



PRESS RELEASE

9th March 2010

Glacier Group Full year results 2009

Pfäffikon, Switzerland: Glacier Group, (“Glacier” or “the Group”), the European insurer and reinsurer, operating as Glacier Reinsurance AG and Glacier Insurance AG, today reports its consolidated US GAAP financial results for the year ended 31 December 2009.

The Group is pleased to report improved net income, increased capital strength and a solid investment performance in 2009.

Financial highlights for the year ended 31 December 2009:

- Net income of \$60 million, an increase of \$34 million over the prior year (2008: \$26 million).
- Return on equity of 12% (2008: 5%).
- Total gross written premiums of \$469 million, (2008: \$569 million), a decline of over 17% from 2008. The decline in premiums reflects the Group’s decision to reduce business volumes in the current rating environment and focus on its core specialty insurance and reinsurance lines and European direct P&C and property treaty reinsurance business. The decline also reflects the non-renewal of its underwriting participation on one Lloyd’s syndicate in 2009.
- Net underwriting income increased to \$92 million (2008: \$2 million) highlighting the strong underwriting performance of the Group combined with lower claims occurrence compared to the prior year.
- Net technical combined ratio (excluding operating expenses) improved considerably to 77% (2008: 100%).
- Total investments and cash increased to \$936 million (2008: \$784 million). Liquid assets of cash and bonds now account for 62% of total assets (2008: 56%).
- Overall net investment return 3.2% (2008: 3.8%).
- Underwriting capital (Shareholders equity and long-term trust preferred debt) increased by 13% to \$631 million (2008: \$558 million). Shareholders’ equity of \$557 million (2008: \$496 million) an increase of 12% over 2008.

Todd Hart, CEO of the Glacier Group, commented:

“2009 saw a solid performance as the Glacier Group returned 12% to shareholders on our strong capital base. This performance occurred as we selectively managed our risk profile down, with gross written premiums declining by over 17% from 2008. This is consistent with our prudent risk management approach in a slowly softening market. The focus on our core business lines and commitment to disciplined underwriting is key to our strategy going forward. During 2009 the Group significantly enhanced its profitability and capital strength, which is a testament to this approach. Profitable underwriting and efficient use of capital are key to building on this success during 2010.”

Glenn Campbell, CFO of the Glacier Group, added:

“Glacier continued to generate positive returns for its shareholders in 2009 as the Group’s underwriting and investment results were strong during the year. Our underwriting performance contributed a significantly greater amount to Group profitability with the net loss ratio declining to 58.1%, versus 85.9% in 2008. During 2009 the underwriting contribution to return on equity was 18%, our highest ever. In addition, as we maintain a conservative investment strategy, the investment performance contribution to return on equity has declined slightly to 5% from 6% in 2008. Combined these two components provide a 23% return. The last major component of our return on equity metric, which is comprised of operating and financing costs, debt revaluation, foreign exchange gains and taxes, offsets the underwriting and investment return contribution by 11%.”

Current trading / renewals and outlook for 2010

The Group is also seeing ever-increasing benefits from its decision to establish a Glacier Insurance underwriting office in central Zurich, which opened in spring 2009. Combined with the underwriting hubs in Pfäffikon, London and Cologne, the addition of the Zurich office firmly establishes Glacier’s European footprint.

In Autumn 2009, the Group concluded a comprehensive strategic review and affirmed its focus on specialty insurance & reinsurance, direct & facultative property insurance in European & selected geographies and property treaty for targeted small, medium & regional customers. As part of this review the Group is pleased to announce that Ralph Bothe is taking over responsibility for Glacier’s European property treaty team. Since joining Glacier in January 2007, Ralph has been a significant contributor to the growth of the Group’s European property treaty business and will now be responsible for the team overseeing this key business line and region. Ralph has over 24 years of experience working in the (re)insurance industry as both an underwriter as well as a broker. He brings considerable experience to the Glacier team and will be a key driver to the future success of our chosen strategy.

Todd Hart continued:

“Glacier ended 2009, its fifth full year of operations, with a very strong balance sheet dominated by liquid assets comprised of cash and bonds. Our claims paying ability has never been stronger, an attribute which is key in the current financial environment and should provide our customers with the high grade security they seek.

“As we enter our sixth year of business, we are delighted that our January renewals exceeded expectations. The Group’s European Regional and SME books – a core part of the business – saw considerable double digit growth when compared to our 2009 renewals. This reflects the established and well-respected position that our team has developed in its chosen markets over the past five years. We were also pleased to note that renewals hit our internal rating targets.

“In 2010, we will continue to capitalise on our key strengths and further improve the overall quality of our portfolio. Our focus will be on the key areas that set us apart and in particular building on our presence in important European markets and selectively balancing our cat exposure. Our strong balance sheet, enhanced strategic positioning and the quality of our longstanding relationships with customers and brokers make us well placed to perform in 2010.”

-ENDS-

Further information:

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Notes to Editors:

About the Glacier Group

The Glacier Group is a leading P&C and specialty insurance and reinsurance group headquartered in Pfaeffikon, Canton Schwyz, Switzerland. It operates from 5 offices worldwide and delivers innovative reinsurance and insurance solutions to global customers. Glacier is rated A- (Excellent) by A.M. Best.

Glacier Insurance AG

Glacier Insurance was incorporated in Liechtenstein in November 2006 and is licensed by the Financial Market Authority in Liechtenstein. It operates from Liechtenstein, Switzerland, Germany and the UK. It is a wholly-owned subsidiary of Glacier Reinsurance AG.

Glacier Reinsurance AG (Glacier Re)

Glacier Re was established in December 2004 in the canton of Schwyz in Switzerland. It has a rating of A- (Excellent) with a stable outlook from A.M. Best and is regulated by the Swiss Financial Market Supervisory Authority FINMA.

www.glaciergroup.com