

Helvetia Group

Swiss Small & Mid Cap Seminar 2007

Friday, March 30, 2007

Welcome

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Topics

- Introduction, Strategy, Shareholders' Structure
- Highlight 2006: Outstanding Result
- Key Financial Figures
- Investment Business
- Embedded Value
- Business Units
- Outlook 2007

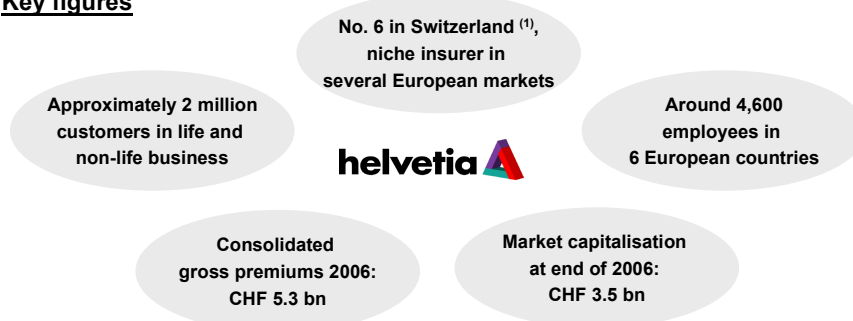
Introduction / Strategy / Shareholders' Structure

Helvetia at a glance

History

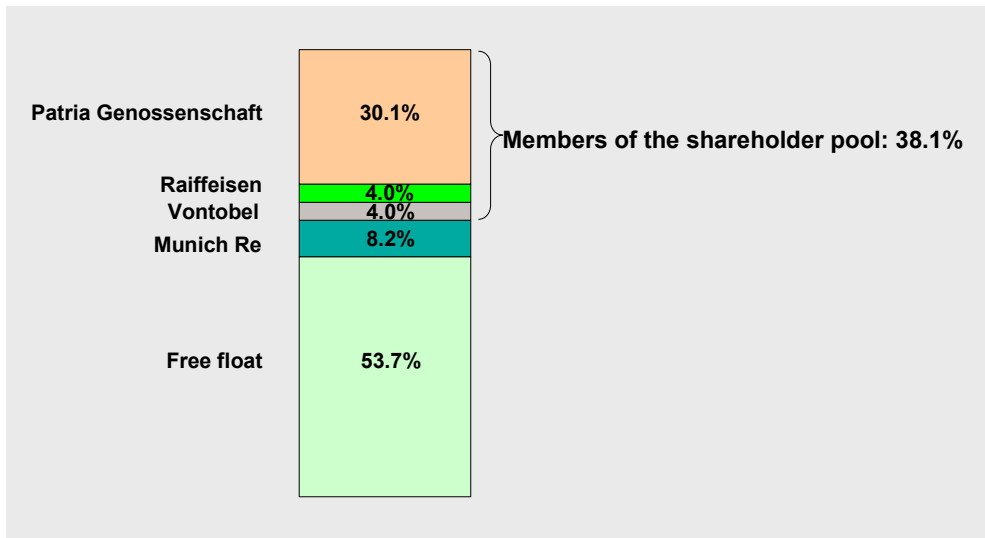


Key figures



(1) Basis: Gross premiums written

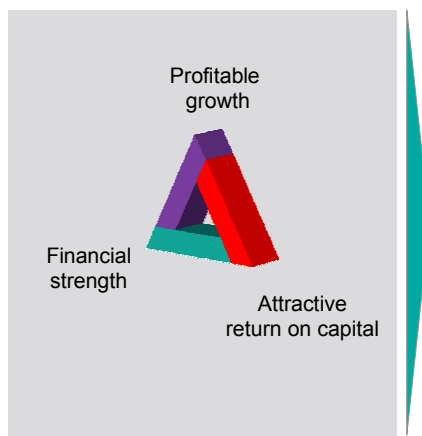
The shareholder structure



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Value strategy with definite financial objectives



- **An attractive post-tax return on capital of 15% is targeted**
- **Financial strength** should be secured: this is confirmed by the **solvency margin of around 219%** and the **S&P rating ('A-' with stable outlook)**
- Generation of **profitable growth**:
 - Above-average **organic growth** in existing country markets/business lines
 - Expansion of local positioning through **targeted acquisitions**

→ Shareholders' value

Target-oriented strategic positioning



- | | |
|--|---|
| Attractive business portfolio | <ul style="list-style-type: none">■ Lucrative markets and profitable niches■ Clear focus on private and SME customers |
| Strong value proposition for customers | <ul style="list-style-type: none">■ "Best in class" products and services■ Innovative insurance and pension solutions■ Service quality in sales and support |
| Growth through excellent customer access | <ul style="list-style-type: none">■ Unique sales network with strong partnerships■ Sales partnerships for defined products■ Customers and sales partners who are very loyal |



Dynamic brand with Swiss identity



Document name

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Creation of up to 15% conditional capital



Consistent improvement of financial flexibility ...

- was systematically promoted in the past
 - Share capital increase in autumn 2004
 - Change to IFRS accounting principles
 - Granting of interactive 'A-' rating by Standard & Poor's in autumn 2006
- will be continued by creating up to 15% conditional capital:
 - Financing options will be increased
 - Maximum quota of 15% based on:
 - opportunities provided by the capital market
 - current unused capacity for subordinated capital

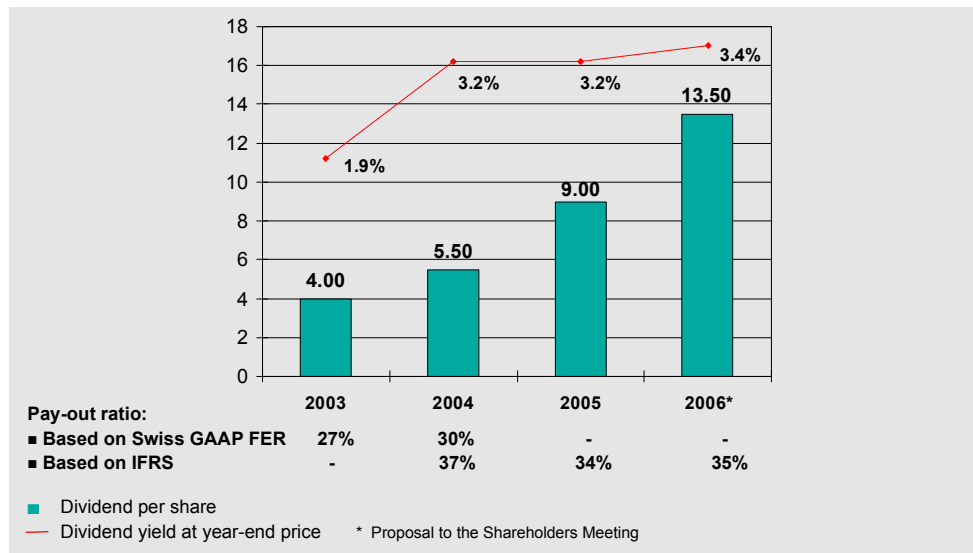
... is part of the current 'Strategy 2007-2010'

- improved flexibility to finance acquisitions to drive strategic growth
- new potential to optimise financing structure and capital costs

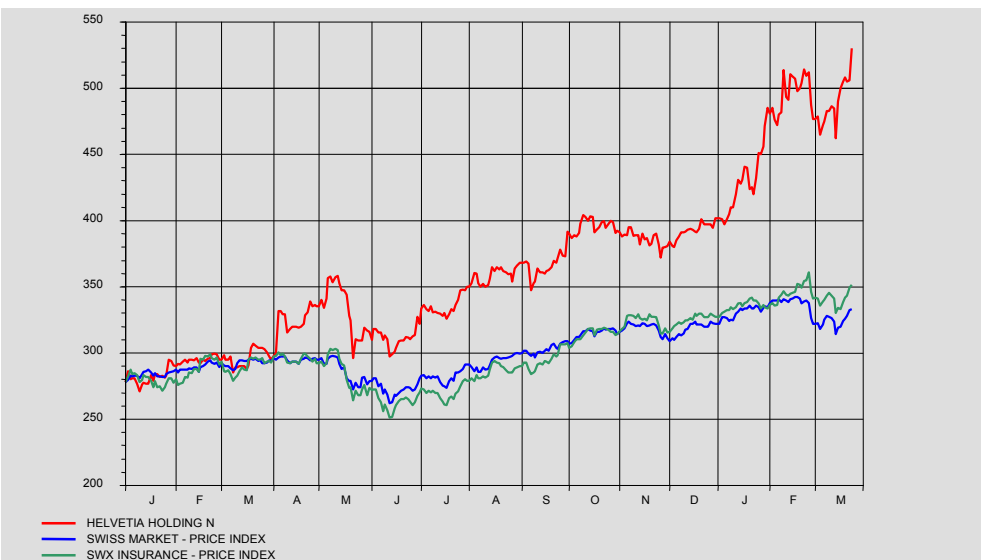
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Sustained dividend policy



Helvetia share outperforms indices: Share price development from 1.1.2006 to 23.03.2007

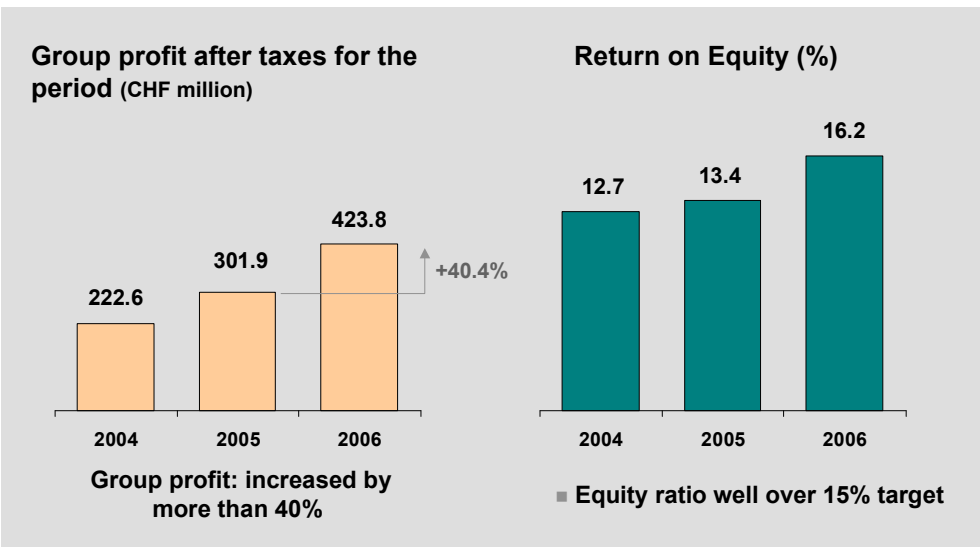


Highlight 2006: Outstanding Result

Helvetia in top form: best result of all time

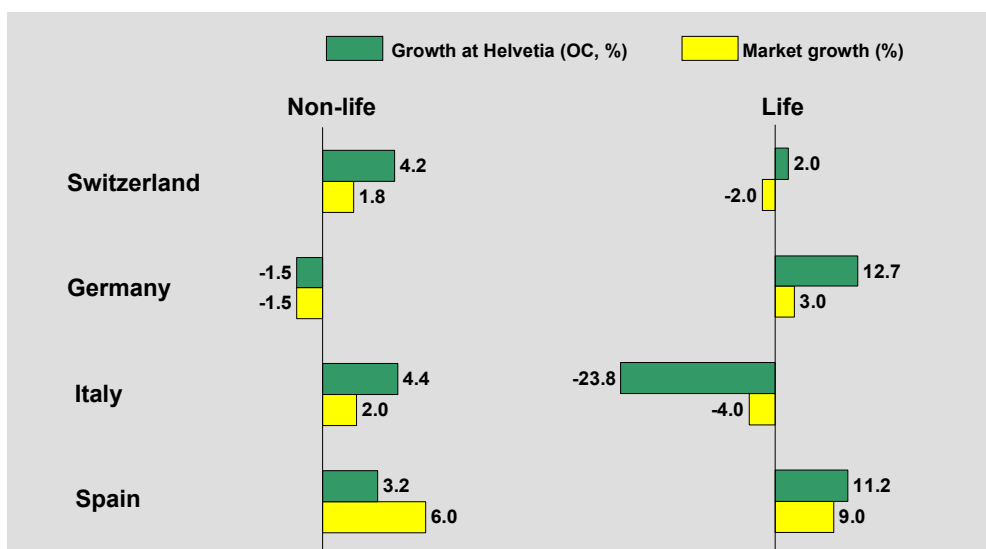
Highlights (CHF million or %)	2006	2005
■ Profit climbed by more than 40%	423.8	301.9
■ Excellent equity ratio	16.2%	13.4%
■ Considerable strengthening of equity base (+10%)	2738.4	2480.8
■ Impressive share price performance (+44%) [CHF]	401.5	278.0
■ Gross combined ratio: significant progress	93.2%	95.2%
■ Embedded value demonstrates profitability of life business	1881.7	1673.6
■ Further gains of market shares:		
■ Switzerland (NL and L)	■ Germany (L)	
■ Italy (NL)	■ Spain (L)	

Helvetia Group: Outstanding results



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Helvetia Group versus market



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Targets for 2006	Results		Comments
Sustainable guarantee of profitability	Group profit: CHF 423.8 million ROE: 16.2%	✓	Income targets outstripped
Positive results in all countries	Very positive result overall in the double-digit million range (in CHF)	✓	Significant improvements in result once again in Switzerland, Spain, Germany and in assumed reinsurance
Growth in insurance business	Clear progress in premium area particularly in non-life, but also in life	✓	Further gains in market shares in Switzerland (NL+L), Italy (NL) and Spain (L)
Net combined ratio well under 100%	Net combined ratio of 94.1%	✓	Stabilisation on a par with the excellent level of the previous year (94.0%)
Maintaining the risk capacity of the Group	Rise in equity by 10% to CHF 2.7 billion	✓	Considerable strengthening of equity base

Key Financial Figures

Helvetia Group: Key data for total business



(CHF million or %)	2006	2005	+/-
Gross premiums written	5,255.7	5,176.8	1.5%
Profit for period (after taxes)	423.8	301.9	40.4%
Investments	28,927.7	27,783.2	4.1%
Investment income	1,109.3	1,301.5	-14.8%
Investment performance	3.1%	5.5%	-2.4
Underwriting reserves, net	25,094.6	23,969.9	4.7%
Consolidated equity	2,738.4	2,480.8	10.4%
Return on equity	16.2%	13.4%	2.8
Group solvency ¹⁾	218.6%	204.2%	14.4

1) Method of calculation based on latest directives of the new FOPI lead regulator

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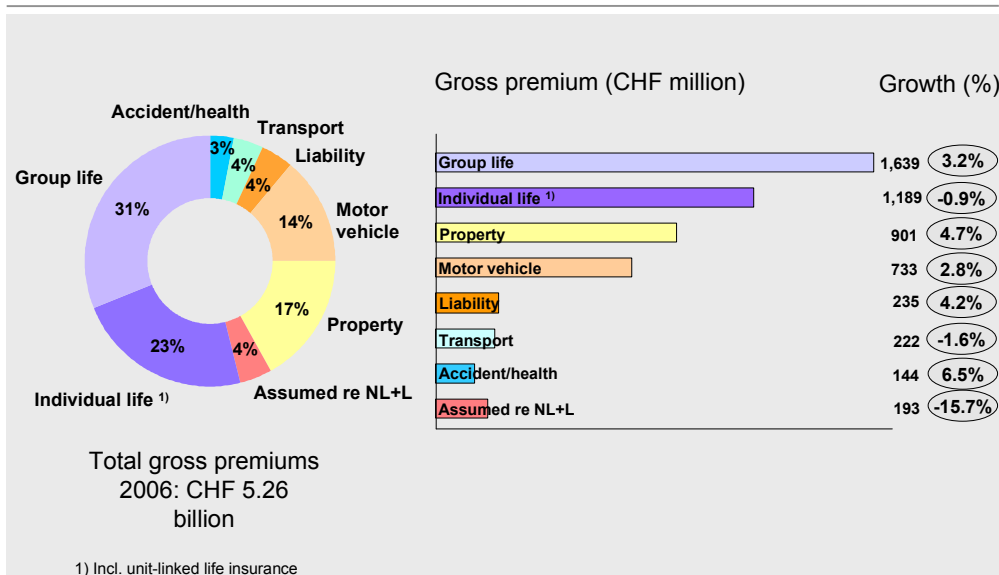
Helvetia Group: Gross premiums and growth



(CHF million or %)	Consolidated gross premiums		Growth (in CHF)	
	2006	2005	2006	2005
Total direct business	5,062.5	4,947.6	2.3%	6.5%
Non-life	2,234.6	2,159.5	3.5%	-0.1%
Life	2,827.9	2,788.1	1.4%	12.1%
Total assumed reinsurance	193.2	229.2	-15.7%	6.4%
Helvetia Group	5,255.7	5,176.8	1.5%	6.5%
Non-life	2,423.3	2,386.6	1.5%	0.6%
Life	2,832.4	2,790.2	1.5%	12.0%

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Helvetia Group: Gross premiums / growth by business line



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Helvetia Group: Best Group result of all time



(CHF million or %)	2006	2005	+/-
Pre-tax profit, total	562.2	420.2	33.8%
- non-life	321.6	262.5	22.5%
- life	184.6	139.9	32.0%
- other	56.0	17.8	214.6%
Taxes	138.4	118.3	17.0%
Profit for period (after taxes)	423.8	301.9	40.4%

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Helvetia Group: Non-life business (1/2)



(CHF million or %)	2006	2005	+/-
Gross premiums written	2,423.3	2,386.7	1.5%
Net earned premiums	2,169.4	2,118.6	2.4%
Net insurance benefits	-1,330.8	-1,312.8	1.4%
Net technical costs	-708.4	-676.5	4.7%
Net cost of surplus participation	-2.7	-3.0	-10.0%
Net interest from insurance business	0.1	0.1	0.0%
Net actuarial profit/loss	127.6	126.4	0.9%
Current income on investments	139.6	136.3	2.4%
Gains and losses on investments	70.4	53.6	31.3%
Other income and expenses	-16.0	-53.8	-70.3%
Net profit of non-technical account	194.0	136.1	42.5%
Pre-tax profit	321.6	262.5	22.5%

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Helvetia Group: Non-life business (2/2)



(% or percentage points)	2006	2005	+/-
Premium growth (in CHF)			
- Total business	1.5%	0.6%	0.9
- Direct business	3.5%	-0.1%	3.6
Gross claims ratio	61.2%	64.3%	-3.1
Gross cost ratio	31.9%	30.7%	1.2
Gross combined ratio	93.2%	95.2%	-2.0
Net claims ratio	61.3%	62.0%	-0.7
Net cost ratio	32.8%	32.0%	0.8
Net combined ratio	94.1%	94.0%	0.1
Funding ratio	154.6%	149.1%	5.5

Claims and cost ratios as well as the funding ratio in % of earned premiums

Cost ratios are given "all in"

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Helvetia Group: Life business (1/2)



(CHF million or %)	2006	2005	+/-
Gross premiums written	2,832.4	2,790.2	1.5%
Earned net premiums	2,789.8	2,757.1	1.2%
Net insurance benefits ¹⁾	-2,943.2	-3,079.5	-4.4%
Net technical costs	-278.0	-266.7	4.2%
Net cost of surplus participation	-164.0	-288.9	-43.2%
Net interest from insurance business	-33.8	-33.8	0.0%
Subtotal 1, net	-629.2	-911.8	-31.0%
Current income on investments	714.3	689.4	3.6%
Gains and losses on investments	135.6	410.8	-67.0%
Other income and expenses	-36.1	-48.5	-25.6%
Subtotal 2, net	813.8	1,051.7	-22.6%
Pre-tax profit	184.6	139.9	32.0%

1) incl. cost of investment contracts

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Helvetia Group: Life business (2/2)



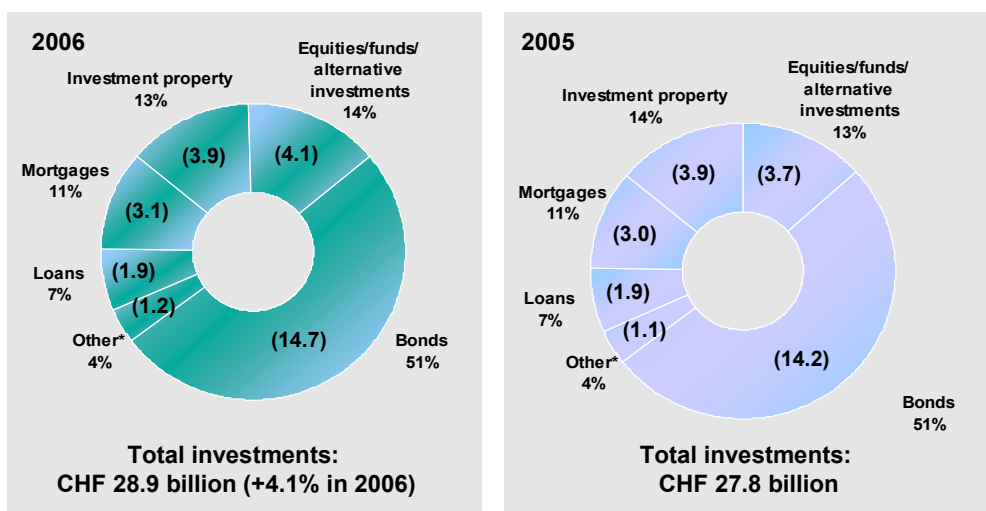
(CHF million or %)	2006	2005	+/-
Premium growth (in CHF)			
- Total business	1.5%	12.0%	-10.5
- Direct business	1.4%	12.1%	-10.7
Gross cost ratio	10.0%	9.7%	0.3
Total embedded value (CHF million)	1,881.7	1,673.6	12.4%
- Switzerland	1,519.4	1,373.1	10.7%
- EU	362.3	300.5	20.6%
Value of new business (CHF million)	21.7	19.9	9.0%

Cost ratios in % of the earned premiums

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Investment Business

Helvetia Group: Structure of investments



Values in brackets in CHF billion

*Other: Money market instruments, investments in associates, derivatives

Helvetia Group: Investment performance



(CHF million or %)	2006	2005	+/-
Current income on investments	867.0	841.1	3.1%
- Interest and dividend income	704.4	675.7	4.2%
- Rental income ¹⁾	162.6	165.4	-1.7%
Total gains and losses	250.7	475.8	-47.3%
Total gains/losses on investments	290.9	506.9	-42.6%
- Shares, investment funds, derivatives	224.4	387.3	-42.0%
- Bonds	63.4	113.9	-44.4%
- Other	3.1	5.7	-46.2%
Gains/losses on investment property	-40.2	-31.1	29.3%
Other asset management expenses	-8.4	-15.4	-45.7%
Investment income	1,109.3	1,301.5	-14.8%
Direct yield²⁾	3.1%	3.2%	-0.1%
Investment performance	3.1%	5.5%	-2.4%

1) after deducting asset management expenses

2) current investment income in % of capital invested on average (without unit-linked life insurance)

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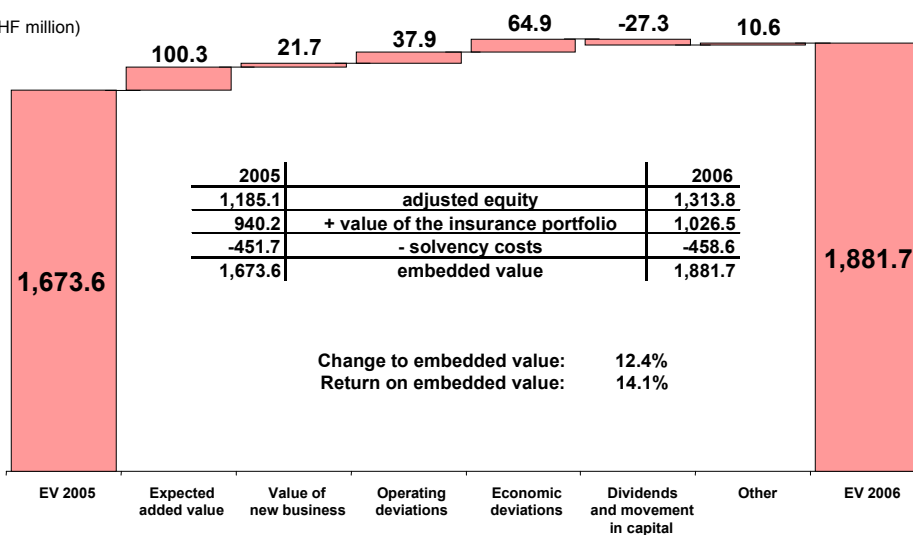
Embedded Value

Life Business: Change in embedded value (EV)

Return on embedded value of 14.1%



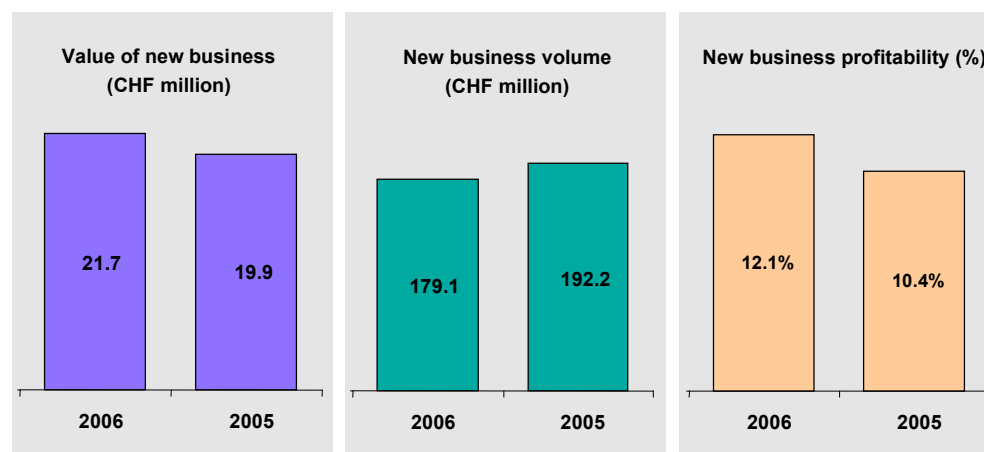
(CHF million)



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Life Business: Value of new business

New business margin increased from 10.4% to 12.1%

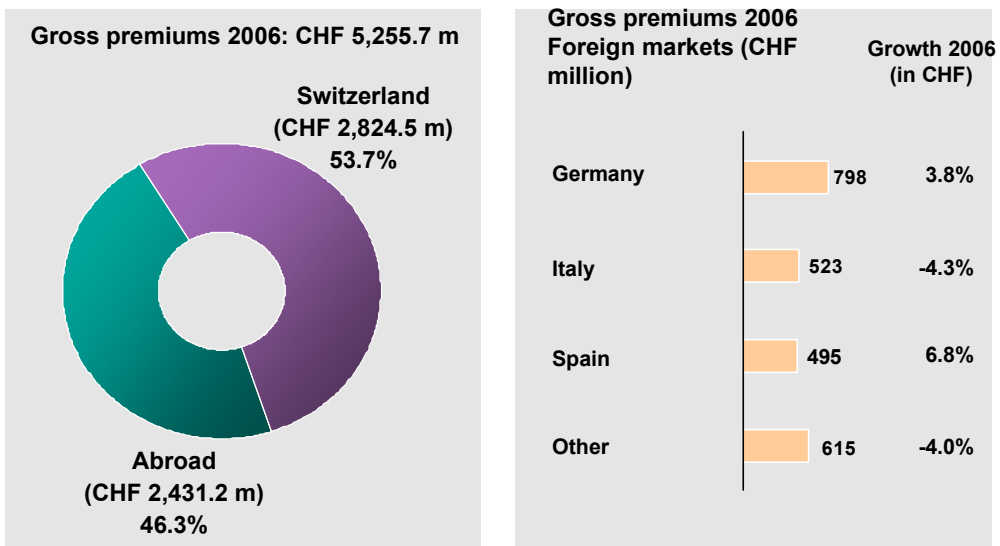


New business volume: annual premium equivalent (new annual premiums + 100% of new single premiums)

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Business Units

Helvetia Group: Gross premiums 2006



Helvetia Group: Gross combined ratios non-life



	2006	2005	Δ 2006/2005
Switzerland	82.9%	105.7%	-22.8
Germany	95.2%	90.1%	5.1
Italy	97.0%	94.6%	2.4
Spain	89.4%	87.2%	2.2
Austria	99.3%	94.4%	4.9
France	79.1 %	71.0%	8.1
Helvetia Group	93.2%	95.2%	2.0

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Helvetia Group: Development of pre-tax profits (CHF million)



	2006	2005	+/-
Helvetia Group	562.2	420.2	142.0
Switzerland	289.0	220.4	68.6
Abroad	273.2	199.8	73.4
- Germany	51.4	31.7	19.7
- Italy	27.7	28.1	-0.4
- Spain	110.1	62.6	47.5
- Other	84.0	77.4	6.6

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Outlook 2007

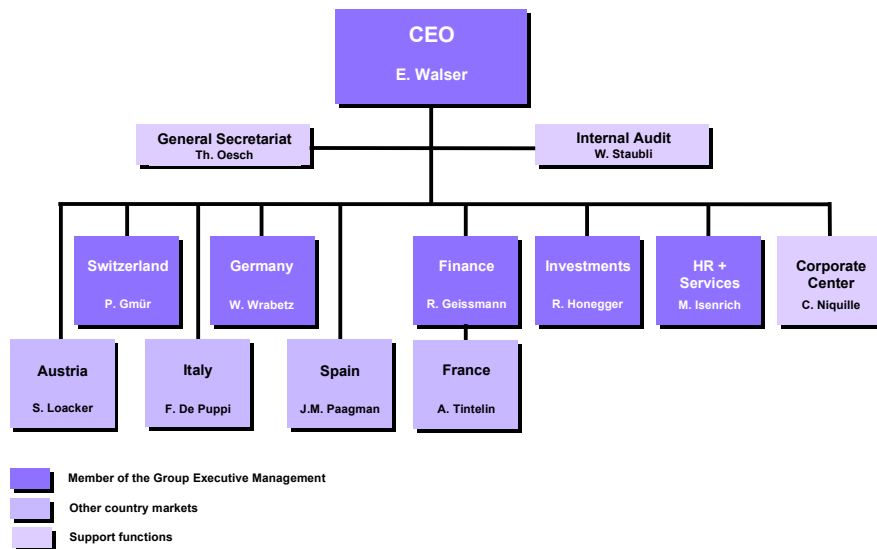
Outlook for 2007

Growth	As far as premiums are concerned, the positive results of the new growth strategy are becoming increasingly noticeable.
Claims	The claims experience in the first few months of the current year has been very favourable, not least thanks to the unusually mild winter. This was also not affected by the January storm Cyril.
Costs	Costs are under control, and the cost ratio will improve considerably in tandem with premium growth.
Actuarial results	Overall, we expect good actuarial results once again in the current year, together with a net combined ratio of well under 100% in the non-life sector.
Financial result	Depends on the development of the capital markets.



Additional Information

Executive Management at a glance



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Important dates



- 04.05.2007 Ordinary Shareholders' Meeting in St. Gallen
- 07.09.2007 Publication of half-year financial results for 2007
- 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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Historical overview



- 1858 Establishment of Allgemeine Versicherungs-Gesellschaft Helvetia, St.Gallen
- 1861 Establishment of Helvetia Schweizerische Feuerversicherungs-Gesellschaft, St.Gallen
- 1862 Establishment of branch offices in Germany
- 1878 Establishment of "Patria, Schweizerische Lebensversicherungsgesellschaft" co-operative society in Basel
- 1920-1962 Establishment of branch offices and subsidiaries of Helvetia in France, Italy, Austria, Belgium (sold 1985), Greece (sold 1997), the Netherlands (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 Navarra (Spain); acquisition of the portfolio of NCD (Italy)
- 1999 Merger of the two companies La Vasco Navarra 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 British insurer Royal & Sun Alliance's transport portfolio in France
- 2003 Merger of the 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 two Italian companies Helvetia Vita and Helvetia Life into Helvetia Vita with headquarters in Milan
- 2005 Acquisition of the insurance portfolio of the company Sofid Vita in Italy
- 2006 Introduction of the unified "helvetia" brand throughout the Group as an easy-to-understandable and unmistakable name

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