

Overview of key figures

1. Total business volume

in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC ¹ in %
Group²	5,544.3	5,293.6	4.7	3.4
Key growth drivers (in CHF million) <ul style="list-style-type: none"> – Life business with growth of 5.3% (in OC); the pleasing trend in growth in modern, capital-efficient products should be noted as these increased by 8.4% compared to the previous year – Non-life business with growth of 1% (in OC) despite portfolio optimisations to improve profitability in some countries – All three segments (Switzerland, Europe, Specialty Markets) with good or stable development of the business volume in OC 				
Business areas				
in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC in %
Life business volume	3,095.6	2,920.6	6.0	5.3
Key growth drivers Segments: <ul style="list-style-type: none"> – Switzerland segment with growth of 5.8%; largely driven by the group life business, but the modern products in individual life also delivered a pleasing performance (for details see Segments – Switzerland) – Europe segment with growth of 2.2% (in OC); mainly driven by Italy; targeted overall shift to modern products (for details see Segments – Europe/Italy) Lines of business: Group life: 2,227.1 (+6.5% in OC) <ul style="list-style-type: none"> – Swiss home market (98% of premiums in group life business) with growth in key regular premiums (+0.9%), single premiums significantly higher than previous year due to a one-off effect despite the continuation of a cautious underwriting policy in new business (for details see Segments – Switzerland) Individual life: 868.5 (2.2% in OC) <ul style="list-style-type: none"> – Good volume development group-wide among modern insurance solutions (+8.4% in OC), growth drivers were investment-linked insurance solutions while investment deposits were down for market-related reasons – Decline in traditional insurance in line with the strategy 				
in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC in %
Gross premiums Non-life	2,448.7	2,373.0	3.2	1.0
Key growth drivers Segments: <ul style="list-style-type: none"> – Specialty Markets with growth of +7.1% (in OC); driven by growth in active reinsurance in line with the strategy – Switzerland with growth of 1.8%, driven by a special effect in the motor vehicle business – Europe with a slightly declining volume of -2.6% (in OC) due to intentional portfolio optimisations and a market-wide decline in the motor vehicle business in Italy Lines of business: <ul style="list-style-type: none"> – Motor vehicle insurance as a growth driver (+1.8% in OC) supported by a special effect in Switzerland – Other lines (excluding active reinsurance) stable or declining due to portfolio optimisation measures 				

¹ Original currency

² Including investment deposits

Segments				
in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC in %
Switzerland	3,676.9	3,513.4	4.7	4.7
Business areas:				
Non-life: 1,037.8 (+1.8)				
<ul style="list-style-type: none"> – Motor vehicle insurance as a growth driver (+5.7%) due to a special effect (conversion of some motor vehicle policies of the former Nationale Suisse to Helvetia's billing period) which will taper off in the second half – Other business lines declining due to the termination or non-renewal of major contracts and reductions in coverage 				
Life: 2,639.1 (+5.8%)				
<ul style="list-style-type: none"> – Group life: growth (+6.5%) <ul style="list-style-type: none"> o Consistent demand for full insurance solutions; growth in regular premiums (+0.9%) o Selective underwriting of new business overall due to the low interest rate environment, growth in single premiums (+14.6%) owing to due to a single transfer of policyholder bonuses into retirement assets, booked as premiums, which should be regarded as a one-off effect – Individual life: growth (+2.6%) driven by the positive development among modern insurance solutions (+29%), decline in traditional insurance in line with the strategy 				
in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC in %
Europe	1,419.0	1,369.1	3.6	-1.1
Business areas:				
Non-life: 962.5 (-2.6% in OC)				
<ul style="list-style-type: none"> – Premium volume down overall, largely due to portfolio optimisations to improve profitability – Development by countries: <ul style="list-style-type: none"> o Austria with growth of 1.7% (in OC) driven by the property insurance business o Germany with declining premium volumes due to optimisation of the industrial and motor-vehicle insurance business, which were not compensated for by growth in the liability and transport insurance o Italy with a declining premium volume due to the market-wide decline in the motor-vehicle business and optimisation of the portfolios of the former Nationale Suisse o Spain with a declining premium volume due to optimisation of the portfolios of the former Nationale Suisse – Development by lines of business: <ul style="list-style-type: none"> o Growth driver in liability insurance (+4.0% in OC) o Other lines declined due to optimisations 				
Life: 456.5 (+2.2% in OC)				
<ul style="list-style-type: none"> – 2.2% (in OC) increase in business volume – Development by countries: <ul style="list-style-type: none"> o Growth driven by Italy due to high (market-related) demand for modernised traditional insurance solutions (very low guarantees, change to guarantees upon maturity) o Other countries with declining overall business volumes, as the positive development among modern insurance solutions was not able to compensate for the planned decline in traditional insurance solutions – Development by lines of business: <ul style="list-style-type: none"> o Investment-linked insurance was a growth driver, while deposits declined for market-related reasons o Increase in traditional insurance (+5.2% in OC) driven by Italy, all other countries with a planned decline in volume 				
in CHF million	HY 2016	HY 2015	Delta in CHF in %	Delta in OC in %
Specialty Markets	448.4	411.1	9.1	7.1
<ul style="list-style-type: none"> – Growth driver in active reinsurance (+26.8%) owing to targeted diversification by region and business lines pursuant to the strategy, and due to the selective development of existing business relationships – Specialty Lines CH/Int. with a declining premium volume due to selective underwriting in a soft market – France with a stable premium volume 				

2. Key performance figures

in CHF million	HY 2016	HY 2015	Delta in CHF in %
Underlying earnings for the Group³	238.3	220.9	7.9
<ul style="list-style-type: none"> – Solid increase in underlying earnings of 7.9%, driven by improvements in the business areas of life and other activities, non-life result fell short of the previous year's figure despite the improved technical result 			
Business areas			
Non-life	151.1	158.2	-4.5
<ul style="list-style-type: none"> – Significantly better technical result owing to further synergies and increased volume – Lower investment result due to lower gains and losses on investments, mainly owing to the poor performance of the equity markets 			
Life	88.4	84.9	4.2
<ul style="list-style-type: none"> – Improved savings result due to a reduction in the minimum interest rate in the Swiss group life business (in the mandatory and non-mandatory part) – Lower risk result due to a weaker claims experience that was within the usual range of fluctuation – Lower investment result largely owing to a weaker equity market performance, – Increased expenses for additional interest-related reserves – Decrease in the allocation of surpluses due to the impact of lower investment results and higher reserves – Positive tax effect 			
Other activities	-1.2	-22.2	94.5
<ul style="list-style-type: none"> – Significantly better result due to the improved technical result for internal group reinsurance, which was impacted in the previous year by a poor claims experience from cessions by the European entities to group reinsurance – Decreased currency losses (impacted in the previous year by the SNB decision) 			

³ Underlying earnings have been adjusted for integration costs and for amortisation of intangible assets, additional scheduled depreciation due to the revaluation of interest-bearing securities at market value, and other one-off effects from the acquisitions. Although underlying earnings is not an IFRS indicator, it is derived from the IFRS figures.

Segments			
in CHF million	HY 2016	HY 2015	Delta in CHF in %
Switzerland	172.7	169.1	2.2
<ul style="list-style-type: none"> – Earnings growth supported by the life and, in particular, the non-life business – Non-life business: Earnings growth thanks to improved technical performance and realised synergies – Life business generated a positive development in the savings result owing to the reduction of the minimum interest rate in the group life business; reduced risk result (usual fluctuations in the claims experience). Lower allocation of surpluses as a result of a reduced result from investments and increased expenses for additional reserves 			
Europe	52.9	53.6	-1.4
<ul style="list-style-type: none"> – Europe segment with stable earnings growth – Non-life result below the previous year's level due to a weaker technical result (as the previous year benefitted significantly from the reinsurance structure) and a considerably worse investment result – Life result outperformed the previous year due to an improved operating result. Increased expenses for additional interest-related reserves and market-related weaker investment result were compensated by lower surpluses – Positive contribution to the segment result by Italy and Spain; Germany and Austria with a declining result due to a lower investment result, in Germany also as a result of the reinsurance effect in the previous year 			
Specialty Markets	14.1	20.1	-30.1
<ul style="list-style-type: none"> – Specialty Markets with a declining result owing to a reduced investment result and currency fluctuations 			
Corporate	-1.4	-21.9	93.8
<ul style="list-style-type: none"> – Improved result due to a better technical result in Group reinsurance and lower currency losses (previous year impacted by the SNB decision) 			
Current income from Group investments	523.3	503.2	4.0
<ul style="list-style-type: none"> – Slight volume-related increase 			
Investment result from Group financial assets and investment property (net)	465.7	521.7	-10.7
<ul style="list-style-type: none"> – Lower gains and losses on investments (net) largely as a result of the weaker equity performance 			

3. Key profitability figures

New business margin	HY 2016	HY 2015	Delta
Group	0.5%	0.3%	0.2% pts
<ul style="list-style-type: none"> – Increase in the new business margin at Group level of 0.2% pts <ul style="list-style-type: none"> ○ Increase in the new business margin driven by the Europe segment owing to the new inclusion of the profitable funeral expenses policies in the embedded value, stable new business margin in Switzerland 			
Combined ratio	91.9%	92.4%	-0.5% pts
<ul style="list-style-type: none"> – Significant improvement in the cost ratio (first half of 2015: 29.6% ; first half of 2016: 28.2%) due to realised synergies, among other things – Increased net claims ratio (first half of 2015: 62.8%, first half of 2016: 63.6%) despite improved gross claims experience due to higher claims ratios in Germany and Spain (In the previous year, Germany benefitted significantly from reinsurance, above-average number of large motor liability claims in Spain) 			

4. Key balance sheet figures

in CHF million	30 June 2016	31 December 2015
Equity (without preferred securities)	4,842.7	4,655.3
<ul style="list-style-type: none"> – Increase compared to year-end 2015 due to <ul style="list-style-type: none"> ○ higher unrealised gains and losses on investments recognised in equity as a result of lower interest rates ○ change in benefit obligations in Switzerland following the reduction of the discount rate, which had the opposite effect 		

5. Ratios

	HY 2016	HY 2015
Return on equity ⁴	9.4%	8.6%
Direct yield ⁵	2.3%	2.3%
Investment performance ⁶	3.3%	0.0%
<ul style="list-style-type: none"> – Investment performance mainly driven by bond performance (due to decrease in interest rates) and investment properties – Increase in unrealised gains and losses on investments following decreasing interest rates 		

⁴ In percent based on underlying earnings

⁵ Annualised, the impact of the revaluation of interest-bearing securities on the returns was -8 basis points

⁶ Not annualised