

# Helvetia

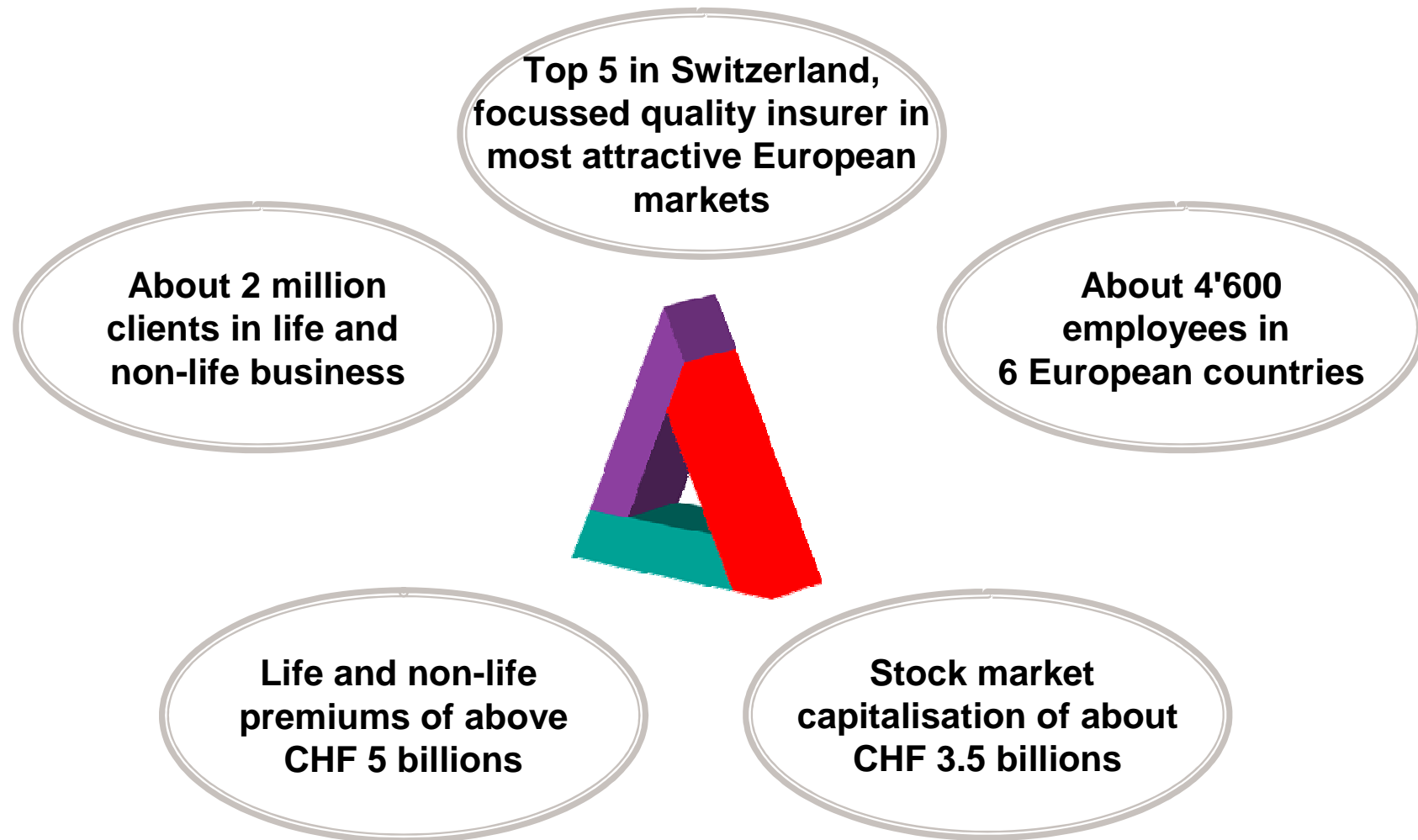
A successful Swiss brand  
with potential

Stefan Loacker  
Group CEO

# Business profile

## Who we are – Helvetia Insurance at a glance

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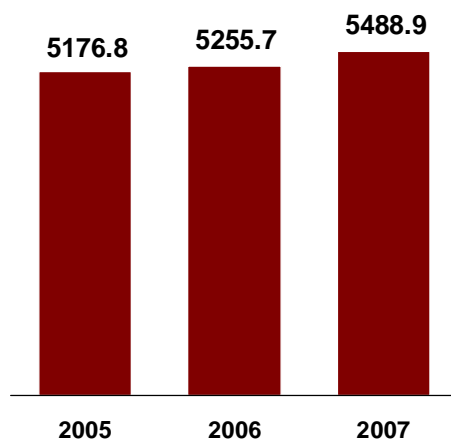
# Key figures

Very solid development



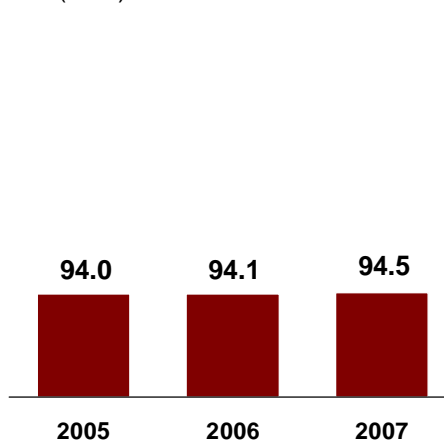
## Gross premiums written

(in CHF million)



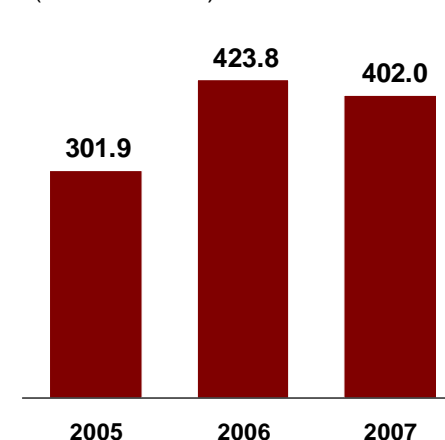
## Net combined ratio

(in %)



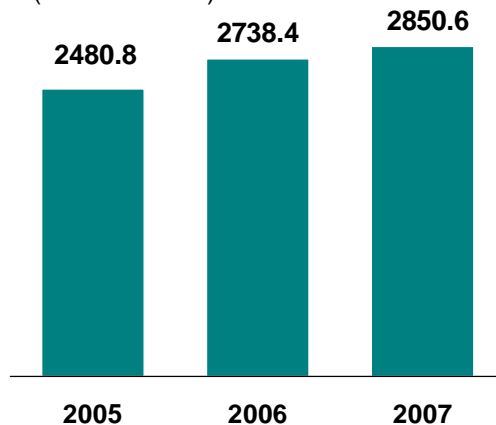
## After tax profit

(in CHF million)



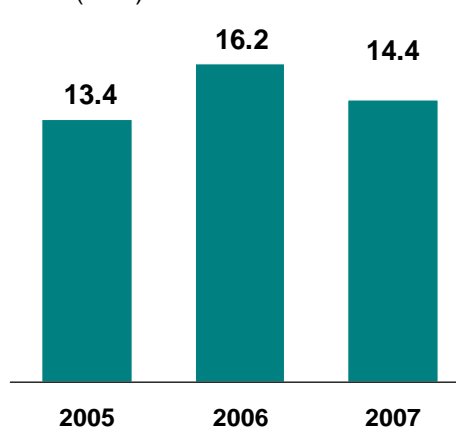
## Shareholders' equity

(in CHF million)



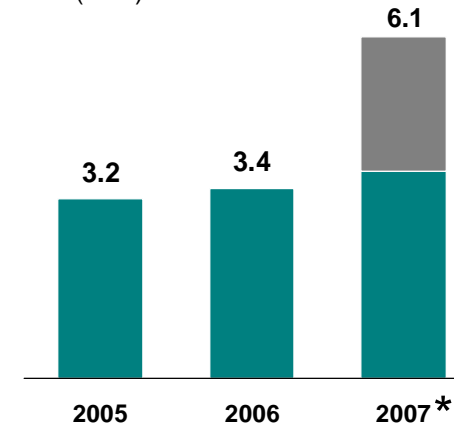
## Return on equity

(in %)



## Dividend yield

(in %)



\*dividend and par value reduction

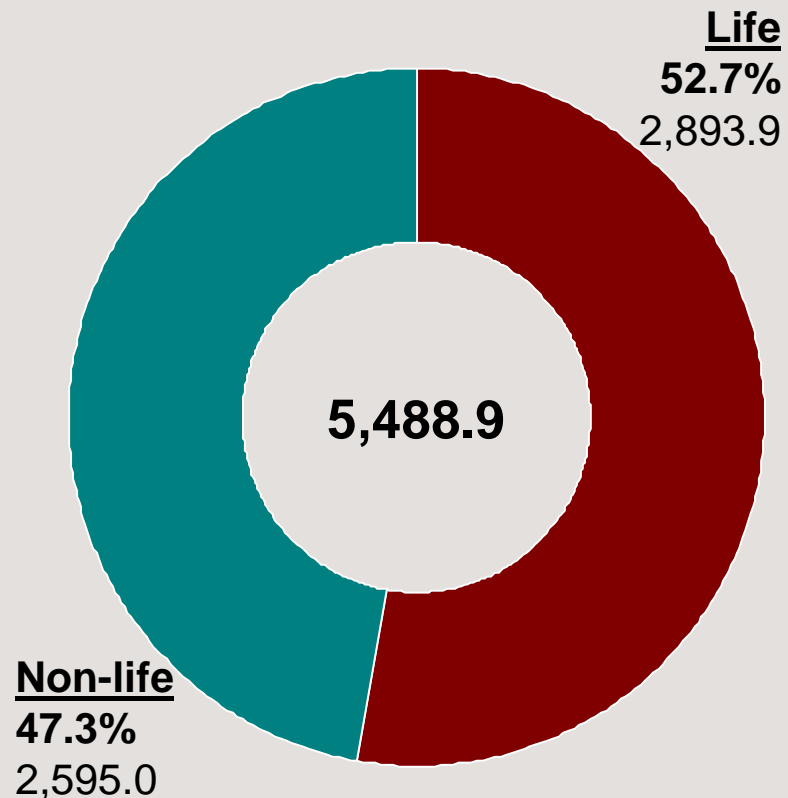
# Business diversification

Gross premiums by segment and country



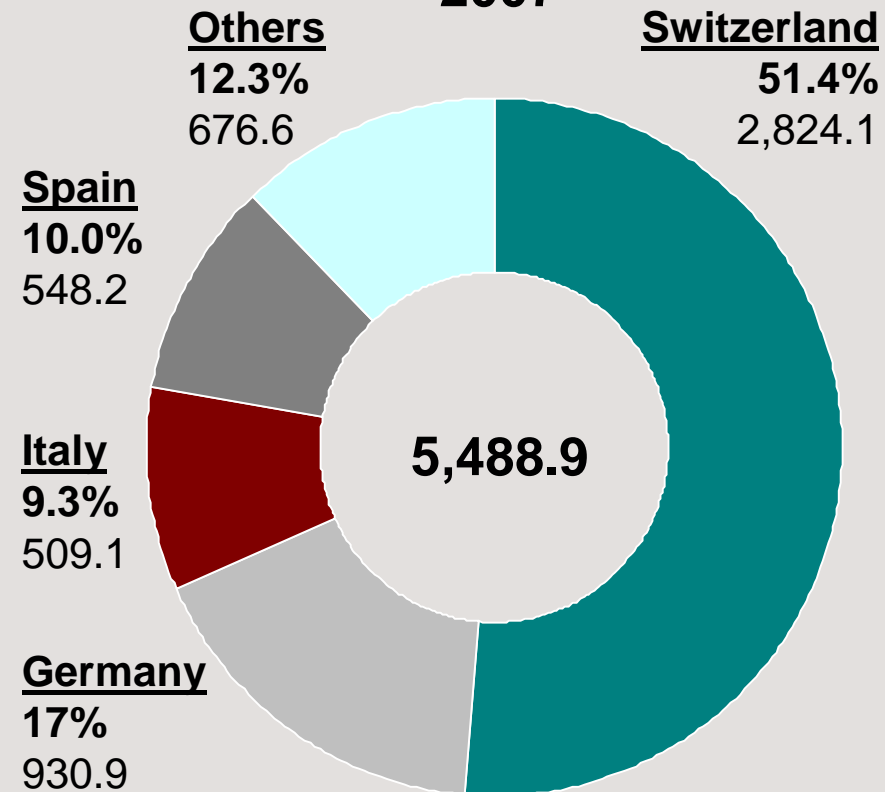
(CHF million)

2007



(CHF million)

2007



- ▶ Balanced Business mix (life-,non-life)
- ▶ About 50% premium volume is generated outside Switzerland

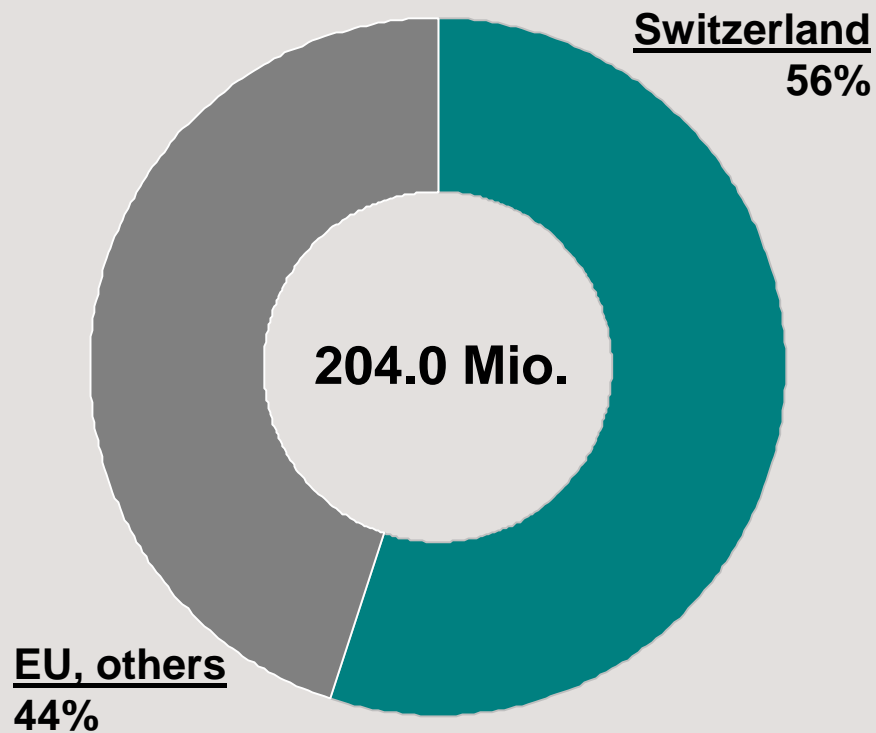
# Profit contribution

Pre-tax profit by geography



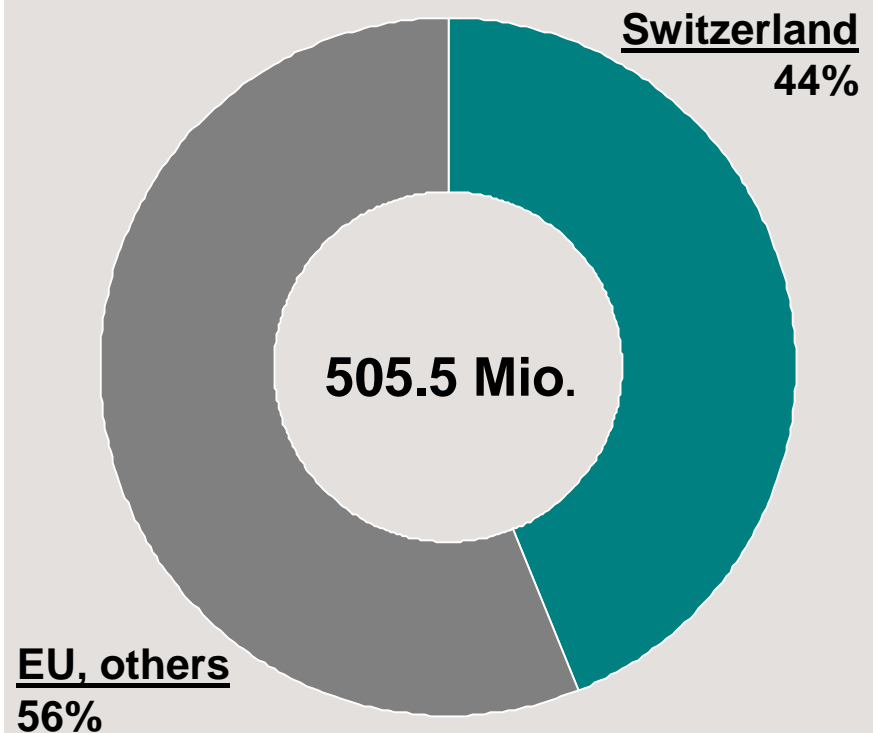
(CHF million)

2004



(CHF million)

2007



► Swiss Market as key pillar,  
but increasing internationalisation of Group profit contribution

- ▶ **Strong value proposition for customers:**

- ▶ High quality supplier and premium «Swiss» brand

- ▶ Strong service culture: individual, personal, competent

- ▶ Big enough to be reliable, small enough to be personal

- ▶ High quality distribution networks

- ▶ Not everything for everybody:

Regional focus, customer focus, product focus

- ▶ **Strong value proposition for investors:**
- ▶ Track record of strong capital base and earnings growth
- ▶ Attractive, diversified business portfolio
- ▶ Stable customer base supported by clear value proposition
- ▶ Loyal and effective distribution networks / close to market
- ▶ Well established position in non-life, growth potential in life outside Switzerland
- ▶ Sustainable Shareholder value culture:  
Profitable growth, solid financial strength, attractive RoE

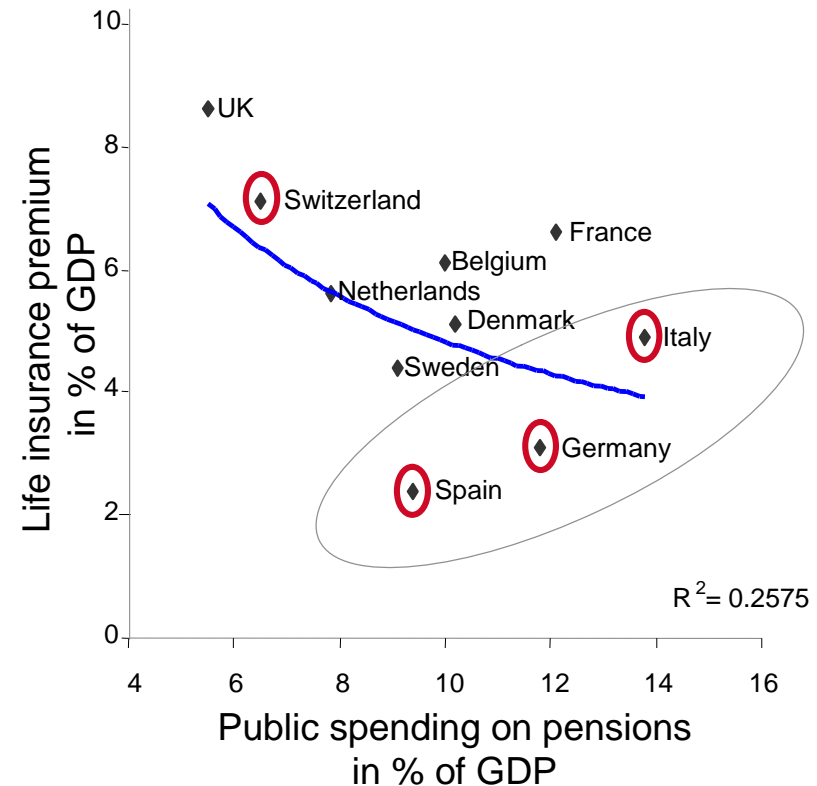
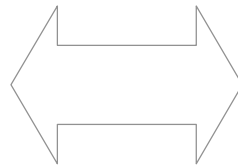
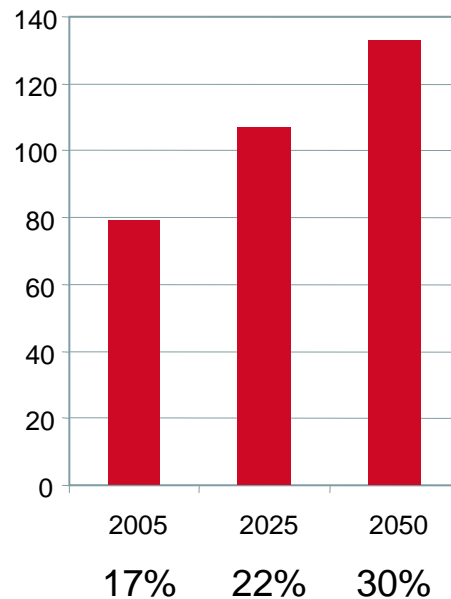


# Market & perspectives

# Life: Helvetia combines some of Europe's most attractive markets - Life and Pension as growth engines



Number of people aged above 65  
in Western and Central Europe in Mio.  
(in % of overall population)



- In three of our markets there are major pension gaps expected pushing governments to reform their pension systems.

Data Source: Avenir Suisse, Demographie, CEA 2006

## Non-life: Maintaining our good position through controlled profitable growth

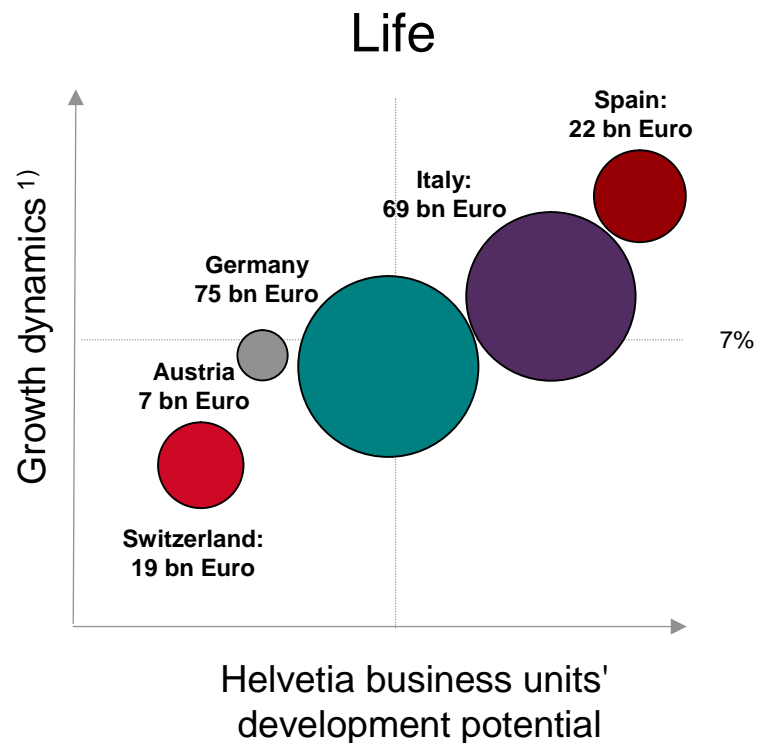
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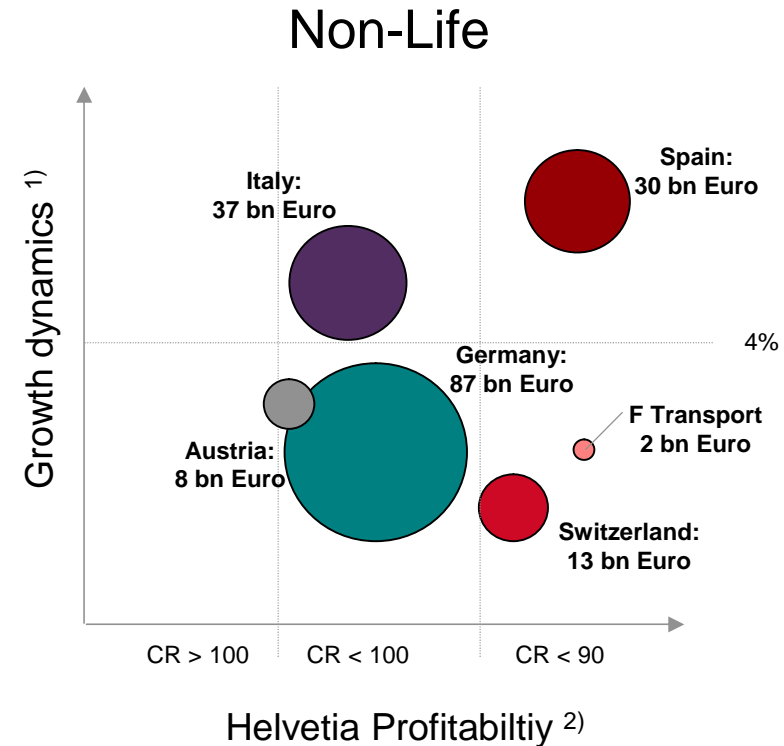
Our non-life markets have become more competitive - nevertheless, Helvetia is able to maintain its good position and profitability in non-life based on:

- ▶ Diversified business and geographical market portfolio
- ▶ Focusing on well established sales channels with close proximity to our end customers
- ▶ Above average client retention and controlled increase of distribution capacity
- ▶ Further increase of efficiency and use of group synergies


# Conclusion: Helvetia's business configuration offers important levers for value creation



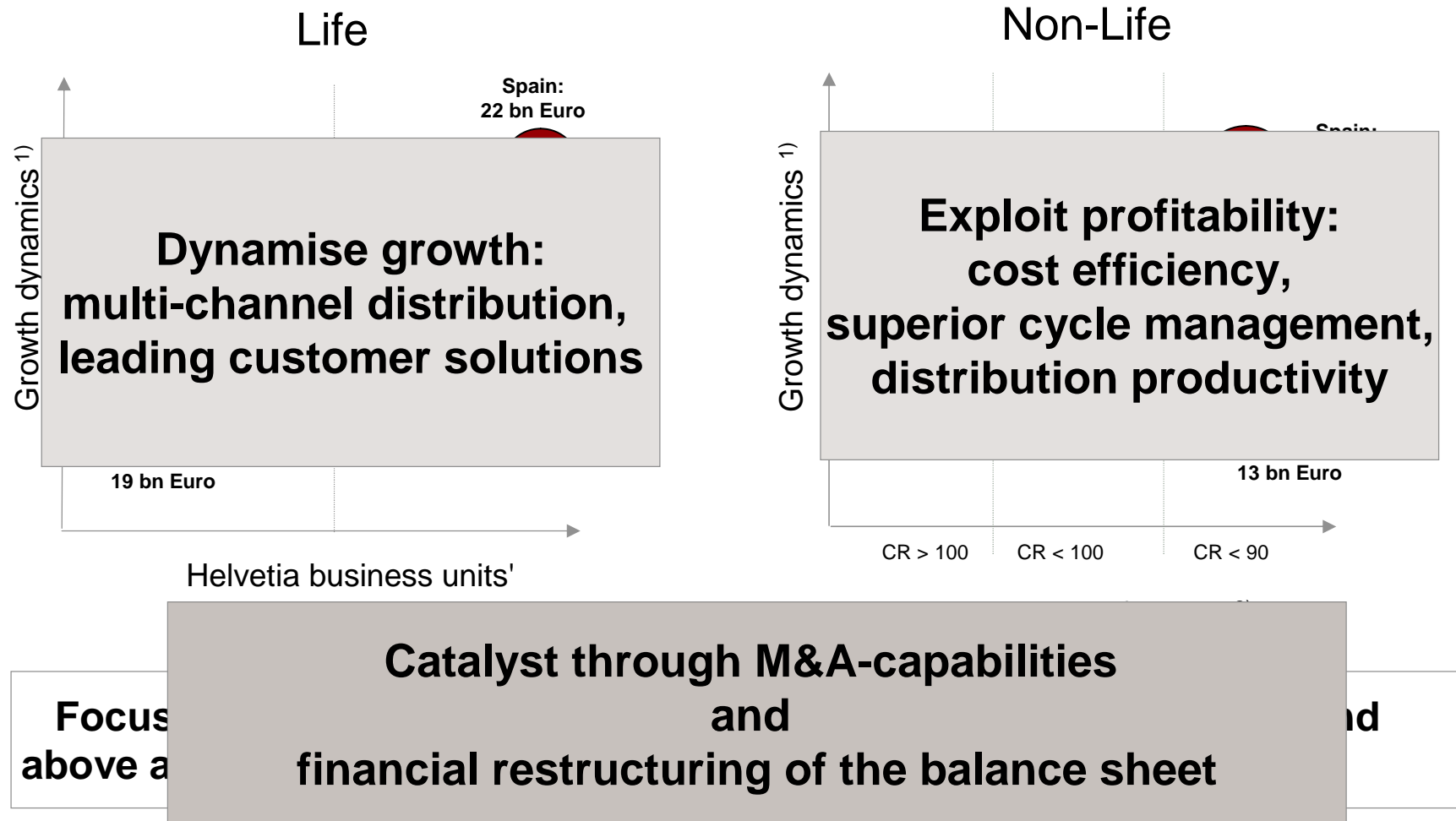
**Focus on profitable growth and above average new business value**




**Focus on profitability and cashflow generation**

1) CAGR 07-10 based on internal estimations 2) Combined Ratio  Market size (2006 data)

## Conclusion: Helvetia's business configuration offers important levers for value creation



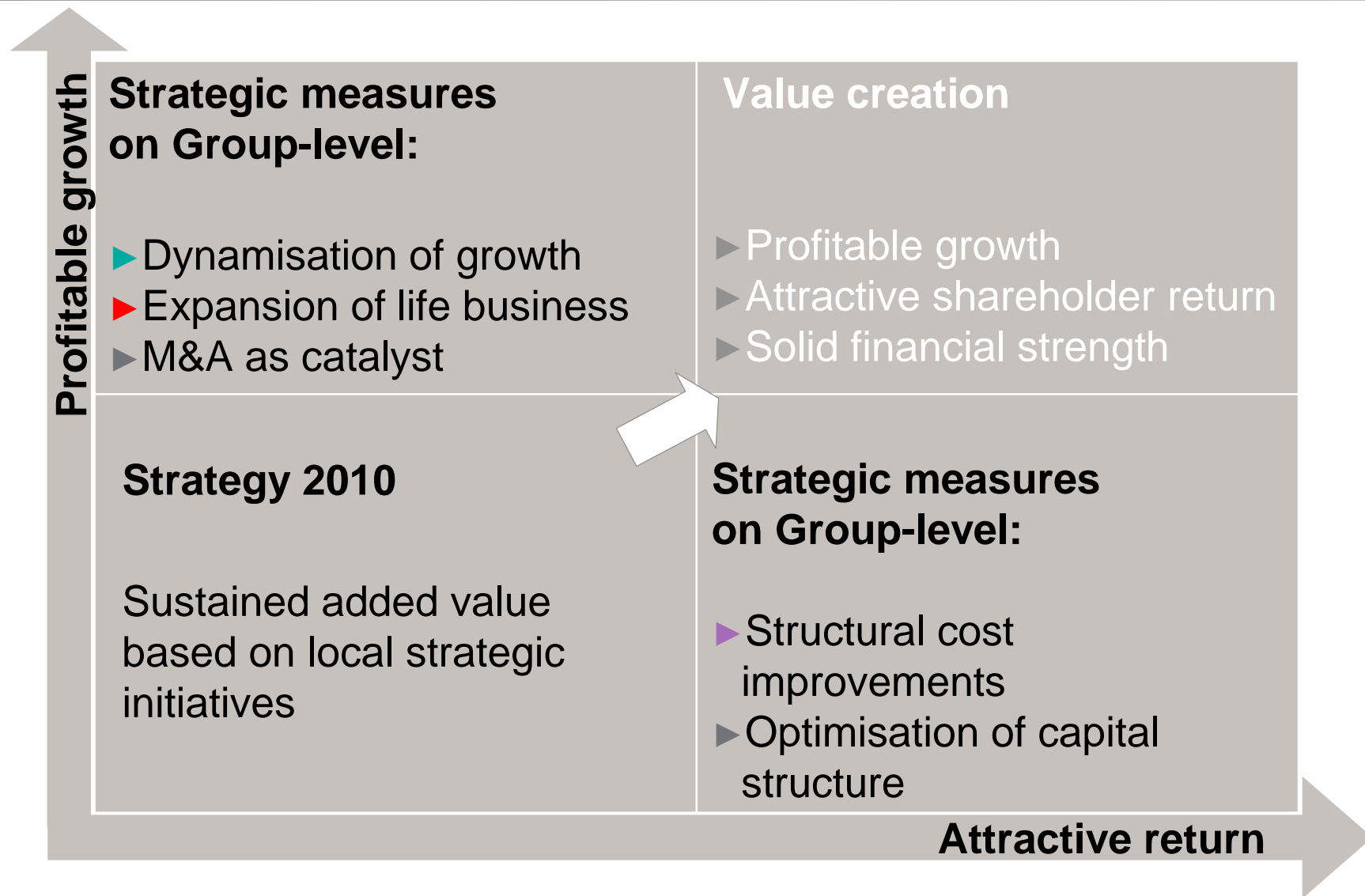
1) CAGR 07-10 based on internal estimations 2) Combined Ratio  Market size (2006 data)

# Group success strategy

Opportunities	Challenges
Smaller size allows closeness to customers and markets	Avoiding diseconomies of scale
<b>Strategic Focus:</b> <ul style="list-style-type: none"><li>▶ Superior market insights</li><li>▶ Fast time-to-market</li><li>▶ High distribution loyalty</li><li>▶ Superior customer satisfaction</li><li>▶ Above-average underwriting results</li></ul>	<b>Strategic Focus:</b> <ul style="list-style-type: none"><li>▶ Clear focus on target customer segments</li><li>▶ Maintain business diversification</li><li>▶ Optimisation of capital allocation</li><li>▶ Improvement of operational efficiency</li></ul>

### Winning proposition:

- ▶ International, but not global
- ▶ Big enough to be reliable, small enough to be personal
- ▶ Capital market listed, aimed at medium and long-term focus





	Ambition
Dynamisation of growth	<ul style="list-style-type: none"><li>▶ Multiplication of distribution success models</li><li>▶ Exploitation of alternative/new distribution channels</li><li>▶ Capitalise on existing banking partner options</li></ul>
Expansion of life business	<ul style="list-style-type: none"><li>▶ Cross-selling approach in all business units</li><li>▶ Transfer of successful German unit-linked model</li><li>▶ Implementation of a best-in-class approach</li></ul>
Structural cost improvements	<ul style="list-style-type: none"><li>▶ Clear targets to reduce cost ratio (<math>\leq 30\%</math>)</li><li>▶ Develop selected cross-country synergies</li><li>▶ Step by step industrialisation of our value chain</li></ul>
M&A Capital structure - optimisation	<ul style="list-style-type: none"><li>▶ Use structural leverages to support a 15% RoE target</li><li>▶ M&amp;A approach for profitable growth opportunities</li></ul>

# 2007 Results

# 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 <sup>1)</sup>	217.4%	221.7%	-4.3%-pt
Investment performance <sup>2)</sup>	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

<sup>1)</sup> Calculated according to regulations of the lead regulator, the BPV

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

## Performance of Helvetia Group in 2007



### Profitable growth

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

### Solid financial strength

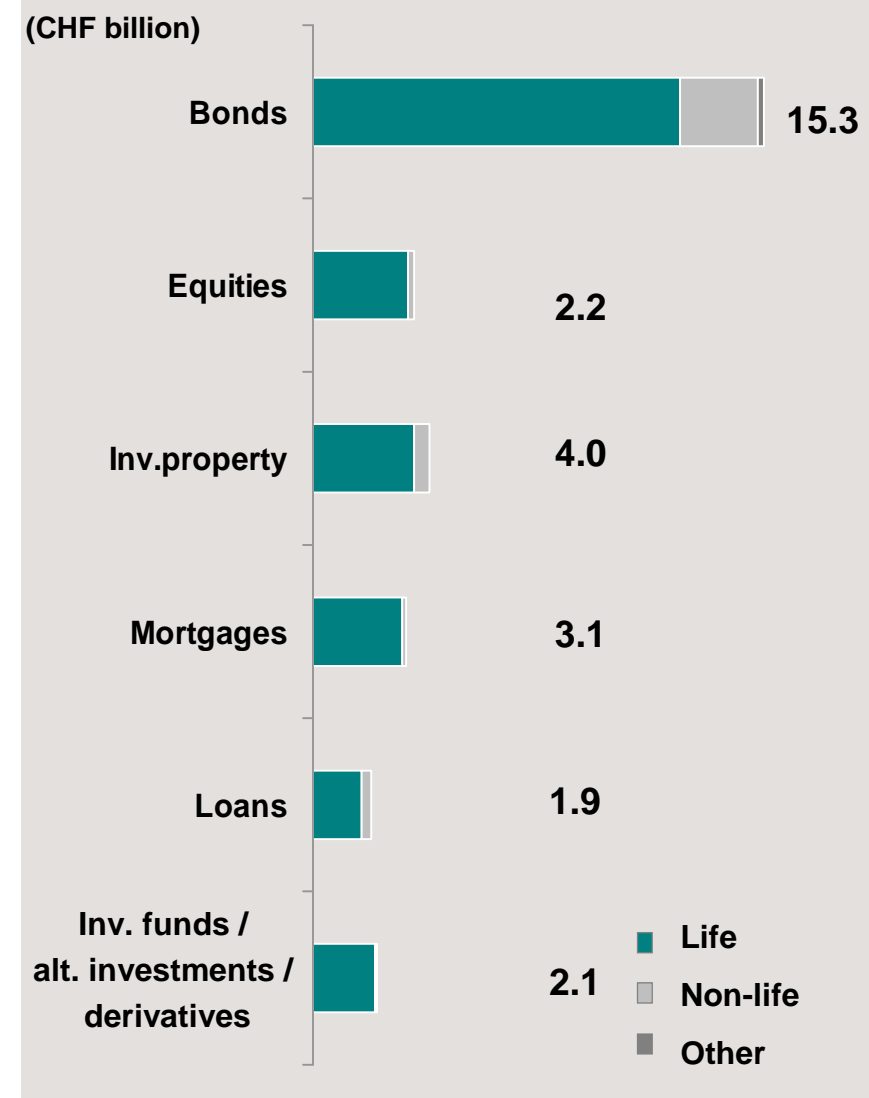
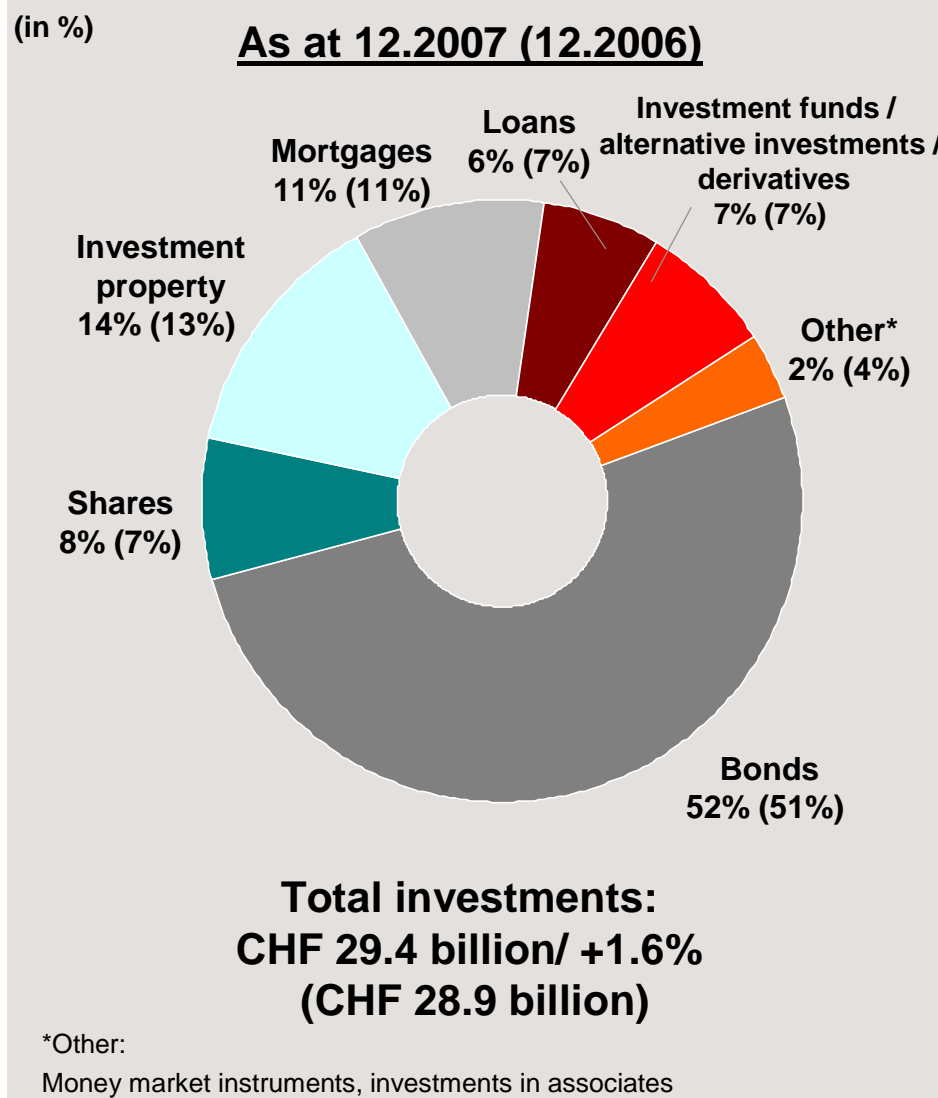
**Equity: + 4.1 %**  
**Stable solvency margin at: 217.4 %**  
**Interactive rating: "A-" with stable outlook**

### 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%)**

# Investment structure

Sustainable portfolio thanks to prudent investment strategy



**So simple**  
**Just**  
**ask us.**

# Appendix

- 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



# Where we operate – Helvetia country markets



## Breakdown of Group gross premiums

(CHF million / share in %)

### France

**1.6%**

90.6

CHF 5,488.9 million

### Germany

**17.0%**

930.9

### Austria

**6.3%**

346.4

### Spain

**10.0%**

548.2

### Switzerland

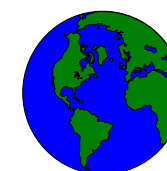
**51.4%**

2,824.1

### Italy

**9.3%**

509.1



### Assumed Reinsurance

**4.4%**

239.6

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).

# Cautionary note regarding forward-looking information



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