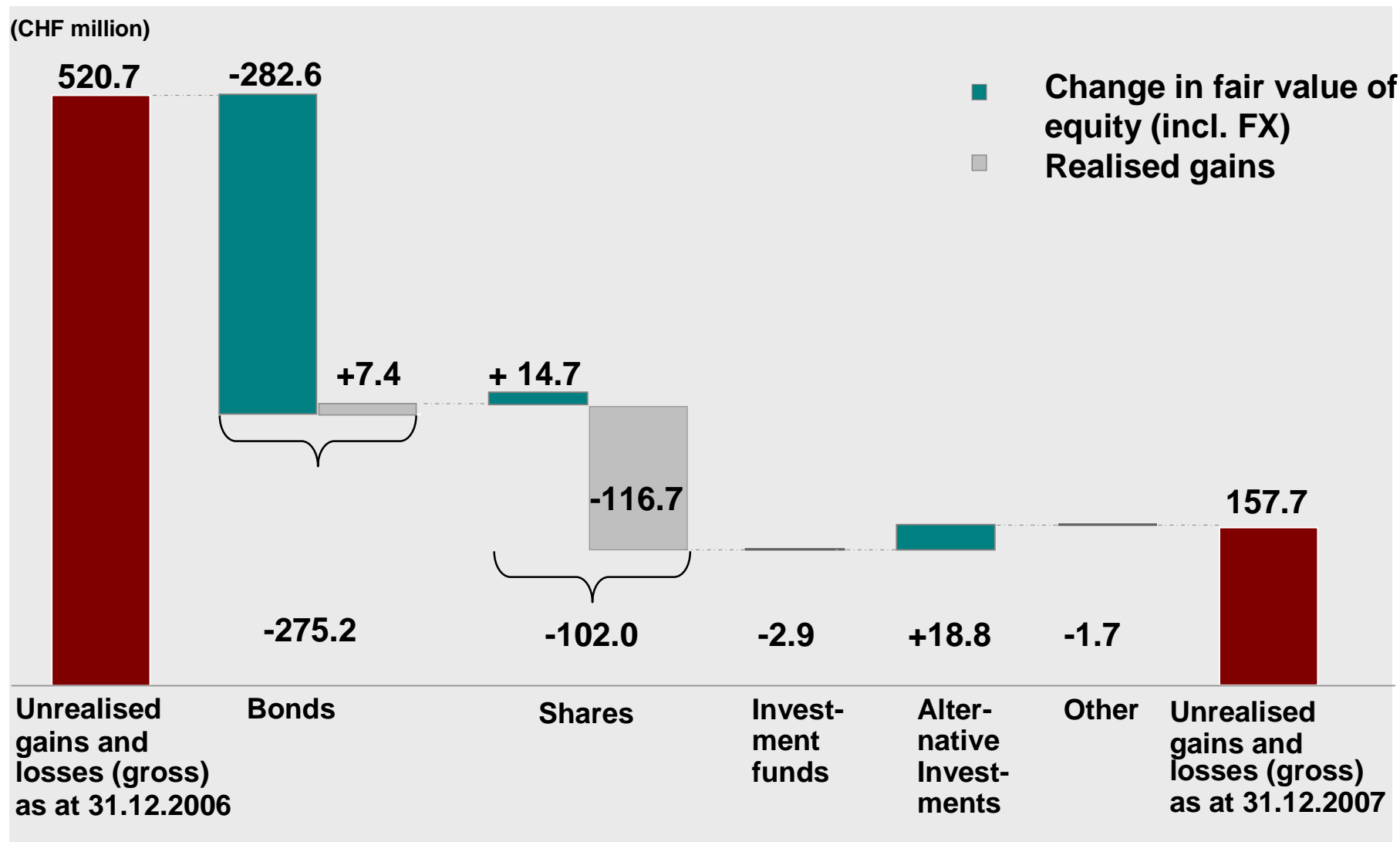
incl. unrealised and
realised gains and losses



¹⁾ Result through profit and loss and unrealised gains and losses in % of average invested capital (without unit-linked life insurance)

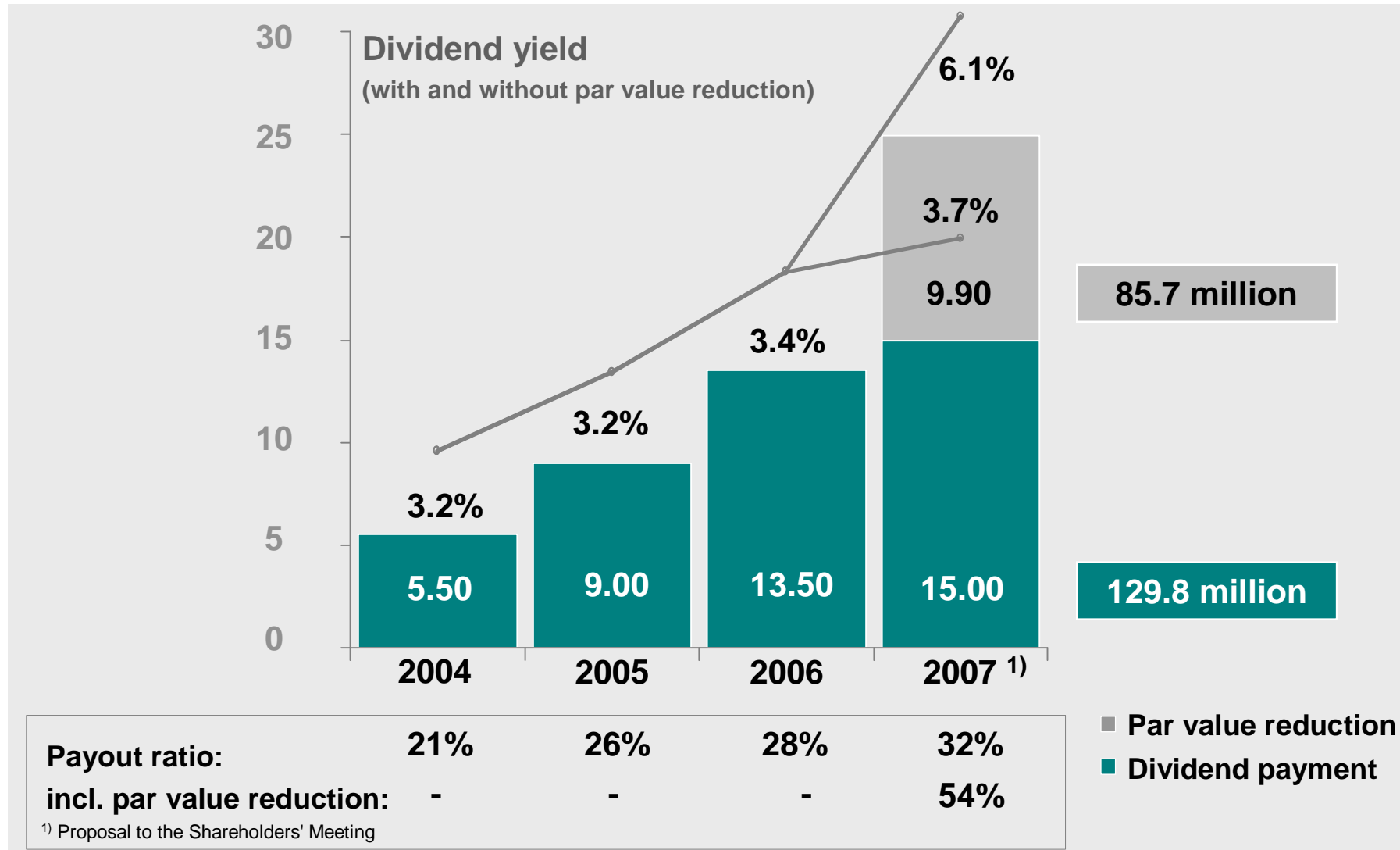
Unrealised gains/losses on investments

Reduction as a result of realised gains and market developments



Capital measure - par value reduction

Total dividend payout of CHF 215.5 million



The Swiss business

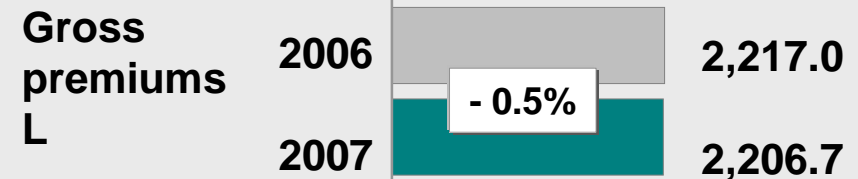
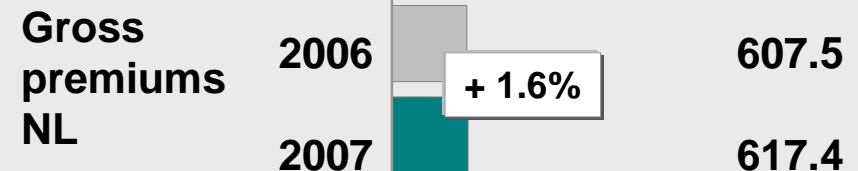
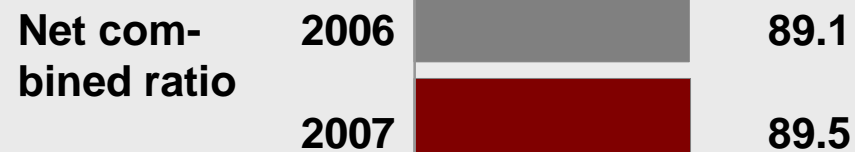
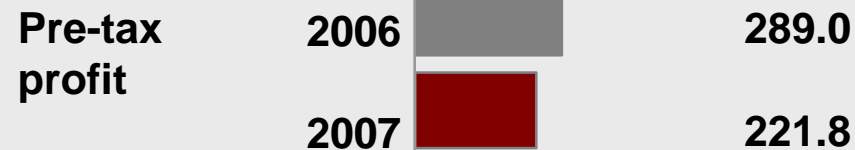
Philipp Gmür, CEO Switzerland

Swiss market

Another good technical result by Helvetia Switzerland



(CHF million)



§ Life business:

Another excellent contribution to the result. Large allocation to reserves for policyholder dividends and bonuses.

§ Non-life business:

Very good technical result with a combined ratio of 89.5%

Swiss market

Good growth in unit-linked products and group life



(CHF million)	2007	2006	+/-
Total premiums direct life	2'206.7	2'217.0	-0.5%
Total individual life	620.3	661.7	-6.3%
Regular premiums individual life	412.7	415.1	-0.6%
<i>of which unit-linked (regular)</i>	<i>54.7</i>	<i>49.5</i>	<i>+10.5%</i>
Single premiums individual life	207.6	246.6	-15.8%
Total group life	1'586.4	1'555.3	+2.0%
Regular premiums group life	849.4	821.8	+3.4%
Single premiums group life	737.0	733.5	+0.5%

§ Individual life: Share of unit-linked life insurance products increased substantially as planned.

§ Group life: Strong income-oriented growth in regular premiums. Outstanding risk result allows allocation to reserves for policyholder dividends and bonuses.

Swiss market

Very profitable life business



Contribution components	Trend	Remarks
Whole life insurance	+	Consistent good results
Disability insurance	++	Good economic conditions, selective underwriting policy, active benefit management
Costs (surcharges)	-	Worsening due to project-related costs
Investments	++	Very good investment result in view of market turbulence
Embedded value	Trend	Remarks
Development of EV	++	Embedded value improved by 18.0%
Value of new business	+++	Value of new business increased by 29.2%
New business profitability	+++	Profitability of new business increased by 26.7%

Proof of compliance with the legal quota

(CHF million according to statutory financial statements)

	2007		2006	
Gross income (for business subject to legal quota)	497.2	100%	476.5	100%
Benefits in favour of insured (for business subject to legal quota)	456.8	92%	439.0	92.1%
Profit on operating account (for business subject to legal quota)	40.4		37.5	
Profit on operating account (for business not subject to legal quota)	17.4		19.8	
Profit on operating account for group business in Switzerland	57.8		57.3	

Swiss market

Non-life growth better than market average



(CHF million)

	2007	2006	+/-
Total premiums non-life	617.4	607.5	+1.6%
<i>Property</i>	<i>334.2</i>	<i>332.5</i>	<i>+0.5%</i>
<i>Transport</i>	<i>37.5</i>	<i>36.4</i>	<i>+3.0%</i>
<i>Motor vehicle</i>	<i>167.9</i>	<i>162.4</i>	<i>+3.4%</i>
<i>Liability</i>	<i>77.8</i>	<i>76.2</i>	<i>+2.1%</i>
Net combined ratio	89.5%	89.1%	+0.4%-pt
Net claims ratio	59.2%	58.6%	+0.6%-pt
Net cost ratio	30.3%	30.5%	-0.2%-pt

§ Excellent claims result in spite of some major claims.

§ Net combined ratio: Substantial improvement compared to end of 1st half (period effects in interim statement, excellent claims experience in 2nd half).

Results for 2007

- § Successful implementation of new branding strategy. "So simple. Just ask us."
- § Opening up of new non-life niche markets
- § Introduction of new individual life product range
- § New individual life quotation system goes live
- § Relaunch of terzAvita for targeted retirement planning in three advisory steps
- § Expansion of range of unit-linked products
- § Quality and service receive award from independent institution

Outlook for 2008

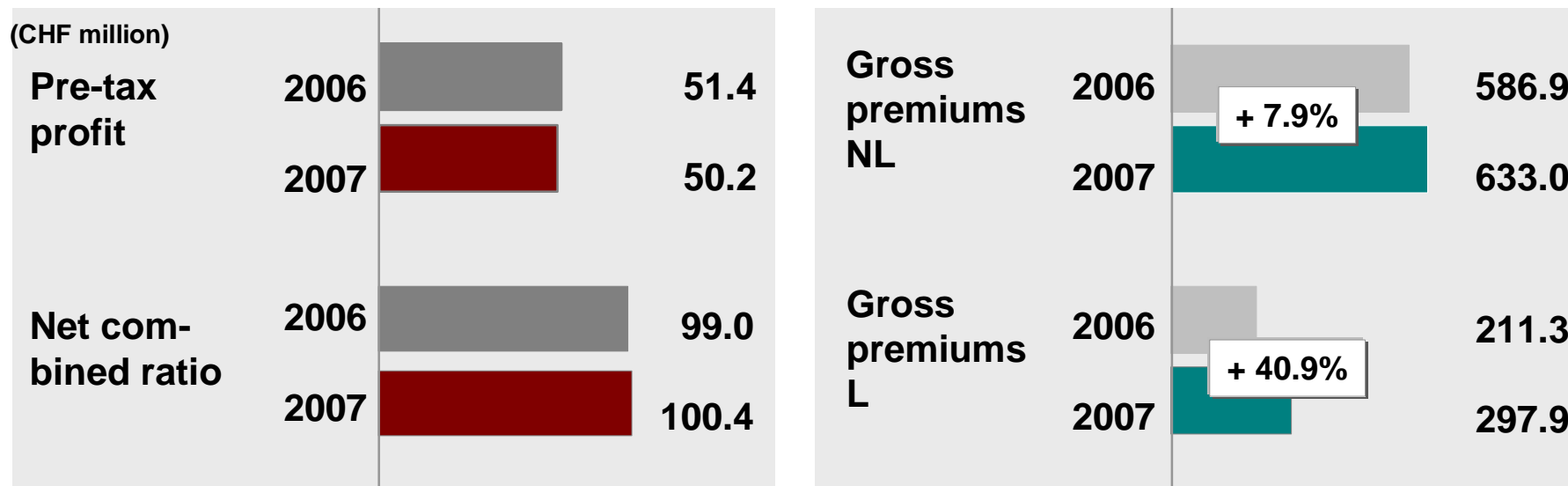
- § 150th anniversary celebrations incl. launch of an anniversary product
- § Start of comprehensive advertising campaign (TV ads, sponsoring of Swiss Ski, traditional advertising)
- § Exploit access to new customer channels via GMAC and Raiffeisen Leasing
- § Optimise cooperation with Raiffeisen
- § Introduce internet portal for brokers and expand e-business services for sales channels
- § Introduce new non-life quotation system
- § Consistent optimisation of internal processes

The foreign business units

Stefan Loacker, Group CEO

German market

Dynamic growth in spite of difficult market conditions



§ Strong non-life result in spite of winter storm Cyril

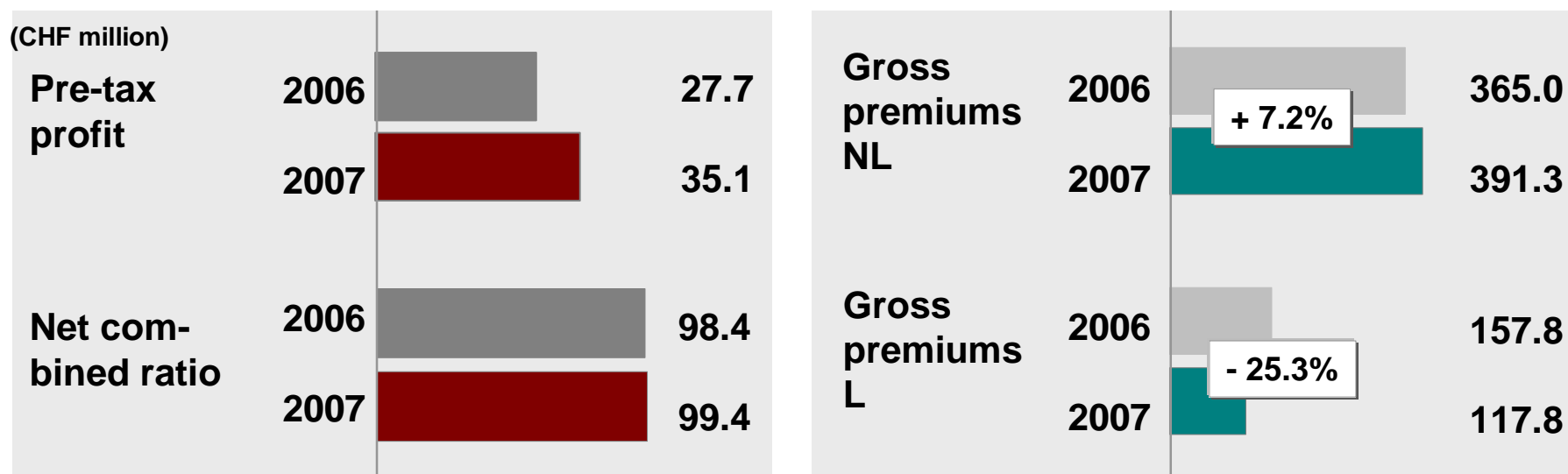
§ Combined ratio only slightly above 100%

§ Outstripped growth targets for life business and outperformed the market

§ High service quality award 'Recognised for Excellence'

Italian market

Continued high earning power



§ Combined ratio slightly higher than last year

§ Declining growth in individual life business due to quality-focused policy and unfavourable market conditions

§ Growth in non-life business better than market average

§ Restructuring measures support objectives of strategy 2010

Spanish market

Life business drives growth



(CHF million)

Pre-tax profit

2006



110.1

2007



125.5

Net combined ratio

2006



90.5

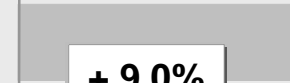
2007



85.3

Gross premiums NL

2006



386.5

2007



421.2

+ 9.0%

Gross premiums L

2006



108.3

2007



127.0

+ 17.3%

§ Expectations regarding results for Spanish market have been met

§ Combined ratio still excellent

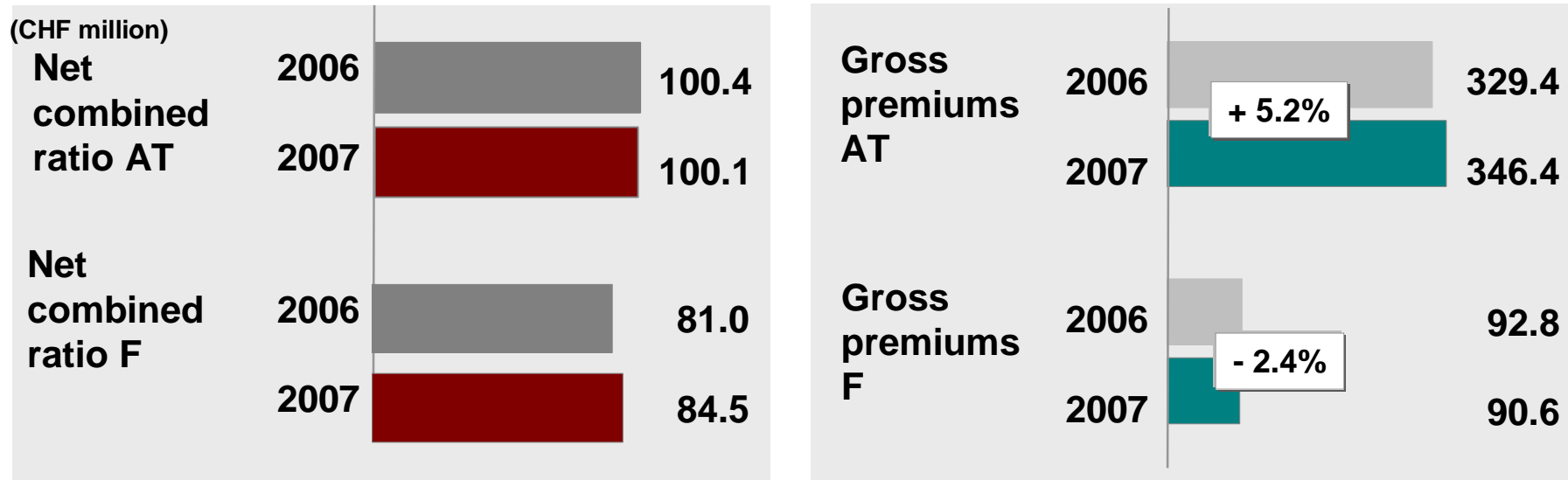
§ Double-digit growth in life business well above sector average

§ Good non-life growth in spite of strong competition

Austria and France

Ongoing improvement in profit contribution (AT)

Stable competitive position in difficult market environment (F)



Austria:

§ Higher profit contribution in life and non-life business

§ Successful introduction of unit-linked insurance coupled with decline in traditional business

France:

§ Slightly falling premium growth due to market trends in transport segment

§ Combined ratio still low in spite of increasing competition

Implementation of Group strategy

Stefan Loacker, Group CEO

Helvetia: a successful Swiss brand with potential



Well-positioned to exploit opportunities

- n Attractive business portfolio
- n Potential for healthy growth and other operational improvements

Financially successful

n Profit:	CHF 402.0 million
n ROE:	14.4%
n Combined ratio:	94.5%
n Embedded value yield :	21.3%

Strategic programmes:

1) Dynamisation of growth

(2) Expansion of life business

(3) Cost improvements

(4) Optimisation of capital structure and M&A

**Sustained added value
in future, too**

Status of strategy implementation:

Focus falls on four strategic programmes

(1) Dynamisation of growth

Ambitious sales growth:
Non-life in line with market
Life better than market

Results for 2007

Gains in non-life market share in
CH, ES, IT and DE
New life business + 13% (in APE),
Great momentum in the EU

(2) Expansion of life business

Focus on unit-linked and index-linked
life products in foreign markets

Results for 2007

Increase in unit-linked and index-
linked business in foreign
markets by:
CHF 36.7 m (+ 36.7% yoy) to
CHF 136.7 m in total.

(3) Cost improvements

Reduction of non-life cost ratio:
Target: $\leq 30\%$.

Results for 2007

Cost ratio stable at 32.9% in spite
of project-related special charges

(4) Optimisation of capital structure and M&A

Target ROE 15% after taxes,
growth through acquisitions

Results for 2007

ROE after taxes of 14.4%

**Helvetia
boosts its
sales power
in Italy**

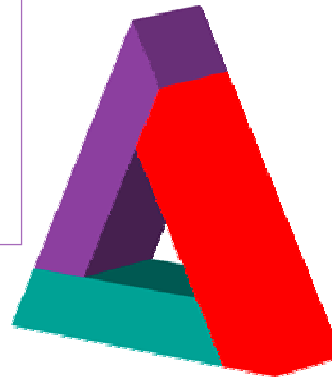
- n Helvetia is taking over ENI Group's in-house non-life insurance subsidiary «Padana Assicurazioni S.p.A.»
- n «ENI Group» is the leading Italian energy company with activities in 70 countries, with 40,000 employees in Italy
- n EUR 40 m premium volume (2008 forecast):
 - n About one-third - Group policy for ENI employees (accident insurance)
 - n About two-thirds - Retail business with ENI employees, their families and retired staff (other non-life)
- n Subject to the relevant cartel and statutory insurance authorisations, the deal should be concluded in Q3 2008

Padana offers strong growth potential

- n Padana offers an attractive portfolio and growth opportunity in Italy:
 - n adds value to our non-life business by integrating a stable and profitable book business
 - n expanding the volume of Helvetia Italy by approximately 13 percent
 - n interesting growth potential (about 40,000 ENI employees in Italy, their families and retired ENI staff)
 - n allows us to develop worksite marketing as an alternative distribution model
- n Helvetia Italy intends to be a high-quality insurance provider to ENI employees

High quality in non-life

- n NL result solid at CHF 286.5 m (-10.9% yoy) in spite of major claims and challenging market conditions
- n Net combined ratio recovered clearly and quickly from half-year low / at 94.5% again on a par with excellent previous year



Very solid investments

- n At CHF 1,040 million, investment income is solid / close to previous year (-6% yoy)
- n Substantial income in difficult market environment thanks to good assessment of markets and prudent investment policy

Record life result

- n Profit improved by +3.3% to CHF 190.6 m
- n Excellent life result, especially in view of volatile capital markets, particularly in 2nd half of year

**So simple
Just
ask us.**

Appendix

- n **25.04.2008** Ordinary Shareholders' Meeting in St.Gallen
- n **03.09.2008** Publication of half year financial results for 2008
- n **18.03.2009** Publication of annual results for 2008
- n **17.04.2009** Ordinary Shareholders' Meeting in St.Gallen
- n **03.09.2009** Publication of half year financial results for 2009

Non-life: Technical result

All country markets at a good level again



(in %)

	CH	D	I	E	A	F	Reins.	Group
Net claims ratio	59.2	64.5	67.0	53.6	60.6	51.2	69.2	61.6
Net cost ratio	30.3	35.9	32.4	31.7	39.5	33.3	29.6	32.9
Net combined ratio 2007	89.5	100.4	99.4	85.3	100.1	84.5	98.8	94.5
Net combined ratio 2006	89.1	99.0	98.4	90.5	100.4	81.0	94.4	94.1
Change from 2006 (in %-pt)	+0.4	+1.4	+1.0	-5.2	-0.3	+3.5	+4.4	+0.4

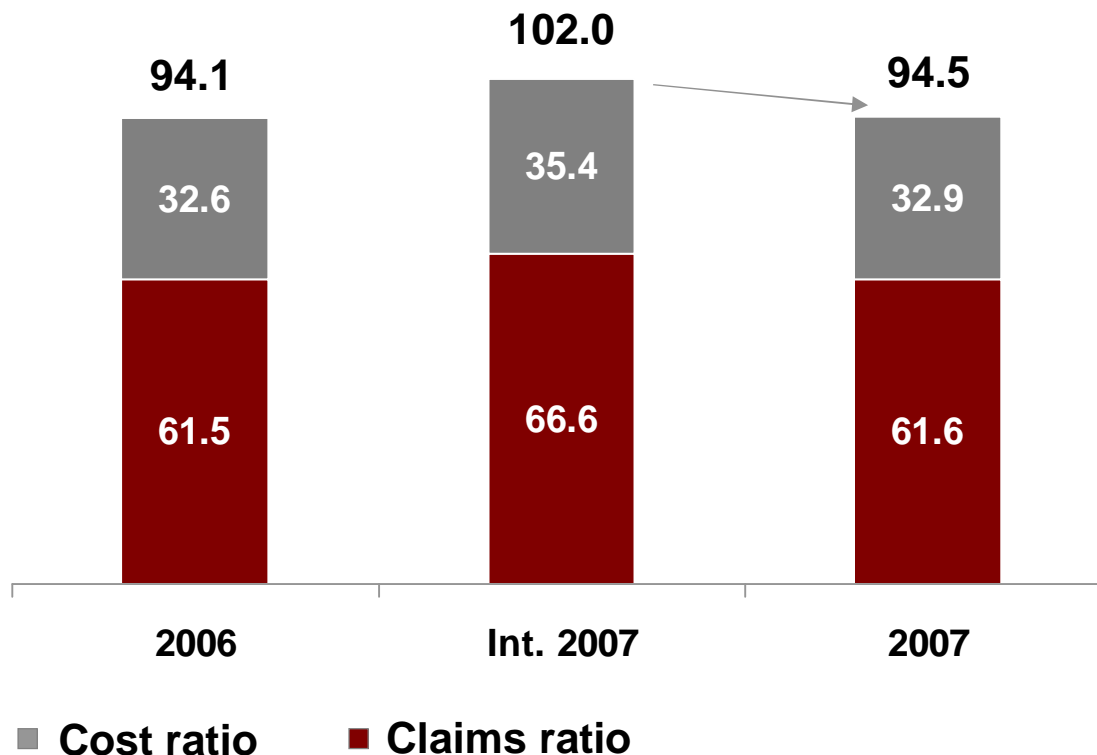
Non-life: Net combined ratio

Combined ratio on course again



(in %)

Expectations for quick and clear reduction in 2nd half were met



§ Impact of Cyril and other storms:

- at year end: 2.0%-pt.
- for half year: 5.2%-pt.

§ Strong fluctuation in 1st half 07 due to timing of event and prudent policy for calculating reserves

§ As expected, good loss development result in 2nd half

§ Excellent claims experience in 2nd half

Cyril - gross and net claims



Gross effectively limited by efficient reinsurance programme

(CHF million)

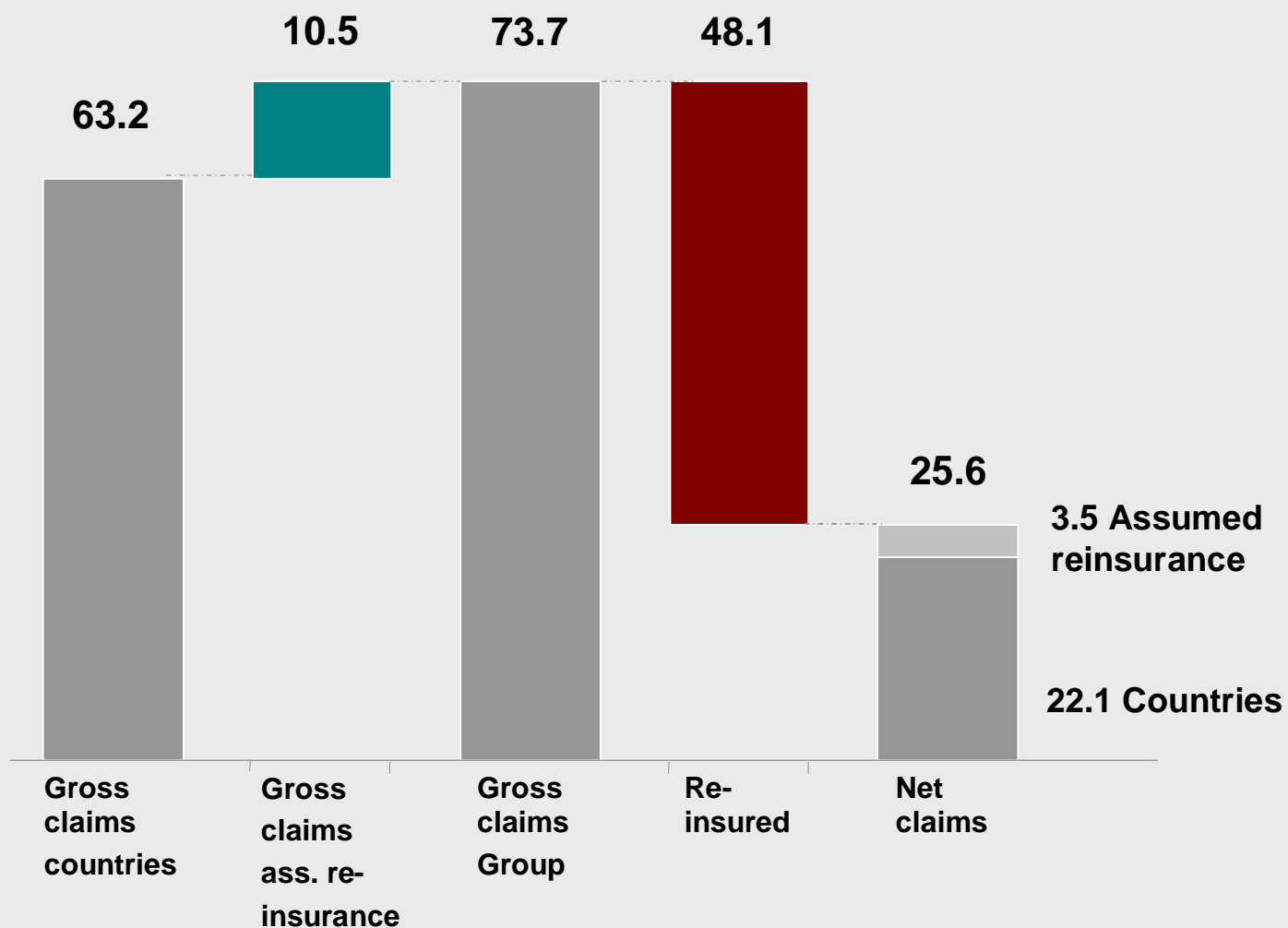
**Gross
claims**

DE 43.8

CH 9.8

AT 9.3

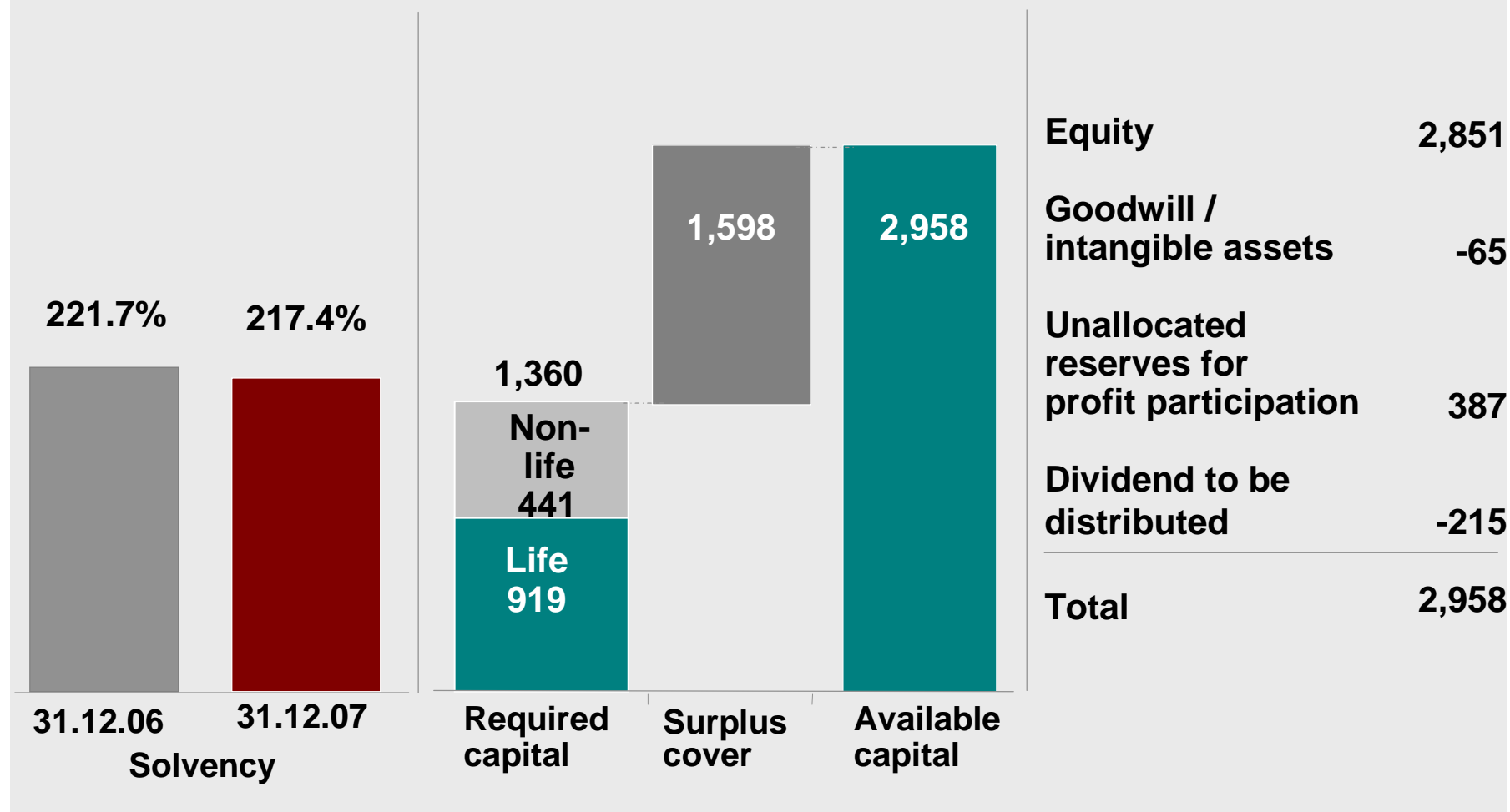
FR 0.3



Solvency of Helvetia Group



(CHF million)



Assumptions for calculation of embedded value



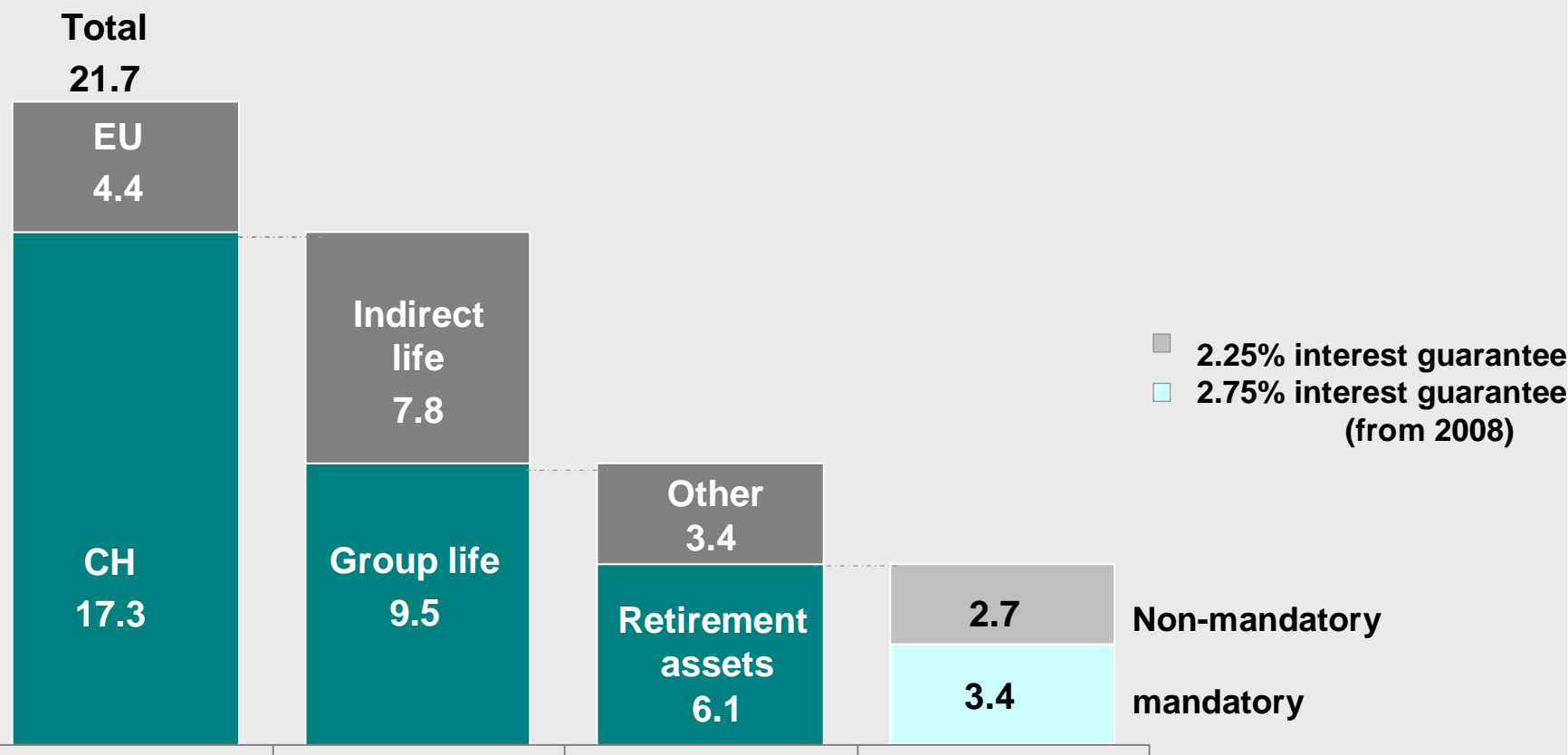
	2007	2006
Switzerland		
Risk discount rate	7.0%	7.0%
Yield on bonds	3.4%-3.7%	2.8%
Yield on equities	6.5%	6.5%
Yield on real estate	4.5%	4.5%
EU		
Risk discount rate	8.0%	8.0%
Yield on bonds	4.7%-5.2%	4.0%-4.2%
Yield on equities	7.5%	7.5%
Yield on real estate	4.6%	5.1%

15.6% life reserves subject to minimum BVG interest rate

Legal quota in Switzerland exceeded again



(CHF billion)



Investment performance

Solid investment performance
thanks to good market assessment



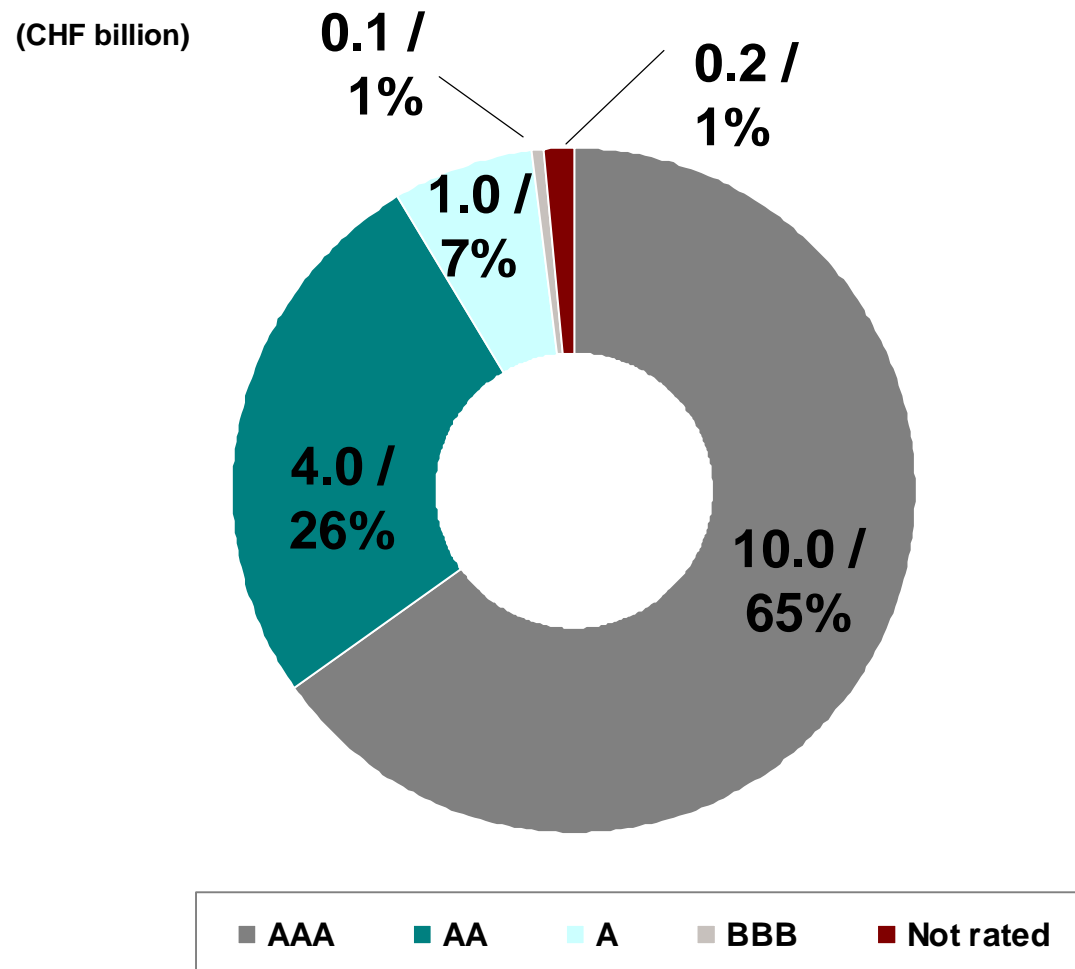
(CHF million)	2007	2006	+/-
Interest and dividend income	793.8	704.4	+12.7%
Gains and losses on investments (net)	130.2	291.4	-55.3%
-Shares, inv. funds, alt. investments, derivatives	101.5	224.4	-54.8%
-Bonds	27.0	63.4	-57.4%
-Other	1.7	3.1	-45.2%
Income from investment property	194.4	186.4	+4.3%
-Rental income	231.6	226.6	+2.2%
-Realised and book gains and losses	-37.2	-40.2	-7.5%
Profit or loss from associates	2.8	1.8	+55.6%
Investment management expenses	-81.2	-74.7	+8.7%
Investment income (gross)	1'040.0	1'109.3	-6.2%
Direct yield ¹⁾	3.3%	3.1%	+0.2%-pt
Investment performance ²⁾	2.4%	3.1%	-0.7%-pt

¹⁾ Current income from capital investments in % of average invested capital (without unit-linked life insurance)

²⁾ Profit and loss and unrealised gains and losses in % of average invested capital (without unit-linked life insurance)

Credit quality of bonds remains high

No direct subprime or CDO exposure

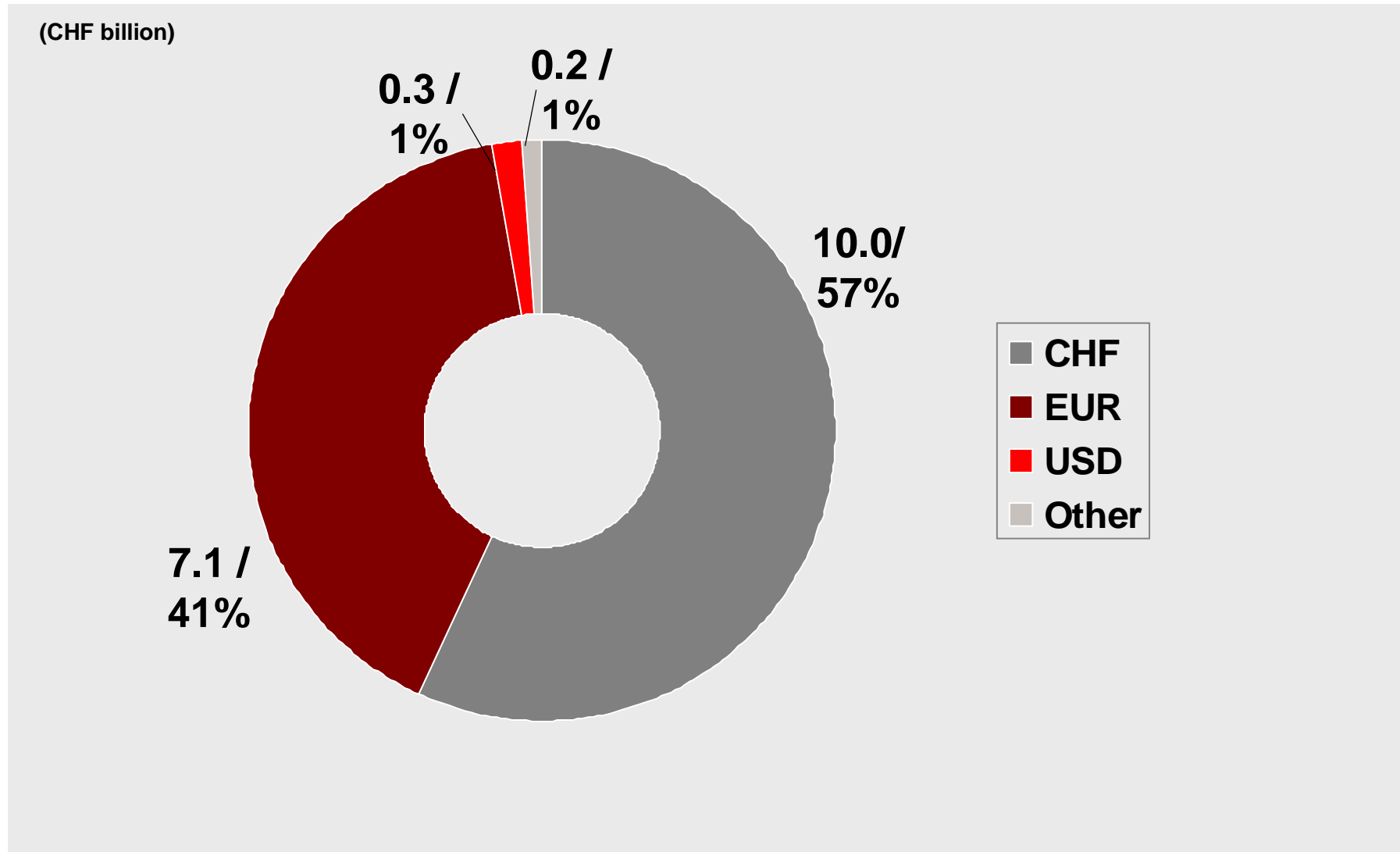


Total bonds: CHF 15.3 / +4.0%

- § No direct exposure to subprime investments or structured products
- § Portfolio retains its high quality
- § Bond impairment mostly unchanged compared to previous year

Foreign currency exposure

Equities and bonds



Investment income by business segment

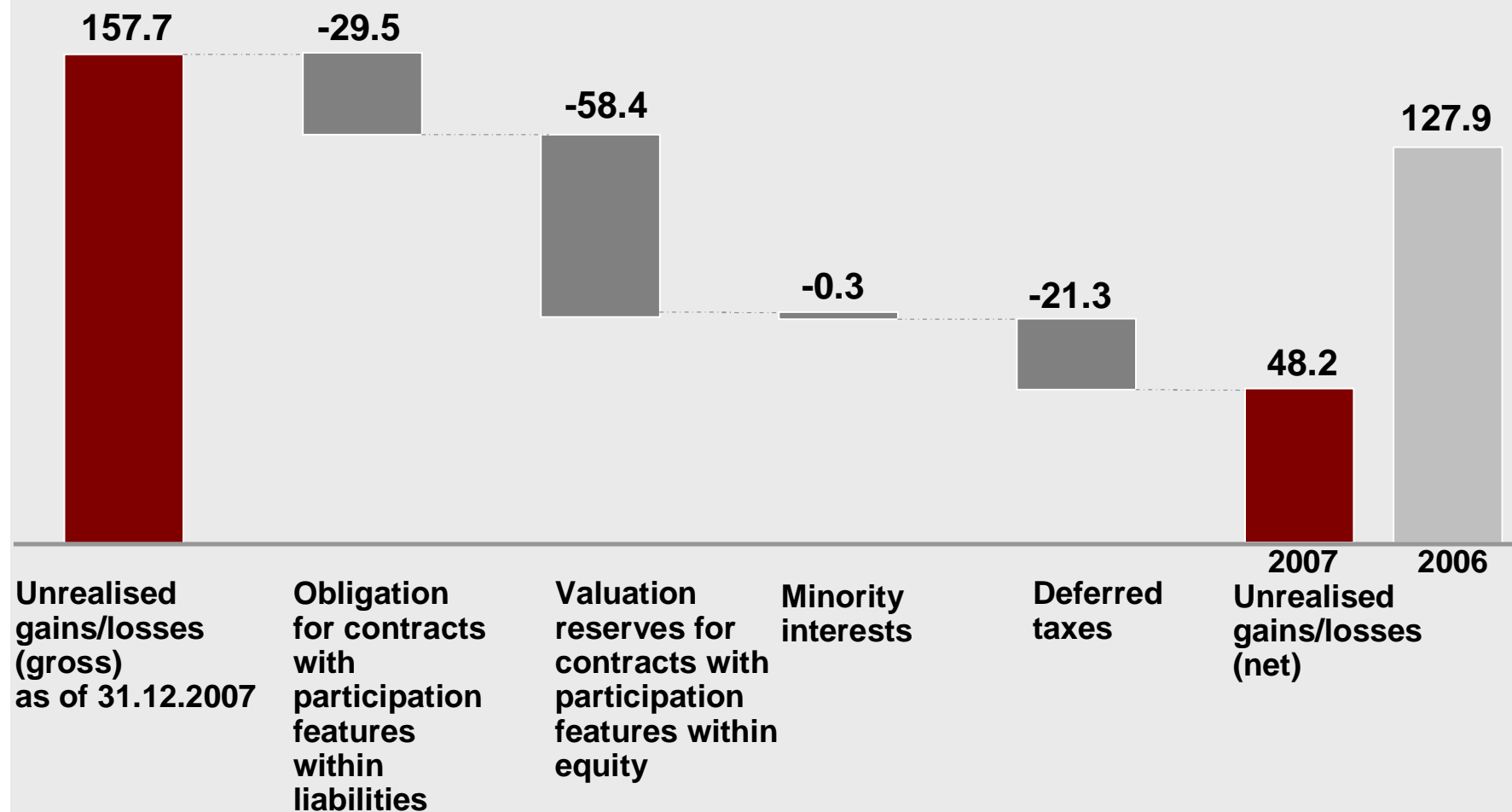


(CHF million)

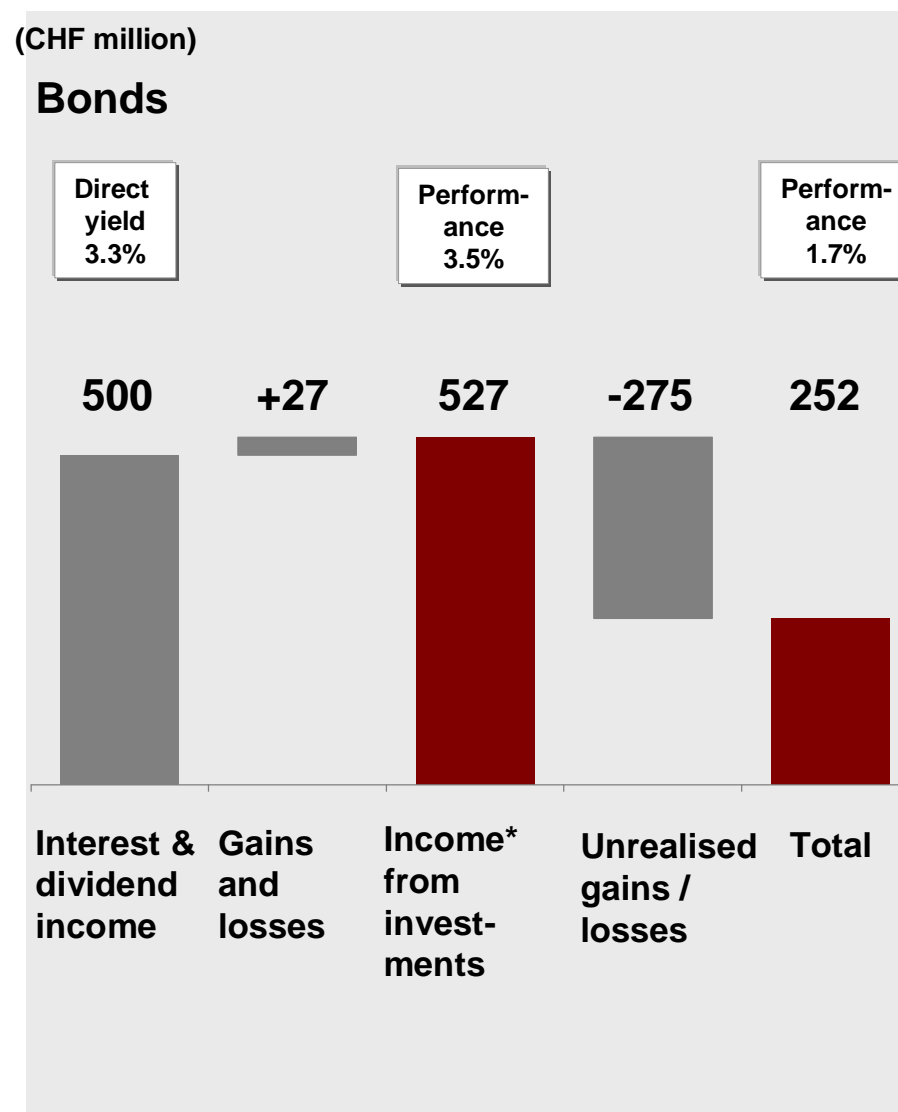
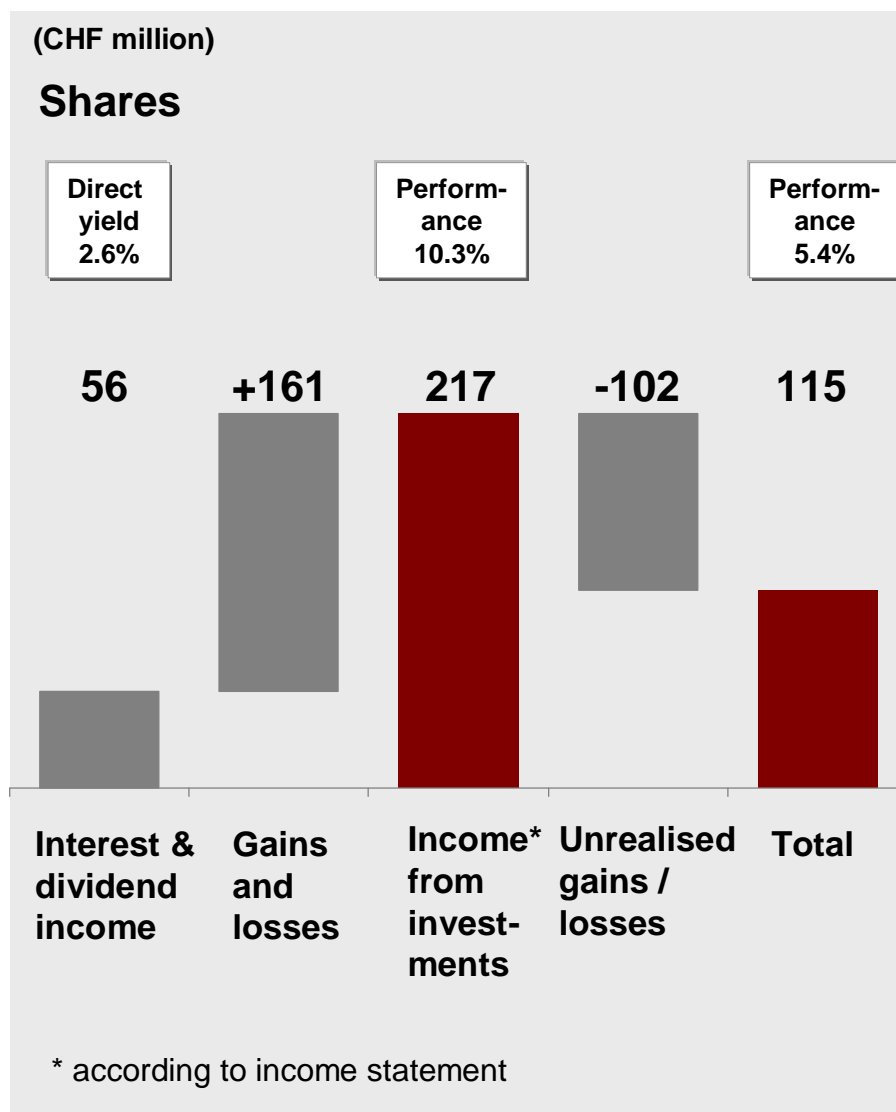
	Life	Non-life	Other
Interest and dividend income	639.8	141.8	12.2
Gains and losses on investment (net)	86.1	26.1	18.0
-shares, inv. funds, alt. investments, derivatives	62.1	22.2	17.1
-Bonds	23.7	3.8	-0.4
-Other	0.3	0.1	1.3
Income from investment property	157.6	38.6	-1.8
Profit or loss from associates	1.7	1.1	0.0
Investment management expenses	-67.8	-12.0	-1.4
Investment income	817.4	195.6	27.0

Unrealised gains/losses on investments (net)

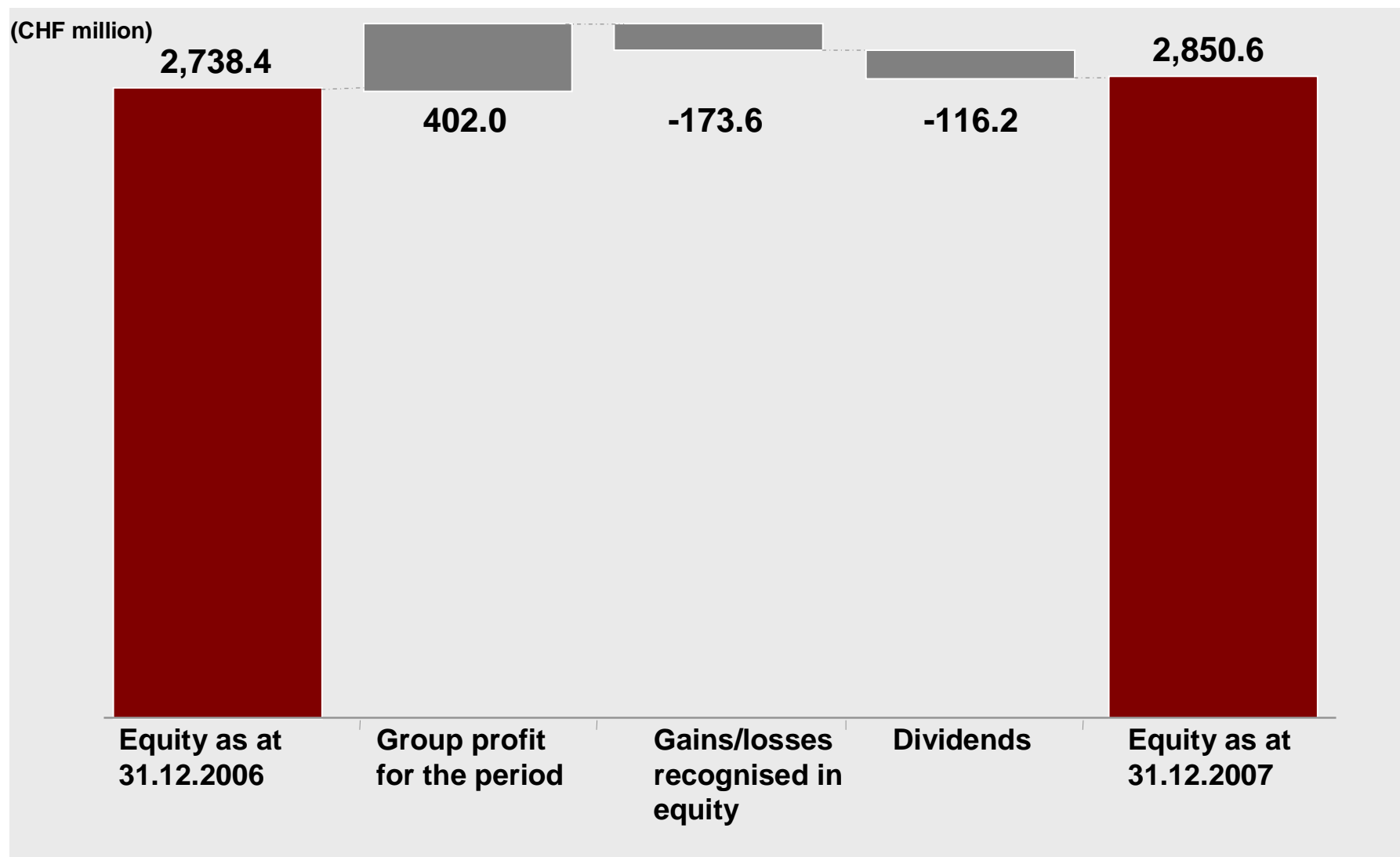
(CHF million)



Investments: direct yield – performance



Changes in equity



Gross premiums by business line and country



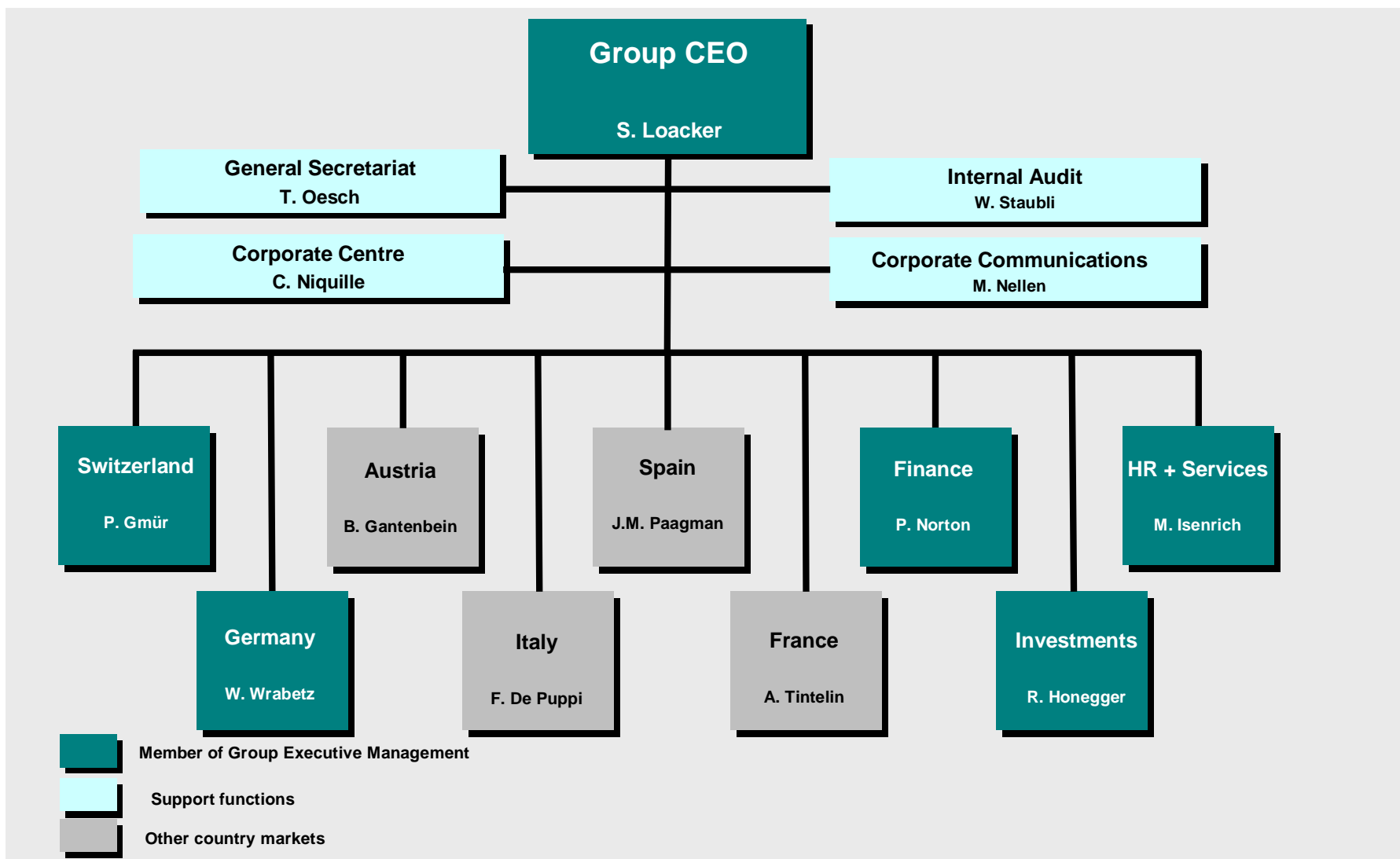
(CHF million)

	Switzerland		Germany		Italy		Spain		Other	
	2007	+/-	2007	+/-	2007	+/-	2007	+/-	2007	+/-
Individual life	545.4	-5.5%	123.0	3.7%	81.8	-40.5%	72.5	11.0%	133.0	-0.4%
Group life	1,586.4	2.0%	78.8	175.5%	36.0	76.5%	40.4	16.8%	-	-
Unit-linked	74.9	-11.5%	96.1	49.9%	-	-	14.1	67.9%	4.6	100.0%
Reinsurance									6.9	53.3%
Total life	2,206.7	-0.5%	297.9	40.9%	117.8	-25.3%	127.0	17.3%	144.5	4.7%
Property	334.2	0.5%	295.8	10.4%	92.8	18.8%	163.6	8.0%	75.9	6.9%
Transport	37.5	3.0%	67.7	12.6%	4.7	2.2%	26.3	14.3%	93.4	-4.7%
Motor vehicle	167.9	3.4%	153.7	3.1%	204.9	0.8%	157.4	9.2%	79.8	7.5%
Liability	77.8	2.1%	75.6	4.7%	35.5	14.5%	34.0	17.2%	30.6	17.1%
Accident/health	0.0	0.0%	40.2	7.2%	53.4	11.3%	39.9	2.6%	19.7	3.2%
Reinsurance									232.7	23.3%
Total non-life	617.4	1.6%	633.0	7.9%	391.3	7.2%	421.2	9.0%	532.1	11.5%
Total	2,824.1	0.0%	930.9	16.6%	509.1	-2.6%	548.2	10.8%	676.6	10.0%

Result analysis for business subject to legal quota

(CHF million according to statutory financial statements)	2007
Profit or loss from savings process	53.7
Profit or loss from risk process	43.7
Profit or loss from cost process	0.6
Gross profit (for business subject to legal quota)	98.0
Reserve reinforcement	-8.4
Allocation to reserves for future profit participation	-49.2
Profit on operating account (for business subject to legal quota)	40.4

Executive Management at a glance



Helvetia is an all-line insurance carrier active in all of Europe. It focuses on risk management (life and non-life business, reinsurance) and employee benefits, and has branch offices and partly-owned subsidiaries in Central and Southern Europe. The Group is headquartered in St. Gallen, while the Swiss company's headquarters are located in Basel. With approximately 4,600 employees, Helvetia provides services to more than two million customers in six European countries. Around 2,300 people work for the company in Switzerland. During the previous financial year, the Group reported a premium volume of CHF 5.5 billion and earned a net profit of CHF 402.0 million. The Helvetia Holding registered share is listed on the SWX Swiss Exchange under the code HELN and is included in the Swiss Performance Index (SPI).

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