

## Helvetia Group Interim results 2007

Welcome

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

## The strategic objectives are right



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## Programme



- Most important results
- The Financial figures
- The Swiss business
- Market insight - Spain
- Current course of business
- Key strategic direction
- Q&A

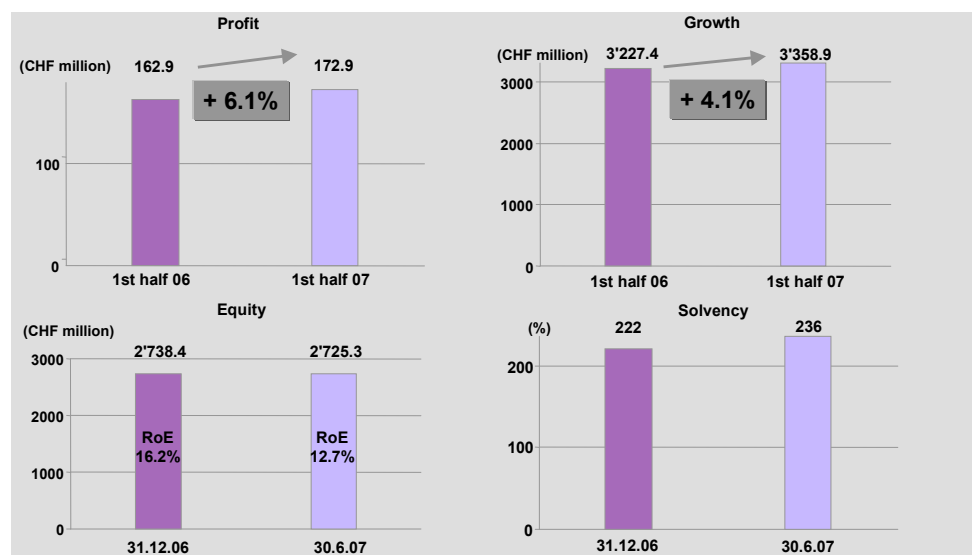
Stefan Loacker  
Paul Norton  
Philipp Gmür  
José María Paagman  
Stefan Loacker  
Stefan Loacker

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## Interim results 2007 - confirmation

Stefan Loacker, Group CEO

### The most important results

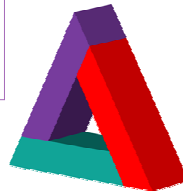


## Interim results show effective result diversification through robust business portfolio



### Non-life

- Traditionally strong income generator for Group
- In 1st half 2007 dynamic growth, but claims ratio less satisfactory than in same period 2006 due to various major claims
- Combined ratio therefore temporarily in the three digit area



### Investments

- Impressive performance in difficult market conditions
- Tactically meaningful profit gains in equities area thanks to good timing
- Equity practically unchanged despite rise in interest in 1st half.

### Life

- Strategic growth driver for Group
- 1st half 2007: Satisfactory rates of increase in the market environment
- Excellent results thanks to good risk experience and high financial results



## The financial figures

Paul Norton, Group CFO

## Key figures for total business

Increased profit of 6%, capital position strengthened



(CHF million)	1st half 07	1st half 06	+/-
Gross premiums booked	3'358.9	3'227.4	4.1%
Profit for period (after taxes)	172.9	162.9	6.1%
Capital investments (30.6.2007 vs. 31.12.2006)	29'529.9	28'927.7	2.1%
Results from capital investments	632.4	473.7	33.5%
Investment performance <sup>1)</sup>	1.3%	0.2%	1.1%Pkt
Underwriting reserves, net (30.6.2007 vs. 31.12.2006)	26'050.5	25'094.6	3.8%
Consolidated equity (30.6.2007 vs. 31.12.2006)	2'725.3	2'738.4	-0.5%
Annualised equity ratio	12.7%	13.4%	-0.7%Pkt
Group solvency <sup>2)</sup> (30.6.2007 vs. 31.12.2006)	236.2%	221.7%	14.5%Pkt

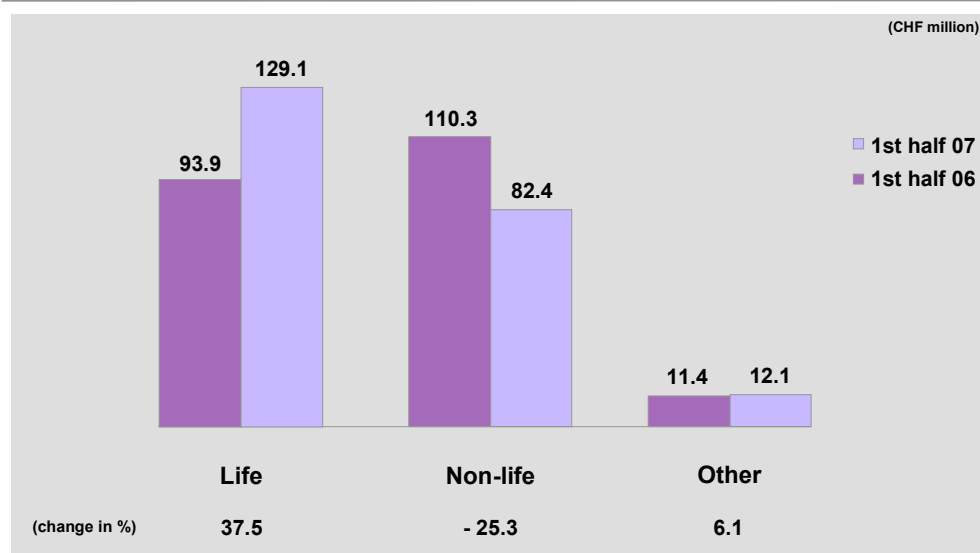
1) Results affecting/not affecting profit and loss from capital investments in % of average invested capital (without unit-linked life insurance)

2) Calculated according to the most recent BPV lead regulations

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## Results according to business segments

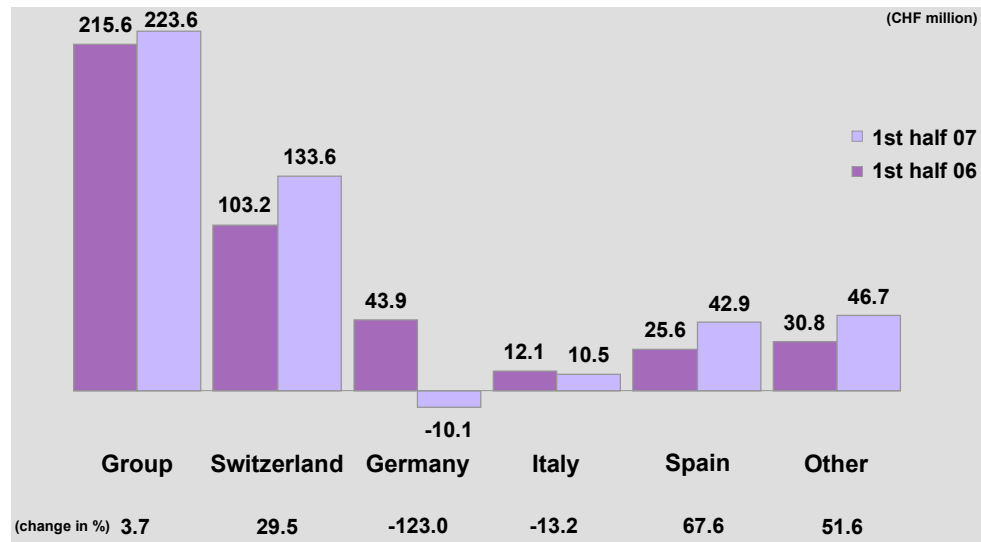
Outstanding results in life, non-life hit by storms



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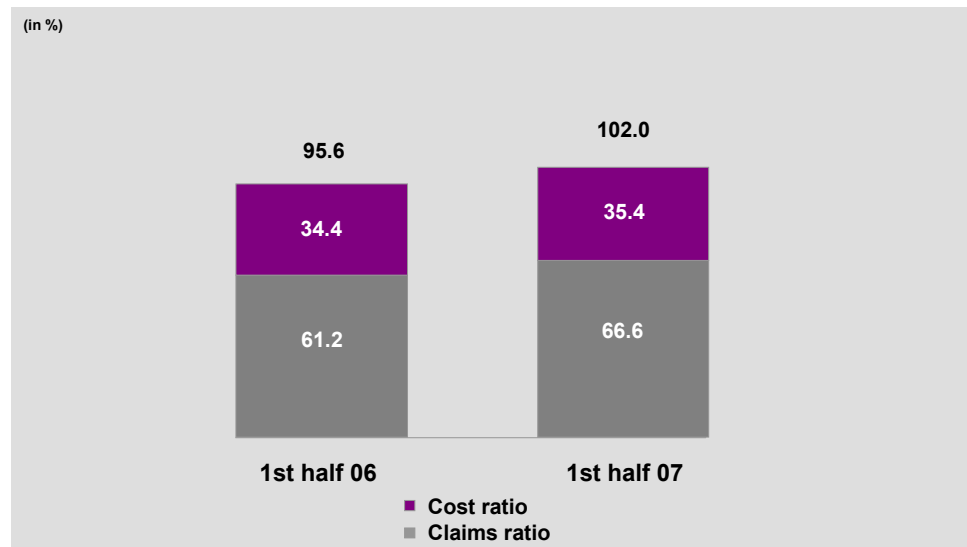
## Results according to country

Almost all business units show an increase of profits



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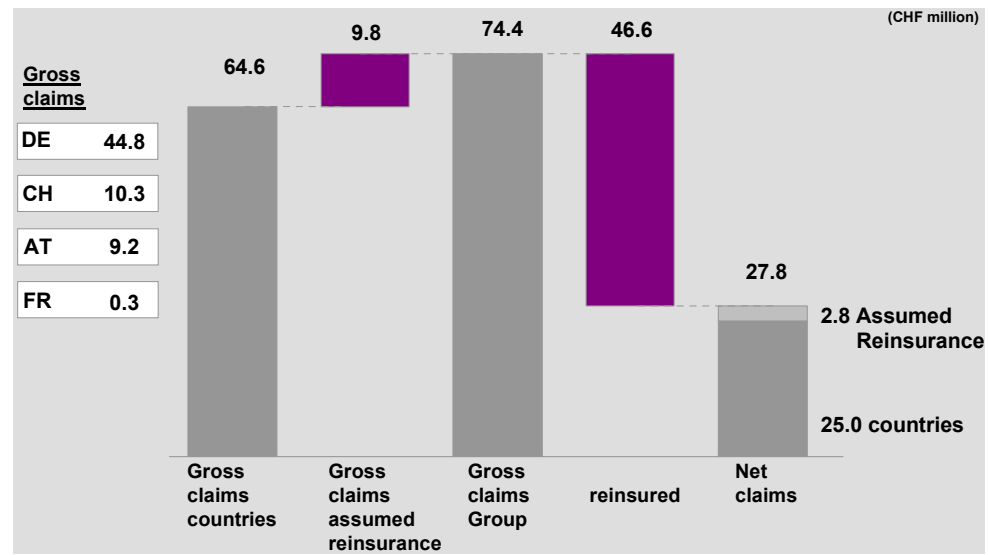
## Non-life: combined ratio, net



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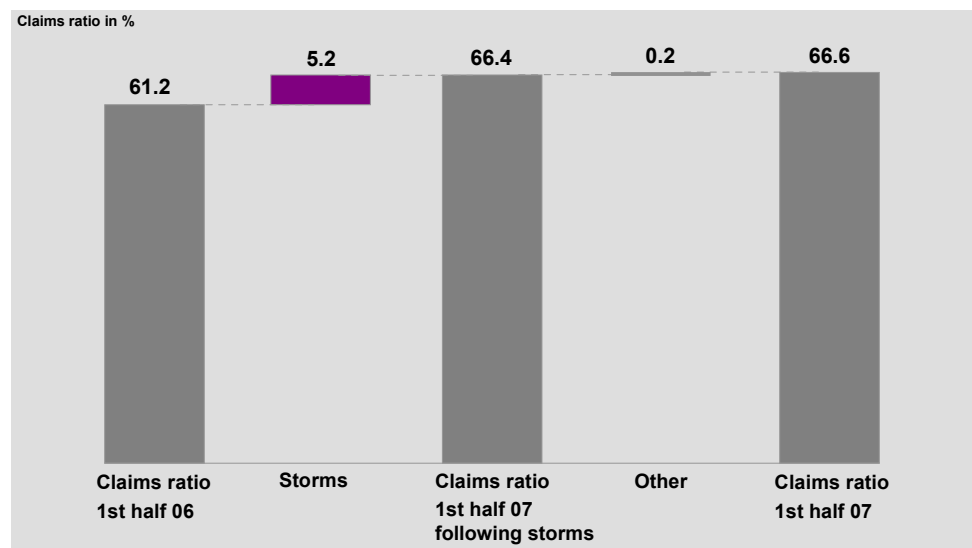
## Kyrill: gross and net claims

Gross: effective coverage through efficient reinsurance



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## Effect of storms on claims ratio



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## Actuarial figures non-life

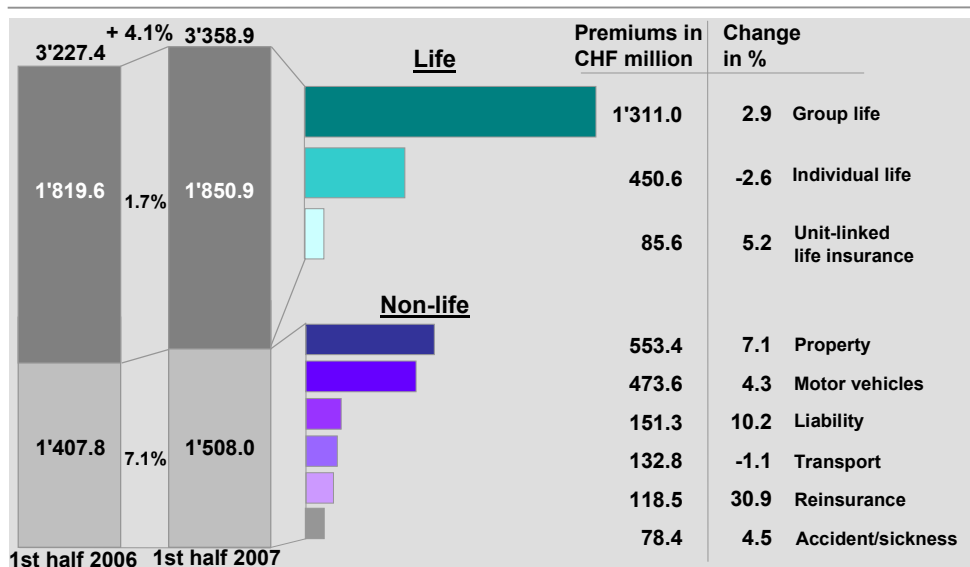


(in %)	CH	D	I	E	A	F	GRI	Total
Claims ratio, net	64.5%	69.7%	67.3%	61.2%	62.6%	40.4%	74.6%	66.6%
Cost ratio, net	35.6%	41.4%	31.5%	37.0%	39.4%	27.6%	25.5%	35.4%
Combined ratio, net	100.1%	111.1%	98.8%	98.1%	102.0%	68.0%	100.1%	102.0%
Combined ratio 2006, net	95.5%	95.8%	98.1%	95.6%	103.2%	82.4%	97.1%	95.6%
Change compared with 2006 (in % points)	+4.6	+15.3	+0.7	+2.5	-1.2	-14.4	+3.0	+6.4

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## Premium growth

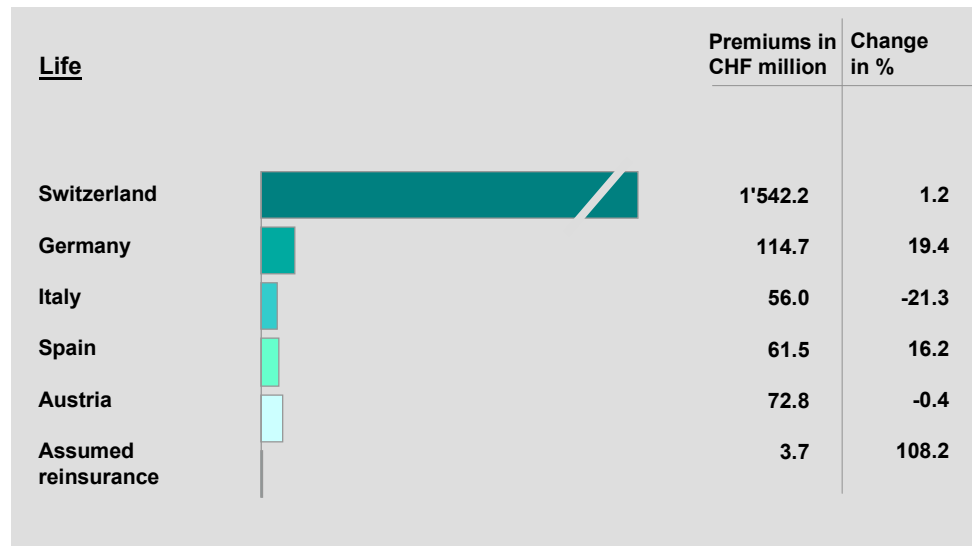
Satisfactory growth in non-life business



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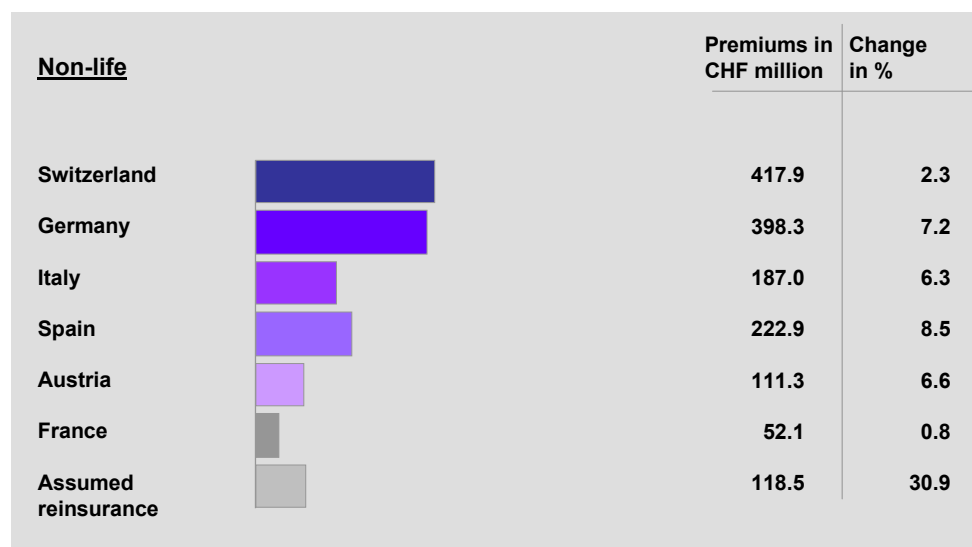


**Premium growth according to country**  
Good growth in life in Germany and Spain



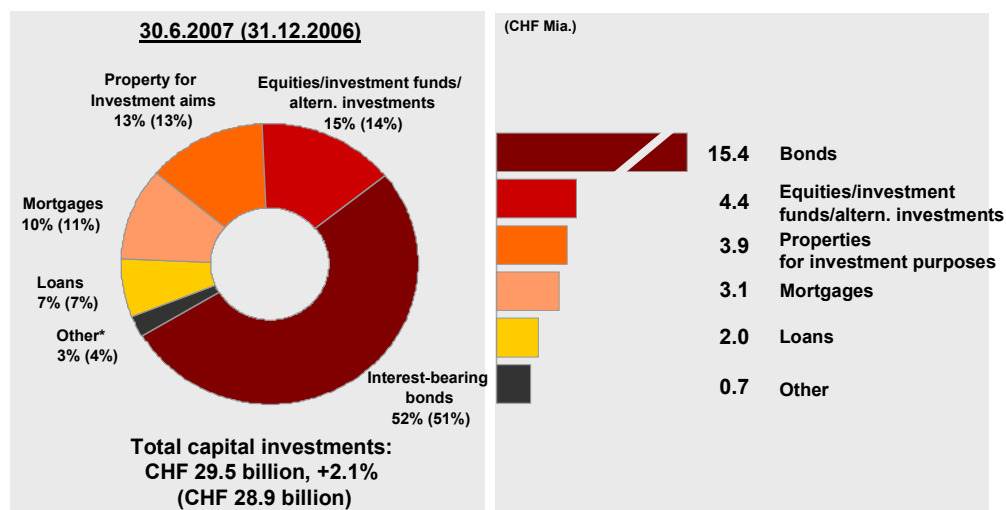
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**Premium growth according to country**  
Pleasant growth in most markets



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## Structure of capital investments



\*Other: money market instruments, investments in associated companies, derivatives

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## Capital investments - performance



(CHF million and/or %)	1st half 07	1st half 06	+/-
<b>Current income from capital investments</b>	<b>479.5</b>	<b>445.2</b>	<b>7.7</b>
-interest and dividend income	396.9	362.6	9.5
-rental income <sup>1)</sup>	82.6	82.6	-
<b>Total profit/loss</b>	<b>160.6</b>	<b>31.8</b>	<b>405.0</b>
Total profit/loss on financial investments	173.9	47.4	266.9
-equities, investment funds, derivatives	119.6	54.0	121.5
-interest-bearing	53.3	-7.2	-
-other	1.0	0.6	66.7
Profit/loss on properties for investment purposes	-13.3	-15.6	-14.7
<b>Other investment management expenses</b>	<b>-7.7</b>	<b>-3.3</b>	<b>133.3</b>
<b>Results from capital investments</b>	<b>632.4</b>	<b>473.7</b>	<b>33.5</b>
Annualised direct returns <sup>2)</sup>	3.3%	3.3%	-
Investment performance <sup>3)</sup>	1.3%	0.2%	1.1 points

1) After deductions for expenses for investment management

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

3) Results through profit or loss or with no impact from capital investments in % of average invested capital (without unit-linked life insurance)

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## Investment returns



In CHF million

Annualised direct returns <sup>1)</sup> of 3.3%

Total performance incl. capital gains <sup>2)</sup> of 1.3%

Shares		45	2.0% <sup>3)</sup>		235	11.0%
Interest-bearing bonds		242	3.2%		-65	- 0.4%
Properties for investment purposes		83	4.3%		69	1.8%
Mortgages		49	3.2%		49	1.6%

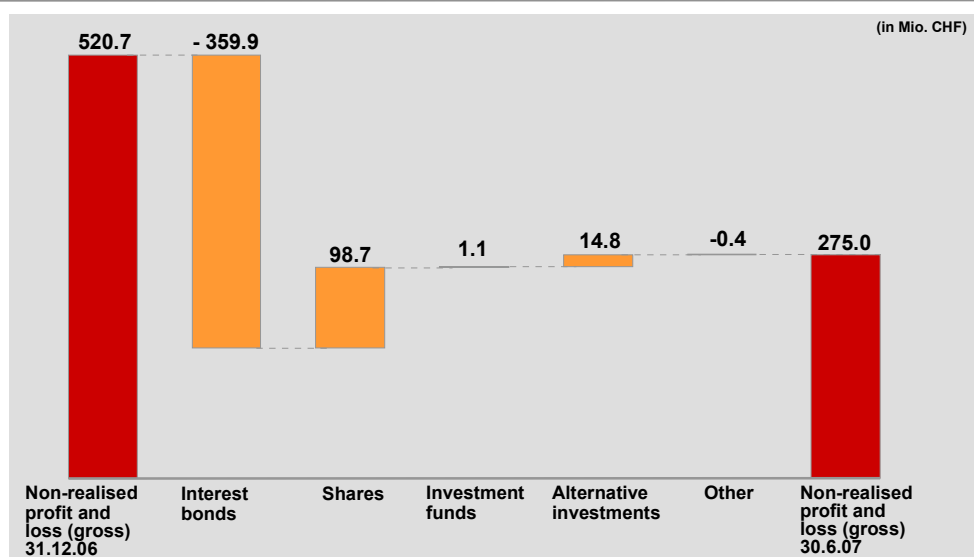
1) Interest, dividends and results for properties for investment purposes in % of average invested capital (without unit-linked life insurance)

2) Results through profit or loss or with no impact from capital investments in % of average invested capital (without unit-linked life insurance)

3) not annualised

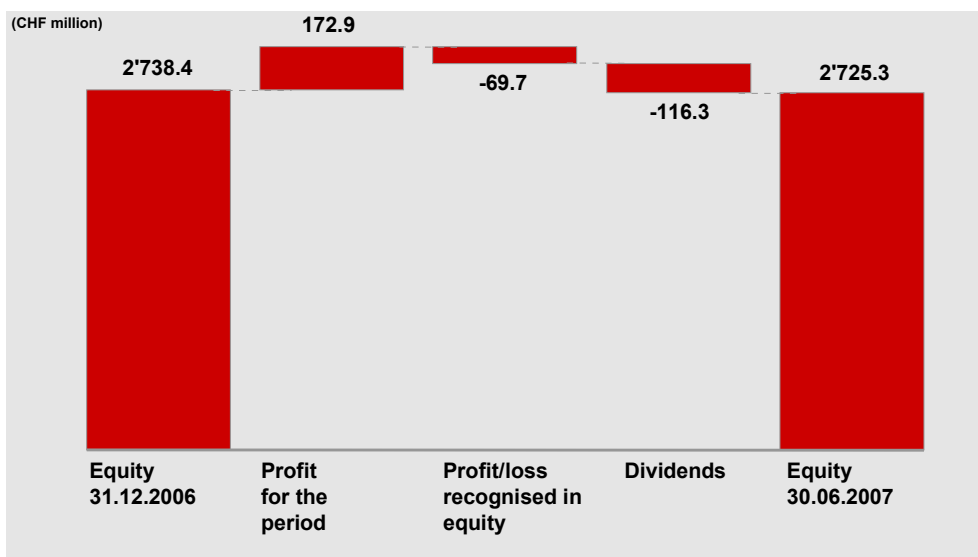
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## Non-realised profit and loss on capital investments (gross): Sharp decrease



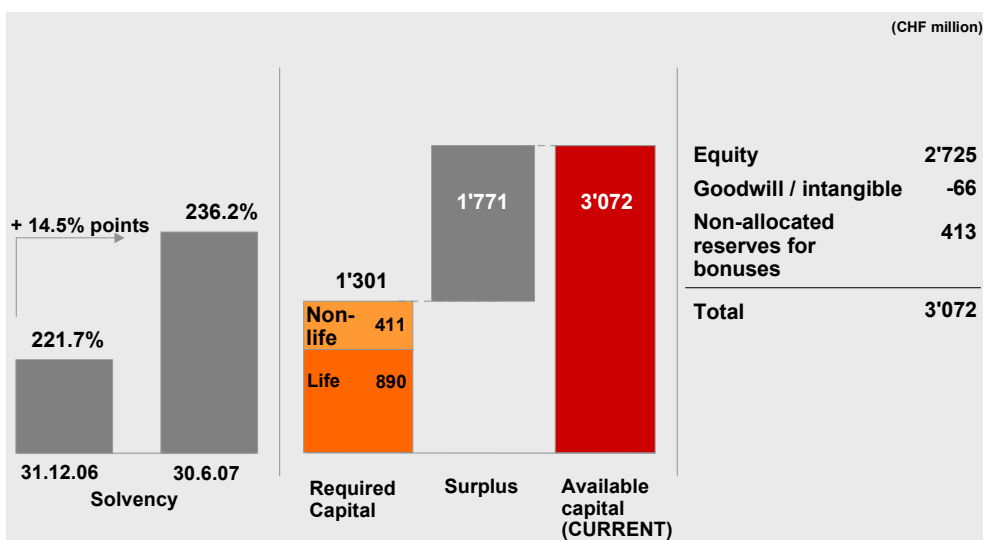
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## Equity performance



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## Solvency



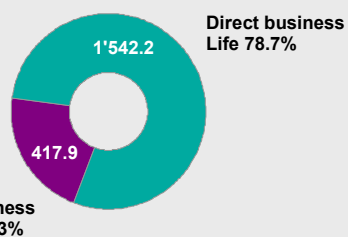
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# The Swiss business

Philipp Gmür, CEO Switzerland

## Switzerland: Attractive growth and high revenue strengths in life and non-life

Aggregated gross premiums: CHF 1,960.1 million  
(Share of Group total: 58%)



### Key figures for results

	1st half 07	Change to 1st half 06
Results before tax	133.6	29.5%
Net combined ratio	100.1%	4.6% points

### Gross premiums by business line

	1st half 07	Change to 1st half 06
<b>Group life</b>	<b>1'258.0</b>	<b>+2.2%</b>
Regular premium	809.3	+5.4%
Single premium	448.7	-3.0%
<b>Individual life</b>	<b>284.2</b>	<b>-3.4%</b>
Regular premium	198.6	-1.2%
Single premium	85.6	-8.2%
<b>Non-life</b>	<b>417.9</b>	<b>+2.3%</b>
Property	203.8	+1.2%
Transport	28.2	-3.9%
Motor vehicles	132.2	+3.8%
Liability	53.7	+6.8%

**Conclusion from results for 1st half 2007**

- + Non-life: above-average growth in non-life, particularly in property
- + Life: very good risk results / favourable capital market conditions
- Non-life: higher combined ratio net, due to big claims and storms
- Growth in individual life still below expectations

**Outlook 2nd half 2007**

- Launch of new unit-linked pension products  
2nd half 2007
- Acquisition of new sales channels with focus on motor vehicles
- Strengthening of market position



## **Market Insight Spain**

José María Paagman, CEO Spain

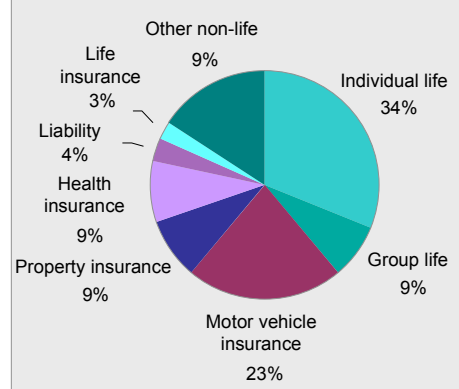
## The Spanish insurance market - attractive and dynamic



### General market information

- Sixth largest insurance market in Europe
  - EUR 52.5 billion overall premiums
  - EUR 22.4 billion life premiums
  - EUR 30.1 billion non-life premiums
- Comparatively little consolidation
- Still underdeveloped insurance market
- Brokers, agents and increasingly banks as major sales channels
- Comparatively high growth dynamic

### Market distribution by business line <sup>1)</sup>



1) Source: 2005 Data; ICEA, Report on "Evolution of the insurance market, 2006"

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## Helvetia in Spain



**North: Pamplona – 27%**

**Centre: Madrid – 29%**

**South: Sevilla – 44%**

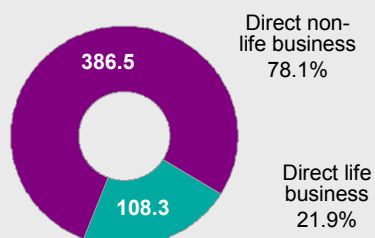
- A comprehensive organisation with three processing centres
- 55 regional offices in the whole of Spain
- 570 employees and around 1100 productive (independent) agents
- 800,000 life and non-life policies
- Gross premiums 2006 from CHF 500 million
- Position 32 from around 300 active insurance companies

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## Helvetia Spain as a successful part of the Group

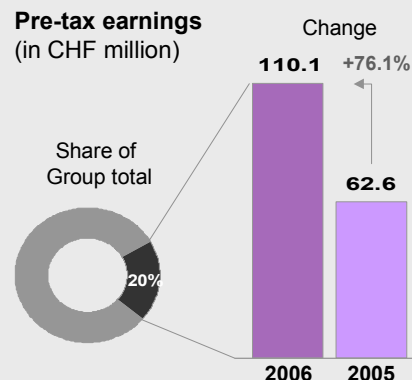


**Gross premiums 2006: CHF 494.8 million**  
(Share of Group volume: approx. 10%)



Growth	2006	2005
in CHF	6.8%	3.2%
in original currency	4.9%	3.0%

**Pre-tax earnings**  
(in CHF million)



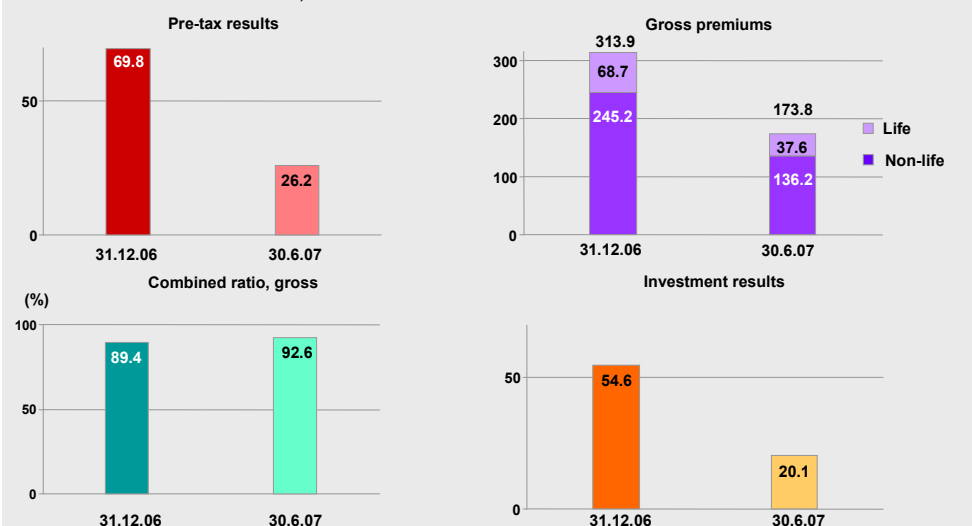
Combined ratio, gross	2006	2005
	89.4%	87.2%

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## Spain: attractive interim results once again



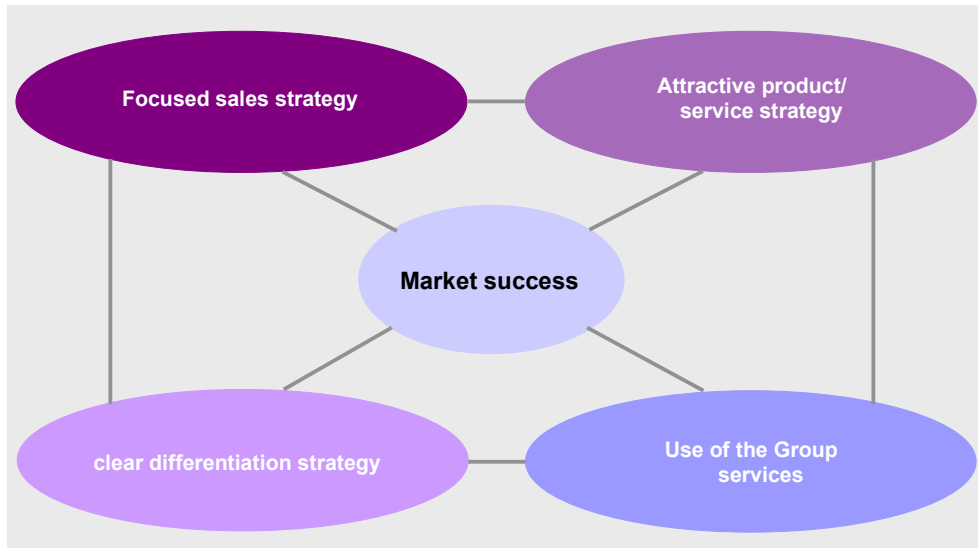
In EUR million if not mentioned otherwise; based on IFRS



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## The reasons for our success in Spain



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## Current course of business

Stefan Loacker, Group CEO

## Developments since 30.6.2007



Growth direct business (Jan - July 2007)	Total	+3.4% (OC <sup>1)</sup> +1.4%)
	Non-life	+6.1% (OC <sup>1)</sup> +2.5%)
	Life	+1.3% (OC <sup>1)</sup> +0.7%)
Claims experience	<ul style="list-style-type: none"><li>- better claims ratio on group level</li><li>- storms CH on July and August: claims of CHF 25 million net</li><li>- other countries: no extraordinary events</li></ul>	
Capital investments	<ul style="list-style-type: none"><li>- Standard revenues running according to plan</li><li>- Non-realised profits/losses on AFS shares market related in June (high volatility)</li></ul>	

1) Original currency

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## Key strategic direction

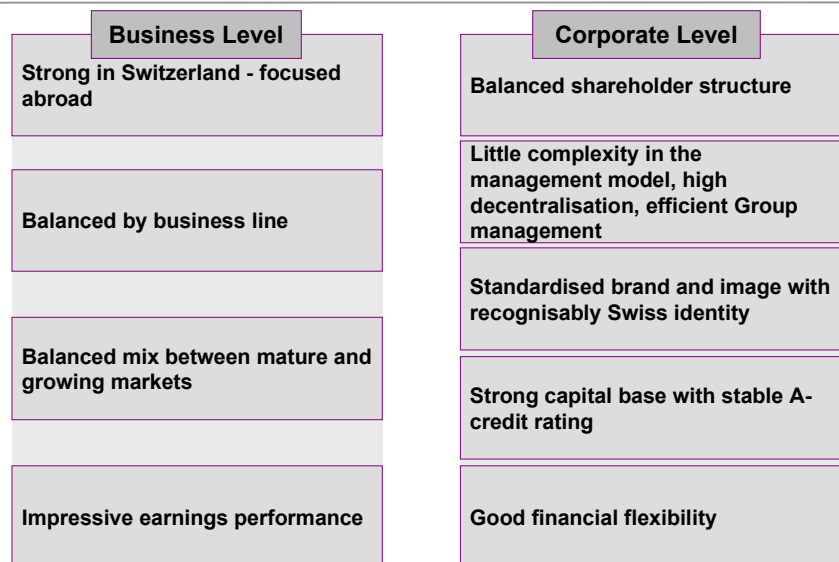
## Most important trends



- 1 **Competition for growth**
  - Overcapacities - organic growth at limit in saturated markets
  - Everyone wants market growth - at whose cost?
- 2 **Industrialisation**
  - Technology, process optimisation and economies of scale concepts
  - Cyclically increasing market consolidation
- 3 **Individualisation**
  - Closeness to customers and niche strategy as opportunities
  - Growing price sensitivity leads to cost pressure
- 4 **Balance sheet management**
  - capital management as key competence (Solvency II)
  - Focus on risk management and asset and liability management
- 5 **Capital market dynamics**
  - Changed investor behaviour on the capital market
  - High market volatility

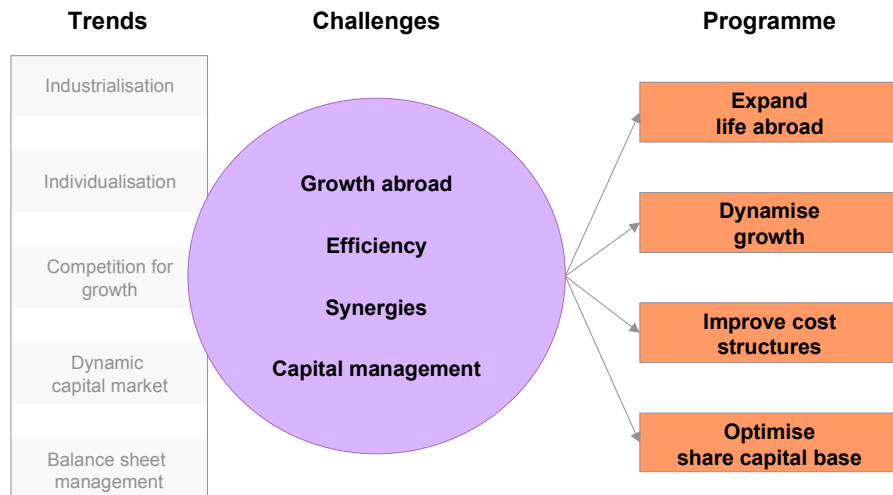
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## Situation analysis Helvetia 2007



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**Strategic thrust 2010**  
Continuity with ambitious programmes



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**Programme (1)**



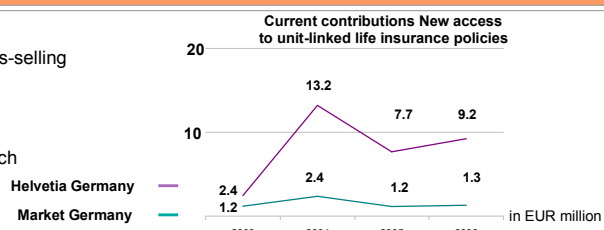
**Expand life abroad**

**Life penetration in retail business**

- More life business abroad through cross-selling

**Unit-linked life insurance policies**

- Repeat the German success model
- Implementation of best-in-class approach



**Dynamise growth**

**Strategic sales management**

- Strengthening and/or acquisition of new sales channels
- Repeat successful distribution model
- Implement best-practice concept

**Cooperations and M&A**

- Meaningful cooperations and M&A
- Strategic, economic and cultural considerations as the basis for decisions

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**Improve cost structures**

**Strategic cost management**

- Group-wide structural analysis underway
- Aim: healthy growth without increase in costs
- Approach: Processes and structures in back-office area, also cross-nationally

**Optimise share capital base**

**Basis for increasing financial flexibility**

- Change in accounting practices from Swiss GAAP FER to IFRS, attainment of interactive rating from Standard & Poor's
- Creation of conditional capital at Shareholders' Meeting 2007
- Examination of corporate and capital structure

**Overarching target:** To achieve a sustainable equity ratio of 15% by 2010.

## **Our leading principle:**

Top in growth, profitability and customer loyalty

**Just  
ask us.**

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**Appendix**

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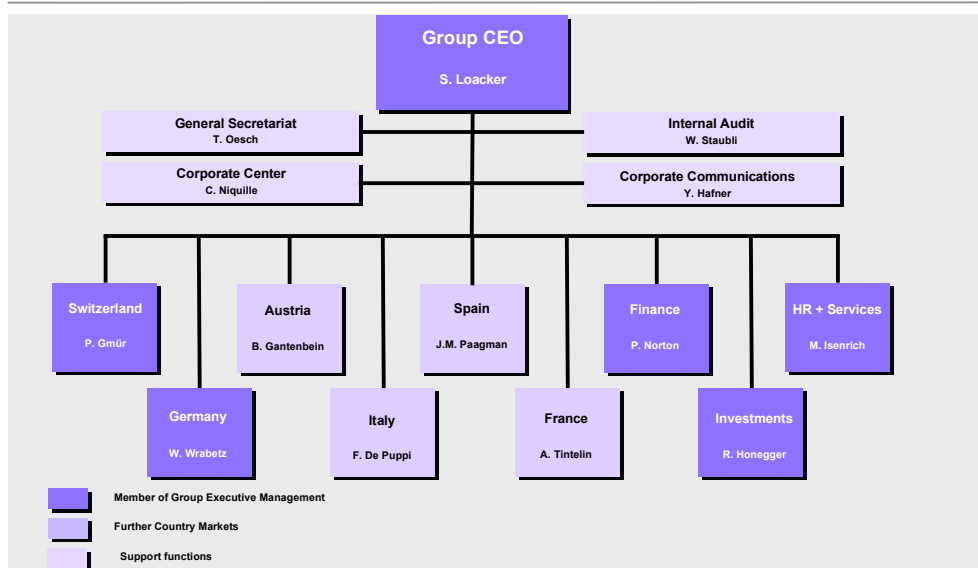
## Important dates



- **17.03.2008** Financial results for 2007: Analysts' and media conference in Zurich
- **25.04.2008** Ordinary Shareholders' Meeting in St.Gallen
- **03.09.2008** Publication of half-year financial results for 2008

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## Executive Management at a glance



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## About Helvetia Group



The Helvetia is a Europe-wide active insurance service provider with core competencies in risk management (life and non-life insurance business, reinsurance) as well as in private pensions. The Group is active in Central – and Southern Europe through its regional offices, subsidiaries and associated companies. The Group headquarters are located in St.Gallen/Switzerland while the headquarters for Switzerland are in Basle. Helvetia provides with 4'600 employees services to more than two million customers in six European countries. About 2'200 employees are working for the insurer in Switzerland. The Group generated a premium volume of CHF 5.3 billion in 2006 and a net profit of CHF 423.8 million. The registered shares of Helvetia Holding are part of the Swiss Performance Index (SPI) and are traded at the Swiss Stock Exchange (SWX) under the symbol HELN.

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## Historical overview



- 1858 Establishment of Allgemeinen Versicherungs-Gesellschaft Helvetia, St.Gallen
- 1861 Establishment of Helvetia Schweizerische Feuerversicherungs-Gesellschaft, St.Gallen
- 1862 Establishment of branch offices in Germany
- 1878 Establishment Patria, Schweizerische Lebensversicherungsgesellschaft cooperative society in Basel
- 1920-1962 Establishment of branch offices and subsidiaries of Helvetia in France, Italy, Austria, Belgium (sold 1985), Greece (sold 1997), Holland (sold 1995) and Canada (sold 1999)
- 1974 Merger of Helvetia Feuer and Helvetia Allgemeine, St.Gallen
- 1986-1988 Further Helvetia subsidiaries established in Spain, Italy and Germany
- 1992 Start of partnership between Helvetia and Patria
- 1996 Establishment of Helvetia Patria Holding, St.Gallen
- 1998 Acquisition of La Vasco Navarre (Spain); acquisition of the portfolio of NCD (Italy)
- 1999 Merger of the two companies La Vasco Navarre and Cervantes Helvetia to form Helvetia CVN, Madrid/Pamplona
- 2000 Acquisition of the southern Spanish insurer Previsión Española, Seville
- 2001 Acquisition of Norwich Union Vita, Milan; renamed Helvetia Life
- 2002 Acquisition of the transport insurance company of the British Royal und Sun Alliance in France
- 2003 Merger of the two companies Previsión Española and Helvetia CVN to form Helvetia Previsión with headquarters in Seville
- 2004 Acquisition of two transport insurance portfolios in France
- 2005 Merger of the tow Italian companies Helvetia Vita and Helvetia Life to form Helvetia Vita with headquarters in Milan
- 2005 Acquisition of the insurance portfolio of the company Sofid Vita in Italy
- 2006 Group-wide, standardised brand name "helvetia"
- 2006 'A-' rating with stable outlook (by Standard & Poor's)

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