Helvetia Group

helvetia.com

Annual Report 2021.

simple. clear. helvetia

Your Swiss Insurer

Key figures.

in CHF million	2021	2020	Change in Group currency
Business volume			
Gross premiums life	4151.3	3996.7	3.9%
Deposits received life	414.6	286.6	44.7%
Gross premiums non-life	6656.3	5430.3	22.6%
Business volume	11222.2	9713.6	15.5%
Key performance figures			
Result life	304.1	167.1	82.0%
Result non-life	389.3	258.5	50.6%
Result other activities	–173.6	–143.9	–20.7%
Group profit for the period after tax	519.8	281.7	84.5%
Investment result	2264.9	1027.2	120.5%
of which investment result from Group financial assets and investment property	1831.3	840.6	117.8%
Key balance sheet figures			
Consolidated equity (without preferred securities)	6414.5	6400.3	0.2%
Provisions for insurance and investment contracts (net)	51397.7	51571.7	–0.3%
Investments	60009.1	60570.9	–0.9%
of which Group financial assets and investment property	54384.6	55674.7	–2.3%
Ratios			
Return on equity[1]	10.3%	5.4%	
Reserve to premium ratio non-life	136.8%	149.3%	
Combined ratio (gross)	97.3%	94.0%	
Combined ratio (net)	94.8%	94.0%	
New business margin	2.5%	2.6%	
Direct yield	1.6%	1.7%	
Key share data Helvetia Holding AG			
Group profit for the period per share in CHF	9.2	4.8	92.6%
Consolidated equity per share in CHF	121.3	121.3	0.1%
Price of Helvetia registered shares at the reporting date in CHF	107.4	93.4	15.0%
Market capitalisation at the reporting date in CHF million	5695.0	4952.6	15.0%
Number of shares issued	53025685	53025685	
Employees			
Helvetia Group	12128	11687	3.8%
of which Switzerland and Corporate	3757	3739	0.5%

[1] Based on the earnings per share (after interest on preferred securities through profit and loss) divided by the average shareholder capital (equity before non-controlling interests and preferred securities, excluding unrealised gains and losses).

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Doris Russi Schurter
Chairwoman of the Board of Directors

Dr Philipp Gmür
Group CEO

Ladies and Gentlemen.

Helvetia can look back on a very successful financial year 2021 during which it considerably increased its result to CHF 520 million. This was thanks to profitable growth, the outstanding earnings contribution of our Spanish company Caser of CHF 72 million and very good investment results.

We were able to expand the business volume, which now totals in excess of CHF 11 billion, by more than 15%. An important driver of this growth was broad-based organic growth, especially in the non-life business and with investment-linked insurance products. The first-time consolidation of Caser also contributed significantly to the growth. We are therefore delighted to be able to say that with Caser we have delivered what we promised.

In 2021, Helvetia not only posted an extremely positive business performance, but also a record number of weather-related claims during the summer. In dealing with well in excess of 50,000 hail and flood claims, we were once again able to demonstrate our "raison d'être": Life is full of risks and opportunities. We are there when it matters.

You, our valued shareholders, should also benefit from this good annual result. The Board of Directors will propose to the Shareholders' Meeting that the dividend be raised by 10% to CHF 5.50 per share. This dividend increase reflects the successful business performance and the strengthening of Helvetia's earnings power thanks to the takeover of Caser.

We presented our new *helvetia 20.25* strategy a year ago. The implementation has started on the right foot. This is demonstrated, for example, by Smile, Switzerland's leading online insurer. Our customers are convinced by Smile and value the fact that Smile is as simple as Netflix. Smile is thus a digital lifestyle brand. This has allowed for growth of almost 12% in the past year.

We want to take advantage of the trend towards digital business models and actively shape the development of online sales in our European country markets. We are thus rolling Smile out on a step-by-step basis – starting this year in Austria followed by Spain in 2023. Our first goal is to develop Smile into the leading online insurer in Austria by the end of 2025 thanks to the unique convenience it offers.

The topic of sustainability is becoming ever more important. The insurance business has a long-term focus. Sustainable action is thus part of our DNA. Our ambition is to contribute to the sustainable development of the economy and society as a European financial services provider. We are also pursuing the overriding goal of improving our MSCI rating to at least "A" by 2025.

Helvetia is able to build on various successes in this regard. Examples include the CO_2 neutrality of Helvetia's own operations since 2017, the signing of the UN Principles for Responsible Investment in 2020 and the adoption of our responsible investment strategy in 2021. We are confident that our sustainability strategy will allow us to both contribute to the development of the economy and society and create value for our customers, employees and shareholders.

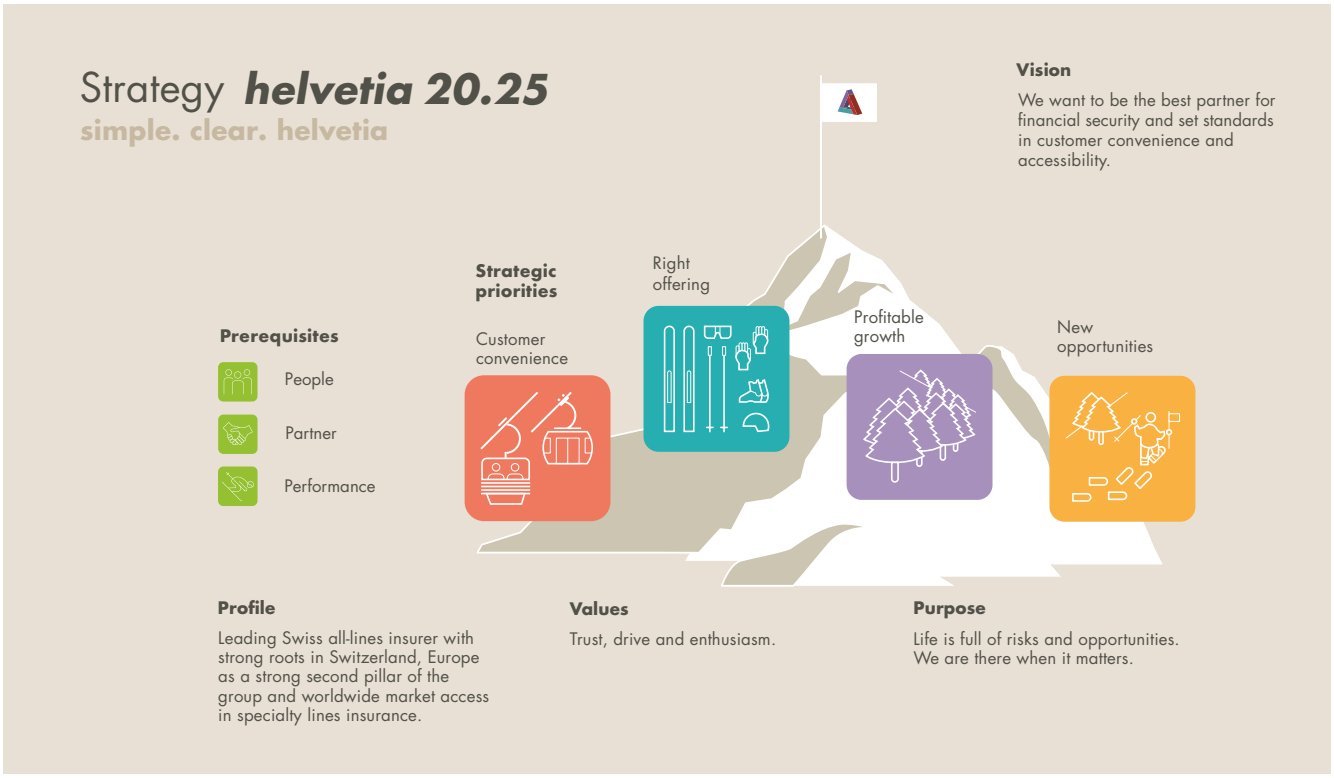
There will be changes to the Board of Directors of Helvetia at the Shareholders' Meeting. Dr Thomas Schmuckli will be proposed for election as the new Chairman of the Board of Directors after Doris Russi Schurter decided not to stand for re-election as Chairwoman. Dr Thomas Schmuckli has been a member and Vice-Chairman of the Board of Directors since 2018. Mr Luigi Lubelli will also be nominated as a new member of the Board of Directors. Born in Italy, he lives in Spain and has long-standing operational and strategic experience in the insurance business in Italy and Spain, two of Helvetia's important country markets. Having reached the maximum term of office for members of the Board of Directors, Prof. Christoph Lechner will not stand for re-election.

The Board of Directors will continue to pursue Helvetia's successful path under its new leadership and together with the Executive Management and all employees. We would like to thank you most warmly for the trust that you place in us.

Yours sincerely

Doris Russi Schurter
Chairwoman of the Board of Directors

Dr Philipp Gmür
Group CEO



Our path towards 2025

Following the successful conclusion of the past strategy period, Helvetia is very well positioned. In future, we want to continue on the path that we have successfully embarked upon. To allow us to do so, we have added a chapter to our proven strategy with the objective of doing even better justice to all of our stakeholder groups.

Even if the environment in which we operate is constantly changing, Helvetia's raison d'être has remained the same since 1858: Life is full of opportunities and risks. Helvetia is there for its customers when it matters. Helvetia's vision is to be the best partner for financial security and to set standards in the areas of customer convenience and customer access: simple. clear. helvetia is becoming even more part of Helvetia's DNA.

In its *helvetia 20.25* strategy, Helvetia sets four strategic priorities:

1. Helvetia embraces customer convenience. Helvetia is on hand wherever insurance and pension needs arise and provides its services in the simplest way possible for customers.

Following the severe summer storms, for example, we quickly expanded our capacities in the area of customer service and provided our customers with simple and uncomplicated support in this exceptional situation.

The newly launched, unique freemium model of our online insurer Smile in Switzerland is also setting new standards with respect to customer convenience. With free services and products, we are reaching new customers and offering them attractive additional services. The innovative and successful Smile business model was awarded the innovation prize of the Swiss insurance industry for the second time.

With the newly developed cross-channel motor vehicle quote system in Switzerland and the acquisition of the claims settlement provider faircheck in Austria, we were also able to further optimise our customer interfaces and enhance customer convenience yet further.

2. Helvetia has the perfect offering. Helvetia offers comprehensive products and services in the areas of insurance and pension provision.

With the successful start of Atlanto in Switzerland, small and medium-sized enterprises are benefiting from a comprehensive range of products and services that simplify day-to-day administrative tasks. Atlanto makes accounting easier, digitises entire processes and, in doing so, successfully supports SMEs as they embark on the future. We also took targeted steps to optimise our product offering in other markets: for example in Germany with our successful offering for electric vehicles or in France through our push into other SME product segments.

3. Helvetia grows profitably in its core business. Helvetia increases customer value creation in Switzerland, continues to develop its European business as a profitable, second strong pillar for the Group and generates additional growth in its international specialty business.

In addition to pleasing profitable growth in Switzerland, we have also expanded our business in Europe on a sustainable and profitable basis. For example, we have expanded our offering in Italy with several banking cooperations, primarily via digital channels and in the life business. Our specialty business is also prospering and is being strengthened further through the active reinsurance growth initiative with a focus on sustainable profitability.

4. Helvetia utilises new opportunities. Helvetia opens up new business models and ecosystems in its core business and in the area of asset management.

MoneyPark has entered into strategic partnerships (including with Credit Suisse) to further expand its leading role as a provider of a networked real estate and financing world. In Switzerland, the B2B2C business is enjoying strong growth, while in Spain we have substantially enhanced the "Health & Care" ecosystem. In 2021, we were once again able to invest in various promising companies via our own venture fund, allowing us to access new customers and develop new business models. For example, we invested in FAAREN, an innovative car subscription platform in Germany.

Thanks to the company's performance culture and technical excellence, the digitalisation of its processes, its ability to work as a partner as well as its leadership and talent management, Helvetia creates the optimal conditions for the successful implementation of its strategy.

The *helvetia.way* has specified our performance culture and created a common understanding of leadership, cooperation and organisation (more in this regard can be found on page 10 – Our employees). We further strengthened our technical excellence by intensifying cooperation across the Group on actuarial issues. We have also made targeted investments in the digital transformation in order to interact with our customers and increase our ability to act as a parter, including via a new distribution platform in Switzerland.

The basis for this success is formed by the company's employees, which is why Helvetia offers them appropriate prospects as an "Employer of Choice".

The financial objectives specified in Helvetia's strategy focus on profitability, operational efficiency, solid capitalisation over the long term and the ability to pay dividends.

Our financial objectives are based on the strategic priorities and reflect our level of ambition.

Strategic priorities

Customer convenience

Right offering

Profitable growth

New opportunities

Financial objectives

Quality of results and growth	**Profitability:**	
	Net combined ratio for non-life business (2021 – 2025)	92 – 94 %
	New business margin for life business (2021 – 2025)	2 – 3 %
	Fee business:	
	Volume	CHF >350 million up to 2025
	Share of Group IFRS result	>5 % up to 2025
Operational efficiency	Cost efficiency	CHF 100 million up to 2025
Capital and dividend	Rating	A rating (S&P)
	Cumulative dividend distribution over the next five years	CHF >1.5 billion
	Return on equity*	8 – 11 %

Helvetia acts responsibly towards the environment, society, its employees and the economic sphere.

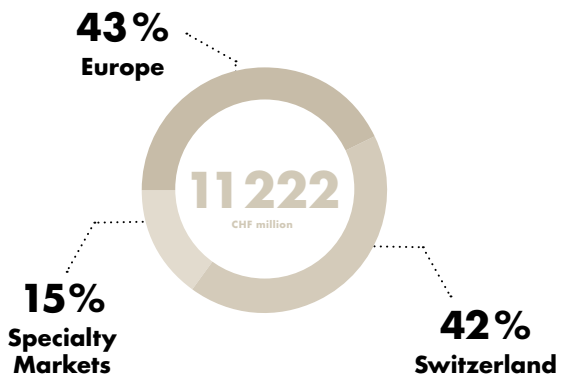
* Excluding unrealised gains and losses in equity

Our business.

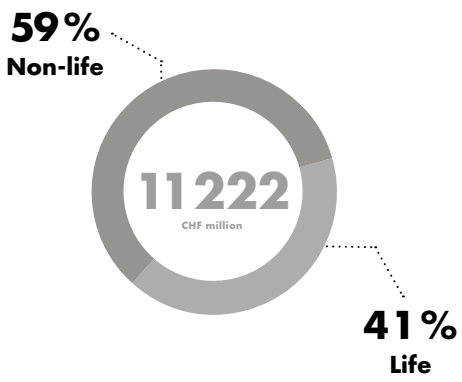
Helvetia is a successful, internationally active Swiss insurance group. With over 12,100 full-time-equivalent employees, Helvetia provides services for more than seven million customers. Helvetia is active in the life, non-life and reinsurance sectors. Helvetia divides its business activities into the segments of Switzerland, Europe and Specialty Markets. Its business activities in its home Swiss market are bundled in the Switzerland segment. The Europe segment covers the country markets of Germany, Austria, Spain and Italy.

In the Specialty Markets segment, Helvetia offers tailor-made cover in the specialty lines marine / transport, aviation, art and engineering insurance. With its Specialty Markets segment, Helvetia not only has a local presence in Switzerland, France and the Principality of Liechtenstein, but also in Miami for Latin America as well as in Singapore and Malaysia. Its Active Reinsurance business is also assigned to this segment. The reinsurance business focuses on the well-diversified non-life business. In this niche area, Helvetia stands out thanks to its sustainable and long-standing business relationships and strict underwriting policy.

Business volume by segment



Business volume by business area



Non-life business.

In addition to traditional non-life (motor vehicle, property, liability) and personal (accident and health) insurance cover, Helvetia's Swiss and European non-life product portfolio also includes special insurance policies such as transport, engineering and art insurance. These are consolidated together with the Active Reinsurance business in the Specialty Markets segment. The Helvetia Group pursues a disciplined underwriting strategy in order to ensure portfolio quality, and only underwrites larger business risks selectively. We work together with renowned reinsurers to hedge against major loss events. Profitability also depends on portfolio composition, premium and cost performance as well as claims. Profitability can be measured with the net combined ratio, which has on average been below 93 % at Helvetia over the past five years. In financial year 2021, the net combined ratio was 94.8 %, which reflects the high portfolio quality.

In the non-life business, digitalisation is opening up new opportunities. Helvetia is placing an emphasis on organic growth with retail customers, small and medium-sized companies and larger businesses. Here, we are making use of the opportunities arising from digitalisation to make our offers and business processes simpler, more customer-friendly, more digital and more efficient – by combining our traditional strengths with new possibilities.

Life business.

Helvetia offers life insurance in Switzerland, Italy, Germany, Spain and Austria. The home market of Switzerland is the most important market with 63 % of the business. The product range includes individual products and group life insurance policies. Occupational pension plans for SMEs represent one of the most important insurance business lines with 50 % of the Group's total life volume. At 87 %, this business is generated for the most part in Switzerland, where Helvetia has established itself as one of the top three providers of BVG (Swiss occupational pension system) insurance solutions.

In addition to the development of technical risk, the profitability of the life business is particularly influenced by the investment and savings result and thus by the performance of the financial markets. The investment result plays an important role in generating the income required to ensure that the long-term insurance obligations can be met. In the past, Helvetia has always succeeded in achieving attractive returns with the capital employed. In 2021, despite the low-interest-rate environment, we again managed to generate stable interest margins between current income and the guarantees given, from which customers and shareholders benefit. With flexible life insurance solutions, Helvetia offers financial security at every stage of life. This allows our customers to turn their plans into reality and ensure they are prepared for the unexpected.

Other activities.

In recent years, Helvetia has not only generated income in the life and non-life business. It has also increasingly earned revenues from other business activities. With its "Health" ecosystem, the Spanish insurance company Caser, which was acquired in 2020, makes a significant contribution to this non-insurance business. This income is reported and described separately in the "Other activities" business area. The financial statements thus reflect the increased differentiation with the development of new income sources.

In addition to the Corporate segment (financing companies, Corporate Center, centrally managed investments [funds] and Group reinsurance), the "Other activities" business area includes the intermediary and advisory area (e.g. MoneyPark). The area also includes various smaller foreign service companies that cannot be allocated to the life or non-life business. Since 2020, this has also included the income from the non-insurance areas of the Spanish company Caser (nursing homes, hospitals, other services) as well as the activities of Helvetia Asset Management AG (real estate funds for third-party investors).

Strengthening our performance culture with the *helvetia.way*

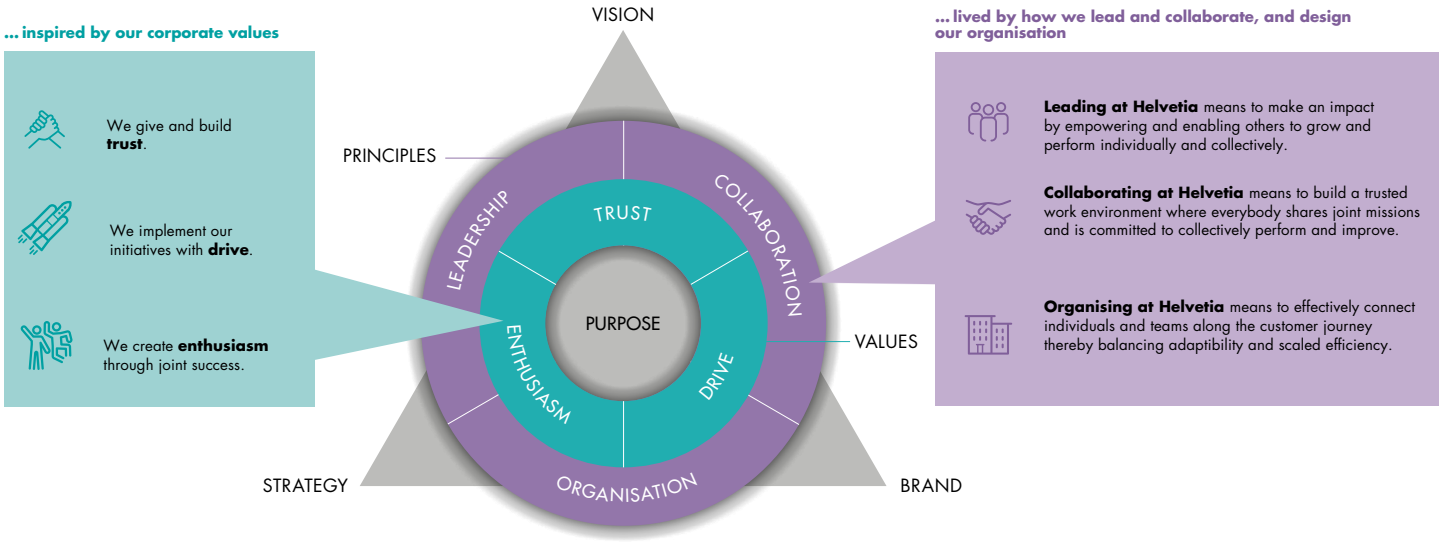
In order to successfully implement our *helvetia 20.25 strategy*, we want to further strengthen our performance culture. Our shared corporate values of trust, dynamism and enthusiasm form the foundation here. In other words, we will strengthen our performance culture …
… if we give and create trust.
… if we implement our initiatives in a dynamic fashion.
… if we generate enthusiasm through joint success.

The importance of our corporate values makes it clear that strengthening our performance culture not only means setting ourselves high goals and measuring ourselves by the results. At Helvetia, we also believe a performance culture entails the creation of a trusting, dynamic and enthusiastic environment in which people are inquisitive and strive to learn on a continuous basis and grow at both a personal and collective level. An environment in which everyone feels a sense of responsibility for the company's purpose, vision and strategy, mobilising its potential in order to tackle challenges ahead. An environment in which everyone feels respected for their contribution and in which it is fun to work. And an environment in which joint successes are celebrated.

It thus becomes clear that this trust-based performance culture requires a certain common understanding of how we lead, cooperate and shape our organisation at Helvetia. We call this the *helvetia.way* (see figure).

In a Group-wide culture survey, all Helvetia employees assessed the various aspects of our targeted performance culture both in their working environment and in their country. The objective of this survey is to make it possible to derive measures. The culture survey will be conducted again in the middle and at the end of the current strategy period in order to make the progress achieved measurable.

***helvetia.way*: performance culture at Helvetia means…**



What were we already able to tackle in 2021?
The *helvetia.way* specifies our ambition of how we want to lead and cooperate. With this in mind, we raised awareness among management staff with respect to diversity with the "Leaders for Equality" event series. In various events, each with over 100 management figures, current leadership topics were examined from the perspective of a diverse workforce. In parallel to this, a so-called Diversity Council was launched, comprising employees from various areas and hierarchical levels. The aim is to broadly anchor the topic of diversity within the workforce and to drive measures forward together. In four working groups, the topics of diverse recruitment, unconscious bias, the development of communities and women in leadership roles are addressed.

We are absolutely delighted about our "Top Employer Switzerland" certification. The award is given by the "Top Employers Institute" and highlights outstanding employee conditions provided by companies around the world.

The Top Employer audit covered topics such as recruitment, talent management, management development, occupational health management, learning opportunities and employment conditions. In all of the mentioned points, Helvetia Switzerland demonstrated exemplary concepts, structures and measures, thus ticking all the boxes for the award.

In a next step, our goal is to secure the title of "Top Employer Europe" through certification in the remaining market units. In 2022, certification in Germany and Austria as well as recertification in Switzerland are on the agenda.

Successfully completed wage equality analysis

The revised Federal Act on Gender Equality, which entered into force on 1 July 2020, requires that all companies with more than 100 employees conduct an internal wage equality analysis by 30 June 2021 at the latest and that they communicate the result to their shareholders and employees following a formal review by an independent auditing firm.

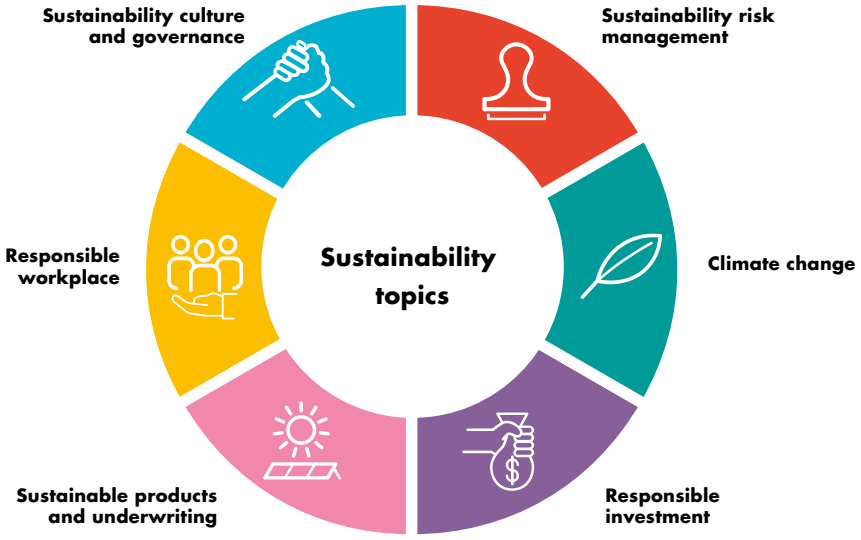
Helvetia has fulfilled this obligation and can confirm that it was in compliance with the requirement for wage equality between men and women as at 30 September 2020. The independent auditing firm KPMG also confirmed the formal correctness of our performed wage equality analysis.

At the time the analysis was conducted, almost 34% of our employees in Switzerland were women. The gender pay gap analysis performed under the Swiss Gender Equality Act (GEA) confirms that, taking account of the differences in job and qualification characteristics, there is no statistically significant wage difference between men and women. In this context, we have once again received the "We pay fair" seal of quality from the University of St. Gallen (HSG).

We paid particular attention to the promotion of diversity and inclusion among our employees in 2021 and will continue to assign it high priority in the future. Different personalities, views and opinions not only contribute to enhancing our innovative capacity, but rather also allow us to identify risks more quickly. It is also for this reason that Helvetia puts its faith in a systematic and fair function and compensation system that does not allow for any discriminatory unequal treatment.

Helvetia Sustainability Strategy 2025.

Last year, we further developed our strategic sustainability framework. In line with our purpose "we are there when it matters", we are promoting the integration of sustainable business practices and the evolution to a fossil-free economy. The new sustainability strategy comprises six material sustainability topics and derived targets for our business decisions.



Sustainability culture and governance

Helvetia believes that a good sustainability culture and governance is an important prerequisite for sustainable business activity and indispensable for maintaining long-term relationships with internal and external stakeholders.

Sustainability risk management

Dealing professionally with risks is part of Helvetia's daily business. The systematic integration of ESG risks is increasingly being expected by the capital markets and the general public.

Climate change

With our insurance business, we prevent risks, protect infrastructure and people and mitigate the effects of climate change. To support the transition to a low-carbon economy, we are reducing greenhouse emissions from our investment portfolio and business operations.

Responsible investment

Helvetia invests the capital of its policyholders on a long-term sustainably and uses its leverage effect to promote an inclusive, low-carbon economy. Our financial and real estate investments represent a major lever for sustainability management.

Sustainable products and underwriting

Products that address sustainability aspects represent a significant business opportunity for Helvetia and contribute to a better future. In the coming years, we want to identify opportunities for systematic ESG integration into the solutions and services we offer.

Responsible workplace

Helvetia supports its over 12,100 employees. This includes preparing them for the future, develop their skills and ensure that they can find meaning in their work. As an attractive employer, we take care of employees' health and well-being in the workplace and promote diversity and inclusion.

Our most important sustainability achievements in 2021.[1]

Sustainability culture and governance

30%
female board directors

3.8
million Swiss francs donated to approx. 330 charitable projects

Sustainability risk management

10.03.2021
publication of the Helvetia Sustainability Risk Framework

TCFD
official supporter since 2021

Climate change

A–
CDP (Carbon Disclosure Project) performance score climate change

5%
certified buildings in our real estate portfolio (DGNB, Minergie)

Responsible investment

2050
according to our new strategy, the net issues of our investment portfolio will be reduced to zero

MSCI A
average MSCI ESG rating of our portfolio investments

Sustainable products and underwriting

181%
growth rate of products with sustainability components

0
Swiss francs premium volume from coal transports at Helvetia Specialty Lines

Responsible workplace

166,884
total training hours

7.6%
employee turnover rate

[1] Key figures without Caser, with the exception of performance in the sustainability topic responsible investment and the employee turnover rate.

Simple. Clear. Constant.

The year 2021 was also characterised by uncertainties. In this difficult environment, the Helvetia brand proved itself to be solid and reliable. As a current survey reveals, 93 out of 100 Swiss respondents know the brand with the tri-coloured triangle. This is an impressive figure. Despite the profile it enjoys, the highly competitive nature of the insurance market means that it is essential that Helvetia continues to position itself in a simple and clear manner. It must also continue to be viewed as a top provider and preferred option by customers and distribution partners alike.

Continuity in skiing

Skiing, which enjoys a great media presence, is attractive and continues to be well received by the Swiss population. Ski sponsorship makes the Helvetia brand visible and brings it to life. Helvetia has therefore extended its partnership with Swiss Ski until the end of the 2024 / 2025 season. To ensure that this commitment remains sustainable, Helvetia is supporting young up-and-coming athletes with potential, including in new disciplines such as biathlon. Our ski sponsorship radiates across national borders into Helvetia's country markets, positioning the brand's commitment and Swissness in Europe in the process.

Constantly committed

Based on the values of "trust, dynamism and enthusiasm", Helvetia also lives up to its social responsibility through sponsorship activities. However, the event management that goes hand in hand with such activities is undergoing significant change. It is no longer quantity, but rather quality that sets successful events apart. Due to the ongoing restrictions imposed on events, sponsorship has had to embark on new and innovative paths. Both social media and new online platforms are increasing in importance as integral aspects. The spread of mobile end devices is making sponsorship even more attractive. Sponsorship thus remains a win-win situation for partners and the Helvetia brand.

Consistently digital

The digital transformation necessitates the removal of existing processes and their replacement with digital formats – thus allowing for continual further development and ensuring that we are fit for the future. The Helvetia brand will continue to exude trust and support its customers in navigating this change. Helvetia is embracing its purpose and placing an emphasis on customer focus during the crisis, and will continue to do so afterwards, true to its brand promise of simple. clear. helvetia.

Brand as a partner

The Helvetia brand stands for stability, reliability and partnership. Helvetia wants to be the best partner for financial security and set standards in terms of convenience and simple customer access on all channels. Some 3,700 specialists work for 1.3 million customers in Switzerland, just as Helvetia has done for more than 160 years with customer relationships spanning generations. The Helvetia brand thus also positions itself as a sustainable partner for its stakeholders, customers, employees, media, politicians, suppliers, distribution partners and investors as a joint "Team Helvetia".

Consistent commitment to art.

Helvetia is not only the number one in the Swiss art insurance business, but can also call one of the most important collections of contemporary Swiss art with a history of almost 80 years its own. The professionally curated collection with more than 2,000 works by around 400 artists focusses on painting, drawing and photography. An insight is provided by the periodically changing exhibitions in the Helvetia Art Foyer at the head office in Basel. Despite coronavirus restrictions, it was also possible to show three exhibitions during 2021, in part using newly developed virtual offers to make the art accessible to employees. A much heralded highlight was the summer exhibition with Olga Titus' intoxicating worlds of colour in which the artist mixed digital media with arts and craftsmanship.

Intoxicating worlds of colour by Olga Titus at the summer exhibition in the Helvetia Art Foyer.

Since 2004, Helvetia's commitment to art has included the Helvetia Art Prize, which supports young artists in embarking on their professional journey. As part of her prize, 2021's winner Anita Mucolli will get the opportunity to hold a solo exhibition at the international LISTE Art Fair Basel exhibition in summer 2022.

Gigantic splash of colour for new office space

Helvetia's wide-ranging commitment to art also includes direct orders to artists in connection with major construction projects. The art coalesces with the architecture, making it more unique and enhancing its value. In 2021, such an artwork was added at Steinengraben in Basel, where Helvetia's head office is located.

"Vollkasko" (German for fully comprehensive insurance) is the title of the spectacular art-in-architecture project that Christine Streuli has realised for a new business and residential building of Helvetia. With this title, the Berlin-based artist makes a cheeky reference to the insurance business and at the same time opens up a visual discourse on freedoms, art and value.

The sensational painting, which has been produced using elaborate stencil technique, stretches upwards over five floors and is clearly visible through the glass façade. The work began its life in the studio before being digitalised, enlarged to scale and finally transferred by the artist and her team to the spatial conditions of the new building. Generally speaking, splashes on walls are associated with accidents, vandalism, pollution and damage. However, paint splatters are an important part of painting's vocabulary with respect to colour, form, gestures, energy and dynamics.

Christine Streuli
The artist, who was born in Bern in 1975, lives and works in Berlin.
christinestreuli.ch

Risk, capital and investment management.

Risk management

In the current challenging economic environment, comprehensive risk management is an even higher priority and integral to the way the Helvetia Group manages its business. A primary objective of risk management is the sustained, proactive safeguarding of the capital base as well as the reputation of the Helvetia Group and its Group companies.

Risk management organisation

The organisational structure of the Helvetia Group ensures a standardised application of the Group-wide risk management standard. In doing so, roles and responsibilities in the business units comply with the risk management organisation of the Group. This is based on a governance model that differentiates between the three basic functions of risk owner, risk observer and risk taker.

The supreme risk owner is the Board of Directors of Helvetia Holding AG (particularly the Investment and Risk Committee) as well as the Executive Management (particularly the Risk Committee). They bear the ultimate responsibility for risk and define the risk strategy and risk appetite for the Group, both of which are aligned to the business strategy.

Various risk observers assess the risks entered into by Helvetia Group irrespective of an operational responsibility. The Risk Committee coordinates the collaboration between the risk observers and the risk takers and advises the Board of Directors and Executive Management in their decisions. The central risk controlling role "Group Risk Management" is responsible for the improvement and development of the risk management system as well as for monitoring risks and controlling measures, and serves as a competence centre for the Group's risk management. The Risk Committee is supported by specialised risk-controlling functions, such as the Group actuarial function and risk controlling in asset management. Internal Audit independently monitors the efficiency of the risk management system.

The risk takers control and manage risks in an operational context. They are responsible for complying with / observing the guidelines and policies for risk management within the scope of their operating activities in the respective business areas and processes.

Risk management organisation

Risk management process and risk environment

The key components of the risk management process at Group level include the identification, analysis and management of risks, the monitoring of the success, effectiveness and appropriateness of the risk management measures, and reporting and communication. The risk management process ensures that sufficient risk-bearing capital is available at any time to cover the risks assumed in accordance with the chosen risk tolerance.

In its business activities, Helvetia is exposed to numerous risks that are included in the Group's risk management process.

Market risks arise, in particular, from interest rate changes, fluctuations in share prices, real estate prices, or exchange rates which influence the value of the Group's investments and technical liabilities. Liquidity risk generally refers to the risk of being unable to provide an unexpected cash outflow in a timely manner. Counterparty or credit risk is the risk of a contractual counterparty being unable to pay or of a change in the coun-

terparty's creditworthiness. The technical risks of life and non-life belong to the traditional risks of an insurance company. They are consciously accepted as part of the chosen business strategy. Operational risk includes the risk of losses due to errors or the failure of internal processes, employees or systems, or as a result of external events whereby operational risks are also taken into consideration. Cyber risks represent an important sub-category of operational risks. Reputational risks can also arise in connection with strategic and emerging risks. Strategic risks include the risk of not achieving business targets due to the inadequate alignment of a company's business activities to the market and in the market environment. Emerging risks are risks that have not yet manifested as actual risks, but are already in existence and have a high potential for large claims. Concentration risks (also known as cluster risks) can arise from risk exposure to a single counterparty or from parallel risk positions that are vulnerable to a mutual risk factor. Sustainability risks can arise from environmental, social or governance (ESG) factors. Sustainability risks (including climate-change risks) are not viewed as a fundamentally new risk category, but rather as risk drivers, which impact and influence the existing risk landscape.

A detailed portrayal of the risks resulting from financial instruments and insurance contracts is provided in section 16 (from page 162) of the financial report.

Methods for risk analysis and control

The diverse risk environment requires the use of various methods of risk analysis. Among other things, the Helvetia Group uses internal stochastic risk models as an instrument for analysing and quantifying market, counterparty and technical risks. Scenario techniques are also used, especially during the analysis of operational and strategic risks.

Risks are controlled and limited by means of hedging instruments, specific product design, reinsurance cover, limit systems (including exposure control and loss limits), diversification strategies, process optimisation and other risk reduction measures.

Risk environment

Sustainability risks

Market risks	Liquidity risks	Counterparty risks	Technical risks	Operational risks	Strategic risks	Emerging risks
Share price risk	Medium-term	Reinsurance	Life (mortality, longevity, surrender rates, disability, costs, exercising of options)	Financial reporting	Business model	New and qualitatively different risks
Interest rate risk	Short-term	Investments	Non-life (natural hazards, major claims, base volatility, reserve risk)	Business operations (e.g. with regard to outsourcing, BCM, cyber risks)	Fundamental business policy decisions	Phantom risks
Spread risk		Other receivables		Compliance		
Exchange rate risk						
Real estate investment risk						
Long-term liquidity risks						
Other						

Reputational risks

Concentration risks

Capital management

Our capital management is an essential pillar for achieving the Helvetia Group's long-term growth targets aimed at profitability. The optimisation of capital allocation and income flows has the following objectives:
– to ensure compliance with supervisory capital requirements at all times;
– to secure the capital required to underwrite new business;
– to optimise the earning power of its equity and the associated dividend potential;
– to support strategic growth;
– to optimise financial flexibility.

These objectives are kept in balance by taking account of risk capacity and cost/benefit arguments. Furthermore, as part of its capital management, Helvetia pursues the goal of an interactive rating of financial strength from Standard & Poor's of at least "A" at Group level. With current ratings of "A+" held by Helvetia's core companies, this objective is achieved.

Methods for measuring capital

The measurement of capitalisation is carried out both at Group and local level, i.e. at the level of the individual legal entities. At the local level, the country-specific regulatory and commercial law requirements are key. At Group level, capital is measured on the basis of the consolidated balance sheet. In doing so, the capital requirements are measured against the capital models that are relevant to the Helvetia Group: Swiss Solvency Test and Standard & Poor's. When measuring the capitalisation of the Group's legal entities, the applicable solvency rules are applied (Swiss Solvency Test in Switzerland and Solvency II in the EU).

In these capital models, the IFRS equity forms the basis for establishing the available capital. Depending on the model, additional capital is added and other components, such as planned dividend payments and intangible assets, are deducted.

As is the case for Solvency II, albeit not in an identical manner, the Swiss Solvency Test involves measuring all assets and liabilities at market prices in order to calculate the available capital.

Under Standard & Poor's, the Swiss Solvency Test and Solvency II, the required capital is calculated using a risk-based method. In the Swiss Solvency Test, the effects of risks on the available capital are determined by means of scenario simulations and statistical methods, and quantified taking into consideration dependencies and diversification effects in the form of a risk-based capital requirement.

Capital management process

Helvetia applies an integrated approach to capital management. At the strategic level, the capitalisation and risk profile of business units are managed in terms of profitability and growth potential and therefore the strategic Group targets. Capital is managed integrally in accordance with a defined capitalisation target under the relevant capital models, and is aligned with the corporate strategy using multi-year capital planning. At an operational level, the capital management process incorporates the financing of the Group as a whole as well as the safeguarding of the adequate and efficient capitalisation of the individual legal entities of the Group. In this process, capitalisation is closely monitored and optimised according to internally defined thresholds. This management also takes account of liquidity requirements.

Outlook

The supervisory requirements for risk and capital management remain subject to changes. Helvetia is proactively following the ongoing revision of the Insurance Supervision Act in Switzerland and is taking account of the new requirements in its risk and capital management and planning. The European Insurance and Occupational Pensions Authority (EIOPA) has implemented a review process to determine the capitalisation under Solvency II. Helvetia is following these developments as well and is in a position to adapt the calculation logic to the changes and reflect them in its capital management of the relevant market units in a timely and appropriate manner.

Investment management

The Helvetia Group pursues a sustainable investment policy tailored to the liabilities arising from the insurance business. The objective is to generate attractive medium and long-term returns for our customers and shareholders and to make a reliable contribution to the Group result.

Proven asset liability management – tried-and-tested investment strategy

Helvetia's investment strategy is based on a time-tested asset liability concept. First, we derive a strategic asset allocation for each business unit and the Helvetia Group from a careful analysis of the liabilities. This satisfies both the high security requirements of the insurance business and also takes account of the yield expectations of each of the various stakeholder groups. As part of asset liability management, it is also ensured that there is always enough capital available for the ongoing strategic development of the Group and that the regulatory requirements are taken into consideration. In doing so, the supervisory solvency requirements must be fulfilled at all times. In the life insurance business, the terms of fixed income securities and liabilities are aligned with one another. Due to the long maturities of the assets, the persistent phase of very low interest rates is only gradually affecting direct yields. At the same time, the reduction in the guaranteed interest rates included in life insurance policies also helps balance out this effect.

Broadly diversified investment portfolio

The broad diversification of the Helvetia Group's investment portfolio is a cornerstone of our investment management. The balanced distribution of the portfolio applies both between and within the individual asset classes and covers currencies, regions and sectors. Moreover, we place high demands on diversification across issuers and the quality of the counterparties. At the end of the year, more than 50% of the bond portfolio had at least an AA rating.

Attractive, stable investment income

We generate attractive investment income for our customers and shareholders through the careful combination of low-risk assets, such as high-quality bonds and mortgages, and instruments with higher returns such as real estate, equities, foreign currency bonds and corporate bonds, combined with controlled investment risk. The income gained from bonds, mortgages and real estate ensures sustained and stable investment income, while gains in value from the equities create interesting medium-term return potential. Helvetia's high-quality property portfolio is an excellent fit with the liabilities from the insurance business, not only because of the long-term stable and attractive rental income, but also due to the stable values of the assets.

Prudent investment strategy and timely risk management

The investment strategy is defined in detail and implemented as part of the annual review of the investment policy. We make adjustments to take advantage of new opportunities arising from short and medium-term market developments, while remaining within the tactical ranges established by the management. The investment strategy is always supported by timely risk management. The objective of the risk-controlling measures is to protect the balance sheet and income statement from excessive losses in value. This applies both to exposures in foreign currencies that are constantly hedged to a large degree with forwards and to equities whose risks are controlled using options or futures. In addition, counterparty risks are subjected to ongoing analysis and control using various criteria such as ratings, credit quality and the development of interest spreads. In order to avoid concentration risks, absolute exposure limits apply to the individual counterparties, depending on their quality. Investment strategy and risk management are designed to ensure the Group's long-term solvency and optimise the impact of volatile markets on the annual result.

Share and bonds.

Helvetia share

Security symbol	HELN
Nominal value	CHF 0.02
Security number	46664220
Listed on	SIX

Although the stock market year 2021 was characterised by a strong economic recovery, market events were also impacted by more severe production bottlenecks, partly rising inflation rates and re-emerging concerns about the pandemic.

The equity markets proved surprisingly robust in this environment. The strong economic performance was reflected in higher corporate earnings and increased earnings expectations, while profit margins were largely unaffected by the heightened inflationary pressure. The Swiss Performance Index advanced by 23.4% relative to the previous year, in part because the fears relating to the pandemic only temporarily increased market volatility. The Swiss Market Mid Cap Index (SMIM) generated a total return of 22.4%. The Swiss insurance sector was slightly more restrained with a return of 16.3%. The Helvetia share outperformed the Swiss insurance sector with a performance of 20.5% at the end of 2021.

On the other hand, increased inflationary pressure and the looming threat of tighter monetary policy triggered a rise in interest rates and moderately higher credit spreads toward the end of the year. Both had a negative impact on the performance of the bond markets.

Patria Genossenschaft as core shareholder

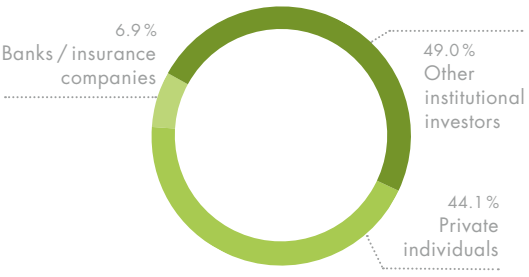
Compared with the end of 2020, there were no changes in the composition of the core shareholder base. As at 31 December 2021, Patria Genossenschaft still held the most significant stake in Helvetia Holding, at 34.1%. The free float is thus unchanged at 65.9%.

Shareholders numbered 26,976 as of 31 December 2021, a 19% increase over year-end 2020. The reason for this was a shift in the composition of the investor groups. Compared with the end of 2020, the proportion of private individuals (44.1% of the free float entered in the share register) increased by around 5 percentage points at the expense of financial institutions (6.9%) and other institutional investors (49%, excluding the aforementioned core shareholder). The majority of the registered shareholders are based in Switzerland. On 31 December 2021, measured by the registered free float, 81.7% of the shares were held by investors who have their registered office in Switzerland (31 December 2020: 80.2%). A total of 18.3% (31 December 2020: 19.8%) were held by foreign investors. Unregistered shares at the end of December 2021 remained almost unchanged from the end of 2020 at 24.7% (31 December 2020: 24.6%).

Normalisation of trading volume

The number of traded shares and trading volume receded markedly in 2021, thus normalising relative to the previous year. This was shaped by the extraordinarily high trading volume due to the market fluctuations caused by the COVID-19 pandemic. On average, 97,254 Helvetia shares were traded

Investor groups
(excluding core shareholder base)
in %



Bonds in circulation

	Issue volume	Interest	Term	Year of issue
Bond	CHF 150 million	1.50% p.a.	10.5 years	2014
Subordinated bond	CHF 225 million	4.00% p.a.	30 years	2014
Subordinated bond	CHF 300 million	3.00% p.a.	Perpetual	2015
Subordinated bond	EUR 500 million	3.375% p.a.	30.5 years	2017
Subordinated bond	CHF 275 million	1.50% p.a.	Perpetual	2020
Subordinated bond	CHF 125 million	1.45% p.a.	20.5 years	2020
Subordinated bond	EUR 600 million	2.75% p.a.	21.25 years	2020
Green subordinated bond	CHF 200 million	1.75% p.a.	Perpetual	2020

every day in 2021, which is around 45% lower than in the previous year. The average daily trading volume declined correspondingly to CHF 9.9 million.

Capital Markets Day

Helvetia provided the financial community with a comprehensive overview of the new strategy *helvetia 20.25* at its Capital Markets Day on 22 June 2021. With this strategy, Helvetia aims to become the best partner for financial security and to set standards in the areas of customer convenience and customer access. At its Capital Markets Day, Helvetia gave examples of the strategy implementation with an in-depth insight into the business operations of Spanish insurer Caser, which the company acquired in mid-2020, presented its positions in the three segments Switzerland, Europe and Speciality Markets and explained its ambitious financial targets up to 2025. Helvetia also showed the sustainability-related goals and measures the company has set to steer its investments within the framework of its responsible investment strategy.

Virtual investor communication

Helvetia communicates with shareholders, potential investors, financial analysts, retail investors and the general public comprehensively and on a regular basis. Despite the ongoing restrictions due to the COVID-19 pandemic last year, we were also in constant dialogue with our investors in 2021. Working largely by phone or on a digital basis, we held group and individual meetings with investors and took part in selected virtual conferences hosted by various financial institutions.

Due to the pandemic, the 2021 Shareholders' Meeting once again took place without the physical attendance of the shareholders. The occasion was a success despite the unusual setting and the shareholders approved all the motions of the Board of Directors.

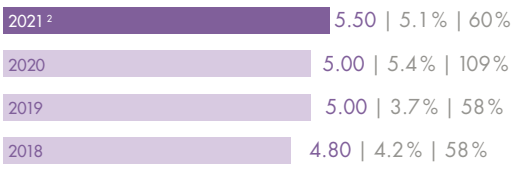
Key share data Helvetia Holding AG

	2021	2020
Number of shares issued		
Treasury shares	164 885	242 844
Shares outstanding	52 860 800	52 782 841
Number of shares issued	53 025 685	53 025 685
Price of Helvetia registered shares in CHF		
Year-end	107.4	93.4
High for the year	114.3	148.6
Low for the year	87.1	66.0
Market capitalisation in CHF million	5 695.0	4 952.6
Consolidated equity per share in CHF	121.3	121.3
Price / book ratio (P / B)[1]	0.9	0.8
Group profit for the period per share in CHF	9.2	4.8
Price / earnings ratio (P / E)[1]	11.7	19.6
Dividend per share[2]	5.50	5.00
Payout ratio	60%	109%
Dividend yield[1/2]	5.1%	5.4%

[1] Based on year-end price / [2] Proposal to the Shareholder's Meeting

Dividend history

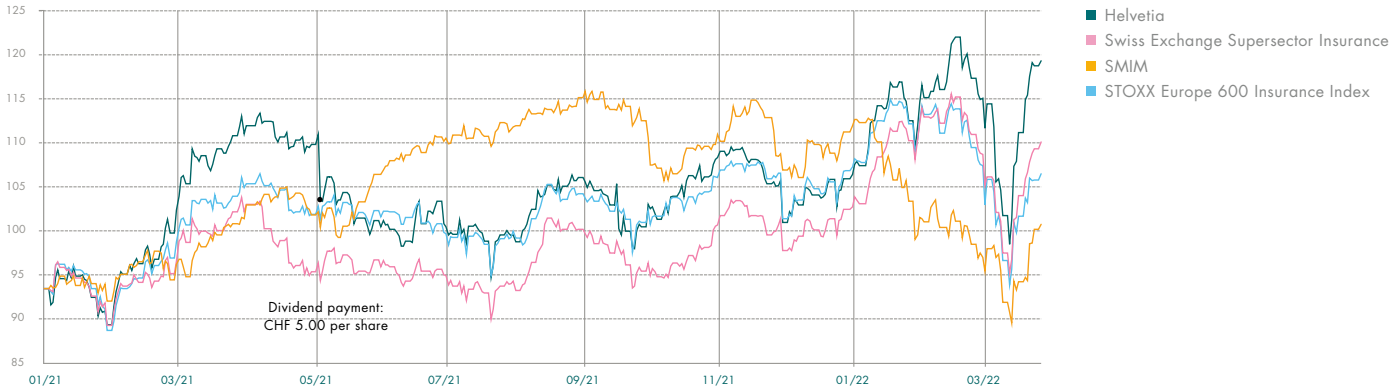
Dividend per share (in CHF) | dividend yield at year-end price | payout ratio[1]



[1] 2019 excl. positive one-off tax effect
[2] Proposal to the Shareholders' Meeting

Share price development 1.1.2021 – 21.3.2022

in CHF



Corporate governance.

Helvetia is committed to meeting the high legal and ethical expectations of its shareholders and all other stakeholder groups to the best of its knowledge and in good faith. This applies, in particular, with respect to responsible and value-oriented corporate governance as well as comprehensive and transparent reporting. The main objectives are to further strengthen confidence in the Helvetia Group, to safeguard the interests of its customers, and thus ultimately to ensure and sustainably enhance the value of the Group, while also taking account of the best interests of the public. Helvetia successfully ensures that the principles of good corporate governance are consistently implemented and continually optimised throughout the Group. For the Board of Directors, the Executive Management and all employees of Helvetia, corporate governance is an ongoing process that is regularly reviewed. During this process, new developments, findings and needs are immediately integrated into daily tasks and responsibilities. Good corporate governance can only be truly effective if it is constantly aligned to the Group's strategy and positioning. Further information in this regard can be found on pages 6 and 7 of this Annual Report.

This strategic focus expresses Helvetia's commitment to comply as fully as possible with the applicable standards of the "Swiss Code of Best Practice for Corporate Governance", which was issued in 2002 by the Swiss economy's umbrella organisation ("economiesuisse") and updated most recently in 2016, the "Corporate Governance Guidelines" (RLCG) of SIX Exchange Regulation AG in the version of 18 June 2021, the Circular 2017/2 "Corporate Governance – Insurers" of the Swiss Financial Market Supervisory Authority (FINMA) of 7 December 2016, the Ordinance Against Excessive Compensation in Swiss Listed Companies (VegüV) of 20 November 2013 (as at 1 January 2014) and the FINMA Circular 2010/1 "Compensation Systems" in the current version of 22 September 2016. The compensation report below (from page 48) provides information on our compensation system in general and specific details on the compensation paid to the Board of Directors and Executive Management. Where information on corporate governance is provided elsewhere, i.e. outside of this chapter, reference is made to where it can be found. In particular, the Articles of Association of Helvetia Holding AG (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf) and the organisational regulations of the Helvetia Group (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf) can be accessed on the website of the Helvetia Group. Further up-to-date information is also published there.

1. Corporate structure and shareholders

1.1 Corporate structure

Helvetia is an international Swiss all-lines insurance group. The parent company, Helvetia Holding AG, is organised in accordance with Swiss law.

1.1.1 Operational Group structure

The management structure is shown on page 47 of this report. This structure is intended to create the best possible legal, financial, fiscal and regulatory framework and to ensure smooth, efficient and flexible business operations.

1.1.2 Listed companies

Helvetia Holding AG has its head office in St. Gallen and is listed on SIX Swiss Exchange AG in Zurich: security number 46 664 220, ISIN CH0466642201, ticker symbol HELN. It had a market capitalisation of CHF 5,695 million as at 31 December 2021. Key data for investors is given on pages 20 to 21 under "Share and bonds". Helvetia Holding AG is the only listed company in the Group structure of the Helvetia Group.

1.1.3 Non-listed companies

The Group's subsidiaries included in the scope of consolidation are listed on pages 192 to 195. Reports on the main subsidiaries – Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen (Helvetia Versicherungen), and Helvetia Schweizerische Lebensversicherungsgesellschaft AG, Basel (Helvetia Leben) – can be found in the Notes from page 203.

The complete list of Group companies, including investments, is shown from page 192.

1.2 Major shareholders

We maintain an open and shareholder-friendly strategy in an effort to build up a widely diversified and informed shareholder base. We have a long-term and, in view of the positive development of the Group, very successful relationship with our most significant shareholder Patria Genossenschaft, Basel (founding partner). On the reporting date, 26,976 (previous year: 22,679) shareholders were registered in the share register of Helvetia Holding AG.

Patria Genossenschaft, Basel, remains the largest shareholder with 34.1%.

At the end of 2021, no other shareholder exceeded the reporting threshold of 3%. All Helvetia's notices on share transactions exceeding the reporting threshold can be viewed at https://www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html#/ (issuer: Helvetia Holding AG). Further information on the shareholder structure is given on page 20 under "Share and bonds".

1.3 Cross-holdings

There are no cross-holdings that exceed 5% of the capital or voting rights.

2. Capital structure

2.1 Capital

Helvetia Holding AG has share capital of CHF 1,060,513.70, consisting of 53,025,685 registered shares with a nominal value of CHF 0.02 each. At the year-end price of CHF 107.40 per share, this equals a market capitalisation of CHF 5,695 million.

2.2 Authorised and conditional capital

Authorised capital: Helvetia currently has authorised capital in accordance with Art. 4a of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf) (see section 2.3 below). Conditional capital: The share capital can be increased by a maximum of CHF 129,793.20, which equates to 12% of the existing share capital, by issuing a maximum of 6,489,660 fully paid-up registered shares with a nominal value of CHF 0.02 each. The conditions for this are set out in Art. 4 of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf).

2.3 Changes in capital

At the Shareholders' Meeting on 3 May 2019, a share split at a ratio of 1:5 was approved, meaning that the unchanged share capital of Helvetia Holding AG of CHF 994,513.70 comprises 49,725,685 registered shares with a nominal value of CHF 0.02. The Shareholders' Meeting of 24 April 2020 approved the creation of authorised capital amounting to a maximum of CHF 149,177.00 by issuing a maximum of 7,458,850 registered shares to be fully paid up with a nominal value of CHF 0.02 in accordance with Art. 4a of the Articles of Association. On this basis and with the corresponding authorisation of the Board of Directors, a capital increase of CHF 66,000.00 to CHF 1,060,513.70 through the issuing of 3,300,000 fully paid up registered shares with a nominal value of CHF 0.02 at an issue price of CHF 0.02 was resolved upon on 17 June 2020. The proceeds from the newly issues registered shares were partially used for the financing or refinancing of the indirect acquisition of a majority holding in Caja de Seguros Reunidos, Compañía de Seguros y Reaseguros S.A, Spain.

The newly issued registered shares were placed at market conditions. The remaining authorised capital of a maximum of CHF 83,177 that could be created by issuing 4,158,850 fully paid-up registered shares with a par value of CHF 0.02 each will expire on 24 April 2022. (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf).

2.4 Shares and participation certificates

The share capital comprises 53,025,685 fully paid-up registered shares with voting and dividend rights with a nominal value of CHF 0.02 each. There are no preferential rights or participation certificates. Further details on the Helvetia share can be found on pages 20 and 21 in the section "Share and bonds". On 31 December 2021, Helvetia held 164,885 treasury shares (0.31%).

2.5 Dividend right certificates

There are no dividend right certificates.

2.6 Restriction on transferability and nominee registrations

The Board of Directors may refuse to approve registration with voting rights if an individual would then own more than 5% of the voting rights of the entire share capital entered in the Commercial Register. Here the term "individual" also includes buyers of shares who are connected to each other either by way of capital or votes, or by united management, or in any other form. This restriction also applies if, for example, shares were subscribed or acquired by means of convertible rights associated with instruments issued by the company or third parties. In the reporting year, no new exceptions were declared regarding the restriction of transferability (for major shareholders: see section 1.2).

Private individuals who do not declare in the application for registration that they have acquired the shares on their own behalf (= nominees) will only be entered in the share register for a maximum of 3% of the total share capital. The registration regulations are described in detail in Art. 7 and 8 of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf). Any amendment by the Shareholders' Meeting to the statutory restriction of transferability referred to above requires a two-thirds majority of votes represented.

2.7 Convertible bonds and options

There are no convertible bonds, options or employee options.

3. Board of Directors

The Board of Directors of Helvetia Group is the highest management body of the company. It is responsible for the overall management and the strategic direction of the Group and it also appoints and monitors the Executive Management. The Board of Directors currently has ten members. Ms Doris Russi Schurter was elected Chairwoman at the 2018 Shareholders' Meeting and confirmed in this role at the 2019, 2020 and 2021 Shareholders' Meetings.

At the Shareholders' Meeting in April 2022, Ms Doris Russi Schurter will not stand for re-election as Chairwoman of the Board of Directors. As her successor the current Vice-Chairman Dr Thomas Schmuckli will be proposed to the Shareholders' Meeting for election.

Having reached the maximum term of office for members of the Board of Directors, which applies from 2022, Prof. Christoph Lechner will also not stand for re-election at the 2022 Shareholders' Meeting. He has been a member of the Board of Directors since 2006 and has served as a member of various committees. Mr Luigi Lubelli will be nominated as a new member of the Board of Directors at the 2022 Shareholders' Meeting. The members of the Board of Directors of Helvetia Holding AG are identical to the Boards of Directors of the two subsidiaries, Helvetia Schweizerische Versicherungsgesellschaft AG and Helvetia Schweizerische Lebensversicherungsgesellschaft AG. All the members of the Board of Directors have experience and knowledge of a wide variety of fields. They have the

requisite expertise to represent their personal opinion in discussions with the Executive Management. Since the Helvetia Group conducts a significant proportion of its business abroad, the Board of Directors includes members who have extensive international experience. The Board of Directors attaches importance to its members possessing strong personal values (including integrity), specialised financial, business and insurance knowledge, experience in strategic and executive management, the ability to think in a visionary manner and social skills. Value is likewise attached to achieving appropriate diversity in terms of the percentage of women among its members (currently 30%) and ensuring that its members believe in sustainability and have the necessary amount of time at their disposal for the efficient and proper performance of a director's term of office. As far as the independence of Board members is concerned, we follow the requirements of the Swiss Code of Best Practice for Corporate Governance and also Circular 2017/2 Corporate Governance – Insurers issued by FINMA on 7 December 2016. For example, the Board if Directors consists only of members whose personal and business skills enable them to form an independent opinion and take decisions that are in the best interests of the company. All Board members are non-executive members and no Board member belonged to the Executive Management of the Helvetia Group or the Executive Management of any of its Group companies in the three financial years preceding the reporting period. No member of the Board of Directors has any significant business relationships with Helvetia other than as a policyholder. Anti-conflict-of-interest rules are consistently applied by all committees. Every year, the Board of Directors assesses the level of compliance with these requirements and the quality of the services it has performed, both in its entirety and within each committee, and – where necessary – identifies any improvements that may be required.

The following table contains information on the composition of the Board of Directors, the Board committees and the first time each Board member was elected.

The Board of Directors of Helvetia Holding AG As at: 31 December 2021

	Function	Joined	SGC	NCC	IRC	AC
Doris Russi Schurter	Chairwoman	2008	o o			
Dr Hans C. Künzle	Vice-Chairman	2015	o		o o	
Dr Thomas Schmuckli	Vice-Chairman	2018	o		o	
Beat Fellmann	Member	2018			o	o
Jean-René Fournier	Member	2011		o		
Dr Ivo Furrer	Member	2017	o			o o
Prof. Christoph Lechner	Member	2006	o			
Dr Gabriela Maria Payer	Member	2014		o o	o	
Dr Andreas von Planta	Member	2014		o		o
Regula Wallimann	Member	2018		o		o

SGC Strategy and Governance Committee
NCC Nomination and Compensation Committee
IRC Investment and Risk Committee
AC Audit Committee
o o Chairperson
o Member

3.1 Members of the Board of Directors

Doris Russi Schurter

Law degree (University of Fribourg), lawyer
Swiss, Lucerne, 1956
Chairwoman, non-executive and independent

Committee membership
Strategy and Governance Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1980–1982 Swiss Bank Corporation, Basel; 1983–1991 various management positions at Fides Treuhandgesellschaft, Basel and Lucerne; 1992–2005 various management positions as a partner at KPMG Switzerland, including 1994–2005 Managing Partner at KPMG Lucerne

Appointments at listed companies
Chairwoman of the Board of Directors of Luzerner Kantonalbank, Lucerne (up to 19 April 2021)

Appointments at other companies
Member of the Board of Directors of Swiss International Airlines, Basel

Pro bono appointments
Three appointments, in particular President of the Association of Swiss Companies in Germany, VSUD, Basel

Hans C. Künzle

Doctorate in law (University of Zurich)
Swiss, Kilchberg ZH, 1961
Vice-Chairman, non-executive and independent

Committee membership
Strategy and Governance Committee
Investment and Risk Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Until 1989 at Bülach District Court; 1989–2004 various managing roles at Winterthur Versicherungen, including CEO of Winterthur operations in the Czech Republic and Head of Mergers & Acquisitions at group level; 2004–2014 CEO of the Schweizerische National-Versicherungs-Gesellschaft AG, Basel; since 1 January 2015 Vice-Chairman of the Board of Directors of Helvetia Insurance.

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Hochalpines Institut Ftan (HIF) AG; member of the Board of Directors of JANZZ.technology AG

Pro bono appointments
Four appointments, in particular President of the National Committee of UNICEF Switzerland and Liechtenstein and member of the Supervisory Board of the Institute for Business Management of the University of St. Gallen

Thomas Schmuckli

Doctorate in law (University of Fribourg), lawyer
Swiss, Hünenberg See, 1963
Vice-Chairman, non-executive

Committee membership
Strategy and Governance Committee
Investment and Risk Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Credit Suisse: 1993–1998 various management roles in the Legal department of the Leu Group, 1998–2000 Member of a credit recovery task force, 2005–2007 Head of Legal & Compliance Corporate & Institutional Clients, 2007–2013 Head of Legal & Compliance Asset Management Switzerland; Zuger Kantonalbank: 2000–2005 Member of the Extended Executive Management (product, project and process management); independent Member of the Board of Directors since 2014

Appointments at listed companies
Chairman of the Board of Directors of Bossard Holding AG, Zug

Appointments at other companies
Four appointments: Chairman of the Board of Directors of Credit Suisse Funds AG, Zurich; member of the Board of Directors of MultiConcept Funds Management S.A., Luxembourg; member of Board of Directors of Hans Oetiker Holding AG, Horgen; Delegate and Chairman of the Board of Directors of Patria Genossenschaft, Basel

Pro bono appointments
Three appointments at charitable organisations and institutions

Beat Fellmann

Degree in economics (University of St. Gallen) and Swiss Certified Public Accountant
Swiss, Seuzach, 1964
Member, non-executive and independent

Committee membership
Investment and Risk Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Bühler AG: 1991–1998 Various functions within the Group; Holcim AG: 1998–2004 Head of Financial Holdings in Zurich, Amsterdam and Hamburg, 2005–2008 Deputy Group CFO and Member of the Extended Executive Management; Implenia Ltd: 2008–2019 CFO and Head of Corporate Center and Head of Real Estate Investment Committee; Exyte AG, Stuttgart: 2019–2020 member of the Board; Valora Holding AG: since 2020 CFO Group, member of the Executive Management

Appointments at listed companies
None

Appointments at other companies
Two appointments: member of the Board of Directors of Vitra Holding AG and member of the Swiss Takeover Board (TOB)

Pro bono appointments
None

Jean-René Fournier

Degree in economics (University of Fribourg)
Swiss, Sion, 1957
Member, non-executive

Committee membership
Nomination and Compensation Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Management positions at UBS; 1997–2009 State Council of the Canton of Valais; 2007–2019 Council of States of the Canton of Valais; 2011–2013 President of the Finance Commission of the Council of States, Vice-Chairman of the Council of States and President of the Finance Delegation of the Federal Assembly 2017/2018; Chairman of the Council of States 2018/2019

Appointments at listed companies
None

Appointments at other companies
Four appointments at non-listed companies/institutions: Vice-Chairman of the Board of Directors of Patria Genossenschaft, Basel; member of the Board of Directors of Forces Motrices de la Gougra SA, Sierre; Chairman of the Board of Directors of Immobilien Gletsch AG, Obergesteln; Chairman of the Board of Directors of Loterie Romande

Pro bono appointments
President of the Board of Trustees of the Disability Foundation Valais de Cœur

Ivo Furrer

Doctorate in law (University of Zurich)
Swiss, Zurich, 1957
Member, non-executive and independent

Committee membership
Strategy and Governance Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1982–1999 Winterthur Versicherungen, various management positions in Canada, the US and London as well as Chief Underwriting Officer Global Corporate; 1999–2002 Credit Suisse Group, including as a member of the Executive Committee e-Investment Services Europe; 2002–2008 Zurich Financial Services, Head of International Key Account Business in Germany, member of the Global Corporate Executive Committee, CEO Life Switzerland; 2008–2017 Swiss Life Group, CEO Switzerland and member of the Corporate Executive Board

Appointments at listed companies
Member of the Board of Directors of Julius Baer Group Ltd; member of the Board of Directors of Fundamenta Group AG

Appointments at other companies
Four appointments, in particular member of the Liechtenstein Financial Market Authority (FMA), Vaduz (up to 30 June 2021); member of the Board of Directors of inventx AG, Chur

Pro bono appointments
Member of the Board of Trustees of the Swiss Foundation for Work and Further Education (SSAW); Chairman of digitalswitzerland, Zurich (up to 30 June 2021)

Christoph Lechner

Professor and doctor of economics (University of St. Gallen), Swiss and German citizenship, Hettlingen, 1967
Member, non-executive and independent

Committee membership
Strategy and Governance Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1987–1995 various positions at Deutsche Bank, including Corporate Banking and Assistant to the Management (Germany); Corporate Finance (Singapore); 1995–2004 University of St. Gallen, doctorate and habilitation, guest professor in the US (Wharton and Connecticut) as well as South America (IAE Argentina); since 2004 Professor of Strategic Management at the University of St. Gallen; Director at the Institute of Management (IfB)

No other appointments

Gabriela Maria Payer

Doctorate in philosophy (University of Zurich)
Swiss, St. Moritz, 1962
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee
Investment and Risk Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background, exercising operational executive functions
Until 1993 responsible for marketing at IBM and American Express; 1993–2012 numerous management roles with UBS AG; including: 1999 set-up and management of UBS e-banking; 2005 worldwide management of Human Resources Wealth Management & Business Banking; 2009 founding and management of the UBS Business University for the entire Group; from 2012–2017 Head of Training and member of the Executive Management of the Swiss Finance Institute; since 2012 owner of the consulting company, PAYERPARTNER, for strategic business development

Appointments at listed companies
Member of the Board of Directors of VP Bank AG, Liechtenstein

Appointments at other companies
Two appointments: Chairwoman of the Board of Directors of the Upper Engadine Healthcare Foundation (SGO), Samedan, and Vice-Chairwoman of Sygnum Bank Ltd, Zurich and Singapore

Pro bono appointments
Three advisory board appointments: one at the University of Bern and two at the University of Lucerne

Andreas von Planta

Doctorate in law (University of Basel), LL.M. (Columbia University), lawyer,
Swiss, Cologny, 1955
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Since 1983 law firm Lenz & Staehelin, Geneva; partner from 1988–2017; senior counsel since 2018

Appointments at listed companies
Member of the Board of Directors of Novartis AG, Basel

Appointments at other companies
Seven appointments, in particular Chairman of the Board of Directors of HSBC Private Bank (Suisse) SA, Geneva and President of the Regulatory Board of SIX Swiss Exchange (previously registration office of SWX Swiss Exchange)

Pro bono appointments
None

Regula Wallimann

Degree in economics (University of St. Gallen), Swiss and US Certified Public Accountant
Swiss, Meilen, 1967
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1993–2017 Accountant at KPMG, including assumption of responsibility for the auditing of large, listed, internationally active industrial firms as Global Lead Partner from 2003–2017; independent member of the Board of Directors since 2017

Appointments at listed companies
Member of the Board of Directors of Straumann Holding AG, Basel; member of the Board of Directors of Adecco Group AG, Zurich

Appointments at other companies
Member of the Board of Directors of Swissgrid Ltd, Aarau

Pro bono appointments
Member of the Supervisory Board of the Institute for Accounting, Controlling and Auditing (ACA) of the University of St. Gallen (HSG)

Secretary of the Board of Directors
Barbara Bolliger
Law degree (University of Zurich), lawyer

3.2 Other activities and interests

Information on the activities and interests of the members of the Board of Directors is provided on pages 27 to 31.

In addition, there are the following business relationships with companies represented by members of the Board of Directors:

– Jean-René Fournier and Dr Thomas Schmuckli represent Patria Genossenschaft, Basel.
– Dr Thomas Schmuckli is Chairman and Jean-René Fournier the Vice-Chairman of the Board of Directors of the Patria Genossenschaft, Basel, the statutory objectives of which are to promote the conclusion and execution of life insurance contracts with Helvetia in the interests of its members, and to secure the economic independence and development of Helvetia by means of financial participation.
– Mr Jean-René Fournier was the only member of the Board of Directors who held public political office as a State Councillor up to the start of December 2019.

3.3 Statutory rules regarding the number of activities allowed pursuant to Art. 12 para. 1 (1) VegüV

According to Art. 32 (mandates outside the Group) of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf), members of the Board of Directors may not hold more than five additional mandates with listed companies and ten additional mandates with non-listed companies.

This restriction does not apply to:

a) Mandates with companies that are controlled by the company directly or indirectly or in joint agreement with third parties or which control the company directly or indirectly or in joint agreement with third parties;
b) Mandates accepted by a member of the Board of Directors on instructions of the company or companies directly or indirectly controlled by the company. Members of the Board of Directors may not hold more than ten such mandates; and
c) Mandates with associations, charitable organisations, foundations and staff pension funds. Members of the Board of Directors may not hold more than ten such mandates.

Mandates include mandates in the most senior governing or managing body of a legal entity that is obliged to register with the Commercial Register or a similar foreign register. Mandates with different legal entities controlled by the same company or beneficial owner count as a single mandate.

A list of such mandates of the individual Board members is provided on pages 27 to 31.

3.4 Election and term of office

All Board members, the Chairwoman and the members of the Nomination and Compensation Committee are individually elected at the Shareholders' Meeting each year in accordance with the provisions of the VegüV. Re-election of sitting Board members is possible. The option of re-election ends at the latest with the Ordinary Shareholders' Meeting in the year in which a Board member turns 70. In addition to this maximum age, a maximum term of office also applies from 1 January 2022. According to this, the term of office of a member of the Board of Directors of the company generally ends upon completion of his or her 12th year of office. In exceptional cases, the Board of Directors can propose to the Shareholders' Meeting that the maximum 12-year term be extended for a member, provided the maximum age of 70 is not exceeded. The normal term of office of 12 years can be extended by up to a maximum of three years. The exceptions for the extension of the term of office must be in the interest of the company, in particular (a) for the purpose of securing skills and experience in the Board of Directors that are of great significance for the future development of the company and (b) for succession planning in the Board of Directors, in particular concerning the replacement of the Chairwoman / Chairman (i) of the Board of Directors or (ii) of a committee of the Board of Directors.

At the 2021 Shareholders' Meeting, all members of the Board of Directors and the Nomination and Compensation Committee stood for re-election and were confirmed in their roles.

3.5 Internal organisation

Corporate governance at Helvetia is based on the relevant legal provisions (in particular company law and stock market legislation) and on internal directives and regulations.

3.5.1 Division of duties in the Board of Directors

The diagram on page 26 shows the tasks that were delegated to the committees by the Board of Directors. The figure shows the constitution of the Board of Directors as at 31 December 2021. The Board of Directors appoints from among its members the Vice Chairperson(s) of the Board of Directors as well as the Chairpersons and members of the various committees (exception: the members of the Nomination and Compensation Committee) and designates the secretary of the Board of Directors. The Chairwoman heads the Board of Directors. She convenes the meetings of the Board, prepares the agenda for the Board meetings and chairs these meetings. She prepares the Shareholders' Meeting and the invitation to the Shareholders' Meeting, and also chairs this meeting. She draws up the strategic objectives that are discussed by the Board of Directors and represents the shareholders in important strategic projects in consultation with the CEO. She ensures that shareholders receive timely and correct information on the Group's business operations and nurtures relationships with major investors. Together with the other executive bodies of the Group, the Chairwoman ensures good corporate governance and an effective internal control system. She serves as line manager to the CEO and acts in consultation with the CEO whenever possible. She and the CEO prepare the CEO's annual agreement on objectives, and he assesses the CEO's performance every year. The Chairwoman may take part in important meetings of the Executive Management as a guest; to this end she receives the agenda and accompanying documents for all meetings. She manages the Group's Internal Audit team as well as the secretary of the Board of Directors, assesses requests for information, meetings or the inspection of documents from members of the Board of Directors as well as their acceptance of new board or similar mandates (the Strategy and Governance Committee decides on such mandates of the Chairman), signs Commercial Register applications together with another member of the Board of Directors and handles other tasks delegated to her by the Board of Directors. She may inspect any and all documents at all times. If the Chairwoman is unable to act, one of the Vice-Chairmen or another member appointed by the Board of Directors from among its own members performs her function. If the office of Chairwoman is vacant, the Board of Directors appoints a Chairperson from among its own members until the conclusion of the next Ordinary Shareholders' Meeting.

3.5.2 Composition of the Board committees

In order to incorporate the individual skills of its members into the decision-making process in a targeted manner, the Board of Directors has formed committees from among its members which report to the Board of Directors for the preparation of its resolutions or for the performance of its supervisory function. The following committees exist for this purpose: the Strategy and Governance Committee, the Nomination and Compensation Committee, the Investment and Risk Committee and the Audit Committee. The duties and powers of these committees are described in detail in the organisational regulations (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf) and the composition of each committee is presented on page 26.

a) The Strategy and Governance Committee (SGC) prepares the resolutions to be passed by the Board of Directors in the event of a change or redefinition of strategy. It monitors, in particular, strategy implementation, deals with mergers, acquisitions and disposals of companies or major portfolios, and prepares the required resolutions by the full Board of Directors. It also ensures good corporate governance within the Helvetia Group. The SGC assumes duties and powers that have been assigned to it by the Board of Directors, deals with issues entrusted to it by the Chairwoman that

are not reserved for the full Board of Directors in accordance with the law, the Articles of Association or Group regulations, and discusses important and urgent issues.

b) The Nomination and Compensation Committee (NCC) prepares the resolutions to be adopted by the Board of Directors in connection with the compensation report as well as the compensation policy of the company and the structure of the compensation paid to the members of the Board of Directors and the Executive Management and monitors their correct implementation. It prepares the proposals to be made by the Board of Directors to the Shareholders' Meeting with respect to the total amount of fixed and variable compensation to be paid to the members of the Executive Management and the Board of Directors. The NCC approves the concept and strategy of the employee pension funds in Switzerland on behalf of the employer and takes note of their annual financial statements. It prepares the resolutions by the Shareholders' Meeting regarding the appointment and dismissal of members of the Board of Directors. The NCC also prepares the personnel decisions to be taken by the Board of Directors, including personnel planning, the appointment and dismissal of members of the Executive Management and of those responsible for Risk Management, Compliance and Internal Audit. It handles the appointment and dismissal of the CEOs in all country markets, takes note of the appointment and dismissal of other members of the Executive Management in all country markets and periodically reviews plans and measures to retain and promote senior managers.

c) The Investment and Risk Committee (IRC) formulates the investment concept, basic guidelines and investment strategy. It proposes the strategic ranges of asset allocation, approves the investment strategy, supervises the investment activities of the Helvetia Group and decides on investments to the extent that the Board of Directors has delegated this task to it. The IRC prepares the most important risk strategies and tolerances as well as the risk appetite and the applicable risk limits, and monitors all risks (including the strategic risks and operational risks relevant to the whole company) as well as the related risk management measures and compliance with limits.

d) The Audit Committee (AC) assists the Board of Directors in its duties with regard to overall supervision and financial control. It examines the accounts from the perspective of completeness, integrity and transparency, and verifies their compliance with applicable accounting standards and external reporting requirements. It assesses risk governance and risk organisation, and monitors the functional capacity and effectiveness of the internal control systems (ICS). The AC monitors the operational risks and related risk management measures and verifies the independence and quality of the audits by the internal and external auditors. It ensures optimum cooperation between internal and external control units, the AC, the Chairwoman of the Board of Directors and the Executive Management. The AC approves the internal audit plan and assists with the development of external audit plans, examines the results of audits, comments on them for the attention of the Board of Directors, and may, if necessary, award special audit assignments. The AC prepares the election of the statutory auditors, and submits the necessary proposals to the Board of Directors. It verifies the consistency of auditing activities with any existing consulting mandates and examines the overall fee structure.

3.5.3 Modus operandi of the Board of Directors and its committees

The Board of Directors convenes as often as business requires, but at least five times a year. They half-day meetings are generally held at the Group head office in St. Gallen, and the executive seminar, which usually lasts two days, is generally held at external premises. Due to the COVID-19 pandemic, around half of the half-day meetings were held via video conference in 2021. The Board of Directors is quorate if the majority of its members are present. Its resolutions are carried with a majority of the votes of the members in attendance. Resolutions may also be passed by circular letter. As a general rule, meetings are attended by all Board members and, in an advisory capacity, also some of the members of the Executive Management. Meetings are generally organised as follows: the meeting starts as a closed meeting of the Board of Directors for discussing internal topics. The

meeting is then continued in the presence of the CEO and, depending on the topic, some or all of the members of the Executive Management.

In the reporting year, 14 meetings, which were generally of a half day in length, as well as a two-day seminar were held, seven times in the absence of one member of the Board of Directors, once in the absence of two members of the Board of Directors and once in the absence of three members of the Board of Directors. In order to deal with specific issues, the Board of Directors can call on further specialists to attend its meetings, which is regularly the case. Members of the Board of Directors and all executive bodies are obliged to abstain if business is being dealt with that involves their own interests or the interests of related or represented parties (natural persons or legal entities).

The SGC convenes as often as business requires. In order to deal with specific issues, the Board of Directors can call on internal or external specialists to attend its meetings, which is regularly the case. The CEO takes part in the meetings in an advisory capacity. The SGC met six times in 2021, three times in the absence of a member of the Board of Directors. Most of the meetings lasted half a day.

The NCC convenes as often as business requires. In order to deal with specific issues, the Board of Directors can call on internal or external specialists to attend its meetings, which is regularly the case. The CEO takes part in the meetings on an advisory basis, provided that topics of the Executive Management are being addressed. The NCC met nine times in 2021, once in the absence of a member of the Board of Directors. Most of the meetings lasted half a day. In 2021, two circular resolutions were used.

The IRC convenes as often as business requires. The CEO, CFO, CIO and the Head of Risk Management attend its meetings in an advisory capacity. In 2021, they attended all meetings. In order to deal with specific issues, the Board of Directors can call on further internal or external specialists to attend its meetings, which is regularly the case. In 2021, the IRC had five meetings, all of which were attended by all members of the Board of Directors. Most of the meetings lasted half a day.

In 2021, the AC had seven meetings, all of which were attended by all members of the Board of Directors. The CEO, CFO and the Head of Internal Audit attend the meetings in an advisory capacity; in 2021, they attended all meetings. The external auditors also attended five of the seven meetings. In order to deal with specific issues, further internal or external specialists are regularly called on to attend the meetings. Most of the meetings lasted half a day.

The Chairwoman may take part in the meetings of the NCC, IRC and AC as a guest.

3.6 Delineation of powers

The Board of Directors possesses, in particular, the following powers based on its inalienable and non-transferable duties stipulated in the provisions of Swiss company law, the Articles of Association and the internal organisational regulations of the Helvetia Group:

- overall management of the Group;
- definition of the organisational principles;
- definition of the structure and principles of accounting, financial control and financial planning;
- appointment and dismissal of members of the Executive Management;
- the ultimate supervision of the persons entrusted with managing the company;
- preparation of the business and compensation report;
- preparation of the Shareholders' Meeting;
- implementation of its resolutions; and
- approval of major legal transactions.

Appendix I of the organisational regulations contains a detailed description of the division of powers between the Board of Directors, the Board committees and the Executive Management: (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf).

3.7 Information tools and control instruments regarding the Executive Management

The Board of Directors is kept up-to-date in a variety of ways concerning Helvetia's activities, its course of business and trends in the market. At its meetings, it requests information concerning:

- content and outcome of matters dealt with by the various Board committees, including all resolutions and proposals – all committees are required to submit copies of their minutes without delay;
- course of business and market trends, to be provided by the CEO and/or the respective market area and support function heads, as well as (where necessary) the main projects, to be provided by the persons responsible;
- status of compliance with budget and other annual objectives as well as strategic plan values for several years;
- results and findings of the audits conducted by the external and internal auditors which are in particular discussed by the AC and recorded in its minutes;
- the most important strategic, financial and operational risks, any changes to them and risk management measures that have been taken or are planned;
- compliance with legal and regulatory provisions and internal regulations;
- important facts and events that could influence the interests of stakeholders, where necessary on an ad hoc basis upon the occurrence of extraordinary events, otherwise as part of ordinary reporting.

Every month, the members of the Board of Directors receive key data concerning the course of business. They also periodically receive reports on current issues relating to governance as well as selected analyses and situation reports concerning market trends, market players and noteworthy occurrences. The regular reports submitted to the Board of Directors and its committees are listed in Appendix II of the organisational regulations (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf).

At the meetings, every member of the Board of Directors may ask other members and members of the Executive Management for information concerning all matters pertaining to the Group. Outside of the meetings, every member of the Board of Directors may ask the CEO to provide information about the general course of business and, with the approval of the Chairwoman, also about specific business cases, and/or may inspect any business documents as required.

In 2021, the Chairwoman of the Board of Directors met regularly with the CEO in order to exchange information as well as with other members of the Executive Management outside of the regular meetings.

Helvetia has introduced and implemented a coordinated and formalised concept for risk management and risk control. Further information on risk management and risk control can be found on pages 16 et. seq.

The Board of Directors also has the Internal Audit unit at its disposal as an auditing and supervisory body that monitors compliance with legal and regulatory provisions, internal guidelines and directives systematically, purposefully and in a risk-oriented manner. It also receives reports concerning Helvetia's general development and specific activities in the areas of compliance and risk management.

4. Executive Management

The Executive Management is the highest executive body of the Helvetia Group and is responsible for implementing the strategy adopted by the Board of Directors. It has been headed by Dr Philipp Gmür since 1 September 2016. Together with the division heads of the Executive Management and the Executive Management boards of the market units in and outside of Switzerland, he is responsible for the operational management of the Group.

The Group's management structure was adjusted on 1 May 2020 and the Occupational Pension Plans Switzerland, Private Pensions Switzerland, Non-Life Switzerland and Distribution Switzerland areas were consolidated in the Swiss country market operating unit. The detailed organisational chart of the Helvetia Group as at 31 December 2021 can be found on page 47 of this report.

4.1 Members of the Executive Management

Philipp Gmür

Doctorate in law (University of Fribourg), lawyer, LL.M. (Duke Law School), Swiss, Lucerne, 1963
Group CEO

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1988–1990 worked in various courts, administration and law firms; 1991–1993 Court Clerk at the High Court of Lucerne; 1993 joined Helvetia: Head of Regional Office in Lucerne; 2000 member of the Executive Management of Helvetia Switzerland: Head of Sales; 2003 member of the Group Executive Management and CEO Switzerland; in his current position since 1 September 2016

Appointments at listed companies
Member of the Board of Directors of Allreal Holding AG

Appointments at other companies
Member of the Board of Directors of economiesuisse; member of the Board of Trustees of Avenir Suisse; member of the Board of Directors of Grand Casino Luzern Group and a further Board of Directors appointment at a non-listed company

Pro bono appointments
Chairman of the Funding Association and member of the Executive Committee of the I. VW Institute of Insurance Economics, St. Gallen; member of the Board of Directors of the St. Gallen-Appenzell Chamber of Commerce and Industry; Vice-President of the Executive Committee of the Europa Forum, Lucerne, and two Board of Trustees appointments

Achim Baumstark

Diploma in computer science (University of Karlsruhe)
German, Basel, 1964
Group Chief Technology Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1992–1995 Consultant and project manager at Andersen Consulting; 1995–2000 programme manager at debis Systemhaus, Stuttgart; 2000–2005 Managing Director, Chief Operating Officer at Daimler Chrysler Services Information Technology Ltd, United Kingdom; 2005–2006 Chief Information Officer for Europe / Africa / Asia Pacific at Daimler Chrysler Financial Services AG, Berlin; Director ITF / F at Daimler Chrysler AG, Stuttgart; 2009–2012 Head of Group Solutions at Zurich Financial Services; 2012–2013 Chief Information Officer at Zurich Switzerland; 2013–2017 Chief Information Officer, member of the Executive Board of the Helsana Group; member of the Executive Management in his current position since 1 April 2017

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Prevo AG, Basel

Pro bono appointments
None

Roland Bentele

Doctorate in law (University of Fribourg)
Swiss, St. Gallen, 1961
Group Chief Corporate Center Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
1989–1991 Assistant, University of Freiburg; 1992–1993 Auditor, St. Gallen District Court; 1994–1996 Legal Assistant, Legal department of the Civil Engineering and Road Administration of the Canton of St. Gallen; 1996 Personnel Consultant, Urs Ledermann + Partner AG; 1996–1997 Legal Assistant, law firm Jürg Grämiger; 1997–2002 various roles, finally as Head of Human Resources Swissair Airline, member of the Executive Board, SAir Group / Swissair; 2002–2004 Senior Vice President Human Resources, Hilti AG; 2004–2009 Head of Human Resources, member of the Executive Board, Unique (Flughafen Zürich AG); 2009–2013 Managing Director, from 2013 Chairman of the Board of Directors, Neomentum AG; 2014 joined the Helvetia Group, Head of Human Resources International, from 2017 Head of HR Group, member of the extended Executive Management, since 2019 Head of Corporate Center, since 2020 member of the Executive Management in his current position

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Genossenschaft Konzert und Theater St. Gallen

Pro bono appointments
Member of the Swissair Staff Foundation for Children in Need; member of the Board of Verein Textilmuseum St. Gallen; Vice Chairman of the Board of Pflegeheim St. Otmar

Markus Gemperle

Doctorate in law University of St. Gallen,
Swiss, Niederteufen, 1961
CEO Europe

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1988–1990 Academic Assistant, Institute of Insurance Economics, University of St. Gallen; 1990 joined Helvetia Insurance: head of various departments in the non-life business in Switzerland; 2002 Head of Corporate Center Helvetia Group; 2004 member of the Executive Management of Helvetia Switzerland: Head of IT; 2006 member of the Executive Management of Helvetia Switzerland: Head of Operations & Partners; 2008 member of the Group Executive Management: Head of Strategy & Operations; 2015 member of the Executive Management in his current position

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors at Abraxas Informatik AG, St. Gallen

Pro bono appointments
None

Martin Jara

Doctorate in economics (University of St. Gallen)
Swiss, Effretikon and Basel, and Austria, 1972
CEO Switzerland

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1995–2001 Academic Assistant, Institute of Insurance Economics, University of St. Gallen; 2002–2005 international functions, Winterthur Group, finally as: Head of COO & Regional Office CEE, Belgium, Spain & UK Life; 2005–2008 Winterthur Agency Head and Risk/Underwriting Improvement Management, SUVA; 2008–2020 Allianz Suisse: until 2011 Head of Broker Business, 2010–2014 Head of Market Management & Corporate Development, member of the Executive Board, 2014–2020 Head of Sales, member of the Executive Board; 1 May 2020 joined the Helvetia Group, member of the Executive Management in his current position

Appointments at listed companies
None

Appointments at other companies
Member of the Board Committee of the Swiss Insurance Association (SIA)

Pro bono appointments
None

André Keller

Business Administrator HWV, CFA, FRM, CAIA
Swiss, Wettswil am Albis, 1970
Group Chief Investment Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
Until 1998 Swiss Bank Corporation/UBS AG; 1998–2009 Swiss Re: various management positions, including 2004–2007 Head of Asset Allocation, 2007–2009 Head of Alternative Equity Strategies; 2009–2014 Nationale Suisse: Head of Asset Management and Deputy CIO; 2014–2015 Catlin Group Ltd: Head of CIO Office, Deputy CIO; 2015–2019 XL Group Ltd, later AXA XL: Managing Director, Head of Global Asset Positioning, from 2017 Executive Vice President, Group CIO; 1 April 2019 joined the Helvetia Group and member of the Executive Management in his current role

Appointments at listed companies
None

Appointments at other companies
Member of the Investment Committee of the Swiss Insurance Association (SIA)

Pro bono appointments
None

Annelis Lüscher Hämmerli

Dr. rer. nat (Max Planck Institute, Plön) / Master of Advanced Studies in Finance, ETH and University of Zurich, Diploma as IFRS Accountant
Swiss, Bern, 1975
Group Chief Financial Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
2004–2007 Swiss Life: Head Financial Risk Methods; 2007–2020 Swiss Life Asset Managers: Head Investment Risk; 2016–2020 Swiss Life Asset Managers: Chief Risk Officer; 2020–2020 Swiss Life Asset Managers France: Chief Investment Officer; 1 October 2020 joined the Helvetia Group, member of the Executive Management in her current role

Appointments at listed companies
Member of the Board of Directors of Berner Kantonalbank

Appointments at other companies
None

Pro bono appointments
None

Beat Müller

Degree in actuarial science (University of Basel), Actuary SAA, graduate Swiss pension insurance expert
Swiss, Breitenbach, 1964
Group Chief Actuarial Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1985–1989 various positions at a pension fund advisory office and at IBM; 1990 joined Helvetia Insurance: 1990–2007 Actuary and Chief Actuary Life Insurance, from 2003 also Head of Actuarial Services Life Helvetia Group; 2007 Head of Actuarial Services / ALM and member of the Executive Management of Helvetia Switzerland; member of the Executive Management in his current role since 1 January 2017

Appointments at listed companies
None

Appointments at other companies
Member of the Strategy and Governance Committee of the Swisscanto Collective Foundation of the Cantonal Banks

Pro bono appointments
None

David Ribeaud

Diploma in natural sciences (ETH Zurich), Actuary SAV
Swiss, Zurich, 1970
CEO Specialty Markets

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
Joined Swiss Re in 1995, last working as Senior Underwriter Property & Casualty; 2001 moved to Zurich Global Corporate Switzerland as Head of Actuarial Services; 2005 Chief Pricing Actuary Europe General Insurance; 2009–2011 Chief Underwriting Officer at Zurich Italy; 2012 joined executive management at Nationale Suisse as Head of Customer Service & Non-Life Switzerland and from 2013 as Head of Specialty Lines & Foreign Countries; since 1 January 2015 member of Group Executive Management in his current position

No other appointments

Note: The CVs of the members of the Executive Management are available on the Internet at https://www.helvetia.com/corporate/web/en/home/about-us/profile/executive-management.html.

4.2 Other activities and interests

See pages 37 to 41 in this regard.

4.3 Statutory rules regarding the number of activities allowed pursuant to Art. 12 para. 1 (1) VegüV

According to Art. 32 (mandates outside the Group) of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf), members of the Executive Management may not hold more than five additional mandates with listed companies and ten additional mandates with non-listed companies. In practice, this rule is interpreted considerably more restrictively for members of the Executive Management as it is assumed that full-time members of the Executive Management have to invest their time at work primarily in the interests of the company and that external mandates should only be approved by way of exception (e.g. family companies or in order to gain additional experience by being a member of the board of another company).

This restriction does not apply to:

a) Mandates with companies that are controlled by the company directly or indirectly or in joint agreement with third parties or which control the company directly or indirectly or in joint agreement with third parties;
b) Mandates accepted by a member of the Executive Management on instructions of the company or companies directly or indirectly controlled by the company. Members of the Executive Management may not hold more than ten such mandates; and
c) Mandates with associations, charitable organisations, foundations and staff pension funds. Members of the Executive Management may not hold more than ten such mandates.

Mandates include mandates in the most senior governing or managing body of a legal entity that is obliged to register with the Commercial Register or a similar foreign register. Mandates with different legal entities controlled by the same company or beneficial owner count as a single mandate.

A list of such mandates of the individual members of Executive Management is provided on pages 37 to 41.

4.4 Management contracts

There are no management contracts with external parties that have to be disclosed.

5. Compensation, shares and loans

5.1 Contents and method for determining compensation and participation programmes

According to the VegüV, the Board of Directors is also in charge of general compensation issues and compensation models. It is supported in its work by the NCC, which provides advice to the Board of Directors at least once a year in the decision-making process in accordance with the internal organisational regulations and has final decision-making power in some areas. The (total) compensation of the members of the Executive Management is reviewed at regular intervals in cooperation with consulting firms specialising in compensation issues for insurers and financial services providers, and takes account of the function and responsibility assumed by each Executive Management member as well as the compensation paid by the Group's competitors. Such a compensation review took place once again in 2021.

Members of the Executive Management do not participate in meetings of the Board of Directors at which discussions are held on specific issues relating to compensation and corresponding decisions are made. The delineation of powers for compensation matters is defined in Appendix I of the organisational regulations: (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf). Further details on the compensation can be found in the compensation report from page 54.

5.2 Details on issuers subject to the Ordinance Against Excessive Compensation in Swiss Listed Companies (VegüV)

5.2.1 Statutory rules regarding principles of performance-related compensation and additional amount for new Executive Management members

In addition to their fixed compensation, the members of the Executive Management can also be paid variable compensation that is based on the achievement of specific performance objectives. The variable compensation should be geared toward the business performance. The performance objectives can include personal objectives, Group objectives and division-specific objectives. Objectives that are related to the market, other companies or similar benchmarks are also possible. The function and level of responsibility of the recipient of the variable compensation should be taken into account when formulating the performance objectives. The Board of Directors or, if the matter has been delegated to it, the Compensation Committee determines the weighting of the performance objectives and the target values and reports on these in the compensation report. In 2017, the Board of Directors decided to in future only pay itself fixed compensation. A member of the Board of Directors must obtain at least 30% of this fixed compensation in the form of blocked shares. Compensation is paid in the form of cash, shares, options, similar instruments or units, benefits in kind or services. The Board of Directors or, if the matter has been delegated to it, the Compensation Committee determines the conditions and deadlines for allocation, exercise and transfer as well as the vesting periods and conditions of expiry, if any. The Board may decide that conditions and deadlines for exercise and transfer as well as vesting periods are shortened or cancelled, payments are made under the assumption that the target values are reached or payments are cancelled if specific events defined in advance should occur, such as a change in control or the termination of an employment or mandate relationship. In doing so, the Board of Directors takes account of the company's ability to recruit suitable employees on the labour market and to retain these employees (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf).

Compensation can be paid by the company or by a company controlled by it (Art. 30 of the Articles of Association, https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf). If there are any changes to the Executive Management during the course of a year, the company or the companies controlled by it are authorised to pay an additional amount for this period to each member of the Executive Management who joins the Executive Management or is promoted on the Executive Management after the date on

which the Shareholders' Meeting approved the compensation if the amount that was already approved is not sufficient to cover their compensation. The additional amount per compensation period may not exceed 40% for the Chief Executive Officer and 25% for the other positions on the Executive Management of the total maximum amount of compensation that was most recently approved for the Executive Management (Art. 29 of the Articles of Association, https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf).

5.2.2 Statutory rules for loans, credits and pension benefits to members of the Board of Directors and the Executive Management

Loans may only be granted to the members of the Board of Directors at market conditions and to the members of the Executive Management at the usual employee conditions. Loans may only be granted for as long as the total amount of all outstanding loans to members of the Board of Directors and the Executive Management, including the new loans, is not more than twice the total amount of compensation that was most recently approved by the Shareholders' Meeting (Art. 33 of the Articles of Association, https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf)).

5.2.3 Statutory rules regarding voting on compensation by the Shareholders' Meeting

Pursuant to the Ordinance Against Excessive Compensation in Swiss Listed Companies (VegüV), the Board of Directors compiles a yearly compensation report submitting the total amounts of fixed compensation of the Board of Directors and fixed and variable compensation of the Executive Management to the Shareholders' Meeting for approval. No payment / share allocations may take place before the final approval of the compensation for the Board of Directors and the Executive Management by the Shareholders' Meeting.

From the 2019 Shareholders' Meeting, it will only be necessary to vote prospectively on the total amount of fixed compensation for the Board of Directors. The Shareholders' Meeting (SM) therefore has the following powers in matters concerning compensation:

– As regards the general report on business performance: Review of the compensation report and thus the principles and conditions under which the compensation for the members of the Board of Directors and the Executive Management are determined.
– Approval of the following total amounts by way of individual voting:

a) fixed compensation of the Board of Directors for the period from the current Shareholders' Meeting to the next Shareholders' Meeting (prospective);
b) fixed compensation of the Executive Management for the period from 1 July following the current Shareholders' Meeting to 30 June of the next year (prospective);
c) variable compensation of the Executive Management for the past financial year (retrospective).

(Art. 28 of the Articles of Association, https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf).

6. Co-determination rights of shareholders

Helvetia observes the principle of equal treatment of shareholders.

6.1 Voting rights restrictions and proxy voting

Certain restrictions on voting rights that are identical to the restrictions relating to the transferability of registered shares of Helvetia Holding AG are described in section 2 above.

The Board of Directors specifies the rules that govern participation in the Shareholders' Meeting and the determination of voting rights. For independent voting proxies (who do not necessarily have to be shareholders themselves), it may stipulate regulations that deviate from the restriction of proxy voting to 10% of the share capital. At the 2021 Shareholders' Meeting, no individual shareholder with voting rights represented more than 10% of the voting rights, with the exception of Patria

Genossenschaft as individual shareholder and founding member of Helvetia in its current form. Shareholders who possess voting rights but who do not attend the Shareholders' Meeting may assign their voting rights to a third party (who does not necessarily have to be a shareholder) by means of a written power of attorney. However, he or she may only represent the voting rights of third parties if, together with his or her own shares, they do not exceed 10% of the total share capital. Here, too, shareholders who are connected to each other by way of capital or votes or by united management or in any other form count as one shareholder.

6.2 Statutory quorum

The Shareholders' Meeting is quorate regardless of the number of shareholders in attendance and votes represented by proxy. Unless stipulated otherwise by legal provisions or the Articles of Association, the Shareholders' Meeting passes resolutions by a relative majority of the votes cast. In addition to the resolutions cited in Art. 704 para. 1 of the Swiss Code of Obligations, a two-thirds majority of represented votes is required for amendments to the Articles of Association, the premature termination of office of more than one member of the Board of Directors, and the liquidation of the company. The exceptions for Patria Genossenschaft as an individual shareholder mentioned in section 6.1 also apply here.

6.3 Convening the Shareholders' Meeting

The Shareholders' Meeting is convened by the Board of Directors, or, if necessary, by the statutory auditors. Liquidators and representatives of creditors also have the right to call a meeting.

As a rule, the Ordinary Shareholders' Meeting is held in April/May, but at the latest within six months after the end of the financial year. Extraordinary Shareholders' Meetings take place if the Board of Directors or the statutory auditors consider them necessary, if this is passed by a Shareholders' Meeting or if shareholders who represent at least 10% of the share capital jointly request in writing an Extraordinary Shareholders' Meeting, while stating the items on the agenda and the motions to be put forward and choosing the names of the proposed candidates.

Each shareholder receives a personal invitation no later than 20 days before the meeting, including a detailed agenda, a brief explanation of the motions to be put forward, plus other explanations concerning significant occurrences in the reporting year. The invitation and agenda are also published in the Swiss Official Gazette of Commerce.

6.4 Addition of items to the agenda

Shareholders with voting rights who together represent shares with a par value of at least CHF 2,000 may request the addition of items to the agenda in writing, stating the motions to be put forward, no later than 45 days before the Shareholders' Meeting.

6.5 Registration of shares

The right to exercise voting rights is reserved for persons who were registered in the share register as shareholders with voting rights as of the cut-off date specified by the Board of Directors and announced in the Swiss Official Gazette of Commerce. In exceptional cases, guest tickets for the Shareholders' Meeting may be issued, but holders of such tickets do not have any voting rights. Every share registered in the register entitles the holder to cast one vote.

7. Change in control and protection measures

7.1 Obligation to announce takeover bids

Art. 37 of the Articles of Association (https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf) states that the obligation to announce a takeover bid in accordance with Art. 135 para. 1 of the Financial Market Infrastructure Act (Fin-MIA) of 19 June 2015 (version as at 1 August 2021) only applies if a shareholder acquires 40% or more of the voting rights.

7.2 Clauses regulating a change in control

Employment contracts of Helvetia do not contain any agreements regarding a change in control. The practice of "golden parachutes" does not apply at Helvetia. Normal periods of notice apply (maximum twelve months for members of the Executive Management, six months for other managerial staff), during which the rules for contractual and variable compensation components remain applicable.

8. Statutory auditors

8.1 Term of office and tenure of office of the lead auditor

The independent auditors KPMG AG, Zurich, have served as the auditors of Helvetia Holding AG and its consolidated subsidiaries since 2005. The statutory auditors' term of office must be renewed by the Shareholders' Meeting every year. The KPMG AG audit team for the 2021 financial year consisted of:

– Rainer Pfaffenzeller (since 2019), German Public Auditor and Swiss Audit Expert, Partner Financial Services; lead auditor.
– Christoph Hörl (since 2020), ACCA, CPA, Senior Manager.

8.2 Audit fees

In the reporting year, the fees charged by the auditors amounted to:
CHF 4,783,840.00.

8.3 Fees for additional consultancy services

CHF 586,729.00. These fees covered quality assurance review services as well as training offers for the introduction of new accounting standards and tax advisory services.

8.4 Information tools of the external auditors

The AC prepares the election of the statutory auditors for the Board of Directors. It monitors and assesses their audit activities. This supervision is predominantly carried out by means of the external auditors' reports on audit results, the reporting process, decisions, for example on IFRS issues, and statements in the local audits. Important findings are summarised in a management letter.

Representatives of the external auditors attend meetings of the AC in an advisory capacity. Copies of the minutes are sent to all members of the Board of Directors. Reports on the activities of the AC are provided at the meetings of the full Board of Directors. In the reporting year, the external auditors were represented at five meetings of the AC. Discussions between the external auditors, the Chairwoman of the Board of Directors, the Chairman of the AC, the CEO and the CFO take place annually. Meetings or an exchange of experience with specialists from the areas of finance, risk management, legal and compliance, general council and corporate governance are held periodically. The external and internal audit teams also liaise frequently regarding issues such as audit planning, audits and results as well as current problems.

9. Information policy

Helvetia communicates with shareholders, potential investors, retail investors and the general public comprehensively and on a regular basis. Shareholders receive a short letter to shareholders about the previous business year and most important key figures along with the invitation to the Shareholders' Meeting. The annual report and the letter to shareholders in spring as well as the interim report in autumn are made available to the general public. The documents are available on the following website: https://www.helvetia.com/corporate/web/en/home/investors/publications.html. A great deal of further current and archived information about the Helvetia Group, especially with respect to its strategic focus, the price development of its share and its social and environmental commitment, can be found on the website "www.helvetia.com". In addition, further publications, media releases and important dates can be found here. Interested parties may also register online to receive the latest information on the company directly and to request particular publications. The following link can be used for this: https://www.helvetia.com/corporate/web/en/home/media/services/news-subscription.html.

Helvetia periodically meets with institutional investors and presents the published financial results at special roadshows. Our Investor Relations team will be pleased to assist with any personal enquiries; contact details are provided on page 227 of this financial report as well as on the website of the Helvetia Group.

Prior to the Shareholders' Meeting, shareholders have the option of paperless communication with the share register of Helvetia. Various services can be processed online. Access is gained via the QR code that is provided to shareholders as part of the invitation to the Shareholders' Meeting.

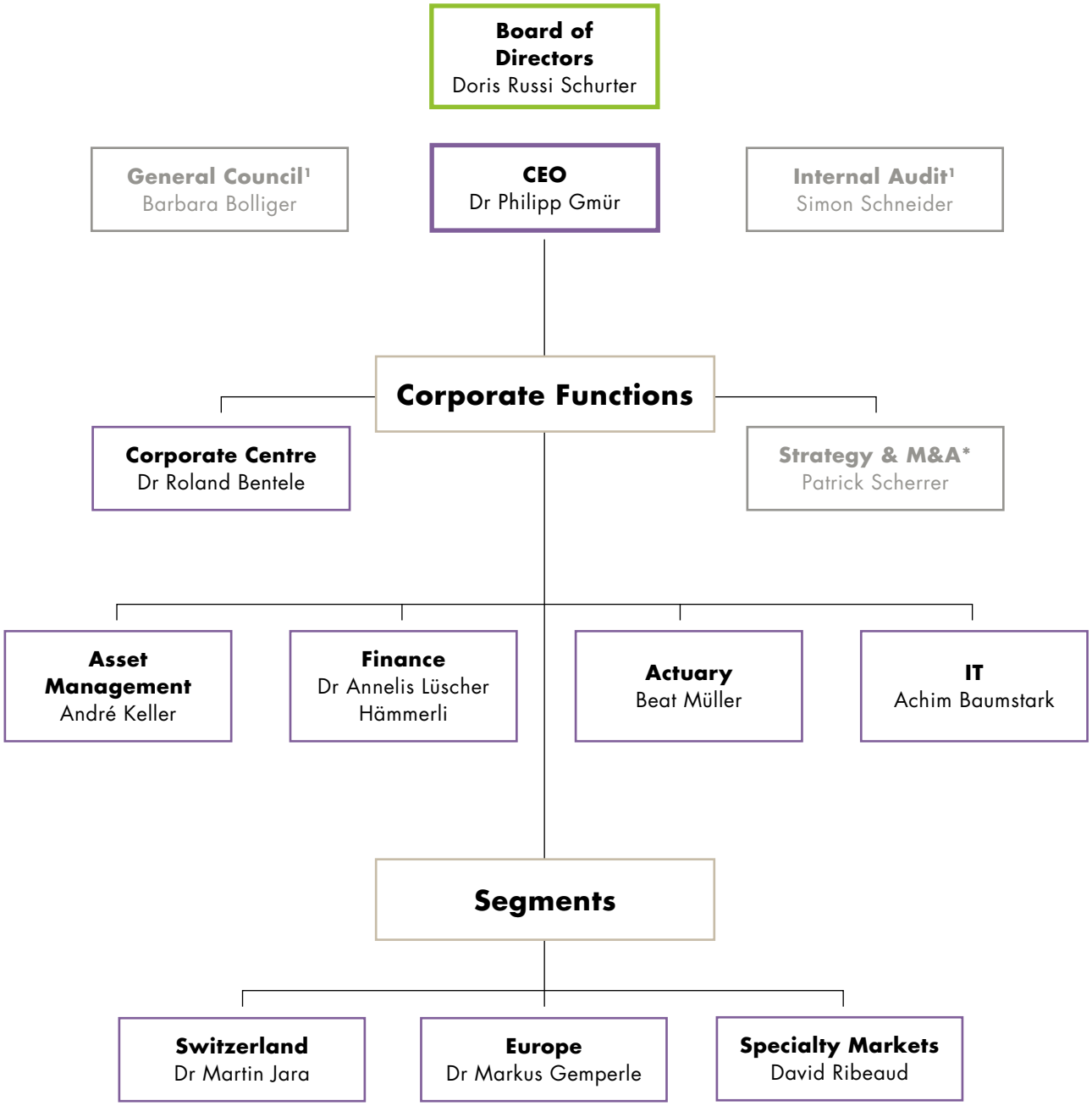
10. Blackout periods

In connection with the publication of the annual and interim reports, a predefined group of addressees are strictly prohibited from trading registered shares of Helvetia Holding AG and derivative financial instruments that are significantly dependent on their price performance either for their own account or for the account of third parties. They are also prohibited from exercising corresponding call options. This applies irrespective of whether the addressees of the ban on trading are aware of insider information in the individual case.

The members of the Board of Directors and the Executive Management as well as, in general, all employees of Helvetia Holding AG and its direct and indirect subsidiaries / Group companies are regularly affected by such general blackout periods, insofar as their function or specific activity allows them to gain an early insight into the company's reporting. This general ban on transactions also applies to third parties, including agents and partners of the Helvetia Group who are entrusted with work related to the creation or publication of the results.

The individuals affected by a general blackout period are informed in advance via e-mail by the share register of Helvetia Holding AG with respect to the start and duration of the ban on trading. As a rule, this takes effect at the beginning of the consolidation phase for the interim and annual reports (i.e. approximately two months prior to their publication) and, generally speaking, ends upon the publication of the results at the Group media conference.

Helvetia can introduce further blackout periods at any time during which the addressees are forbidden from engaging in relevant transactions in connection with the equity securities of Helvetia Holding AG. Such periods are referred to as "special blackout periods".



Members of the Executive Management

[1] Reporting to the Chairwoman of the Board of Directors

* Staff function

As at: 31 December 2021

CVs of the Executive Management members

I. Letter of the Chairwoman of the Nomination and Compensation Committee (NCC).

Dear shareholders

Dr Gabriela Maria Payer
Chairwoman of the Nomination and Compensation Committee (NCC)

I am delighted to address you for the first time in the form of this letter and report on the compensation in the 2021 financial year and the new 20.25 compensation system.

Successful 2021 financial year

Looking back, three points from financial year 2021 are worth highlighting in relation to the strong annual result. Firstly, the broad-based, profitable growth generated in the non-life business and with investment-linked life products. Secondly, the successful acquisition of Caser in Spain is making a substantial contribution to the overall result. And thirdly, the annual result was supported by a very good investment result. This led to a pleasing annual profit for 2021 which exceeded that of the previous year and is also reflected in a correspondingly higher variable compensation.

New compensation system from 2022

The 20.25 compensation system will be applied for the Executive Management teams in the respective countries from 1 January 2022 for the first time and is based on the strategic realignment of the Helvetia Group. The objective and purpose is to implement a flexible compensation system that promotes agility and innovation. Both the strategic priorities of the *helvetia 20.25* strategy and Helvetia's cultural development will be anchored procedurally across the Group. At the same time, it addresses the compensation principles that apply in general and at a Group-wide level: a performance focus, simplicity, the assumption of greater responsibility and the promotion of our culture. The new system enables employees to participate in the success they have achieved together while simultaneously rewarding individual contributions. Further information can be found in section 7, "Outlook for the next financial year".

I am convinced that our compensation system will allow us to reward performance in a balanced and appropriate manner, while at the same time safeguarding the interests of our shareholders. On behalf of the Nomination and Compensation Committee, I would like to thank you, our shareholders, for your interest and the trust you place in us.

St. Moritz / St. Gallen, March 2022
Dr Gabriela Maria Payer

II. General compensation principles.

The Helvetia Group applies a multi-level and nevertheless simple and transparent compensation system for all employees in Switzerland as well as for its governing and executive bodies with a reporting duty, namely the Board of Directors (BoD) and Executive Management (EM).At Helvetia, compensation is deliberately fixed sothat:

– it is transparent, fair and appropriate for the members of the BoD and EM and for all managers and employees;
– it takes account of the responsibility carried by the function holder, the quality of his or her work and the effort and time involved in carrying out the work;
– there is an appropriate relationship between the fixed and variable compensation components to ensure that the variable compensation is not so high that it has a negative impact on employees' risk tolerance and motivates them to focus on short-term criteria only;

III. Compensation governance.

The compensation report complies with the "Swiss Code of Best Practice for Corporate Governance" issued by economiesuisse in 2002 and updated in 2016, the Corporate Governance Guidelines (RLCG) of SIX Exchange Regulation AG of 18 June 2021, Circular 2010/1 "Compensation Systems" by the Swiss Financial Market Supervisory Authority FINMA of 22 September 2016, Swiss company law and the Ordinance Against Excessive Compensation in Swiss Listed Companies (VegüV) of 20 November 2013, which entered into force on 1 January 2014.

1. Compensation structure

The compensation structure of Helvetia comprises several components. These are relevant to different groups of people within the company to varying degrees. The following figure shows the different components of the compensation landscape and their characteristics. These are explained in more detail below.

Helvetia compensation structure

Fixed	Variable component		
Basic compensation	Individual target achievement as % of basic compensation	Results-based compensation component as % of basic compensation	Long-term compensation component (LTC) as % of basic compensation
BoD: Uniform basic compensation (exception: Chairwoman of the BoD) with allowances for Vice-Chairmen, membership in committees and committee chairpersons (payment in cash and in the form of blocked shares)			
EM and employees: Fixed salary based on individual function (position, skills, responsibility, etc.) incl. fringe benefits (cash)	**EM and employees:** Depending on individual performance (cash)	**EM and employees:** Depending on general business performance (cash)	**EM:** Long-term investment instrument (shares)

The compensation principles for the Board of Directors and the Executive Management are stipulated in the Articles of Association. These can be accessed in full on the website.[1] The essential main aspects correspondingly include:

Provisions of the Articles of Association

Article 29	Additional amounts for new EM members	Should there be changes within the EM during the course of the year, each member who joins the EM or is promoted within the EM following the granting of approval by the Shareholders' Meeting (SM) for the proposed compensation can be paid an additional amount for this period if the compensation already approved by the SM is not sufficient to cover his or her compensation. The additional amount for each new member of the EM may not exceed 25% and for a new CEO (promoted or new employee) 40% of the most recently approved total amount for the maximum compensation to be paid to the EM.
Article 30	Compensation for the members of the BoD and EM	In principle, compensation can be issued in a fixed or variable form, whereby the latter is based on the achievement of certain performance objectives and can be paid out in cash, shares or other instruments or non-monetary reference values. The associated performance objectives can be of various natures and include, for example, both individual or company-focussed aspects.
Article 31	Contracts with BoD members	Permanent or temporary contracts concerning compensation can be concluded with members of the BoD. The duration and termination of such contracts are governed by the term of office and applicable law.
Article 31	Contracts with EM members	Permanent or temporary employment contracts can be concluded with members of the EM. Temporary employment contracts have a maximum duration of one year; renewal is permitted. Permanent employment contracts have a maximum notice period of 12 months.
Article 31	Non-competition clauses	The agreement of non-competition clauses for the period after the termination of an employment contract is permitted. To compensate for such non-competition clauses, compensation may be paid for a maximum of three years, the annual amount of which may not exceed 50% of the last annual compensation amount paid to this member before leaving the company.

2. Powers of the various decision-making bodies

The BoD is in charge of general compensation issues and compensation models. It is supported in its work by the Nomination and Compensation Committee, which provides advice to the BoD in the decision-making process in accordance with the internal organisational regulations and has final decision-making power in some areas. The responsibilities in the sub-areas are summarised as follows[2]:

Areas of expertise

	NCC	BoD	EM
Appointment and dismissal of the EM and those responsible for risk management, compliance and internal audit	Preparation	Decision	
Appointment and dismissal of the EM chairpersons in the country markets	Decision	Right to information	
Measures to secure and promote managers	Decision	Right to information	
Adjustment of BoD / EM compensation regulations	Preparation	Decision	
Total amounts of fixed compensation for the BoD	Preparation	Proposal	Approval
Total amounts of fixed and variable compensation for the EM	Preparation	Proposal	Approval
Concept and strategy of the employee pension funds in Switzerland	Approval		
Compensation report	Preparation	Decision	

[1] https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf
[2] For a detailed overview of the delineation of powers for compensation matters, please refer to Appendix I of the organisational regulations: https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf.

3. Activities of the NCC

The NCC comprises four members, all of whom, with the exception of Mr Jean-René Fournier, are independent. The members are individually elected by the Shareholders' Meeting each year. The committee constitutes itself and elects a chairperson from among its members. The NCC convenes as often as business requires and met nine times in 2021, once in the absence of a member of the Board of Directors.

NCC

Name	Chairperson	Member
Gabriela Maria Payer	•	
Jean-René Fournier		•
Andreas von Planta		•
Regula Wallimann		•

The Chairwoman of the NCC may invite non-voting guests to attend meetings. As a rule, the Group CEO, the Head of Corporate Centre and the Chairwoman of the Board of Directors take part in the meetings. Guests are not present, however, when their own compensation is being discussed and may be excluded from certain discussions at any time. The NCC may call in external advisors in certain matters.

The NCC informs the others members of the Board of Directors about its activities on a regular basis. The minutes of the NCC meetings are available to all members of the Board of Directors. If perceived information is relevant to the company and of particular importance to the Board of Directors, the Chairwoman of the NCC immediately informs the Chairwoman of the Board of Directors.

During the reporting period, the NCC addressed the following agenda items in particular:

Agenda items

	First quarter	Second quarter	Third quarter	Fourth quarter
Governance				
Disclosure of compensation	•			•
Compensation strategy and system				
Review and adjustment of compensation system	•	•		
Review and adjustment of compensation		•		•
Variable compensation				
Target assessment business targets (previous year)	•			
Setting of business targets (following year)				•
Compensation structure				
Performance of benchmarking (amount and structure) for BoD / EM		•		•
HR policy				
Succession and talent management	•	•	•	
Nominations		•	•	•
Diversity		•		
ESG				
Corporate responsibility	•			

With support from a specialised consulting firm, the NCC carries out benchmarking on a periodic basis so as to be able to classify the compensation of the BoD and EM of Helvetia within the market environment. The objective here is not only to assess the amount and structure of compensation at Helvetia from an internal perspective, but rather also to take account of external market trends and competitive considerations.

For the members of the Executive Management, the compensation is compared in terms of its amount and structure with a peer group comprising Swiss insurance companies, foreign insurance companies and financial services providers. The selection of companies in the peer group is defined in collaboration with the consulting firm. It takes into account both size and industry criteria and reflects Helvetia's international business model. In the case of the Board of Directors, the peer group chiefly incorporates companies that are domiciled in Switzerland. This is for reasons of comparability in terms of the applicable governance regime.

The companies in the respective peer groups are reviewed by the NCC on a regular basis with respect to their relevance. The most recent benchmarking for members of the Executive Management and Board of Directors was carried out in financial year 2021.

In principle, Helvetia aims to structure its compensation packages for the EM and its employees in a competitive manner relative to the market, placing a significant focus on performance-oriented compensation. It therefore generally strives to achieve a positioning around the median in terms of fixed compensation and benefits, while the share of variable compensation may also be above the median.

IV. Compensation for the Board of Directors.

1. Compensation system for the Board of Directors

The compensation principles relevant for the BoD and individual components of the compensation concept as well as the procedure used for determining performance-related payments are set out in the compensation regulations approved by the full BoD. The compensation for the members of the BoD consists of fixed compensation comprising the following:

Basic compensation, incl. allowances Part of fixed compensation	Every BoD member receives fixed basic compensation determined in advance, which is generally the same for all members of the BoD (exception: Chairwoman). Differences arise from the allowances that are paid to the Vice-Chairmen and the members and chairpersons of the committees. These payments take account of the responsibility and specific functions of each of the individual BoD members. The higher total compensation paid to the Chairwoman takes into account her greater involvement in the company's management and operational activities. The chairpersons of the committees and the committee memberships of the individual BoD members can be found in the section "Corporate governance".
Shares as part of basic compensation Part of fixed compensation	Members of the BoD receive part of their fixed compensation in the form of shares. A figure of 30% of the total compensation calculated on the basis of the basic compensation, the compensation for Vice-Chairmen and the allowances for committee chairpersons and committee members will be paid out in the form of shares that are blocked for at least three years (standard solution). The members of the BoD can apply for an extension to the vesting period for each generation of shares. There is a claw-back option, i.e. the return of the blocked shares if the business performance is bad during the vesting period, the reasons for which lie in gross mistakes made by the BoD during the reference year (analogous to the LTC rule in the compensation regulations for the EM). The remaining 70% of the total compensation is paid out in cash. The BoD does not participate in any employee share purchase plans and also did not participate in any previous share option programmes.

The members of the BoD receive lump-sum expense allowances of CHF 10,000 for each term of office. This lump-sum expense allowance covers minor expenditures and travel expenses for the members of the BoD within Switzerland. Other expenses can – provided they are not covered directly by the company – be billed. The Chairwoman of the Board of Directors is also compensated for the use of external infrastructure.

When a member leaves the BoD, the fixed compensation is paid on a pro rata basis up to the end of the month in which he or she leaves the Board of Directors. No provision is made for severance payments and no such payments were made or promised in the past or in the reporting year. Loans are granted at market conditions. In principle, BoD members do not benefit from any discounts that are offered to the EM and the Helvetia employees.

2. Compensation for the financial year 2021

In the reporting year, the BoD members received fixed compensation totalling CHF 2,910,233. The fixed compensation includes all allowances and expenses set out in the compensation regulations as well as the contributions to social insurance schemes. In the previous year, the members of the BoD received fixed remuneration of CHF 2,912,430.

All compensation and fees paid to the BoD members for 2021 are shown in the table below. No payments were or are made to BoD members who have left.

Total fixed compensation of the Board of Directors in 2021[1]

1.1. until 31.12., in CHF	Basic compensation	Compensation of Vice-Chairmen	Compensation of committee chairpersons[2]	Compensation for membership ofcommittees[3]	Lump-sum expense allowances	Social security contributions[4]	Total compensation
Doris Russi Schurter (Chairwoman)	690 000	0	0	0	10 000	36 210	736 210
Hans C. Künzle (Vice-Chairman)	130 000	45 000	20 000	80 000	10 000	17 419	302 419
Thomas Schmuckli (Vice-Chairman)	130 000	45 000	0	80 000	10 000	16 259	281 259
Beat Fellmann (member)	130 000	0	0	80 000	10 000	13 649	233 649
Jean-René Fournier (member)	130 000	0	0	40 000	10 000	11 329	191 329
Ivo Furrer (member)	130 000	0	20 000	80 000	10 000	14 809	254 809
Christoph Lechner (member)	130 000	0	0	40 000	10 000	11 329	191 329
Gabriela Maria Payer (member)	130 000	0	20 000	80 000	10 000	14 809	254 809
Andreas von Planta (member)	130 000	0	0	80 000	10 000	10 770	230 770
Regula Wallimann (member)	130 000	0	0	80 000	10 000	13 649	233 649
Total	**1 860 000**	**90 000**	**60 000**	**640 000**	**100 000**	**160 233**	**2 910 233**

[1] 30% of the basic compensation and the compensation for Vice-Chairmen, committee chairpersons and their memberships is paid out in the form of shares that are blocked for at least three years.

[2] The committee chairpersons receive compensation of CHF 20,000.

[3] Committee members receive compensation of CHF 40,000 per committee.

[4] AHV / IV / EO / ALV

Total fixed compensation of the Board of Directors in 2020[1]

1.1. until 31.12., in CHF	Basic compensation	Compensation of Vice-Chairmen	Compensation of committee chairpersons[2]	Compensation for membership of committees[3]	Lump-sum expense allowances	Social security contributions[4]	Total compensation
Doris Russi Schurter (Chairwoman)	690 000	0	0	0	10 000	40 787	740 787
Hans C. Künzle (Vice-Chairman)	130 000	45 000	20 000	80 000	10 000	16 820	301 820
Thomas Schmuckli (Vice-Chairman)	130 000	45 000	0	80 000	10 000	15 665	280 665
Beat Fellmann (member)	130 000	0	0	80 000	10 000	13 067	233 067
Jean-René Fournier (member)	130 000	0	0	26 667[5]	10 000	9 987	176 653
Ivo Furrer (member)	130 000	0	20 000	80 000	10 000	14 222	254 222
Christoph Lechner (member)	130 000	0	0	53 333[6]	10 000	11 527	204 860
Gabriela Maria Payer (member)	130 000	0	20 000	80 000	10 000	14 222	254 222
Andreas von Planta (member)	130 000	0	0	80 000	10 000	13 067	233 067
Regula Wallimann (member)	130 000	0	0	80 000	10 000	13 067	233 067
Total	**1 860 000**	**90 000**	**60 000**	**640 000**	**100 000**	**162 430**	**2 912 430**

[1] 30% of the basic compensation and the compensation for Vice-Chairmen, committee chairpersons and their memberships is paid out in the form of shares that are blocked for at least three years.
[2] The committee chairpersons receive compensation of CHF 20,000.
[3] Committee members receive compensation of CHF 40,000 per committee.
[4] AHV / IV / EO / ALV
[5] Pro rata entitlement from SM 2020 for membership of the NCC
[6] Pro rata entitlement until SM 2020 for membership of the NCC

At present, three members of the BoD are insured under the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The members finance their contributions in full from their basic compensation (including, in particular, employer contributions). This ensures that no additional costs arise for Helvetia.

At the reporting date, a mortgage loan had been granted to Jean-René Fournier for CHF 765,000 (previous year: CHF 765,000). In the reporting year, the loan, a fixed mortgage at normal customer conditions, had the same interest rate as in the previous year of 1.57%. There are no discounts on insurance contracts, loans or guarantees.

V. Compensation for the Executive Management.

1. Compensation system for the Executive Management

The compensation of the members of the EM comprises the components described below:

a) Fixed compensation
The members of the EM are paid a fixed compensation in cash which is determined every year by the NCC for the period from 1 July to 30 June of the following year and the total amount of which is approved by the SM. This is determined individually using a system applied by a consulting firm specialising in compensation issues for insurance companies and financial services providers, and takes account of the function and responsibility assumed by each EM member as well as the compensation paid by the Group's competitors. It also includes all child or education allowances and long-service bonuses.

b) Variable compensation
The final amount of the variable compensation, the total amount of which must also be approved by the SM before it is paid out, is dependent on the following three factors:

Individual target achievement (20% of fixed compensation): This reference value is multiplied by the degree of achievement (ranging from 0% to 100%) of the personal targets agreed with the line manager in advance. The result of this multiplication is paid out to the EM member in cash. The individual targets of an EM member can include quantitative and/or qualitative components and depend on his or her operational responsibility. Compensation for individual target achievement is due to the EM member regardless of the general business result.

Results-based compensation (20% of fixed compensation): This compensation component based on the annual result is multiplied by the percentage of target achievement (ranging from 0% to 125%), which also applies for establishing the results-based variable compensation for all employees in Switzerland. The resulting amount is paid out to the EM member in cash. The amount of the results-based compensation is based on the operating result and the achievement of the budget goals for the relevant financial year with a special consideration of developments in Switzerland.

Long-term compensation component (LTC; up to a maximum of 40% of fixed compensation): This longer-term compensation component is multiplied by the percentage of the strategic target achieved (ranging from 0% to 125%). In contrast to the annual results-based compensation component, the amount calculated in this way is granted to the EM member in the form of a deferred claim to a certain number of shares. The relevant share price is calculated on the basis of the closing price on the date of the meeting of the NCC in which the extent of target achievement is determined. The relevant number of shares is transferred to the ownership of the EM member after three years either in the form of shares or as a cash payment based on the share price at that time, provided that there were no negative developments in this period that were triggered in the reporting year and can be attributed to the conduct of the EM member in question. If the person in question leaves the EM, his or her deferred claim lapses as follows: cancellation of all claims for the year in which notice of termination was given, cancellation of one-half of the claims in the first preceding year, and no cancellation of any claims from the second preceding year. This concept establishes a direct link

between the members of the EM and the long-term development of the company in two ways: positive or negative share price trends over the three-year period, and the possibility that the number of allocated shares can be reduced retroactively.

On the date of allocation, the costs of the LTC are known to the company and the SM. Helvetia buys the corresponding number of shares on the allocation date and transfers these shares to a vested custody account. After three years, the exact same number of shares deposited is transferred to the ownership of the EM members. Helvetia does not incur any additional costs at this time. The price may change in the period between the allocation of deferred shares and the transfer of the shares to the ownership of the EM member. The EM members, and not the company, have exposure to price change risk (both positive and negative developments). In contrast to other systems, however, the number of shares allotted for each financial year does not change over the period of the deferral if business is good. There is the possibility of a claw-back or a return of the blocked shares in the event of poor business performance within the blocking period, if the reasons for this are material mistakes of the EM member in the reference year.

The extent to which strategic objectives have been achieved is fixed annually during the first quarter following the end of a financial year by the NCC on the basis of the criteria below. The NCC has additional room for discretion, allowing it to take additional criteria and an overall assessment into account, while remaining within the established upper limit of 125%:

- Profit: the reference figure is the annually reported Group profit for the period relative to the previous year.
- Growth: the reference figure is the growth in business volume in the active business sectors relative to the relevant market segment achieved in the financial year.
- Risk-adjusted return: the calculation is based on the return on equity (ROE) in the reporting year relative to the important sector-relevant solvency figures.
- Shareholder value: the reference figure is the overall performance (total return; share performance incl. dividends) of the Helvetia registered share compared with the performance of the Stoxx Europe 600 Insurance index (index of comparable European insurance stocks).

For the LTC (EM), there is an additional restriction in that no deferred shares are allocated if the Group as a whole reports a loss, and/or the solvency figures are insufficient. The extend of target achievement (LTC, results-based component), as calculated by the NCC, is multiplied by the respective target figure (percentage of the fixed compensation). The results-based component calculated in this way and the result of the individual target achievement together comprise the total variable compensation of the employees and the EM. These variable compensation components (individual, results-based and LTC for the EM) are an important feature of Helvetia's performance culture, under which every individual employee is compensated according to the quality and quantity of his or her work as well as his or her responsibility and workload and also the result achieved by the company as a whole. The variable compensation components are paid out in cash and only the LTC is paid in the form of deferred shares after three years or in the equivalent amount in cash, if desired.

c) Expenses and benefits in kind
The reimbursement of expenses is governed by written regulations. The EM members are entitled to a company car which they may also use for private purposes for a fixed fee. The employer does not grant any other benefits in kind.

d) Shares and options
The EM members can, on a voluntary basis, acquire the maximum number of shares available to them under the employee share purchase plan. The same conditions apply as for all other employees of Helvetia in Switzerland (see section 8). They therefore also benefit from the discount of 16.038% that is granted because these shares are blocked for three years. There are no share option programmes.

e) Severance pay and loans
No provision is made for severance payments, and no such payments were made or promised in the past or in the reporting year. Loans are granted at usual employee conditions.

f) Pension benefits
The benefits to which EM members are entitled under occupational pension plans are in line with the model for internal pension regulations applicable to all employees. The employer pays the standard contribution. The employer also finances the option for EM members to retire from the age of 60. These additional contributions are presented as part of the overall pension contributions made to EM members. No extraordinary benefits are paid.

Executive Management of the market units

The Executive Management of the market units is compensated according to the local market conditions governing the compensation systems. The local compensation systems can include fixed and variable salary components. The members of the local Executive Management are also paid a results-based Group bonus in the form of shares, based on a reference figure of at least 10% of the local basic compensation. The reference figure is also multiplied by the LTC percentage of target achieved. This Group bonus has been designed to promote a sense of belonging to the Group of the Executive Management teams.

2. Compensation for the financial year 2021

In the reporting year, the members of the EM received fixed compensation totalling CHF 7,745,522. The fixed compensation includes all scheduled allowances, meeting attendance fees and expenses. Variable compensation of CHF 4,849,654 was granted to the EM. This is subject to approval by the SM. In the previous year, the members of the EM received fixed remuneration of CHF 8,208,871 and variable remuneration of CHF 3,403,379.

As part of this variable compensation, the EM was allocated LTC shares of CHF 1,963,655 (previous year: CHF 1,150,108). This amount represents 17,564 shares at a price of CHF 111.80 on the reference date of 28 February 2022 (previous year: 11,242 shares at CHF 102.30).

EM members may conclude insurance contracts, loans and other services under the terms and conditions currently in effect for employees. At the reporting date, mortgage loans had been granted to Philipp Gmür (CHF 1,000,000 [previous year: CHF 1,000,000]), Beat Müller (CHF 1,170,000 [previous year: CHF 1,070,000]), David Ribeaud (CHF 1,015,000 [previous year: CHF 1,015,000]) and Roland Bentele (CHF 1,350,000 [previous year: CHF 1,350,000]). In the reporting year, the loan to Philipp Gmür, which is a fixed mortgage at normal employee conditions, had an interest rate of 0.95% (previous year: 0.95%). The loan to Beat Müller of CHF 986,000 earned interest at 0.81% in 2021 (previous year: 0.81%), the extra mortgage of CHF 184,000 earned interest at 0.81% (previous year: 0.81%). The loan to David Ribeaud of CHF 595,000 earned interest at 0.89% in 2021 (previous year: 0.89%), the extra mortgage of CHF 420,000 earned interest at 0.95% as in the

previous year. The loan to Roland Bentele of CHF 1,350,000 earned interest at 0.80% in 2021 as in the previous year. There are no other loans or guarantees.

During the reporting year, EM members received non-monetary benefits as part of the company car programme valued at CHF 67,932 (previous year: CHF 71,082). All other benefits that the EM members have received as employees (e.g. discounts on insurance products, etc.) are included in the fixed remuneration listed above. They did not receive additional benefits in kind or bill the company for any additional services.

The compensation paid to the Executive Management in 2021 can be found in the following table.

Compensation for Executive Management

1.1. until 31.12., in CHF	2021	2020
Salaries and other short-term benefits:		
– Fixed compensation (incl. expense allowances, child / education allowances, long-service awards, company car)	5 449 494	5 488 133
– Employer contributions to pension funds and to social insurance schemes	2 296 028	2 720 738
Total fixed compensation paid out	**7 745 522**	**8 208 871**
– Variable compensation[1]	2 318 650	1 802 074
– Share-based compensation in the form of deferred shares acquired during the financial year (LTC)[2]	1 963 655	1 150 108
– Employer contributions to pension funds and to social insurance schemes	567 349	451 197
Total variable compensation	**4 849 654**	**3 403 379**
Total compensation of Executive Management	**12 595 176**	**11 612 250**

[1] Total bonus amount based on personal and results-based target achievement
[2]Comprises the value of the deferred shares allocated as part of the LTC

The highest individual amount paid out in the reporting year was paid to Group CEO Philipp Gmür. Subject to approval by the SM, this amounted to CHF 2,438,233 in total (previous year: CHF 2,013,364), comprising the following: cash remuneration of CHF 1,474,660 (fixed component CHF 1,034,020, variable component CHF 440,640), share-based payments of CHF 469,225 in the form of deferred shares, and employer contributions to pension funds and social insurance schemes of CHF 494,348.

With regard to the structure of the Group CEO's total compensation, the following applies in the reporting year 2021: the compensation package of the Group CEO comprised 60.5% fixed compensation and 39.5% variable compensation.

3. Changes in the Executive Management in the reporting year and payments to former EM members

The compensation received by Paul Norton from 1 January to 31 August 2021 after his departure from the Executive Management comprises fixed compensation in the amount of CHF 423,242 and variable compensation of CHF 330,565. Added to this are employer contributions to pension funds and social insurance schemes of CHF 1,120,240. These include expenses in connection with contractual entitlements for retirement. Since 1 September 2021, Paul Norton has been working in another function at a subsidiary of Helvetia.

VI. Other aspects of compensation.

Rules upon leaving

If a member of the EM leaves (with the exception of retirement), his or her deferred claim lapses as follows: cancellation of all claims for the year in which notice of termination was given, cancellation of one-half of the claims in the first preceding year, and no cancellation of any claims from the second preceding year.

VII. Outlook for the next financial year.

To support the implementation of the *helvetia 20.25* corporate strategy and to anchor the associated corporate culture, *helvetia.way*, the compensation system has been revised and adjusted accordingly. For the Executive Management teams in the respective countries, the changes will enter into force from financial year 2022. For the employees in the individual market units, the changes are to be implemented during the course of the strategy period.

The revised compensation system is characterised by the following key aspects, which are to be applied across the Group:

Key aspects of the compensation system

Based on strategy	Clear focus of the compensation system on the successful implementation of *helvetia 20.25*, whereby medium and long-term as well as quantitative and qualitative strategic goals form the measurement and assessment basis for the variable compensation; the amount of variable compensation is based on responsibility in strategy implementation
Focus on performance	Greater performance differentiation and participation in corporate performance in line with shareholder interests, as well as motivation of employees by rewarding them for their individual performance
Transfers responsibility	Assumption of additional risk and greater participation of the EM members in sustainable business development through extended share blocking periods as well as shareholding rules
Creates consistency	Uniform and simplified compensation system for the entire Helvetia Group, especially with regard to the control and consistency of variable compensation

The objective and purpose is to implement a flexible compensation system that is geared towards agility and self-initiative and which allows the employees of the Helvetia Group to participate in jointly achieved success. In the sense of this system, "success" results from a combination of the achievement of the Group's and market units' business goals and the contribution of each employee to this through the fulfilment of individual objectives.

The revised variable compensation comprises the following performance categories:

Variable compensation target system

Business targets	– Business targets are divided into financial and non-financial strategy KPIs and reward the jointly achieved success of the Group and market units – All compensation-relevant targets are stringently aligned to the strategic priorities
Individual targets	– Individual targets comprise content and behavioural goals and reward the individual performance contribution to the implementation of the strategy – As part of the assessment of the individual contribution, the promotion of the cultural development of Helvetia is also taken into account

Our objective is to consistently implement the strategic priorities and to anchor our values across the Group. For the EM, the payment of the achieved variable compensation is made in cash (immediately) as well as in shares with a blocking period of five years.

In addition, from financial year 2022, the members of the EM will be subject to shareholding rules for reasons of promoting their long-term commitment to the Helvetia Group and in order to align their interests with those of shareholders. Following a four-year accumulation period, EM members are required to have built up shareholdings equivalent to 100% of their respective fixed compensation. For the Group CEO, this requirement is 200%. In addition, shareholding rules with the same criteria as those for the members of the Board of Directors with effect from the 2022 financial year.

VIII. Helvetia employees in Switzerland: share purchase plan.

In 2005, an employee share purchase plan was introduced in Switzerland to allow employees to participate in the performance of Helvetia and thus to strengthen their personal ties to the company. Employees can purchase registered shares of Helvetia Holding AG at reduced prices. The number of available shares is specified taking account of the financial results and the functions of the employees concerned. The purchase price of a share is calculated on the basis of the average closing stock exchange price during the five trading days following the publication of the financial results. Participation in this scheme is voluntary. As these shares are subject to a mandatory vesting period of three years, they can be sold by the company at a tax-exempt discount of 16.038%. The EM members can also take part in this programme, but the BoD members may not. The employee share purchase plan is also not available abroad. The share purchase plan implemented for 2021 was recognised with an expense of CHF 1.55 million (previous year: CHF 0).

IX. Compensation to be approved by the 2022 Shareholders' Meeting.

Under the Ordinance Against Excessive Compensation (VegüV) and the Articles of Association, the SM must approve the following compensation for the BoD and the EM:

– Total amount of the fixed compensation for the BoD for the period from the 2022 SM to the 2023 SM.
– Total amount of the fixed compensation for the EM for the period from 1 July 2022 to 30 June 2023.
– Total amount of variable compensation for the EM for the past financial year 2021.

As regards fixed compensation, these total amounts refer to different time periods in comparison to the figures given above and in reference to financial year 2021: SM to SM or 1 July to 30 June, respectively, of the year following the SM. These figures are therefore not directly comparable. To provide the reader with a comparison, however, the amounts to be approved are compared to the figures from the same period of the previous year (the amounts approved by the SM and actually paid out).

1. Approval of the total amount of fixed compensation for the BoD for the period from the 2022 Shareholders' Meeting to the 2023 Shareholders' Meeting

The Board of Directors reviewed its fixed compensation and decided to increase the rates for the basic compensation of the Chairman of the Board of Directors (previously: CHF 690,000, now: CHF 790,000) and for the chairpersons of the committees (previously: CHF 20,000, now: CHF 30,000) and their memberships (previously: CHF 40,000, previously: CHF 50,000). At the same time, the number of members of the Board of Directors has been reduced by one person.

The Board of Directors requests approval from the Shareholders' Meeting for fixed remuneration for the Board of Directors in the total maximum amount of CHF 3,100,000 for the period from the Shareholders' Meeting 2022 to the Shareholders' Meeting 2023.

Total fixed compensation amount for the Board of Directors (prospective) SM to SM

	Prospective 2022 / 2023	Actual 2021 / 2022	Approved 2021 / 2022	Change
Total fixed compensation incl. contributions to social insurance schemes (AHV / IV / EO)	3 100 000	2 909 173	3 100 000	
Total variable compensation Board of Directors	**3 100 000**	**2 909 173**	**3 100 000**	**–6.2%**

2. Approval of the total amount of fixed compensation for the EM for the period from 1 July 2022 to 30 June 2023.

The fixed compensation for the EM has been reviewed and a decision was taken not to adjust the rates for the fixed compensation. Any changes in the compensation are the result of changes to the expenses for pension funds and social insurance schemes.

The Board of Directors requests approval from the Shareholders' Meeting for the fixed compensation for the Executive Management in the total maximum amount of CHF 8,300,000 for the period from 1 July 2022 to 30 June 2023.

Total fixed compensation Executive Management for the period 1.7.–30.6.

	Prospective 2023 / 2022	Actual 2021 / 2022	Approved for 2021 / 2022	Change
Total fixed compensation	8 300 000	7 847 746	8 100 000	
Total fixed compensation paid out	**8 300 000**	**7 847 746**	**8 100 000**	**–3.1 %**

[1] Including expense allowances, child / education allowances, long-service awards, company car schemes, employer contributions to pension funds and contributions to social insurance schemes.

3. Approval of the total amount of variable compensation for the EM for the past financial year 2021

The variable compensation components of the EM and their calculation are described and their amounts disclosed in chapter "V. Compensation for the Executive Management". Due to the retrospective definition and approval of the variable compensation, these amounts here also correspond to the amounts already stated in the report for the financial year 2021. The resulting differences between 2020 and 2021 arose both from changes in the extent of target achievement and from pro-rata effects. The method of calculation and the reference figures did not change.

The Board of Directors requests approval from the Shareholders' Meeting for total variable compensation for the Executive Management in the amount of CHF 4,900,000 for the past financial year 2021.

Total variable compensation Executive Management (retrospective) for financial year

	Retrospective 2021	Paid out 2021 for 2020	Approved for 2020	Change
Total variable compensation[1] including employer contributions to pension funds and contributions to social insurance schemes	4 900 000	3 403 379	3 500 000	
Total variable compensation paid out	**4 900 000**	**3 403 379**	**3 500 000**	**–2.8 %**

[1] Comprises the value of the deferred shares allocated as part of the LTC.

Report of the Statutory Auditor

To the General Meeting of Helvetia Holding AG, St. Gallen

We have audited the remuneration report dated 23 March 2022 of Helvetia Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections II, on pages 55 to 61 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended 31 December 2021 of Helvetia Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Christoph Hörl
Licensed Audit Expert

Zurich, 23 March 2022

Business performance.

Market environment

Our market position in competitive markets

In over 160 years, Helvetia Group has grown from a number of Swiss and foreign insurance companies into a successful insurance group that conducts business across Europe. Helvetia is the number three Swiss all-line insurer in the Swiss insurance market. The Group is also one of the top eight insurance companies in Austria, likewise holding this position in the Spanish non-life business. It is ranked 14th in the Italian non-life business. In Germany, Helvetia holds advantageous positions in individual business lines such as transport insurance (top 10). The countries in which Helvetia operates are among the biggest insurance markets by volume worldwide: Switzerland, Germany, Italy and Spain hold global market shares of 0.9%, 4.0%, 2.7% and 1.1%, respectively.[1] With the Specialty Markets segment, which comprises transport, art and engineering insurance as well as active reinsurance, Helvetia is further expanding its expertise as a specialty insurer. For example, the Group is the Swiss market leader in the transport, engineering insurance and art business lines, while being number two for transport insurance in France.

Market environment in the global insurance market[2]

The global economy recovered from the COVID-19 crisis last year thanks to the rapid deployment of vaccines and extensive fiscal incentives. For 2021, an increase in economic output of almost 6% is expected. The strongest growth is anticipated in the US at 8%, while for Switzerland growth of 3.6% has been forecast, which is slightly below the 5% predicted for the eurozone.[3]

The global insurance sector also benefited from the developments. Growth in the global premium volume is expected to have strengthened in 2021. Following a weaker performance in the previous year, the European insurance sector also posted solid growth once more. In contrast, the insurance sector's profitability came under pressure in 2021 due to an above-average number of catastrophe claims and persistently low interest rates.

In **the non-life business,** a real growth rate of 3.3% is expected for 2021. The growth is underpinned by price increases in commercial insurance and an above-average number of claims from natural catastrophes in 2021. The latter, in combination with mobility increasing again and the associated rise in claims frequencies in the motor vehicle insurance business, meant that it was a challenging year with respect to profitability. In Switzerland, the non-life business grew by 2.7%[4]. The fire, natural hazard and property insurance business lines, in particular, benefited from an increase in insured assets, posting growth of 3.9%.

In **the life business,** real growth of 3.5% is expected for 2021. The growth has been driven by increased risk awareness owing to the pandemic as well as higher demand for investment-linked insurance products thanks to the good equity market performance in the previous year. With respect to profitability, the low interest rates also remained challenging for the sector in 2021.

Our market positions

Strong potential for growth based on room to expand market positions abroad

The markets in which Helvetia is active generate a volume of USD 801 billion, representing almost 13% of the global market[1].

CH No. 3*

CHF 4,652 million
62% Life
38% Non-life

DE No. 29*

CHF 1,038 million
34% Life
66% Non-life

AT No. 7**

CHF 594 million
33% Life
67% Non-life

IT No. 22*

CHF 1,107 million
49% Life
51% Non-life

FR Niche positions No. 2* (transport/marine)

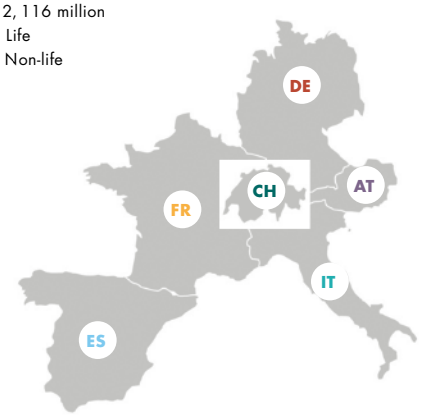
CHF 419 million

ES No. 10**

CHF 2,116 million
28% Life
72% Non-life

[1]Source: Swiss Re, sigma 3 / 2021

Business volume of the country markets in the 2021 financial year
*Figures for 2020
**Figures for 2021



In Switzerland, there was a decline in the premium volume in the life insurance business in the 2021 financial year[4]. A key contributing factor here was a decrease in group insurance. The reasons for this development are a trend towards semi-autonomous solutions as well as a decline in single premiums, which indicates a certain consistency on the labour market.

The global **reinsurance market** operated in an orderly fashion during 2021 despite a record number of major natural catastrophes. Global claims from insured disasters reached a very high level last year at around USD 120 billion[5]. 2021 was the industry's second most costly year. The frequency of events from so-called secondary perils (e.g. hail, tornadoes) increased massively and called into question the model approaches used until now for the calculation of exposures. In addition to the known threats from natural events, the impact of the war in Ukraine or cyber attacks are leading to uncertainty.

The COVID-19 situation, which shaped negotiations on the renewal of reinsurance contracts in 2021, has stabilised. The majority of reinsurers have succeeded in enforcing corresponding exclusion clauses. The sector has demonstrated during the pandemic that it is able to provide the required risk capacities. This shows that the global reinsurance market is also resilient and efficient during difficult periods. Topics such as the impact of climate change, the regulatory environment and the further development of the geopolitical situation will continue to occupy market participants.

Market environment in the European capital markets

Although public life was still greatly restricted due to the coronavirus pandemic, global economic growth recovered in 2021, also thanks to strong support from monetary and fiscal policy. During the course of the year, initial late and side effects from the state's crisis intervention became noticeable. Global demand proved surprisingly robust, while production losses due to closures increasingly led to shortages and supply bottlenecks on the supply side. As a result, inflationary pressure increased continuously and inflation rates during the fourth quarter exceeded record figures dating back decades.

Initially still viewed as a purely temporary phenomenon, the inflation trend increasingly became the focus of monetary policy. Fed bond purchases were curtailed accordingly and rate hikes were promised for 2022. While the ECB was more restrained in its communication, it also heralded the end of its pandemic-related emergency purchase programme.

Rising inflation expectations and the emerging departure from ultra-expansive monetary policy led to an increase in yield curves. As the credit spreads of corporate bonds were at a historically very low levels in 2021, they were unable to cushion the rise in interest rates. The bond markets thus largely closed the 2021 stock market year with a negative total return.

The equity markets performed much better. Many indices hit new all-time highs thanks to strong corporate earnings and rising earnings expectations. With a view to the future, however, lower equity market returns are to be anticipated in light of greater volatility. On the one hand, several key rate hikes are to be expected in the US and the UK at least. On the other hand, the geopolitical and economic situation is uncertain due to the war in Ukraine and the associated drastic global sanctions. As a result of higher commodities prices, inflationary pressure is likely to increase further.

[1] Swiss Re, sigma 3 / 2021
[2] Swiss Re, sigma 5 / 2021
[3] FitchRatings, Global Economic Outlook – December 2021
[4] SIA, https://www.svv.ch/en/robust-premium-volumes-private-insurers-2021
[5] Munich Re, https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2022/natural-disaster-losses-2021.html

Business performance

Helvetia made a successful start to the new *helvetia 20.25* strategy period in 2021. The Group posted profitable growth and increased its business volume to CHF 11,222.2 million. Broad-based organic growth, especially in the non-life business and with investment-linked life products, and the acquisition of Caser in the previous year made a material contribution. Helvetia increased its IFRS result after tax to CHF 519.8 million. A solid development in the technical results, the outstanding earnings contribution from Caser and the good investment return led to a strong result. Based on the successful business performance in 2021 and the additional ability to pay dividends of Caser, the Board of Directors is proposing an attractive dividend increase of 10% to CHF 5.50 per share.

Helvetia Group's business volume

In the 2021 financial year, the Helvetia Group advanced its focused growth path as per the strategy and recorded significant and profitable growth, in particular in the non-life and investment-linked life businesses. Overall, the business volume stood at CHF 11,222.2 million (2020: CHF 9,713.6 million). On a currency-adjusted basis, this represents an increase of 15.1% In Swiss francs, the business volume grew by 15.5%. The Group performed very successfully at an organic level, increasing its business volume on a broad basis by 5.8% (in OC[1]). The first-time consolidation of Caser also contributed to the growth. Around 60% of the growth was attributable to this. The transaction was completed at the end of June 2020. The business of Caser was therefore only included for six months in the previous year. Caser had a business volume of CHF 1,612.1 million in the 2021 reporting period, almost three-quarters of which was in the non-life business.

Overall, the Group's non-life business proved a strong growth driver with a 22.0% increase (in OC). Helvetia recorded outstanding organic growth here in all segments (+9.8% in OC) and a positive impact from the acquisition of Caser, which accounted for more than half of the growth. The premium volume in the Swiss non-life business increased on a broad basis across all business lines, significantly outperforming the market with total growth of 15.5%. The biggest growth driver was the significant increase in the B2B2C business. The online insurer Smile also increased its premium volume by a remarkable 11.8%. Other business also recorded growth across all business lines. In the non-life business of the Europe segment (+32.1% in OC), Helvetia advanced thanks both to organic growth (+4.4% in OC) and the contribution of Caser in all country markets over the entire year. The business volume of the Specialty Markets segment (+12.6% in OC) also developed very positively. Here, Helvetia benefited from its expansion into new business lines and from advantageous price effects, which accounted for around a third of the growth.

Life insurance also increased its business volume by 6.3% in original currency. Here, the business with capital-preserving, investment-linked products in individual life (+24.8% in OC) developed extremely well. Helvetia generated considerable growth rates with these products in all country markets. The business also grew thanks to the contribution from Caser, which was included for the entire year unlike in 2020. This contrasted with the Swiss group life business. Here, the business volume declined due to the market-wide trend away from full insurance solutions to semi-autonomous solutions and the associated fall in savings premiums. In contrast, the premium volume and the number of customers with semi-autonomous solutions from Helvetia continued to grow. Overall, the volume with risk and cost premiums in the Swiss group life business remained correspondingly stable.

[1] OC = Original currency

Helvetia also took a significant step in terms of its income from fee and commission business, which increased by 56.0% (in OC) compared to the previous year to CHF 354.4 million. This growth can be attributed to a strong organic performance of +13.2% (in OC) as well as to Caser and its non-insurance businesses, especially in the healthcare sector. Caser contributed CHF 211.8 million to income from fee and commission business in 2021.

Profit or loss for the Helvetia Group

The IFRS result after tax increased in the 2021 financial year to CHF 519.8 million (2020: CHF 281.7 million). The Switzerland, Europe and Specialty Markets segments and the life and non-life business areas improved their results. The strong result was based on the profitable organic growth and earnings contribution of Caser. The technical results were solid. In the non-life business, Helvetia recorded a slight increase in its technical results, primarily thanks to profitable organic growth, the contribution of the Spanish company Caser and the discontinuation of COVID-19 losses suffered in the previous year. The portfolio thus proved itself to be resilient in light of an increased claims burden from natural events due to storms and floods in Central Europe in June and July 2021. Overall, the biggest events from these summer storms caused the Group a net claims burden of CHF 125.6 million (before taxes). The margin after costs also increased in life insurance. Stronger interest and fee results offset the absence of a positive special effect in the previous year's risk result. The Caser acquisition paid off in both life and non-life business. Caser contributed a total IFRS result after tax of CHF 71.6 million to Helvetia's success in 2021. Good investment results due to advantageous capital market developments also lent support. On the one hand, the equity markets posted a very good performance. On the other hand, the market values of real estate also developed positively, which led to the appreciation and attractive initial valuation of investment property reflected in the income statement.

Profit or loss by segment

Switzerland

In Switzerland, Helvetia achieved a significantly improved result over the previous year of CHF 418.6 million, after the prior-year period was impacted by the effects of the pandemic (2020: CHF 212.4 million). In the life and non-life business, Helvetia generated robust technical results. The non-life business posted a stable technical development, despite the fact that an extraordinary number of major storms and floods in June and July 2021 led to an increased claims burden from natural events. In contrast, the COVID-19 losses that had weighed on results in the previous year were absent during the reporting period, which had a partially compensating effect. A one-off special effect also had a positive influence. This can be attributed to a periodic review of the reserve level in the first half of 2021, on the basis of which reserves were released. On the cost side, efficiency was increased, which had a positive impact on the cost ratio. However, the strong growth in the B2B2C business was also reflected in higher acquisition costs. The net combined ratio in Switzerland amounted to 93.9% (2020: 92.9%). In the life business, the margin after costs proved robust despite the absence of a positive special effect relating to the risk result in the previous year following the introduction of a new rate in group life. This can primarily be attributed to an increase in the savings result. Stronger investment results were also posted in the life and non-life business areas due to the good performance of the equity markets and the positive development in the market values of real estate. The latter primarily had a positive impact in the life business thanks to the appreciation and attractive initial valuation of investment property. Higher investment gains were partially offset here by increased allocations to the reserves and the policyholder dividend for the customers.

Profit for the period Switzerland

in CHF million	2021	2020
Non-life	201.1	87.6
Life	236.3	118.8
Switzerland total [2]	418.6	212.4

Europe

Helvetia can also look back on a successful business performance in the Europe segment. The IFRS result after tax for 2021 rose to CHF 196.4 million (2020: CHF 174.6 million). Both the life and non-life business generated solid technical results. In the non-life business, the technical result remained virtually stable. Profitable growth and the contribution of Caser largely offset the normalisation of claims frequencies, which had declined in some business lines in the previous year due to the lockdown, and an increased claims burden from natural events. The net combined ratio for the Europe segment came to 94.4% (2020: 92.7%). In the life business, there was a rise in the margin after costs, primarily thanks to stronger interest, risk and fee results. Both strong profitable growth with investment-linked insurance products and the full-year inclusion of Caser contributed here. Earnings development in both the life and non-life business was boosted by Caser. Caser contributed an outstanding CHF 71.6 million in earnings to the result of the Europe segment. Both the non-life and life business also benefited from improved investment results thanks to the good performance of the equity markets during the reporting period. Overall, Spain and Austria increased their earnings contribution, while the results of the Germany and Italy country markets remained at a stable level relative to the previous year.

Profit for the period Europe

in CHF million	2021	2020
Non-life	126.6	128.3
Life	67.8	48.3
Europe total[2]	**196.4**	**174.6**
Germany	24.0	24.2
Italy	36.7	39.2
Spain	102.3	83.3
Austria	33.4	27.9

[2] Incl. result other activities

Specialty Markets

IFRS earnings after tax in the Speciality Markets segment amounted to CHF 61.9 million – a marked increase compared to the IFRS result of CHF 42.5 million in 2020. The previous year was shaped by the impact of the COVID-19 pandemic, both in terms of the technical development and the investment results. Both profit sources developed very successfully during the reporting period. The segment's technical result increased markedly compared to the previous year. This increase can be attributed to the profitable growth in all market units and associated economies of scale. The net combined ratio for Specialty Markets improved to 96.4% (2020: 97.5%). The strong capital market performance in the 2021 financial year also led to outstanding investment results.

Corporate

In addition to the financing companies and the holding company, the Corporate segment includes the Corporate Centre, the centrally managed investments (funds) and the Group reinsurance.

The IFRS result after tax in the Corporate segment (–157.1 million) was slightly below the IFRS result after tax in 2020 of CHF –147.8 million. The decline primarily resulted from a negative currency effect due to the liquidation of a proprietary investment fund in the amount of CHF 19.5 million. The usual consolidation effects of the funds assigned to this segment also had a negative influence compared to the previous year. In contrast, a reduction in the current cost base as part of the efficiency programme and the absence of one-time costs in connection with the acquisition of Caser in the previous year had a positive impact. However, higher project expenditure offset these effects. Higher financing costs resulting from the issue of a hybrid bond to finance the acquisition of Caser in June 2020 were also incurred. A partially compensating effect resulted from an improvement in the technical result of Group-internal reinsurance. While claims from the storms in Central Europe in summer 2021 weighed on the result on Group insurance, this had less of an impact than COVID-19 in the previous year.

Profit or loss by business area

Life business area

The IFRS result of the life business increased considerably relative to the previous year to CHF 304.1 million (2020: CHF 167.1 million). The margin after costs increased slightly. Stronger interest and fee results offset the absence of a positive special effect relating to the risk result in the previous year following the introduction of a new rate in Swiss group life. The acquisition of Caser also contributed to the improved result. The takeover of the Spanish company in 2020 had a particularly positive effect on the technical development. New business also developed beneficially. The new business margin stood at 2.5% (2020 without Caser: 2.6%) and was thus clearly within the target range of 2% to 3%. Caser is now also included in the Group's new business margin, which led to a minor decline relative to the previous year. The life insurance business also benefited from the positive performance of the capital markets. On the one hand, the equity markets posted a very good performance. On the other, the market values of real estate also developed positively, which led to the appreciation and attractive initial valuation of investment property reflected in the income statement. The significantly improved gains from investments were balanced to an extent by higher expenses for reserve strengthening – also due to one-time reserve releases in the previous year – and the policyholder dividend for customers.

Non-life business

The non-life business improved its IFRS result significantly to CHF 389.3 million (2020: CHF 258.5 million). In the prior-year period, the COVID-19 crisis impacted the technical result and investment result. The technical result improved slightly in the reporting year and proved robust in the face of an extraordinary number of major storms and floods in Central Europe in June and July. The technical result benefited from profitable organic growth, the full-year contribution of Caser and the discontinuation of COVID-19 losses, which impacted earnings in the prior year. A one-off special effect in connection with the Swiss business also had a positive impact. This can be attributed to a periodic review of the reserve level in the first half-year, on the basis of which reserves were released. On the other hand, the storms and floods in June and July led to an increased claims burden from natural events, primarily in Switzerland and Germany. Moreover, claims frequencies which had fallen in the prior year in some business lines due to the lockdown, normalised once more. The net combined ratio of the Group amounted to 94.8% (2020: 94.0%). The investment result benefited from the extremely good performance registered by the capital markets in 2021 following the weak equity market performance in the previous year due to the pandemic.

Other activities

In addition to the Corporate segment [financing companies, Corporate Centre, centrally managed investments (funds) and Group reinsurance], the other activities segment includes the non-insurance business of Caser, Helvetia Asset Management AG, MoneyPark AG and various smaller service companies that cannot be allocated to the Life or Non-life business areas.

The IFRS result after tax of other activities in 2021 amounted to CHF –173.6 million (2020: CHF –143.9 million). The discontinuation of one-off earnings from the initial issue of Helvetia (CH) Swiss Property Fund in the previous year and a negative currency effect due to the liquidation of a proprietary investment fund in the amount of CHF 19.5 million made a material contribution to this development. The usual consolidation effects of the funds assigned to this business area also had a negative influence compared to the previous year. In contrast, a reduction in the current cost base as part of the efficiency programme and the absence of one-time costs in connection with the acquisition of Caser in the previous year had a positive impact. However, higher project expenditure offset these effects. Higher financing costs resulting from the issue of a hybrid bond to finance the acquisition of Caser in June 2020 were also incurred. A partially compensating effect resulted from an improvement in the technical result of Group-internal reinsurance. While claims from the storms in Central Europe in summer 2021 weighed on the result of Group insurance, this had less of an impact than COVID-19 in the previous year.

Investments

The investment volume declined by CHF 1.3 billion relative to the previous year and stood at CHF 54.4 billion at the end of 2021. The decrease can be attributed to the rise in interest rates and the correspondingly lower valuation of interest-bearing securities. On the other hand, holdings of equities and property experienced positive value increases thanks to the pleasing market development. Interest-bearing securities remain the dominant asset class, accounting for 63.3% of the portfolio, followed by investment property and mortgages.

Strong equity performance and pleasing development for property

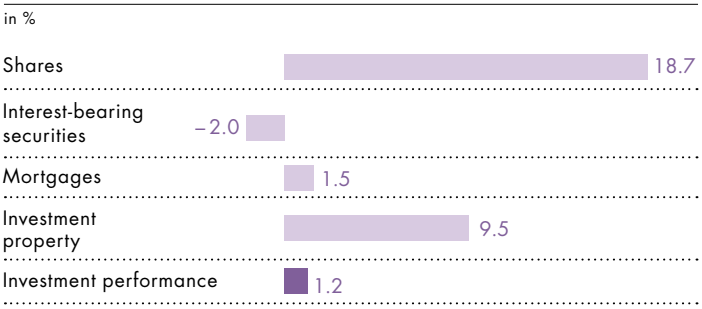
In 2021, Helvetia posted a considerable increase in its investment result from financial assets and investment property to CHF 1,831.3 million (2020: CHF 840.6 million), primarily thanks to gains on equities and investment property.

Current income was just under the prior-year level of CHF 882.5 million. At 1.6%, the direct yield was thus slightly weaker than in the previous year (1.7%), as the interest on the reinvestments – as was the case in the years before – was lower than the average interest in the current portfolio. Rising interest rates only have a positive impact on the direct yield with a certain delay. A further effect arose from the acquired Caser portfolio, which generated a lower yield due to acquisition effects.

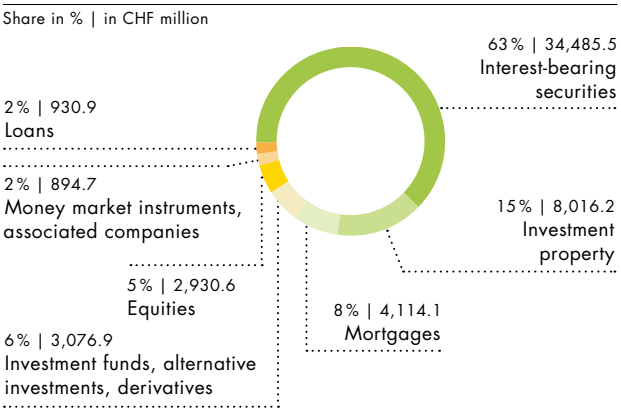
Thanks to a pleasing market performance, the item Gains and losses on investments by CHF 948.8 million, after losses of CHF –47.9 million had been suffered in the previous year. On the one hand, the main driver of this development was equities, which made a substantial contribution to the improvement with a strong performance. Thanks to sustained high demand for living space, the market values of property increased at an above-average rate, rounding off the very good performance overall.

The investment performance, which in addition to the current income and the changes in value of the portfolio recognised in the income statement also includes the change in unrealised gains and losses in equity, was weaker than in the previous year (2.7%) at 1.2%. A significant factor in this weakening was the aforementioned rise in interest rates and the associated lower valuations of interest-bearing securities.

Investment performance by asset class



Investment structure in the 2021 financial year



Total 100% | 54,448.8

Performance of Group investments

in CHF million	2021	2020
Current income on Group financial assets	625.2	644.9
Rental income on Group investment property	257.3	243.6
Current income from Group investments (net)	**882.5**	**888.5**
Gains and losses on Group financial assets	491.5	–152.0
Gains and losses on Group investment property	457.3	104.1
Gains and losses on Group investments (net)	**948.8**	**–47.9**
Investment result from Group financial assets and investment property (net)	**1 831.3**	**840.6**
Change in unrealised gains and losses recognised in equity	–1 162.6	591.2
Total profit from Group financial assets and investment property	**668.7**	**1 431.8**
Average Group investment portfolio (without Caser in the first half of 2020)	54 923.0	52 853.0
Direct yield	1.6%	1.7%
Investment performance	1.2%	2.7%

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Consolidated income statement

in CHF million	Notes	2021	2020
Income			
Gross premiums written	3	10807.6	9427.0
Reinsurance premiums ceded		–639.2	–485.3
Net premiums written		10168.4	8941.7
Net change in unearned premium reserve		–281.3	–55.5
Net earned premiums		9887.0	8886.2
Current income from Group investments (net)	7.1.1	882.5	888.5
Gains and losses on Group investments (net)	7.1.3	948.8	–47.9
Income investments with market risk for the policyholder	7.1.5	426.5	186.4
Share of profit or loss of associates		7.1	0.2
Income from fee and commission business	3.7	354.4	225.9
Other income		86.0	171.7
Total operating income		12592.4	10311.0
Expenses			
Claims incurred including claims handling costs (non-life)		–4232.4	–3373.1
Claims and benefits paid (life)		–4492.0	–5939.8
Change in actuarial reserves		–296.7	1898.7
Reinsurers´ share of benefits and claims		551.4	279.2
Policyholder dividends and bonuses		–269.2	–206.8
Income attributable to deposits for investment contracts		–72.4	–49.6
Net benefits to policyholders and claims		–8811.4	–7391.4
Acquisition costs		–1730.7	–1432.5
Reinsurers´ share of acquisition costs		118.3	103.1
Operating and administrative expenses		–1160.7	–980.5
Interest payable		–13.8	–14.3
Other expenses		–184.4	–212.9
Total operating expenses		–11782.9	–9928.5
Profit or loss from operating activities		809.5	382.5
Financing costs		–133.6	–62.6
Profit or loss before tax		675.9	319.9
Income taxes	10.1	–156.1	–38.2
Profit or loss for the period		**519.8**	**281.7**
Attributable to:			
Shareholders of Helvetia Holding AG		497.2	264.8
Non-controlling interests		22.6	16.9
Earnings per share:			
Basic earnings per share (in CHF)	11.5	9.17	4.76
Diluted earnings per share (in CHF)	11.5	9.17	4.76

Consolidated statement of comprehensive income

in CHF million	2021	2020
Profit or loss for the period	**519.8**	**281.7**
Other comprehensive income		
May be reclassified to income		
Change in unrealised gains and losses on investments	–1162.1	591.3
Change from net investment hedge	–27.4	98.2
Foreign currency translation differences	–83.6	–106.4
Change in liabilities for contracts with participation features	654.6	–298.7
Deferred taxes	104.8	–65.9
Total that may be reclassified to income	–513.7	218.5
Will not be reclassified to income		
Revaluation from reclassification of property and equipment	–0.5	–0.1
Revaluation of benefit obligations	374.3	–14.6
Change in liabilities for contracts with participation features	–42.3	0.5
Deferred taxes	–51.7	0.8
Total that will not be reclassified to income	279.8	–13.4
Total other comprehensive income	–233.9	205.1
Comprehensive income	**285.9**	**486.8**
Attributable to:		
Shareholders of Helvetia Holding AG	285.4	439.2
Non-controlling interests	0.4	47.6

Consolidated balance sheet

in CHF million	Notes	2021	2020
Assets			
Property and equipment	5	1028.3	1039.8
Goodwill and other intangible assets	6	1866.4	1960.8
Investments in associates	7.4.1	64.1	30.9
Investment property	7.5	7673.0	7477.8
Investment property held for sale	7.5	343.2	–
Group financial assets	7.2	46368.5	48196.9
Investments with market risk for the policyholder	7.2	5560.3	4865.3
Receivables from insurance business	9.7	2136.4	1878.3
Deferred acquisition costs	9.6	751.7	669.4
Reinsurance assets	9.5	953.3	727.0
Deferred tax assets	10.5	10.5	31.1
Current income tax assets		245.1	184.0
Other assets		603.1	499.5
Accrued investment income		281.0	312.0
Cash and cash equivalents		1858.8	1849.0
Total assets		**69743.6**	**69721.8**

in CHF million	Notes	2021	2020
Liabilities and equity			
Share capital	11.1	1.1	1.1
Capital reserves		959.7	949.2
Treasury shares		–10.2	–8.4
Unrealised gains and losses (net)	11.2.4	360.6	485.7
Foreign currency translation differences		–568.6	–477.9
Retained earnings		3369.7	3097.2
Valuation reserves for contracts with participation features	11.2.5	1814.2	1865.4
Equity of Helvetia Holding AG shareholders		5926.5	5912.3
Non-controlling interests		487.9	488.0
Equity (without preferred securities)		6414.5	6400.3
Preferred securities	11.3	775.0	775.0
Total equity		7189.5	7175.3
Actuarial reserves (gross)	9.1	40708.1	40971.2
Provision for future policyholder participation	9.1	2871.4	3365.1
Loss reserves (gross)	9.1	6095.9	5560.9
Unearned premium reserve (gross)	9.1	2572.8	2313.4
Financial liabilities from financing activities	8.1	2105.6	2289.1
Financial liabilities from insurance business	9.8	2451.3	2342.7
Other financial liabilities	8.2	1214.8	1137.5
Liabilities from insurance business	9.7	2254.9	2041.3
Non-technical provisions	12.1	134.9	139.4
Employee benefit obligations	13.2	554.0	868.5
Deferred tax liabilities	10.5	884.2	873.6
Current income tax liabilities		232.5	180.8
Other liabilities and accruals		473.6	463.0
Total liabilities		62554.1	62546.5
Total liabilities and equity		**69743.6**	**69721.8**

Consolidated statement of equity

	Notes	Share capital 11.1	Capital reserves	Treasury shares	Unrealised gains and losses (net) 11.2.4	
in CHF million						
Balance as of 1 January 2020		1.0	659.7	–11.7	401.6	
Profit or loss for the period		–	–	–	–	
Income and expense that may be reclassified to income		–	–	–	84.8	
Income and expense that will not be reclassified to income		–	–	–	–0.1	
Total other comprehensive income		–	–	–	84.7	
Comprehensive income		–	–	–	84.7	
Transfer from / to retained earnings		–	–	–	–0.6	
Acquisition of subsidiaries		–	–	–	–	
Change in minority interests		–	–	–	–	
Purchase of treasury shares		–	–	–9.3	–	
Sale of treasury shares		–	–0.6	12.6	–	
Share-based payment		–	–0.5	–	–	
Dividends		–	–	–	–	
Share capital increase		0.1	300.2	–	–	
Costs of share capital increase		–	–7.2	–	–	
Shareholders´ contributions		–	45.0	–	–	
Allocation of shareholders´ contributions		–	–45.0	–	–	
Issuance of preferred securities		–	–2.4	–	–	
Redemption of preferred securities		–	–	–	–	
Balance as of 31 December 2020		**1.1**	**949.2**	**–8.4**	**485.7**	
Balance as of 1 January 2021		1.1	949.2	–8.4	485.7	
Profit or loss for the period		–	–	–	–	
Income and expense that may be reclassified to income		–	–	–	–124.3	
Income and expense that will not be reclassified to income		–	–	–	–0.3	
Total other comprehensive income		–	–	–	–124.6	
Comprehensive income		–	–	–	–124.6	
Transfer from/to retained earnings		–	–	–	–0.5	
Acquisition of subsidiaries		–	–	–	–	
Change in minority interests		–	–	–	0.0	
Purchase of treasury shares		–	–	–5.1	–	
Sale of treasury shares		–	9.0	3.4	–	
Share-based payment		–	1.5	–	–	
Dividends		–	–	–	–	
Shareholders´ contributions		–	45.0	–	–	
Allocation of shareholders´ contributions		–	–45.0	–	–	
Balance as of 31 December 2021		**1.1**	**959.7**	**–10.2**	**360.6**	

Foreign currency translation differences	Retained earnings	Valuation reserves for contracts with participation features	Equity of Helvetia Holding AG shareholders	Non-controlling interests	Equity (without preferred securities)	Preferred securities	Total equity
	11.2.2	11.2.5					
–464.2	3505.5	1736.2	5828.1	6.0	5834.1	700.0	6534.1
–	246.6	18.2	264.8	16.9	281.7	–	281.7
–13.7	–	116.2	187.3	31.2	218.5	–	218.5
–	–11.1	–1.7	–12.9	–0.5	–13.4	–	–13.4
–13.7	–11.1	114.5	174.4	30.7	205.1	–	205.1
–13.7	235.5	132.7	439.2	47.6	486.8	–	486.8
–	–17.0	–3.5	–21.1	0.0	–21.1	21.1	0.0
–	–375.5	–	–375.5	438.0	62.5	–	62.5
–	–6.9	–	–6.9	2.3	–4.6	–	–4.6
–	–	–	–9.3	–	–9.3	–	–9.3
–	–	–	12.0	–	12.0	–	12.0
–	–	–	–0.5	–	–0.5	–	–0.5
–	–244.4	–	–244.4	–5.9	–250.3	–21.1	–271.4
–	–	–	300.3	–	300.3	–	300.3
–	–	–	–7.2	–	–7.2	–	–7.2
–	–	–	45.0	–	45.0	–	45.0
–	–	–	–45.0	–	–45.0	–	–45.0
–	–	–	–2.4	–	–2.4	475.0	472.6
–	–	–	–	–	–	–400.0	–400.0
–477.9	**3097.2**	**1865.4**	**5912.3**	**488.0**	**6400.3**	**775.0**	**7175.3**
–477.9	3097.2	1865.4	5912.3	488.0	6400.3	775.0	7175.3
–	326.2	171.0	497.2	22.6	519.8	–	519.8
–90.7	–	–276.0	–491.0	–22.7	–513.7	–	–513.7
–	221.6	57.9	279.2	0.6	279.8	–	279.8
–90.7	221.6	–218.1	–211.8	–22.1	–233.9	–	–233.9
–90.7	547.8	–47.1	285.4	0.4	285.9	–	285.9
–	–7.8	–4.1	–12.5	0.0	–12.5	12.5	0.0
–	–	–	–	13.6	13.6	–	13.6
0.0	–4.0	–	–4.0	0.0	–4.1	–	–4.1
–	–	–	–5.1	–	–5.1	–	–5.1
–	–	–	12.3	–	12.3	–	12.3
–	–	–	1.5	–	1.5	–	1.5
–	–263.5	–	–263.5	–14.1	–277.5	–12.5	–290.0
–	–	–	45.0	–	45.0	–	45.0
–	–	–	–45.0	–	–45.0	–	–45.0
–568.6	**3369.7**	**1814.2**	**5926.5**	**487.9**	**6414.5**	**775.0**	**7189.5**

Consolidated cash flow statement

in CHF million	2021	2020
Cash flow from operating activities		
Profit before tax	675.9	319.9
Reclassifications to investing and financing activities (affecting cash)		
Realised gains and losses on property, equipment and intangible assets	–0.2	–0.4
Realised gains and losses on sale of subsidiaries and associated companies	0.0	1.6
Dividends from associates	–1.2	–1.3
Adjustments		
Depreciation / amortisation of property, equipment and intangible assets	200.4	170.6
Realised gains and losses on financial instruments and investment property	–201.6	108.0
Unrealised gains and losses on investments in associates	–5.9	–0.5
Unrealised gains and losses on investment property	–439.5	–74.8
Unrealised gains and losses on financial instruments	–630.4	–670.6
Share-based payments for employees	1.5	–0.5
Foreign currency gains and losses	118.2	183.7
Other income and expenses not affecting cash[1]	31.9	0.5
Change in operating assets and liabilities		
Deferred acquisition costs	–99.5	–43.3
Reinsurance assets	–242.7	–19.1
Actuarial reserves	296.7	–1898.7
Provisions for future policyholder participation	100.0	55.5
Loss reserves	620.1	326.9
Unearned premium reserve	321.1	64.3
Financial liabilities from insurance business	159.5	153.7
Changes in other operating assets and liabilities	–286.9	255.2
Cash flow from investments and investment property		
Purchase of investment property	–214.3	–231.5
Sale of investment property	99.6	582.5
Purchase of interest-bearing securities	–4721.6	–3344.3
Repayment / sale of interest-bearing securities	4138.1	3473.2
Purchase of shares, investment funds and alternative investments	–2453.8	–1778.4
Sale of shares, investment funds and alternative investments	2467.8	1421.8
Purchase / sale of derivatives	–142.7	–176.9
Origination of mortgages and loans	–134.5	–86.9
Repayment of mortages and loans	701.7	717.5
Purchase of money market instruments	–6354.5	–9189.2
Repayment of money market instruments	6753.8	10194.0
Cash flow from operating activities (gross)	757.0	512.5
Income taxes paid	–78.3	–83.7
Cash flow from operating activities (net)	678.7	428.8

in CHF million	2021	2020
Cash flow from investing activities		
Purchase of property and equipment	–69.5	–45.6
Sale of property and equipment	0.9	1.1
Purchase of intangible assets	–45.7	–75.9
Sale of intangible assets	0.7	1.4
Purchase of investments in asscociates	–21.3	–0.5
Sale of investments in associates	0.1	0.0
Purchase of investments in subsidiaries, net of cash and cash equivalents	–21.6	–406.7
Sale of investments to former subsidiaries, net of cash and cash equivalents	–	–1.7
Dividends from associates	1.2	1.3
Cash flow from investing activities (net)	–155.3	–526.6
Cash flow from financing activities		
Increase of share capital	–	293.0
Sale of treasury shares	12.3	12.0
Purchase of treasury shares	–5.1	–9.3
Shareholders´ contributions	45.0	45.0
Purchase of investments in subsidiaries	–0.5	–6.5
Issuance of preferred securities	–	472.2
Redemption of preferred securities	–	–400.0
Issuance of debt instruments	68.4	813.0
Repayment of debt	–267.7	–274.3
Dividends paid	–292.4	–275.3
Repayment of lease liabilites	–31.7	–30.3
Cash flow from financing activities (net)	–471.7	639.5
Effect of exchange rate differences on cash and cash equivalents	–41.9	2.1
Total change in cash and cash equivalents	**9.8**	**543.8**
Cash and cash equivalents		
Cash and cash equivalents as of 1 January	1849.0	1305.2
Change in cash and cash equivalents	9.8	543.8
Cash and cash equivalents as of 31 December	**1858.8**	**1849.0**
Composition of cash and cash equivalents		
Cash	0.2	0.2
Due from banks	1725.1	1726.9
Other cash equivalents with a maturity of less than three months	133.4	121.9
Balance as of 31 December	**1858.8**	**1849.0**
Other disclosures on cash flow from operating activities:		
Interest received	726.8	636.7
Dividends received	117.2	99.9
Interest paid	56.7	56.3

[1] "Other income and expenses not affecting cash" primarily contains the change to interest-accruing profit participation of owners of contracts with discretionary participation features.

1. General information

Helvetia Group is an all-lines insurance group which operates in many sectors of the life and non-life insurance business as well as in reinsurance. The holding company, Helvetia Holding AG, with headquarters in St. Gallen, is a Swiss public limited company listed on the SIX Swiss Exchange.

Through branch offices and subsidiaries, the Group operates in the insurance markets of Switzerland, Germany, Austria, Spain, Italy, France and Liechtenstein, and worldwide in the active reinsurance business. Helvetia also has branches in Singapore and Malaysia and a representative office in the US. Some of Helvetia's investment and financing activities are managed through subsidiaries and fund companies in Luxembourg.

The Board of Directors approved the consolidated financial statements and released them for publication at its meeting on 23 March 2022. The financial statements will be submitted to the shareholders for approval at the ordinary Shareholders' Meeting on 29 April 2022.

2. Summary of accounting policies

The consolidated financial statements of Helvetia Group were prepared in accordance with the International Financial Reporting Standards (IFRS) and under the historical cost convention with the exception of adjustments resulting from the IFRS requirement to recognise investments at fair value. Fair value measurement methods are explained in section 2.6 (page 91).

As of 2021, the figures are no longer rounded. As a result, minor deviations may arise in totals and the calculation of percentages.

We only provide indication in those instances where it is not clear from the text whether it is an expense / outgoing payment or earnings / incoming payment.

2.1 Standards applied for the first time in the reporting year

The following published sector-relevant standards (IAS / IFRS), interpretations (IFRIC) and amendments to the standards were applied by the Group for the first time on 1 January 2021:

– Changes to IFRS 9, IAS 39, IFRS 4, IFRS 7, IFRS 16 – "Interest Rate Benchmark Reform Phase 2"

The adoption of these amendments did not have any material impact on Helvetia Group's asset, financial and income situation (see also section 16.4.1, page 170).

2.2 Standards not yet applied in the reporting year

Due to their effective dates, the following published sector-relevant standards, interpretations and amendments to standards were not applied to the 2021 consolidated financial statements:

Changes in accounting policies	to be applied for annual periods beginning on / after:
IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS (2018–2020)	1 January 2022
IFRS 9 – Financial Instruments	1 January 2023[1]
IFRS 17 – Insurance Contracts	1 January 2023
IAS 1 – Classification of Liabilities	1 January 2023
IAS 1 – Disclosure of Accounting Policies	1 January 2023
IAS 8 – Definition of Accounting Estimates	1 January 2023
IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

[1] Changes to IFRS 17 and IFRS 4 were published in June 2020. In this, the coming into force of IFRS 17 was deferred to 1 January 2023 and the option for deferring the introduction of IFRS 9 was extended to 1 January 2023.

The effects of IFRS 9 "Financial instruments" and IFRS 17 "Insurance contracts" on the Helvetia Group financial statements are explained in more detail below.

The other amendments are not expected to have any material impact on the asset, financial and income situation of the Helvetia Group.

IFRS 9 Financial Instruments

IFRS 9 introduces new rules for the classification and measurement of financial instruments. The classification of a financial asset is based, on the one hand, on Helvetia's business model, and on characteristic properties of the contractual cash flows of the respective financial asset, on the other. Depending on this, subsequent measurement is at amortised cost, at fair value without affecting profit or loss or at fair value with changes in value recognised in profit or loss.

The measurement provisions for financial liabilities remain unchanged. Helvetia has no plans to apply the fair value option (valuation differences in its own financial liabilities arising from changes in the company's creditworthiness are recognised not affecting the income statement).

An expected loss impairment model is introduced where a credit event no longer needs to have occurred before an impairment is recognised. The new model thus aligns accounting more closely with risk management.

IFRS 9 and IFRS 17 have different transitional provisions that may result in temporary recognition and evaluation inconsistencies. The IASB therefore introduced the option of applying a classification overlay approach. The disclosure of the comparative information must, as a rule, be as if the IFRS 9 classification and valuation provisions were applied in the prior-year period, i.e. for 2022. Helvetia plans to amend its prior-year figures accordingly.

IFRS 17 Insurance Contracts

IFRS 17 regulates the principles of recognition, measurement, presentation and disclosure for insurance contracts. IFRS 17 replaces IFRS 4 "Insurance Contracts".

The key changes are related to the methodology applied to the measurement of contracts. Until now, they have mainly been assessed according to past developments and on the basis of historical data. The analysis will now be more future oriented and based on potential cash flows. This particularly affects life insurance contracts as they can have terms lasting several decades.

Insurance contracts are generally evaluated according to the general measurement model. The measurement does not take place at individual contract level, instead the contracts are clustered into groups exposed to similar risks. That involves accounting for practically all cash flows stemming from the rights and obligations stipulated in the insurance contracts. By the same token, that means certain positions currently listed separately in our financial statements will be omitted in future. Furthermore, loss-making contracts shall be separated from non-loss making contracts at the initial recognition. A loss shall be recognised in profit or loss for a group of loss-making contracts at initial recognition.

As regards the life business of Helvetia Group, it is mainly the variable fee approach (VFA), which is intended for contracts with a direct participation feature, that is used. A simplified approach, the premium allocation approach (PAA), is permitted under certain circumstances, particularly for short-term contracts. The premium allocation approach applies exclusively to non-life business at Helvetia Group.

The presentation of revenue and earnings shall be adapted to those of other sectors with the introduction of IFRS 17. Earnings shall be allocated to the periods as per the expected cover and other benefits provided by Helvetia during the period in question; losses are presented at the time of occurrence. Insurance revenue in particular includes no savings components. That requires a fundamental change of thinking relative to our current reported revenue, which also includes savings components. We therefore anticipate a perceptible reduction in reported revenue without any resulting impact on the technical result assuming business volume remains unchanged.

Disclosure under IFRS 17 involves extensive new information in the Notes.

The standard envisages the retrospective application of IFRS 17. Based on the current project status, we assume the full retrospective approach will not apply in many cases given the available data basis, with the modified retrospective or fair value approach being used instead.

A Group-wide project shall ensure the technical and punctual implementation of the requirements of IFRS 9 and IFRS 17. In 2022, the financial statements in accordance with IFRS 9 and IFRS 17 shall be issued in a parallel process with the regular financial statements with a time lag.

Further fundamental decisions will be taken based on the opening balance sheet, which will be established in 2022. As a result, it is not yet possible to definitively assess the impact of IFRS 9 and IFRS 17 on the financial statements of the Helvetia Group.

2.3 Consolidation principles

All the material companies included in the consolidation have the same reporting periods. Smaller Group companies with different financial years prepare interim financial statements as of the reporting date of 31 December.

2.3.1 Subsidiaries

The consolidated financial statements include the financial statements of Helvetia Holding AG, its subsidiaries and its own investment funds. Consolidation applies when Helvetia Holding AG exercises indirect or direct control over the company's operations. Subsidiaries acquired during the course of the financial year are included in the consolidated financial statements from the date on which Helvetia Group took effective control. Acquisitions of companies are recorded using the purchase method. Intergroup transactions and balance sheet items are eliminated.

Non-controlling interests (minority interests) are valued at the time of acquisition with their proportionate share of the identifiable net assets of the company.

Any changes in Helvetia Group's percentage of shares held in a subsidiary, without losing control, are treated as transactions among shareholders. The adjustments of minority interests are based on the proportional net assets of the subsidiary. Goodwill is not adjusted and no gains or losses are recognised in the income statement.

Fully controlled subsidiaries that are not material for the consolidated financial statements can be included using the equity method or carried as a financial investment.

2.3.2 Associates

Associates of Helvetia Group are accounted for using the equity method if significant influence is exercised by Helvetia Group. The book value of all investments is tested for impairment if there is objective and substantial evidence for impairment at the balance sheet date. Associates of Helvetia Group are listed together with the fully consolidated subsidiaries from the table in section 18.3 (from page 192).

2.4 Foreign currency translation

The reporting currency of Helvetia Group is the Swiss franc (CHF).

2.4.1 Translation of financial statements prepared in foreign currency

Items included in the financial statements of such entities that do not have the Swiss franc as their functional currency were translated using the applicable closing rate. Items in the income statement are translated at the average exchange rates for the reporting period. The resulting translation differences are recorded in "Reserve for foreign currency translation differences" in equity, not affecting profit or loss. Upon (partial) disposal of a subsidiary, these currency differences, attributable to the subsidiary in question and accumulated in equity, are released through income. The rates applied in these financial statements are given in section 4.1 (page 113).

2.4.2 Translation of foreign currency transactions

Foreign currency transactions in the individual entities are accounted for using the exchange rate on the date of the transaction.

The individual entities translate balance sheet items denominated in foreign currencies at the balance sheet date as follows: monetary and non-monetary balance sheet items recorded at fair value, at closing rates, and non-monetary balance sheet items recorded at cost, at historical rates. "Monetary items" include cash and cash equivalents, assets and liabilities for which Helvetia Group either receives or pays a fixed or determinable amount of money.

Foreign currency translation differences are generally recognised in the income statement. For non-monetary financial assets classified as available-for-sale investments, such as shares and shares in investment funds, the unrealised foreign currency result is recognised in equity without affecting the income statement until the financial instrument is sold.

2.5 Estimate uncertainties and key assumptions

Preparing the financial statements in accordance with IFRS requires Group management to make assumptions and estimates that affect the reported amounts of assets and liabilities for the ongoing financial year. All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual figures and estimates may differ as a result. The following information conveys which of the assumptions needed for the preparation of the financial statements require particular management judgement.

2.5.1 Fair value of financial assets and financial liabilities

The fair value of financial assets is equal to the price at which an asset could be sold on the valuation date in a normal business transaction between market participants.

Financial instruments measured at the prices quoted on an active market belong to the "Level 1" category of valuation methods. Quoted in an "active market" means that the prices are made available regularly, either by a stock exchange, a broker or a pricing service, and that these prices represent regular market transactions.

If a market value in an active market is not available, the fair value is determined using valuation methods. Such methods are considerably influenced by assumptions, which can lead to varying fair value estimates.

Financial instruments for which the model assumptions are based on observable market data are allocated to the "Level 2" valuation category. This category includes comparisons with current market transactions, references to transactions with similar instruments, and option price models. This concerns the following items, in particular:

- Mortgages and loans: The fair value of mortgages and borrower's note loans is determined on the basis of discounted cash flows. This is done using the current Swiss franc swap curve for valuing mortgages. Risk-adjusted yield curves are used for valuing borrower's note loans.
- Interest-bearing securities without an active market, including own bonds: The fair value is based on rates set by brokers or banks, which are validated through comparison with current market transactions and in consideration of transactions with similar instruments, or determined by means of the discounted cash flow (DCF) method.
- Money market instruments: The fair value is not based directly on the market but on rates set by brokers or banks or determined by means of the discounted cash flow method.
- Derivative financial instruments: The fair value of equity and currency options is determined using option price models (Black-Scholes option pricing), while the fair value of forward exchange rate agreements is determined on the basis of the forward exchange rate on the reporting date. The fair value of interest rate swaps is calculated using the present value of future payments.
- Financial liabilities: There is no active market for financial liabilities. The fair value is derived from the fair values of the underlying assets or determined by means of the discounted cash flow method.
- Minority interests in own funds and deposits for investment contracts: The fair value is derived from the fair values of the underlying assets.

If the valuation assumptions are not based on observable market data, the financial instrument in question falls into the "Level 3" valuation category. This applies in particular to investment property and alternative investments.

The evaluation of investment properties is outlined in section 2.11.1 (page 94).

Helvetia regards the funds as transparent vehicles for the purpose of evaluating the funds for consolidation. The market value of the underlying investments is determined by the fund management.

The market value of private equity investments is calculated via the discounted cash flow (DCF) method. This is done by applying the internal rate of return (IRR).

The "Level" categories relate to the observability of prices and valuation factors and are not an indication of the quality of a financial instrument.

Helvetia recognises transfers between the valuation category levels at the end of the reporting period in which the changes occurred.

2.5.2 Impairment of available-for-sale investments

The judgement as to whether an equity instrument classified as available-for-sale is subject to impairment depends on the existence of objective indications. One decisive criterion is a constant or considerable decrease in the value of an instrument. At Helvetia Group, instruments are considered impaired if their fair value remains below cost for longer than nine months or falls 20% or more below cost irrespective of the period of time. In addition, ratings and analyst reports can serve as an indication that a company's circumstances have changed with respect to technology, the market, economy or law, to such an extent that the cost can probably no longer be recovered. In these cases, the need for impairment is examined and – if justified – recorded.

2.5.3 Fair value of investment property

In Switzerland, Germany and Austria, investment properties are valued in accordance with the discounted cash flow (DCF) method. The method is described in section 2.11.1 (page 94).

The choice of the discount rate plays an important role in the DCF valuation method. The discount rates are based on a long-term, risk-free average rate plus a premium for market risk plus regional and property-related surcharges and discounts based on the current condition, use and location of the property in question. The discount rates applied in the reporting period are set out in section 7.5 (page 125).

2.5.4 Insurance-specific estimate uncertainties

The uncertainties regarding estimates in the area of technical results are explained in section 2.15 (from page 96). Any material change to the parameters used for the calculation of the provisions is commented on in sections 9.3 from page 138 (non-life business) and 9.4 on page 140 (life business).

2.5.5 Impairment of goodwill

Capitalised goodwill is tested annually for impairment. The method is described in section 2.10 (page 93). The calculation of the recoverable amount is based on a number of assumptions, which are detailed in section 6 (from page 116).

2.6 Current and non-current distinction

Assets and liabilities are classified as current if they are expected to be realised or settled within twelve months after the reporting date. All other assets and liabilities are considered to be non-current.

The following items are basically classified as non-current: "Property and equipment", "Goodwill and other intangible assets", "Investments in associates", "Investment property" and "Deferred tax assets and liabilities".

The following items are fundamentally classified as current: "Current income tax assets and liabilities", "Accrued financial assets", "Investment property held for sale" and "Cash and cash equivalents".

All other items are of a mixed nature. The differentiation between the current and non-current balances of relevant items is explained in the Notes. The maturity schedule of financial assets, financial liabilities and provisions for insurance and investment contracts is described in section 16.5 (from page 177) as part of the risk assessment process.

2.7 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accrued impairment. Depreciation is normally calculated using the straight-line method over the estimated useful life as follows:

Furniture	4 – 15 years
Technical equipment	4 – 10 years
Vehicles	4 – 6 years
Computer hardware	2 – 5 years

The following rates of depreciation apply to owner-occupied property:

Supporting structure	1.0–3.5%
Interior completion	1.33–8.0%

Land is not depreciated. Useful life is adjusted if the pattern of consumption of the economic benefit has changed. Value-adding investments are added to the current book value in the period and are depreciated over the entire term if an increase in the economic benefit is expected from the investment and reliable estimates exist for the cost. Depreciation is recognised in the income statement under "Operating and administrative expenses". Repairs and maintenance are charged to the income statement as incurred. Tangible assets are regularly tested for impairment (see section 2.10, page 93).

2.8 Leasing

When a contract comes into force, an assessment is made as to whether it establishes or includes a lease. A contract is or contains a lease if it conveys the right to control the use of an asset for a period of time in exchange for a consideration. Helvetia applies the guidance in IFRS 16 to determine whether a contract establishes or includes a lease.

2.8.1 Helvetia as lessee

The Helvetia Group primarily presents itself as a lessee when renting business premises. Motor vehicles and other assets are also leased to a lesser extent.

A right-of-use asset and corresponding leasing liability are booked on inception of the contract. The right-of-use asset is initially recognised at acquisition cost. This basically corresponds to the leasing liability. The right-of-use asset is amortised using the straight-line method from the time of acquisition over the duration of the lease. If there are indications of an impairment, the recoverability of the right-of-use asset is reviewed and an impairment is booked if applicable.

The leasing liability corresponds to the present value of the leasing payments not yet paid on inception of the contract. Either the implied interest rate given in the leasing agreement or, in the absence thereof, an interest rate based on the rate Helvetia would have to pay for borrowing capital with maximum seniority in CHF, is used as the discount rate. The maturities of the liabilities are taken into consideration for their valuation. Country and currency-specific supplements are included for foreign Group companies.

The leasing liability is measured at amortised cost applying the effective interest method. It is normally remeasured when the exercising of contractual purchasing, extension or termination options is reassessed. If the leasing liability is remeasured, the book value of the associated right-of-use asset is simultaneously adjusted accordingly.

Right-of-use assets are presented on the balance sheet under "Property and equipment". The lease liabilities come under "Financial liabilities from financing activities".

Leasing payments for low-value leases are recorded as an expense in the income statement during the term of the lease.

2.8.2 Helvetia as lessor

The Helvetia Group lets its own properties to generate investment returns. In this capacity, it is a lessor within the meaning of IFRS 16. The rental agreements invariably count as operating leases.

Rental payments made under these agreements are booked as income and presented as part of "Current income from Group investments".

2.9 Goodwill and other intangible assets

Acquired intangible assets are recognised at cost and amortised over their useful life. If a portfolio of insurance contracts or investment contracts is acquired, an intangible asset is recognised for an amount that equals the present value of all expected future gains minus the solvency costs included in the acquired contracts. This item includes the present value for the income across the whole contract

period, even if the premiums have not yet been billed. The so-called "present value of future profit" (PVFP) is amortised in proportion to the gross gains or gross margins over the actual term of the acquired contracts. This term is usually between one and ten years. Helvetia has capitalised PVFP in respect of both the life business and non-life business. This is tested for impairment every year.

Helvetia has concluded distribution agreements with various banks to sell our products. The distribution agreements are recognised at cost and depreciated according to their use. Depreciation is recognised in the income statement under "Operating and administrative expenses".

The intangible assets also include intangible assets developed by the company, principally proprietary software that is recorded at cost and amortised on a straight-line basis from the time of commissioning. Depreciation is recognised in the income statement under "Operating and administrative expenses". The useful life is usually between three and ten years.

Goodwill is recognised as of the acquisition date and comprises the fair value purchase price plus the amount of any non-controlling interest in the acquired company and, in a business combination achieved in stages, the acquisition date fair value of the acquisitor's previously held equity interest in the acquired company, minus the net of the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company.

A positive balance is accounted for as goodwill. If the value of the acquired entity's net assets exceeds the acquisition costs at the purchase date, this surplus is immediately recognised in the income statement. Goodwill acquired in a business combination is recognised at cost, net of accumulated impairment loss, and is tested annually for impairment. It is carried as an asset in the local currency of the acquired entity and translated at the applicable closing rate on each balance sheet date.

2.10 Impairment of tangible assets, right-of-use assets, goodwill and other intangible assets

The carrying value of tangible assets, right-of-use assets or an intangible asset amortised using the straight-line method is tested for impairment if there is evidence for impairment. Goodwill and intangible assets with an indefinite useful life are reviewed for impairment annually in the second half of the year. They are also tested for impairment again if there is evidence of impairment.

An intangible asset is impaired if its book value exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset at current market conditions after deducting any direct disposal costs. Value in use is the present value of estimated future cash flows expected to be generated from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of impairment testing, the value in use is measured under realistic conditions, with consideration given to planned activities and their resulting cash in and outflows. If the recoverable amount is less than the carrying value, the difference is charged to the income statement as an impairment loss. This is reported in the position "Other expenses".

A reversal of the impairment loss is recognised if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was accounted for. If the new circumstances result in a decreased impairment loss, the reversal impairment is reported up to the maximum of the historical cost and recorded in the income statement in "Other expenses".

For the purpose of impairment testing, goodwill is allocated at the time of acquisition to those cash-generating units (CGU) that are expected to benefit from the synergies generated by the company merger. To calculate any impairment loss, the value in use of the CGU is determined and compared to the carrying value. The value in use is determined using the discounted cash flow (DCF) method, with future operating cash flows less necessary operating investments (free cash flows) being included. Alternatively, the fair value less cost to sell is used for impairment testing. If an impairment loss arises, the goodwill is adjusted accordingly. An impairment loss for goodwill cannot be reversed.

2.11 Investments

At Helvetia Group, investments comprise investments in associates, investment property and financial assets (securities, derivative financial assets, loans and money market instruments). The treatment of investments in associates is described in section 2.3.2 (page 89), as part of "Consolidation principles".

2.11.1 Investment property

The aim of the investment property portfolio is to earn rental income or achieve long-term capital appreciation. Property held for investment purposes includes both land and buildings and is carried at fair value.

Changes in fair value are recognised in the income statement. The fair value of companies in Switzerland, Germany and Austria is measured in-house using a generally accepted discounted cash flow (DCF) valuation method. The portfolio is regularly reviewed on the basis of appraisal reports prepared by independent experts. All other countries use independent experts to determine market estimates, at the most, every three years. These estimates are updated between valuation dates. Both valuation methods are allocated to the "Level 3" category.

The DCF valuation method is a two-tier gross rental method based on the principle that the value of a property equals the total of future earnings on the property. The income from the properties is determined on the basis of the current rental index and adjusted to the assessment horizon on the basis of the current rental potential.

In the first phase, the individual annual cash flows for a property over the next ten years are calculated and discounted as of the valuation date. In the second phase, the unlimited capitalised income value for the time following the first ten years is calculated and also discounted as of the valuation date. The risk-adjusted discounted rates used for the DCF valuation are based on the current condition, use and location of the property in question. The cash flows used for the forecast are based on the rental income that can be earned in the long term. Rental income is recognised on a straight-line basis over the lease term.

2.11.2 Financial assets

The recognition and measurement of financial assets follow the IFRS categories: "loans and receivables", "held-to-maturity" (HTM), "at fair value through profit or loss", "available-for-sale" (AFS) and "derivatives for hedge accounting".

Financial assets are initially recognised at fair value including directly attributable transaction costs. Helvetia Group records all acquisitions and disposals of financial instruments at the trade date. Derecognition of a financial investment occurs on expiry of the contract or at disposal if all risks and control have been transferred and if no rights to cash flows from the investment are retained.

Loans (LAR) and financial assets that the Group has the intention and ability to hold to maturity (HTM) are carried at amortised cost (AC). LAR are not traded on an active market. Helvetia Group usually generates them by directly providing funds to a debtor.

"Financial assets at fair value through profit or loss" comprise "financial assets held for trading" and "financial assets designated as at fair value through profit or loss". An instrument is classified as "held for trading" if it is held with the aim of making short-term gains from market price fluctuations and dealer margins. Upon initial recognition, financial investments are irrevocably classified as "designated as at fair value" only if they are a component of a particular group of financial assets that, according to a documented investment strategy, are managed on a fair value basis, or their recognition as at fair value serves to compensate for market value fluctuations of liabilities due to policyholders. The value fluctuations that result from the fair value valuation are directly recognised in the income statement and for Group investments are reported separately from current income in the item "Gains and losses on Group investments (net)".

Financial assets held for an indefinite period and which cannot be classified to any other category are classified as "available-for-sale" (AFS). AFS investments are carried in the balance sheet at fair value. Unrealised gains and losses are recognised directly in equity with no impact on profit or loss. Upon disposal or impairment, the gains and losses accumulated in equity are released through income.

Interest income is recognised on an accruals basis subject to the asset's effective rate of interest (including "Financial assets at fair value through profit or loss"). Dividends are recognised with effect from the dividend payment date. Depreciation and appreciation resulting from the amortised cost method are included in interest income in the income statement. Interest and dividend income from Group financial assets that are designated as "at fair value through profit or loss" are included in the item "Current income on Group investments (net)".

2.11.3 Impairment of financial assets

The carrying values of financial assets that are not classified as "at fair value through profit or loss" (LAR, HTM, AFS) are regularly reviewed for impairment. If objective and substantial evidence indicates permanent impairment at the reporting date, the difference between cost and the recoverable amount is recognised as an impairment through profit or loss. An equity instrument is impaired if its fair value is considerably or constantly below cost (see also section 2.5, page 90). Debt instruments are impaired or sold if it is probable that not all amounts due under the contractual terms will be collectible. This usually happens when contractually agreed interest or redemption payments are stopped or are in arrears, if the debtor suffers from serious financial difficulties and/or if the rating falls below a specific threshold value. If, in order to avoid impairment, new conditions are negotiated for mortgages or loans, the mortgages or loans in question continue to be recognised in the balance sheet at amortised cost.

For LAR and HTM financial assets, the recoverable amount at the reporting date is equivalent to the present value of estimated future cash flows discounted at the original interest rate. Impairments are booked using an allowance account. The impairment is reversed through profit or loss if a subsequent event causes a decrease in the impairment requirement.

For AFS financial assets, the recoverable amount at the reporting date equals the fair value. For non-monetary AFS financial assets, such as shares and investment fund units, any additional impairment loss after the initial impairment is immediately recognised in the income statement. The impairment is not reversed, even if the circumstances causing the impairment cease to apply. Valuation gains are recognised in equity until disposal. For monetary AFS financial assets, such as interest-bearing securities, the impairment is reversed through profit or loss if the circumstances causing the impairment cease to apply.

Financial assets are derecognised no later than when the bankruptcy proceedings end or, in the case of ongoing bankruptcy proceedings, when the outstanding debt plus interest is received. If a settlement is agreed, derecognition takes place at the end of the agreed period after receipt of the payment.

2.12 Financial derivatives

Derivative financial instruments are classified as "Financial assets held for trading" and are shown in the item "Financial assets at fair value through profit or loss" or are carried as "Derivatives for hedge accounting". The hedging strategies used by Helvetia Group for risk management purposes are described in section 16 (from page 162).

Derivatives may also be embedded in financial instruments, insurance contracts or other contracts. They are measured either together with their host contract or separately at fair value. The underlying security and derivative are measured and recognised separately if the risk characteristics of the embedded derivative are not closely related to those of the host contract. Changes in the fair value of derivatives are recognised in the income statement.

2.13 Net investment hedge

For hedges of currency gains and losses on investments in subsidiaries with a foreign reporting currency, the hedge-effective portion of the gain or loss on the valuation of the hedging instrument is recognised in equity, while the ineffective portion is recognised directly in the income statement.

When a net investment hedge ends, the hedge instrument continues to be recognised in the balance sheet at fair value. All gains and losses reported in equity remain a component of equity until the company is (partially) sold. Upon the (partial) sale of the company, the unrealised gains and losses recognised in equity are transferred to the income statement.

2.14 Financial liabilities

Financial liabilities are initially recognised at fair value. Directly attributable transaction costs are offset, except in the case of financial liabilities at fair value through profit or loss. After initial recognition, financial liabilities are carried at fair value or amortised cost (AC). The financial liability is derecognised when the obligation has been discharged.

Those financial liabilities that are held for trading or are irrevocably classified upon initial recognition as "designated as at fair value through profit or loss" are recognised at fair value. The

latter classification is given to deposits if they are associated with investment funds or products for which the policyholder benefit is almost identical with the investment return. For these deposits for investment contracts without a discretionary participation feature (see section 2.15, page 96) only the withdrawals and allocations that are part of the operating result are recorded in the income statement. The risk and cost portions of premiums are recognised in the income statement and recorded in the item "Other income". The policyholder's deposit is directly credited or debited with the investment portion of the premium.

Written put options on shares in subsidiaries are reported under IFRS as financial liabilities in the amount of the present value of the overall purchase price. These options are recognised in equity against retained earnings with no impact on profit or loss. Helvetia also offsets value changes against retained earnings with no impact on profit or loss.

Those financial liabilities not held for trading and also not designated as at fair value through profit or loss are recognised at amortised cost. Interest expenses for financial liabilities that are used for financing purposes are recognised in the income statement as "Financing costs". Depreciation and appreciation resulting from the amortised cost method are offset against interest expenses in the income statement.

2.15 Insurance business

Direct business comprises assumed primary business and business ceded to reinsurers. Indirect business consists of active reinsurance business and business retroceded to reinsurers. The technical items are described as "gross" before deduction of ceded business and as "net" after the deduction.

Insurance contracts as defined by IFRS comprise all products containing a significant technical risk. The significance is assessed at product level.

Contracts that are considered insurance products in the formal sense of the law and mainly carry financial risk rather than any significant technical risk are not insurance contracts but are treated as financial instruments, unless they carry a discretionary participation feature (DPF), in which case they are classified as insurance contracts. Under IFRS, discretionary participation features are contractual benefits where, in addition to the guaranteed benefit, the policyholder has a claim to the realised or unrealised investment returns on certain assets or to a share of the insurance company's profit or loss. This additional benefit must form a significant proportion of the overall contractual benefit, and its amount or timing must be at the insurance company's discretion.

2.15.1 Non-life business

The technical items in non-life business are established Group-wide on the same principles. All non-life insurance products of Helvetia Group contain significant technical risks and are recognised as insurance contracts.

Loss reserves are set aside for all claims incurred by the end of the accounting period. The reserves also include provisions for claims incurred but not yet reported. Actuarial methods that take account of uncertainties are applied to determine the amount of reserves. Reserves are not discounted, except for those provisions for claims for which there are payment arrangements.

Reserve estimates and the assumptions on which they are based are reviewed continuously. Valuation changes are entered as profit or loss on the income statement at the time of the change.

A Liability Adequacy Test (LAT) is carried out on every reporting date to determine whether, taking into consideration expected future cash flows, the existing liabilities of each sector (property, motor vehicle, liability, transport and accident/health insurance) at all Group companies are adequately covered up to the reporting date in order to ensure a loss-free valuation. Expected future premium income is compared to expected claims expenses, expected administration and acquisition costs and expected policyholder dividends. If the expected costs exceed the expected premium income, the loss reserves are increased – without prior amortisation of the deferred acquisition costs.

Helvetia Group defers acquisition costs. These are calculated from the commission that was paid and are depreciated over the term of the contracts or, if shorter, the premium payment period.

Premiums are booked at the beginning of the contract period. Earned premiums are calculated pro rata temporis per individual contract and recorded as income for the relevant risk periods. Premium proportions relating to future business periods are accounted for as unearned premium reserves. The cost of claims is assigned to the relevant period.

2.15.2 Life business

Helvetia Group classifies all life products containing significant technical risk as insurance contracts.
The technical items in life business are determined in accordance with the local valuation and accounting principles for the respective companies. The assumptions made in setting the reserves are based on best estimate principles that, firstly, take account of the business-specific situation, such as existing investments and the market situation, as well as, for example, possible yields from reinvestments, and secondly, local actuarial bases of calculation (e.g. interest rates, mortality). The assumptions vary according to country, product and year of acceptance, and take account of country-specific experiences.

Unearned premium reserves and actuarial reserves are calculated using local methods. Zillmerisation is not applied to actuarial reserves in any country market apart from Germany and Austria.

All Group companies defer acquisition costs under local accounting rules. Depending on the country, either the effectively incurred acquisition costs or acquisition cost surcharges included in the premium are deferred in part.

A Liability Adequacy Test (LAT) is applied at each reporting date to examine whether existing reserves are sufficient to cover expected future needs. The reserve increases that are shown by the LAT to be necessary are calculated Group-wide according to standard principles. The LAT is based on actuarial principles using best estimate assumptions. The estimate of expected needs is calculated by using the difference between the present value of the benefits (including expected administration costs and expected policyholder dividends) and the present value of expected gross premiums. If expected needs exceed existing reserves (less deferred acquisition costs not included in the actuarial reserve), the actuarial reserve is increased to the required level through profit or loss – without prior amortisation of the deferred acquisition costs. If existing reserves exceed expected needs, the strengthened reserves are reduced again through profit or loss.

Policyholders with contracts containing discretionary participation features may have the right to participate in local investment returns on capital or local company results under local statutory or contractual regulations. Provisions set up for that purpose in accordance with local accounting principles are not changed under IFRS rules and are included under "Provisions for future policyholder participation" or under "Actuarial reserve" in the balance sheet.

Portions of the valuation differences in relation to local accounting principles allocated to contracts containing discretionary participation features which affect either the net income or unrealised gains in equity are also reserved under "Provisions for future policyholder participation". The portion is equal to the percentage rate which sets the minimum participation level of policyholders in the respective revenues under local statutory or contractual regulations. This participation in income is credited or debited to the item "Provision for future policyholder participation" through profit or loss. Similarly, the portion of unrealised gains or losses is recognised in the provisions without affecting profit or loss.

The remaining gains – either through profit or loss or with no impact on the results – that relate to contracts with a discretionary participation feature (i.e. every share for which no legal or contractual obligations exist) are recorded under "Valuation reserves for contracts with participation features" within equity.
Bonuses already assigned which accrued interest are allocated to the deposits of policyholders and are contained in the balance sheet item "Financial liabilities from insurance business".

If insurance contracts contain both an insurance and a deposit component, unbundling is carried out if the rights and obligations resulting from the deposit component cannot be fully reflected without a separate valuation of the deposit component.

Financial derivatives embedded in insurance contracts that are not closely related to the host contract are recognised at fair value. Option pricing techniques are used to assess embedded derivatives. Such embedded derivatives are accounted for under "Other financial liabilities", separate from the actuarial reserve.

Premiums, insurance benefits and costs arising from life insurance contracts are booked as they fall due. These income and expenses are accrued or deferred so that profit from the contracts is recognised in the appropriate period.

2.15.3 Reinsurance

Reinsurance contracts are contracts between insurance companies. As in primary insurance business, there must be sufficient risk transfer for a transaction to be booked as a reinsurance contract, otherwise the contract is considered a financial instrument.

The direct business transferred to reinsurance companies is called ceded reinsurance and includes cessions from the direct life and non-life businesses. Premiums, unearned premium reserves and premium adjustments for ceded business are recognised and shown separately from primary business in the financial statements. The accounting rules used for primary insurance business apply to ceded business.

Assets from ceded reinsurance business are regularly reviewed for potential impairment and irrecoverability. If there is objective and substantial evidence of permanent impairment at the balance sheet date, the difference between the carrying value and estimated recoverable amount is recognised in the income statement as an impairment loss.

Indirect business accepted from another insurance company is called active reinsurance. As in primary insurance business, technical provisions are included in the respective technical items on the liabilities side, and are similarly estimated as realistically as possible using mathematical-statistical models and the most up-to-date information available. They also reflect uncertainties. Non-traditional insurance contracts are treated as financial instruments and are reported under "Reinsurance assets" or "Financial liabilities from insurance business" if no significant insurance risks have been transferred. Net commission is reported directly in the income statement.

Indirect business ceded to insurance companies outside the Group is reported as a retrocession. The principles of ceded business apply in this instance.

2.16 Revenue from contracts with customers

This revenue is generally measured on the basis of the contractual agreements concluded with customers. Amounts received on behalf of third parties (as agent) are not recognised as income.

For services rendered at a point in time revenue is recognised as soon as Helvetia has a right to payment. Revenue from performance over time is either recognised on a pro rata temporis basis or based on the progress of the service performed depending on the type of service.

Revenue is reported as "income from fee and commission business" in the income statement.

The Helvetia Group mainly generates revenue through the following services:

Asset management

Especially single and periodic fees from pure investment contracts and the management of investment funds fall into this category of services. They are services rendered over time. The resulting fees are appropriated pro-rata temporis.

Distribution services

Distribution services include in particular the distribution of mortgage products and the accompanying advice, distribution of fund units and distribution of insurance products from third-party providers. Income comprises case-based commission payments and advisory fees.

Health and elderly care

Helvetia Group operates several retirement homes in Spain. The income results from the ongoing settlement of residential and nursing costs and the case-based invoicing of services used (e.g. hairdresser).

Helvetia Group also operates hospitals and clinics in Spain. The income results from specific case-based services (e.g. diagnosis, emergency care, dental treatment), and from the ongoing settlement of medical services provided over time (e.g. hospitalisation).

Assistance, maintenance and other services

Helvetia Group provides various assistanceservices in the medical, technical and legal field. In addition, repair and maintenance services for real estate are offered, mainly in Spain. Income results from case-based invoicing as well as from the pro-rata appropriation of income from services provided over time.

2.17 Income taxes

Actual income tax assets and liabilities are calculated using the currently applicable tax rates. Income tax assets and liabilities are only recognised if a reimbursement or payment is expected.

Reserves for deferred income tax assets and liabilities are calculated using the tax rate changes enacted or announced as of the balance sheet date. Deferred income taxes are recognised for all temporary differences between the IFRS carrying values of assets and liabilities and the tax bases of these assets and liabilities, using the liability method. Deferred tax assets from losses carried forward are recorded only to the extent that it is probable that future taxable profit can be offset against the relevant losses. Deferred tax assets and liabilities are offset when an enforceable legal right was granted by the tax authorities in question to set off actual tax assets against actual tax liabilities.

2.18 Receivables

Receivables from the insurance business and other receivables are carried at amortised cost. In general, this corresponds to the nominal value of the receivables. Permanent impairment is recognised through profit or loss. The impairment loss is reported under "Other expenses" in the income statement.

Impairment for receivables from insurance business is booked as individual impairment or collective impairment. If the counterparty does not meet its payment obligations during the normal reminder procedure, the claims are impaired on the basis of the historic delinquency ratio for specific risk groups. Individual impairment is also carried out to take account of current default risks, in the event the counterparty is overindebted or threatened by bankruptcy, or in the event of foreclosure.

2.19 Accrued financial assets

Interest income on interest-bearing financial investments and loans that must be allocated to the reporting year are accrued or deferred under financial assets.

2.20 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term liquid investments with a maturity of not more than three months from the date of acquisition.

2.21 Treasury shares

Treasury shares are recorded at cost, including transaction costs, and reported as a deduction from equity. In case of a sale, the difference between cost and sale price is recorded as a change in capital reserves, with no impact on profit or loss. Treasury shares are exclusively shares of Helvetia Holding AG, St. Gallen.

2.22 Non-technical provisions and contingent liabilities

Non-technical provisions contain current obligations that will probably require an outflow of assets, but the extent of such obligations and the time they will be called have not yet been determined exactly. Provisions are created if, on the balance sheet date and on the basis of a past event, a current obligation exists, an outflow of assets is likely and the extent of the outflow can be reliably estimated.

Any current obligations for which an outflow of assets is unlikely or the extent of which cannot be reliably estimated are reported under contingent liabilities.

2.23 Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

Short-term employee benefits are due in full within twelve months after the end of the reporting period. They include salaries, social security contributions, holiday and sickness pay, bonuses and non-monetary benefits for active employees. Expected expenses for entitlements that can be accumulated, such as accrued holiday and overtime entitlements, are recognised as short-term liabilities at the balance sheet date.

Post-employment benefits pertain to defined contribution plans and defined benefit plans. The amount of the employers' contributions for defined contribution plans depends on the employee services

rendered during the reporting period and is charged directly to the income statement. Defined benefit plans, pension obligations and related past service cost are calculated at each balance sheet date by a qualified actuary, using the projected unit credit method. The actuarial assumptions applied to the calculations consider the regulations of the respective countries and Group companies. Changes in the assumptions, experience adjustments and differences between the expected and actual return from the plan assets are actuarial gains and losses. These are recognised as revaluations in comprehensive income with no effect on the income statement. Net interest income from plan assets to be recognised in the income statement is calculated using the same interest rate applied to the calculation of interest on defined benefit obligations.

For funded benefit plans, a surplus in the plan which is recognised in comprehensive income with no effect on the income statement may arise if the fair value of the plan assets exceeds the present value of the defined benefit obligations. Portions of this surplus are only recognised and recorded as an asset if an economic benefit in the form of future reductions in contributions or refunds to the employer arises ("asset ceiling"). There is a contribution reduction as defined by IFRS if the employer must pay lower contributions than service cost.

Other long-term employee benefits are benefits that fall due twelve months or more after the balance sheet date. At Helvetia Group, these consist mainly of long-service awards and are calculated using actuarial principles. The amount recognised in the balance sheet is equal to the present value of the defined benefit obligation less any plan assets.

Termination benefits consist, for example, of severance pay and benefits from social schemes for redundancies. Such benefits are immediately recognised as expenses in the income statement at the time the employment relationship is terminated.

2.24 Share-based payments

Share-based payment transactions include all compensation agreements under which employees receive shares, options or similar equity instruments or the granting Group company assumes obligations that depend on the price of its shares. All share-based payment transactions with employees are recognised at fair value.

A long-term compensation component (LTC) for the Board of Directors and the Executive Management was introduced as part of the variable salary. This consists of Helvetia Holding AG shares allocated prospectively over three years. The objective is to promote a longer-term business perspective. This payment is recognised proportionally in the income statement every year until ownership to the shares is transferred.

Equity instruments granted to employees through employee share purchase plans represent compensation for services already rendered for which compensation expenses arise in the granting company. The amount of the compensation expenses is based on the fair value of the equity instruments at the grant date and is expensed over the vesting period.

2.25 Other liabilities

Other liabilities are carried at amortised cost, which is generally equal to the nominal value.

2.26 Offsetting of assets and liabilities

Assets and liabilities are displayed as net positions to the extent that the conditions for an offset have been met.

3. Segment information

The operating segments of the Helvetia Group are "Switzerland", "Europe", "Specialty Markets" and "Corporate".

The segment "Switzerland" comprises the Swiss country market and the financial intermediaries MoneyPark and Finovo. The "Europe" segment comprises the country markets of Germany, Italy, Spain and Austria. The "Specialty Markets" segment includes transport, art and engineering insurance policies in the Switzerland / International and France market units, as well as the global active reinsurance business. The segment "Corporate" includes all Group activities, the Group's own fund companies, Group reinsurance and Helvetia Holding AG.

For additional information, the Helvetia Group classifies its activities as life business, non-life business and other activities.

In the life business, the Helvetia Group offers various product lines, such as life insurance, pension plans and annuity insurance.

The non-life business provides property, motor vehicle, liability, transport, health and accident insurance. The non-life business also includes active reinsurance.

Units without any technical business which can be directly classed in the "life" or "non-life" business are presented in the respective segment. All other units are classed as "Other activities".

The accounting principles used for segment reporting correspond to the significant accounting policies for the financial statements. The Helvetia Group treats services and the transfer of assets and liabilities between segments like transactions with third parties. Investments in other companies and dividend income from associated companies between segments are eliminated in the respective segment. All other cross-segment relationships and revenues within the Group are eliminated entirely.

The allocation of the individual Group companies to the regions and segments is set out in section 18.3 (from page 192).

3.1 Segment information

in CHF million	Switzerland 2021	Switzerland 2020	Europe 2021	Europe 2020
Income				
Gross premiums written	4578.7	4472.4	4519.6	3435.6
Reinsurance premiums ceded	–159.0	–133.6	–426.4	–326.8
Net premiums written	4419.7	4338.8	4093.1	3108.8
Net change in unearned premium reserve	–138.0	–44.1	–52.4	69.9
Net earned premiums	4281.7	4294.7	4040.7	3178.7
Current income on Group investments (net)	689.8	683.4	198.4	205.3
Gains and losses on Group investments (net)	745.6	–69.3	133.0	44.8
Income investments with market risk for the policyholder	28.7	38.0	397.9	148.8
Share of profit or loss of associates	7.9	1.3	0.9	0.5
Income from fee and commission business	97.7	98.8	255.6	126.1
Other income	13.3	20.4	26.9	54.6
Total operating income	5864.7	5067.3	5053.5	3758.8
of which transactions between geographical segments	74.6	82.1	228.4	200.7
Total revenues from external customers	5939.3	5149.4	5281.9	3959.5
Expenses				
Claims incurred including claims handling costs (non-life)	–1077.4	–914.8	–2148.3	–1552.4
Claims and benefits paid (life)	–3253.7	–4950.2	–1238.3	–989.6
Change in actuarial reserves	97.0	2053.8	–394.3	–154.9
Reinsurers' share of benefits and claims	149.2	98.8	446.5	250.2
Policyholder dividends and bonuses	–293.5	–189.4	30.8	–10.4
Income attributable to deposits for investment contracts	5.7	–5.9	–78.1	–43.7
Net benefits to policyholders and claims	–4372.8	–3907.7	–3381.7	–2500.8
Acquisition costs	–426.6	–371.5	–930.0	–708.9
Reinsurers' share of acquisition costs	30.0	25.9	102.7	94.3
Operating and administrative expenses	–508.2	–475.3	–476.0	–331.4
Interest payable	–9.6	–8.6	–10.5	–6.9
Other expenses	–75.2	–101.2	–69.1	–66.7
Total operating expenses	–5362.4	–4838.4	–4764.6	–3520.4
Profit or loss from operating activities	502.3	228.9	289.0	238.4
Financing costs	–12.3	–12.4	–7.6	–12.1
Profit or loss before tax	490.0	216.5	281.3	226.3
Income taxes	–71.4	–4.1	–85.0	–51.7
Profit or loss for the period	**418.6**	**212.4**	**196.4**	**174.6**

Specialty Markets		Corporate		Elimination		Total	
2021	2020	2021	2020	2021	2020	2021	2020
1715.6	1519.0	558.2	491.8	–564.4	–491.8	10807.6	9427.0
–316.5	–246.4	–303.1	–270.9	565.8	492.4	–639.2	–485.3
1399.0	1272.6	255.1	220.9	1.5	0.6	10168.4	8941.7
–86.1	–78.2	–3.4	–2.5	–1.5	–0.6	–281.3	–55.5
1312.9	1194.4	251.7	218.4	–	–	9887.0	8886.2
31.6	25.8	–12.0	–6.2	–25.4	–19.8	882.5	888.5
33.7	–78.5	36.5	55.1	–	–	948.8	–47.9
–	–	–0.1	–0.4	–	–	426.5	186.4
–0.1	0.0	–1.7	–1.6	–	–	7.1	0.2
–	–	4.0	3.1	–2.8	–2.1	354.4	225.9
38.8	87.1	7.2	9.9	–0.2	–0.3	86.0	171.7
1417.0	1228.8	285.6	278.3	–28.5	–22.2	12592.4	10311.0
224.8	179.4	–552.2	–486.3	24.3	24.1	–	–
1641.8	1408.2	–266.6	–208.0	–4.1	1.9	12592.4	10311.0
–1052.3	–905.3	–553.2	–408.1	598.7	407.5	–4232.4	–3373.1
–	–	–8.4	–12.0	8.3	12.0	–4492.0	–5939.8
–	–	1.6	3.1	–1.0	–3.3	–296.7	1898.7
177.7	117.0	385.2	233.5	–607.2	–420.3	551.4	279.2
–6.5	–7.0	–	–	–	–	–269.2	–206.8
–	–	–	–	–	–	–72.4	–49.6
–881.1	–795.3	–174.7	–183.5	–1.2	–4.1	–8811.4	–7391.4
–374.5	–350.3	–147.7	–142.7	148.1	140.9	–1730.7	–1432.5
68.7	58.5	64.7	60.9	–147.9	–136.5	118.3	103.1
–80.0	–73.9	–100.2	–101.7	3.7	1.8	–1160.7	–980.5
0.4	0.0	–3.6	–2.5	9.4	3.7	–13.8	–14.3
–73.8	–28.8	33.7	–16.2	0.0	0.0	–184.4	–212.9
–1340.3	–1189.8	–327.8	–385.7	12.1	5.8	–11782.9	–9928.5
76.7	39.0	–42.2	–107.4	–16.3	–16.4	809.5	382.5
–0.2	–0.2	–129.8	–54.3	16.3	16.4	–133.6	–62.6
76.6	38.8	–172.0	–161.7	0.0	0.0	675.9	319.9
–14.7	3.7	14.9	13.9	0.0	0.0	–156.1	–38.2
61.9	**42.5**	**–157.1**	**–147.8**	**0.0**	**0.0**	**519.8**	**281.7**

Details on the Europe segment

	Germany		Italy	
	2021	2020	2021	2020
in CHF million				
Income				
Gross premiums written	1038.0	985.2	875.0	775.0
Reinsurance premiums ceded	–84.7	–72.5	–98.5	–96.7
Net premiums written	953.3	912.7	776.5	678.3
Net change in unearned premium reserve	1.7	2.5	–27.9	–8.3
Net earned premiums	954.9	915.2	748.6	670.0
Current income on Group investments (net)	48.9	50.8	72.5	76.7
Gains and losses on Group investments (net)	51.8	20.7	35.7	19.4
Income investments with market risk for the policyholder	181.2	65.2	73.4	36.6
Share of profit or loss of associates	–	–	–	–
Income from fee and commission business	12.5	9.0	22.8	18.0
Other income	5.6	31.6	4.3	7.9
Total operating income	1254.8	1092.5	957.4	828.6
of which transactions between geographical segments	2.7	2.1	–	–
Total revenues from external customers	1257.5	1094.6	957.4	828.6
Expenses				
Claims incurred including claims handling costs (non-life)	–603.1	–493.9	–308.4	–311.9
Claims and benefits paid (life)	–171.0	–189.3	–228.2	–218.1
Change in actuarial reserves	–369.1	–199.8	–111.5	–54.9
Reinsurers' share of benefits and claims	201.8	107.8	52.9	73.2
Policyholder dividends and bonuses	–23.3	–37.8	–1.3	–1.1
Income attributable to deposits for investment contracts	–	–	–73.4	–36.6
Net benefits to policyholders and claims	–964.8	–813.0	–669.9	–549.4
Acquisition costs	–203.6	–194.8	–143.2	–135.7
Reinsurers' share of acquisition costs	21.8	21.7	18.7	17.0
Operating and administrative expenses	–61.2	–64.6	–72.1	–72.8
Interest payable	–3.2	–3.6	–0.5	–0.6
Other expenses	–2.7	–6.2	–32.7	–26.7
Total operating expenses	–1213.7	–1060.5	–899.8	–768.2
Profit or loss from operating activities	41.1	32.0	57.7	60.4
Financing costs	–0.2	–0.6	–4.1	–3.8
Profit or loss before tax	40.9	31.4	53.6	56.6
Income taxes	–17.0	–7.2	–16.9	–17.4
Profit or loss for the period	**24.0**	**24.2**	**36.7**	**39.2**

Spain		Austria		Elimination		Total Europe	
2021	2020	2021	2020	2021	2020	2021	2020
2 012.5	1 139.9	596.8	537.6	–2.7	–2.1	4 519.6	3 435.6
–137.8	–59.7	–108.1	–100.0	2.7	2.1	–426.4	–326.8
1 874.7	1 080.2	488.6	437.6	0.0	0.0	4 093.1	3 108.8
–23.6	77.2	–2.5	–1.5	0.0	0.0	–52.4	69.9
1 851.1	1 157.4	486.1	436.1	–	–	4 040.7	3 178.7
47.7	48.3	29.3	29.5	–	–	198.4	205.3
22.4	–2.6	23.1	7.3	–	–	133.0	44.8
19.7	3.9	123.6	43.1	–	–	397.9	148.8
0.9	0.5	0.0	0.0	–	–	0.9	0.5
212.4	94.1	7.8	5.0	–	–	255.6	126.1
16.9	15.0	0.1	0.1	–	–	26.9	54.6
2 171.2	1 316.6	670.0	521.1	–	–	5 053.5	3 758.8
–	–	–2.7	–2.1	228.4	200.7	228.4	200.7
2 171.2	1 316.6	667.4	519.0	228.4	200.7	5 281.9	3 959.5
–961.5	–533.8	–277.0	–213.8	1.6	1.0	–2 148.3	–1 552.4
–706.5	–443.0	–132.6	–139.2	–	–	–1 238.3	–989.6
265.9	167.5	–179.6	–67.7	–	–	–394.3	–154.9
88.2	18.3	105.2	51.9	–1.6	–1.0	446.5	250.2
65.4	29.4	–10.0	–0.9	–	–	30.8	–10.4
–4.7	–7.1	–	–	–	–	–78.1	–43.7
–1 253.1	–768.7	–494.0	–369.7	–	–	–3 381.7	–2 500.8
–451.3	–259.4	–131.9	–119.1	0.1	0.1	–930.0	–708.9
22.8	14.9	39.5	40.8	–0.1	–0.1	102.7	94.3
–312.3	–162.8	–30.4	–31.2	0.0	0.0	–476.0	–331.4
–5.8	–2.0	–1.1	–0.7	–	–	–10.5	–6.9
–30.4	–29.4	–3.3	–4.4	–	–	–69.1	–66.7
–2 030.0	–1 207.4	–621.1	–484.3	0.0	0.0	–4 764.6	–3 520.4
141.2	109.2	49.0	36.8	0.0	0.0	289.0	238.4
–3.3	–7.6	0.0	0.0	–	–	–7.6	–12.0
138.0	101.6	48.9	36.8	0.0	0.0	281.3	226.4
–35.7	–18.3	–15.5	–8.9	0.0	0.0	–85.0	–51.8
102.3	**83.3**	**33.4**	**27.9**	**0.0**	**0.0**	**196.4**	**174.6**

3.2 Information by business activities

	Life		Non-life	
	2021	2020	2021	2020
in CHF million				
Income				
Gross premiums written	4151.3	3996.7	6665.2	5432.6
Reinsurance premiums ceded	–56.0	–57.2	–848.8	–651.9
Net premiums written	4095.4	3939.5	5816.5	4780.7
Net change in unearned premium reserve	10.8	25.8	–287.3	–78.2
Net earned premiums	4106.2	3965.3	5529.2	4702.5
Current income on Group investments (net)	779.3	784.4	145.9	134.0
Gains and losses on Group investments (net)	758.1	18.1	153.6	–121.8
Income investments with market risk for the policyholder	426.7	186.8	–	–
Share of profit or loss of associates	0.0	0.0	8.7	1.9
Income from fee and commission business	56.9	40.6	65.2	52.0
Other income	13.4	41.0	67.8	121.0
Total operating income	6140.5	5036.2	5970.4	4889.6
Expenses				
Claims incurred including claims handling costs (non-life)	–	–	–4279.6	–3373.5
Claims and benefits paid (life)	–4492.0	–5939.8	–	–
Change in actuarial reserves	–297.4	1898.9	–	–
Reinsurers' share of benefits and claims	29.6	21.7	745.4	445.4
Policyholder dividends and bonuses	–293.0	–192.5	23.7	–14.3
Income attributable to deposits for investment contracts	–72.4	–49.6	–	–
Net benefits to policyholders and claims	–5125.1	–4261.3	–3510.5	–2942.4
Acquisition costs	–274.1	–226.8	–1457.1	–1203.9
Reinsurers' share of acquisition costs	22.3	19.8	179.3	159.0
Operating and administrative expenses	–261.8	–259.9	–567.2	–497.9
Interest payable	–12.1	–14.4	–9.6	–4.0
Other expenses	–92.2	–76.5	–115.7	–112.3
Total operating expenses	–5743.1	–4819.1	–5480.8	–4601.5
Profit or loss from operating activities	397.4	217.1	489.6	288.1
Financing costs	–14.6	–16.3	–5.2	–8.2
Profit or loss before tax	382.8	200.8	484.3	279.9
Income taxes	–78.7	–33.7	–95.0	–21.4
Profit or loss for the period	**304.1**	**167.1**	**389.3**	**258.5**

Other activities		Elimination		Total	
2021	2020	2021	2020	2021	2020
558.2	491.8	–567.1	–494.1	10 807.6	9 427.0
–303.1	–270.9	568.6	494.7	–639.2	–485.3
255.1	220.9	1.5	0.6	10 168.4	8 941.7
–3.4	–2.5	–1.5	–0.6	–281.3	–55.5
251.7	218.4	–	–	9 887.0	8 886.2
–10.6	–5.2	–32.1	–24.7	882.5	888.5
37.1	55.8	–	–	948.8	–47.9
–0.1	–0.4	–	–	426.5	186.4
–1.6	–1.7	–	–	7.1	0.2
274.0	165.1	–41.7	–31.8	354.4	225.9
7.7	12.7	–2.9	–3.0	86.0	171.7
558.2	444.7	–76.7	–59.5	12 592.4	10 311.0
–553.2	–408.1	600.3	408.5	–4 232.4	–3 373.1
–8.4	–12.0	8.3	12.0	–4 492.0	–5 939.8
1.6	3.1	–1.0	–3.3	–296.7	1 898.7
385.2	233.5	–608.8	–421.4	551.4	279.2
–	–	–	–	–269.2	–206.8
–	–	–	–	–72.4	–49.6
–174.7	–183.5	–1.2	–4.2	–8 811.4	–7 391.4
–147.7	–142.7	148.2	140.9	–1 730.7	–1 432.5
64.7	60.9	–148.0	–136.6	118.3	103.1
–374.3	–254.2	42.6	31.5	–1 160.7	–980.5
–8.2	–4.6	16.1	8.7	–13.8	–14.3
20.8	–26.9	2.7	2.8	–184.4	–212.9
–619.3	–551.0	60.4	43.1	–11 782.9	–9 928.5
–61.1	–106.3	–16.3	–16.4	809.5	382.5
–130.1	–54.5	16.3	16.4	–133.6	–62.6
–191.2	–160.8	0.0	0.0	675.9	319.9
17.6	16.9	0.0	0.0	–156.1	–38.2
–173.6	**–143.9**	**0.0**	**0.0**	**519.8**	**281.7**

3.3 Additional information

by segment:

	Switzerland		Europe	
as of 31.12.	2021	2020	2021	2020
in CHF million				
Assets by geographical segment	45 782.2	45 372.4	23 754.1	24 354.2
of which investments	37 799.1	38 327.4	19 643.2	20 186.9
– investments in associates	28.2	25.1	35.2	3.2
– investment property	6 851.1	6 656.9	796.9	786.2
– investment property held for sale	343.2	–	–	–
– Group financial assets	28 993.9	30 185.0	14 807.5	15 964.1
– financial assets with market risk for the policyholder	1 582.8	1 460.4	4 003.6	3 433.4
Liabilities by geographical segment	40 038.3	39 796.7	20 644.6	21 126.6
of which technical provisions (gross)	32 376.4	32 373.3	17 080.9	17 534.5
– life	30 021.4	30 216.1	13 711.4	14 247.9
– non-life	2 355.0	2 157.2	3 369.5	3 286.6
Cash flow from operating activities (net)	722.8	394.8	209.8	–15.1
Cash flow from investing activities (net)	92.5	–67.6	–84.4	333.7
Cash flow from financing activities (net)	–92.7	22.0	–99.9	–8.4
Acquisition of owner-occupied property, equipment and intangible assets	68.9	68.3	90.7	1 181.2
Depreciation and amortisation on tangible and intangible assets	–62.5	–38.1	–116.3	–71.7
Impairment of tangible and intangible assets affecting income	–2.7	–40.1	–0.3	–13.3
Reversal of impairment losses on tangible and intangible assets affecting income	–	–	0.0	–
Share-based payment transaction costs	–1.7	1.0	–	–

by business activity:

	Life		Non-life	
as of 31.12.	2021	2020	2021	2020
in CHF million				
Assets by business activity	52 628.2	53 241.7	20 588.2	19 345.4
Liabilities by business activity	48 163.6	48 724.4	15 701.7	14 768.5
Acquisition of owner-occupied property, equipment and intangible assets	48.1	280.8	92.4	590.7
Depreciation and amortisation on tangible and intangible assets	–28.3	–22.7	–114.4	–74.2
Impairment of tangible and intangible assets affecting income	–0.1	–12.4	–3.4	–41.1
Reversal of impairment losses on tangible and intangible assets affecting income	–	–	0.0	–
Share-based payment transaction costs	–0.6	0.5	–1.0	0.4

Specialty Markets		Corporate		Elimination		Total	
2021	2020	2021	2020	2021	2020	2021	2020
4 267.1	3 480.1	–2 412.9	–2 163.4	–1 646.9	–1 321.5	69 743.6	69 721.8
2 025.5	1 584.4	1 147.6	999.6	–606.3	–527.4	60 009.1	60 570.9
0.8	0.9	–	1.7	–	–	64.1	30.9
25.0	34.7	–	–	–	–	7 673.0	7 477.8
–	–	–	–	–	–	343.2	–
1 999.6	1 548.8	1 173.7	1 026.4	–606.3	–527.4	46 368.5	48 196.9
–	–	–26.1	–28.5	–	–	5 560.3	4 865.3
3 348.3	2 751.5	169.9	193.3	–1 646.9	–1 321.5	62 554.1	62 546.6
2 812.4	2 297.3	661.5	483.3	–683.0	–477.8	52 248.2	52 210.6
–	–	17.8	20.3	–16.6	–18.8	43 734.0	44 465.5
2 812.4	2 297.3	643.7	463.0	–666.4	–459.0	8 514.2	7 745.1
–122.4	326.3	–131.2	–275.9	–0.2	–1.3	678.7	428.8
–23.9	–10.5	–139.5	–787.5	0.0	5.3	–155.3	–526.6
206.5	–25.3	–485.8	655.1	0.2	–3.9	–471.7	639.5
8.3	3.9	0.3	16.9	–	–	168.3	1 270.3
–4.6	–4.1	–2.4	–2.9	–	–	–185.9	–116.8
–0.5	–0.4	–9.5	–	–	–	–13.0	–53.8
–	–	–	–	–	–	0.0	–
–	–	–2.5	–1.7	–	–	–4.1	–0.7

Other activities		Elimination		Total	
2021	2020	2021	2020	2021	2020
–1 660.4	–1 406.2	–1 812.4	–1 459.1	69 743.6	69 721.8
501.1	512.8	–1 812.4	–1 459.1	62 554.1	62 546.6
27.7	398.8	–	–	168.3	1 270.3
–43.3	–19.9	–	–	–185.9	–116.8
–9.5	–0.3	–	–	–13.0	–53.8
–	–	–	–	0.0	–
–2.5	–1.6	–	–	–4.1	–0.7

3.4 Gross premiums by segment and business area

		Gross premiums before elimination		Elimination		Gross premiums		Change in %	Change in % (FX-adjusted)
		2021	2020	2021	2020	2021	2020		
in CHF million									
Switzerland	non-life	1774.2	1529.0	–6.1	–	1768.1	1529.0	15.6	15.5
Switzerland	life	2804.4	2943.4	–	–	2804.4	2943.4	–4.7	–4.7
Total Switzerland		4578.7	4472.4	–6.1	–	4572.6	4472.4	2.2	2.2
Europe	non-life	3172.7	2382.3	0.0	0.0	3172.6	2382.3	33.2	32.1
Europe	life	1346.9	1053.3	–	–	1346.9	1053.3	27.9	26.8
Total Europe		4519.6	3435.6	0.0	0.0	4519.5	3435.6	31.6	30.5
Specialty Markets	non-life	1715.7	1519.2	–0.2	–0.2	1715.5	1519.0	12.9	12.6
Corporate		558.2	491.8	–558.2	–491.8	–	–	–	–
Total gross premiums		**11372.1**	**9919.0**	**–564.5**	**–492.0**	**10807.6**	**9427.0**	**14.6**	**14.2**

3.5 Gross premiums by business line

	Gross premiums		Change in %	Change in % (FX-adjusted)
	2021	2020		
in CHF million				
Traditional individual life insurance	1042.0	975.1	6.9	6.4
Investment-linked life insurance	821.8	699.0	17.6	17.0
Individual insurance	1863.8	1674.1	11.3	10.8
Group insurance	2287.5	2322.6	–1.5	–1.6
Gross premiums life	4151.3	3996.7	3.9	3.6
Property	2711.1	1998.5	35.7	34.9
Transport	563.1	470.8	19.6	18.8
Motor vehicle	1583.4	1443.9	9.7	9.1
Liability	436.1	376.7	15.8	15.2
Accident / health	596.1	411.3	44.9	44.1
Active reinsurance	766.5	729.1	5.1	5.1
Gross premiums non-life	6656.3	5430.3	22.6	22.0
Total gross premiums	**10807.6**	**9427.0**	**14.6**	**14.2**

3.6 Gross premiums and deposits received

	Business volume		Change in%	Change in % (FX-adjusted)
	2021	2020		
in CHF million				
Gross premiums life	4151.3	3996.7	3.9	3.6
Deposits received from investment contracts life	414.6	286.6	44.7	43.7
Gross premiums and deposits received life	4565.9	4283.3	6.6	6.3
Gross premiums non-life	6656.3	5430.3	22.6	22.0
Gross premiums and deposits received	**11222.2**	**9713.6**	**15.5**	**15.1**

In accordance with the accounting policies used, deposits from investment contracts are not recognised in the income statement.

3.7 Income from fee and commission business

	Fee income		Change in %	Change in % (FX-adjusted)
	2021	2020		
in CHF million				
Asset management	50.4	40.0	26.1	25.4
Distribution services	80.2	81.4	–1.4	–1.7
Health and elderly care	153.7	66.7	130.6	128.7
Assistance, maintenance and other services	70.1	37.8	85.0	84.1
Income from fee and commission business	**354.4**	**225.9**	**56.9**	**56.0**

4. Foreign currency translation

4.1 Exchange rates

The Swiss franc, euro, US dollar and British pound are the functional currencies in the individual business units of Helvetia Group. The following exchange rates apply to the translation of these financial statements and foreign currency transactions:

Exchange rate at reporting date	31.12.2021	31.12.2020
1 EUR	1.0362	1.0816
1 USD	0.9112	0.8840
1 GBP	1.2341	1.2083

Annual average exchange rate	2021	2020
	Jan–Dec	Jan–Dec
1 EUR	1.0792	1.0705
1 USD	0.9147	0.9340
1 GBP	1.2577	1.2053

4.2 Foreign exchange gains and losses

The foreign exchange results in the consolidated income statement in the reporting year show a loss of CHF 111.8 million (previous year: CHF 225.2 million).

The foreign exchange loss from financial investments is included in "Gains and losses on Group investments" in the income statement and amounts to CHF 135.6 million (previous year: CHF 255.1 million), excluding foreign currency translation differences from investments at fair value through profit and loss and non-monetary positions.

Other foreign currency translation gains and losses are reported under the items "Other expenses" and "Other income".

5. Property and equipment

in CHF million	Undeveloped land		Owner-occupied property		Equipment	
	2021	2020	2021	2020	2021	2020
Acquisition costs						
Balance as of 1 January	20.9	20.7	968.4	591.0	248.3	190.7
Change in scope of consolidation	–	0.2	6.2	366.0	1.6	45.8
Additions	–	–	24.4	8.1	16.8	17.2
Disposals	0.0	–	–0.7	–0.1	–6.5	–5.7
Revaluation gains on transfers to investment property	–	–	0.3	–	–	–
Transfer	–	–	–16.1	0.0	–	–
Foreign currency translation differences	0.0	0.0	–24.1	2.8	–6.4	0.1
Other changes	–	0.0	0.1	0.6	–0.5	0.3
Balance as of 31 December	**20.8**	**20.9**	**958.6**	**968.4**	**253.3**	**248.4**
Accumulated depreciation / impairment						
Balance as of 1 January	0.0	0.0	236.2	219.7	155.8	141.4
Depreciation	–	–	23.3	16.9	22.5	19.4
Impairment	–	–	2.8	0.1	0.0	–
Reversal of impairment losses	–	–	0.0	–	–	–
Disposals depreciation / impairment	–	–	–0.7	–0.1	–5.9	–5.0
Transfer	–	–	0.0	0.0	–	–
Foreign currency translation differences	–	–	–5.0	–0.4	–3.6	–0.2
Other changes	–	–	–	–	0.0	0.2
Balance as of 31 December	**0.0**	**0.0**	**256.5**	**236.2**	**168.7**	**155.8**
Book value as of 31 December	**20.8**	**20.9**	**702.0**	**732.2**	**84.6**	**92.6**

Property under construction		Right-of-use assets		Total	
2021	2020	2021	2020	2021	2020
58.9	38.1	175.3	110.7	1 471.9	951.2
–	0.1	0.1	56.1	7.9	468.2
28.3	20.3	20.6	25.1	90.1	70.7
0.0	–	–16.8	–16.8	–24.0	–22.6
–	–	–	–	0.3	–
12.6	–	–	–	–3.5	0.0
–0.2	0.0	–5.8	0.2	–36.5	3.1
–0.3	0.4	–0.1	0.0	–0.8	1.3
99.2	**58.9**	**173.3**	**175.3**	**1 505.3**	**1 471.9**
1.1	1.1	39.0	25.4	432.1	387.6
–	–	24.1	20.5	69.9	56.8
–	–	–	–	2.8	0.1
–	–	–	–	0.0	–
–	–	–10.2	–6.9	–16.8	–12.0
–0.7	–	–	–	–0.7	0.0
0.0	0.0	–1.5	0.0	–10.2	–0.6
–	–	–	0.0	0.0	0.2
0.4	**1.1**	**51.4**	**39.0**	**477.1**	**432.1**
98.9	**57.8**	**121.9**	**136.3**	**1 028.3**	**1 039.8**

6. Goodwill and other intangible assets

in CHF million	Goodwill		Other intangible assets		Total	
	2021	2020	2021	2020	2021	2020
Acquisition costs						
Balance as of 1 January	1172.4	1173.3	1399.2	711.2	2571.6	1884.5
Change in the scope of consolidation	13.1	0.3	11.4	655.2	24.5	655.5
Additions[1]	–	–	45.7	75.9	45.7	75.9
Disposals	–	–	–2.9	–48.6	–2.9	–48.6
Foreign currency translation differences	–11.1	–1.2	–43.0	5.5	–54.2	4.3
Other changes	–	–	–12.8	0.0	–12.8	0.0
Balance as of 31 December	**1174.3**	**1172.4**	**1397.6**	**1399.2**	**2571.9**	**2571.6**
Accumulated amortisation / impairment						
Balance as of 1 January	24.6	24.3	586.2	520.4	610.8	544.7
Amortisation	–	–	116.0	60.0	116.0	60.0
Impairment	–	0.3	10.2	53.4	10.2	53.7
Disposals amortisation / impairment	–	–	–2.3	–47.2	–2.3	–47.2
Foreign currency translation differences	–1.0	0.0	–15.4	–0.6	–16.4	–0.6
Other changes	–	–	–12.8	0.2	–12.8	0.2
Balance as of 31 December	**23.5**	**24.6**	**682.0**	**586.2**	**705.5**	**610.8**
Book value as of 31 December	**1150.8**	**1147.8**	**715.6**	**813.0**	**1866.4**	**1960.8**
Book value as of 1 January	1147.8	1149.0	813.0	190.8	1960.8	1339.8

[1] Additions to intangible assets almost exclusively comprise internally developed assets. Acquired intangible assets (e.g. software) are not significant.

The "Other intangible assets" of Helvetia Group contain in particular the value of distribution agreements, the cash value of future earnings from the acquisition of insurance portfolios ("Present Value of Future Profits") and purchased and internally developed software.

In 2021, goodwill was recognised in connection with acquisitions (see section 18, page 189).
- Grupo Empresarial Marazuela, S.A.: goodwill of CHF 5.9 million allocated to the new cash generating unit "Diversification Business Caser".
- SmartLife Care AG: goodwill of CHF 4.8 million allocated to the cash generating unit "Switzerland non-life".
- Faircheck Schadenservice GmbH: goodwill of CHF 2.4 million allocated to the cash generating unit "Austria".

Goodwill impairment test

Goodwill is tested annually for impairment (see section 2.10, from page 93).

The goodwill impairment test was based on the following growth and discount rates, assuming a perpetuity:

as of 31.12.2021	Goodwill	Growth rate	Applied discounting interest rate
in CHF million		in %	in %
Switzerland life	4.4	1.0%	7.52%
Switzerland non-life	773.2	1.0%	7.36%
Specialty Lines Switzerland / International	15.0	1.5%	7.34%
France non-life	63.1	1.5%	8.08%
Spain	36.7	1.0%	9.01%
Italy non-life	35.4	1.5%	10.17%
Austria	62.1	1.0%	8.41%
Germany non-life	25.9	1.0%	8.75%
Intermediation and advisory business	129.3	1.5%	8.06%
Diversification business Caser	5.5	1.5%	8.55%

as of 31.12.2020	Goodwill	Growth rate	Applied discounting interest rate
in CHF million		in %	in %
Switzerland life	4.4	1.0%	7.25%
Switzerland non-life	768.4	1.0%	7.11%
Specialty Lines Switzerland / International	15.0	1.5%	7.09%
France non-life	65.9	1.5%	7.78%
Spain	38.4	1.0%	9.33%
Italy non-life	37.0	1.5%	10.20%
Austria	62.4	1.0%	8.21%
Germany non-life	27.0	1.0%	8.47%
Intermediation and advisory business	129.3	1.5%	6.93%

The impairment test carried out in 2021 did not result in any impairment requirement.

The impairment test compares the recoverable amount to the carrying value. The recoverable amount is determined by calculating the value in use. This calculation requires management to make estimates of expected cash flows to be derived from the asset. These free cash flows are considered for a period of three to five years and are based on the budget and the strategic plans approved by management. The growth rate is set by management and is based on past experience and future expectations. The applied discount rates are pre-tax rates and take account of the risks attached to the business units in question.

7. Investments

7.1 Investment result

in CHF million	Notes	2021	2020
Current income from Group investments (net)	7.1.1	882.5	888.5
Gains and losses on Group investments (net)	7.1.3	948.8	–47.9
Investment result from Group financial assets and investment property		1831.3	840.6
Income investments with market risk for the policyholder	7.1.5	426.5	186.4
Investment result from financial assets and investment property		2257.8	1027.0
Share of profit or loss of associates		7.1	0.2
Investment income (net)		**2264.9**	**1027.2**

7.1.1 Current income from investments by class

in CHF million	Group investments 2021	Group investments 2020	Investments with market risk for the policyholder 2021	Investments with market risk for the policyholder 2020	Total 2021	Total 2020
Interest-bearing securities	456.0	471.2	3.4	3.8	459.5	475.0
Shares	66.4	66.0	0.7	0.6	67.1	66.6
Investment funds	34.5	21.7	9.8	7.7	44.3	29.4
Alternative investments	5.4	4.0	0.3	0.0	5.7	4.0
Derivative financial instruments[1]	–6.7	2.3	–	–	–6.7	2.3
Mortgages	66.3	76.4	–	–	66.3	76.4
Loans	20.0	21.4	–	–	20.0	21.4
Money market instruments	1.4	–1.4	–	–	1.4	–1.4
Other	0.1	0.1	–	–	0.1	0.1
Current income on financial assets (gross)	643.5	661.7	14.3	12.1	657.8	673.8
Investment management expenses on financial assets	–18.3	–16.8	0.0	0.0	–18.4	–16.8
Current income on financial assets (net)	625.2	644.9	14.2	12.1	639.4	657.0
Rental income	336.9	325.9	–	–	336.9	325.9
Investment management expenses on property	–79.6	–82.3	–	–	–79.6	–82.3
Current income from investment property (net)	257.3	243.6	–	–	257.3	243.6
Current income from investments (net)	**882.5**	**888.5**	**14.2**	**12.1**	**896.7**	**900.6**

[1] Derivatives comprise current income on derivative financial assets and derivative financial liabilities.

Investment management expenses on property include all maintenance and repair costs as well as the operating expenses for property that did not generate rental income during the reporting year. The latter amounted to CHF 4.4 million in the reporting year (previous year: CHF 5.3 million).

Based on notice periods, tenancies generated operating lease receivables for the Helvetia Group of CHF 61.2 million (previous year: CHF 46.6 million) due in less than one year, CHF 150.0 million (previous year: CHF 79.7 million) due between one and five years and CHF 34.6 million (previous year: CHF 22.4 million) due in more than five years.

Interest income from investments at fair value through profit or loss stood at CHF 2.4 million (previous year: CHF 12.7 million).

7.1.2 Direct yield from interest-rate sensitive financial assets

	2021	2020
in %		
Interest-bearing securities	1.3	1.4
Mortgages, loans and money market instruments	1.4	1.3
Total direct yield of interest-rate sensitive financial assets	**1.3**	**1.4**

7.1.3 Gains and losses on investments

	Group investments		Investments with market risk for the policyholder		Total	
	2021	2020	2021	2020	2021	2020
in CHF million						
Interest-bearing securities	9.8	–201.1	–34.1	24.1	–24.3	–177.0
Shares	535.6	190.0	5.9	–2.6	541.5	187.4
Investment funds	21.2	29.8	425.0	151.5	446.2	181.3
Alternative investments	63.6	31.4	–1.5	1.4	62.1	32.8
Derivative financial instruments[1]	–83.7	–204.0	17.0	0.0	–66.7	–204.0
Mortgages	–1.7	–1.7	–	–	–1.7	–1.7
Loans	3.9	10.0	–	–	3.9	10.0
Money market instruments	–0.3	–1.3	–0.1	–0.1	–0.4	–1.4
FX effects from loans to subsidiaries	–56.8	–5.1	–	–	–56.8	–5.1
Gains and losses on financial assets (net)	**491.5**	**–152.0**	**412.3**	**174.3**	**903.8**	**22.3**
Investment property	457.3	104.1	–	–	457.3	104.1
Gains and losses on investments (net)	**948.8**	**–47.9**	**412.3**	**174.3**	**1 361.1**	**126.4**

[1] Derivatives comprise gains and losses on derivative financial assets and derivative financial liabilities.

Gains on investment property in 2021 mainly stemmed from properties in Switzerland. The DCF model applied for Switzerland accounts for parameters observed on the market. Based on the still optimistic real estate market with low buyer return expectations and a low interest rate environment, Helvetia reduced the discount rate by 0.18% on average. Positive valuation effects also arose through the successful completion of new build and renovation projects.

7.1.4 Gains and losses on financial assets by category

in CHF million	2021	2020
Realised gains and losses on disposals of loans (LAR) including foreign currency gains and losses		
Interest-bearing securities	0.7	7.9
Mortgages	–1.7	–1.7
Loans	3.9	10.0
Money market instruments	–0.3	–1.3
Realised gains and losses on loans (LAR) incl. money market instruments	2.5	14.9
Realised gains and losses on disposals of held-to-maturity investments (HTM) including foreign currency gains and losses		
Interest-bearing securities	–2.1	–0.2
Realised gains and losses on HTM investments	–2.1	–0.2
Realised gains and losses on disposals of available-for-sale investments (AFS) including foreign currency gains and losses		
Interest-bearing securities	0.3	–209.4
Shares	176.1	102.5
Investment funds	8.1	10.0
Alternative investments	0.1	–0.1
Realised gains and losses on AFS investments	184.5	–97.0
Realised and book gains and losses on financial assets held for trading including foreign currency gains and losses		
Investment funds	0.7	–0.3
Derivative financial instruments	–66.7	–204.0
Realised and book gains and losses on financial assets held for trading	–66.0	–204.3
Realised and book gains and losses on financial assets designated as at fair value through profit or loss including foreign currency gains and losses		
Interest-bearing securities	–23.2	24.7
Shares	365.5	84.9
Investment funds	437.4	171.6
Alternative investments	62.0	32.9
Money market instruments	–0.1	–0.1
Realised and book gains and losses on financial assets designated as at fair value through profit or loss	841.6	314.0
Foreign currency effects in connection with subsidiaries	–56.8	–5.1
Total gains and losses on investments (net)	**903.8**	**22.3**

The gains and losses reported for the HTM category represent book gains and losses from foreign currency translations.

The table above includes increases in impairment losses on financial assets of CHF 9.6 million (previous year: CHF 13.5 million) as well as impairment loss reversals on financial assets of CHF 1.4 million (previous year: CHF 1.2 million).

7.1.5 Result from investments with market risk for the policyholder

in CHF million	2021	2020
Current income	14.2	12.1
Gains and losses	412.3	174.3
Income investments with market risk for the policyholder	**426.5**	**186.4**

7.2 Investments by class

as of 31.12.2021 in CHF million	Notes	Group investments	Investments with market risk for the policyholder	Total
Investments in associates	7.4.1	64.1	–	64.1
Investment property	7.5	7673.0	–	7673.0
Investments held for sale	7.5	343.2	–	343.2
Financial assets by class	7.6			
Interest-bearing securities		34485.5	1157.6	35643.1
Shares		2930.6	27.5	2958.0
Investment funds		1767.1	4198.4	5965.6
Alternative investments		1026.9	36.4	1063.2
Derivative financial assets		282.9	128.5	411.3
Mortgages		4114.1	–	4114.1
Loans		930.9	–	930.9
Money market instruments		830.6	12.0	842.6
Total financial assets		46368.5	5560.3	51928.8
Total investments		**54448.8**	**5560.3**	**60009.1**

as of 31.12.2020 in CHF million	Notes	Group investments	Investments with market risk for the policyholder	Total
Investments in associates	7.4.1	30.9	–	30.9
Investment property	7.5	7477.8	–	7477.8
Financial assets by class	7.6			
Interest-bearing securities		35842.6	1161.0	37003.6
Shares		2880.7	26.1	2906.8
Investment funds		1524.8	3528.0	5052.8
Alternative investments		885.2	32.4	917.6
Derivative financial assets		263.2	106.8	370.0
Mortgages		4594.3	–	4594.3
Loans		976.6	–	976.6
Money market instruments		1229.5	11.0	1240.5
Total financial assets		48196.9	4865.3	53062.2
Total investments		**55705.6**	**4865.3**	**60570.9**

7.3 Investments by business area

as of 31.12.2021 in CHF million	Notes	Life	Non-life	Other and elimination	Total
Investments in associates	7.4.1	0.1	32.3	31.7	64.1
Investment property	7.5	6691.0	923.1	58.9	7673.0
Investments held for sale	7.5	343.2	–	–	343.2
Financial assets by class	7.6				
Interest-bearing securities		29448.9	5695.6	498.6	35643.1
Shares		950.1	414.3	1593.7	2958.0
Investment funds		7068.4	1248.8	–2351.6	5965.6
Alternative investments		76.4	173.9	813.0	1063.2
Derivative financial assets		383.9	27.3	0.2	411.3
Mortgages		3732.2	381.9	–	4114.1
Loans		866.2	187.3	–122.6	930.9
Money market instruments		513.7	327.3	1.6	842.6
Total financial assets		43039.6	8456.3	432.8	51928.8
Total investments		**50074.0**	**9411.7**	**523.4**	**60009.1**

as of 31.12.2020 in CHF million	Notes	Life	Non–life	Other and elimination	Total
Investments in associates	7.4.1	0.1	28.4	2.4	30.9
Investment property	7.5	6512.5	915.6	49.7	7477.8
Financial assets by class	7.6				
Interest-bearing securities		30987.8	5536.5	479.3	37003.6
Shares		1020.2	425.3	1461.3	2906.8
Investment funds		6148.5	1045.8	–2141.5	5052.8
Alternative investments		65.6	131.5	720.5	917.6
Derivative financial assets		330.8	32.6	6.6	370.0
Mortgages		4211.6	382.7	–	4594.3
Loans		901.1	174.1	–98.6	976.6
Money market instruments		642.6	650.2	–52.3	1240.5
Total financial assets		44308.2	8378.7	375.3	53062.2
Total investments		**50820.8**	**9322.7**	**427.4**	**60570.9**

7.4 Investments in associates

Dividend income from associates totalled CHF 1.2 million (previous year: CHF 1.3 million).

Investments in associates accounted for under the equity method are listed in the table in section 18.3 (from page 192).

7.4.1 Development of investments in associates

	2021	2020
in CHF million		
Balance as of 1 January	30.9	30.8
Change in the scope of consolidation[1]	11.8	0.8
Additions[1]	21.3	0.5
Disposals[1]	0.0	–1.6
Share of profits for the year	8.8	1.8
Dividends paid	–1.2	–1.3
Impairment (net)	–1.7	–
Foreign currency translation differences	–1.5	–0.1
Other changes	–4.2	–
Book value as of 31 December	**64.1**	**30.9**

[1] Details on additions and disposals for associates are provided in section 18 "Scope of consolidation".

7.4.2 Aggregated financial data on associates

The table below shows an aggregated balance sheet and income statement for the investments that are accounted for under the equity method.

as of 31.12.	2021	2020
in CHF million		
Assets		
Non-current assets	263.5	150.0
Current assets	49.2	38.3
Total assets	**312.7**	**188.3**
Liabilities and equity		
Equity	98.4	71.8
Long-term liabilities	189.4	98.9
Short-term liabilities	24.9	17.6
Total liabilities and equity	**312.7**	**188.3**

	2021	2020
in CHF million		
Profit for the year		
Income	70.6	74.6
Expenses	–58.5	–70.5
Profit for the year	**12.1**	**4.1**

Helvetia Group's share in the liabilities of associates amounted to CHF 95.9 million (previous year: CHF 48.0 million). Helvetia did not have any share in the contingent liabilities of associates.

7.5 Investment property

in CHF million	Switzerland	Abroad	2021	2020
Balance as of 1 January	6656.9	820.9	7477.8	7028.9
Change in scope of consolidation	–	–	–	178.6
Additions	7.2	76.2	83.4	20.1
Capitalised subsequent expenditure	130.9	0.0	130.9	211.4
Disposals	–53.0	–46.6	–99.6	–63.0
Realised gains and losses[1]	22.3	–4.4	17.8	29.3
Book gains and losses[1]	429.9	9.5	439.5	74.8
Transfer from / to property and equipment	–	2.8	2.8	0.0
Transfer to investment property held for sale	–343.2	–	–343.2	–
Foreign currency translation differences	–	–35.9	–35.9	–1.4
Other changes	–	–0.5	–0.5	–0.9
Balance as of 31 December	**6851.1**	**821.9**	**7673.0**	**7477.8**

[1] Recognised in the income statement as "Gains and losses on Group investments (net)".

The fair value of "Investment property" in the portfolio of the Swiss, Austrian and German Group companies is calculated using a generally accepted discounted cash flow method. The method is described in section 2.11.1 (page 94).

In the reporting year, the discounted cash flow method was based on discount rates ranging from 2.6% to 5.5% (previous year: 2.3% to 5.6%). If the discount rates were increased by 10 basis points, the value would be reduced by CHF 230.1 million. If the rental income that can be earned in the long term were reduced by 5%, there would be a negative effect of CHF 527.8 million.

For all other portfolios, measurement is based on valuation reports by independent experts. Both valuation methods are allocated to the "Level 3" category.

Investment property held for sale

In connection with planned sales, investment properties in the Switzerland segment to the value of CHF 343.2 million were classified for sale as at 31 December 2021.

Helvetia will sell real estate to the value of CHF 297.8 million to Helvetia (CH) Swiss Property Fund, a Swiss real estate fund on 1 April 2022. Helvetia Asset Management AG has the mandate to manage these properties. Helvetia thus generated earnings from the services business. The fund is a third-party fund that does not belong to the Helvetia Group.

A property was sold on 3 January 2022. We are also in contract negotiations regarding the sale of a second property. The transaction is scheduled for completion in the second half of 2022.

Investment properties are managed at fair value. The reclassification to "held for sale" did not entail any value adjustments.

7.6 Financial assets by category and class

	Book value		Acquisition cost / amortised cost	
as of 31.12.	2021	2020	2021	2020
in CHF million				
Financial assets at amortised cost:				
Loans and receivables (LAR)				
Interest-bearing securities	2565.3	3001.5	2565.3	3001.5
Mortgages	4114.1	4594.3	4114.1	4594.3
Loans	930.9	976.6	930.9	976.6
Money market instruments	830.6	1229.5	830.6	1229.5
Total "loans and receivables" (LAR)[1]	8440.8	9801.9	8440.8	9801.9
Held-to-maturity investments (HTM)				
Interest-bearing securities	1872.4	1973.8	1872.4	1973.8
Total financial assets at amortised cost	**10313.2**	**11775.7**	**10313.2**	**11775.7**
Financial assets at fair value:				
At fair value through profit and loss (held for trading)				
Investment funds – mixed	10.9	14.9	6.6	9.6
Derivative financial assets	243.3	189.6	142.2	134.5
Investments with market risk for the policyholder	128.5	106.8	87.4	81.6
Total "held for trading"	382.6	311.3	236.3	225.7
Designated as at fair value through profit or loss				
Interest-bearing securities	1131.2	1120.2	1129.1	1127.1
Shares	1576.2	1455.4	789.0	917.8
Investment funds – interest-bearing securities	87.3	60.5	66.9	59.8
Investment funds – equities	196.7	201.0	140.2	145.5
Investment funds – mixed	712.0	700.5	640.2	648.0
Investments with market risk for the policyholder	5431.8	4758.5	4607.9	4059.3
Alternative investments	836.1	767.0	737.3	700.9
Total "designated"	9971.3	9063.1	8110.5	7658.4
Total "at fair value through profit and loss"	10353.9	9374.4	8346.8	7884.1
Available-for-sale (AFS)				
Interest-bearing securities	28916.6	29747.1	27225.6	26838.9
Shares	1354.4	1425.3	848.0	931.1
Investment funds – interest-bearing securities	255.0	130.0	250.7	121.9
Investment funds – equities	240.8	170.4	188.7	147.2
Investment funds – mixed	264.5	247.5	243.5	235.5
Alternative investments	190.8	118.2	179.4	115.5
Total "available-for-sale" (AFS)	31222.1	31838.5	28935.8	28390.1
Derivative financial assets for hedge accounting	39.6	73.6	–	–
Total financial assets at fair value	**41615.6**	**41286.5**	**37282.6**	**36274.2**
Total financial assets	**51928.8**	**53062.2**		

[1] Excl. assets receivables from insurance business and reinsurance.

Unrealised gains / losses net		Fair value		By valuation method:	Quoted market prices		Based on market data		Not based on market data	
2021	2020	2021	2020		2021	2020	2021	2020	2021	2020
					Level 1		Level 2		Level 3	
		2707.4	3260.5		55.2	55.2	2652.2	3205.3	–	–
		4205.1	4790.6		–	–	4205.1	4790.6	–	–
		1031.4	1133.1		–	–	1023.1	1127.1	8.3	6.0
		830.6	1229.5		–	–	830.6	1229.5	–	–
		8774.4	10413.7		55.2	55.2	8710.9	10352.5	8.3	6.0
		2302.3	2513.1		252.5	173.2	2049.8	2339.9	–	–
		11076.7	**12926.8**		**307.7**	**228.4**	**10760.7**	**12692.4**	**8.3**	**6.0**
		10.9	14.9		10.9	14.9		–	–	–
		243.3	189.6		3.1	3.8	240.1	185.8	–	–
		128.5	106.8		41.3	32.8	87.2	74.0	–	–
		382.6	311.3		55.3	51.5	327.3	259.8	–	–
		1131.2	1120.2		130.3	204.8	993.4	915.4	7.5	–
		1576.2	1455.4		1541.4	1433.0	–	–	34.8	22.4
		87.3	60.5		87.3	60.5	–	–	–	–
		196.7	201.0		196.7	201.0	–	–	–	–
		712.0	700.5		128.1	123.0	583.9	577.5	–	–
		5431.8	4758.5		4637.7	4035.4	794.1	723.1	–	–
		836.1	767.0		6.0	4.9	22.6	45.5	807.4	716.6
		9971.3	9063.1		6727.5	6062.6	2394.0	2261.5	849.8	739.0
		10353.9	9374.4		6782.8	6114.1	2721.3	2521.3	849.8	739.0
1691.1	2908.2	28916.6	29747.1		15035.5	14652.3	13781.5	15083.7	99.6	11.1
506.4	494.2	1354.4	1425.3		1278.9	1354.9	4.5	4.4	71.0	66.0
4.3	8.1	255.0	130.0		89.5	91.0	165.5	39.0	–	–
52.1	23.2	240.8	170.4		240.8	170.4	–	–	–	–
21.0	12.0	264.5	247.5		87.3	169.2	170.9	72.3	6.2	6.0
11.4	2.7	190.8	118.2		8.8	–	48.8	27.9	133.2	90.3
2286.3	3448.4	31222.1	31838.5		16740.8	16437.8	14171.2	15227.2	310.0	173.5
		39.6	73.6		–	–	39.6	73.6	–	–
2286.3	**3448.4**	**41615.6**	**41286.5**		**23523.6**	**22551.9**	**16932.1**	**17822.1**	**1159.8**	**912.5**

Transfers between the valuation category levels

in CHF million	2021	2020	2021	2020	2021	2020
from / to	Level 1		Level 2		Level 3	
Level 1	–	–	–	2 434.1	7.5	–
Level 2	2 494.0	1 325.1	–	–	47.8	–
Level 3	–	–	–	–	–	–

From the previous year's CHF 912.5 million of "Level 3" investments as at 31 December 2020,
- disposals in the amount of CHF 5.6 million (previous period: CHF 89.8 million) were made.
- Additions in the amount of CHF 108.9 million (previous period: CHF 347.9 million) were recorded.
- Transfers between the levels to the value of CHF 55.3 million
- Gains of CHF 82.7 million (previous year: CHF –73.9 million) were reported under "Gains and losses on financial instruments" in the income statement and gains of CHF 6.0 million (previous year: CHF –2.7 million) as "Change in unrealised gains and losses on investment" in the overall result calculation. Overall, this resulted in a profit of CHF 88.7 million for the "Level 3" investments (previous year: CHF –76.6 million). The valuation gains on the "Level 3" investments held on the reporting date was CHF 95.3 million (previous year: CHF –76.4 million).

Stress tests performed on the "Level 3" investments show that an increase in the credit spreads of 100 basis points would lead to a decrease in value of CHF 35.4 million.

7.7 Derivatives

7.7.1 Derivative financial assets

	Maturity profile of contract values			Contract value		Fair value	
as of 31.12.	< 1 year	1–5 years	> 5 years	2021	2020	2021	2020
in CHF million							
Interest rate instruments							
Forward rate agreements	25.0	35.9	0.6	61.5	65.3	51.4	57.3
Swaps	2.3	–	–	2.3	18.0	1.0	1.1
Other	–	–	34.2	34.2	35.7	11.8	13.8
Total interest rate instruments	27.4	35.9	34.8	98.1	119.0	64.1	72.2
Equity and equity-index instruments							
Options (over-the-counter)	2 642.2	610.1	787.9	4 040.3	3 018.8	104.3	102.1
Options (exchange-traded)	208.3	–	–	208.3	169.9	3.1	3.6
Futures (exchange-traded)	–	–	–	–	11.9	–	0.2
Other	–	–	18.6	18.6	13.7	41.3	32.8
Total equity and equity-index instruments	2 850.6	610.1	806.6	4 267.2	3 214.3	148.7	138.7
Currency instruments							
Forwards	5 022.4	679.0	143.2	5 844.6	3 486.8	158.9	85.5
Total currency instruments	5 022.4	679.0	143.2	5 844.6	3 486.8	158.9	85.5
Derivatives for hedge accounting							
Forwards	1 126.1	–	–	1 126.1	1 046.2	39.4	73.6
Other	–	0.2	–	0.2	–	0.2	–
Total derivatives for hedge accounting	1 126.1	0.2	–	1 126.4	1 046.2	39.6	73.6
Total derivative financial assets	**9 026.4**	**1 325.3**	**984.5**	**11 336.3**	**7 866.3**	**411.3**	**370.0**

7.7.2 Derivative financial liabilities

	Maturity profile of contract values			Contract value		Fair value	
as of 31.12.	< 1 year	1–5 years	> 5 years	2021	2020	2021	2020
in CHF million							
Interest rate instruments							
Forward rate agreements	19.3	30.1	124.3	173.6	53.5	51.9	55.9
Swaps	16.6	145.6	35.0	197.1	230.4	7.1	22.0
Total interest rate instruments	35.9	175.7	159.2	370.7	283.9	59.0	77.9
Equity and equity-index instruments							
Options (over-the-counter)	183.6	610.1	787.9	1581.6	1509.5	87.2	73.7
Options (exchange-traded)	–	–	–	–	0.5	–	–0.5
Futures (exchange-traded)	–	–	–	–	282.5	–	7.3
Total equity and equity-index instruments	183.6	610.1	787.9	1581.6	1792.5	87.2	80.5
Currency instruments							
Forwards	1210.6	–	–	1210.6	3498.1	21.4	35.3
Total currency instruments	1210.6	–	–	1210.6	3498.1	21.4	35.3
Derivatives from life policies	2.1	7.3	3.6	13.0	17.7	0.6	0.8
Derivatives for hedge accounting							
Forwards	526.7	–	–	526.7	353.0	2.9	8.6
Total derivatives for hedge accounting	526.7	–	–	526.7	353.0	2.9	8.6
Total derivative financial liabilities	**1958.7**	**793.1**	**950.8**	**3702.6**	**5945.2**	**171.0**	**203.1**

7.7.3 Derivatives for hedge accounting

	Net investment hedge	
	2021	2020
in CHF million		
Amount recognised in other comprehensive income	–17.1	98.7
Gains and losses reclassified to the income statement	–10.3	–0.5
Ineffectiveness reclassified to income statement	2.9	9.2

The amounts transferred to the income statement are reported in "Gains and losses on Group investments".

7.8 Maturity dates and impairment of financial assets

7.8.1 Analysis of past due financial assets without impairment

	< 1 month		2–3 months		4–6 months		> 6 months	
as of 31.12.	2021	2020	2021	2020	2021	2020	2021	2020
in CHF million								
Mortgages	0.3	4.5	0.1	3.3	0.8	1.3	5.2	3.7
Total past due financial assets without impairment	**0.3**	**4.5**	**0.1**	**3.3**	**0.8**	**1.3**	**5.2**	**3.7**

Outstanding amounts are collected in the course of the normal debt collection procedures and impaired if necessary (see section 2.11.3, page 95). Information on the collateral held by Helvetia Group is provided in section 16.6 (from page 181).

7.8.2 Analysis of individual impaired financial assets at amortised cost

	Gross		Individual impairment		Net	
as of 31.12.	2021	2020	2021	2020	2021	2020
in CHF million						
Mortgages	3.9	14.7	3.9	3.0	–	11.7
Loans	2.0	0.1	2.0	0.1	–	–
Total individual impaired financial assets at amortised cost	**5.9**	**14.8**	**5.9**	**3.1**	**–**	**11.7**

7.8.3 Change in the impairment of financial assets at amortised cost

	Mortgages		Other loans		Total	
	2021	2020	2021	2020	2021	2020
in CHF million						
Balance as of 1 January	3.0	1.9	0.1	0.0	3.1	1.9
Change in the scope of consolidation	–	–	–	–	–	–
Impairment	2.1	2.3	2.1	0.1	4.2	2.4
Reversal of impairment losses	–1.2	–1.2	–0.1	–	–1.4	–1.2
Disposals impairment	0.1	0.0	–	–	0.1	0.0
Foreign currency translation differences	–	–	–0.1	0.0	–0.1	0.0
Balance as of 31 December	**3.9**	**3.0**	**2.0**	**0.1**	**5.9**	**3.1**

7.9 Fair value of SPPI financialinstruments

Helvetia exercised the option to postpone the implementation of IFRS 9.

Below, we have reported the fair value of the financial instruments within the scope of IFRS 9 and held by Helvetia on the reporting date. Further information on SPPI financial instruments is provided in section 16.6.2 (from page 183).

	Fair Value		Change in fair value	
	2021	2020	2021	2020
in CHF million				
Financial assets that give rise to cash flows that are solely payments of pricipal and interest (SPPI)	42 855.1	45 229.6	–2 245.7	190.5
Remaining financial assets	11 696.0	10 832.8	826.9	91.7
Total financial assets	**54 551.1**	**56 062.3**	**–1 418.8**	**282.2**

8. Financial liabilities

The Helvetia Group classifies financial liabilities according to their origin as financial liabilities from financing activities, financial liabilities from insurance business and other financial liabilities. Financial liabilities from insurance business are reported as a component of the insurance business in section 9.8 (page 143).

The Helvetia Group applies the usual financial covenants to its financial liabilities but these are not expected to have any material impact on the contractual conditions (e.g. due date, interest rate, collateral, currency).

Section 16.5 (page 177) contains a maturity schedule of loans and financial liabilities.

The valuation methods used to calculate the fair value of financial liabilities belong to the "Level 2" category.

8.1 Total financial liabilities from financing activities

	Book value		Acquisition cost/ amortised cost		Fair value	
as of 31.12.	2021	2020	2021	2020	2021	2020
in CHF million						
Financial liabilities at amortised cost						
Bonds	1657.3	1856.9	1657.3	1856.9	1801.2	2041.4
Liabilites from lease	90.7	104.5	90.7	104.5	90.7	104.5
Total financial liabilities at amortised cost	1748.0	1961.4	1748.0	1961.4	1891.9	2145.9
Financial liabilities at fair value						
Minority interests in own funds	357.6	327.7	195.3	217.9	357.6	327.7
Total financial liabilities at fair value	357.6	327.7	195.3	217.9	357.6	327.7
Total financial liabilities from financing activities	**2105.6**	**2289.1**	**1943.4**	**2179.3**	**2249.5**	**2473.6**

Helvetia has bonds in liabilities and in equity. The classification depends on the characteristics of the respective bond.

The bonds in liabilities are measured at amortised cost. The interest expense from bonds treated as liabilities is reported in the income statement at CHF 53.1 million (previous year: CHF 49.8 million) under "Financing costs". The interest expense from bonds in equity is recognised as a dividend distribution in equity.

Minority interests in own funds include the investments of the Helvetia pension and supplementary funds in Helvetia I Funds.

Financial liabilities from financing activities

	Bonds		Lease		Minority interests in own funds	
as of 31.12.	2021	2020	2021	2020	2021	2020
in CHF million						
Balance as of 1 January	1856.9	1135.7	104.5	69.4	327.7	328.6
Cash flows	–149.8	533.4	–12.4	–6.8	–49.5	5.3
Change in the scope of consolidation	–	180.7	0.3	40.2	–	–
Value changes / interest accruals	1.3	1.3	1.3	1.6	79.5	11.8
Foreign currency translation differences	–51.1	5.8	–2.9	0.1	–0.1	–18.0
Balance as of 31 December	**1657.3**	**1856.9**	**90.7**	**104.5**	**357.6**	**327.7**

Own bonds

Issuer	Nominal	Coupons	Year of issue	Maturity	Effective interest rate[1]	Book value	
as of 31.12.						2021	2020
in CHF million							
Bonds in liabilities							
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 150 million	1.50%	2014	28.04.2025	1.55%	149.8	149.7
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 225 million subordinate bond	4.00% up to 2024, then variable	2014	17.10.2044	4.02%	224.0	223.9
Helvetia Schweizerische Versicherungsgesellschaft AG	EUR 500 million subordinate bond	3.375% up to 2027, then variable	2017	29.09.2047	3.52%	513.8	535.5
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 125 million subordinate bond	1.45% up to 2030, then variable	2020	12.08.2040	1.48%	124.3	124.3
Helvetia Europe S.A.	EUR 600 million subordinate bond	2.75% up to 2031, then variable	2020	30.09.2041	2.81%	614.4	640.9
Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A.	EUR 168.8 million subordinate bond	8.00% up to 2021, then variable	2016	17.02.2026	8.00%	–	182.6
Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A.	EUR 30.0 million subordinate loan	3.10% up to 2021, then variable	2021	18.02.2041	3.10%	31.1	–
Total bonds in liabilities						**1657.3**	**1856.9**
Bonds in equity							
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 300 million subordinate bond	3.00% up to 2022, then variable	2015	perpetual		300.0	300.0
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 275 million subordinate bond	1.50% up to 2026, then variable	2020	perpetual		275.0	275.0
Helvetia Schweizerische Versicherungsgesellschaft AG	CHF 200 million subordinate bond	1.75% up to 2028, then variable	2020	perpetual		200.0	200.0
Total bonds in equity						**775.0**	**775.0**

[1] The effective interest rate quantifies the actual cost of loans (taking account of the transaction rate, premium / discount, transaction costs, payment dates, repayment etc.)

Lease liabilities

as of 31.12.	< 1 year	1–5 years	> 5 years	Total 2021	2020
in CHF million					
Future lease payments	32.7	41.5	20.9	95.2	110.6
Discounting amounts				–4.4	–6.1
Liabilities from lease				**90.7**	**104.5**

Some rental agreements contain extension options in favour of Helvetia. In case they are exercised they would yield additional future rental payments of CHF 13.1 million (previous year: CHF 19.0 million).

8.2 Other financial liabilities

	Notes	Acquisition cost / amortised cost 2021	2020	Fair Value 2021	2020
in CHF million					
Financial liabilities at amortised cost					
Other		563.7	494.4	563.7	494.4
Other financial liabilities at amortised cost		563.7	494.4	563.7	494.4
Financial liabilities at fair value					
Derivative financial liabilities	7.7.2	60.3	143.9	171.0	203.1
Other		63.1	26.6	63.1	26.6
Other financial liabilities at fair value		123.4	170.5	234.1	229.7
Total other financial liabilities, not booked directly against equity		687.1	664.9	797.8	724.1

	Carrying amount 2021	2020
Financial liabilities booked directly against equity		
Written put options on shares in subsidiaries	417.0	413.4
Total financial liabilities, booked directly against equity	417.0	413.4
Total other financial liabilities	**1 214.8**	**1 137.5**

The line item "Other" at amortised cost also contains the collateral received for ongoing derivatives transactions. The carrying amounts equal the fair value.

In connection with the acquisition of Caser in 2020, the minority shareholders were granted the option of selling their shares to Helvetia. By 2023 or 2024, the options can be exercised at the higher price of fair value and acquisition price, and subsequently at fair value. Upon the acquisition of MoneyPark in 2016, the minority shareholders were granted the option of selling their shares to Helvetia at 95% of the fair value. The current options can be exercised in 2022 and 2027.

9. Insurance business

9.1 Reserves for insurance business

		Gross		Reinsurance assets		Net	
as of 31.12.	Notes	2021	2020	2021	2020	2021	2020
in CHF million							
Actuarial reserves		40 708.1	40 971.2	51.8	53.2	40 656.3	40 918.0
Provision for policyholder participation		2 871.4	3 365.1	–	–	2 871.4	3 365.1
Loss reserves		6 095.9	5 560.9	617.0	436.9	5 478.9	5 124.0
Unearned premium reserve		2 572.8	2 313.4	181.7	148.8	2 391.1	2 164.6
Deposits for investment contracts	9.8	1 968.6	1 829.2	–	–	1 968.6	1 829.2
Total reserves for insurance business		**54 216.8**	**54 039.8**	**850.4**	**638.9**	**53 366.4**	**53 400.9**

9.1.1 Reserves for insurance business by business area

		Gross		Reinsurance assets		Net	
as of 31.12.	Notes	2021	2020	2021	2020	2021	2020
in CHF million							
Life insurance contracts							
Actuarial reserves for insurance contracts life		36011.6	35937.9	51.8	53.2	35959.8	35884.7
Provision for policyholder participation – life contracts		2724.2	3031.9	–	–	2724.2	3031.9
Unearned premium reserve for insurance contracts life		180.3	192.8	4.0	3.9	176.3	188.9
Reserves for life insurance contracts		38916.1	39162.6	55.8	57.1	38860.3	39105.5
Non-life insurance contracts							
Loss reserves for insurance contracts non-life	9.3.1	6095.9	5560.9	617.0	436.9	5478.9	5124.0
Provision for policyholder participation – non-life contracts		25.9	63.6	–	–	25.9	63.6
Unearned premium reserve for insurance contracts non-life		2392.5	2120.6	177.7	144.9	2214.8	1975.7
Reserves for non-life insurance contracts		8514.2	7745.1	794.6	581.8	7719.6	7163.3
Total reserves for insurance contracts		47430.3	46907.7	850.4	638.9	46579.9	46268.8
Investment contracts							
Actuarial reserves for investment contracts with descretionary participation features		4696.5	5033.3	–	–	4696.5	5033.3
Provision for policyholder participation – investment contracts		121.4	269.6	–	–	121.4	269.6
Reserves for investment contracts with descretionary participation features		4817.9	5302.9	–	–	4817.9	5302.9
Deposits for investment contracts	9.8	1968.6	1829.2	–	–	1968.6	1829.2
Total reserves for investment contracts		6786.5	7132.1	–	–	6786.5	7132.1
Total reserves for insurance business		**54216.8**	**54039.8**	**850.4**	**638.9**	**53366.4**	**53400.9**

Further details on technical reserves for the life and non-life business can be found in the following tables. A maturity schedule of the reserves for insurance contracts and investment contracts is provided in section 16.5 (page 177).

9.2 Changes in reserves for insurance business

	Actuarial reserves		Policyholder participation	
	2021	2020	2021	2020
in CHF million				
Reserves for insurance contracts life (gross)				
Balance as of 1 January	35 937.9	35 008.2	3 031.9	2 208.0
Change in the scope of consolidation	–	2 776.2	–	516.5
Allocation / Release	4 444.0	3 738.7	–126.7	441.2
Used amounts	–4 016.8	–5 593.8	–152.8	–138.4
Foreign currency translation differences	–358.8	5.7	–28.3	4.6
Other changes	5.3	2.9	–	0.0
Balance as of 31 December	**36 011.6**	**35 937.9**	**2 724.2**	**3 031.9**
Reserves for insurance contracts non-life (gross)				
Balance as of 1 January			63.6	57.2
Change in the scope of consolidation			–	2.4
Allocation / Release			–23.7	14.3
Used amounts			–13.6	–10.3
Foreign currency translation differences			–0.3	0.0
Balance as of 31 December			**25.9**	**63.6**
Reserves for investment contracts with discretionary participation features				
Balance as of 1 January	5 033.3	2 762.0	269.6	162.4
Change in the scope of consolidation	–	2 306.7	–	15.1
Allocation / Release	338.6	297.1	–142.6	91.8
Used amounts	–469.1	–340.7	0.0	–
Foreign currency translation differences	–206.1	9.7	–5.6	0.3
Other changes	–0.3	–1.5	–	–
Balance as of 31 December	**4 696.5**	**5 033.3**	**121.4**	**269.6**
Deposits for investment contracts				
Balance as of 1 January				
Change in the scope of consolidation				
Deposits received / withdrawals				
Value changes				
Foreign currency translation differences				
Other changes				
Balance as of 31 December				
Total reserves from insurance business (gross)				
Reinsurers' share in reserves for insurance contracts				
Balance as of 1 January	53.2	51.8		
Change in the scope of consolidation	–	4.6		
Allocation / Release	27.5	18.9		
Used amounts	–26.7	–21.8		
Foreign currency translation differences	–2.2	–0.3		
Balance as of 31 December	**51.8**	**53.2**		
Total reserves from insurance business				

Loss reserves		Unearned premium reserve		Total	
2021	2020	2021	2020	2021	2020
		192.8	185.5	39 162.6	37 401.7
		–	34.4	–	3 327.1
		–10.7	–27.2	4 306.6	4 152.7
		–	–	–4 169.6	–5 732.2
		–1.8	0.1	–388.9	10.4
		–	–	5.3	2.9
		180.3	**192.8**	**38 916.1**	**39 162.6**
5 560.9	4 865.9	2 120.6	1 388.6	7 745.1	6 311.7
10.0	463.2	3.8	669.8	13.9	1 135.4
2 152.4	1 722.3	331.8	91.5	2 460.5	1 828.1
–1 532.3	–1 395.4	–	–	–1 546.0	–1 405.7
–95.2	–95.1	–63.7	–29.3	–159.2	–124.4
6 095.9	**5 560.9**	**2 392.5**	**2 120.6**	**8 514.2**	**7 745.1**
		0.0	–	5 302.9	2 924.4
		–	0.0	–	2 321.8
		0.0	0.0	196.0	388.9
		–	–	–469.1	–340.7
		0.0	0.0	–211.7	10.0
		–	–	–0.3	–1.5
		0.0	**0.0**	**4 817.9**	**5 302.9**
				1 829.2	1 353.0
				–	318.5
				142.8	118.5
				72.4	49.6
				–70.8	–1.1
				–4.9	–9.3
				1 968.6	**1 829.2**
				54 216.8	**54 039.8**
436.9	319.7	148.8	72.1	638.9	443.6
7.7	108.4	1.6	75.5	9.3	188.5
329.9	91.2	37.2	2.9	394.6	113.0
–137.3	–80.0	–	–	–164.0	–101.8
–20.3	–2.4	–5.9	–1.7	–28.5	–4.4
616.9	**436.9**	**181.7**	**148.8**	**850.4**	**638.9**
				53 366.4	**53 400.9**

9.3 Non-life business

The technical result improved slightly in the reporting year and proved robust in the face of an extra-ordinary number of major storms and floods in Central Europe in June and July. Besides the discontinuation of COVID-19 losses, which impacted on the earnings in the prior year, the technical result also profited from the full-year contribution of Caser, whereas the prior year only included six months thereof, and from organic growth. A one-off special effect in connection with the Swiss business also had a positive impact. This can be attributed to a periodic review of the reserve level in the first half-year, on the basis of which reserves were released.

On the other hand, the major storms and floods in June / July 2021 led to net losses in the amount of CHF 125.6 million, primarily in Switzerland and in Germany. Moreover, claims frequencies which had fallen in the prior year in some business lines due to the lockdown, normalised again.

Loss reserves are determined using actuarial methods based on many years of claims experience. The assumptions used in determining the loss reserves have not changed materially in this reporting year.

The Liability Adequacy Test (LAT) for non-life business resulted in an additional increase in loss reserves of CHF 52.2 million as of 31 December 2021 (previous year: CHF 47.6 million).

Insurance conditions and risks in the non-life business are described in section 16.2 (from page 164). The following table sets out the development of loss reserves for the previous ten years.

9.3.1 Claims settlement

Year of loss occurrence	before 2012	2012	2013
in CHF million			
Run-off year 1		1757.2[3]	1795.4
Run-off year 2[4]		1774.2	2650.8[2]
Run-off year 3		2608.1[2]	2564.7
Run-off year 4		2526.7	2502.5
Run-off year 5		2495.8	2489.6
Run-off year 6		2472.8	2444.7
Run-off year 7		2447.9	2435.3
Run-off year 8		2427.9	3042.8[1]
Run-off year 9		3006.3[1]	3043.8
Run-off year 10		3005.2	
Estimated claims after year of loss occurence		3005.2	3043.8
Accumulated claims paid as of 31 December		–2943.5	–2956.8
Estimated loss reserves as of 31 December	795.7	61.7	87.0
Increase of loss reserves based on LAT			
Claims handling costs			
Other technical reserves non-life			
Loss reserves as of 31 December			
Group reinsurance share			
Loss reserves as of 31 December			

[1] Effects of the acquisition of Caser in 2020
[2] Effects of the acquisition of Nationale Suisse and Basler Austria in 2014
[2] Effects from the acquisition of the French transport insurance business of Gan Eurocourtage in 2012
[4] Due to the demarcation effect for contracts on an underwriting year basis (active reinsurance, parts of the transport business), the claims cost increased in the second insurance year.

The table below regarding the claims settlement in non-life business shows that, after taking into consideration the effects from acquisitions, sufficient provisions are raised at an early stage to cover all existing technical liabilities and the fluctuation of the annual claims incurred is small overall for the well-diversified portfolio even before reinsurance.

2014	2015	2016	2017	2018	2019	2020	2021	Total
2 670.3[2]	2 620.3	2 422.6	2 539.8	2 566.1	2 702.2	3 826.7[1]	4 395.1	
2 590.7	2 716.0	2 435.8	2 697.8	2 802.7	3 526.6[1]	3 999.0		
2 439.9	2 575.0	2 342.1	2 681.5	3 422.4[1]	3 584.4			
2 286.7	2 636.2	2 295.0	3 282.5[1]	3 406.2				
2 223.7	2 552.3	2 795.7[1]	3 265.2					
2 195.8	3 083.7[1]	2 795.1						
2 731.5[1]	2 552.3							
2 720.8								
2 720.8	3 078.4	2 795.1	3 265.2	3 406.2	3 584.4	3 999.0	4 395.1	
–2 585.3	–2 773.7	–2 582.3	–2 966.1	–2 966.5	–2 924.7	–2 871.7	–2 081.9	
135.5	304.8	212.9	299.1	439.8	659.7	1 127.3	2 313.2	6 436.8
								52.2
								227.2
								63.7
								6 779.9
								–684.0
								6 095.9

9.4 Life business

The actuarial reserve is normally calculated in a three-step process. In a first step, the actuarial reserve is computed based on local standards. These include applicable local parameters such as interest rates, mortality, surrender rates, expenses and additional biometric parameters which are usually set at the time of contract conclusion and vary by country, year of issuance and product. If the reserves prove to be insufficient from a local point of view, they are increased in most countries in a second step. A required reserve increase may be spread over several years in the local financial statements, depending on local requirements and circumstances. In a third step, the Liability Adequacy Test (LAT) finally applies Group-wide uniform standards to test whether the actuarial reserves included in the local financial statements (including additional reserve increases less local deferred acquisition costs) are sufficient. Across the Group the LAT required an allocation of additional actuarial reserves of CHF 14.2 million as of 31 December 2021 (previous year: CHF 16.3 million).

In the Swiss life business, the actuarial reserves increased by CHF 537.6 million due to changes to local actuarial assumptions, in particular assumptions regarding mortality, expected claims for disability and the maximum interest rate for reserves, within the framework of the standard periodic review.

Insurance conditions and risks in the life business are described in section 16.3 (from page 166). Sensitivities of actuarial reserves are outlined in section 16.3.3 (from page 167).

9.4.1 Assets and liabilities with market risk for the policyholder

as of 31.12.	2021	2020
in CHF million		
Assets with market risk for the policyholder		
Investments with market risk for the policyholder	5560.3	4865.3
Other assets	227.3	280.6
Total assets with market risk for the policyholder	**5787.6**	**5145.9**
Liabilities with market risk for the policyholder		
Actuarial reserves (gross)	3721.3	3231.4
Unearned premium reserve (gross)	10.4	11.6
Financial liabilities including derivatives	2055.8	1902.9
Total liabilities with market risk for the policyholder	**5787.6**	**5145.9**

9.5 Reinsurance assets

as of 31.12.	Notes	2021	2020
in CHF million			
Reinsurers' share in reserves for insurance contracts	9.1.1	850.4	638.9
Reinsurance deposit receivables		102.8	88.1
Reinsurance assets		**953.3**	**727.0**

Reinsurance deposit receivables are classified as "Loans and receivables" (LAR). They include deposits held by the ceding direct insurer in respect of unearned premiums, future loss payments and actuarial reserves for assumed indirect business. The fair value at the reporting date equals the nominal value. The method used for determining the fair value of the deposit receivables is allocated to the "Level 2" category. There were no impairments of deposit receivables.

9.6 Deferred acquisition costs

	Life		Non-life		Total	
	2021	2020	2021	2020	2021	2020
in CHF million						
Balance as of 1 January	303.2	296.6	366.2	210.3	669.4	506.9
Change in the scope of consolidation	–	2.1	–	119.0	–	121.1
Capitalised in the period	48.2	41.7	279.1	132.1	327.3	173.8
Amortised in the period	–40.0	–37.1	–187.9	–93.4	–227.8	–130.5
Foreign currency translation differences	–1.3	–0.1	–15.9	–1.8	–17.2	–1.9
Balance as of 31 December	**310.2**	**303.2**	**441.5**	**366.2**	**751.7**	**669.4**

The Helvetia Group defers acquisition costs in non-life and individual life business. The deferred acquisition costs are tested for impairment as part of the Liability Adequacy Test on every reporting date. The share of "Deferred acquisition costs" classified as current is CHF 341.0 million (previous year: CHF 293.3 million).

9.7 Receivables and liabilities from insurance business

	Receivables (LAR)		Liabilities at amortised cost	
as of 31.12.	2021	2020	2021	2020
in CHF million				
Due from / due to policyholders	846.8	709.3	1547.0	1416.2
Due from / due to agents and brokers	182.8	242.5	151.4	216.9
Due from / due to insurance companies	1106.9	926.5	556.5	408.2
Total receivables / liabilities	**2136.4**	**1878.3**	**2254.9**	**2041.3**

The receivables and liabilities from insurance business are primarily short term. A maturity schedule of the liabilities is provided in the table in section 16.5 (page 177). The amortised cost of the receivables usually equals the fair value. The method used for determining the fair value is allocated to the "Level 2" category with the exception of CHF 62.7 million (previous year: CHF 69.0 million) in liabilities to insurance brokers, allocated to the "Level 3" category.

9.7.1 Analysis of past due receivables without individual impairment

as of 31.12.	< 1 month		2–3 months		4–6 months		> 6 months	
in CHF million	2021	2020	2021	2020	2021	2020	2021	2020
Due from policyholders	134.1	102.1	32.1	27.1	27.4	64.9	98.0	50.8
Due from agents and brokers	15.1	35.8	6.7	30.8	4.1	20.0	2.7	11.8
Due from insurance companies	24.5	37.7	117.1	108.0	33.3	22.3	101.1	39.9
Total past due receivables from insurance business without individual impairment	**173.6**	**175.6**	**155.9**	**165.9**	**64.9**	**107.2**	**201.8**	**102.5**

The analysis of past due receivables contains all past due receivables that were not impaired as well as portfolio allowances.

9.7.2 Change in the allowance accounts for receivables

	Individual impairment		Collective impairment		Total	
in CHF million	2021	2020	2021	2020	2021	2020
Balance as of 1 January	32.3	20.5	17.2	16.3	49.5	36.8
Impairment	11.6	21.3	4.3	2.8	15.9	24.1
Reversal of impairment loss	–5.6	–9.6	–3.9	–1.9	–9.5	–11.5
Disposals	–	–	–	0.0	–	0.0
Foreign currency translation differences	–0.8	0.0	–0.6	0.0	–1.5	0.0
Other changes	–0.1	0.1	0.2	0.0	0.1	0.1
Balance as of 31 December	**37.4**	**32.3**	**17.2**	**17.2**	**54.6**	**49.5**

Past due receivables from policyholders are usually impaired on a collective basis. Individual impairment is mostly applied to specific receivables from brokers and insurance companies.

9.7.3 Analysis of individually impaired receivables

as of 31.12.	Gross		Individual Impairment		Net	
in CHF million	2021	2020	2021	2020	2021	2020
Due from policyholders	18.4	13.5	18.4	13.5	–	–
Due from agents and brokers	8.2	9.5	8.2	9.5	–	–
Due from insurance companies	12.1	10.5	10.8	9.3	1.3	1.2
Total	**38.7**	**33.5**	**37.4**	**32.3**	**1.3**	**1.2**

9.8 Total financial liabilities from insurance business

	Book value		Acquisition cost / amortised cost		Fair value	
as of 31.12.	2021	2020	2021	2020	2021	2020
in CHF million						
Financial liabilities at amortised cost						
Deposit liabilities for credited policyholder profit participation	376.4	411.1	376.4	411.1	376.4	411.1
Deposit liabilities from reinsurance contracts	106.3	102.4	106.3	102.4	106.3	102.4
Total financial liabilities at amortised cost	482.7	513.5	482.7	513.5	482.7	513.5
Financial liabilities at fair value						
Deposits for investment contracts	1968.6	1829.2	1968.6	1829.1	1968.6	1829.2
Total financial liabilities at fair value	1968.6	1829.2	1968.6	1829.1	1968.6	1829.2
Total financial liabilities from insurance business	**2451.3**	**2342.7**	**2451.3**	**2342.6**	**2451.3**	**2342.7**

Deposit liabilities for credited policyholder profit participation

Deposit liabilities for credited policyholder profit participation include interest-bearing credit balances already contractually allocated to the holders of individual life insurance policies and policyholder dividends from Group life insurance business that are either available early or only when the insurance benefits fall due, depending on the applicable insurance terms and conditions.

Deposit liabilities from reinsurance contracts

Deposit liabilities from reinsurance contracts consist of deposits for unearned premiums, future loss payments and actuarial reserves for direct (ceded) and indirect (retroceded) business.

Deposits for investment contracts

Deposits for investment contracts come from insurance contracts without significant insurance technical risk and without discretionary participation features. With these contracts, the policyholder participates directly in the performance of an external investment fund or external index. The change in fair value is solely due to changes in the performance of the underlying investment fund or index.

Amounts paid into or from these deposits do not affect revenues and are not recorded in the income statement, but are offset against the deposit. The features of these products are very similar to those of insurance contracts, apart from the fact that there is hardly any insurance technical risk. Insurance conditions and risks are described in section 16 (from page 162).

10. Income taxes

10.1 Current and deferred income taxes

in CHF million	2021	2020
Current tax	67.9	78.0
Deferred tax	88.2	–39.8
Total income taxes	**156.1**	**38.2**

10.2 Change in deferred tax assets and liabilities (net)

in CHF million	2021	2020
Balance as of 1 January	842.5	810.5
Change in the scope of consolidation	2.3	7.3
Deferred taxes recognised in other comprehensive income	–50.2	64.6
Deferred taxes recognised in the income statement	88.2	–39.8
Foreign currency translation differences	–9.2	–0.1
Reclassification	0.1	0.0
Balance as of 31 December	**873.7**	**842.5**

10.3 Expected and actual income taxes

in CHF million	2021	2020
Profit or loss before tax	675.9	319.9
Expected income taxes	141.9	68.5
Increase / reduction in taxes resulting from:		
tax-exempt income or income taxed at a reduced rate	–12.5	–36.1
non-deductible expenses	24.8	28.6
Change in tax rates	0.4	–20.4
Tax elements related to other periods	10.1	1.9
Effect of losses	–7.5	–2.4
Other	–0.9	–1.9
Actual income taxes	**156.1**	**38.2**

Helvetia was able to realise a tax benefit in the previous year due to the Federal Act on Tax Reform and AHV Financing (TRAF) with a positive effect recognised through profit or loss totalling CHF 15.9 million.

The expected tax rate applicable to the Helvetia Group was 21.0% for 2021 (previous year: 21.4%). This rate is derived from the weighted average of expected tax rates in the individual countries where the Group operates.

The reason for the change in the weighted average tax rate lies in the geographical allocation of the gains on the one hand, and the different tax rates that apply in the individual territories on the other.

10.4 Taxes on expenses and income recognised in other comprehensive income

	before tax		deferred taxes		after tax	
	2021	2020	2021	2020	2021	2020
in CHF million						
May be reclassified to income						
Change in unrealised gains and losses on investments	–1162.1	591.3	255.9	–134.9	–906.2	456.4
Change from net investment hedge	–27.4	98.2	–	–	–27.4	98.2
Foreign currency translation differences	–83.6	–106.4	–	–	–83.6	–106.4
Change in liabilities for contracts with participation features	654.6	–298.7	–151.1	69.0	503.5	–229.7
Total that may be reclassified to income	–618.5	284.4	104.8	–65.9	–513.7	218.5
Will not be reclassified to income						
Revaluation from reclassification of property and equipment	–0.5	–0.1	0.1	0.0	–0.3	–0.1
Revaluation of benefit obligations	374.3	–14.6	–58.9	0.7	315.4	–13.9
Change in liabilities for contracts with participation features	–42.3	0.5	7.0	0.1	–35.3	0.6
Total that will not be reclassified to income	331.5	–14.2	–51.7	0.8	279.8	–13.4
Total other comprehensive income	**–287.0**	**270.2**	**53.1**	**–65.1**	**–233.9**	**205.1**

10.5 Deferred tax assets and liabilities

			Tax assets			Tax liabilities
as of 31.12.2021			Total			Total
in CHF million						
Unearned premium reserve	43.3	–	43.3	1.3	–	1.3
Loss reserves	33.0	–	33.0	263.9	–	263.9
Actuarial reserves	122.1	–	122.1	134.9	–	134.9
Provision for future policyholder participation	152.9	181.2	334.1	3.1	10.8	13.9
Investments	148.7	1.4	150.1	803.8	410.0	1213.8
Deferred acquisition costs	9.9	–	9.9	66.3	–	66.3
Property, equipment and intangible assets	25.9	–	25.9	169.9	1.6	171.5
Financial liabilities	121.4	–	121.4	0.0	–	0.0
Non-technical provisions	2.4	–	2.4	5.9	–	5.9
Employee benefits	103.0	40.3	143.3	5.0	12.7	17.7
Tax assets from losses carried forward	28.5	–	28.5	–	–	–
Other	114.4	0.0	114.4	112.9	0.0	112.9
Deferred taxes (gross)	**905.4**	**222.9**	**1128.4**	**1566.9**	**435.1**	**2002.0**
Offset			–1117.9			–1117.9
Deferred taxes (net)			**10.5**			**884.2**

	Tax assets			Tax liabilities		
as of 31.12.2020			Total			Total
in CHF million						
Unearned premium reserve	42.9	–	42.9	1.9	–	1.9
Loss reserves	51.5	–	51.5	247.3	–	247.3
Actuarial reserves	140.5	–	140.5	129.2	–	129.2
Provision for future policyholder participation	113.3	281.2	394.5	4.8	1.4	6.2
Investments	195.3	1.8	197.1	747.8	631.8	1379.6
Deferred acquisition costs	10.0	–	10.0	55.0	–	55.0
Property, equipment and intangible assets	26.4	–	26.4	190.1	1.6	191.7
Financial liabilities	132.4	–	132.4	1.9	–	1.9
Non-technical provisions	2.0	–	2.0	8.5	–	8.5
Employee benefits	62.3	88.2	150.5	24.0	1.8	25.8
Tax assets from losses carried forward	28.2	–	28.2	–	–	–
Other	83.3	–	83.3	54.7	–	54.7
Deferred taxes (gross)	**888.1**	**371.2**	**1259.3**	**1465.2**	**636.6**	**2101.8**
Offset			–1228.2			–1228.2
Deferred taxes (net)			**31.1**			**873.6**

Valuation differences on shares in subsidiaries of CHF 4,696.8 million (previous year: 4,701.6 million) did not lead to the recognition of deferred tax liabilities, as a reversal of the differences through realisation (dividend payment or sale of subsidiaries) is unlikely in the near future, or the gains are not subject to taxation.

10.6 Losses carried forward

10.6.1 Net tax assets from losses carried forward

as of 31.12.	2021	2020
in CHF million		
Expire within 1 year	0.3	1.8
Expire between 2 and 3 years	7.6	8.4
Expire between 4 and 7 years	15.5	17.8
Without expiration	91.6	93.9
Total recognised losses carried forward	115.0	121.9
Resulting tax assets	28.5	28.2
Net tax assets from losses carried forward	**28.5**	**28.2**

10.6.2 Losses carried forward without tax assets recognised

Losses carried forward in the amount of CHF 90.8 million (previous year: CHF 104.2 million) as at 31 December 2021, no tax assets were recognised for losses carried forward, as the related tax benefits cannot be expected to be realised with the current earnings situation of the respective companies. These loss carryforwards do not have an expiry date. The tax rates applicable to material losses carried forward for which no tax assets were recognised range between 17.0% and 25.0% (previous year: 17.0% to 25.0%).

11. Total equity

11.1 Share capital and treasury shares

The fully paid up registered shares of Helvetia Holding AG have a par value of CHF 0.02 (previous year: CHF 0.02).

The purchase of Helvetia Holding AG registered shares is not subject to any restrictions. Shareholders who purchase the shares in their own name and on their own behalf are entered in the share register with voting rights for a maximum of 5% of the issued registered shares. Individuals who do not explicitly certify in the registration application that they acquired the shares on their own behalf are entered in the share register for a maximum of 3%.

The treasury shares that were granted to Helvetia Group employees at favourable terms under the Helvetia employee share purchase plan did not come from the company's own stock but were acquired on the market. This resulted in an expense of CHF 1.6 million in the reporting period, which was charged to the capital reserve with no impact on profit or loss. This amount represents the difference between the purchase price and the reduced price for employees. No share purchase plan was offered to employees in 2020.

In the reporting year, Patria Genossenschaft paid CHF 45.0 million into the bonus reserves of Helvetia Schweizerische Lebensversicherungsgesellschaft AG (previous year: CHF 45.0 million). This was credited to equity without affecting profit or loss and allocated in total to "Provision for future policyholder participation" under liabilities in accordance with its purpose.

	Number of shares	Share capital in CHF million
Share capital		
As of 1.1.2020	49 725 685	1.0
As of 31.12.2020	53 025 685	1.0
As of 31.12.2021	**53 025 685**	**1.0**
Treasury shares		
As of 1.1.2020	267 932	0.0
As of 31.12.2020	242 844	0.0
As of 31.12.2021	**164 885**	**0.0**
Shares outstanding		
As of 1.1.2020	49 457 753	1.0
As of 31.12.2020	52 782 841	1.0
As of 31.12.2021	**52 860 800**	**1.0**

On 22 June 2020, Helvetia issued 3.3 million new shares at a price of CHF 91.00 per share, which resulted in gross proceeds of CHF 300.3 million. With this transaction, equity increased by CHF 293.1 million and the number of shares to 53,025,685.

11.2 Reserves

11.2.1 Capital reserves

The capital reserve consists of assets paid in by third parties. The capital reserve primarily comprises the share premium of shares issued by Helvetia Holding AG and the preferred securities of Helvetia Group as well as the result from treasury share transactions.

11.2.2 Retained earnings

Accumulated non-distributed earnings of Helvetia Group are recognised in the balance sheet as "Retained earnings". Besides freely disposable funds, retained earnings also comprise the revaluation of benefit obligations and statutory reserves and reserves bound by the articles of incorporation which are sustained by the profit for the year and subject to restrictions on distributions.

11.2.3 Reserve for foreign currency translation differences

The reserve for "Foreign currency translation differences" results from the translation of financial statements prepared in foreign currency into the Group's reporting currency (Swiss franc) as well as the effective portion of the net investment hedge for foreign exchange gains and losses on investments in subsidiaries with a foreign reporting currency.

11.2.4 Reserve for unrealised gains and losses

The reserve for "Unrealised gains and losses" includes fair value changes of available-for-sale investments (AFS), the portion of unrealised gains and losses of associates, as well as value changes resulting from the transfer of owner-occupied property.

The reserve is adjusted at the reporting date by the portion relating to contracts with participation features and deferred taxes. The portion reserved for the owners of contracts with participation features is transferred to "Liabilities". This item plus foreign exchange influences amounts to CHF –654.6 million (previous year: CHF 298.7 million). The remaining portion regarding contracts is allocated to the "Valuation reserve for contracts with participation features in equity" (see section 11.2.5, page 150).

During the reporting year, a transfer of CHF –0.5 million was made (previous year: CHF –1.0 million) to retained earnings as a consequence of disposals of owner-occupied properties transferred to investment property.

Change in unrealised gains and losses in equity

	Notes	
in CHF million		
Balance as of 1 January		
Fair value revaluation incl. foreign currency translation differences		
Revaluation from reclassification of property and equipment		
Gains reclassified to the retained earnings due to disposals		
Gains reclassified to the income statement due to disposals		
Losses reclassified to the income statement due to disposals		
Impairment losses reclassified to the income statement		
Balance as of 31 December		
less:		
Obligations for contracts with participation features in 'Liabilities'		
Valuation reserves for contracts with participation features in 'Equity' (gross)	11.2.5	
Non-controlling interests		
Deferred taxes on remaining portion		
Unrealised gains and losses (net) as of 31 December		

Change in retained earnings

in CHF million	2021	2020
Balance as of 1 January	3 097.2	3 505.5
Profit or loss for the period	326.2	246.6
Revaluation of benefit obligations	304.4	–12.2
Change in liabilities for contracts with participation features	–42.3	0.5
Deferred taxes	–40.5	0.6
Comprehensive income	547.8	235.5
Transfer from / to retained earnings	–7.8	–17.0
Acquisition of subsidiaries	–	–375.5[1]
Change in minority interests	–4.0	–6.9
Dividends	–263.5	–244.4
Total retained earnings as of 31 December	**3 369.7**	**3 097.2**

[1] In connection with the acquisition of Caser in 2020, the minority shareholders were granted the option of selling their shares to Helvetia. Written put options on shares in subsidiaries are reported under IFRS as financial liabilities in the amount of the present value of the overall purchase price. These options are recognised in retaines earnings with no effect on the income statement.

Available-for-sale investments		Associates		Transfer of owner-occupied property		Total unrealised gains and losses	
2021	2020	2021	2020	2021	2020	2021	2020
3 448.3	2 857.0	–	–	27.7	28.8	3 476.0	2 885.8
–890.8	805.0	–	–	–0.8	–0.1	–891.6	804.9
–	–	–	–	0.3	–	0.3	–
–	–	–	–	–0.5	–1.0	–0.5	–1.0
–270.8	–202.3	–	–	–	–	–270.8	–202.3
0.1	0.3	–	–	–	–	0.1	0.3
–0.6	–11.7	–	–	–	–	–0.6	–11.7
2 286.2	3 448.3	–	–	26.6	27.7	2 312.9	3 476.0
						–1 080.6	–1 717.6
						–754.3	–1 101.3
						–22.0	–43.0
						–95.5	–128.4
						360.6	**485.7**

11.2.5 Valuation reserves for contracts with participation features

Surpluses from insurance and investment contracts beyond the country-defined "legal quotas" are recognised in the valuation reserve for contracts with participation features. These arise because the policyholder additionally participates in valuation differences that result from the differences between local and IFRS accounting.

The valuation reserve for contracts with participation features comprises the share of unrealised gains and losses on investments relating to contracts with profit participation recognised directly in equity, and the portion from retained earnings arising from valuation differences. The use of the reserves is at the insurer's discretion (see section 2.15.2, from page 97).

Change in valuation reserve for contracts with participation features

in CHF million	2021	2020
Unrealised gains and losses on contracts with participation features		
Balance as of 1 January	1101.4	955.3
Change in unrealised gains and losses	–343.5	146.0
Foreign currency translation differences	–3.6	0.1
Balance as of 31 December	754.3	1101.4
less:		
Deferred taxes	–134.6	–205.9
Unrealised gains and losses as of 31 December	619.6	895.5
Retained earnings on contracts with participation features		
Balance as of 1 January	969.9	956.9
Share of profit for the year	171.0	18.2
Revaluation of benefit obligations	69.0	–1.8
Deferred taxes on revaluation of benefit obligations	–11.2	0.1
Foreign currency translation differences	0.0	0.0
Reclassifications	–4.1	–3.5
Retained earnings as of 31 December	1194.5	969.9
Valuation reserves for contracts with participation features as of 31 December	**1814.2**	**1865.4**

Reclassification of the retained earnings on contracts with discretionary participation features is required under local regulations for the appropriation of profit in Italy. The amounts are transferred to retained earnings.

11.3 Preferred securities

In 2020, Helvetia Schweizerische Versicherungsgesellschaft AG issued a subordinated perpetual bond of CHF 275 million. This bond will pay interest at 1.50% per year until 2026. The first call date on which Helvetia has the right, but not the obligation, to repay the bond is 12 August 2026. Thereafter, the new fixed interest rate will be based on the five-year CHF mid-swap rate and the initial margin.

Furthermore, in 2020, Helvetia Schweizerische Versicherungsgesellschaft AG issued a subordinated perpetual bond of CHF 200 million. This bond will pay interest at 1.75% per year until 2028. The first call date on which Helvetia has the right, but not the obligation, to repay the bond is 26 May 2028. Thereafter, the new fixed interest rate will be based on the five-year CHF mid-swap rate and the initial margin.

In 2015, Helvetia Schweizerische Versicherungsgesellschaft AG issued a subordinated perpetual bond of CHF 300 million. This bond will pay interest at 3.00% per year until 2022. The first call date on which Helvetia has the right, but not the obligation, to repay the bond is 23 November 2022. After this date, the interest rate will be set for five years at a time based on the five-year CHF swap rate and the initial margin of 302.5 basis points.

The bonds meet all solvency requirements and are allocated to equity. The interest is charged directly to equity. Helvetia can suspend interest payments at its discretion only when Helvetia Holding AG does not pay any dividends and if certain other conditions are fulfilled. However, the suspended interest payments do not lapse.

11.4 Deferred taxes recognised in other comprehensive income

Deferred taxes recognised directly in other comprehensive income arise from valuation differences that primarily result from the fair value valuation of AFS financial assets and value changes related to the transfer of property and the revaluation of benefit obligations. On the reporting date, they amounted to a total of CHF 212.2 million (previous year: CHF 265.3 million).

11.5 Earnings per share

Basic earnings per share (EPS) are calculated on the weighted average number of shares outstanding of Helvetia Holding AG and the portion of the Group's profit for the year attributable to shareholders including the interest on the preferred securities recognised directly in equity. Diluted earnings for both reporting periods correspond to the basic earnings, as no convertible instruments or options that could have a dilutive effect are outstanding.

Earnings per share for the period

	2021	2020
in CHF		
Profit or loss for the period	519 781 712	281 656 441
Interest on preferred securities	– 12 494 844	– 21 053 432
Earnings for shareholders and non-controlling interests	507 286 868	260 603 009
Non-controlling interests	– 22 556 412	– 16 848 359
Earnings for shareholders without non-controlling interests	484 730 456	243 754 650
Weighted average number of shares outstanding	52 843 380	51 176 731
Earnings per share	**9.17**	**4.76**

11.6 Dividends

The Board of Directors will submit a proposal to the Shareholders' Meeting of 29 April 2022 to pay a dividend of 5.50 per share (previous year: CHF 5.00) with the total payout amounting to CHF 291.6 million (previous year: CHF 265.1 million). The proposed dividend will not be distributed before it has been approved by the Ordinary Shareholders' Meeting. The dividend distribution is only recognised when approved by the Shareholders' Meeting.

Helvetia Holding AG and its subsidiaries are subject to a range of restrictions under company law and supervisory regulations with regard to the dividends that may be distributed to the parent company, i.e. the owner.

Helvetia Group is required to report to the Swiss Financial Market Supervisory Authority (FINMA) in Switzerland. FINMA also acts as the European Group Supervisor of Helvetia Group. The Group is also subject to supervisory requirements in the form of minimum solvency margins, compliance with which can lead to restrictions with regard to the dividends of Helvetia Holding AG.

12. Provisions and other commitments

12.1 Non-technical provisions

in CHF million	2021	2020
Balance as of 1 January	139.4	152.5
Change in the scope of consolidation	0.4	16.9
Allocation	51.8	83.4
Release	–27.7	–68.7
Used amounts	–25.9	–44.1
Foreign currency translation differences	–3.1	–0.6
Balance as of 31 December	**134.9**	**139.4**

"Non-technical provisions" primarily consists of provisions for liabilities resulting from official regulation, provisions arising from other tax obligations, provisions for restructuring expenses and liabilities due to agents. The share of provisions classified as current is CHF 126.2 million (previous year: CHF 116.8 million).

12.2 Contingent liabilities and other commitments

The following liabilities are not recognised in the balance sheet:

Capital commitments

At the reporting date, there were financial commitments for the future acquisition of financial investments and fixed assets in the amount of CHF 166.6 million (previous year: CHF 251.5 million).

Assets pledged or assigned

The Helvetia Group has pledged assets of CHF 325.4 million as security for liabilities (previous year: CHF 506.5 million). They are allocated to financial investments and other assets pledged in favour of liabilities from technical business, as securities for hedging instruments or as repurchase agreements.

Legal proceedings

The Helvetia Group is involved in various legal proceedings, claims and litigation that are mostly related to its insurance operations. However, Group management is not aware of any case that could materially impact the Group's financial position and financial performance.

Other contingent liabilities

At the reporting date, there was CHF 32.9 million (previous year: CHF 36.1 million) in other contingent liabilities.

13. Employee benefits

Helvetia Group had a total of 12,128 full-time positions as at 31 December 2021 (previous year: 11,687). Total personnel costs are shown in the table below.

13.1 Personnel costs

	Note	2021	2020
in CHF million			
Commissions		180.2	179.3
Salaries		773.2	673.6
Social security costs		142.3	111.7
Pension costs – defined contribution plans		10.8	7.3
Pension costs – defined benefit plans	13.3.4	95.1	93.4
Share-based payment transaction costs		4.1	0.7
Other personnel costs		69.6	60.8
Total personnel costs		**1 275.3**	**1 126.8**

13.2 Employee benefit receivables and obligations

		Receivables		Liabilities	
as of 31.12.	Notes	2021	2020	2021	2020
in CHF million					
Kind of benefit					
Defined benefit plans	13.3.1	21.1	0.7	400.5	742.5
Other long-term employee benefits		–	–	28.6	28.9
Short-term employee benefits		0.7	2.0	124.9	97.1
Total employee benefit receivables and obligations		**21.8**	**2.7**	**554.0**	**868.5**

"Other long-term employee benefits" principally contain liabilities for service awards. There are no employee contingent liabilities or employee contingent receivables.

13.3 Defined benefit plans

The employees of the Helvetia Group are covered under several pension plans in Switzerland and abroad.

There are several foundations in Switzerland designed to provide benefits to employees upon retirement and in the event of disability as well as after their death to their surviving dependants in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The benefits provided by the pension fund meet at least the statutory minimum required by the BVG. Contributions to the pension fund are set as a percentage of the employee's pensionable annual salary, deducted from the salary by the employer and transferred every month to the pension fund, together with the employer's contributions. In the reporting year there were no significant transactions between the pension fund and the Helvetia Group that are not directly related to employee benefits.

The Group investments included in the plan assets are set out in section 13.3.8 (page 157). There are other funded defined benefit plans in place in Germany.

In addition, unfunded defined benefit plans are in place in Germany, Austria, Italy, Spain and France. The accumulated pension obligations are recorded as pension liabilities in the balance sheet of the employer. These pension plans cover benefits for retirement, death, disability or termination of the employment contract with consideration given to local labour laws and social legislation in the individual countries. The benefits are fully financed by the employer.

The defined benefit plans include actuarial risks, particularly investment risks, longevity and interest rate risks.

The management of the pension funds is under the supervision of the respective boards of trustees. Their responsibilities are set out in the respective pension fund regulations. The pension plans are subject to the respective local supervisory authorities. In accordance with local regulations, some of these are defined contribution plans, so the benefits do not depend on the final salary. Nevertheless, these plans are also deemed to be defined benefit plans under IFRS, as in cases in which the plan assets no longer cover the pension obligations in accordance with local accounting standards – a so-called funding deficiency of an employee pension plan – restructuring contributions may be levied from the employer.

13.3.1 Reconciliation of balance sheet

as of 31.12.	2021	2020
in CHF million		
Present value of funded obligations (+)	3 599.7	3 726.4
Fair value of plan assets (–)	–3 377.4	–3 153.3
Surplus (–) / deficit (+)	222.3	573.1
Present value of unfunded obligations (+)	157.1	168.7
Unrecognised assets (asset ceiling)	–	–
Net liability[1] for defined benefit plans	**379.5**	**741.8**

[1] The "Net liabilities" position does not contain any reimbursement rights

13.3.2 Change in the present value of pension obligations

in CHF million	2021	2020
Defined benefit obligation as of 1 January	3 895.1	3 844.8
Change in the scope of consolidation	–	5.6
Service cost	135.7	133.1
Interest cost	7.6	7.8
Actuarial gains (–) / losses (+)		
– demographic assumptions	–159.5	–
– financial assumptions	–36.1	1.4
– experience adjustments	67.4	3.5
Benefits (net)	–137.2	–99.4
Past service cost	–	0.1
Foreign currency translation differences	–16.2	–1.8
Defined benefit obligation as of 31 December	**3 756.9**	**3 895.1**

As at 31 December 2021, 90.1 % (previous year: 90.1 %) of the pension obligations resulted from pension plans in Switzerland.

13.3.3 Changes in the fair value of plan assets

in CHF million	2021	2020
Fair value of plan assets as of 1 January	3 153.3	3 142.8
Change in the scope of consolidation	–	–
Employer contributions	58.4	58.0
Employee contributions	45.0	44.3
Interest income	3.3	3.3
Benefits (net)[1]	–122.7	–85.1
Return on plan assets excluding interest income	240.8	–9.9
Foreign currency translation differences	–0.6	–0.1
Fair value of plan assets as of 31 December	**3 377.4**	**3 153.3**

[1] This item includes paid-in and withdrawn vested benefits as well as pensions and annuities.

As at 31 December 2021, 99.6 % (previous year: 99.5 %) of the plan assets related to pension plans in Switzerland.

13.3.4 Net pension costs

in CHF million	2021	2020
Current service cost	135.7	133.1
Past service cost	–	0.1
Net interest expense	4.3	4.5
Employee contributions	–45.0	–44.3
Net pension costs for defined beneit plans	**95.1**	**93.4**

Expenses for defined benefit plans are recognised in the income statement under "Operating and administrative expenses". Expected employer contributions toward defined benefit plans for the next year amount to CHF 70.2 million.

13.3.5 Revaluation of benefit obligations

	2021	2020
in CHF million		
Actuarial gains (+) / losses (–)	–128.1	4.9
Return on plan assets excluding interest income	–240.8	9.9
Limit on assets (asset ceiling)	–	–
Revaluation of benefit obligations	**–368.9**	**14.8**

Revaluations of benefit obligations are recognised in the consolidated statement of comprehensive income.

13.3.6 Actuarial assumptions

	Switzerland		Abroad	
Weighted averages	2021	2020	2021	2020
in %				
Discount rate	0.2	0.1	1.2	1.1
Expected salary increases	1.0	1.0	2.1	2.1
Expected pension increases	0.0	0.0	2.0	1.8
Duration of the defined benefit liability (in years)	15.0	16.1	17.6	18.3

Helvetia based its life expectancy assumption on the BVG 2015 generation tables up to 2020 and the BVG 2020 generation tables as of 2021.

Net interest income from plan assets to be recognised in the income statement is calculated using the same interest rate applied to the calculation of interest on defined benefit obligations.

13.3.7 Sensitivity analysis

The sensitivity analysis takes into account the change to benefit obligations and the current service cost when there is a change of 50 basis points to the actuarial assumptions. Only one parameter is adjusted in each case; the other assumptions remain unchanged.

		Effect on benefit obligations		Effect on service cost	
as of 31.12.	Change	2021	2020	2021	2020
in CHF million					
Discount rate	+ 50bp	–268.0	–295.4	–7.8	–8.3
Discount rate	– 50bp	306.6	340.0	9.3	10.1
Salary increases	+ 50bp	31.6	37.1	0.4	0.3
Salary increases	– 50bp	–31.2	–36.3	–0.5	–0.4
Pensions	+ 50bp	219.7	243.3	0.1	0.2
Pensions	– 50bp	–199.1	–219.6	–0.2	–0.2

13.3.8 Plan asset allocation

As far as investment policy and strategy are concerned, occupational pension plans in Switzerland focus on total returns. The strategic goal is to optimise rates of return on plan assets, benefit costs and the funding ratio of benefit plans with a diversified mix of stocks, bonds, real estate and other investments.

Expected long-term rates of return on plan assets are based on long-term expected interest rates and risk premiums and on the target plan asset allocation. These estimates are based on historical rates of return for individual asset classes and are made by specialists in the field and pension actuaries.

Actual plan asset allocation depends on the current economic and market situation and fluctuates within pre-determined ranges. Alternative investments, such as hedge funds, are used to improve long-term rates of return and portfolio diversification.

The investment risk is monitored through the periodic review of assets and liabilities as well as quarterly reviews of the investment portfolio.

The plan assets largely consist of the following financial assets:

in CHF million	2021	2020
Interest-bearing securities		
– listed	1113.5	1056.5
– unlisted	6.2	7.6
Listed shares	479.3	456.9
Listed investment funds	775.2	722.4
Listed alternative investments	140.7	109.8
Listed derivative financial assets	18.7	9.3
Mortgages	67.0	58.9
Money market instruments	–	28.7
Investment property	707.2	656.1
Cash and cash equivalents	62.6	31.6
Other plan assets	7.0	15.5
Total plan assets	**3377.4**	**3153.3**

as at 31 December 2021, plan assets include CHF 16.2 million shares issued by Helvetia Holding AG (previous year: CHF 14.1 million). Plan assets do not include any of the Group's owner-occupied properties.

14. Share-based payments

14.1 Employees of the Helvetia Group in Switzerland

The Helvetia employee share purchase plan enables employees to acquire registered Helvetia Holding AG shares. With this plan, employees can directly and voluntarily participate in the added value created by the Group at preferential conditions. All employees of Helvetia in Switzerland are eligible if they are in regular employment (not on notice) and entitled to variable compensation. The number of available shares is specified taking account of the overall result and the functions of the employees concerned. All shares acquired in this manner are transferred to the ownership of the employee upon receipt and are subject to a mandatory vesting period of three years. The costs associated with the share purchase plan in 2021 were recognised in the income statement at CHF 1.6 million. No share purchase plan was offered to employees in 2020.

14.2 Members of the Board of Directors

The Board of Directors receive 30% of fixed compensation – converted at the closing price on the first working day in March prior to the Shareholders' Meeting of the following year – in shares blocked for a minimum of three years.

For the 2021 financial year, the Board of Directors received an amount of CHF 0.8 million in blocked shares (previous year: CHF 0.8 million). This corresponds to 7,543 shares at a price of CHF 105.50 on 1 March 2022 (previous year: 7,775 shares at CHF 102.30).

14.3 Members of the Executive Management

The members of the Executive Management receive as part of their variable compensation a long-term compensation component (LTC). The Board of Directors determines the extent of target achievement for the LTC. The extent of LTC target achievement for all Executive Management members is based on four criteria: profit, growth, shareholder value and risk-adjusted return. The reference figure, which is multiplied by the extent of target achievement, is a percentage of up to 40% of the fixed salary component. The LTC is converted into a specific number of shares and allocated to the Executive Management member as a deferred payment after three years. The conversion price per share is the closing stock exchange price for the Helvetia Holding share on the date the extent of target achievement is set by the Nomination and Compensation Committee. For the 2021 financial year, LTC shares to the value of CHF 2.0 million were allocated (previous year: CHF 1.2 million). For the Executive Management of the Group this is subject to approval by the Shareholders' Meeting. This corresponds to 17,564 shares at a price of CHF 111.80 as of reference date 28 February 2022 (previous year: 11,242 shares at CHF 102.30). This payment is recognised proportionally in the income statement every year until ownership of the shares is transferred and amounted to CHF 1.4 million for 2021 (previous year: CHF 0.9 million).

14.4 Members of the Executive Management teams of the foreign subsidiaries

The members of the Executive Management teams of the foreign subsidiaries receive a variable compensation component from the Group in addition to the local compensation, which is calculated by multiplying the extent of target achievement by a reference figure equalling 10% of the basic salary. This results-based component is paid out in the form of 6,503 shares (previous year: 3,426). The conversion price per share is calculated as described in section 14.3. All shares acquired in this manner are transferred to the ownership of the Executive Management members upon receipt and are subject to a mandatory vesting period of three years. The share-based payments for the 2021 financial year amounted to CHF 0.7 million (previous year: CHF 0.3 million).

15. Related-party transactions

15.1 Transactions with related companies

"Related companies" are the cooperation partners represented on the Board of Directors of Helvetia Group, i.e. Patria Genossenschaft and the pension funds and all associates of Helvetia Group. The latter two are discussed in section 13.3 "Defined benefit plans" (page 154) and section 7.4 "Investments in associates" (page 124).

Patria Genossenschaft, Basel, directly holds 34.1 % of the capital of Helvetia Holding AG.

Helvetia Schweizerische Lebensversicherungsgesellschaft AG and Patria Genossenschaft have concluded renewable agreements for capital support. Each of these agreements refer to a specific financial year and they document an undertaking by Patria Genossenschaft to contribute regulatory capital of up to CHF 50 million (previous year: CHF 100.0 million) to Helvetia Schweizerische Lebensversicherungsgesellschaft AG should certain adverse scenarios arise. The agreements will, if needed, be executed at normal market conditions.

The dividend payment to Patria Genossenschaft in the amount of CHF 90.4 million (previous year: CHF 84.8 million) and the contribution of CHF 45 million (previous year: CHF 45 million) from Patria Genossenschaft to Helvetia Schweizerische Lebensversicherungsgesellschaft AG were the only significant transactions in the reporting period.

15.2 Transactions with related persons

"Related persons" include the members of the Board of Directors and Executive Management of Helvetia Group as well as their close family members (partners and financially dependent children).

15.2.1 Compensation

Members of the Board of Directors and the Group Executive Management or persons closely related to them do not have any significant personal business relationships with Helvetia Group and also did not bill the Group for any significant fees or remuneration relating to additional services. Where such additional services are compensated, they form an integral part of the total remuneration stated below.

The total compensation paid to the members of the Board of Directors and the Group Executive Management comprises:

as of 31.12.	2021	2020
in CHF		
Salaries and other short-term employee benefits	10 518 144	10 202 637
Prospective share-based payment (LTC)[1]	1 963 655	1 150 108
Employer contributions to pension funds	3 023 610	3 171 935
Total compensation	**15 505 409**	**14 524 680**

[1] Subject to approval by the Shareholders' Meeting.

15.2.2 Loans and guarantees

Members of the Executive Management may conclude insurance contracts, loans and other services under the terms and conditions currently in effect for employees.

At the reporting date, a mortgage loan had been granted to the following members of the Executive Management:

- to Philipp Gmür for CHF 1,000,000 (previous year: CHF 1,000,000). In the reporting year the loan earned interest at 0.95% (previous year: 0.95%).
- to Beat Müller for CHF 1,170,000 (previous year: 1,170,000). In the reporting year the loan earned interest at 0.81% (previous year: 0.81%).
- to David Ribeaud at a total sum of CHF 1,015,000 (previous year: CHF 1,015,000). In the reporting year, the loans earned interest as follows: CHF 595,000 at 0.89% (previous year: 0.89%) and CHF 420,000 at 0.95% (previous year: 0.95%).
- to Roland Bentele in the amount of CHF 1,350,000 (previous year: CHF 1,350,000) with 0.80% interest (previous year: 0.80%).

Members of the Board of Directors have no claim to employee conditions. At the reporting date, a mortgage loan had been granted to Jean-René Fournier for CHF 765,000 (previous year: CHF 765,000). In the reporting year, the loan, a fixed mortgage at normal customer conditions, had the same interest rate as in the previous year of 1.57%.

There are no other loans or guarantees.

15.2.3 Shares of Group Executive Management

The shares held by the members of the Executive Management and persons closely related to them as of the end of the year are listed in the following table:

as of 31.12.	2021	2020
Number of shares		
Philipp Gmür	26 215	23 975
Achim Baumstark	1 400	1 000
Roland Bentele	647	647
Markus Gemperle	8 800	7 755
Martin Jara	523	–
André Keller	400	–
Annelis Lüscher Hämmerli	400	–
Beat Müller	4 250	4 025
David Ribeaud	6 165	4 885
Total	**48 800**	**42 287**

In addition to the ownership of shares as reported, the active members of the Group Executive Management have deferred claims to a total of 29,880 shares acquired under the LTC programme.

15.2.4 Shares of Board of Directors

The shares held by the members of the Board of Directors and persons closely related to them as of the end of the year are listed in the following table:

as of 31.12.	2021	2020
Number of shares		
Doris Russi Schurter (Chairwoman)	13 444	11 420
Hans Künzle (Vice-Chairman)	3 459	3 452
Thomas Schmuckli (Vice-Chairman)	1 983	1 235
Beat Fellmann (member)	2 916	2 300
Jean-René Fournier (member)	3 518	3 019
Ivo Furrer (member)	2 457	1 782
Christoph Lechner (member)	5 514	5 015
Gabriela Maria Payer (member)	5 417	4 742
Andreas von Planta (member)	5 861	5 245
Regula Wallimann (member)	1 781	1 165
Total	**46 350**	**39 375**

16. Risk management

16.1 Principles of risk management

The integrated risk management of Helvetia Group ensures that all material risks are identified, collected, evaluated and controlled in good time and managed and monitored appropriately. The risks are managed in accordance with the requirements of the relevant stakeholders, upon which the concepts and methods of risk identification, management and analysis are also based.

16.1.1 Risk management organisation

The Board of Directors of Helvetia Holding AG and the Executive Management are the supreme risk owners of Helvetia Group. The Board of Directors of Helvetia Holding AG is responsible for establishing and maintaining appropriate internal controls and the risk management organisation of Helvetia Group. It is the Board's responsibility in particular to:

- set risk policy principles that support the development of risk awareness and a risk and control culture in the Group companies;
- define a risk strategy / partial risk strategies that cover the risk management objectives of all essential business activities and are aligned with the business strategy of Helvetia Group;
- set risk tolerance limits and monitor the risk profile of the Group and the individual business units;
- ensure the implementation and application of a comprehensive risk management approach, including an internal control system, that guarantees the efficient allocation of risk capital and systematic control of risks by the Executive Management;
- ensure appropriate monitoring of the effectiveness of internal control systems by the Executive Management.

Board of Directors

Within the stipulated parameters, the Board of Directors delegates operational aspects of risk management. For example, the monitoring of the Group's risk profile is delegated to the Investment and Risk Committee (IRC). The structural aspects of risk management (structure of the risk management organisation and the internal control system) are delegated to the Audit Committee.

Executive Management

The Executive Management is responsible for implementing and complying with the strategies, business principles and risk limits defined by the Board of Directors, analysing the risk position of Helvetia Group, capital planning, defining the corresponding control measures and ensuring the necessary external transparency. The topics of risk and capital management are addressed in the Executive Management Risk Committee meetings under the direction of the Chief Risk Officer (CRO). Other members of the Executive Management Risk Committee are the Group CEO, Chief Financial Officer (CFO), Chief Investment Officer (CIO) and Head of Actuarial Services.

The Risk Committee is also managed by the CRO and advises the Executive Management. It coordinates, monitors and assesses the risk decisions and financing and hedging measures of all business units. Other permanent members of the Risk Committee at Group level are the Group Chief Financial Officer, Chief Financial Officer Switzerland, Head of Treasury & Capital Management, CIO, Head of Actuarial Life, Head of Investment Solutions and Head of Legal & Compliance. Other specialists can be invited to attend Risk Committee meetings when required and depending on the topic. The entire committee meets at least quarterly and it holds regular discussions at monthly meetings. and it holds regular discussions at monthly meetings. The Risk and Capital Reporting department, which reports to the CRO, ensures that there is sufficient risk and capital transparency:

– The Own Risk and Solvency Assessment (ORSA) informs the Executive Management and the Board of Directors of the capitalisation and key risks that affect Helvetia Group (including the risk strategy and management).
– The risk and capital report published quarterly and the corresponding monthly analyses support the Risk Committee and risk owners with detailed information.

Internal Audit

The internal audit unit, an independent in-house team reporting directly to the Chairman of the Board of Directors, monitors the course of operations and business, the internal control system and the efficiency of the risk management system of the Group. While the risk controlling functions are responsible for the ongoing monitoring of the Group's risk management system, the internal audit unit monitors the effectiveness, appropriateness and efficiency of the risk management measures at irregular intervals and identifies weaknesses.

16.1.2 Risk management process

The risk management process includes all activities related to the systematic assessment of risks at Helvetia Group. The key components of this risk management process include the identification, analysis and management of risks, the monitoring of the success, effectiveness and appropriateness of the risk management measures, and reporting and communication. Helvetia Group distinguishes between the following types of risk that are included in the Group's risk management process: technical risks, market risks (including equity price risk, real estate price risk, interest rate risk, currency risk as well as long-term liquidity risk and other market risks such as inflation risk), medium- and short-term liquidity risks, counterparty risks, operational risks, strategic and emerging risks. Cyber risks represent an important sub-category of operational risks. Reputation risks are not recorded as a separate risk category; instead, their impact is accounted for under operational, strategic and emerging risks. Sustainability risks can arise from environmental, social and governance (ESG) factors. Sustainability risks, including climate change risks, are not viewed as a fundamentally new risk category, but rather as risk drivers, which impact and influence the existing risk landscape.

The market, counterparty and technical risks belong to the traditional risks of an insurance company and are consciously entered into as part of the chosen business strategy. They tie up risk capital in an operational context and can be influenced through the use of hedging instruments, product design, reinsurance cover and other risk management measures. Based on the overall risk profile it is ensured that these risks are constantly covered by the risk-bearing capital. In this regard, the amount of the capital required depends on the risk tolerance limits chosen.

16.2 Non-life technical risks

The most important non-life segments of Helvetia Group are property (including technical insurance), casualty (liability, accident, motor vehicle) and transport insurance. Motor vehicle insurance policies represent the largest proportion of casualty insurance policies. The "Specialty Markets" segment includes the globally active reinsurance business, the international and Swiss technical, transport, aviation, space and art business and the France country market, which is focused on the transport business. This segment also includes most of the business of Helvetia Lichtenstein, the branch in Singapore and the representative office in Miami. In contrast, the segments "Switzerland" and "Europe" are basically defined geographically. The share of the gross premiums per country market is as follows: Switzerland 26.6% (previous year: 28.2%), Germany 10.3% (previous year: 12.2%), Italy 8.5% (previous year: 9.9%), Spain 22.8% (previous year: 14.9%), Austria 6.0% (previous year: 6.8%). The share of the "Specialty Markets" segment is 25.8% (previous year: 28.0%), of which 6.3% (previous year: 6.2%) is attributable to the French country market and 11.5% (previous year: 13.4%) to active reinsurance.

Gross premiums by sector and country in the non-life business

as of 31.12.2021	Switzerland	Europe				Specialty Markets	Total
in CHF million		Germany	Italy	Spain	Austria		
Property	787.8	327.8	150.9	832.6	146.9	465.0	2711.1
Transport / Art	2.9	61.9	10.4	34.8	6.4	446.6	563.1
Motor vehicle	634.1	196.7	233.1	333.2	151.2	35.2	1583.4
Liability	164.2	67.2	71.5	83.6	47.6	2.1	436.1
Accident / health	179.1	31.5	102.6	235.6	47.2	–	596.1
Active Reinsurance						766.5	766.5
Gross premiums non-life	**1768.1**	**685.1**	**568.5**	**1519.8**	**399.3**	**1715.5**	**6656.3**

as of 31.12.2020	Switzerland	Europe				Specialty Markets	Total
in CHF million		Germany	Italy	Spain	Austria		
Property	595.4	308.9	128.5	443.8	135.1	386.8	1998.5
Transport / Art	2.8	57.0	9.4	24.9	6.2	370.5	470.8
Motor vehicle	601.9	199.5	239.1	232.3	139.6	31.5	1443.9
Liability	157.0	67.6	65.5	40.6	44.9	1.1	376.7
Accident / health	171.9	31.5	94.6	69.0	44.3	–	411.3
Active Reinsurance						729.1	729.1
Gross premiums non-life	**1529.0**	**664.5**	**537.1**	**810.6**	**370.1**	**1519.0**	**5430.3**

This table was created using principles on which the segment reporting in section 3 (from page 101) is based. Group reinsurance is included in the "Corporate" segment and in the "Other activities" business area. Information on gross premiums and cessions in these segments can be found in section 3. The role of Group reinsurance is shown in the following sections. The description below of the risks is also relevant for the Group reinsurance business as some of the risks of the non-life business are transferred in the form of reinsurance to the "Corporate" segment so that a centralised transfer can then be made to the reinsurance market.

Technical risks in non-life result from the random nature of occurrences of an insured event and the uncertainty regarding the amount of the resulting obligations. In particular, correctly pricing events with a low frequency and very high damages is subject to some uncertainty. These events include natural disasters (floods, earthquakes, storms and hail), which are particularly relevant for property insurance and motor vehicle portfolios. They also relate to major losses caused by people (liability, fire and terrorism).

In addition to the prospective risk of a risk premium being too low, there is also the retrospective risk of inadequate provision for known losses or lack of reserves for losses that have occurred but are not yet known. In terms of large risks, there is more uncertainty associated with estimating future claims payments as it can take a longer time to process such claims. In the case of sectors such as liability, a longer period of time can also pass between the occurrence of a loss and it becoming known. The change in such losses can have a major impact on the technical result. For example, a change in the net claims ratio of +/–5 percentage points would have a positive or negative effect of CHF 276.5 million (previous year: CHF 235.1 million) on the income statement (without taking account of tax effects).

Active reinsurance considers itself as a "follower" and usually holds smaller parts of reinsurance contracts. This policy of small holdings, combined with broad diversification (geographically and by insurance segment), leads to a balanced reinsurance portfolio free of major risk clusters.

Helvetia Group has designed its business processes in accordance with the principle of commercial prudence. This assumes that the risks are adequately identified, assessed, monitored and controlled and reported and can be duly taken into account for the assessment of the capital requirements. The Group addresses prospective and retrospective risks with actuarial controls, adequate reserves and diversification. Helvetia Group's consistent focus on a portfolio that is well diversified geographically and across sectors encourages risk-balancing and reduces the risks described above. Helvetia Group controls the technical risks through a risk-adjusted rate schedule, selective underwriting, proactive claims settlement and a prudent reinsurance policy. The underwriting ensures that the risks entered into meet the necessary quality criteria in terms of type, exposure, customer segment and location. In order to cover existing liabilities that are still to be claimed by policyholders, Helvetia establishes incurred but not reported reserves. These are calculated using actuarial methods on the basis of many years of claims experience, taking into account current developments and existing uncertainties.

Group reinsurance

Despite the balancing of risks through diversification, individual risk clusters (e.g. in the form of individual large risks) or risk accumulations (e.g. via cross-portfolio exposure to natural disasters) may occur. These types of potential risks are monitored throughout the Group and hedged in a coordinated manner by means of treaty reinsurance contracts. Facultative reinsurance contracts are taken out for individual large risks not covered under the treaty reinsurance contract. Treaty reinsurance contracts are coordinated by the Group reinsurance business unit as part of Helvetia Schweizerische Versicherungsgesellschaft AG and usually centrally placed in the reinsurance market. In its role as Group reinsurer, Group Reinsurance ensures that the individual primary insurance units have the appropriate treaty reinsurance protection and transfers the risks assumed, taking account of diversification, in the reinsurance market. This centralisation leads to the application of uniform Group-wide reinsurance standards, particularly in relation to the hedging level, as well as synergies in the reinsurance process. Based on the Group's risk appetite and the state of the reinsurance markets, Group reinsurance ensures efficient use of existing risk capacity at Group level and provides optimum management of the purchase of reinsurance protection.

Group-wide, the technical risks in the non-life business are dominated by natural hazards. Except in very rare cases, the reinsurance protection limits the claims remaining from a natural disaster or individual risk in the direct business at Group level to a maximum of CHF 35 million (previous year: CHF 35 million). The reinsurance is incremental per risk and event by means of a proportional and non-proportional reinsurance. For more information about the quality of reinsurance and claims settlement, please see sections 16.6 "Counterparty risks" (from page 181) and 9 "Insurance business" (from page 134). In the current year, 12.7% (previous year: 12.0%) of the premiums written in the non-life business were ceded to reinsurers. 64.7% (previous year: 72.8%) were ceded to Group reinsurance and the rest to external reinsurance companies. 53.9% (previous year: 54.4%) of the premiums written by Group reinsurance were retroceded.

16.3 Life technical risks

Helvetia Group offers a comprehensive range of life insurance products. These include risk and pension solutions and are aimed at private persons (individual life) and companies (group life insurance). The technical risks associated with these products are presented in detail in subsequent sections. There is also a small portfolio from the active reinsurance business, which – due to its size – will not be discussed further in the following description. The life insurance business operates primarily in Switzerland, which accounts for 67.6% (previous year: 73.6%) of the gross premium volume in the life business of Helvetia Group. The following table shows the breakdown of gross premium income by sectors and countries. A total of 1.3% (previous year: 1.4%) of the premiums written in the life business in 2021 were ceded to reinsurers. 18.6% (previous year: 30.5%) were ceded to Group reinsurance and the rest to external reinsurance companies. 74.0% (previous year 73.6%) of the premiums written by Group reinsurance were retroceded.

Gross premiums by business activities and region in the life business

as of 31.12.2021	Switzerland	Europe				Total
in CHF million		Germany	Italy	Spain	Austria	
Traditional individual life insurance	466.7	87.5	283.7	160.6	43.5	1 042.0
Group insurance	1 982.9	–	22.7	281.9	–	2 287.5
Investment-linked life insurance	354.8	265.4	0.0	50.2	151.3	821.8
Gross premiums life	**2 804.4**	**352.9**	**306.5**	**492.7**	**194.8**	**4 151.3**

as of 31.12.2020	Switzerland	Europe				Total
in CHF million		Germany	Italy	Spain	Austria	
Traditional individual life insurance	499.1	91.4	216.4	122.1	46.1	975.1
Group insurance	2 134.1	–	21.5	167.0	–	2 322.6
Investment-linked life insurance	310.2	229.3	0.0	40.2	119.3	699.0
Gross premiums life	**2 943.4**	**320.7**	**237.9**	**329.3**	**165.4**	**3 996.7**

16.3.1 Traditional individual life insurance and investment-linked life insurance

For private persons, Helvetia Group offers pure risk insurance, savings insurance and endowment insurance, annuity insurance, as well as investment-linked products. Depending on the product, premiums are paid as single or regular premiums. Most of the products include a discretionary participation feature, although some countries regulate the minimum amount of profit participation to be credited to the customer. Traditional individual life insurance accounts for 25.1% (previous year: 24.4%) of the gross premium volume of the life business of Helvetia Group, with 44.8% of the premiums (previous year: 51.2%) coming from Switzerland. Investment-linked life insurance (index and unit-linked products) contributes 19.8% to the life business of the Helvetia Group (previous year: 17.5%). 43.2% of the premiums (previous year: 44.4%) from the investment-linked life business originate in Switzerland.

Most of the products include a premium guarantee, which means that the bases for mortality, disability, interest rates and costs used in the premium calculation are guaranteed. These bases are therefore carefully fixed at the time the insurance policy is concluded. If later developments are better than expected, profits accrue which are partially returned to the customer in the form of a participation feature. The following important exceptions apply to the guaranteed bases: there are no interest guarantees for the unit-linked insurance policies. However, there may be some products that guarantee the payment of a minimum survival benefit. In Switzerland, premiums for insurance policies for disability pensions are not guaranteed for policies underwritten since mid-1997, and may be adjusted. In Germany, the premiums can also be adjusted for the portfolio in clearly defined exceptional cases on the basis of the Insurance Contract Act. Premium adjustments for the portfolio are also possible in Spain, albeit only for risk insurance.

16.3.2 Group life insurance

Group life insurance accounts for 55.1% (previous year: 58.1%) of the gross premium volume of the life business of Helvetia Group, with 86.7% of the premiums (previous year: 91.9%) coming from Switzerland. In future, group life insurance will only refer to occupational pension plans in Switzerland, as the characteristics of the other group life insurance products are very similar to individual insurance. In Switzerland, under the Occupational Pensions Act (BVG) companies are obliged to insure their employees against the following risks: death, disability and age. Helvetia Switzerland offers products that cover these risks. Most of these products include a discretionary participation feature whose minimum amount is statutorily or contractually prescribed.

For the majority of the products there is no guaranteed rate for the risk premiums for death and disability or for the cost of premiums. These premiums may therefore be adjusted annually by Helvetia Switzerland. Upon the occurrence of an insured event, the resulting benefits are guaranteed up to the agreed expiry date or for life. Interest is credited annually on the savings premiums; the interest rate for the mandatory savings component is established by the Federal Council, while Helvetia Group itself can set the rate for the non-mandatory savings component. The mandatory interest rate has been 1.00% since 2017 and it will remain at that level for the coming year. The interest rate set by Helvetia Group for the non-mandatory component has been 0.25% since 2017 and will remain at that level for the coming year.

When policyholders reach retirement age they may choose to have the retirement capital paid out as a lump sum or converted into a pension. The conversion of the mandatory savings component is carried out at the government-mandated BVG conversion rate, while the conversion rate on the extra-mandatory savings component is determined by Helvetia Group. After conversion, the pensions and any resulting survivors' benefits are guaranteed for life.

Statutory regulations stipulate for the majority of products that a minimum of 90% of revenue must be used for the benefit of the customer. For example, a portion of the capital gains above the guaranteed minimum interest rate must be returned to the customer in the form of policyholder dividends. For most products for which this statutory provision does not apply there are similar provisions in the contractual agreements with customers.

16.3.3 Risk management and sensitivity analysis

Helvetia Group has designed its business processes in accordance with the principle of commercial prudence. This assumes that the risks can be adequately assessed, evaluated, monitored and controlled. Helvetia Group uses a variety of actuarial methods to monitor existing and new products with regard to underwriting policy, reservation, and risk-adjusted pricing. Retrospective methods compare initial expectations with actual developments. Prospective methods allow the impact of new trends to be recognised and analysed early on. For example, socioeconomic changes such as demographic change, the consequences of epidemics and pandemics and health risks, resulting from changes to lifestyle habits, are taken into account where possible. Most of those calculations integrate the analysis of parameter sensitivities in order to monitor the effects of adverse developments in investment returns, mortality, morbidity risks, cancellation rates and other parameters. Taken together, they therefore provide an effective set of instruments with which to address developments actively and in good time. If a certain risk takes a worse than expected course, the participation feature is usually the first to be reduced in most of the products. If it appears that a product no longer has a sufficient safety margin, the premiums are adjusted for new business or, if allowed, for the portfolio.

In individual life, an insurance policy which includes death or morbidity risk may under normal conditions be underwritten only on the condition of good health. The application review uses a health questionnaire, and from a certain level of risk, is supplemented by a medical examination.
For the mandatory component of the insurance policy, it is forbidden to exclude someone from a company's insurance on account of ill health. However, certain benefits may be excluded in the non-mandatory part, or a premium for the increased risk may be required. However, there is no obligation to insure a company. On the basis of benefits previously claimed by the company and based on estimates of future claims potential, it is established during the underwriting process whether and under what conditions the company will be insured.

Peak risks at the level of individual policyholders are transferred to various reinsurers, with the deductible varying by country. In addition, Helvetia Switzerland, Caser and Helvetia Spain and, for

some specific risks, Helvetia Italy are reinsured against catastrophic events that may concurrently cause several casualties or claim several lives.

Helvetia Group establishes reserves for its life insurance business to cover expected payouts. The amount of life insurance reserves depends on the interest rates applied, actuarial parameters and other influencing factors. In addition, the Liability Adequacy Test (LAT) is used to review whether the provisions together with the expected premiums are sufficient to finance future benefits. If this is not the case, the reserves are increased accordingly.

If the assumptions are changed, the reserves are increased or decreased accordingly. A decrease in reserves flows largely back to the insured as a result of the discretionary participation feature. If it is necessary to increase reserves, the first step is to reduce the participation feature. If this is not sufficient, the rest of the increase is borne by the shareholders. In the local balance sheet, reserve reinforcements recognised as necessary may be spread over several years and, if possible, compensated by gradually decreasing the allocation of the provisions for future profit participation or by releasing hidden reserves on investments. In contrast, the necessary reserve reinforcements must be recognised immediately in profit or loss in the consolidated financial statements. However, for contracts with a participation feature, it is permitted to offset other valuation differences on the local balance sheet (in particular for investments) before deferred profit participation at Group level.

The following sensitivity analysis assesses the deflection effects of mortality, invalidity, reactivation rate, interest, costs and cancellation rate parameters on the reserves. If the deflection of a parameter necessitates a lower reserving requirement, then the reductions in reserves are assessed at the discretion of the responsible actuary, who, alongside the sensitivity analyses, also takes into consideration long-term developments in their decisions, and always acts with due care. If the deflection of a parameter necessitates a higher reserving requirement, but one of the fundamental parameters in the local reserves already has sufficient safety margins, then a change in this parameter will not require a further reinforcement of reserves. It should be noted, however, that sensitivities do not normally exhibit linear behaviour, so extrapolations are not possible. Various influencing factors and sensitivities are presented separately below.

Mortality and longevity risks

In order to analyse in more detail the effect of a change in mortality rates, the portfolio is divided into contracts which are exposed to greater mortality rates and those which are exposed to longevity. The first group includes, for example, risk or capital life insurance, while the second group includes annuity insurance.

If, in the portfolios exposed to greater mortality, more policyholders die than expected, shareholders may suffer losses once the buffer of profit participation has been exhausted. The analyses carried out show that this risk can be considered very low. However, an increase in mortality rate in these portfolios, which have to be increased due to high interest rate guarantees, has a small impact on the amount of the increase in reserves. If, in the portfolios exposed to longevity, policyholders live longer than expected, shareholders may have to bear losses. As life expectancy is continuously rising, when setting up reserves, the current mortality rate as well as expected trends of the increase in life expectancy are taken into account. These reserves of portfolios exposed to longevity are very sensitive to assumed life expectancies and assumed interest rates.

Pension options with guarantees, partially also mandatory conversion rates, included in the products represent an additional risk. In particular, the high mandatory BVG conversion rate in the group life insurance in Switzerland had brought about expected losses for which reserves were used at the expense of the profit participation of the policyholders. The proportion of policyholders who receive a pension at retirement and do not withdraw the capital as well as the conversion rates are monitored and the reserves kept at a sufficient level by means of possible reserve increases.

The table below shows how changed parameters have an effect on the income statement. Referring to the overall portfolio, an increase in mortality by 10% across all Helvetia Group companies would have no negative effect. A 10% reduction in mortality would lead to a reserve increase with a corresponding impact on the income statement.

Invalidity risk

Losses for the shareholders may arise if more active members than expected become disabled or fewer disabled policyholders than expected are able to return to work and the participation feature

is not sufficient to absorb such deviations. Here, the parameters of disability and the reactivation rate are analysed in detail. A 10% increase in disability or a 10% reduction in the reactivation rate would lead to a reserve increase with a negative impact on the income statement.

Cost risk

If the costs included in the premiums and provisions are insufficient to cover rising costs, this could result in losses for shareholders. An increase in the cost ratio by 10% would cause an increase in reserves and a negative effect on the income statement.

Cancellation risk

Depending on the nature of the contract, higher or lower cancellation rates can cause losses for shareholders. Overall, the basis of calculation at all Helvetia Group life insurance units apply sufficient safety margins so that a change in the cancellation rate would not have a major impact on the amount of reserves. A 10% reduction in the cancellation rate would lead to a reserve increase with a corresponding impact on the income statement.

Technical sensitivities

	Deflection	Sensitivity of income statement	
as of 31.12.		2021	2020
in CHF million			
Mortality	–10%	–88.4	–80.0
Disability	+10%	–3.1	–0.1
Reactivation rate	–10%	–1.9	–2.0
Costs	+10%	–47.7	–43.9
Cancellation	–10%	–10.1	–7.5

Interest rate risk

Shareholders may have to bear losses if the guaranteed interest included in premiums and reserves cannot be generated. This could happen if, for example, interest rates remain very low in the long term. To counteract such developments, both the technical interest rate for new contracts in individual insurance and the BVG minimum interest rate for new and existing contracts are adjusted to the new interest rate. At the end of 2021, the highest guaranteed interest rate in individual insurance was in Spain, where older policies still include a guaranteed minimum interest rate of up to 6%. These guarantees are partially covered by corresponding assets and the residual risk is covered by supplementary reserves. In the other countries the maximum guaranteed return is 4.0% in EUR and 3.5% in CHF. Rising interest rates could cause a greater number of endowment contracts to be cancelled. However, as in most countries premature contract terminations are associated with significant tax consequences and products with high interest rate sensitivity are usually subject to a deduction to take account of lower fair values of the underlying investments when the contract is terminated, this risk can be considered low.

In group life insurance, there are long-term interest rate guarantees on provisions for current benefits. The BVG minimum interest rate on the mandatory savings of policyholders is set annually by the Swiss Federal Council. Rising interest rates may also lead to increased policy cancellations in group insurance and thus to losses. Since 2004, no deductions can be made from nominally defined s urrender values to take into account the fact that the fair value of the corresponding fixed-income investments may be below the (local) carrying value for contracts that have been part of the insurance portfolio of Helvetia Group for more than five years.

Please see section 16.4.1 (from page 170) on the effect of a change in interest rates on equity and the income statement.

Risks from embedded derivatives

For index-linked life insurance, the policyholder's returns are linked to an external index. Furthermore, an investment-linked product may include a guaranteed survival benefit. These product components are to be separated as embedded derivatives and are accounted for at fair value. The majority of these

guarantees and index-dependent payouts are assumed by external partners. In Switzerland, there are only a few products for which this is not the case and for which Helvetia Group thus assumes the risk, and adequate provisions exist for these cases. The amount of these provisions is primarily dependent on the volatility of the underlying investments and the level of risk-free interest rates. A change in the provision is recognised in profit and loss and cannot be offset with a profit participation.

Summary

In summary, it can be stated that although there is a variety of different product-specific risks in life insurance, these risks are controlled by Helvetia Group using a number of actuarial methods and, where necessary, with an appropriate increase in reserves. In addition, through its compliance with IFRS 4, Helvetia Group has a free, non-linked provision for future profit-sharing. This can be used to cover insurance risks.

16.4 Market risks

As at 31 December 2021, Helvetia Group managed investments totalling CHF 60.0 billion (previous year: CHF 60.6 billion).

The main market risks to which the Group is exposed are interest rate risk, exchange rate risk and share price risk. The Group is also exposed to the real estate market through a significant portion of real estate in its investment portfolio. Market risks affect the income statement and both the asset and the liability side of the balance sheet. The Group largely manages its real estate, mortgages and securities itself. External providers mainly manage assets invested in convertible bonds and private debt. Savings accumulated in unit-linked policies are invested in a wide range of own and third-party funds, equities and bonds. The market risks associated with these funds lie with Helvetia Group's insurance customers.

Helvetia Group has established a process to ensure that all assets are invested in accordance with the principle of commercial prudence. This means that Helvetia Group only invests in assets and instruments whose risks can be properly assessed, evaluated, monitored and controlled. Market risks are controlled via the investment strategy and, if necessary, reduced by the use of derivative hedging instruments. Foreign currency risks are currently hedged in this way and the risk of losses on equity investments controlled. In Helvetia's own funds, the balance sheet currency exposure is hedged by a net investment hedge. The risk of loss on shares is kept under control by hedging with options. The foreign currency exposure is largely hedged by forward contracts.

More information can be found in tables *7.7.1* "Derivative financial assets" (page 128) and *7.7.2* "Derivative financial liabilities" (page 129).

Risk-bearing capacity is determined through equity and loss limits. The Investment Committee monitors and controls the investment risks of Helvetia Group. The appropriate procedures, methods and indicators have been established for this purpose. Priority is given here to the concept of asset and liability management (ALM). The investment strategy is defined annually and reviewed quarterly at Board of Directors level. Ongoing monitoring is performed via a reporting system.

16.4.1 Interest rate risk

Helvetia Group's earnings are influenced by changes in interest rates. A prolonged period of low interest rates reduces the return on fixed-income investments in securities and mortgages. Conversely, returns increase when interest rates rise. Information on current investment returns is provided in section *7.1* (from page 118).

Both the amount of the technical reserves and the value of most investments of Helvetia Group depend on interest rate levels. In general, the higher the interest rate, the lower the present value of assets and liabilities. The extent of this change in values depends, among other things, on the time pattern of cash flows. To manage the volatility of the net positions (difference between assets and liabilities, i.e. "AL mismatch"), the Group compares the maturities of cash flows arising from liabilities with those arising from assets, and analyses them to ensure that the maturities are matched. The risk derived from this is managed as part of the ALM process. To this end, the risk capacity on the one hand and the ability to fund the guaranteed benefits or to generate surpluses on the other hand are brought into balance.

Maturity profile of financial assets

as of 31.12.2021 in CHF million	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Loans (LAR) incl. money market instruments	1323.5	3621.8	1630.5	1693.6	171.3	8440.8
Held-to-maturity investments (HTM)	20.1	416.1	568.5	867.7	–	1872.4
Available-for-sale investments (AFS)	1315.5	7701.7	8873.9	10956.3	2374.8	31222.1
Financial assets at fair value through profit or loss	586.9	1152.2	467.6	458.2	7688.9	10353.9
Derivative financial assets for hedge accounting	39.4	0.2	–	–	–	39.6
Total financial assets	**3285.3**	**12892.1**	**11540.5**	**13975.8**	**10235.0**	**51928.8**

as of 31.12.2020 in CHF million	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Loans (LAR) incl. money market instruments	1686.4	2538.9	3162.2	2264.1	150.2	9801.8
Held-to-maturity investments (HTM)	93.8	343.8	511.5	1024.7	–	1973.8
Available-for-sale investments (AFS)	1281.9	7887.9	9079.2	11366.3	2223.2	31838.5
Financial assets at fair value through profit or loss	367.6	1357.9	443.6	435.6	6769.8	9374.5
Derivative financial assets for hedge accounting	73.6	–	–	–	–	73.6
Total financial assets	**3503.3**	**12128.5**	**13196.5**	**15090.7**	**9143.2**	**53062.2**

A statement on the ALM situation of a portfolio can be made by comparing the technical interest rate for reserves with investment returns. The following illustration shows aggregate data on the average interest rates that Helvetia has to earn on its reserves in order to be able to provide the guaranteed benefits. The technical interest rate ranges from –0.45% to 4%.
The consequences and risks of the removal of the reference interest rate LIBOR by the end of 2021 are not considered material. Following the announcement of the discontinuation of LIBOR, no new financial instruments linked to LIBOR were added to the portfolio. The remaining LIBOR exposure as of 31 December 2021 comprises floating rate notes to the value of CHF 20.6 million as well as currency swaps with a carrying value totalling CHF –0.7 million. The conversion to alternative reference interest rates for the financial instruments in question was as per prevailing market standards and has been completed for the most part.

Interest rate guarantees in the life business

as of 31.12.2021 in CHF million	CHF	Direct business Switzerland Other currencies	Direct business EU EUR	Reinsurance
Actuarial reserves for insurance and investment contracts:				
– excluding interest guarantee	1135.0	–	2600.0	–
– with negative guaranteed interest	265.8	–	143.4	–
– with 0 % guaranteed interest	1244.7	0.0	2384.5	2.4
– with positive guaranteed interest	25099.4	49.3	7783.6	–
Average technical interest rate in per cent	**0.83**	**2.43**	**0.80**	**0.00**

as of 31.12.2020 in CHF million	CHF	Direct business Switzerland Other currencies	Direct business EU EUR	Reinsurance
Actuarial reserves for insurance and investment contracts:				
– excluding interest guarantee	1074.1	–	2167.3	–
– with negative guaranteed interest	121.0	–	577.2[1]	–
– with 0 % guaranteed interest	1294.5	0.0	1087.0	3.0
– with positive guaranteed interest	25345.6	55.9	9245.6[1]	–
Average technical interest rate in per cent	**0.93**	**2.44**	**0.96**	**0.00**

[1] The previous year's figures were adjusted. Shift from «positive guaranteed interest» to «negative guaranteed interest» in the amount of CHF 120.3 million.

Interest rate sensitivities

as of 31.12. in CHF million	Interest rate level 2021 + 10 bp	 – 10 bp	Interest rate level 2020 + 10 bp	 – 10 bp
Income statement	1.7	–14.5	1.5	–3.1
Equity	–99.2	100.6	–100.3	101.8
Gross, not taking into account the latency calculation and derivatives	–226.4	201.0	–238.9	240.5

The above table analyses the impact of a change in interest rate on Helvetia Group's equity and income statement, taking account of deferred taxes and the legal quota. The analysis also includes investments at fair value through profit and loss, fixed-income available-for-sale financial assets,

derivatives, technical reserves in the life business (the actuarial reserve, deposits for investment contracts) and interest on floating-rate financial assets. The "look through" principle was used for significant holdings in mixed funds.

A "reasonable possible change" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible interest rate changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

16.4.2 Share price risk

Investments in equities are used to generate long-term surpluses. Investments are made primarily in large-caps traded on the major stock exchanges. Helvetia Group holds a well-diversified portfolio (mainly stocks traded on the exchanges in Switzerland, Europe and the US). The share of each item of the total equity portfolio (direct investment) is generally below 7%. The market risk of the equity portfolio is constantly monitored and, if necessary, reduced by sales or the use of hedging instruments in order to meet the strict internal requirements for risk capacity.

Market risks are mitigated through hedging strategies. Out-of-the-money put options are largely used to comply with internal loss limits. Direct investments in equities represent 6.3% (before hedging) of the Group's financial assets (excluding investments from life insurance policies with the market risk borne by the customers). A substantial portion is hedged against the risk of significant losses.

Share price risk sensitivities

	Share price risk sensitivities 2021		Share price risk sensitivities 2020	
as of 31.12.	+ 10%	– 10%	+ 10%	– 10%
in CHF million				
Income statement	117.2	–119.6	103.1	–101.7
Equity	61.7	–48.3	47.4	–40.9
Gross, not taking into account the latency calculation and derivatives	339.8	–334.3	313.1	–307.9

The above table analyses the impact of a change in the share price on Helvetia Group's equity and income statement, taking account of deferred taxes and the legal quota. The analysis covers direct equity investments (with the exception of the real estate investment company "Allreal"), derivatives, equity funds and part of the mixed funds. The "look through" principle was used for significant holdings in mixed funds. The effects of share price changes on impairments was considered.

A "reasonable possible change" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible share price changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

16.4.3 Exchange rate risk

Most of the Group's assets, including its investments, as well as most of its liabilities, are denominated in CHF and EUR. Except for the Swiss business, liabilities are largely hedged through investments in matching currencies. For return and liquidity reasons, investments in the Swiss business are made both in CHF-denominated and foreign-currency-denominated assets in order to cover the CHF liabilities. The resulting exchange rate risk is generally largely hedged within the internally defined limits. This is carried out via foreign exchange forward contracts for EUR, USD and GBP against the Swiss franc.

Exchange rate sensitivities

	Exchange rate EUR / CHF		Exchange rate USD / CHF		Exchange rate GBP / CHF	
as of 31.12.2021	+ 2%	– 2%	+ 2%	– 2%	+ 2%	– 2%
in CHF million						
Income statement	–5.4	5.4	–10.5	10.5	–2.8	2.8

	Exchange rate EUR / CHF		Exchange rate USD / CHF		Exchange rate GBP / CHF	
as of 31.12.2020	+ 2%	– 2%	+ 2%	– 2%	+ 2%	– 2%
in CHF million						
Income statement	–7.8	7.8	–14.0	14.0	–2.1	2.1

In the table above, the impact of changes in exchange rates on the income statement of Helvetia Group is analysed, taking into account deferred taxes and the legal quota. In accordance with IFRS requirements, only the monetary financial instruments and insurance liabilities in non-functional currencies and derivative financial instruments were included in the evaluation.

A "reasonable possible changes" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible exchange rate changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

Consolidated foreign currency balance sheet 2021

as of 31.12.2021 in CHF million	CHF	EUR	USD	Others	Total
Assets					
Property and equipment	426.6	601.2	0.4	0.0	1028.3
Goodwill and other intangible assets	1008.8	857.6	0.0	–	1866.4
Investments in associates	28.2	35.9	–	–	64.1
Investment property	6851.1	821.9	–	–	7673.0
Investment property held for sale	343.2				343.2
Group financial assets	20558.0	19999.6	5501.1	309.7	46368.5
Investments with market risk for the policyholder	1560.6	3406.2	564.8	28.6	5560.3
Receivables from insurance business	467.4	911.4	579.9	177.7	2136.4
Deferred acquisition costs	331.4	348.2	19.3	52.7	751.7
Reinsurance assets	72.6	624.3	187.3	69.1	953.3
Deferred tax assets	6.6	3.9	–	–	10.5
Current income tax assets	226.6	18.5	–	–	245.1
Other assets	215.6	350.6	–11.8	48.7	603.1
Accrued investment income	105.3	150.9	24.5	0.3	281.0
Cash and cash equivalents	795.4	869.8	152.0	41.6	1858.8
Total assets	**32997.5**	**29000.1**	**7017.7**	**728.4**	**69743.6**

as of 31.12.2021 in CHF million	CHF	EUR	USD	Others	Total
Liabilities					
Actuarial reserves (gross)	27747.2	12956.2	4.7	–	40708.1
Provision for future policyholder participation	2106.7	764.8	–	–	2871.4
Loss reserves (gross)	1886.7	2737.3	1149.6	322.3	6095.9
Unearned premium reserve (gross)	465.4	1567.3	329.7	210.4	2572.8
Financial liabilities from financing activities	552.3	1365.4	184.9	3.1	2105.6
Financial liabilities from insurance business	690.6	1758.6	2.9	–0.7	2451.3
Other financial liabilities	950.6	177.3	86.9	–	1214.8
Liabilities from insurance business	1484.9	408.0	309.8	52.3	2254.9
Non-technical provisions	87.4	47.5	–	–	134.9
Employee benefit obligations	150.1	403.3	–	0.6	554.0
Deferred tax liabilities	669.2	214.0	1.0	–	884.2
Current income tax liabilities	201.5	30.4	0.6	0.0	232.5
Other liabilities and accruals	152.2	307.7	7.9	5.7	473.6
Total liabilities	**37144.7**	**22737.9**	**2077.9**	**593.6**	**62554.1**

Consolidated foreign currency balance sheet 2020

as of 31.12.2020 in CHF million	CHF	EUR	USD	Others	Total
Assets					
Property and equipment	400.3	639.2	0.1	0.2	1039.8
Goodwill and other intangible assets	1044.1	916.7	0.0	–	1960.8
Investments in associates	25.2	5.7	–	–	30.9
Investment property	6656.9	820.9	–	–	7477.8
Group financial assets	21911.9	21324.0	4574.3	386.7	48196.9
Investments with market risk for the policyholder	1432.9	2952.6	455.8	24.0	4865.3
Receivables from insurance business	397.4	858.9	483.0	139.0	1878.3
Deferred acquisition costs	318.4	316.9	14.6	19.5	669.4
Reinsurance assets	53.4	481.6	145.1	46.9	727.0
Deferred tax assets	6.5	24.6	–	–	31.1
Current income tax assets	172.0	12.0	–	–	184.0
Other assets	170.5	308.9	0.7	19.4	499.5
Accrued investment income	116.2	175.0	20.5	0.3	312.0
Cash and cash equivalents	783.3	942.0	99.1	24.6	1849.0
Total assets	**33489.0**	**29779.0**	**5793.2**	**660.6**	**69721.8**

as of 31.12.2020 in CHF million	CHF	EUR	USD	Others	Total
Liabilities					
Actuarial reserves (gross)	27838.2	13128.4	4.6	–	40971.2
Provision for future policyholder participation	2229.0	1136.1	–	–	3365.1
Loss reserves (gross)	1846.3	2562.6	902.0	250.0	5560.9
Unearned premium reserve (gross)	450.9	1460.9	288.0	113.6	2313.4
Financial liabilities from financing activities	540.5	1558.7	167.8	22.1	2289.1
Financial liabilities from insurance business	671.8	1668.0	2.8	0.1	2342.7
Other financial liabilities	878.8	204.9	53.8	–	1137.5
Liabilities from insurance business	1396.8	403.1	200.1	41.3	2041.3
Non-technical provisions	70.8	68.6	–	–	139.4
Employee benefit obligations	454.0	413.8	–	0.7	868.5
Deferred tax liabilities	630.1	242.8	0.7	–	873.6
Current income tax liabilities	153.3	27.4	0.1	0.0	180.8
Other liabilities and accruals	137.8	302.8	21.1	1.3	463.0
Total liabilities	**37298.3**	**23178.1**	**1641.0**	**429.1**	**62546.5**

16.5 Liquidity risk

Helvetia Group has sufficient liquid assets to meet unanticipated cash outflows at any time. Liquid assets (cash, premiums to be invested, liquid equities and interest-bearing securities) exceed the volume of annual net cash flows many times. In addition, the Group manages assets and liabilities in terms of their liquidity. On the liabilities side of the balance sheet, there are no significant individual positions with liquidity risk. A portion of the Group's investment portfolio is composed of investments with no liquid markets such as real estate and mortgages. These investments can only be realised over an extended period of time.

Maturity profile of recognised insurance liabilities

as of 31.12.2021 in CHF million	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Actuarial reserves (gross)	2962.3	10264.0	8437.7	18063.5	980.6	40708.1
Provision for future policyholder participation	175.1	73.4	45.2	119.7	2458.0	2871.4
Loss reserves (gross)	2597.3	2107.9	711.8	678.9	–	6095.9
Unearned premium reserve (gross)	2572.8	–	–	–	–	2572.8
Total reserves for insurance and investment contracts (gross)	8307.5	12445.3	9194.7	18862.0	3438.6	52248.2
Reinsurers' share	470.1	219.5	48.1	78.1	34.6	850.4
Total reserves for insurance and investment contracts (net)	**7837.4**	**12225.8**	**9146.6**	**18783.9**	**3404.0**	**51397.7**

as of 31.12.2020[1] in CHF million	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Actuarial reserves (gross)	3064.0	11013.0	8420.7	18455.8	17.7	40971.2
Provision for future policyholder participation	195.4	326.8	129.8	249.9	2463.2	3365.1
Loss reserves (gross)	2845.4	1680.2	449.1	586.2	0.0	5560.9
Unearned premium reserve (gross)	2313.4	–	–	–	–	2313.4
Total reserves for insurance and investment contracts (gross)	8418.2	13020.0	8999.6	19291.9	2480.9	52210.6
Reinsurers' share	320.1	155.3	60.8	69.3	33.4	638.9
Total reserves for insurance and investment contracts (net)	**8098.1**	**12864.7**	**8938.8**	**19222.6**	**2447.5**	**51571.7**

[1] The previous year's figures were adjusted.

The above tables show the expected maturity of the amounts recognised in the balance sheet.

Maturity profile of financial liabilities and liabilities (excluding derivative instruments)

as of 31.12.2021 in CHF million	Callable at any time	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Financial liabilities from insurance business	2345.1	68.4	14.0	11.2	6.5	6.2	2451.3
Financial liabilities from financing activities	–	81.3	590.8	1431.9	–	353.2	2457.1
Liabilities from insurance business	346.9	1854.7	52.6	0.0	–	0.7	2254.9
Other financial and other liabilities	6.0	1074.2	46.8	23.4	79.8	8.8	1238.9
Total financial and other liabilities	**2698.0**	**3078.5**	**704.2**	**1466.5**	**86.3**	**368.8**	**8402.3**

as of 31.12.2020 in CHF million	Callable at any time	< 1 year	1–5 years	5–10 years	> 10 years	Without maturity	Total
Financial liabilities from insurance business	2240.3	63.0	14.5	11.2	5.6	8.1	2342.7
Financial liabilities from financing activities	–	280.2	612.6	827.5	666.9	321.6	2708.8
Liabilities from insurance business	351.8	1656.8	31.6	–	–	1.1	2041.3
Other financial and other liabilities	5.6	1019.4	18.7	2.5	84.8	–	1131.0
Total financial and other liabilities	**2597.7**	**3019.4**	**677.4**	**841.2**	**757.3**	**330.8**	**8223.8**

The above figures may differ from the amounts reported in the balance sheet, as these represent undiscounted cash flows. The allocation of financial liabilities and other liabilities to the category "callable at any time" is based on the counterparty's contractual cancellation right. The majority of these contracts can be terminated both in life and in non-life business within one year at the latest.

Maturity schedule of derivative financial instruments

as of 31.12.2021 in CHF million	Fair Value	Maturity of non-discounted flows of funds			
		< 3 months	3–6 months	6–12 months	> 1 year
Derivative financial assets:					
Interest rate swaps	1.0				
Inflow		2.2	–	–	–
Outflow		–1.2	–	–	–
Forward exchange transactions	158.9				
Inflow		732.7	1769.2	2558.2	841.6
Outflow		–714.2	–1709.9	–2515.4	–822.2
Other (excercise not planned)	212.1				
Derivatives for hedge accounting	39.4				
Inflow		233.6	784.9	136.6	–
Outflow		–228.7	–757.2	–131.8	–
Total derivative financial assets	**411.3**	**24.4**	**87.1**	**47.6**	**19.4**
Derivative financial liabilities:					
Interest rate swaps	7.1				
Inflow		–4.1	–1.7	–3.3	–29.0
Outflow		2.9	1.6	6.3	35.6
Forward exchange transactions	21.4				
Inflow		708.1	61.8	–135.2	–
Outflow		–697.7	–54.5	139.6	–
Other (excercise not planned)	139.6				
Derivatives for hedge accounting	2.9				
Inflow		–362.8	–	–159.6	–
Outflow		362.7	–	164.0	–
Total derivative financial liabilities	**171.0**	**9.1**	**7.2**	**11.8**	**6.6**

as of 31.12.2020 in CHF million	Fair Value	Maturity of non-discounted flows of funds			
		< 3 months	3–6 months	6–12 months	> 1 year
Derivative financial assets:					
Interest rate swaps	1.1				
Inflow		0.2	4.8	–	–
Outflow		–4.1	–	–	–
Forward exchange transactions	85.5				
Inflow		968.3	811.3	376.7	379.8
Outflow		–942.7	–780.1	–369.9	–368.6
Other (excercise not planned)	209.8				
Derivatives for hedge accounting	73.6				
Inflow		314.4	181.0	455.6	146.3
Outflow		–292.3	–170.3	–429.6	–139.2
Total derivative financial assets	**370.0**	**43.8**	**46.7**	**32.8**	**18.3**
Derivative financial liabilities:					
Interest rate swaps	22.0				
Inflow		–2.7	–1.1	–3.5	–32.0
Outflow		3.6	8.8	6.2	39.6
Forward exchange transactions	35.3				
Inflow		–163.2	–1210.8	–1069.1	–407.6
Outflow		175.2	1223.5	1080.3	410.9
Other (excercise not planned)	137.2				
Derivatives for hedge accounting	8.6				
Inflow		–49.0	–290.3	–	–
Outflow		50.6	297.4	–	–
Total derivative financial liabilities	**203.1**	**14.5**	**27.5**	**13.8**	**10.9**

16.6 Counterparty risks

Counterparty risks include default risks and risks of changes in value. The default risk refers to the possibility of the insolvency of a counterparty, while the risk of changes in value represents the possibility of a financial loss due to a change in the creditworthiness of a counterparty or a change in credit spreads in general. The risk of counterparties failing to meet their obligations is continuously monitored. To minimise counterparty risk, Helvetia defines lower limits with regard to the creditworthiness of the counterparty and limits the exposure per counterparty.

16.6.1 Risk exposure

Helvetia Group is mainly exposed to counterparty risk in the following areas:

- Counterparty risks arising from interest-bearing securities, money market instruments and net cash positions. The amount of gross counterparty risk exposure in connection with interest-bearing securities and money market instruments is shown in the tables in section 16.6.2 (page 183). The maximum default risk of the net cash position corresponds to "Cash and cash equivalents" in the consolidated balance sheet.
- Counterparty risks associated with loans and mortgages: The largest items in the asset class of loans form the promissory note loans (92.3%), as well as policy loans (4.2%). The policy loans are secured through life insurance policies. Since only a certain percentage of accumulated capital (<100%) is invested, this asset class can be classified "fully secured". Gross exposure (without taking account of collateral) is of relatively little significance when assessing the counterparty risks from the mortgage business: mortgages are secured by an encumbrance, and a part of the mortgage is often additionally secured by a pledged life insurance policy, resulting in a correspondingly low loss ratio. Against this background, the counterparty risk from mortgages can be assumed to be low.
- Counterparty risk from transactions with derivative financial instruments: refer to section 16.6.2 (page 183 for the amount of gross counterparty risk exposure in connection with derivative financial instruments. A small part of the derivative instruments is traded on a stock exchange, so there are no counterparty risks. Most of the outstanding receivables from the OTC derivatives are covered by collateral. The scope of the hedging with cash collateral is CHF 405.1 million (previous year: CHF 327.7 million). Existing netting agreements are also relevant. Refer to the table for detailed information about derivative financial instruments.
- Counterparty risks from alternative investments and bond funds: The largest positions in the "alternative investments" asset class are private debt instruments (97.0%) and structured products (3.0%). There is also a credit risk from the bond and money market funds managed by external providers, of which 47.1% can be attributed to infrastructure funds.
- Counterparty risks from ceded reinsurance: Helvetia Group transfers part of its risk exposure to other companies via ceded reinsurance. If the reinsurer defaults, the Group remains liable for the reinsured receivables. Therefore, the Group periodically reviews the creditworthiness of its reinsurers. To reduce dependence on a single reinsurer, the Group places its reinsurance contracts with a number of first-class companies.
- Counterparty risks from the insurance business: The default of other counterparties (policyholders, insurance agents, insurance companies) may lead to a loss of receivables from the insurance business. On the balance sheet, the maximum gross exposure would correspond to the items shown in section 9.7 (from page 141) "Receivables from policyholders, insurance agents and insurance companies" (after deducting receivables from the reinsurance business recognised under "Credit risk exposure from ceded reinsurance"). However, these receivables are largely of a short-term nature. In addition, the receivables from policyholders represent the largest group in this class. Since the insurance cover is linked to the fulfilment of the contractual obligations on the part of the customer, the resulting risk is low for the insurance company.
- Counterparty risks from financial guarantees and loan commitments: detailed information on contingent obligations can be found in section 12 (page 181).

The information relevant for setting the level of the counterparty risk exposure includes information on balance-sheet netting and on existing netting agreements regarding financial assets and liabilities. The relevant information is summarised in the table below. As there are no financial instruments netted on the balance sheet at Helvetia Group, the table shows the extent to which netting agreements for financial instruments exist, even if no netting takes place on the balance sheet. The netting agreements are ISDA and Swiss Master Agreements for OTC derivatives transactions. In the event of insolvency or if one of the parties does not fulfil its contractual obligations, there is a mutual right to close the current derivatives contracts and to offset outstanding receivables with liabilities and collateral received within the netting agreement.

Offsetting of financial instruments

as of 31.12.2021 in CHF million	Gross and net amounts of financial instruments in the balance sheet	Offsettable, non-netted amounts		Net amount
		Financial instruments	Cash collaterals	
Derivative financial assets	411.3	–61.2	–405.1	–55.0
Derivative financial liabilities	171.0	–61.2	–15.3	94.5

as of 31.12.2020 in CHF million	Gross and net amounts of financial instruments in the balance sheet	Offsettable, non-netted amounts		Net amount
		Financial instruments	Cash collaterals	
Derivative financial assets	369.9	–86.1	–327.7	–43.9
Derivative financial liabilities	203.2	–86.1	–7.6	109.5

16.6.2 Credit quality of exposures and credit risk concentrations

The following analyses show the gross exposure to interest rate instruments, loans and derivative financial instruments, excluding collateral. They do not include investments where the credit risk is borne by the holders of life insurance policies. "Alternative investments" covers private-debt instruments and structured products. Investment funds with credit risk are restricted to bond and money market funds. The securities and issuer ratings of recognised rating agencies were used to show credit quality. Private-debt instruments are listed as "Not rated", the underlying counterparties can mainly be rated "BB or lower". The notes held by Caser of CHF 1,473 million for the targeted cash flow transformation are also listed as "Not rated". Over 95% of the underlying counterparties have an investment grade rating. Fewer than 5% are not rated.

Credit quality of interest rate instruments, loans and derivative financial instruments by asset class

as of 31.12.2021 in CHF million	AAA	AA	A	BBB	BB and lower	Not rated	Total
Bonds	11 546.1	6 972.2	5 883.6	7 966.0	73.1	2 063.4	34 504.4
Investment funds	–	–	–	–	–	350.4	350.4
Alternative investments	–	–	15.9	–	–	946.4	962.3
Derivative financial assets	67.6	56.6	99.5	40.9	–	105.4	370.0
Mortgages	–	–	–	–	–	4 114.1	4 114.1
Loans	188.6	504.7	124.7	–	–	112.9	930.9
Money market instruments	1.6	12.3	252.8	50.8	–	513.0	830.6
Total	**11 804.0**	**7 545.8**	**6 376.6**	**8 057.7**	**73.1**	**8 205.5**	**42 062.7**
of which SPPI financial assets	11 728.1	7 434.3	5 853.7	7 346.5	49.2	6 705.9	39 117.8

as of 31.12.2020 in CHF million	AAA	AA	A	BBB	BB and lower	Not rated	Total
Bonds	11 798.9	7 307.9	5 776.0	8 318.6	86.3	2 578.0	35 865.7
Investment funds	–	–	–	–	–	195.3	195.3
Alternative investments	–	–	–	–	–	850.8	850.8
Derivative financial assets	64.3	48.0	89.4	29.4	–	106.0	337.1
Mortgages	–	–	–	–	–	4 594.3	4 594.3
Loans	207.7	525.9	122.6	–	–	120.4	976.6
Money market instruments	–	302.3	120.0	31.7	–	775.5	1 229.5
Total	**12 070.9**	**8 184.1**	**6 108.0**	**8 379.7**	**86.3**	**9 220.3**	**44 049.3**
of which SPPI financial assets	11 979.7	8 092.1	5 539.4	7 800.0	72.7	7 642.0	41 125.9

Credit quality of debt instruments, loans and derivative financial instruments by sector

as of 31.12.2021 in CHF million	AAA	AA	A	BBB	BB and lower	Not rated	Total
Governments	5328.0	3584.7	1450.7	3955.2	–	37.3	14356.0
Financial institutions	6073.5	2396.6	1568.9	465.0	28.2	3915.3	14447.6
Corporates and others	402.4	1564.5	3356.9	3637.5	44.9	4252.9	13259.1
Total	**11804.0**	**7545.8**	**6376.6**	**8057.7**	**73.1**	**8205.5**	**42062.7**

as of 31.12.2020 in CHF million	AAA	AA	A	BBB	BB and lower	Not rated	Total
Governments	5422.9	3687.5	1274.0	4500.2	5.4	1433.0	16323.0
Financial institutions	6348.3	2810.9	1679.9	443.6	14.4	3120.1	14417.2
Corporates and others	299.8	1685.7	3154.0	3436.0	66.5	4667.2	13309.2
Total	**12071.0**	**8184.1**	**6107.9**	**8379.8**	**86.3**	**9220.3**	**44049.4**

Credit quality of ceded reinsurance

as of 31.12.2021 in CHF million	Exposure	Share in %
AAA	–	–
AA	445.2	36.4
A	699.9	57.2
BBB	9.7	0.8
BB and lower	–	–
Not rated	68.3	5.6
Total	**1 223.1**	**100.0**

as of 31.12.2020 in CHF million	Exposure	Share in %
AAA	–	–
AA	481.4	53.0
A	380.2	41.8
BBB	4.4	0.5
BB and lower	0.2	0.0
Not rated	42.6	4.7
Total	**908.8**	**100.0**

SPPI financial investments with increased credit risk

	Book value		Fair Value	
as of 31.12. in CHF million	2021	2020	2021	2020
BB and lower	49.2	72.7	49.6	72.7
Not rated[1]	20.2	10.1	20.6	10.8
Total	**69.5**	**82.8**	**70.2**	**83.5**

[1] For unrated financial assets (mainly mortgages), we assume an increased credit risk for positions with outstanding interest payments of more than 90 days.

The ten largest counterparties

as of 31.12.2021 in CHF million	Issuer rating	Book value total	AAA
Switzerland (Govt)	AAA	2 230.6	2 212.1
Spain (Govt)	A	2 215.7	–
Italy (Govt)	BBB	1 909.5	–
Mortgage Bond Bank of the Swiss Mortgage Institution	AAA	1 831.0	1 831.0
Central Mortgage Bond Institution of the Swiss Cantonal Banks	AAA	1 668.2	1 668.2
The Bank of New York Mellon	A	693.0	–
France (Govt)	AA	678.8	–
Germany (Govt)	AAA	631.2	581.7
United States (Govt)	AAA	630.2	630.2
European Investment Bank	AAA	617.0	617.0

as of 31.12.2020 in CHF million	Issuer rating	Book value total	AAA
Spain (Govt)	A	2 466.7	–
Switzerland (Govt)	AAA	2 290.6	2 274.7
Italy (Govt)	BBB	2 212.8	–
Mortgage Bond Bank of the Swiss Mortgage Institution	AAA	1 802.5	1 802.5
Central Mortgage Bond Institution of the Swiss Cantonal Banks	AAA	1 722.0	1 722.0
The Bank of New York Mellon	A	785.2	–
France (Govt)	AA	728.3	–
Germany (Govt)	AAA	722.2	659.7
European Investment Bank	AAA	671.5	671.5
United States (Govt)	AAA	494.3	494.3

When showing the ten largest counterparties, the credit risk exposure for the published tables "Credit quality of debt instruments, loans and derivative financial instruments" and "Credit risk from ceded reinsurance" is used.

Caser holds collateralised notes for targeted cash flow transformation totalling CHF 1,473 million. The largest share of collateral for these notes comprises bonds from Spain at CHF 601 million, Italy at CHF 169 million and France at CHF 134 million. In the table above these notes are included as "Not rated" not considering any collaterals. The Bank of New York Mellon is the largest counterparty for the notes held by Caser at CHF 693 million. There is no counterparty risk involving Bank of New York Mellon, but instead with relation to the bonds used to secure these notes.

		Securities rating Bonds		Money market instruments	Derivative financial assets	Borrower's note loans	Other loans
AA	A	BBB and lower	Not rated				
–	15.3	–	3.2	–	–	–	–
–	379.0	1836.7	–	–	–	–	–
–	–	1909.5	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	693.0	–	–	–	–
653.2	25.3	0.3	–	–	–	–	–
8.1	–	–	–	–	–	41.4	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–

		Securities rating Bonds		Money market instruments	Derivative financial assets	Borrower's note loans	Other loans
AA	A	BBB and lower	Not rated				
–	129.4	2068.8	268.5	–	–	–	–
–	15.9	–	–	–	–	–	–
–	–	2208.7	4.1	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	785.2	–	–	–	–
710.4	17.0	–	0.9	–	–	–	–
8.4	–	–	–	–	–	54.1	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–

17. Events after the reporting date

At the beginning of February 2022, Caixabank informed Helvetia of its intention to exercise its existing option to purchase our shares in Sa Nostra Compañía De Seguros De Vida, S.A. The sale is scheduled to take place in 2022. The sales price is still undefined at this juncture. Given the structure of the option, we expect a gain on disposal of an undefined amount. In 2021, Sa Nostra contributed CHF 7.7 million to the Group's annual result and generated gross premiums of CHF 41.1 million.

Following Russia's invasion of Ukraine, Switzerland, the EU, the United Kingdom, the US and other countries have imposed far-reaching sanctions and measures. Helvetia complies with these sanctions. We are therefore refraining from new business, renewals or extensions with direct insurers and policyholders in Russia and Ukraine. Helvetia's investments in Russia and Ukraine are marginal. Steps to achieve further reductions are being reviewed. Exposure to Russia and Ukraine is minimal with premium volume in the very low double-digit millions. Insured risks involve aviation, transport (marine) and technical insurance. These contracts normally have exclusions for war and sanction clauses. Helvetia addresses the increased volatility on the financial markets through appropriate risk management measures in keeping with its risk strategy (see section 16, Risk management, page 162).

No additional important events occurred before or on 23 March 2022, the date on which these consolidated financial statements were completed, that are likely to have a material impact on the financial statements as a whole.

18. Scope of consolidation

18.1 Events in the reporting year

The following events led to a change in the scope of consolidation for Helvetia Group in the reporting period:

- Atlanto AG, St. Gallen, was founded on 7 January 2021: a service platform that supports start-ups and SMEs in minimising their administrative workload and making their daily work routine more efficient.
- On 12 March 2021, Jalsosa acquired 100% of Layertex, S.L., Barcelona, for CHF 2.3 million. The company produces and distributes personal care products. Due to the character of the investment and as it is not material to Helvetia, the holding is carried as a financial instrument.
- On 30 March 2021, Aldebarán Riesgo acquired 60% of Bernardinos Solar S.L.U., Madrid, an operator of photovoltaic systems, for CHF 3.4 million. Due to the character of the investment and as it is not material to Helvetia, the holding is carried as a financial instrument.
- On 30 April 2021, Extremeña de Patrimonio para la Sanidad acquired 100% of Grupo Empresarial Marazuela, S.A., a private clinic based in Talavera de la Reina, Spain. This acquisition will see Caser grow further in the health and elderly care sector, which in light of demographic developments will offer growth opportunities and ensure income diversification. The purchase price was CHF 13.2 million in cash. The acquired net assets total CHF 7.3 million. The resulting goodwill of CHF 5.9 million represents expected earnings potential. It is assigned to the "Diversification Business Caser" CGU and is not expected to be deductible for tax purposes. Marazuela has no material impact on the turnover or consolidated net profit of the Helvetia Group.
- On 10 May 2021, Medicall acquired 100% of SmartLife Care AG, Brüttisellen. SmartLife Care is active in the development, operation and distribution of ambient assisted living solutions (age-appropriate assistance systems for self-determined living). The total price was CHF 8.1 million. The cash component of the purchase price stood at CHF 3.9 million. Furthermore, Helvetia already held SmartLife Care shares, which were valued at CHF 4.2 million and are part of the purchase price in accordance with IFRS. This resulted in a share of profit or loss of associates of CHF 2.7 million. The acquired net assets total CHF 3.2 million. The resulting goodwill of CHF 4.8 million represents expected growth and earnings potential. It is assigned to the "Switzerland non-life" CGU and is not expected to be deductible for tax purposes. SmartLife Care has no material impact on the turnover or consolidated net profit of the Helvetia Group.
- Helvetia European Private Debt Fund, Luxembourg was founded on 6 July 2021.
- On 8 July 2021, Helvetia Versicherungen Vienna acquired 100% of faircheck Schadenservice GmbH, Graz. faircheck is an Austrian market leader in independent claims assessment. The company offers a part of the value chain in claims assessment that is highly important to our customers and partners and which Helvetia Austria has thus far not been in a position to provide. faircheck has also been involved in the (further) development of digital solutions for years in the field of claims assessment and has tools and customer apps enabling a very efficient and customer friendly process design. Helvetia would like to extend these developments to other areas of its claims process in order to enhance efficiency and its service orientation. The purchase price was CHF 2.2 million in cash. The acquired net assets total CHF -0.3 million. The resulting goodwill of CHF 2.4 million represents expected earnings and synergy potential. It is assigned to the "Austria" cash-generating unit and is not expected to be deductible for tax purposes. faircheck has no material impact on the turnover or consolidated net profit of the Helvetia Group.
- On 9 July 2021, the shares in the associated company Pilatus Arena AG, Lucerne were sold.
- On 29 September 2021, Caser (Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A.) acquired 59.72% of Actiu Assegurances S.A. Actiu is a holding company based in Andorra with shares in two insurance companies operating in Andorra. The purchase price is CHF 8.3 million. This transaction will strengthen the current cooperation between Crèdit Andorrà and Caser

and expand into the non-life business. The net assets gained come to CHF 21.9 million. Actiu has no material impact on the sales or consolidated net profit of Helvetia Group.
– On 21 October 2021, Helvetia Venture Fund acquired a 26.48% stake for CHF 2.1 million in LuckyShot GmbH, which provides software for associations. Due to the character of the investment and as it is not material to Helvetia, the holding is carried as a financial instrument.
– On 20 December 2021, Aldebarán Riesgo acquired a 48.78% stake for CHF 20.5 million in Ciudad de la Justicia de Córdoba S.A., an infrastructure company based in Córdoba.
– By way of gradual acquisition, the stake of the Helvetia Group in Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A., rose from 70.52% to 70.53% and its stake in C Y E Badajoz, Servicios Sociosanitarios S.A., Badajoz, rose from 67% to 100%.

18.2 Events in the previous period

– Helvetia Service AG merged with Helvetia Schweizerische Versicherungsgesellschaft AG on 1 January 2020.
– SAISA 2020 SOCIEDAD DE INVERSIONES ANDALUZAS, S.A., Seville was founded on 3 February 2020 with the participation of Helvetia Compañia Suiza, Seville. Helvetia Compañia Suiza holds 35% of the shares in the new company.
– The VP SICAV Helvetia Fund was renamed LUXCELLENCE – Helvetia Fund on 14 February 2020.
– Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen, remitted 102,838 new shares at a price of CHF 2,920.13 per share to Helvetia Holding on 23 June 2020. The equity capital of Helvetia Schweizerische Versicherungsgesellschaft AG increased by CHF 300.3 million through this transaction.
– On 25 June 2020, Helvetia acquired a 69.41% stake in the Spanish insurer Caser (Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A., Madrid). The purchase price was CHF 855.4 million in cash. As a result of the acquisition, Helvetia will primarily grow in the attractive non-life business. In addition, Helvetia will gain access to valuable new bank distribution channels and acquire new business areas in the health and elderly care sector, which offers growth opportunities in light of demographic trends.
– On 13 July, Clinicas Avetmas, Madrid, acquired 100% of C.V. Sanchinarro S.L., Madrid for EUR 0.4 million, which is in the veterinary sector.
– In Italy, GE.SI.ASS Società Consortile a R.L. was liquidated with effect from 4 August 2020 and on 1 September 2020 Chiara Assicurazioni S.p.A. was merged into Helvetia Italia Assicurazioni S.p.A., Milan.
– The holding of Helvetia Venture Fund in INZMO GmbH, Berlin, fell from 58.2% to 25.1% during 2020.
– The share capital of Helvetia Venture Fund was increased by EUR 8.0 million in 2020. The holding is now 99.28% (previously 99.97%).
– The stake in MoneyPark AG was increased from 82.15% to 84.78% by way of gradual acquisition in 2020.
– On 30 December 2020, Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A., Madrid acquired 50.1% of Becier Assegurances S.A.U., Andorra. Becier is mainly involved in the non-life business. The purchase price was CHF 2.6 million. As it is not material to Helvetia, the holding is listed as a financial instrument.

The following overview shows the assets and liabilities at fair value acquired as part of the acquisition of Caser in 2020:

in CHF million	
Assets	
Property and equipment	467.3
Intangible assets	654.0
Investments	6982.9
Receivables from insurance business	354.9
Reinsurance assets	188.6
Deferred tax assets	225.9
Other assets and accruals	246.0
Cash and cash equivalents	452.8
Liabilites	
Actuarial provisions	–6772.2
Deferred tax liabilities	–233.2
Financial liabilities	–954.8
Other liabilities and accruals	–317.0
Acquired net assets	
Acquired identified assets (net)	1295.2
Non-controlling interests	–438.0
Recognised as "other income" in profit or loss	–1.8
Total acquisition costs	**855.4**

The claims from the insurance business came to CHF 364.7 million gross, of which CHF 9.8 million were classified as likely to be irrecoverable.

In 2020, Caser generated a result of CHF 54.3 million and gross premium volume of CHF 655.8 million. If the acquisition had been completed on 1 January 2020, consolidated net profit would have been CHF 273.9 million and gross premiums would have been CHF 10,248.8 million. These pro forma values are based on unaudited financial statements in accordance with local accounting principles and assumptions regarding the impact of the special effects of the transaction. No expectations can be derived from that regarding future periods.

The costs related to the closing of the acquisition came to CHF 12.3 million and were entered under "Operating and administrative expenses".

In connection with the acquisition of Caser in 2020, the minority shareholders were granted the option of selling their shares to Helvetia (see section 8.2, page 133).

18.3 Group companies

as of 31.12.2021	Business activities	Holding in %	Method of consolidation	Currency	Share capital in million
Switzerland					
Helvetia Holding AG, St. Gallen	Other	–	–	CHF	1.1
Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen	Non-life	100.00	full	CHF	82.6
Helvetia Schweizerische Lebensversicherungsgesellschaft AG, Basel	Life	100.00	full	CHF	50.0
Europäische Reiseversicherung, Basel[1]	Non-life	100.00	full	CHF	
Care Travel AG, Brüttisellen	Non-life	100.00	full	CHF	0.1
Medicall AG, Brüttisellen	Non-life	79.78	full	CHF	0.9
SmartLife Care AG, Brüttisellen	Non-life	100.00	full	CHF	0.2
smile.direct Versicherungen, Dübendorf[1]	Non-life	100.00	full	CHF	–
Helvetia Consulta AG, Basel	Other	100.00	full	CHF	0.1
Helvetia Consulting AG, St. Gallen	Other	100.00	full	CHF	0.1
IFANG Park AG, Schwerzenbach	Life	100.00	full	CHF	0.1
MoneyPark AG, Freienbach	Other	84.78	full	CHF	0.5
Finovo AG, Opfikon	Other	100.00	full	CHF	1.1
Helvetia Asset Management AG, Basel	Other	100.00	full	CHF	1.0
Helvetic Warranty GmbH, Dietlikon	Non-life	100.00	full	CHF	0.0
Atlanto AG, St. Gallen	Non-life	100.00	full	CHF	0.1
Helvetia I Funds North America	Other	77.64	full	USD	–
Helvetia I Funds Great Britain	Other	69.86	full	GBP	–
Helvetia I Funds Europe	Other	72.40	full	EUR	–
Helvetia Allegra ONE	Other	89.73	full	CHF	–
Helvetia Allegra 30	Other	72.17	full	CHF	–
Coop Rechtsschutz AG, Aarau		42.50	equity	CHF	
Prevo-System AG, Basel		24.00	equity	CHF	
Readydata AG, Winterthur		34.13	investment	CHF	
Germany					
Helvetia Schweizerische Versicherungsgesellschaft AG, Direktion für Deutschland, Frankfurt a.M.[1]	Non-life	100.00	full	EUR	
HELVETIA Schweizerische Lebensversicherungs-AG, Frankfurt a.M.	Life	100.00	full	EUR	11.5
Helvetia Versicherungs-AG, Frankfurt a.M.	Non-life	100.00	full	EUR	5.0
Der ANKER Vermögensverwaltung GmbH, Frankfurt a.M.	Other	100.00	full	EUR	0.0
Helvetia Vermögens- und Grundstücksverwaltung GmbH & Co. KG, Frankfurt a.M.	Life	100.00	full	EUR	43.7
Helvetia Grundstücksverwaltung GmbH, Frankfurt a.M.	Life	100.00	full	EUR	0.0
Hamburger Assekuranz GmbH, Frankfurt a.M.	Other	100.00	full	EUR	3.1
Helvetia Leben Maklerservice GmbH, Frankfurt a.M.	Life	100.00	full	EUR	0.0
Helvetia Versicherungs- u. Finanzdienstleistungsvermittlung GmbH, Frankfurt a.M.	Other	100.00	full	EUR	0.0
INZMO GmbH, Berlin		25.10	equity	EUR	
BlueID GmbH, München		25.33	investment	EUR	
Luckyshot GmbH, Berlin		26.48	investment	EUR	
Theftex GmbH, Geestland		44.83	investment	EUR	
TX Leasing GmbH, Geestland		44.83	investment	EUR	

as of 31.12.2021	Business activities	Holding in %	Method of consolidation	Currency	Share capital in million
Italy					
Helvetia Compagnia Svizzera d'Assicurazioni S.A., Rappresentanza Generale e Direzione per l'Italia, Milan [1]	Non-life	100.00	full	EUR	
Helvetia Vita - Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A., Milan	Life	100.00	full	EUR	47.6
Helvetia Italia Assicurazioni S.p.A., Milan	Non-life	100.00	full	EUR	15.6
APSA s.r.L., Milan	Non-life	100.00	full	EUR	0.1
Spain					
Helvetia Holding Suizo, S.A., Madrid	Other	100.00	full	EUR	90.3
Helvetia Compañía Suiza, Sociedad Anónima de Seguros y Reaseguros, Seville	Life and non-life	98.99	full	EUR	21.4
Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A., Madrid	Life and non-life	70.53	full	EUR	647.7
Sa Nostra Compañía De Seguros De Vida, S.A., Palma de Mallora	Life	81.31	full	EUR	14.4
CA Vida Assegurances, S.A., Andorra	Life and non-life	51.00	full	EUR	0.6
Becser Assegurances, S.A., Andorra[2]	Non-life	50.10	investment	EUR	
Inmocaser, S.A.U., Madrid	Non-life	100.00	full	EUR	67.6
Caser Marketing Directo, S.L.U., Madrid	Non-life	100.00	full	EUR	0.0
Becser Corredoría D'Assegurances, S.A.U., Andorra	Non-life	100.00	investment	EUR	
Financera d'assegurances S.A., Andorra	Non-life	51.18	full	EUR	1.3
Linia Aseguradora SL, Andorra	Non-life	100.00	investment	EUR	
Consell Asegurador SA, Andorra	Non-life	80.00	investment	EUR	
Actiu Assegurances S.A., Andorra	Other	59.72	full	EUR	2.0
Jalfit Bienestar, S.A.U., Madrid	Other	70.00	full	EUR	0.1
Jalsosa, S.L., Madrid	Other	72.85	full	EUR	0.1
Aldebarán Riesgo, S.C.R., S.A.U., Madrid	Other	100.00	full	EUR	20.7
Bernardino Solar S.L.U., Madrid	Other	60.00	investment	EUR	
Layertex S.L., Cabrera del Mar (Barcelona)	Other	100.00	investment	EUR	
Acierta Asistencia, S.A., Madrid	Other	100.00	full	EUR	5.9
Grupo TH Mantenimiento, S.L., Madrid	Other	100.00	full	EUR	0.1
Clínica Parque Fuerteventura, S.L.U, Puerto del Rosario	Other	100.00	full	EUR	8.0
Clínica Parque, S.A.U, Tenerife	Other	100.00	full	EUR	10.9
Extremeña de Gestion Sanitaria y Especialidades Médicas, S.L.U., Don Benito	Other	100.00	full	EUR	0.0
Extremeña de Patrimonio para la Sanidad, S.L.U., Madrid	Other	100.00	full	EUR	9.8
Grupo Empresarial Marazuelza S.A., Talavera de la Reina	Other	100.00	full	EUR	1.2
Hospital del Llevant, S.L., Manacor	Other	100.00	full	EUR	0.4
Parque Hospitales Baleares, S.L.U., Madrid	Other	100.00	full	EUR	0.0
Residencia del Hospital del Llevant, S.L., Manacor	Other	100.00	full	EUR	0.0
Atendae Asistencia S.A., Madrid	Other	100.00	full	EUR	1.5
C Y E Badajoz, Servicios Sociosanitarios, S.A., Badajoz	Other	100.00	full	EUR	0.1
C Y E Servicios Sociosanitarios, S.A.U., Madrid	Other	100.00	full	EUR	1.7
Caser Residencial de Gestión, S.L.U., Madrid	Other	100.00	full	EUR	2.2
Caser Residencial Inmobiliaria, S.A.U., Madrid	Other	100.00	full	EUR	19.0
Caser Residencial, S.A.U., Madrid	Other	100.00	full	EUR	0.2
Caser Retiro, S.L., Madrid	Other	50.00	full	EUR	0.0
Centro Sociosanitarios de Logroño, S.L., Logroño	Other	100.00	full	EUR	0.2
Myces, S.L.U., Lleida	Other	100.00	full	EUR	1.2

as of 31.12.2021	Business activities	Holding in %	Method of consolidation	Currency	Share capital in million
Centro Asistencial San Torcuato, S.L., Zamora	Other	100.00	full	EUR	0.1
Residencia Nueva Vida, S.A., Pontevedra	Other	100.00	full	EUR	1.3
Servicios Integrales Geriontológicos y Sanitarios, S.A., Bilbao	Other	100.00	full	EUR	3.3
Arrienda Gestión S.A.U., Madrid	Other	100.00	full	EUR	17.0
Casavi, Asistencia en Viaje, S.L.U., Madrid	Other	100.00	full	EUR	0.1
Caser Direct, Correduria de Seguros del Grupo Asegurador Caser, S.A., Madrid	Other	100.00	full	EUR	0.1
Caser Servicios de Salud, S.A.U., Madrid	Other	100.00	full	EUR	9.4
Clínicas Avetmas, S.A.U., Madrid	Other	100.00	full	EUR	5.0
C.V. Sanchinarro, S.L., Madrid	Other	100.00	full	EUR	0.2
Gesinca Consultora de Pensiones y Seguros, S.A., Madrid	Other	100.00	full	EUR	0.9
Premium Health Wellness, S.L.U., Alicante	Other	100.00	full	EUR	0.0
Caser Valores e Inversiones Agencia Valores, S.A.U., Madrid	Other	100.00	full	EUR	0.2
Caser Pensiones, Entidad Gestora de Fondos de Pensiones, S.A., Madrid	Other	100.00	full	EUR	5.0
Gesnorte S.A., S.G.I.I.C., Madrid		29.55	equity	EUR	
Audisec, Servicios de la Informatión, S.L., Ciudad Real		35.00	equity	EUR	
Ciudad de la Justicia de Córdoba, S.A., Córdoba		48.78	equity	EUR	
SAISA 2020 Sociedad de Inversiones Andaluzas, S.A., Sevilla		35.00	equity	EUR	
Assegur Diversos S.A., Andorra		50.00	equity	EUR	
Austria					
Helvetia Schweizerische Versicherungsgesellschaft AG, Direktion für Österreich, Vienna[1]	Non-life	100.00	full	EUR	
Helvetia Versicherungen AG, Vienna	Life and non-life	100.00	full	EUR	12.7
Smart Insurance & IT Solutions GmbH, Vienna	Other	100.00	full	EUR	0.0
protecta.at Finanz- und Versicherungsservice GmbH, Vienna	Other	100.00	full	EUR	0.0
faircheck Schadenservice GmbH, Graz	Non-life	100.00	full	EUR	0.0
ZSG Kfz-Zulassungsservice GmbH, Vienna		33.33	equity	EUR	
Assistance Beteiligungs-GmbH, Vienna		24.00	equity	EUR	
France					
Helvetia Compagnie Suisse d'Assurances S.A., Direction pour la France, Le Havre[2]	Non-life	100.00	full	EUR	
Helvetia Assurances S.A., Le Havre	Non-life	100.00	full	EUR	94.4
Groupe Save, Le Havre	Non-life	100.00	full	EUR	0.1
Seasecure Holding SAS, Marseille		36.46	equity	EUR	

as of 31.12.2021	Business activities	Holding in %	Method of consolidation	Currency	Share capital in million
Other countries					
Belgium					
Compagnie Européenne d'Assurance des Marchandises et des Bagages S.A., Bruxelles	Non-life	100.00	full	EUR	1.8
Liechtenstein					
Helvetia Swiss Insurance Company in Liechtenstein Ltd, Vaduz	Non-life	100.00	full	CHF	5.0
Luxembourg					
Helvetia Europe S.A., Luxembourg	Other	100.00	full	EUR	3.6
VP SICAV Helvetia Fund International Bonds	Other	100.00	full	EUR	–
VP SICAV Helvetia Fund European Equity	Other	100.00	full	EUR	–
VP SICAV Helvetia Fund International Equity	Other	100.00	full	EUR	–
Swiss Cap Private Debt Fund	Other	100.00	full	USD	–
Helvetia European Private Debt Fund	Other	100.00	full	EUR	–
Helvetia Venture Fund S.A., SICAR	Other	99.41	full	EUR	–
Malaysia					
Helvetia Swiss Insurance Company Ltd., Kuala Lumpur[1]	Non-life	100.00	full	USD	–
Singapore					
Helvetia Swiss Insurance Company Ltd., Singapore[1]	Non-life	100.00	full	USD	–
USA					
Helvetia Latin America LLC, Miami	Non-life	100.00	full	USD	0.1
UK					
Helvetia Marine Services Ltd., London	Non-life	100.00	full	GBP	0.0
Worldwide					
Helvetia Schweizerische Versicherungsgesellschaft AG, Rückversicherung, St. Gallen[2]	Non-life	100.00	full	CHF	

[1] Branches
[2] Formerly Becier Assegurances

Statutory Auditor's Report

To the General Meeting of Helvetia Holding AG, St. Gallen

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Helvetia Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement, statement of comprehensive income, consolidated statement of equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 78 to 195) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF LIFE RESERVES

VALUATION OF LOSS RESERVES

RECOVERABILITY OF GOODWILL

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF LIFE RESERVES

Key Audit Matter

Technical reserves recognize the valuation of obligations from life insurance policies. For this purpose, management has to make estimates and assumptions on the occurrence of future insured events (death, disability, survival) as well as the corresponding insurance contract settlement costs.

Assumptions on mortality, disability, reactivation, lapse rates, interest rates and costs are particularly relevant for the technical reserves established for such events. These assumptions are made on the basis of statistics provided by industry associations and observations from own portfolios, and take into account expected future developments. The definition of such assumptions involves uncertainties, which are mitigated with additional security margins.

Actual benefits paid may be different from the booked reserves, but overall, the insurance company must dispose of sufficient technical reserves.

Our response

In essence, we have reviewed the technical reserves as follows:

- Involving actuaries as part of the audit team.
- Testing the effectiveness of selected key controls for calculating technical reserves as well as the assurance of the quality of data used.
- Review of compliance with local legal and regulatory requirements for the calculation of technical reserves.
- Review of the derivation and plausibility checks of the main assumptions, including interest rates, mortality, lapse rates and costs.
- Review of technical reserves based on the recalculation of technical reserves of individual contracts or updates.
- Reconciliation of data used to calculate technical reserves with the sub-systems using random samples.

For further information on the valuation of the life reserves refer to the following:

- Chapter 9

VALUATION OF LOSS RESERVES

Key Audit Matter

Reserves have been established for claims incurred (both incurred and reported and incurred but not reported claims) up to the end of the business year. These include the costs of claims expected to be paid as well as the costs of handling claims. The reserves are calculated using actuarial methods and assumptions. Determining these assumptions involves significant judgment, and even small changes in the assumptions may have a material impact on the value of the reserves.

In addition, the actual claims paid out may deviate from the estimates

Our response

In summary, we have audited the claims reserves as follows:

- Inclusion of actuaries as part of the audit team.
- Testing of the operating effectiveness of selected key controls for the calculation of the loss reserves and the integrity of the data used in the actuarial calculation.
- Critically assessing the methodology used by the Group to calculate reserves.
- Examining the determination of the most important assumptions.
- Independently recalculating the reserves of the most important business lines as well as reconciling and assessing the reasonableness of the reserves recorded by the Group.

For further information on the valuation of loss reserves refer to the following:

RECOVERABILITY OF GOODWILL

Key Audit Matter

The goodwill position is subject to an annual goodwill impairment test. The impairment test determines the recoverable amount by calculating the value in use, comparing it to the goodwill's carrying value. If the recoverable amount exceeds the carrying value, no impairment is required.

The value in use is calculated using the discounted cash flow (DCF) method, which is in particular influenced by expected future cash flows, the applied discount rates as well as the growth rates. Therefore, the calculation of the value in use involves elements of uncertainty and is subject to management's judgment's.

Our response

For the goodwill position, we have principally performed the following audit procedures:

- Testing of the operating effectiveness of selected key controls in connection with Goodwill Impairment Test.
- Critically assessing the budgeting process, including back-testing the most important figures; this means comparing the budget values with the actual values of the last 5 years.
- Reconciling the budget and forecast values used in the goodwill impairment test with the figures approved by the Board of Directors.
- Recalculating the DCF model.
- Involving a valuation specialist to critically assess the parameters used, in particular the discount rates.
- Appraising the model used by management to calculate the discount rates.
- Independently calculating the discount rates, and comparing and reviewing the reasonableness of the differences to the rates used by management.
- Comparing the growth rates applied with the inflation rates expected in the long term.
- Assessing sensitivity analyses concerning budget achievement, discount rates as well as growth rates.

For further information on the recoverability of goodwill refer to the following:

- Chapter 6

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Christoph Hörl
Licensed Audit Expert

Zurich, 23 March 2022

KPMG AG, Badenerstrasse 172, CH-8036 Zürich

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Financial statements of Helvetia Holding AG

Balance sheet

in CHF million	2021	2020	Change
Assets			
Cash and cash equivalents	0.0	0.1	
Other current receivables			
– from participants	45.1	26.4	
Active deferred income	291.7	265.2	
Current assets	336.8	291.7	15.5%
Financial assets	68.8	68.8	
Participations	1 890.4	1 890.4	
Non-current assets	1 959.3	1 959.3	0.0%
Total assets	**2 296.0**	**2 250.9**	**2.0%**
Liabilities and equity			
Trade payables	4.5	3.7	
Current interest-bearing liabilities			
Current liabilities	4.5	3.7	
Non-current interest-bearing liabilities			
Total liabilities	4.5	3.7	21.3%
Share capital	1.1	1.1	
Legal capital reserves			
– Reserve from capital contributions	296.9	296.9	
Legal retained earnings			
– General legal retained earnings	86.1	86.1	
– Reserve for treasury shares	9.9	7.9	
Voluntary retained earnings	1 502.7	1 493.8	
Retained profit			
– Profit carried forward	96.7	96.4	
– Annual profit	298.3	265.5	
Treasury shares Helvetia Holding AG	–0.2	–0.5	
Total equity	2 291.6	2 247.3	2.0%
Total liabilities and equity	**2 296.0**	**2 250.9**	**2.0%**

Income statement

in CHF million	2021	2020	Change
Dividend income	298.7	265.2	
Interest income	0.7	0.6	
Total operating income	299.3	265.9	
Other operating expenses	0.0	0.0	
Total operating expenses	0.0	0.0	
Extraordinary expenses	0.0	–0.3	
Earnings before tax	299.3	265.5	12.7%
Income tax	–1.0	0.0	
Annual profit	**298.3**	**265.5**	**12.3%**

Proposed appropriation of profit

in CHF million	2021	2020	
Profit for the period	298.3	265.5	
Profit carried forward	96.7	96.4	
At the disposal of the Shareholders' Meeting	395.1	361.9	
Proposed dividend[1]	291.6	265.1	
Allocation to free reserves	0.0	0.0	
Profit carried forward to new account	**103.4**	**96.7**	

[1] 2021: CHF 5.50 per registered share
2020: CHF 5.00 per registered share

Notes to the financial statements Helvetia Holding AG

1. Principles

1.1 General

The 2021 financial statements of Helvetia Holding AG were prepared in accordance with the provisions of Swiss accounting law (chapter 32 of the Swiss Code of Obligations). The applied valuation principles comply with the law. The material valuation principles that are not prescribed by law are discussed below.

Rounding can mean that the summation of individual values does not correspond to the reported total.

1.2 Valuation principles

Measurement is carried out in accordance with uniform criteria. Assets and liabilities are measured on an individual basis. Subsequent to initial recognition, assets are measured at amortised cost. Liabilities are stated at par value.

- Investments in other companies are recognised at purchase cost less impairment.
- Loans are reported at par value less impairment.
- Treasury shares are charged to equity in the balance sheet at purchase cost as of the acquisition date. In case of a sale at a later date, the gain or loss is recognised without affecting profit or loss.

1.3 No need to include additional information in the Notes to the financial statements, cash flow statement and management report

As the Helvetia Group prepares consolidated financial statements in accordance with a recognised accounting standard (IFRS), in accordance with the statutory provisions it therefore does not have to include additional information in the Notes to the financial statements, a management report and statement of cash flow in these financial statements.

2. Notes on balance sheet and income statement items

2.1 Prepaid expenses and deferred charges

The dividend of the subsidiary Helvetia Schweizerische Versicherungsgesellschaft AG distributed from its net profits for 2021 is paid simultaneously to Helvetia Holding AG and thus recognised on a transitory basis under "Prepaid expenses and deferred charges". The item in the amount of CHF 291.7 million exists vis-à-vis Group companies (previous year: CHF 265.2 million).

2.2 Financial assets

The loan to Helvetia Schweizerische Versicherungsgesellschaft AG totals CHF 68.8 million and earned interest at 0.75%.

2.3 Shareholdings

On the reporting date, Helvetia Holding AG owned the following direct investments:

	Reported company capital	Holding as of	Reported company capital	Holding as of
	31.12.2021	31.12.2021	31.12.2020	31.12.2020
in CHF million				
Helvetia Schweizerische Versicherungs-gesellschaft AG, St. Gallen	82.6	100.00%	82.6	100.00%
Helvetia Asset Management AG, Basel	1.0	100.00%	1.0	100.00%

2.4 Share capital and authorised capital

The share capital of CHF 1,060,513.70 consists of 53,025,685 registered shares with a par value of CHF 0.02 (previous year: 53,025,685 registered shares with a par value of CHF 0.02).

At the reporting date, the capital contribution reserves totalled CHF 296,943,558 (previous year: CHF 296,943,558).

2.5 Treasury shares

	Low in CHF	High in CHF	Average price in CHF	Number
As at 1.1.2020				267,932
Purchases	70.55	148.20	100.89	92,527
Sales	68.70	146.90	100.27	–117,615
As at 31.12.2020				242,844
Purchases	90.25	113.30	105.23	48,576
Sales	91.55	113.00	109.09	–126,535
As at 31.12.2021				164,885

2.6 Dividend income

The dividend income of Helvetia Holding AG corresponds, on the one hand, to the first-time dividend of Helvetia Asset Management AG (CHF 7.0 million) and, on the other, to the simultaneously distributed dividend of Helvetia Schweizerische Versicherungsgesellschaft AG (CHF 291.7 million). In this regard, please also see the comment on "2.1 Prepaid expenses and deferred charges".

3. Other information

3.1 Full-time equivalents
Helvetia Holding AG does not have any employees.

3.2 Guarantee and contingent liabilities
Helvetia Holding AG belongs to the Helvetia VAT group and is therefore jointly and severally liable for VAT debts.

Helvetia Holding AG has issued subordinated and unsecured guarantees of CHF 1.8 billion (previous year: CHF 1.8 billion) vis-à-vis the bond creditors of Helvetia Schweizerische Versicherungsgesellschaft AG. This is associated with (i) two bonds issued in October 2014 in the total amount of CHF 375.0 million (an unsecured senior bond at CHF 150.0 million and an unsecured subordinated bond at CHF 225.0 million), (ii) a subordinated bond issued in September 2015 in the amount of CHF 300.0 million, (iii) a subordinated hybrid bond issued in April 2017 with a volume of EUR 500.0 million (CHF 518.1 million), (iv) two subordinated bonds issued in February 2020 in the total amount of CHF 400.0 million as well as (v) a subordinated green bond issued in November 2020 in the amount of CHF 200.0 million.

3.3 Shareholders with interests of more than 3.00%
The following shareholders were entered in the share register on the reporting date of 31 December 2021:
– Patria Genossenschaft, Basel, with 34.09% (previous year: 34.09%).

3.4 Additional information for companies listed on the stock exchange
The information on investments of the members of the Board of Directors and the Executive Management required under Art. 663c para. 3 of the Swiss Code of Obligations is provided in the Notes to the 2021 consolidated financial statements of the Helvetia Group under section 15.

3.5 Ownership interests of members of the Board of Directors and the Executive Management
Information on the allocation of ownership interests to the members of the Board of Directors and the Executive Management is provided in the Notes to the 2021 consolidated financial statements of the Helvetia Group under section 15.

3.6 Material events after the reporting date
There were no material events after the reporting date that would have an impact on the carrying values of the reported assets or liabilities or that would need to be disclosed here.

Statutory Auditor's Report

To the General Meeting of Helvetia Holding AG, St. Gallen

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Helvetia Holding AG, which comprise the balance sheet as at 31 December 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 201 to 205) for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Christoph Hörl
Licensed Audit Expert

Zurich, 23 March 2022

Embedded Value

in CHF million	31.12.2021	31.12.2020
Embedded Value after tax		
Switzerland	**3780.8**	**3410.1**
of which value of insurance portfolio	1777.1	1720.8
of which adjusted equity	2362.3	2188.2
of which solvency costs	–358.6	–498.9
EU	**1276.1**	**1294.9**
of which value of insurance portfolio	689.3	673.1
of which adjusted equity	1062.3	1020.6
of which solvency costs	–475.5	–398.8
Total[1]	**5056.9**	**4705.0**
of which value of insurance portfolio	2466.4	2393.9
of which adjusted equity	3424.6	3208.8
of which solvency costs	–834.1	–897.7

[1] of which minority interests CHF 181.0 mio. as of 31.12.2021

in %		
Assumptions		
Switzerland		
Risk Discount Rate	6.25%	6.00%
Yield on bonds	0.2%–1.0%	–0.2%–0.7%
Yield on equities	6.25%	6.00%
Yield on real estate	3.4%–3.5%	3.9%
EU		
Risk Discount Rate	6.25%–8.50%	6.25%–8.50%
Yield on bonds	0.8%–1.8%	0.4%–1.5%
Yield on equities	6.25%	6.25%
Yield on real estate	3.8%–4.0%	4.2%

in CHF million	31.12.2021	31.12.2020
Development of Embedded Value after tax		
Embedded Value as of 1 January	4705.0	3924.9
Operating profit from insurance portfolio and adjusted equity	169.8	78.5
Value of new business	60.9	55.1
Economic changes, including changes to unrealised gains and losses on investments (equity and real estate)	240.6	93.3
Dividends and movement of capital	–64.7	559.5
Foreign currency translation differences	–54.7	–6.3
Embedded Value as of 31 December	**5056.9**	**4705.0**

in %		
Sensitivities		
+1% change to risk discount rate	–5.9%	–6.4%
–1% change to risk discount rate	6.8%	7.5%
–10% change to fair value of equities	–2.2%	–2.3%
–10% change to fair value of real estate	–6.2%	–6.6%
+1% change to new money rate	4.0%	5.2%
–1% change to new money rate	–5.5%	–14.5%

in CHF million		
New Business		
Switzerland		
Value of new business	32.9	31.1
Annual Premium Equivalent (APE)	110.5	124.5
Value of new business in % APE	29.8%	25.0%
Present Value of New Business Premiums (PVNBP)	978.5	1135.4
Value of new business in % PVNBP	3.4%	2.7%
EU		
Value of new business	28.0	24.0
Annual Premium Equivalent (APE)	193.5	110.0
Value of new business in % APE	14.5%	21.8%
Present Value of New Business Premiums (PVNBP)	1446.4	946.6
Value of new business in % PVNBP	1.9%	2.5%
Total		
Value of new business	60.9	55.1
Annual Premium Equivalent (APE)	304.0	234.5
Value of new business in % APE	20.0%	23.5%
Present Value of New Business Premiums (PVNBP)	2424.9	2082.0
Value of new business in % PVNBP	2.5%	2.6%

Annual Premium Equivalent (APE): 100% annual new business premium +10% single new business premium
PVNBP: Present Value of New Business Premium

Alternative performance measures

Introduction

Helvetia uses, throughout its financial and business publications, alternative performance measures (APMs) in addition to the figures which are prepared in accordance with the International Financial Reporting Standards (IFRS). We believe that these measures provide useful information to investors and enhance the understanding of our results. These financial measures are designed to measure performance, growth, capital efficiency, cash generation and dividend capacity.

The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Helvetia Group uses the following major alternative performance measures:

- Business volume
- FX-adjusted growth
- Average investments of the Group
- Direct yield
- Investment performance
- Combined ratio
- Return on equity
- New business margin
- Traditional embedded value
- Operating cash production
- Net economic dividend capacity

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited.

In accordance with the Directive on the Use of Alternative Performance Measures of SIX Swiss Exchange this report gives the following information in regards to the above mentioned alternative performance measures:

- Definition of the APM and its use.
- Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the IFRS financial statements, where possible. In certain cases a reconciliation is not possible or practicable since the APM concerned is based on fundamentally different principles.

Helvetia Group's most recent financial publications at any time are available online at www.helvetia.com/publications.

Business volume

Definition

Total business volume is the "top line" figure which indicates the success of the distribution and sales organisation. Total business volume of Helvetia Group comprises of gross written premiums (including active reinsurance) and deposits received from investment contracts.

Business volume = GWP non-life+GWP life+deposits life

Reconciliation

2021 in CHF million	Business volume	Deposits	IFRS gross premiums
Business areas			
Non-life	6 656		6 656
Life	4 566	–415	4 151
Segments			
Switzerland	4 652	–79	4 573
Europe	4 855	–335	4 520
Specialty Markets	1 715		1 715
Total	**11 222**	**–415**	**10 808**

2020 in CHF million	Business volume	Deposits	IFRS gross premiums
Business areas			
Non-life	5 430		5 430
Life	4 283	–287	3 997
Segments			
Switzerland	4 533	–61	4 472
Europe	3 661	–226	3 436
Specialty Markets	1 519		1 519
Total	**9 714**	**–287**	**9 427**

GWP = gross written premiums

FX-adjusted growth

Definition

Helvetia presents the percentage of change of total business volume and its components adjusted for foreign currency translation effects.

Helvetia Group's consolidated financial statements are presented in CHF. As a significant portion of our revenues results from outside Switzerland, the comparability between different periods is affected when exchange rates fluctuate. Change in business volume and its components are therefore determined by correcting nominal business volume growth for the effects of foreign currency translation.

Foreign currency translation effects are calculated as

$$\textbf{FX effect} = \frac{\textbf{Business volume at CY FX rate-Business volume at PY FX rate}}{\textbf{PY business volume at PY FX rate}}$$

Reconciliation

2021	FX-adjusted business volume growth	FX effect	Nominal business volume growth	Impact of growth in deposits	Nominal IFRS premiums growth
Business areas					
Non-life	22.0%	0.6%	22.6%		22.6%
Life	6.3%	0.3%	6.6%	–2.7%	3.9%
Segments					
Switzerland	2.6%		2.6%	–0.4%	2.2%
Europe	31.5%	1.1%	32.6%	–1.0%	31.6%
Specialty Markets	12.6%	0.3%	12.9%		12.9%
Total	**15.1%**	**0.4%**	**15.5%**	**–0.9%**	**14.6%**

2020	FX-adjusted business volume growth	FX effect	Nominal business volume growth	Impact of growth in deposits	Nominal IFRS premiums growth
Business areas					
Non-life	18.6%	–2.5%	16.1%		16.1%
Life	–9.4%	–1.0%	–10.4%	–1.6%	–12.0%
Segments					
Switzerland	–11.5%		–11.5%	–0.1%	–11.6%
Europe	23.3%	–4.5%	18.8%	–0.7%	18.1%
Specialty Markets	23.5%	–1.7%	21.8%		21.8%
Total	**4.5%**	**–1.8%**	**2.7%**	**–0.4%**	**2.3%**

CY = current year period (reporting period), PY = prior year period, FX = foreign exchange

Average investments of the Group

Definition

The average Group investment portfolio represents the average of investments at the beginning of the period and the investments at the end of the period net of short derivatives.

$$\textbf{Average Group investment portfolio} = \frac{\textbf{Investments at beginning of period + Investments at end of period}}{\textbf{2}}$$

Reconciliation

in CHF million	2021	2020
Investments at begin of period	60 571	54 525
– Short derivatives at begin of period	– 203	– 155
– Investments in associates at begin of period	– 31	– 31
– Investments with market risk for the policyholder at begin of period (net of short derivatives)	– 4 792	– 4 178
	55 545	**50 161**
Investments at end of period	60 009	60 571
– Short derivatives at end of period	– 171	– 203
– Investments in associates at end of period	– 64	– 31
– Investments with market risk for the policyholder at end of period (net of short derivatives)	– 5 473	– 4 792
	54 301	**55 545**
Average Group investment portfolio	**54 923**	**52 853**

Direct yield

Definition

The direct yield represents the ratio of the current income from Group investments (net) to the average Group investment portfolio expressed as a percentage. Net current income consists of interest and dividend income and rental income from investment property less investment management expenses.

$$\textbf{Direct yield (in \%)} = \frac{\textbf{Current income from Group investments (net)}}{\textbf{Average Group investment portfolio}} \times \textbf{100}$$

Reconciliation

in CHF million	2021	2020
Current income from Group investments (net)	882	889
Average Group investment portfolio	54 923	52 853
Direct yield	**1.6%**	**1.7%**

Investment performance

Definition

Investment performance is the ratio of the Group's total net investment income to the adjusted average Group investment portfolio expressed as a percentage. Investments at the end of the period are calculated by adjusting for gains and losses in the period. In addition to current income, total income includes gains and losses on financial assets, realised and book gains and losses on investment property as well as changes in unrealised gains and losses in equity.

$$\textbf{Investment performance (in \%)} = \frac{\textbf{Total income on Group investments (net)}}{\textbf{Adjusted average Group investment portfolio}} \times \textbf{100}$$

Reconciliation

in CHF million	2021	2020
Current income on Group investments (net)	882	889
+ Gains and losses on Group financial assets (net)	491	–152
+ Realised and book gains on investment property	457	104
+ Change in unrealised gains and losses in equity	–1163	591
Total income on Group investments (net)	**669**	**1432**
Investments at begin of period (net of short derivatives)	55545	50161
investments at end of period (net of short derivatives)	54301	55545
+ Adjustment of gains and losses in the period	214	–543
Adjusted investments at end of period (net of short derivatives)	54515	55002
Adjusted average Group investment portfolio	**55030**	**52581**
Investment performance	**1.2%**	**2.7%**

Combined Ratio

Definition
Helvetia uses the combined ratio as a measure of technical profitability in the non-life business area. The combined ratio represents the total of net benefits to policyholders and claims, acquisition costs, technical administrative expenses and other technical income and expenses (net) divided by net earned premiums.

The combined ratio is typically expressed as a percentage. A ratio of below 100% indicates that the technical result is profitable, whereas a ratio of above 100% indicates a technical loss. It does not capture investment income, other non-technical expenses and income or non-operating items. Even in case of a combined ratio of above 100%, the profit from operating activities and/or the net income can still be positive due to a positive investment income and/or a positive result from other non-technical expenses and income and/or a positive non-operating result.

$$\textbf{Combined ratio (net)} = \frac{\textbf{Net benefits to policyholders and claims + acquisition costs (net) + technical administrative costs (net)}}{\textbf{Net earned premiums}}$$

The combined ratio can be further broken down into the claims ratio and the cost ratio. The claims ratio represents net benefits to policyholders and claims (including claims handling costs) divided by net earned premiums, and thus expresses the percentage of net earned premiums used to settle claims.

$$\textbf{Claims ratio (net)} = \frac{\textbf{Net benefits to policyholders and claims}}{\textbf{Net earned premiums}}$$

The expense ratio represents acquisition costs, technical administrative expenses and other technical income and expenses (net) divided by net earned premiums. It expresses the percentage of net earned premiums used to cover technical expenses for the acquisition of new or renewal business and for administrative expenses.

$$\textbf{Cost ratio (net)} = \frac{\textbf{Acquisition costs (net) + Technical administrative costs (net)}}{\textbf{Net earned premiums}}$$

Reconciliation

in CHF million, non-life business only	2021	2020
Net earned premiums	**5 529**	**4 702**
Net benefits to policyholders and claims	**–3 510**	**–2 942**
Acquisition costs	–1 457	–1 204
Reinsurers' share of acquisition costs	179	159
Total acquisition costs (net)	**–1 278**	**–1 045**
Operating and administrative expenses	–567	–498
thereof non-technical operating and administrative expenses	120	74
Technical administrative expenses	–447	–423
Other income	68	121
thereof other non-technical income	–61	–111
Other technical income	6	10
Other expenses	–116	–112
thereof other non-technical expenses	105	94
Other technical expenses	–10	–18
Total technical administrative costs (net)	**–451**	**–431**
Claims ratio (net)	**63.5%**	**62.6%**
Cost ratio (net)	**31.3%**	**31.4%**
Combined ratio (net)	**94.8%**	**94.0%**

Return on equity

Definition

Return on equity (RoE) represents the profit or loss attributed to shareholders for the period after interest on preferred securities divided by average equity excluding preferred securities, non-controlling interests and unrealised gains and losses for the period.

RoE reflects the relationship between business profitability and available capital. Therefore, management uses RoE as a key performance indicator in the steering of our business.

$$\textbf{Return on equity (in \%)} = \frac{\textbf{Profit or loss for the period attributable to shareholders after interest on preferred securities}}{\textbf{Average shareholders' equity (excl.preferred securities, non-controlling interests and unrealised gains and losses) over last five quarters}} \times 100$$

Reconciliation

in CHF million		2021	2020
Equity (excluding preferred securities and non-controlling interests)	1.1.	5912.3	5828.1
Unrealised gains and losses in equity	1.1.	–1381.3	–1181.0
Equity excl. unrealised gains and losses	1.1.	**4531.0**	**4647.1**
Equity (excluding preferred securities and non-controlling interests)	30.6.	5817.6	5417.1
Unrealised gains and losses in equity	30.6.	–1133.4	–1169.5
Equity excl. unrealised gains and losses	30.6.	**4684.3**	**4247.5**
Equity (excluding preferred securities and non-controlling interests)	31.12	5926.5	5912.3
Unrealised gains and losses in equity	31.12	–980.3	–1381.3
Equity excl. unrealised gains and losses	31.12	**4946.3**	**4531.0**
Equity excl. unrealised gains and losses	Average	**4720.5**	**4475.2**
Profit or loss for the period attributable to shareholders		519.8	281.7
Interest on preferred securities		–12.5	–21.1
Profit or loss for the period attributable to shareholders after interest on preferred securities		507.3	260.6
Return on equity		**10.3%**	**5.4%**

New Business Margin (NBM)

Definition

The New Business Margin (NBM) is a key performance indicator to measure the profitability of new life business. The NBM (in % PVNBP) is calculated as the Value of New Business (VNB) divided by the Present Value of New Business Premiums (PVNBP) expressed in %.

$$\textbf{New business margin (in \% PVNBP)} = \frac{\textbf{Value of new business}}{\textbf{Present value of new business premiums}} \times \textbf{100}$$

The VNB is the additional value to the shareholder, which is created through the activity of writing new business in the reporting period. It is the contribution of the new business to the TEV and consists of

- the adjusted equity of the new business
- plus the present value of future profits of the new business
- less the solvency costs of the new business.

The adjusted equity contains the cumulated profits of the new business written during the reporting period at the end of the reporting period.

The present value of future profits corresponds to the present value of all expected future statutory earnings after taxes from the new business of the reporting period as of the reporting date.
Solvency costs are the costs of the solvency capital of the new business provided by the shareholder and are deducted from the VNB.

The PVNBP is the present value of projected new regular premiums, discounted with the risk discount rate, plus the total amount of single premiums received. Premiums are before reinsurance.
VNB and PVNBP are determined by using an actuarial methodology. In this approach, insurance contracts are projected deterministically using best estimate assumptions consistent with the assumptions used for TEV. Present values are calculated by using risk discount rates.

Reconciliation

NBV and PVNBP are components of the embedded value methodology. This is based on statutory profits, expected future cash flows and uses discounting. As such it is not comparable to IFRS standards and there is no comparable IFRS financial measure. Therefore, a reconciliation is not possible. Moreover, the calculation of NBM of each country market is consistent with the respective accounting policies applied in the financial statements prepared in accordance with local statutory reporting.

Traditional Embedded Value

Definition

The traditional embedded value (TEV) is a key performance indicator to measure the value of a life insurance portfolio to the shareholder without considering future new business. It consists of

- the adjusted equity
- plus the present value of future profits of the insurance portfolio
- less the solvency costs.

The adjusted equity comprises the statutory equity and the shareholders' interest in the valuation and fluctuation reserves as well as their share in the available portion of the free bonus reserve.
The present value of future profits corresponds to the present value of all expected future statutory earnings after taxes from the life insurance portfolio as of the reporting date.
Solvency costs are the costs of the solvency capital provided by the shareholder and are deducted from the TEV.

The TEV is determined by using an actuarial methodology. In the actuarial methodology, insurance contracts are projected deterministically using best estimate assumptions. Present values are calculated by using risk discount rates that are established separately for each country market. Given the high levels of volatility, these rates are partly based on average yields, while future bond yields are calculated as of the reference date.

Reconciliation

The embedded value methodology is based on statutory profits, expected future cash flows and uses discounting. As such it is not comparable to IFRS standards and there is no comparable IFRS financial measure. Therefore, a reconciliation is not possible. Moreover, the calculation of TEV of each country market is consistent with the respective accounting policies applied in the financial statements prepared in accordance with local statutory reporting.

Operating cash production

Definition
The operating cash production represents the amount of cash Helvetia's legal entities have generated in the reporting period and which is available for the Helvetia Group to cover group expenses and to pay dividends to its shareholders. It includes dividends (that will be remitted within the following year) and paid interest and fees on internal financial instruments.

Reconciliation
There is no comparable IFRS financial measure to operating cash production. Therefore, a reconciliation is not possible.

Net Economic Dividend Capacity (NEDC)

Definition
Net economic dividend capacity (NEDC) reflects potentially free available capital at the balance sheet date that can be used for additional dividends or growth purposes.

The Group's NEDC is calculated by adding up the capacities to pay a dividend of all main Helvetia legal entities. The determination of each legal entity's dividend capacity takes the following considerations into account:

– the available free local equity (net of dividends and other capital effects such as capital in-/decreases) based on local statutory – not IFRS – accounting,
– available free assets over insurance technical liabilities (including a small security buffer), in legal entities where such tied asset requirements still exist or are required by the prudent person principle,
– surpluses defined by local solvency requirements (i.e. SST, Solvency II) at each individual legal entity level also taking into account Group considerations (such as SST and S&P)

whereas the most restricting of these measures defines an entity's dividend capacity.

Capital and additional buffers on top of SST and Solvency II are taken into account in determining the free available capital in order to balance prospective volatility of own funds or required capital, to fund growth or to reflect restrictions in transferability of free funds.

Reconciliation
NEDC is based on statutory accounting, solvency and tied asset measures which vary from country to country and are not comparable to IFRS. There is therefore no comparable IFRS financial measure to NEDC and a reconciliation is not possible.

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Glossary.

Actuarial reserve
Technical life insurance reserve calculated in compliance with official guidelines and which, in conjunction with future premiums, secures claim payments.

Amortised cost
The amortised cost value of an investment is the amount at which the asset is first valued, less any impairments and plus or minus the difference between the original cost price and the redemption amount on maturity (premium / discount), with the difference being amortised over the term.

Asset liability concept
A means of balancing assets and liabilities on our customers' behalf in such a way as to ensure that all the Group's insurance commitments can be met with maximum security at any time.

Business volume
Sum of the gross premiums written and deposits from investment contracts in the reporting year.

Cash-generating unit
The smallest identifiable group of a company's assets that generates cash inflows that are largely independent of cash flows from other assets.

Claims ratio
The ratio of claims incurred to net premiums earned.

Collateral
Assets (generally securities) which are deposited or pledged as a financial surety.

Combined ratio
The sum of the net expense ratio and the claims ratio is used to evaluate the profitability of non-life insurance business before underwriting interest income is taken into consideration.

Contingent liabilities
Liabilities with little probability of occurring or low probability of causing an outflow of funds. They are not included in the balance sheet, but are mentioned in the notes to the consolidated financial statements.

Cost ratio
Technical costs on own account in proportion to the net premiums earned on own account.

Deferred acquisition costs
Costs which arise in connection with the conclusion of new or the extension of existing insurance contracts. They are taken into account in the balance sheet as assets, distributed across the contract period and recorded in the income statement as expenditure.

Deferred taxes
Deferred taxes arise due to temporary taxable differences between the local tax balance and the IFRS balance. They are established for each balance sheet item and are, when considered from the reporting date, either future tax liabilities or tax credits.

Deposits
(See "Deposits from investment contracts").

Deposits from investment contracts
The amounts paid in during the reporting year from contracts without a significant insurance risk.

Direct business
All insurance policies concluded by Helvetia with customers who are not insurers themselves.

Effective interest method
Allocates the difference between the cost price and redemption amount (premium discount) over the expected life of the corresponding asset using the present value method, thus achieving a consistent interest rate.

EIOPA
European Insurance and Occupational Pensions Authority

Embedded value
Embedded value measures the shareholder value of the life insurance portfolio and is made up of
– the adjusted equity
– plus the value of the insurance portfolio
– less the solvency costs.

Emerging risks
Unexpected and newly emerging or qualitatively changing risks resulting from the combination of different factors.

Equity valuation
Balance sheet practice for measurement of holdings in associated companies. The valuation of the holding in the balance sheet corresponds to the shareholders' equity in this company held by the Group. In the context of ongoing evaluation, this valuation is projected forward to take account of changes in proportional shareholders' equity, while allocating the proportional annual earnings to the Group results.

Fair value asset valuation
Valuation of assets at fair market value. This is the value at which an asset may be exchanged between two specialist and independent business partners who are willing to enter into a contract. As a rule, this is the price that can be achieved on an active market.

Finance lease
Leasing contracts under which all the risks and opportunities associated with the property are essentially transferred to the leasing customer.

Fixed-income investments
Securities (such as bonds, medium-term notes) on which a fixed and constant interest is paid for their entire term.

FTE
"Full-Time Equivalent" is the common unit of measurement for the number of full-time employees when converting all the part-time positions into full-time positions. FTE therefore expresses the fair value of a full-time employee within a comparable period of time.

GRI (Global Reporting Initiative)
The Global Reporting Initiative is a not-for-profit organisation. It was founded in 1997 in connection with the United Nations Environment Programme (UNEP). The GRI's mandate is to develop globally applicable guidelines for sustainability reports.

Gross premiums
The premiums written in the financial year before deduction of premiums ceded to reinsurers.

Group insurance
Insurance contracts concluded for a company's employees.

Hedge accounting
A special IFRS balance sheet practice for hedging transactions, which aims to present hedging instruments and underlying transactions using the same valuation methods in order to reduce the potential volatility of results.

Impairment
Impairment is deemed to be the amount by which the net carrying value of an asset permanently exceeds its recover-able amount (the higher of its net selling price and the net present value of cash flows which are expected to be generated from the use of the asset).

Indirect business
Companies involved in direct business–primary insurers–often do not bear the entire risk alone but pass some of it on to a reinsurer. Like many companies active in direct insurance business, Helvetia also acts as a reinsurer and assumes part of the risk of other primary insurers. These reinsurance transactions are known as indirect business.

Individual insurance
Insurance contracts concluded for individuals.

Insurance benefits
Amounts paid by the insurer in the financial year for claims incurred in respect of insured events.

Legal quota
Legal or contractual obligation to credit the policyholder with a minimum amount of the income or profits from an insurance portfolio in the form of dividends.

Liability Adequacy Test (LAT)
Adequacy test that checks whether the carrying value of an insurance liability is sufficient to cover estimated future requirements.

Loss reserves
Since not all claims will be settled by the end of the financial year in which they arise, provisions must be made in the balance sheet for these outstanding claims or claims likely to be incurred but not yet notified. Such provisions are known as loss reserves or reserves for claims outstanding. Changes to the loss reserves are shown in the income statement.

Net insurance benefits and claims
Total of all benefits paid in the financial year and all changes to technical reserves, less benefits covered by reinsurers.

Net premiums earned on own account
They correspond to the premiums written in the reporting year for the entire business on own account, whilst taking into consideration the changes to the unearned premium reserves.

Net premiums written
If a risk is reinsured, the reinsurer will receive a part of the gross premium in proportion to the risk assumed. The other part is used to finance the risk that remains for the primary insurer. Net premiums thus correspond to gross premiums from total business less the premiums ceded proportionally to reinsurers.

Ogden discount rate
The Ogden discount rate is used by courts in the United Kingdom to determine the present values of future losses arising from personal injuries that are settled against a one-time payment. This primarily impacts motor vehicle and general liability insurance. After being set at 2.5% in 2001, the Ministry of Justice reduced the Ogden discount rate to –0.75% on 27 February 2017 – a much greater reduction than previously forecast by the insurance industry.

Operating lease
Lease agreements under which the risks and opportunities associated with the property remain with the lessor.

Plan assets
Assets that serve to cover employee benefits by means of a long-term fund.

Policyholders' dividend
The positive difference between actual and guaranteed interest income, and between a policy's calculated and actual benefits or costs, is credited to the policyholder as a dividend (particularly applies to life insurance business).

Preferred stock
Corporate bonds that are, in the case of liquidation, subordinate to first-ranking bonds and superordinate to the shareholders and explicitly subordinate bonds.

Premium
Amount to be paid by the policyholder to the insurer for the provision of insurance cover.

Premium reimbursements
Some insurance policies provide that part of the premium may be repaid to the client as a policyholder's dividend at times when few claims have been incurred.

Provisions
Amounts set aside in the balance sheet to meet likely future commitments.

Regular premiums
Amount paid for the provision of insurance cover, in the form of recurring payments.

Reinsurer
Insurance company that assumes part of the risks entered into by a primary insurer.

Reinsurance premiums
Amount paid by the insurer to the reinsurer in exchange for the latter's assumption of risks.

Return on equity (ROE)
Ratio of result to equity: based on the earnings per share (including interest on preferred securities through profit and loss) divided by the average shareholder capital (equity before preferred securities).

Run-off portfolio
An insurance portfolio that is being wound up, i.e. no new contracts are concluded for this portfolio and no existing contracts from this portfolio are extended.

Single premium
Amount paid for the provision of insurance cover, in the form of a one-time payment on commencement of the insurance.

Solvency, Solvency I, Swiss Solvency Test
The term "solvency" refers to the minimum supervisory capital adequacy requirements that must be met by an insurance company. To calculate this, the available capital is compared to the required capital, with the available capital being the equity that is available to cover the required capital.

The required capital is the minimum amount of capital funds which an insurance company needs to ensure that it can always meet its liabilities from insurance policies. Currently, insurance groups domiciled in Switzerland are subject to two different solvency systems. While the "Solvency I" system, which has been in force for many years, requires sufficient volume-based capital to cover the insurance obligations, the required capital is calculated on a risk basis for the "Swiss Solvency Test" (SST) which entered into force on 1 January 2011.

SPPI financial instruments
Financial instruments where the contractual payment flows fall due at specific times and solely comprise repayment of principal and interest on the amount outstanding.

Technical reserves
Total amount of reserves for unearned premiums, reserves for claims outstanding, actuarial reserves, reserves for future policyholder dividends and other technical reserves that appear under liabilities on the balance sheet.

Total benefits
Sum of all the benefits insured (particularly applies to life insurance business).

Total business
Direct and indirect business combined.

Unearned premium reserve
In many cases, the insurance period for which a premium is paid in advance and during which the insurance company bears the risk does not correspond with the financial year. The part of the premium relating to the insurance period falling in the next financial year has not been earned by the end of the current year, and must be transferred to reserves at the end of the financial year. This is the unearned premium reserve which appears in the balance sheet under technical reserves. Changes to the unearned premium reserve are shown in the income statement.

Unit-linked policies
Policies in which the insurer invests the policyholder's savings capital for the account of and at the risk of the latter.

Volume of new business
The volume of new business is the new business written in the reporting year. Helvetia calculates this based on the present value of new business premiums (PVNBP).

Zillmering
Balancing of an account with part of the unamortised acquisition costs taken into consideration.

Contacts and financial calendar.

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Important dates

29 April 2022	Ordinary Shareholders' Meeting in St. Gallen
8 September 2022	Publication of half-year financial results for 2022
6 March 2023	Publication of financial results 2022

Cautionary note regarding forward-looking information

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The purpose of this document is to inform Helvetia Group's shareholders and the public of Helvetia Group's business activities for the year ended 31 December 2021. This document does not constitute an offer or a solicitation to exchange, buy or subscribe for securities and it does not constitute an offering circular within the meaning of Art. 35 ff. of the Federal Act on Financial Services or a listing prospectus within the meaning of the listing rules of SIX Swiss Exchange. Should Helvetia Group make in the future one or more capital increases, investors should make their decision to buy or to subscribe for new shares or other securities solely based on the relevant offering circular.

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

Multi-year overview.

in CHF million	2017	2018	2019	2020	2021
Business volume					
Gross premiums life	4384.3	4480.1	4539.2	3996.7	4151.3
Deposits received life	163.2	197.1	239.4	286.6	414.6
Gross premiums non-life	4093.8	4396.1	4675.5	5430.3	6656.3
Business volume	8641.3	9073.3	9454.1	9713.6	11222.2
Key performance figures					
Result life	173.4	147.9	224.4	167.1	304.1
Result non-life	290.0	332.0	398.5	258.5	389.3
Result other activities	–60.5	–48.9	–84.8	–143.9	–173.6
Group profit for the period after tax	402.9	431.0	538.1	281.7	519.8
Investment result	1513.4	580.1	1876.5	1027.2	2264.9
of which investment result from Group financial assets and investment property	1348.7	794.4	1402.7	840.6	1831.3
Key balance sheet figures					
Consolidated equity (without preferred securities)	5229.4	5097.1	5834.1	6400.3	6414.5
Provisions for insurance and investment contracts (net)	44385.5	44418.5	46194.2	51571.7	51397.7
Investments	52306.1	51997.5	54524.7	60570.9	60009.1
of which Group financial assets and investment property	48629.2	48583.5	50227.8	55674.7	54384.6
Ratios					
Return on equity	9.3%	9.3%	11.4%	5.4%	10.3%
Reserve to premium ratio non-life	156.3%	145.0%	145.3%	149.3%	136.8%
Combined ratio (gross)	88.8%	88.7%	90.4%	94.0%	97.3%
Combined ratio (net)	91.8%	91.0%	92.3%	94.0%	94.8%
New business margin	1.8%	1.7%	2.9%	2.6%	2.5%
Direct yield	2.1%	2.0%	1.9%	1.7%	1.6%
Investment performance	2.8%	0.3%	5.9%	2.7%	1.2%
Key share data Helvetia Holding AG					
Group profit for the period per share in CHF	7.8	8.4	10.5	4.8	9.2
Consolidated equity per share in CHF	105.7	103.1	118.0	121.3	121.3
Price of Helvetia registered shares at the reporting date in CHF	109.7	114.9	136.8	93.4	107.4
Market capitalisation at the reporting date in CHF million	5454.9	5713.5	6802.5	4952.6	5695.0
Number of shares issued	49725685	49725685	49725685	53025685	53025685
Employees					
Helvetia Group	6592	6624	6829	11687	12128
of which Switzerland and Corporate	3499	3542	3668	3739	3757

Profile

Helvetia Versicherungen, with its headquarters in St.Gallen, has grown since 1858 to become a successful international insurance group with more than 12,100 employees and more than 7 million customers. We want to enable our fellow human beings to seize opportunities and minimise risks in all life situations. Regardless of whether you're about to start a family, embark on a long trip or build a home: Helvetia is there for its customers when it matters. To live up to this aspiration, we want to be the best partner and to be present everywhere that protection needs arise – with insurance, pension and investment solutions from a single source as well as simple products and processes.

Helvetia knows the business, from mobile phone insurance and insurance provision for the Gotthard Base Tunnel to the long-term investment of customer assets. We use this expertise to develop our pension and insurance solutions as well as in our dialogue with society.

Helvetia is the leading all-lines insurer in Switzerland. In the Europe segment comprising Germany, Italy, Austria and Spain, the company has firmly rooted market positions for generating above-average growth. In the Specialty Markets segment, we offer tailored special insurance and reinsurance cover worldwide.

Helvetia also has a balanced business mix with respect to the life and non-life business. The focus is placed on retail customers as well as small and medium-sized companies. In selected sectors, large companies are also insured. We want to offer all of our customers solutions that are as uncomplicated as possible – very much in keeping with our brand promise: simple. clear. helvetia. Helvetia develops and opens up new business models with enthusiasm and drives forward its own business in a powerful and future-oriented manner. Our diversification in terms of markets, business mix, customers and sources of revenue allows us to weather economic and market fluctuations.

Solid technical results, coupled with a proven asset-liability approach to steer our CHF 70 billion balance sheet – guarantee sustainable profit development. Helvetia acts with foresight and responsibility in everything it does: for the benefit of our shareholders, customers and employees as well as our partners, society and the environment.

The shares of Helvetia Holding are traded on the SIX Swiss Exchange under the symbol HELN.

Imprint
The Annual Report 2021 of Helvetia Group is available in English and German.

Published by
Helvetia Group, St.Gallen

Design implementation
Farner St.Gallen AG

Translation
Apostroph Group, Lucerne

Cover
Christine Streuli, Wiggle, 2015
Mixed media on cotton, 198 × 131 cm
Helvetia art collection

Pictures
Board of Directors and Executive Management: Gerry Nitsch, Zurich
Available

Production (offset printing)
Appenzeller Druckerei, Herisau
Printed on Blue Angel-certified 100 % recycled paper.

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The German version of the Financial Report is legally binding.

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FRIENDLY WORK SPACE
® Gesundheitsförderung Schweiz
AUSGEZEICHNET SEIT 2016

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Climate neutral
Company
ClimatePartner.com/12937-1809-1001

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