

Full-year results 2021

Helvetia Group

24 March 2022

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Your Swiss Insurer

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Sums in this presentation are based on unrounded figures and may not add up due to rounding differences. Likewise, year-on-year changes are calculated on the basis of unrounded figures.

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Highlights at a glance: delivering on profitable growth and successfully starting into strategy period *helvetia 20.25*



Strong profitable growth

+15.1%

Business volume growth (in OC)

520

vs 282 in 2020

Net income (in CHF million)

72

Caser net income (in CHF million)



10% increase of dividend

5.1%

Dividend yield

5.50¹⁾

vs 5.00 in 2020

Dividend per share (in CHF)

0.25

Additional raise per share thanks to Caser acquisition (in CHF)



Approaching strategic ambitions

smije

Scaling Smile to become no.1 online insurer in Austria

'A'

MSCI rating ambition with new sustainability strategy

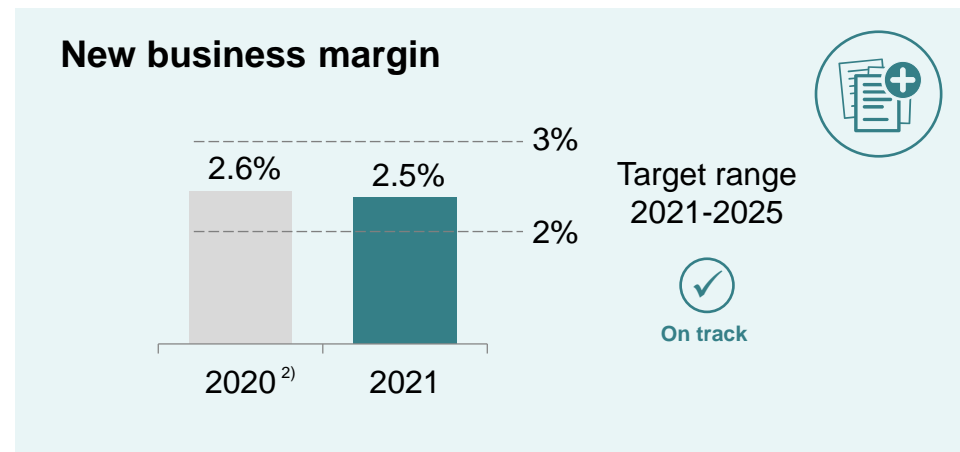
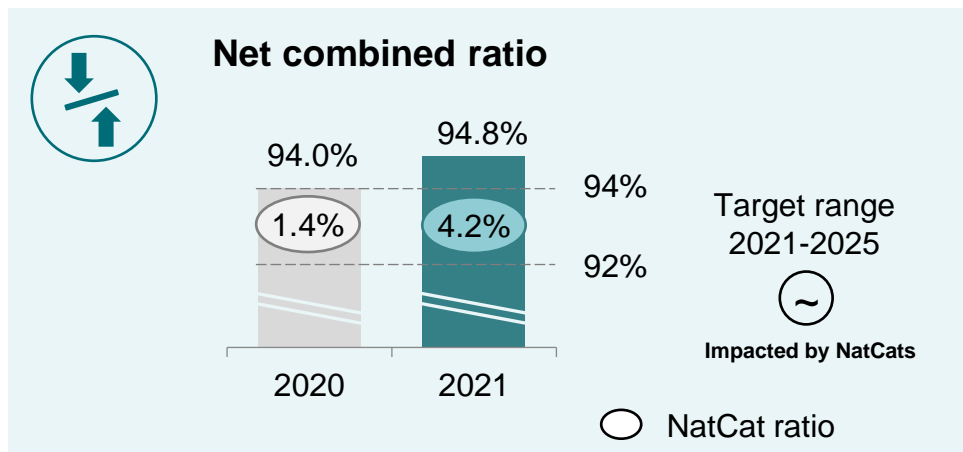
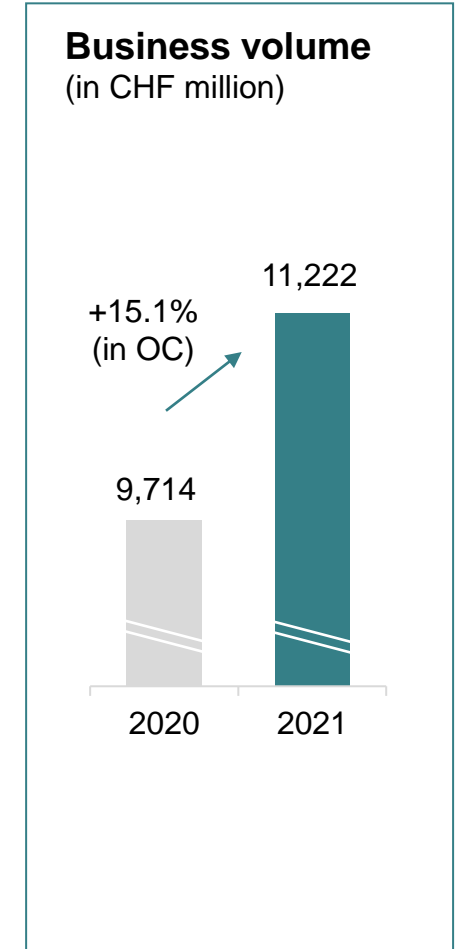
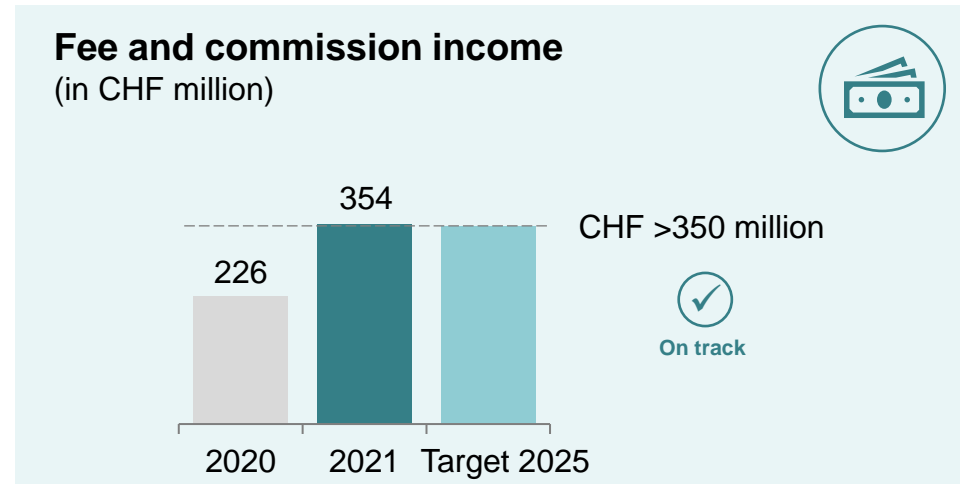
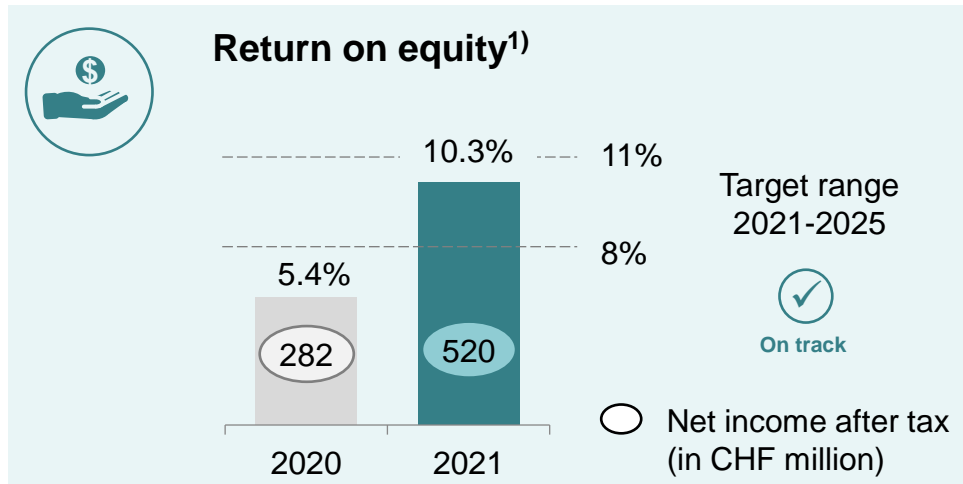


Business initiatives well on track in all segments

¹⁾ Subject to approval by the Shareholders' Meeting

Financial figures.

Key figures 2021: profitable growth based on sound performance of insurance businesses and successful increase of fee income



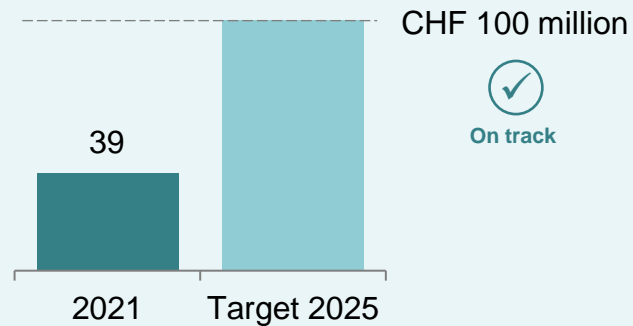
¹⁾ Excluding unrealised gains and losses in equity

²⁾ Excl. Caser

Key figures 2021: good progress on cost efficiencies, substantial dividend increase based on ongoing strong capitalisation



Cost efficiencies (in CHF million)



S&P rating

A+

(upgraded on 15/09/2021)

Target: 'A'



Exceeded

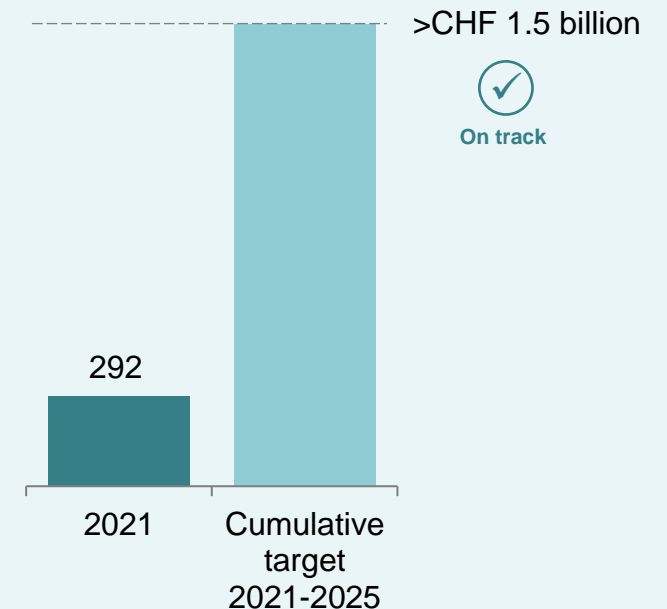
SST ratio

>240%

(estimate as of 01/01/2022)



Dividend distribution (in CHF million)



Dividend per share

CHF 5.50 ¹⁾
(+10%)

¹⁾ Subject to approval by the Shareholders' Meeting

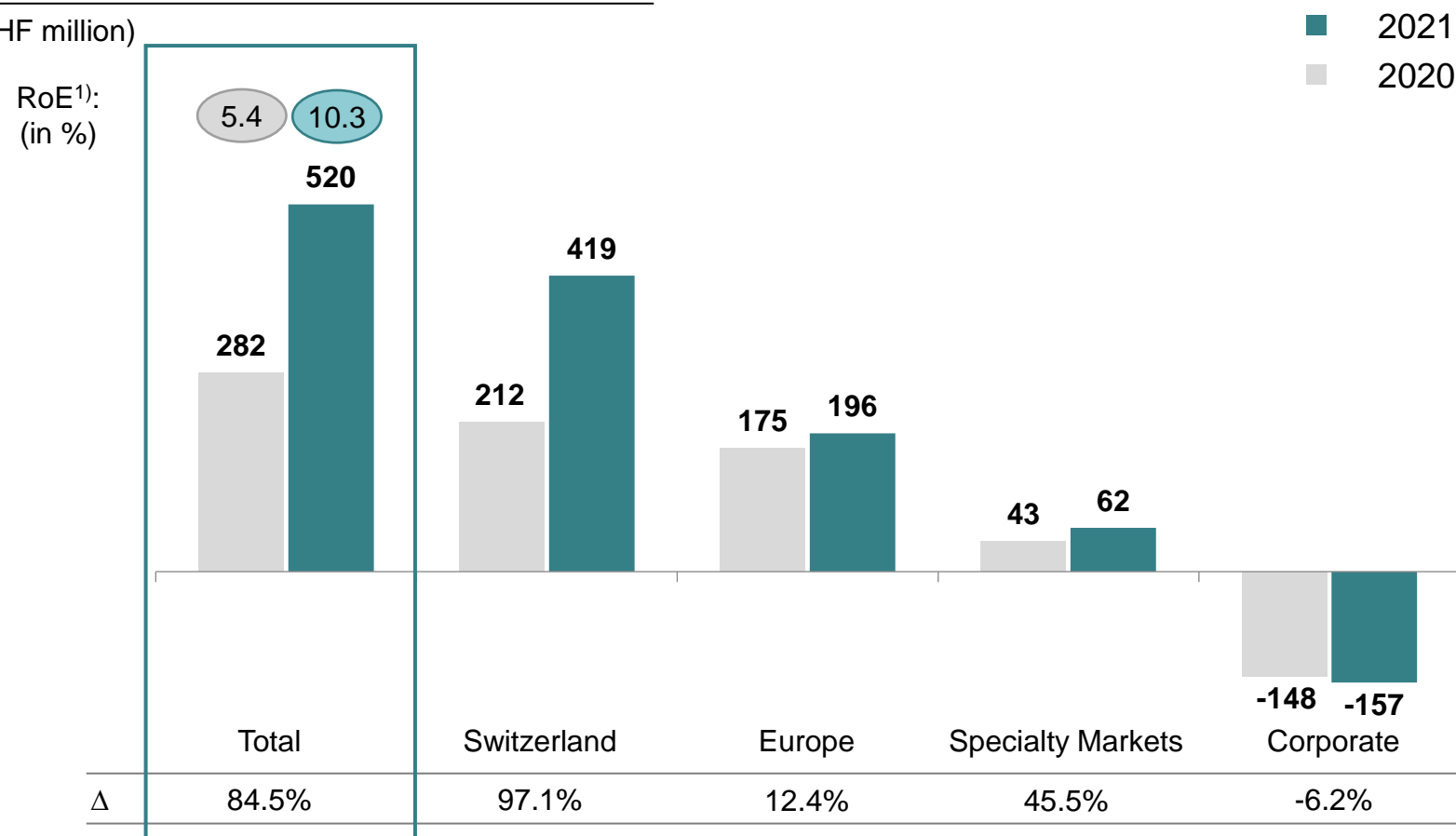
Strong net income based on solid technical developments, the contribution of Caser and favourable investment results



Return on equity /
Net income

Net income after tax

(in CHF million)



Net income after tax	2020	2021
Non-life	258	389
Life	167	304
Other activities	-144	-174
Total	282	520

Non-life net technical result	284	290
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Life margin after costs	460	467
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Investment result	841	1,831
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¹⁾ Excluding unrealised gains and losses in equity

Strong net income based on solid technical developments, the contribution of Caser and favourable investment results



Return on equity /
Net income

Remarks



Group:

- Strong IFRS net income based on robust technical results in both non-life and life and an excellent profit contribution of Caser, supported by favourable investment results, which benefit from the good performance of equity markets and the positive development of real estate market values
- Large storms and floods in June and July 2021 caused net claims of CHF 126 million (before taxes), primarily in Switzerland and Germany.

Switzerland:

- Sizeable recovery of IFRS net income driven by solid technical results and strong investment results; prior year had been impacted by the pandemic
- **Non-life:**
 - > Stable technical result despite an increase in NatCat claims and higher acquisition costs related to the growing B2B2C business; this was offset by the non-recurrence of COVID-19 losses, a positive one-off effect attributable to an adjustment of reserves in the first half-year and efficiency gains
 - > Significantly higher investment result mainly driven by a strong performance of equity markets.
- **Life:**
 - > Robust margin after costs based on a strengthened savings result and despite a non-recurring positive one-off effect in the prior year risk result; Exceptionally high gains on investments only partly offset by higher expenses for reserve strengthening and policyholder participation

Europe:

- Improvement driven by solid technical results, the profit contribution of Caser of CHF 72 million and strong investment results
- **Non-life:** almost stable technical result despite a normalisation of claims frequencies based on profitable organic growth and the contribution of Caser. Net income benefiting from a good investment result, mainly attributable to the performance of equity markets.
- **Life:** Increased margin after costs driven by the savings, risk and fee results attributable to strong growth of investment-linked products and the positive impact of Caser. Substantially higher gains on investments only partly offset by higher expenses for policyholder participation.

Specialty Markets:

- Significant increase in earnings due to both an improved technical development based on profitable growth and related economies of scale and a higher investment result thanks to well-performing equity markets

Corporate:

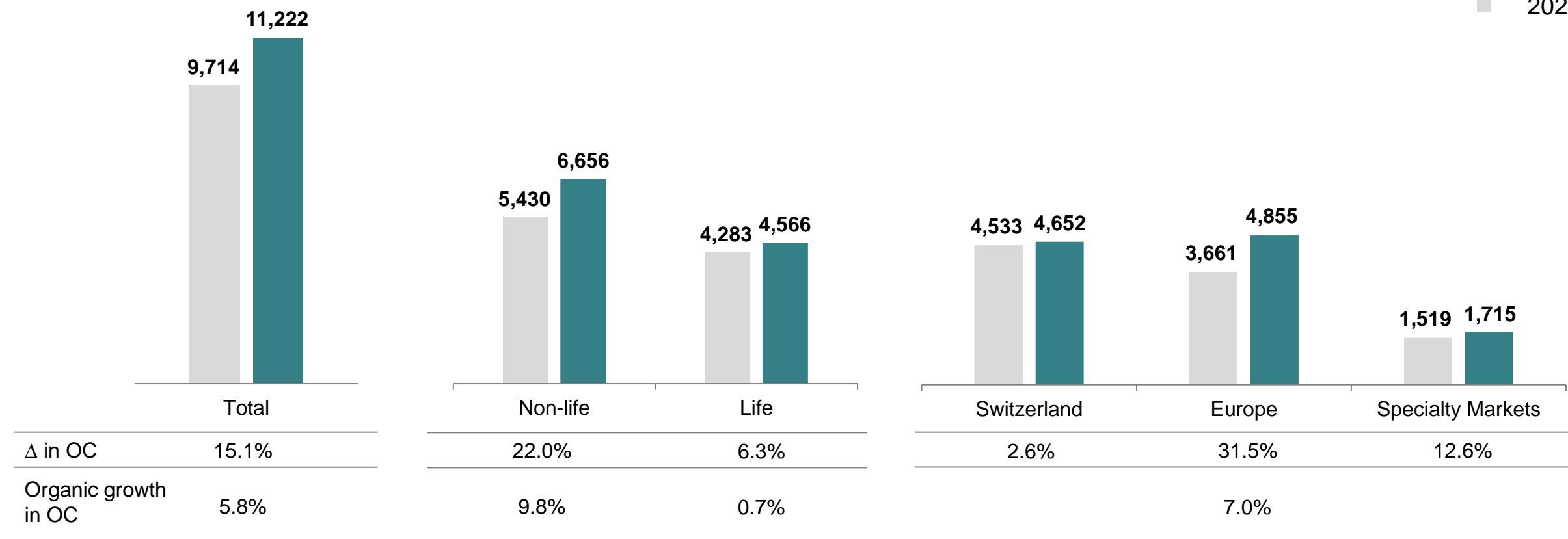
- Lower result primarily attributable to a negative currency impact from the liquidation of an own investment fund amounting to CHF 20 million as well as higher project-related expenses more than offsetting a reduction of the ongoing cost basis. Additionally, higher financing costs resulting from the issue of a hybrid bond to partially finance the acquisition of Caser in June 2020. Partly compensating impact of a better result of Group Reinsurance and non-recurring costs related to the acquisition of Caser in the prior year. Details on [slide 41](#)

Strong growth thanks to remarkable organic increase in non-life and investment-linked life and first full-year inclusion of Caser

Business volume

(in CHF million)

■ 2021
■ 2020



Strong growth thanks to remarkable organic increase in non-life and investment-linked life and first full-year inclusion of Caser

Remarks



Group business volume:

- Successful organic growth of +5.8% in OC, in particular in non-life and investment-linked life business in all segments and market units
- Substantial contribution from Caser to total business volume of CHF1,612 million, particularly in non-life. Given that the acquisition was executed end of June 2020, Caser's business volume was included only for six months in the previous reporting period (2020).
- **Non-life** business (+22.0% in OC) as strong growth driver due to a successful and broad-based organic development (+9.8% in OC) in all segments and market units as well as Caser that contributed about half of the growth volume.
 - > details see [slide 32](#)
- **Life** business growing by +6.3% in OC, where business with capital-light, investment-linked products in individual life (+24.8% in OC) developed very well. Additionally, positive contribution from the first full-year inclusion of Caser. Decline in Swiss group life due to the market-wide trend of a shift from full insurance to semi-autonomous solutions and the associated decline in savings premiums; ongoing growth in semi-autonomous business resulting in a stable volume of risk and cost premiums in Swiss group life overall.
 - > details see [slide 36](#)

Switzerland:

- **Non-life:** Strong development of +15.5% in OC with broad-based growth across all lines of business; in particular, significantly higher volumes in B2B2C business. Remarkably, online insurer Smile growing by +11.8%.
- **Life:** -4.0%; very successful development of investment-linked products in individual life (+17.1%) offset by deliberate reduction of sales of traditional individual life business and a decline in group life due to the market-wide trend of a shift from full insurance to semi-autonomous solutions and the associated decline in savings premiums; ongoing growth in semi-autonomous business resulting in a stable volume of risk and cost premiums in Swiss group life overall.

Europe:

- **Non-life:** +32.1% in OC, driven by solid organic growth (+4.4% in OC) in all country markets and the first full-year inclusion of Caser.
- **Life:** +30.4% in OC, driven by a strong development of investment-linked products in all country markets (+29.4% in OC) and the first full-year inclusion of Caser. Organic growth of +11.9% in OC.

Specialty Markets:

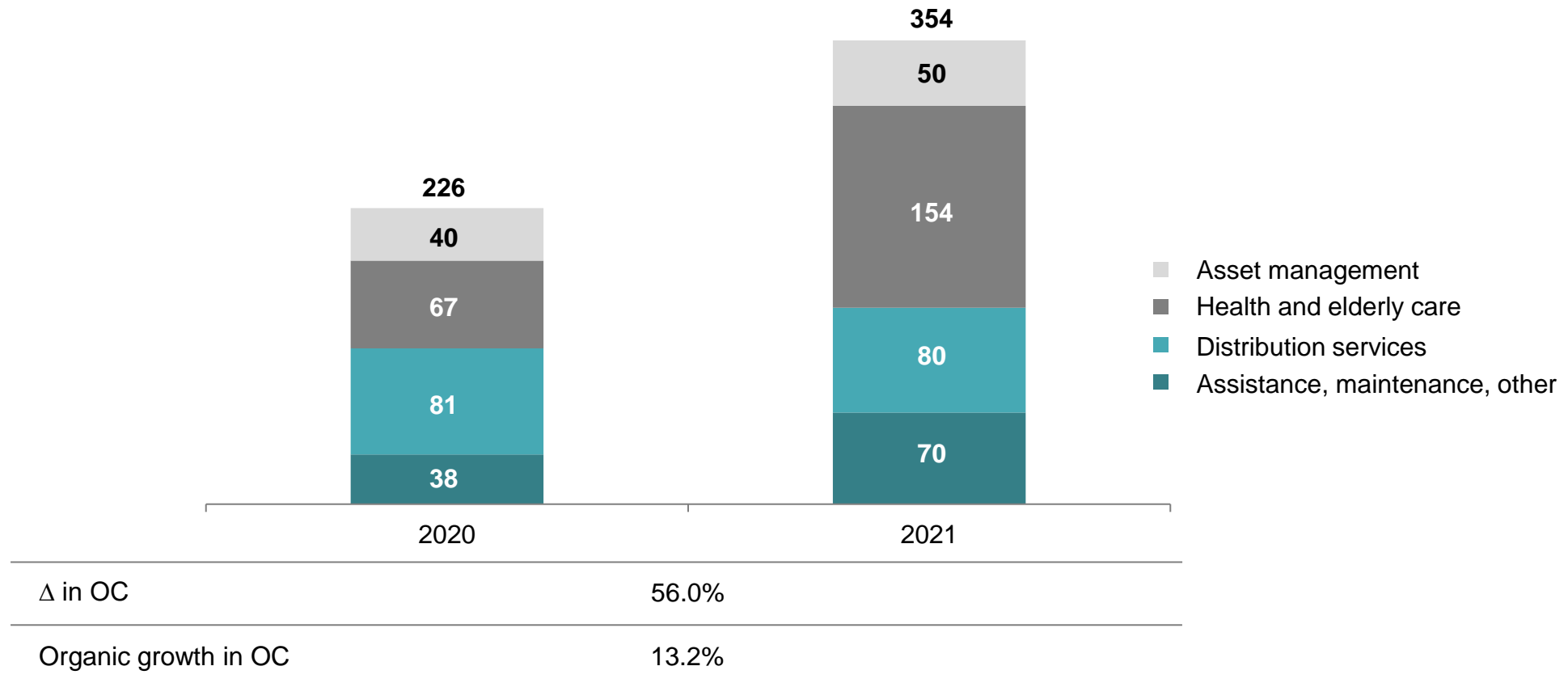
- +12.6% in OC; in addition to the strategic development of new lines of business, Helvetia also benefited from favourable price effects, which accounted for around a third of the growth.

Favourable development of fee business both due to strong organic growth and first full-year inclusion of Caser



Fee and commission income

(in CHF million)



Favourable development of fee business both due to strong organic growth and first full-year inclusion of Caser



Fee business

Remarks



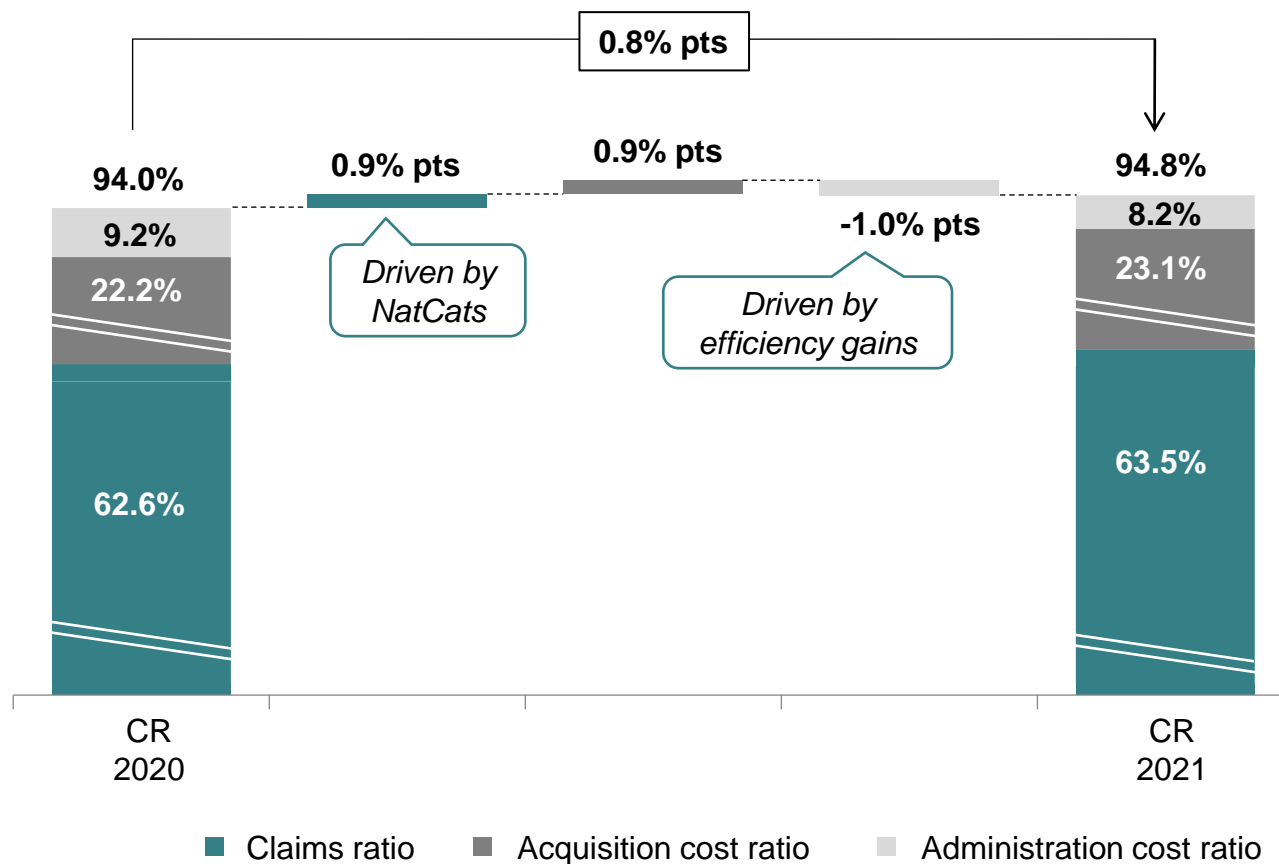
Group fee and commission income:

- Strong organic development of +13.2% (in OC) mainly driven by asset management services
- Caser and its non-insurance businesses driving a substantial increase of +56.0% (in OC) by contributing CHF 212 million to fee and commission income as Caser was only included pro rata for six months in the prior year
- **Asset management:** Primarily single and periodic fees from pure investment contracts and the management of investment funds.
- **Health and elderly care:** Helvetia Group operates several retirement homes, hospitals and clinics in Spain. The income from retirement homes results from the ongoing settlement of residential and nursing costs and the case-based invoicing of services used (e.g. hairdresser). Income from hospitals and clinics 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).
- **Distribution services:** Distribution services particularly include the distribution of mortgage products and the accompanying advice, distribution of fund units and distribution of insurance products from third-party providers. Income comprises of case-based commission payments and advisory fees.
- **Assistance, maintenance and other:** Helvetia Group provides various assistance services in the medical, technical and legal field. In addition, repair and maintenance services for real estate are offered, mainly in Spain.

Non-life: robust net combined ratio despite high NatCat burden proving the portfolio's resilience



Group net combined ratio



CR segments	2020	2021
Switzerland	92.9%	93.9%
Europe	92.7%	94.4%
Specialty Markets	97.5%	96.4%

Claims ratio (excl. Caser)	2020	2021
Current year claims ratio (excl. NatCats)	57.6%	56.9%
NatCat ratio	1.4%	4.2%
Prior year development (PYD)	3.9%	2.7%
<i>PYD excl. ARI</i>	-4.4%	-4.4%

Non-life: robust net combined ratio despite high NatCat burden proving the portfolio's resilience



Combined ratio

Remarks



Group net combined ratio:

- Net combined ratio remaining on a solid level despite exceptionally high NatCat claims proving the high quality and diversification of the portfolio.
- Claims ratio increasing (+0.9% pts) as a result of a substantially higher NatCat ratio primarily driven by an exceptional number of storms and floods in Central Europe in June and July 2021, predominantly affecting Switzerland and Germany; additionally, claims frequencies in individual lines of business normalised in 2021 after a reduction in the prior year during the lockdown periods; non-recurring COVID-19 losses in the previous year and a positive one-off effect in Switzerland related to a periodic review of the level of reserves partly compensated for these developments.
- Slight decrease in the cost ratio (-0.1% pts) primarily attributable to efficiency gains due to profitable growth of the business.

Switzerland:

- Slightly higher claims ratio (+0.3% pts) as positive effects from the non-recurrence of COVID-19 losses in the prior year and a one-off effect related to reserve releases following a periodic review of the level of reserves were offset by higher NatCat claims due to an exceptional number of storms and floods in June and July 2021.
- Increased cost ratio (+0.7% pts) attributable to the growth of the B2B2C business with a higher acquisition cost ratio (but typically lower claims ratios); an improved administration cost ratio resulting from efficiency gains partly compensated for this

Europe:

- Claims ratio normalising (+1.6% pts) as the prior year had benefited from lower claims frequencies in individual lines of business during the lockdown periods; additional impact of an elevated claims burden from NatCats.
- Stable cost ratio almost on previous year's level (+0.2% pts) despite first full-year inclusion of Caser and its strong bank distribution with higher acquisition costs (but typically lower claims ratios).

Specialty Markets:

- Claims ratio slightly increasing (+0.5% pts) primarily related to a few large claims in Specialty Lines CH / International, conservative initial reserving of new lines of business in France as well as an effect in Specialty Lines CH / International resulting from its reinsurance structure with – at the same time – a compensating effect on the cost ratio.
- Improved cost ratio (-1.6% pts) mainly attributable to volume effects thanks to profitable growth in all market units of the segment as well as the above-mentioned reinsurance effect at Specialty Lines CH / International.

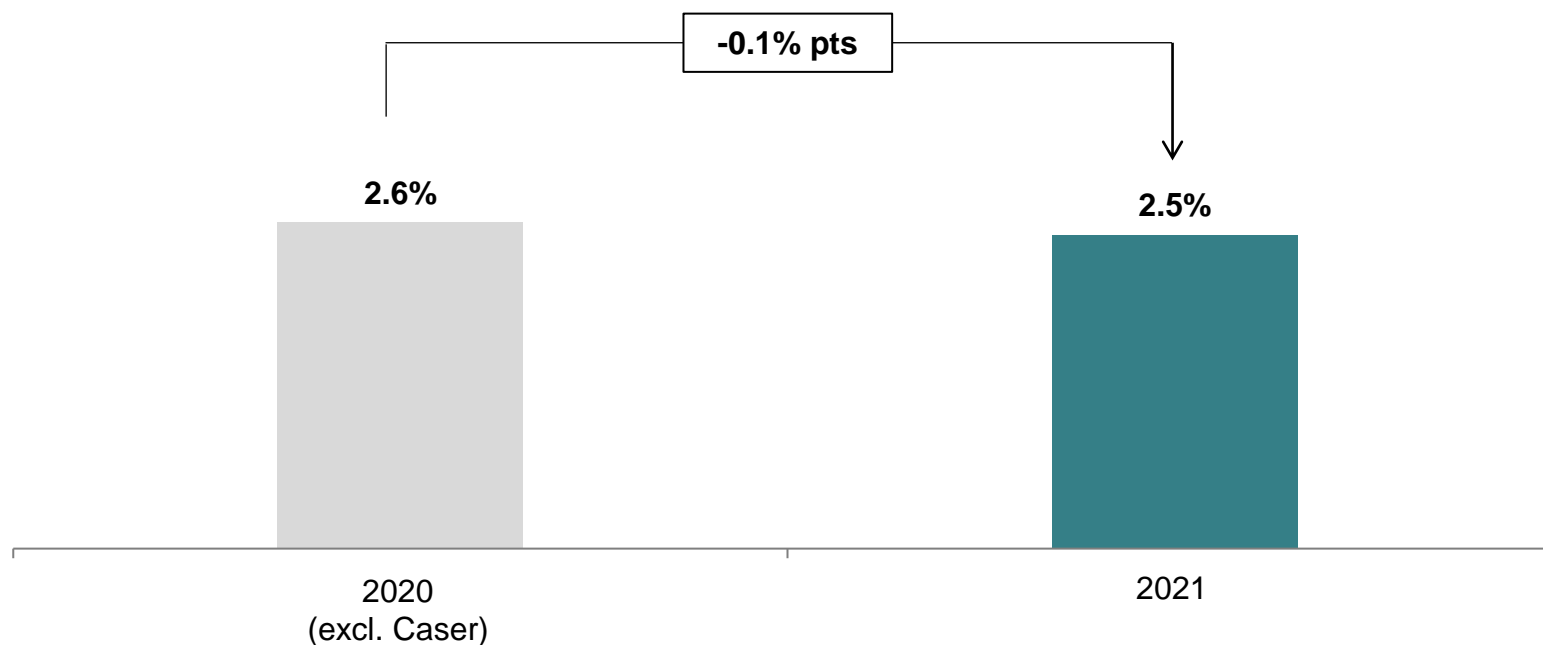
Life: stable new business margin remaining well within target range



New business margin

New business margin

(in % PVNBP)



(in CHF million)

Δ21/20

New business volume (in PVNBP)

2,082

2,425

16.5%

Value of new business (VNB)

55

61

10.6%

Life: stable new business margin remaining well within target range



New business margin

Remarks



New business margin:

- Robust new business margin well within the *helvetia 20.25* target range of 2-3%.
- Caser newly included in 2021 new business margin; prior year without Caser.
- Slight decrease (-0.1% pts) due to a minor negative effect of including Caser.
- Partly compensating positive impact of improved cost assumptions, model changes and higher interest rate assumptions.

New business volume (in PVNBP):

- Profitable growth of new business, predominantly driven by the first-time inclusion of Caser in Spain and higher volumes in the other country markets of the Europe segment.

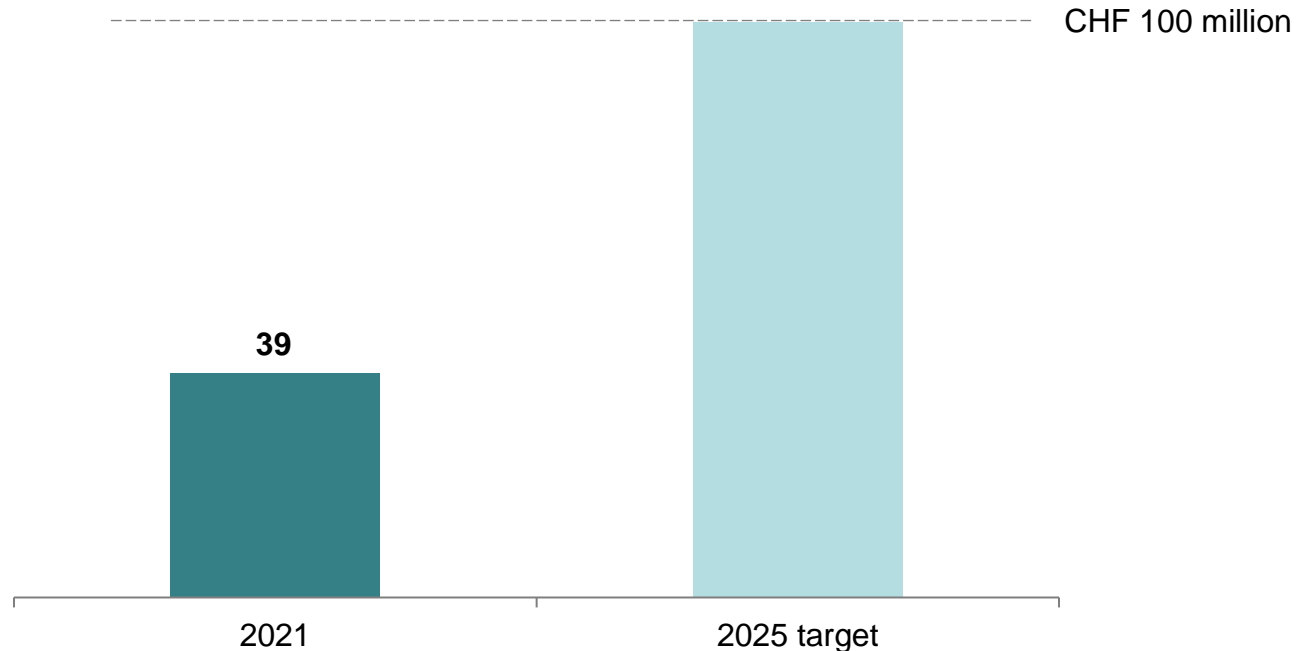
Good progress on efficiency target – CHF 39 million of cost efficiencies realised



Cost efficiencies

Cost efficiencies

(in CHF million)



Drivers in 2021:

- Measures as part of the ongoing efficiency programme:
 - Optimisation of end-to-end processes
 - Realisation of efficiencies in procurement
 - Efficiency improvements in internal collaboration
- Strong profitable growth in non-life

Segment contribution:



Strong operating cash production ensuring sustainable dividend payout



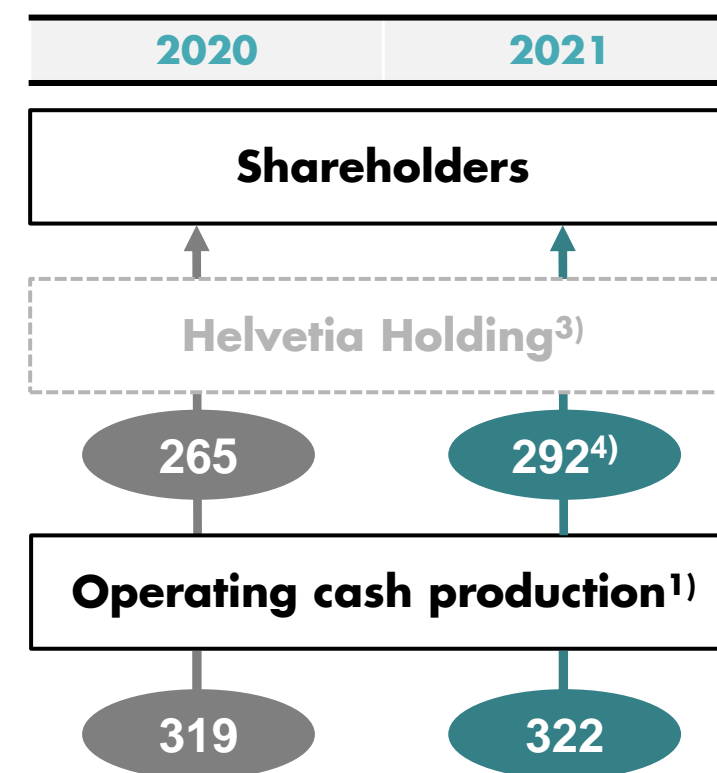
Operating cash production by segment and business area

(in CHF million; remittance in % of IFRS earnings)

	2020		2021	
	Operating cash production ¹⁾	Remittance ratio	Operating cash production ¹⁾	Remittance ratio
Group	319	113%	322	62%
Switzerland ²⁾	221	131%	225	54%
Europe	80	46%	77	39%
Specialty Markets	18	42%	20	32%
Non-life ²⁾	226	106%	213	68%
Life	93	55%	109	37%

Cash production and payout

(in CHF million; payout in % of operating cash production)



¹⁾ Dividends (to be remitted in the year following the reporting period) and interest and fees on financial instruments

²⁾ Including Group Reinsurance and Helvetia Asset Management

³⁾ Helvetia Holding is a "pass through" entity; to a large part, its shareholder reserves are not free to be paid out as dividends

⁴⁾ Proposed dividend per share of CHF 5.50. Total amount based on total number of shares

Strong operating cash production ensuring sustainable dividend payout



Dividend

Remarks



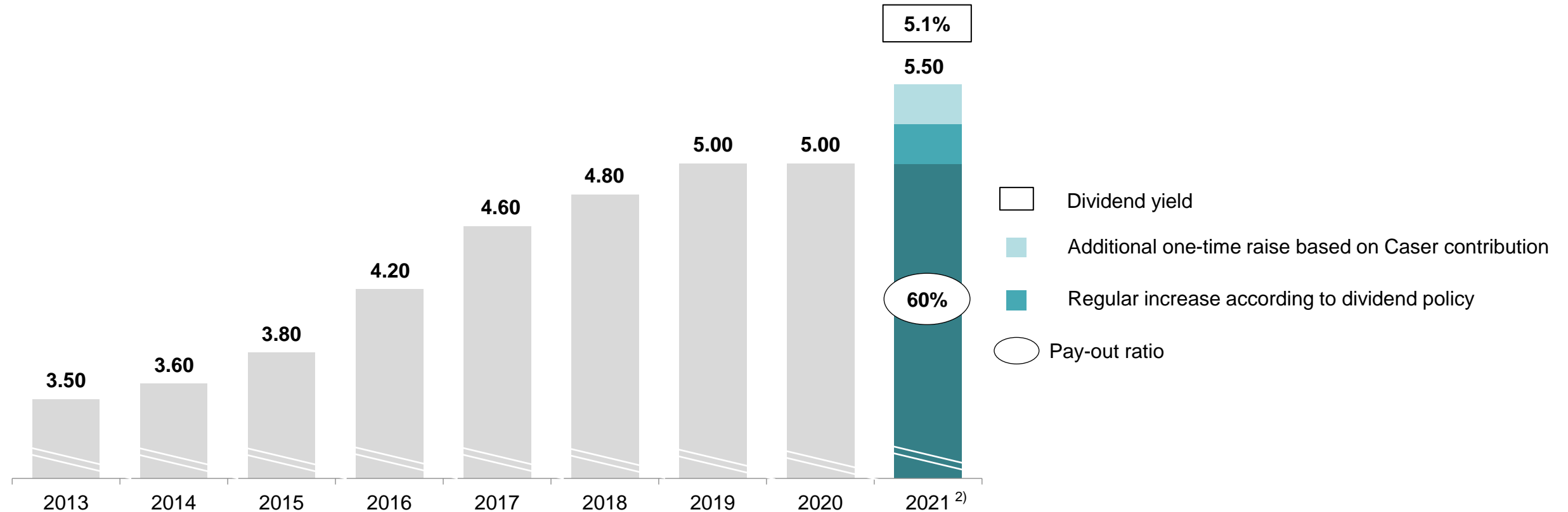
- Strong operating cash production across all segments and business activities
- Increased operating cash production considering one-off proceeds in prior year – benefiting from contribution of Caser of EUR 24 million (2020: EUR 24 million)
- Increase in life mainly driven by a positive development in Switzerland
- Non-life cash production decrease mainly due to a basis effect from Helvetia Asset Management (which benefited from one-off proceeds from the launch of a third-party property fund in the prior year) and a lower contribution of Germany in large part related to the impact of NatCat claims on statutory earnings
- Shareholder dividends comfortably covered by current year cash production, emphasising sustainability of Helvetia's dividend policy
- Proposed dividend reflects the Group's successful business development and the additional dividend capacity provided by Caser

Substantial dividend increase of 10% – shareholders benefiting from Caser contribution



Dividend per share ¹⁾

(in CHF)



¹⁾ Figures from 2013 to 2018 adjusted for the new number of shares resulting from the share split (1:5) of 13 May 2019

²⁾ Subject to approval by the Shareholders' Meeting

Financial figures 2021: profitable growth and ongoing strong capitalisation supporting an attractive dividend increase



Profitable growth

- Strong, broad-based organic and inorganic growth
- Excellent results

15.1%

Growth
(in OC)

520 million

Net income
(in CHF)



Strong capitalisation

- Capitalisation on excellent level:
- S&P rating upgrade
 - Strong regulatory solvency

A+

S&P rating

*Upgrade from 'A' to 'A+'
in September 2021*

>240%

SST ratio

*Estimate as of
01/01/2022*



Attractive dividend increase

- Shareholders benefiting from
- Successful business development
 - Additional dividend capacity from Caser acquisition

10%

Dividend increase

Strategy update *helvetia* 20.25.

Successful start of *helvetia* 20.25 with the implementation of numerous initiatives across all four strategic priorities



Customer convenience

New solutions for digital customer journeys

- CH: **Increased degree of digitalisation** at customer interface in core business, successful development of Smile
- EU: **Increased level of automation** and improved claims processes (e.g. through acquisition of claims management service provider faircheck in Austria)



Right offering

Successful **focus on business with SME** in all segments

- CH: Comprehensive offerings for SME including administrative services through the **ecosystem Atlanto**
- EU: Simple, integrated and **modular products** for SME
- SpM: Ongoing development into a **multi-specialist SME insurer** in France with strong growth of 23.4% (in OC)



Profitable growth

- CH / EU: Strong **growth above market** in non-life and investment-linked life in all countries, driven by expansion of cooperations and successful leveraging of distribution capabilities across channels
- SpM: **Growth initiatives of Active Reinsurance** with focus on sustainable profitability



New opportunities

- CH: Successful development of **partner business (B2B2C)** ensuring presence at the points of sale of insured objects
- CH: Capital increase of Swiss property fund strengthening **third-party asset management**
- EU: Expansion of "**Health & Care**" **ecosystem** in Spain with two acquisitions increasing fee income

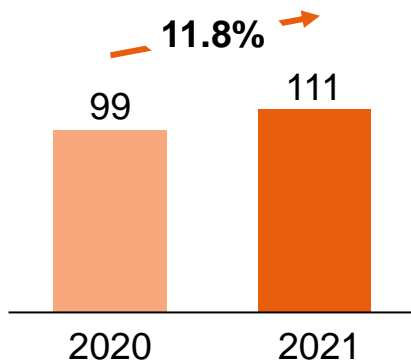
Scaling our leading online insurance offering with the internationalisation of Smile's successful digital business model

Smile's unique success in Switzerland ...

- ✓ Leading Swiss online insurer and unique digital lifestyle brand
- ✓ First freemium offering in European insurance
- ✓ > 165,000 customers and > 200,000 policies

Gross written premiums
(in CHF million)

Average net combined ratio (2016-2021)



... to be internationally leveraged in line with our strategy

Vision to be the best partner in financial security setting standards in convenience and accessibility



Increasing importance of digital channels and business models



Scaling Smile's successful business model in Europe starting in Austria



Establishing a leading market position in online insurance across Europe – ambition to become no. 1 in Austria

smije



Unlocking digital growth potential

Scaling approach

- **Seamless customer experience:** unified front-end across all markets
- **Locally embedded:** using the already existing local carriers
- **Low-cost/risk approach:** building on existing IT infrastructure
- **Pooling talents:** establishment of a new service unit in collaboration with our market units

Benefits and ambition

- **Internationalisation** of the leading digital lifestyle brand across Europe, starting with Austria in 2022 and proceeding in Spain in 2023
- Strengthening our profitable core business with a **complementary business model**
- Establishing a **leading market position** in the growing **online insurance business**, ambition to become **no. 1 online insurer in Austria** by 2025

Sustainability 20.25: contributing to long-term development and improving the MSCI rating

Our purpose



Life is full of risks and opportunities.
We are there, when it matters.

Our ambition

- Also in the area of sustainability, committed to be there when it matters
- Focus on areas that are relevant to our stakeholders and our industry:
 1. Environment
 2. Products
 3. Investments
 4. Culture & governance

Our target

Improving the MSCI rating to at least 'A' by 2025

Six broadly embedded topics to achieve our sustainability ambition and contribute to *helvetia 20.25*

1. Environment



Climate change

- **Limiting climate change** according to the Paris Climate Agreement
- Anticipation of **risks of climate change, protection** of investment and insurance portfolio

2. Products



Sustainable products & underwriting

- **Systematic integration of ESG aspects** in product development and underwriting

3. Investments



Responsible investments

- **Attractive risk-adjusted return** with simultaneous **benefits for society and the environment**
- **Systematic ESG integration** across investment portfolios and asset classes
- **Involvement** in industry initiatives and networks

4. Culture & governance



Sustainability culture & governance



Sustainability risk management



Responsible workplace

- Sustainability as an **integral part** of the corporate culture
- Governance for **sustainability related risks and opportunities**
- **Fair and inclusive** working environment

Improving the MSCI rating to at least 'A' by 2025

Ambition is based on a solid foundation – sustainability is already anchored in our business today

1. Environment

- ✓ Significant reduction of CO₂ footprint and CO₂ neutral company since 2017
- ✓ Purchase of 100% electricity from renewable sources in own operations
- ✓ Declaration to support the TCFD¹

2. Products

- ✓ Sustainable products in the life sector (e.g. fund products) and non-life sector (e.g. photovoltaics)
- ✓ Integration of ESG aspects into the Specialty Lines underwriting guidelines

3. Investments

- ✓ Regular ESG screening
- ✓ Responsible Investment Strategy & PRI² signatory
- ✓ Sustainable real estate strategy (with defined CO₂ reduction path)



- 20 certified properties



- 14 installed PV systems
- 25 Solar systems for hot water



- 14 properties with e-charging stations

4. Culture & governance

- ✓ Social contribution (protection forest, IDEA foundation and local initiatives)
- ✓ Responsible investment training for all employees
- ✓ Sustainability reporting PRI², GRI³, UNGC⁴
- ✓ Sustainability Risk Framework
- ✓ Principle Adverse Impact Statement
- ✓ Equal pay at Helvetia Switzerland: 'We Pay Fair' certification

¹) TCFD = Task Force on Climate-related Financial Disclosures

²) PRI = Principles for Responsible Investment

³) GRI = Global Reporting Initiative

⁴) UNGC = UN Global Compact

Wrap-up and outlook: approaching strategic ambitions



Profitable growth



Dividend increase



Approaching strategic ambitions

Strong performance in 2021

+15.1%
Business volume
(in OC)

520
Net income
(in CHF million)

+10.0%
Growth of dividend per share

- **+15.5%** growth in Swiss non-life
- **+31.5%** growth in Europe
- **+12.6%** growth in Specialty Markets
- **+11.8%** growth of online insurer Smile

Ambitious outlook

Continuing growth trends
in targeted areas

Well-placed to deliver
future dividend growth
according to dividend policy

Top 3 in Switzerland	2nd strong foothold in Europe
Strong market positions in selective specialties	No. 1 in Austrian online insurance

Well on track to reach *helvetia 20.25* financial targets and deliver value for all stakeholders

Appendix.

Non-life: business volume in 2021

(in CHF million; currency-adjusted growth against 2020)	Property	thereof Engineering	Motor vehicle	Liability	Accident / Health	Transport / Art	ARI	Total NL ¹⁾	Total volume incl. life
Switzerland	788 32.0%	- -	634 5.3%	164 4.6%	179 4.2%	3 2.0%	- -	1,768 15.5%	4,652 2.6%
Europe	1,458 42.3%	59 63.8%	914 11.9%	270 22.4%	417 72.8%	114 15.5%	- -	3,173 32.1%	4,855 31.5%
Germany	328 5.3%	19 12.7%	197 -2.2%	67 -1.4%	32 -0.5%	62 7.8%	- -	685 2.3%	1,038 4.5%
Italy	151 16.4%	23 41.1%	233 -3.3%	71 8.3%	103 7.6%	10 9.8%	- -	568 5.0%	1,107 16.6%
Spain	833 86.1%	12 < -100%	333 42.3%	84 104.0%	236 >100%	35 38.8%	- -	1,520 86.0%	2,116 75.0%
thereof Caser	676	11	195	62	217	13		1,163	1,612
Austria	147 7.9%	5 13.6%	151 7.4%	48 5.0%	47 5.8%	6 2.1%	- -	399 7.0%	594 10.0%
Specialty Markets	465 19.8%	406 16.4%	35 10.7%	2 91.6%	- -	447 19.7%	767 5.2%	1,715 12.6%	1,715 12.6%
Specialty Lines CH / Int.	383 15.7%	383 15.7%	- -	- -	- -	147 19.0%	- -	530 16.6%	530 16.6%
France	82 43.6%	23 30.4%	35 10.7%	2 91.6%	- -	299 20.1%	- -	419 23.4%	419 23.4%
ARI	- -	- -	- -	- -	- -	- -	767 5.2%	767 5.2%	767 5.2%
Total	2,711 34.9%	465 20.9%	1,583 9.1%	436 15.2%	596 44.1%	563 18.8%	767 5.2%	6,656 22.0%	11,222 15.1%

¹⁾ Organic growth rates (in OC): Group 5.8%, NL Group 9.8%, Europe 7.0%, NL Europe 4.4%, NL Spain 4.5%

Non-life: earnings by sources

(in CHF million)	2020	2021	Δ21/20
Premiums earned	4,702	5,529	17.6%
Insurance benefits	-2,942	-3,510	-19.3%
Technical costs	-1,476	-1,729	-17.1%
Technical result (net)	284	290	2.0%
Investment result (net) ¹⁾	78	289	>100%
Other non-technical expenses and income ¹⁾	-74	-89	-20.6%
Profit or loss from operating activities	288	490	70.0%
Financing costs	-8	-5	36.2%
Tax	-21	-95	< -100%
Net income after tax	258	389	50.6%

Technical result (net):

- Slight increase proving the portfolios resilience in view of an extraordinary number of large storms and floods in Central Europe in June and July 2021
- Positive impact from strong organic growth, the first full-year inclusion of Caser and the non-recurrence of COVID-19 losses in the prior year
- Partly offsetting impact of a normalisation of claims frequencies in individual lines of business after a reduction in the prior year during the lockdowns

Investment result (net):

- Mainly benefiting from a strong performance of equity markets in 2021 after the impact of a weak equity market performance following the outbreak of the pandemic weighed on the prior year

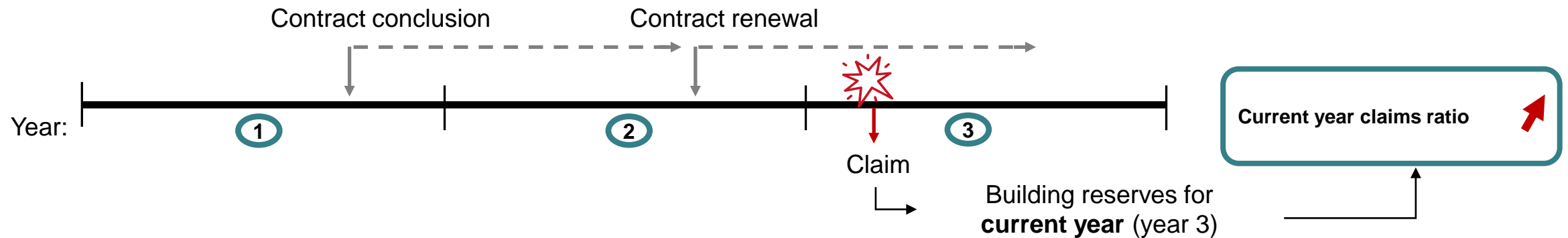
¹⁾ Adjusted for FX gains and losses that match those on technical provisions

Non-life: overview of net combined ratios

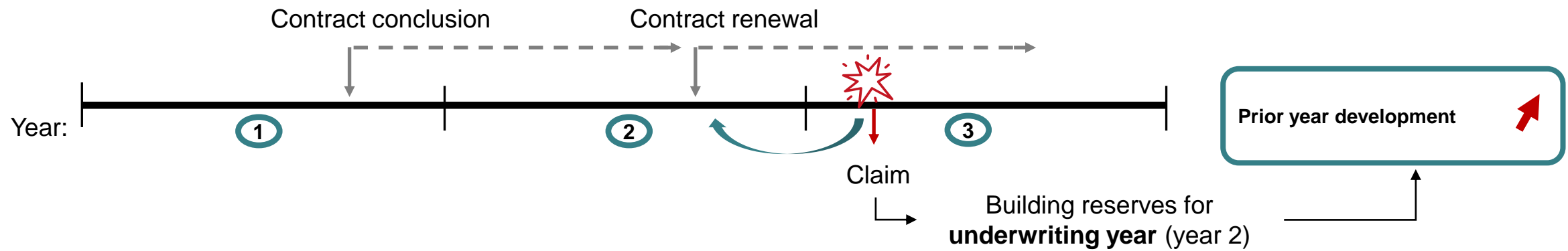
(in %)	CH	Europe					Specialty Markets			Group
Claims ratio (net)	61.1	63.0					67.1			63.5
Cost ratio (net)	32.8	31.4					29.3			31.3
Combined ratio 2021 (net)	93.9	94.4					96.4			94.8
Combined ratio 2020 (net)	92.9	92.7					97.5			94.0
Change from 2020	1.0	1.8					-1.1			0.8
(in %)	DE	IT	ES	thereof Helvetia	thereof Caser	AT	Spl CH/Int.	FR	ARI	
Claims ratio (net)	65.9	57.4	64.3	71.4	62.0	59.5	62.7	63.5	70.2	
Cost ratio (net)	31.5	35.1	30.4	24.9	32.2	29.9	27.5	30.1	29.5	
Combined ratio 2021 (net)	97.4	92.6	94.8	96.4	94.2	89.5	90.2	93.6	99.8	
Combined ratio 2020 (net)	95.8	90.4	92.5	94.9	91.0	89.7	93.8	92.2	100.8	
Change from 2020	1.6	2.2	2.2	1.4	3.2	-0.3	-3.6	1.3	-1.0	

Non-life: impact of Active Reinsurance's underwriting year accounting on PYD

Usual accounting logic:



Underwriting year accounting logic (ARI):



Life: business volume in 2021

(in CHF million; currency-adjusted growth against 2020)	Investment-linked	Deposits ¹⁾	Total investment-linked	Traditional life ²⁾	Total individual life	Total group life	Total life ³⁾	Total volume incl. non-life
Switzerland	355 14.4%	79 30.7%	434 17.1%	467 -6.5%	901 3.6%	1,983 -7.1%	2,884 -4.0%	4,652 2.6%
Europe	467 19.1%	335 47.2%	802 29.4%	575 19.9%	1,378 24.7%	305 60.3%	1,682 30.4%	4,855 31.5%
Germany	265 14.8%	- -	265 14.8%	87 -5.1%	353 9.1%	- -	353 9.1%	1,038 4.5%
Italy	0 n.m.	232 38.3%	232 38.3%	284 30.0%	516 33.6%	23 5.4%	538 32.1%	1,107 16.6%
Spain	50 23.8%	103 72.2%	153 52.7%	161 30.5%	314 38.3%	282 67.4%	596 52.1%	2,116 75.0%
thereof Caser	4	103	108	138	245	204	449	1,612
Austria	151 25.8%	- -	151 25.8%	43 -6.5%	195 16.8%	- -	195 16.8%	594 10.5%
Total	822 17.0%	415 43.7%	1,236 24.8%	1,042 6.4%	2,278 15.3%	2,288 -1.6%	4,566 6.3%	11,222 15.1%

¹⁾ Not reported as premiums under IFRS

²⁾ Incl. modern traditional and protection products

³⁾ Organic growth rates (in OC): Group 5.8%, Life Group 0.7%, Europe 7.0%, Life Europe 11.9%, Life Spain -8.9%

Life: earnings by sources

(in CHF million)	2020	2021	Δ 21/20
Savings result	221	252	13.9%
Fee result	22	32	45.6%
Risk result	306	277	-9.5%
Other result	-18	-25	-36.7%
Cost result	-72	-70	2.6%
Margin after costs	460	467	1.5%
Extraordinary result	-55	-450	< -100%
Gains and losses on investments	29	761	>100%
Policyholder participation (PHP)	-216	-380	-76.1%
Profit or loss from operating activities	217	397	83.1%
Financing costs	-16	-15	10.0%
Tax	-34	-79	< -100%
Net income after tax	167	304	82.0%

Margin after costs:

- Increasing savings result thanks to a stronger reduction of technical rates vs. investment yields
- Fee result benefiting from strong growth in investment-linked products
- Slight increase of margin after costs despite non-recurring run-off gains in the prior year risk result; positive impact of first full-year inclusion of Caser

Extraordinary result:

- Decrease as interest-related reserve strengthening was higher and the prior year had benefited from a one-off release of reserves for future conversion rate losses due to the smaller portfolio in Swiss group life following the introduction of a new tariff in 2020

Gains and losses on investments:

- Benefiting from a strong performance of equity markets and a favourable development of real estate market values

Policyholder participation:

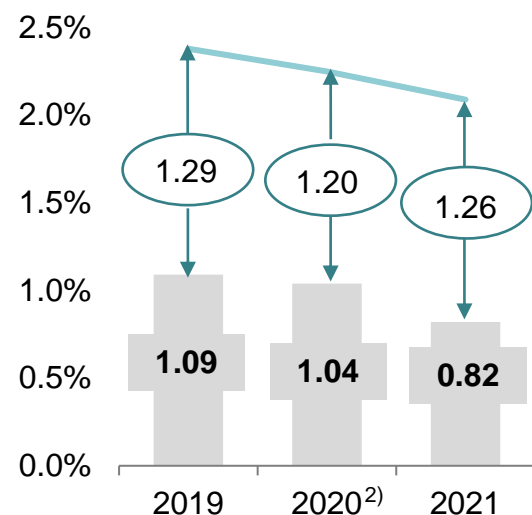
- Higher expenses mainly attributable to substantially higher gains on investments.

Life: interest margin

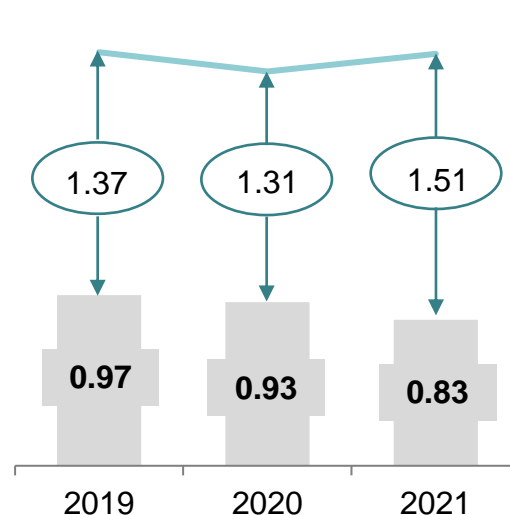
Current income and guarantees in life business

(in % of IFRS technical reserves³⁾)

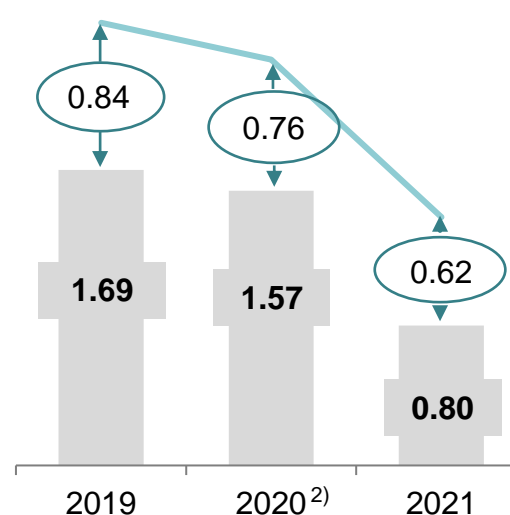
Group (CHF)



Switzerland (CHF)



Europe (EUR)



— Yield³⁾ ○ Interest margin¹⁾ ■ Average interest rate Helvetia has to generate in order to meet its obligations

- **Increasing yield in Switzerland offset by decrease in Europe**
 - > **CH:** Slight increase driven by the extraordinary effect of a decrease of technical reserves in Swiss group life
 - > **EU:** Decrease due to accounting effects related to the acquisition of Caser (largely offset by a corresponding effect on the technical rate)
- **Lower average interest rate**
 - > **CH:** Further decline due to additional reserve strengthening and the continuous replacement of maturing insurance contracts with high guaranteed rates by modern, capital-light products
 - > **EU:** Decrease based on the replacement of old contracts with higher guarantees by new contracts with lower guarantees as well as additional reserve strengthening; additional accounting effect related to the acquisition of Caser resulting in higher technical reserves and thus a lower average interest rate (but also decreasing yields)
- **Improved interest margin compared to 2020**
 - > Positive development in Switzerland more than compensating for a decline in Europe after the inclusion of Caser

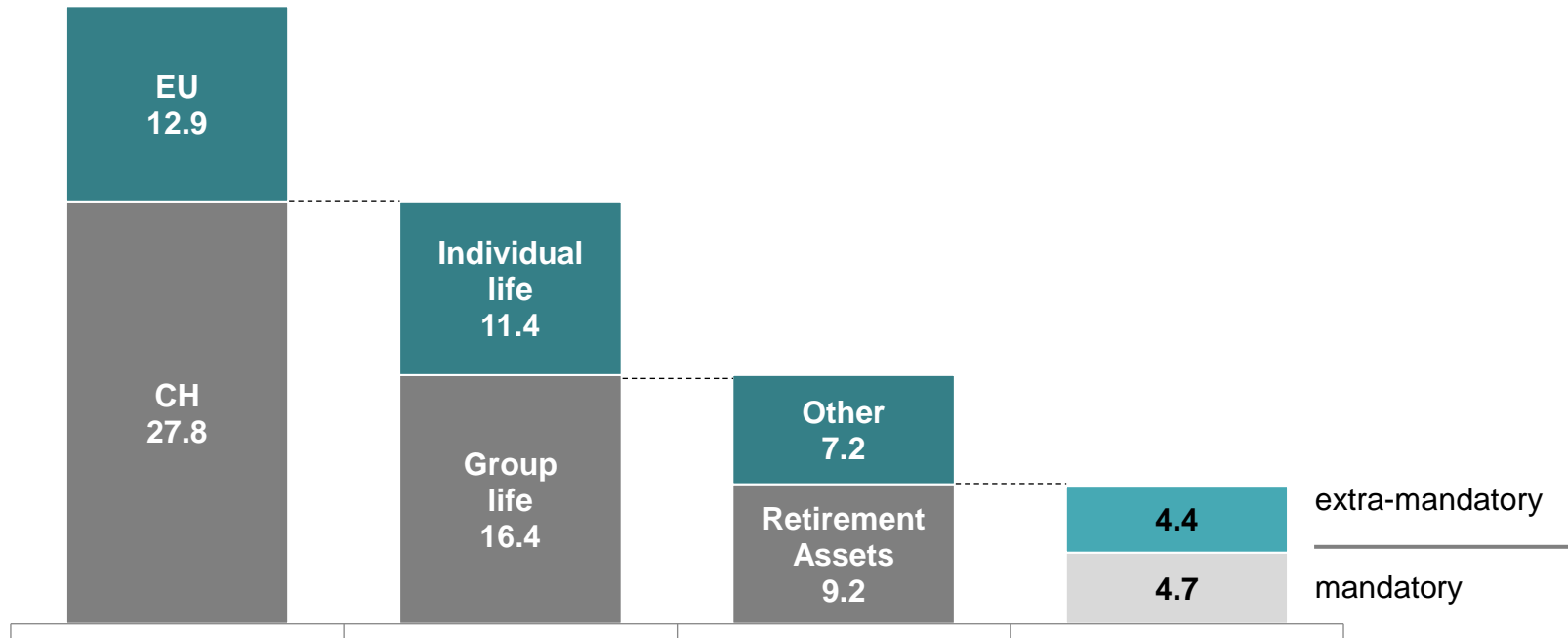
¹⁾ Before legal quota

²⁾ Excl. Caser

³⁾ Change in mode of calculation: the yield equals current income in % of technical reserves instead of assets; prior years have been adjusted

Life: reserves

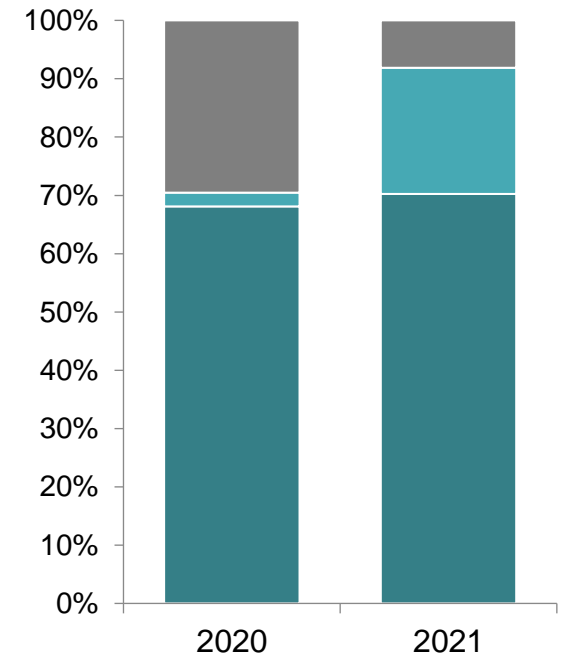
(as of 31/12/2021; in CHF billion; incl. investment-linked, excl. PHP, UPR and deposits)



- 0.25% interest guarantee
- 1.00% interest guarantee

17% of Swiss life reserves are subject to the BVG minimum interest rate

Guarantee buckets Group

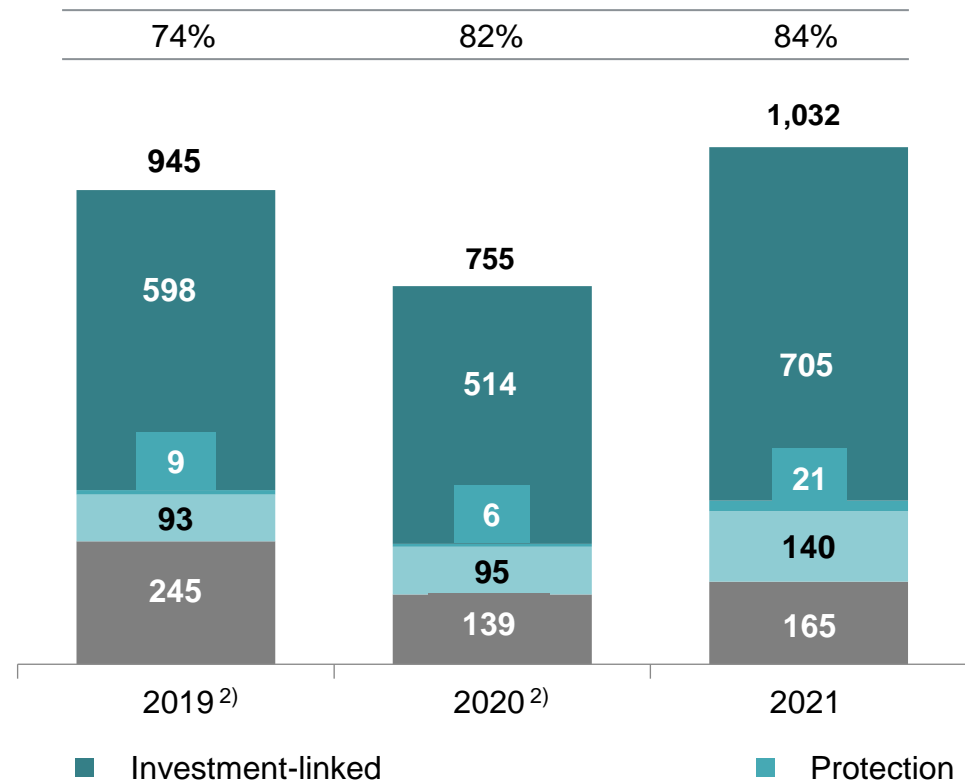


- ≤ 1.0%
- 1.0% < x ≤ 1.5%
- > 1.5%

Individual life: new business mix

Individual life single premiums

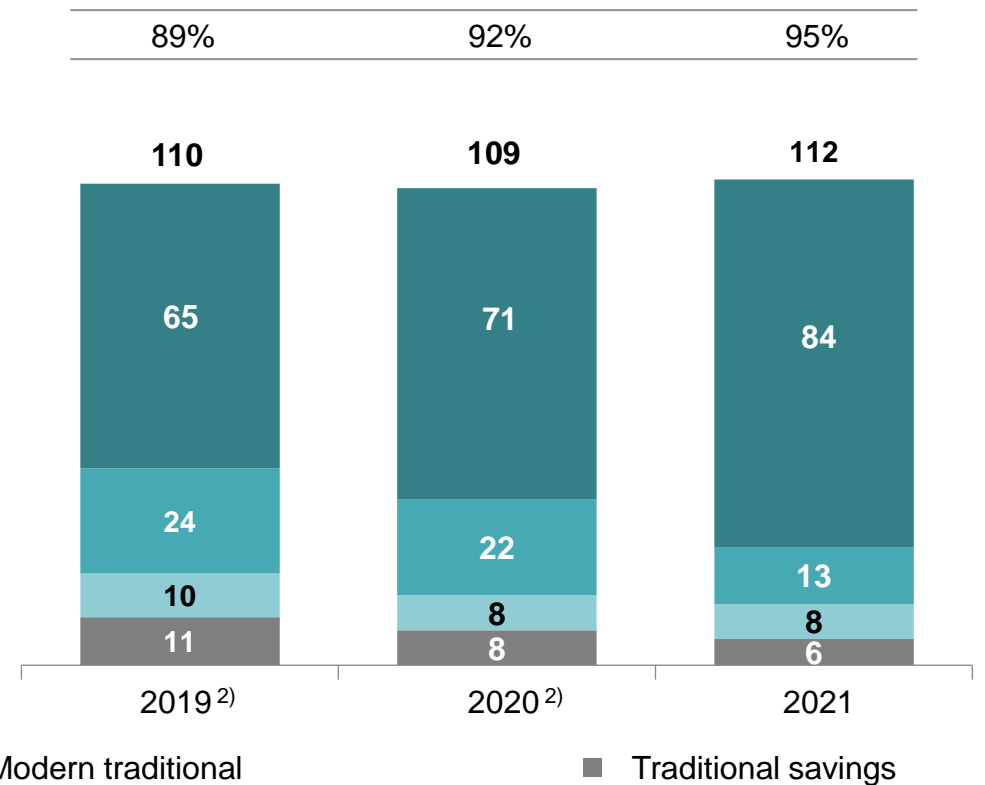
(New business; in CHF million)



Individual life regular premiums

(New business; in CHF million)

Share of capital-light business¹⁾



¹⁾ Includes investment-linked, protection and modern traditional business

²⁾ excl. Caser

Other activities: earnings by sources

(in CHF million)	2020	2021	Δ 21/20
Net technical result (Group Reinsurance)	-48	-10	38
Investment / FX result ¹⁾	22	-9	-31
Costs / Other ¹⁾	-92	-122	-30
Financing costs	-43	-50	-8
Tax	17	18	1
Net income after tax	-144	-174	-30

¹⁾ Adjusted for FX gains and losses that match those on technical provisions

Net technical result (Group Reinsurance):

- Improvement mainly due to non-recurring COVID-19 losses in the prior year; yet impact of NatCat claims predominantly relating to an exceptional number of large storms and floods in Central Europe in June and July 2021 weighing on the result.

Investment / FX result:

- Reduction primarily due to a negative one-off currency effect in the amount of CHF 20 million resulting from the liquidation of an own investment fund; additionally, negative impact compared to the prior year of the usual consolidation effects on own funds.

Costs / Other:

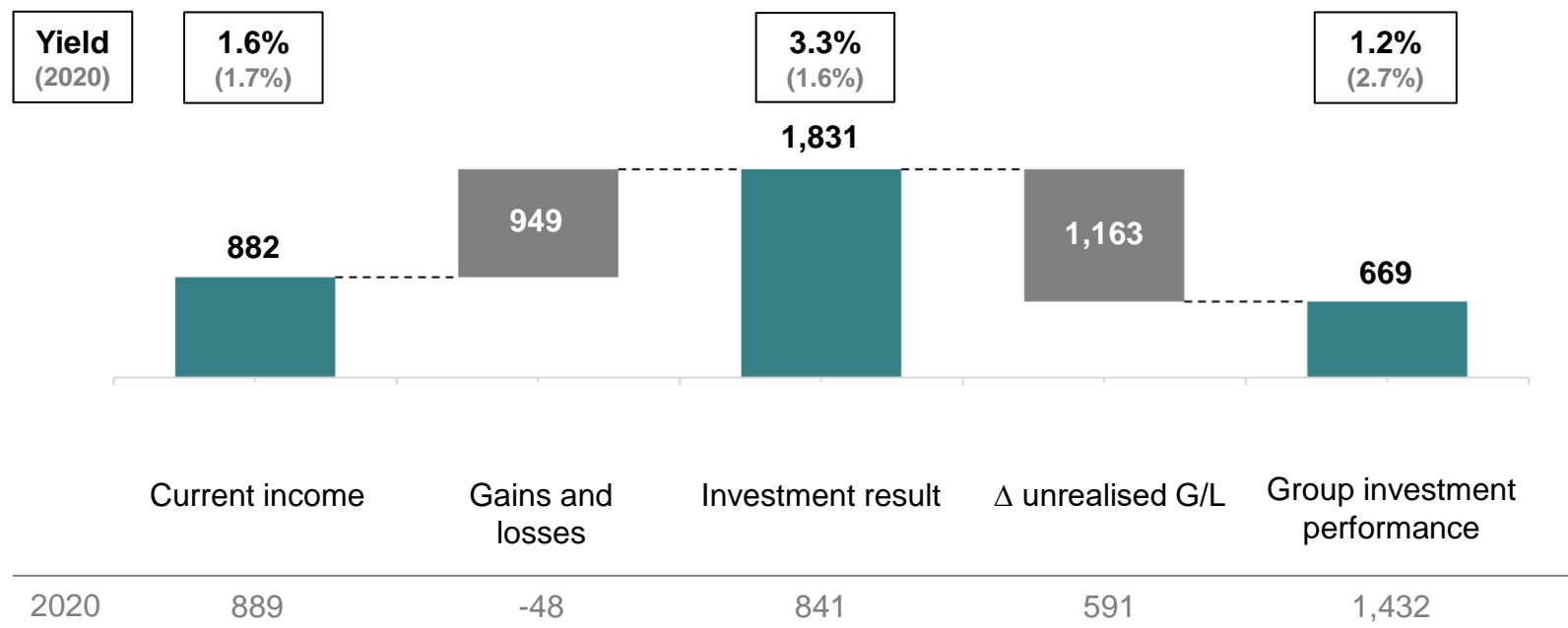
- Decline driven by non-recurrence of one-time proceeds from the launch of the Helvetia (CH) Swiss Property Fund in the prior year; additionally, higher project-related expenses more than offsetting a reduction of the ongoing cost base.

Financing costs:

- Higher financing costs resulting from the issue of a hybrid bond to partially finance the acquisition of Caser in June 2020.

Investments: Group investment performance

(in CHF million)



	2020	2021
Average investment portfolio	52,853	54,923

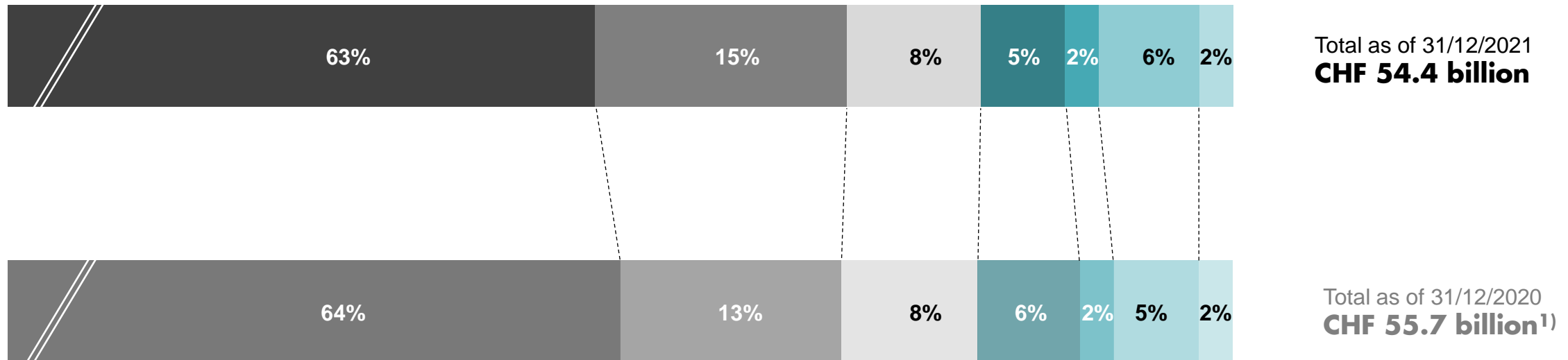
- **Current income** stable at prior year's level despite ongoing low interest rates thanks to additional income from the portfolio of Caser, which is considered on a full-year basis for the first time (pro rata for six months in the prior year); slight reduction of **direct yield** as reinvestment yields were lower compared to average yields of the portfolio because of the ongoing low level of interest rates.
- Exceptionally strong **gains and losses** predominantly attributable to a strong performance of equity markets in 2021 and valuation gains on real estate thanks to an ongoing positive development of market values driven by high demand for residential property; in contrast, the prior year had been impacted by a weak equity performance following the outbreak of the pandemic.
- **Unrealised gains and losses** recorded in equity decreased due to a decline in the value of bonds following increasing interest rates.

Investments: Group investment performance by asset class

Investment performance: total portfolio												
(in CHF million; yields in %)	Equities (incl. derivatives)		Bonds (incl. derivatives)		Investment property		Mortgages		Other (incl. funds)		Total	
Current income	66	2.3%	456	1.3%	257	3.3%	66	1.5%	36	882	1.6%	
Gains and losses	423		38		457		-2		32	949		
Investment result	490	18.2%	495	1.4%	715	9.5%	65	1.5%	68	1,831	3.3%	
Δ unrealised G/L	12		-1,217		-		-		43	-1,163		
Group investment performance	502	18.7%	-723	-2.0%	715	9.5%	65	1.5%	111	669	1.2%	

New and re-investment of maturing funds						
	Equities	Bonds	Investment property	Mortgages	Total 2021	Total 2020
Direct yield	2.5%	0.9%	4.1%	1.1%	1.2%	1.2%
Weighted by asset class	7.4%	85.8%	6.6%	0.2%	CHF 5 billion	

Investments: Group investment portfolio by asset class



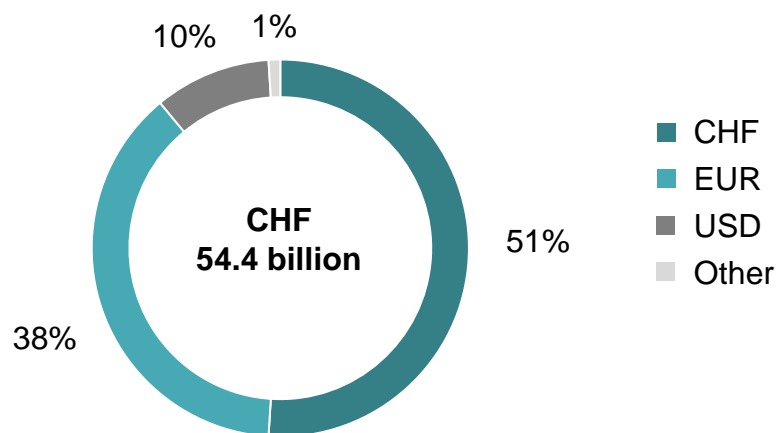
- Bonds
- Investment property
- Mortgages
- Equities²⁾
- Loans
- Alternative investments / investment funds / derivatives
- Other³⁾

¹⁾ The figure of CHF 60.6 billion disclosed in the prior year included investments with market risk for the policyholder; disclosure has been adjusted for these to only reflect Group investments

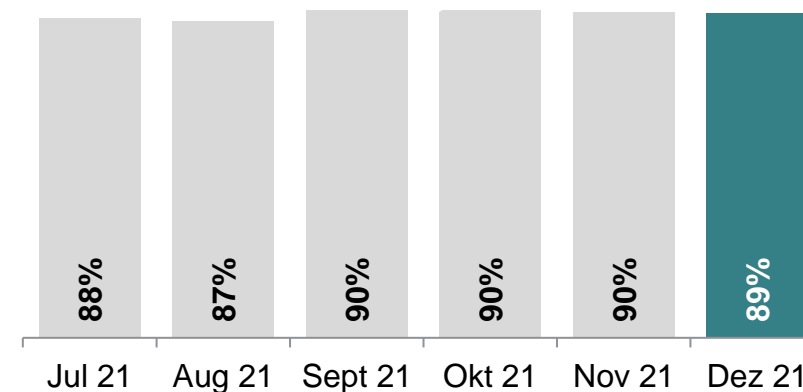
²⁾ Equity exposure delta-adjusted: 4.3%

³⁾ Money market instruments and investments in associates

Investments: Group investments in original currency



Level of currency hedging



(in CHF billion)	Bonds		Equities		Funds		Other		Total	
CHF	13.7	40%	1.1	39%	0.2	11%	12.7	83%	27.8	51%
EUR	16.8	49%	0.8	29%	1.4	81%	1.8	12%	20.9	38%
USD	3.8	11%	0.9	32%	0.1	3%	0.7	5%	5.5	10%
Other	0.2	1%	0.0	0%	0.1	5%	0.0	0%	0.3	1%
Total	34.5		2.9		1.8		15.3		54.4	100%

Investments: bond portfolio

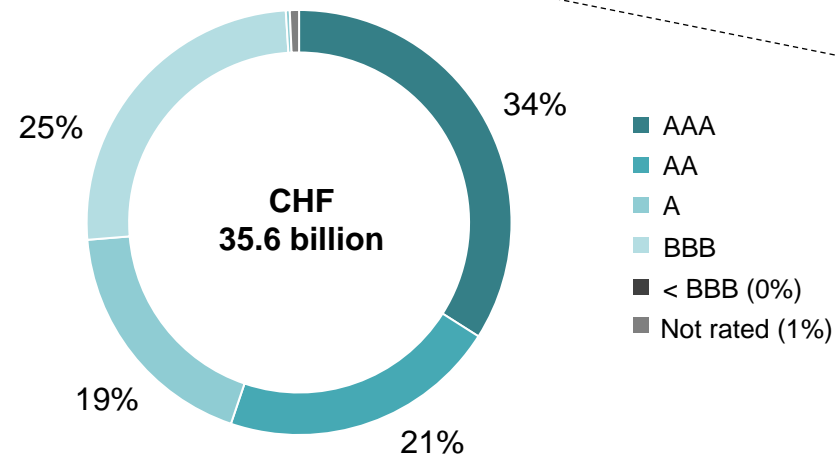
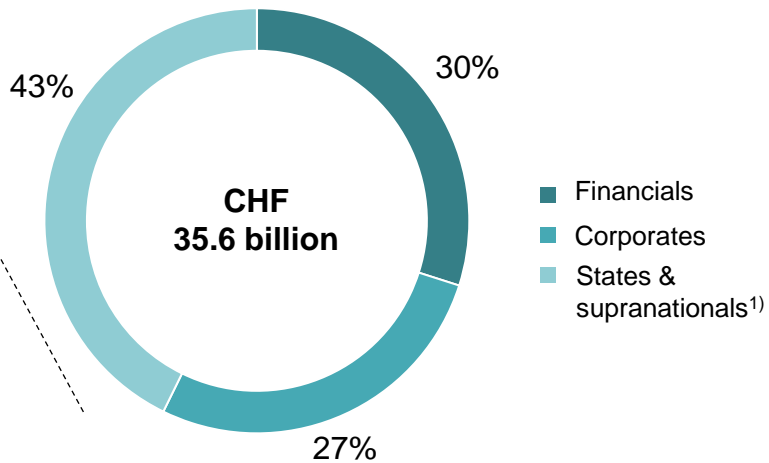
Sector and rating class allocation

(as of 31/12/2021)

Total CHF 54.4 billion



Lookthrough based on fair values:



¹⁾ Supranational entities such as the European Union; predominantly supranational financial institutions like the European Investment Bank or the Nordic Investment Bank

Investments: financial bonds

Risk profile and country allocation

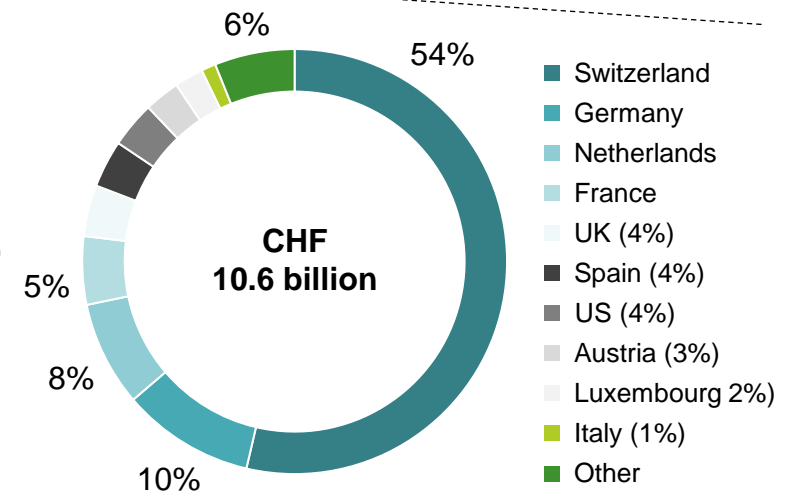
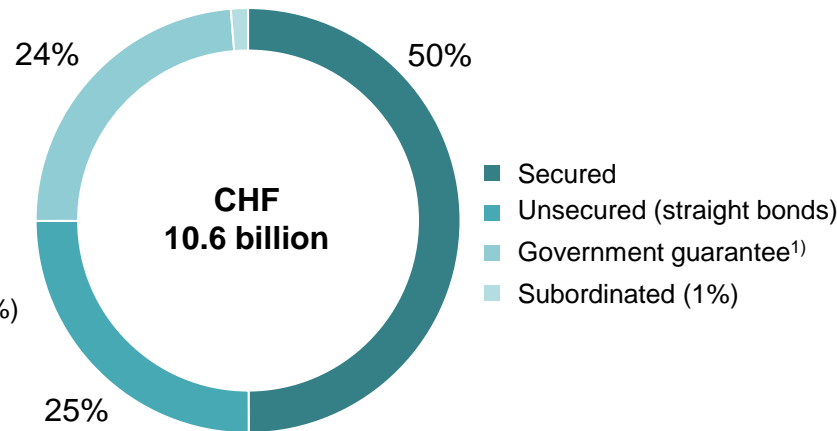
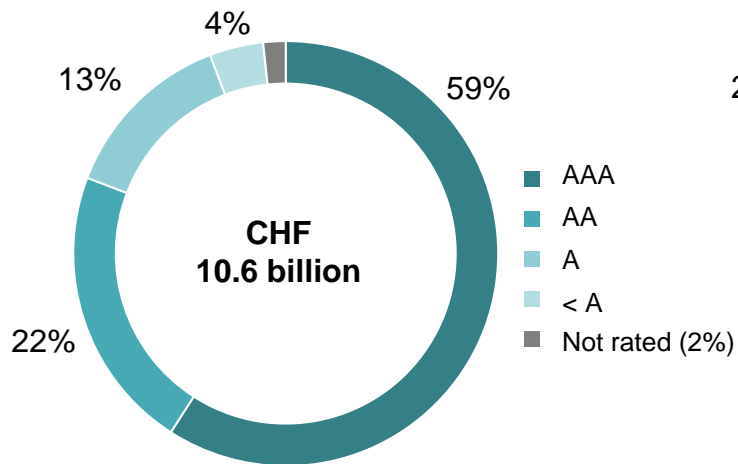
(as of 31/12/2021)

Total CHF 54.4 billion



Financial bonds

Lookthrough based on fair values:



¹⁾ Guaranteed by a state or other public entity; issued, for example, by a cantonal bank or public authority

Investments: government bonds

Entity and country allocation

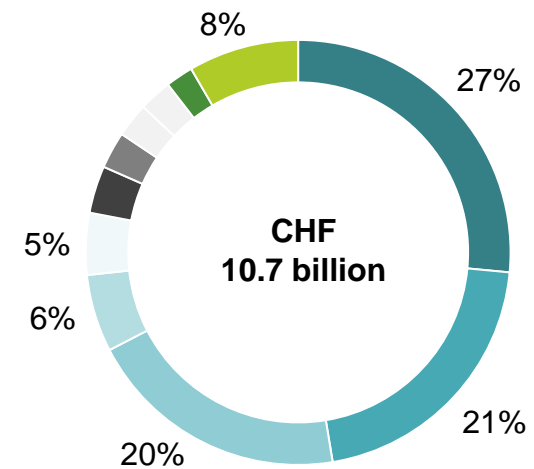
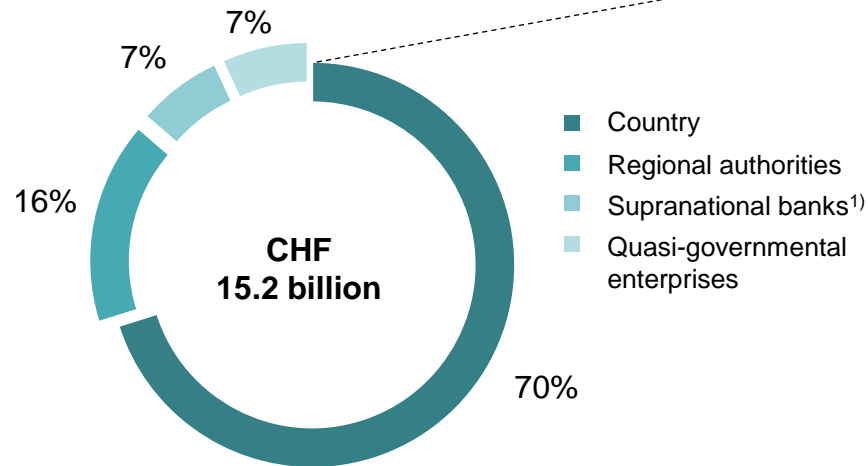
(as of 31/12/2021)

Total CHF 54.4 billion



Government & supranational bonds

Lookthrough based on fair values:



- Spain (A)
- Switzerland (AAA)
- Italy (BBB)
- USA (AAA)
- EU (AAA)
- France (AA) (4%)
- Germany (AAA) (3%)
- Belgium (AA) (3%)
- Finland (AA) (3%)
- Netherlands (AAA) (2%)
- Other

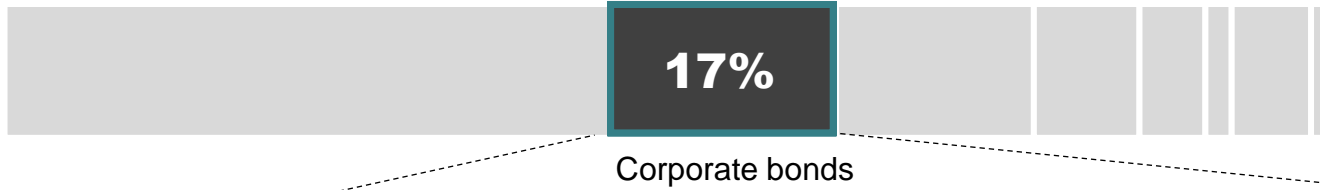
¹⁾ Supranational financial institutions such as the European Investment Bank or the Nordic Investment Bank

Investments: corporate bonds

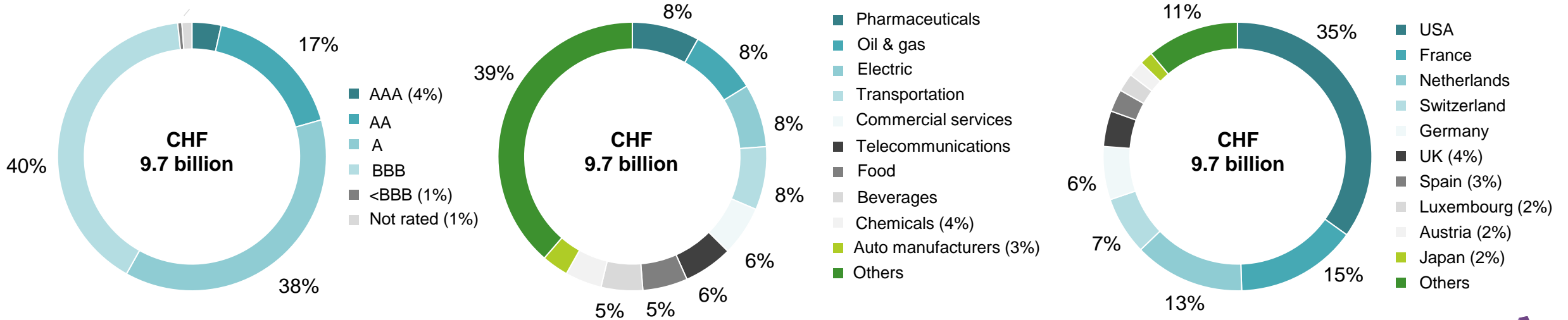
Rating class, country and sector allocation

(as of 31/12/2021)

Total CHF 54.4 billion



Lookthrough based on fair values:

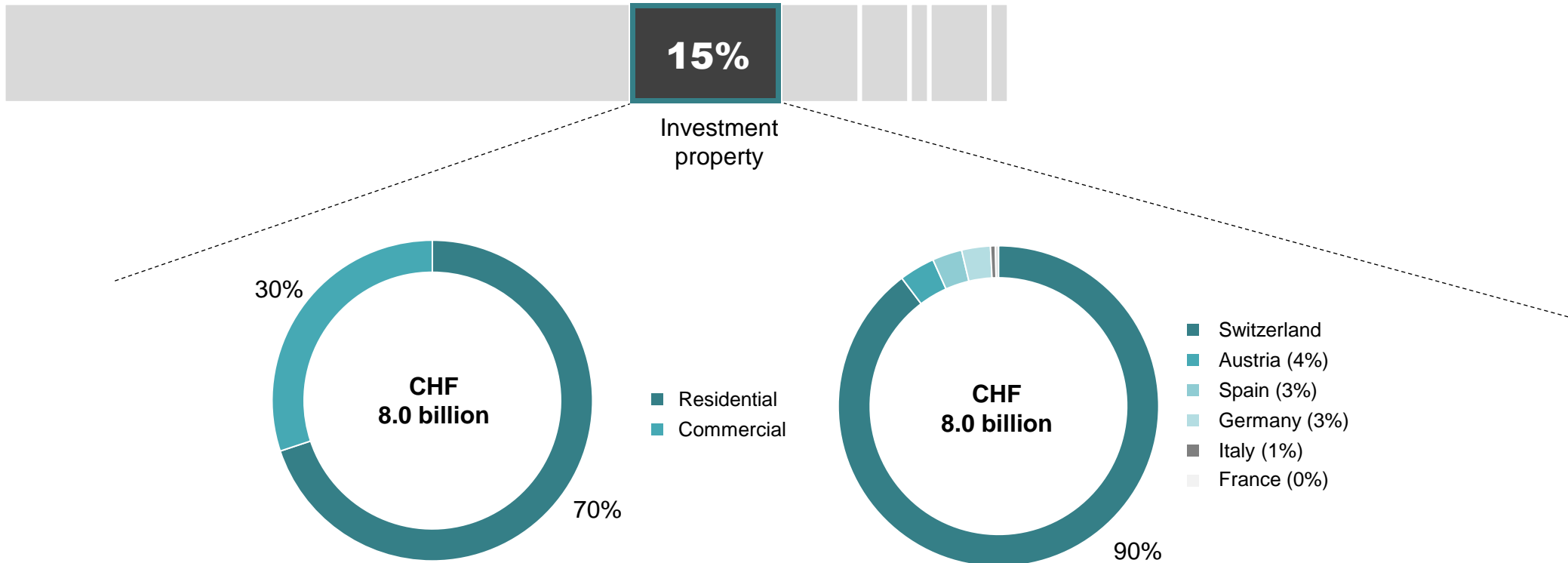


Investments: investment property

Allocation by use and country

(as of 31/12/2021)

Total CHF 54.4 billion

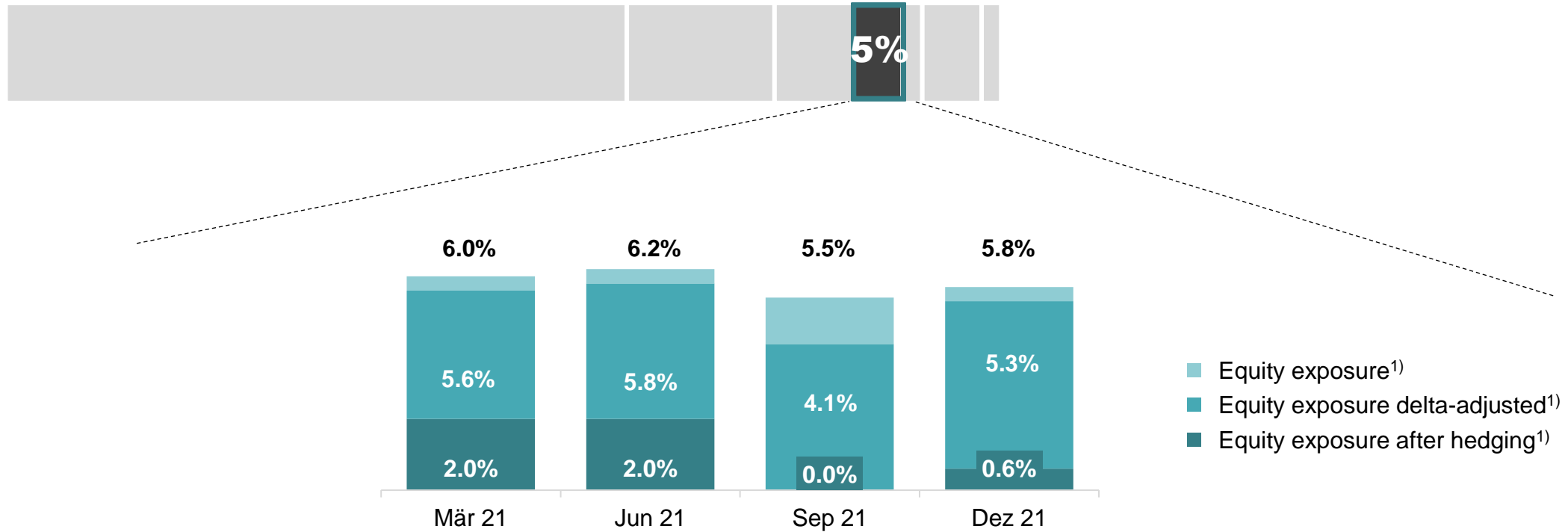


Investments: equities

Equity exposure

(as of 31/12/2021)

Total CHF 54.4 billion

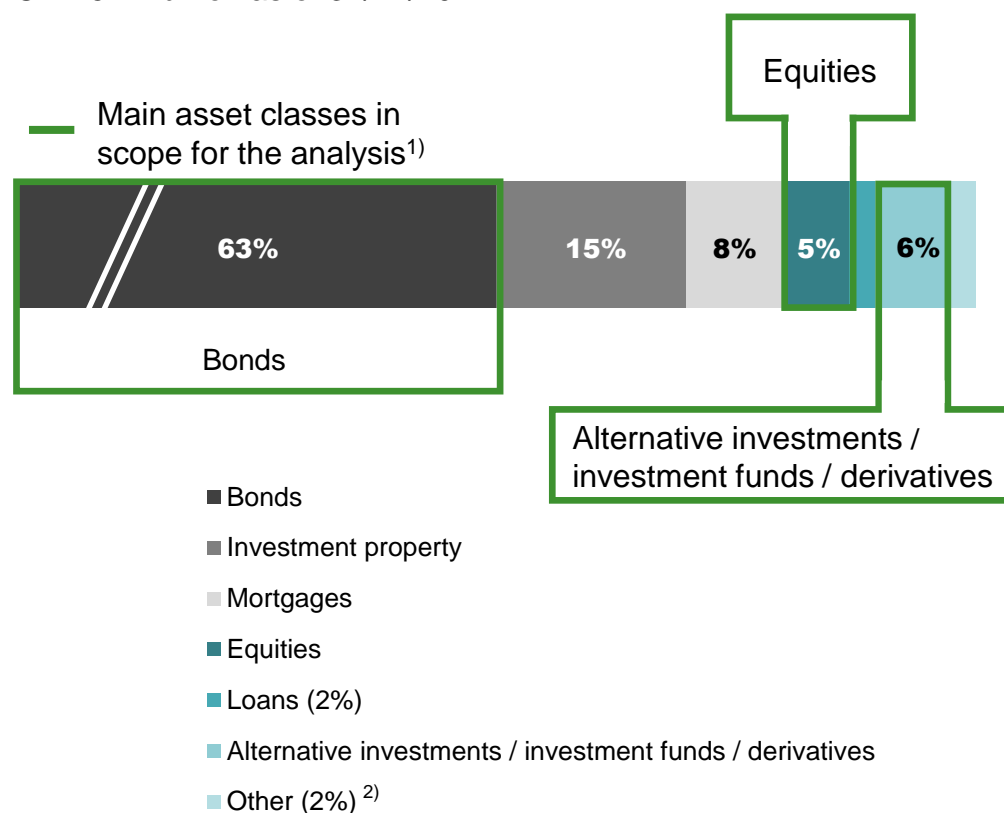


¹⁾ Incl. Group equity funds

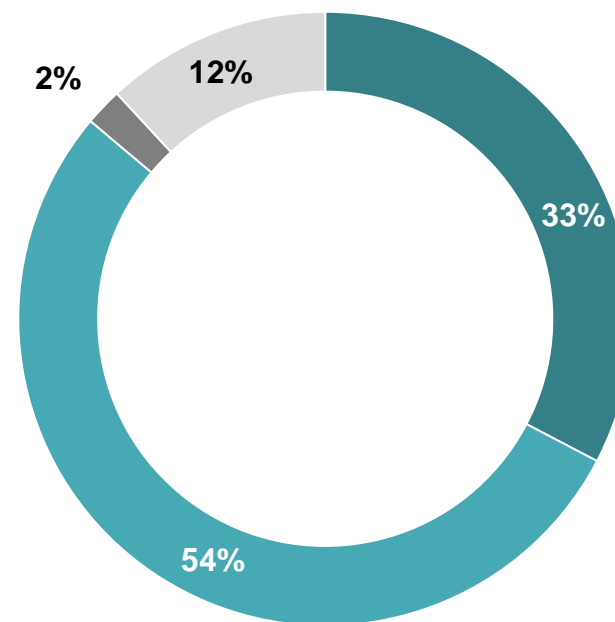
Investments: MSCI ESG risk profile

Investment portfolio

CHF 54.4 billion as of 31/12/2021



ESG risk profile: A rating



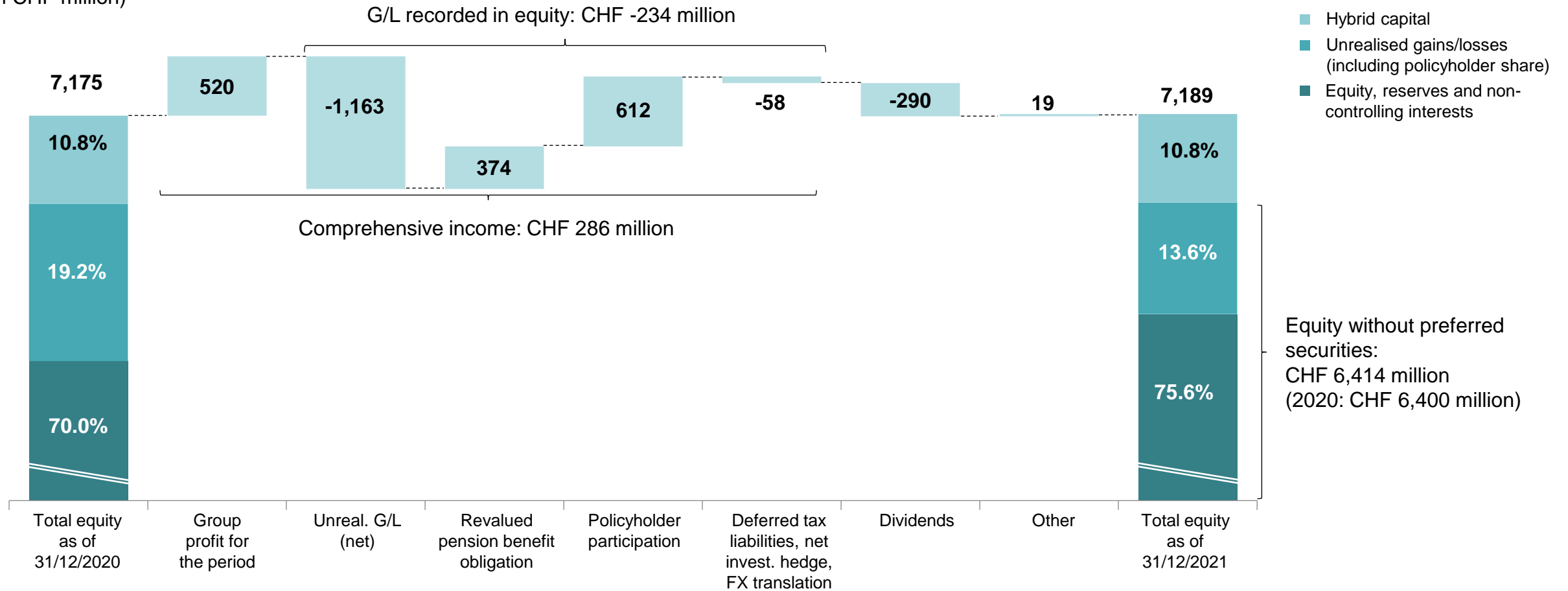
- Low / minor ESG risk = AAA – AA
- Moderate ESG risk = A – BB
- High ESG risk = B – CCC
- Not rated by MSCI

¹⁾ The analysis covered a multi-dimensional sustainability risk assessment on security level for financial holdings

²⁾ Money market instruments and investments in associates

Equity / comprehensive income

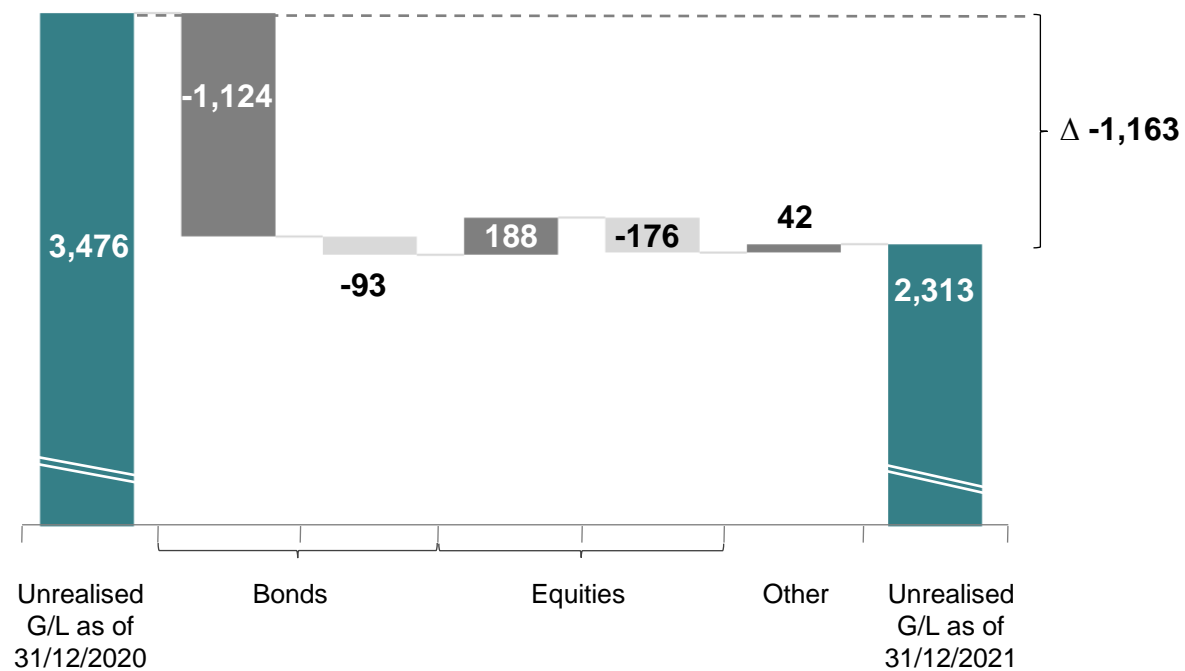
(in CHF million)



Unrealised gains/losses

(in CHF million)

- Changes in market value
- Gains/losses transferred to the income statement



Unrealised G/L on assets

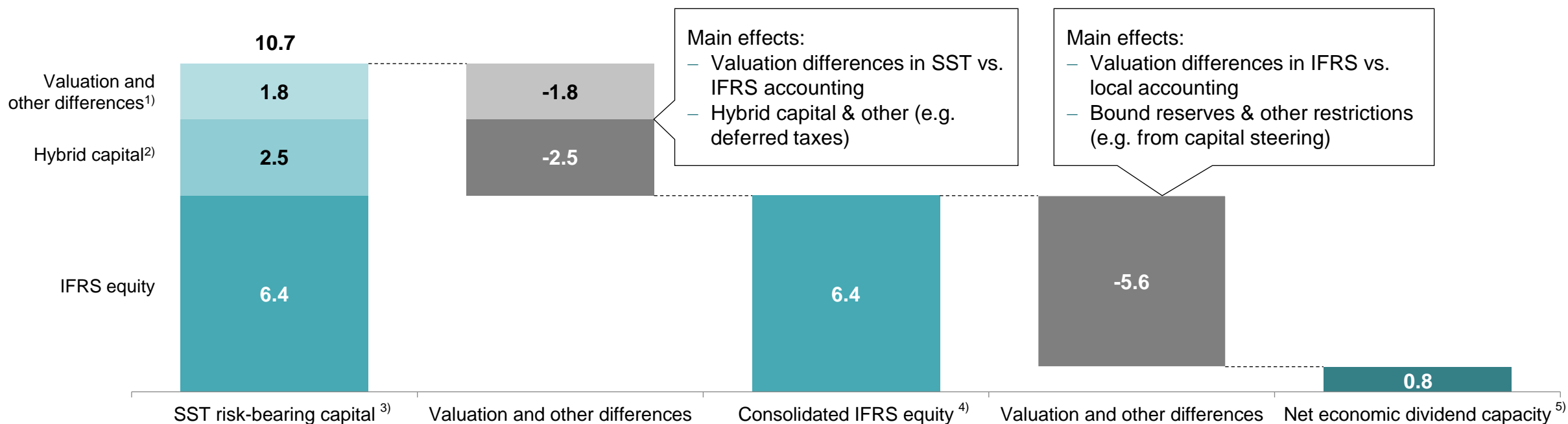
	2020	2021	Δ
Equities	494	506	12
Bonds	2,908	1,691	-1,217
Other	74	115	42
Total	3,476	2,313	-1,163

Available to shareholders	361
<i>thereof non-life</i>	270
<i>thereof life</i>	82
<i>thereof other</i>	8
Policyholders' unrealised G/L in equity	620
Policyholders' unrealised G/L in liabilities	1,071
Non-controlling interests and deferred tax	262
Total	2,313

Net economic dividend capacity

Capital walk: from SST capital to net economic dividend capacity (2020)

(as of 31/12/2020; in CHF billion)



¹⁾ Valuation reserves less deductions

²⁾ Hybrid capital is reported at market value under SST (CHF 2.5 billion); corresponding book value amounts to CHF 2.3 billion

³⁾ SST RBC as of 01/01/2021

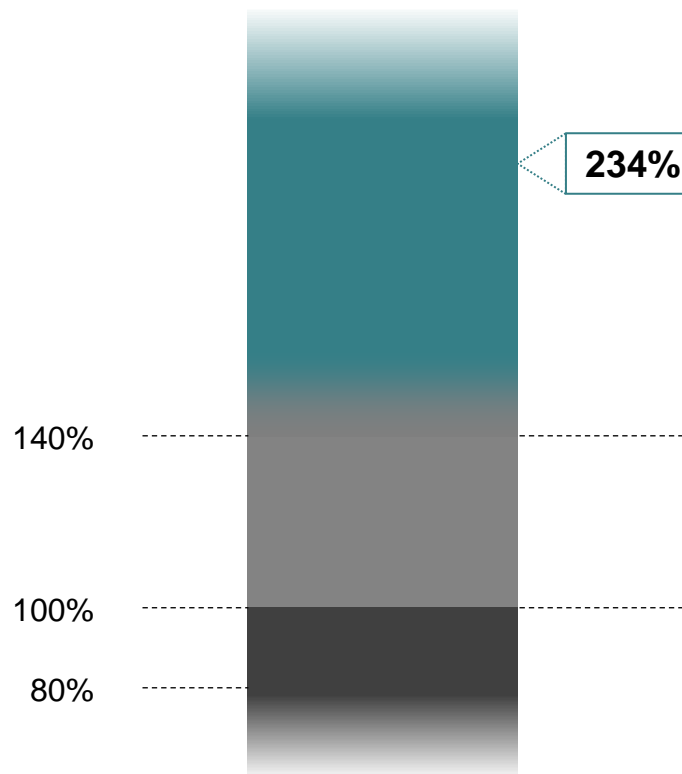
⁴⁾ IFRS equity excluding preferred securities

⁵⁾ Net economic dividend capacity after taking into account capital and additional buffer

SST ratio

SST ratio

(as of 30/06/2021)



Capital management actions

- > **Validate capitalisation against strategy and take action as necessary¹⁾**
- > **Focus on economic business steering**
- > **Considering measures to increase resilience of solvency**
- > **Implementing concrete measures to improve capital and reduce risks**

NB: Regulatory solvency constraints for dividends only below 80% SST coverage

¹⁾ NB: Dividends are subject to statutory accounting, not solvency accounting; solvency capital includes non-shareholder components

Duration gap

	30/06/2021	31/12/2021
Asset duration	7.8	7.6
Non-life	5.0	5.0
Life	8.2	8.0
Total weighted duration gap¹⁾		
On regulatory basis	-0.1	-0.2
On economic basis	-1.3	-1.4

- Including bonds and other interest rate instruments and loans.
- Excluding real estate as additionally matching asset class which covers the volume gap of interest rate instruments and loans to liabilities.
- Sustainable duration gap on regulatory basis.
- Controlled upside exposure to rising interest rates under economic assumptions.

¹⁾ The weighted duration gap shows the sensitivity of own funds to a parallel shift in the yield curve, expressed as a percentage of the best estimate of insurance liabilities

Solvency and risk sensitivities

Group solvency (as of 30/06/2021)

Solvency sensitivities ¹⁾	Equities -10%	Interest rates -50 bp	Credit spreads ²⁾ +50 bp
SST ratio	-8% pts	-0.4% pts	-22% pts

Risk sensitivities³⁾ (as of 31/12/2021; in CHF million)

Interest rate risk sensitivities	Interest rate level +10 bp	Interest rate level -10 bp
Income statement	1.7	-14.5
Equity	-99.2	100.6

Equity price risk sensitivities	Equity price +10%	Equity price -10%
Income statement	117.2	-119.6

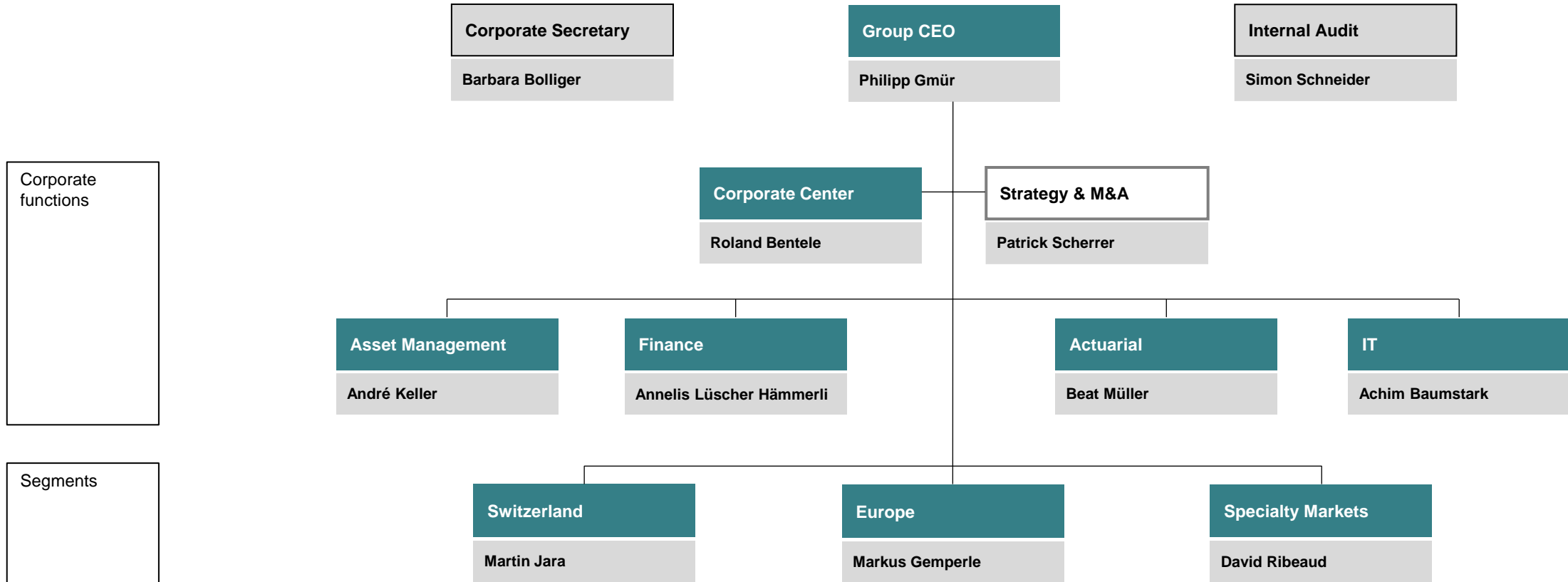
Foreign exchange risk sensitivities	EUR / CHF		USD / CHF		GBP / CHF	
	+2%	-2%	+2%	-2%	+2%	-2%
Income statement	-5.4	5.4	-10.5	10.5	-2.8	2.8

¹⁾ Only own funds (RBC) sensitivities included

²⁾ The spread-sensitive investments are defined as interest-bearing investments with the exception of "AAA"-rated government bonds, bonds issued by multilateral development banks, mortgages, policy loans and mortgage backed bonds. For more information on solvency and related sensitivities please refer to the financial condition report of Helvetia Group.

³⁾ Net of PHP and tax

Executive Management as of 1 January 2022



Corporate functions

Segments

■ Members of the Group Executive Management

□ Reports to the Chairwoman of the Board of Directors □ Staff function

Abbreviations and glossary

ARI	Active reinsurance	n.a.	not available
bp	Basis point(s)	NatCat	Natural catastrophe
BVG	Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans	NB	nota bene
CH	Segment Switzerland	NBM	New business margin
CHF	Swiss franc	NL	Non-life
CR	(Net) combined ratio	OC	Original currency
ESG	Environmental, social and governance	PHP	Policyholder participation
Excl.	Exclusive	PVNB	Present value of new business premiums
EU	Segment Europe	PYD	Prior year development
EUR	Euro	RBC	Risk-bearing capital
FX	Foreign exchange	RoE	Return on equity
FY	Full-year	SpL	Specialty Lines
G/L	Gains/Losses	SpM	Segment Specialty Markets
GBP	British pound	SST	Swiss Solvency Test
IFRS	International Financial Reporting Standards	S&P	Standard & Poor's
Incl.	Including	UPR	Unearned premium reserve
M&A	Mergers & acquisitions	USD	U.S. dollar
MSCI	Morgan Stanley Capital International	VNB	Value of new business

Corporate:	includes corporate functions, centrally managed investments (funds), Group Reinsurance, financing companies and Helvetia Holding AG
Other activities:	includes the Corporate segment, the non-insurance business of Caser, Helvetia Asset Management AG, MoneyPark AG and service companies
Specialty Markets:	includes Engineering, Marine, Art and Active Reinsurance
Specialty Lines CH/Int.:	includes Engineering, Marine and Art

Additional information

- [Infokit full-year results 2021](#)
- [Capital Markets Day 2021](#)
- [Financial presentations](#)
- [Business publications / Equity story](#)
- [Financial calendar](#)

Calendar and contact

Important dates

- 29/04/2022 Ordinary Shareholders' Meeting 2022
- 08/09/2022 Publication of half-year results 2022
- 06/03/2023 Publication of full-year results 2022

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