

Half-year results 2022

Helvetia Group

8 September 2022

simple. clear. helvetia 
Your Swiss Insurer

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Highlights at a glance: delivering on profitable growth and strategic successes backed by an outstanding capitalisation



Profitable growth and strong technical development

+6.6%

(in OC)

Non-life business
volume growth

183

(vs. 150 in HY 2021)

Non-life technical result
(in CHF million)

216

(vs. 223 in HY 2021)

Life margin after costs
(in CHF million)



Outstanding capitalisation

A+

S&P financial
strength rating

>280%

(estimate as of 30/06/2022)

SST ratio

0.8

(in CHF billion)

Net economic
dividend capacity



Progress on strategy implementation



Improving business mix in
terms of capital intensity
with transactions in Spain



Seizing international
growth opportunities

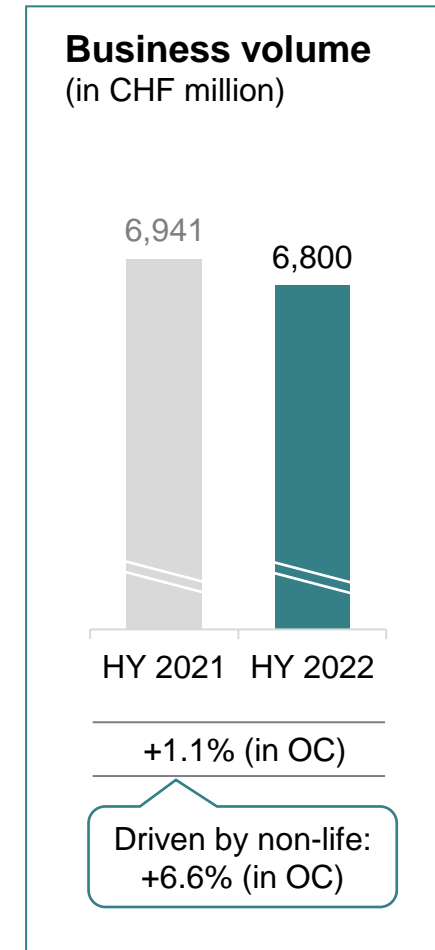
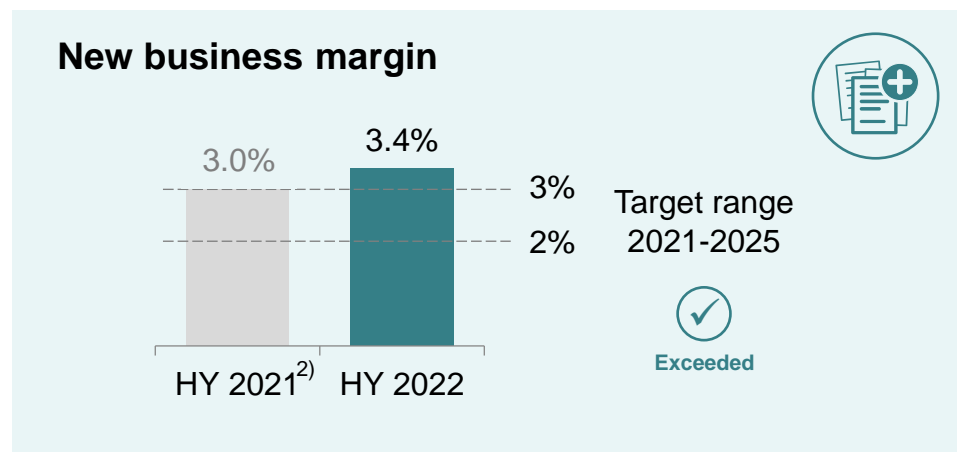
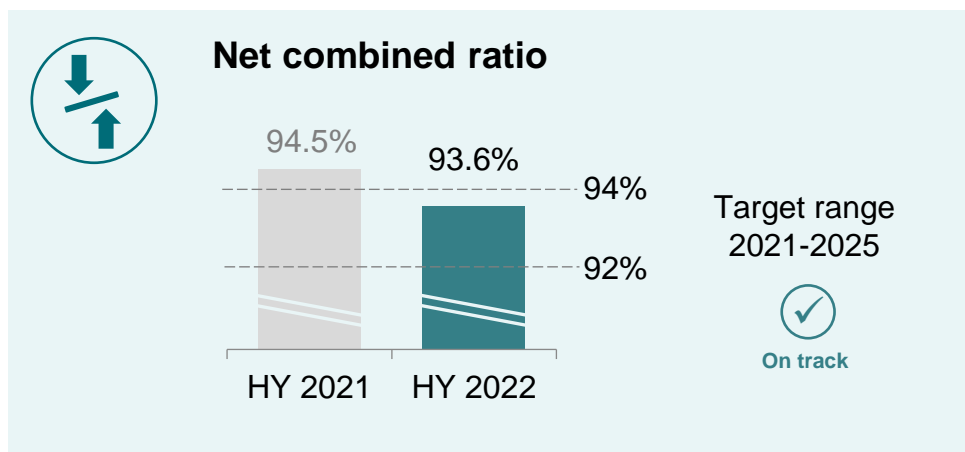
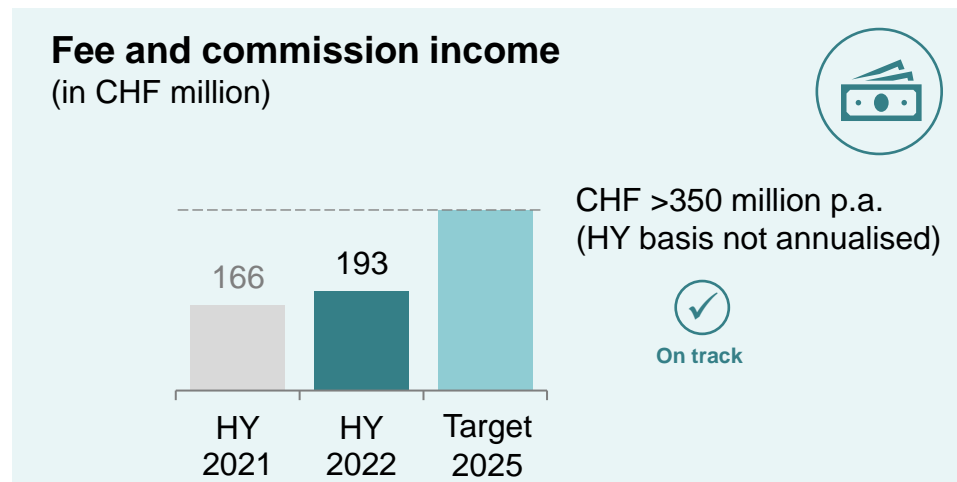
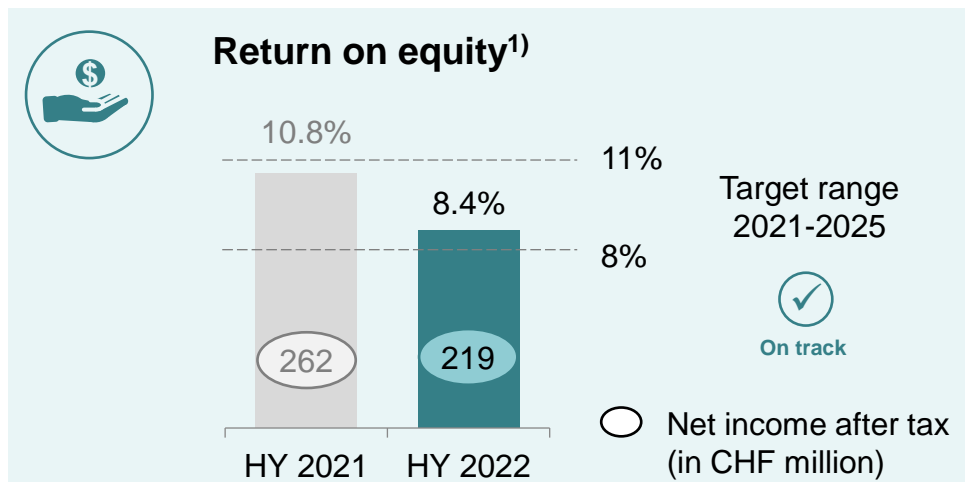
+22.3%

(volume growth in OC)

Successful development of
fee business driven by
ecosystem "Health & care"
and Swiss Property Fund

Financial figures.

Key figures HY 2022: well on track across financial targets based on a strong technical performance



¹⁾ Annualised: excluding unrealised gains and losses in equity

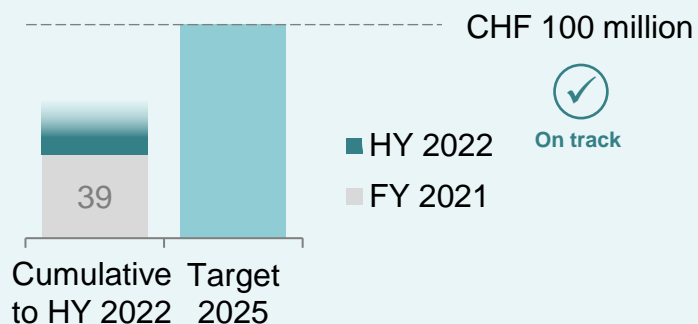
²⁾ Excl. Caser

Key figures HY 2022: good progress on cost efficiencies and ongoing outstanding capitalisation



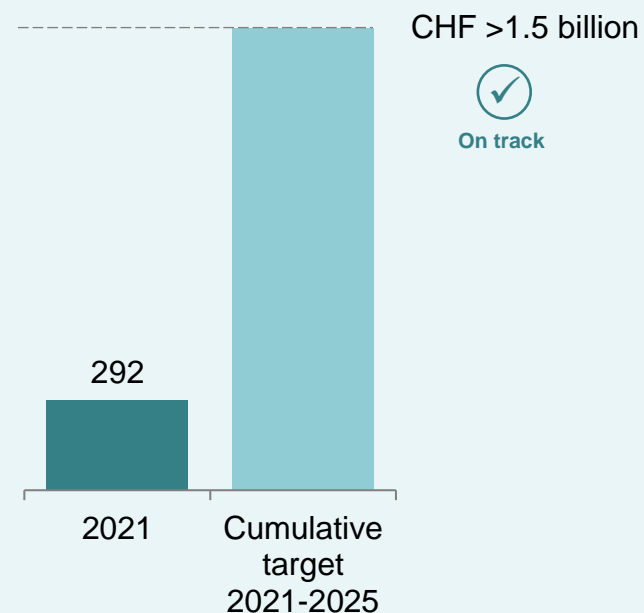
Cost efficiencies

(in CHF million)



Dividend distribution

(in CHF million)



Net economic dividend capacity (NEDC)

(as of 31/12/2021)

CHF 0.8 billion

- Solid and stable NEDC supporting a **sustainable dividend policy**



S&P rating

A+

Target: 'A'



Exceeded

SST ratio

>280%

(estimate as of 30/06/2022)

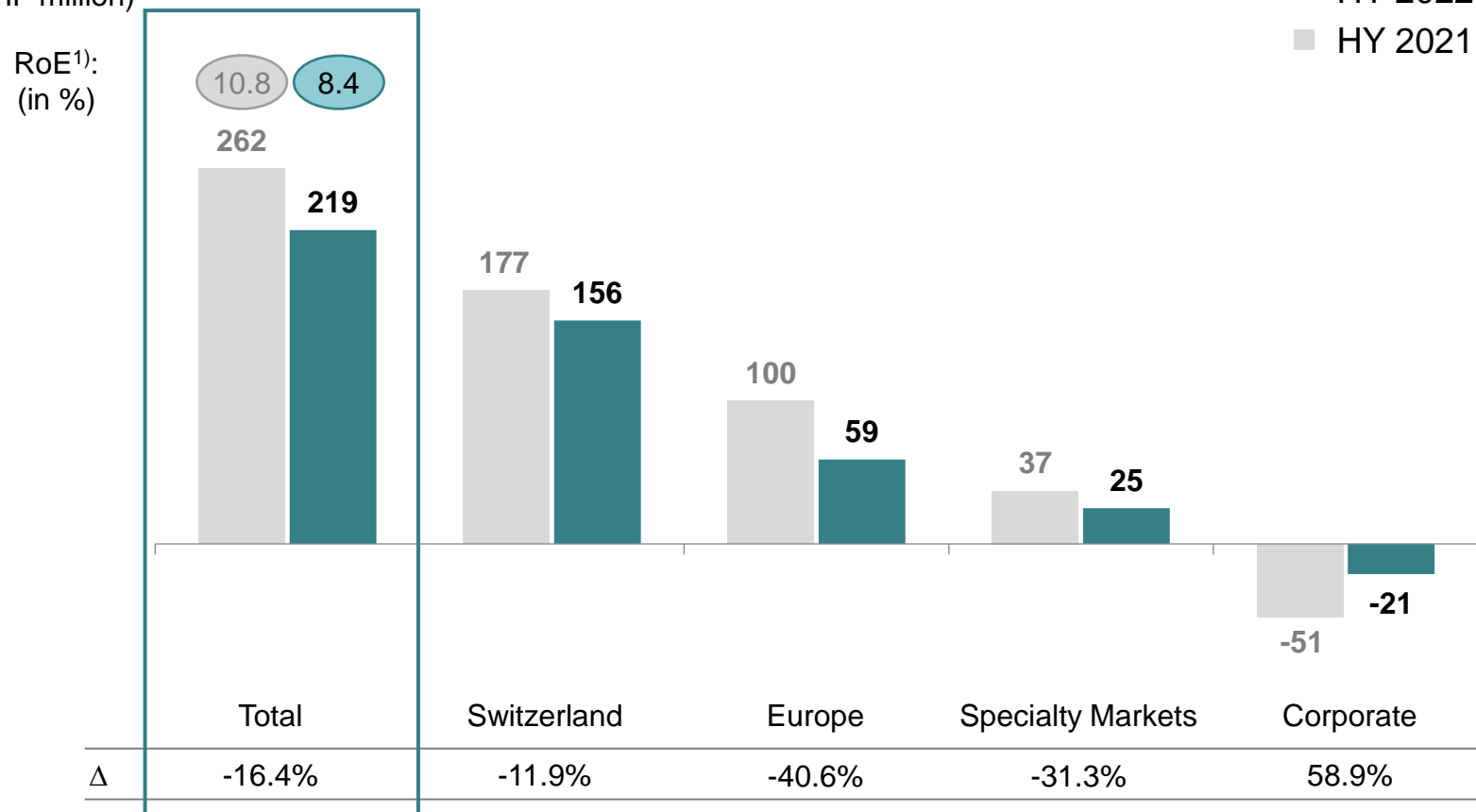
Solid net income based on successful technical developments and supported by above market non-life growth



Return on equity /
Net income

Net income after tax

(in CHF million)



Net income after tax	HY 2021	HY 2022
Non-life	195	127
Life	122	106
Other activities	-55	-13
Total	262	219

Non-life net technical result	150	183
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Life margin after costs	223	216
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Investment result	872	253
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¹⁾ Annualised; excluding unrealised gains and losses in equity

Solid net income based on successful technical developments and supported by above market non-life growth



Return on equity /
Net income

Remarks



Group:

- Strong IFRS net income based on solid technical results, despite a challenging market environment with macroeconomic and geopolitical uncertainties.
- Profitable and resilient core business in both non-life and life insurance:
 - Considerable increase of the technical result in **non-life** based on the high quality and strong diversification of the book and supported by the growth in business volume.
 - Stable margin after costs close to the solid level of the prior year in **life**. In particular, increasing savings and cost results.
 - Volatile financial market conditions in the first half-year of 2022 reflected in the investment result.

Switzerland:

- Solid IFRS net income driven by increasing technical results in both non-life and life.
- **Non-life:** Substantial increase of the technical result based on a more stable claims environment and corresponding lower claims burden from natural events compared to the previous year. In addition, ongoing efficiency measures and scale effects due to the profitable growth had a positive impact on the cost side.
- **Life:** Increasing margin after costs against the prior year mainly driven by a stronger savings result, which benefited from both slightly higher yields and a further decrease of technical rates. The latter was due to maturing of older contracts with high guarantees and the focused sale of capital-light products.

Europe:

- IFRS net income underpinned by a solid technical development in both non-life and life business. Notably, Caser again contributed a strong 32 million Swiss francs to the result. An extraordinary tax effect in Italy impacted net earnings of the segment.
- **Non-life:** Increasing technical result proving the portfolio's resilience in view of increasing inflation and a further normalisation of claims frequencies after the pandemic. The profitable growth was reflected in scale effects on the cost side.
- **Life:** Lower margin after costs compared to the prior year. In particular, the development was influenced by currency translation effects, among others.

Specialty Markets:

- Solid technical result on the level of the prior year. The well-diversified high-quality portfolio was able to absorb a few large losses, while the cost side benefited from scale effects due to the focused growth of the business.

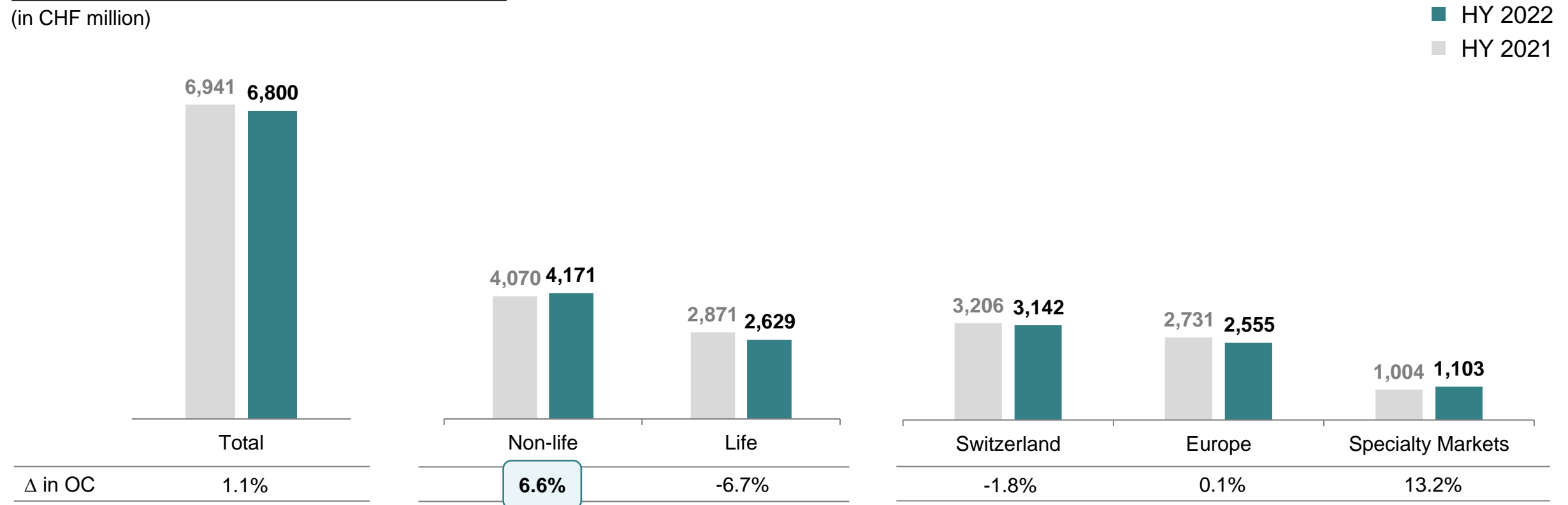
Corporate:

- Considerable improvement mainly driven by a strong technical result of Group Reinsurance, which had been impacted by elevated natural catastrophe claims due to large storms in Central Europe in the prior year. Additionally, positive effects related to own investment funds influenced the result, including non-recurrence of a one-off effect from the liquidation of a fund in 2021.

Continued broad-based profitable growth in non-life across all market units and lines of business

Business volume

(in CHF million)



Continued broad-based profitable growth in non-life across all market units and lines of business

Remarks



Group business volume:

- Organic growth of +1.1% in OC, driven by non-life business in all segments.
- **Non-life** business (+6.6% in OC) achieved broad-based growth across all lines of business and market units. Growth was driven by traditional non-life and specialty business, and was above market in all country markets, thus further expanding Helvetia's market shares in its high-margin core business.
 - > details see [slide 24](#)
- In **Life** business (-6.7% in OC) Helvetia continued to pursue a strategy focused on capital-light business. Business volume with investment-linked products in individual life in Switzerland, Germany and Austria grew significantly, while Helvetia, in line with its strategy, was cautious about underwriting traditional guarantee products. Business volume was also influenced by a market-wide shift from full insurance to semi-autonomous business in Swiss group life.
 - > details see [slide 27](#)

Switzerland:

- **Non-life:** Broad-based growth across lines of business led to an increase in non-life business volume of 1.1% (in OC). Main driver was traditional non-life business, which was growing stronger than the market average with almost 4%, thus further strengthening Helvetia's market position. In addition, online insurer Smile made a notable contribution with a growth rate of 7.6%.
- **Life** (-3.6%): Very successful development of investment-linked products in individual life, which grew by 13.5%. This growth was partly offset by Helvetia's cautious approach in underwriting traditional individual life business. In addition,

business volume in group life was influenced by an ongoing market-wide trend of a shift from full insurance to semi-autonomous solutions. Helvetia is well positioned in this environment with its semi-autonomous products and flat-rate risk solutions. As a result, the number of actively insured persons in Swiss group life increased in total compared to the end of 2021.

Europe:

- **Non-life:** +6.6% in OC due to an increase across the board in all country markets and all lines of business overall. With an increase above market level in all countries, Helvetia strengthened its market positions, demonstrating its strong position in the core insurance business.
- **Life:** -13.5% in OC, primarily due to non-recurrence of a few large single premium contracts in the previous year, and cautious underwriting of traditional guarantee business. Partially compensated by a strong development of investment-linked business in Germany and Austria.

Specialty Markets:

- +13.2% in OC; strong growth due to increasing new business as well as favourable price effects, which accounted for more than a quarter of the growth. In particular, the international engineering business, property and marine were strong growth drivers. In active reinsurance, premium volume benefited from new property contracts, growth in new business lines such as life or credit & surety reinsurance, and favourable price effects.

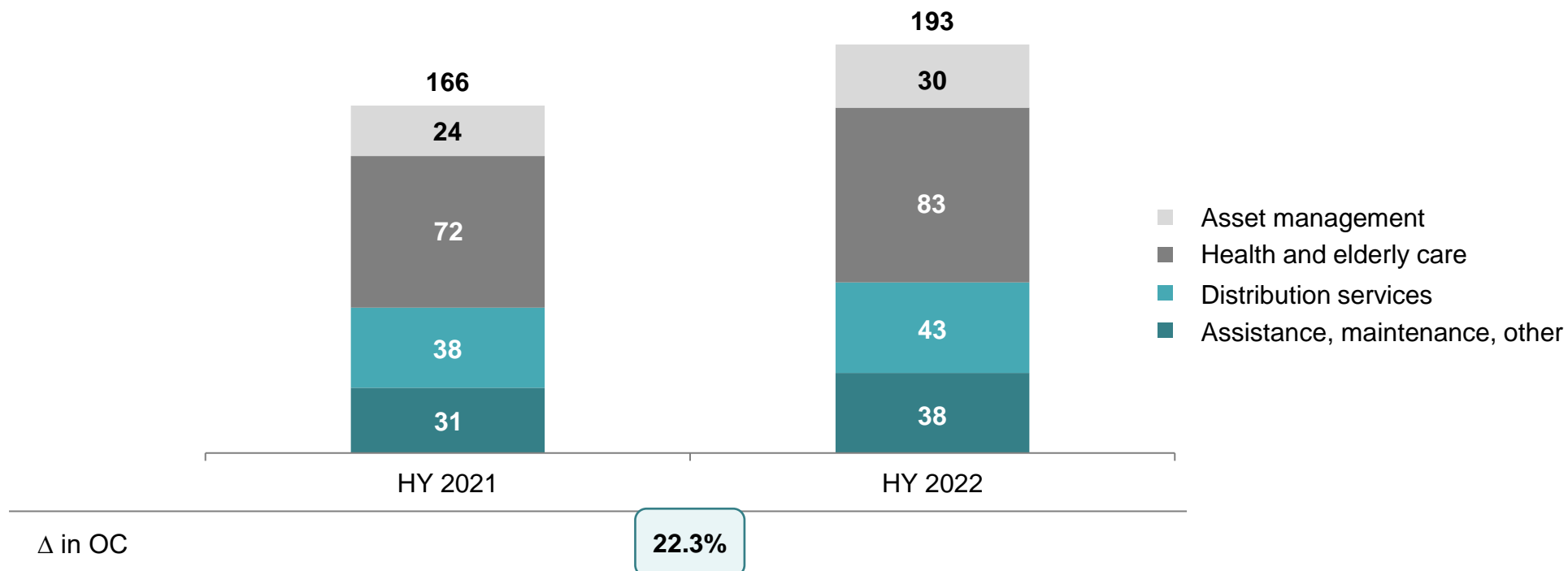
Significant growth of fee business mainly driven by Caser's ecosystem "Health & care" and Swiss Property Fund



Fee business

Fee and commission income

(in CHF million)



Significant growth of fee business mainly driven by Caser's ecosystem "Health & care" and Swiss Property Fund



Remarks



Development of Group fee and commission income:

- Strong growth of +22.3% (in OC) mainly driven by two factors:
 - Further expansion of Caser's "Health & care" ecosystem in Spain resulting in an increase of fee and commission income from the ecosystem to CHF 83 million (HY 2021: CHF 72 million). Growth in this area has been driven by further acquisitions and a rebound of demand after the pandemic. In total, Caser contributed CHF 112 million (HY 2021: CHF 100 million) to the Group's fee and commission income.
 - Successful capital increase in the Helvetia (CH) Swiss Property Fund provided the basis for additional fee income.

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.

Description of types of fee business:

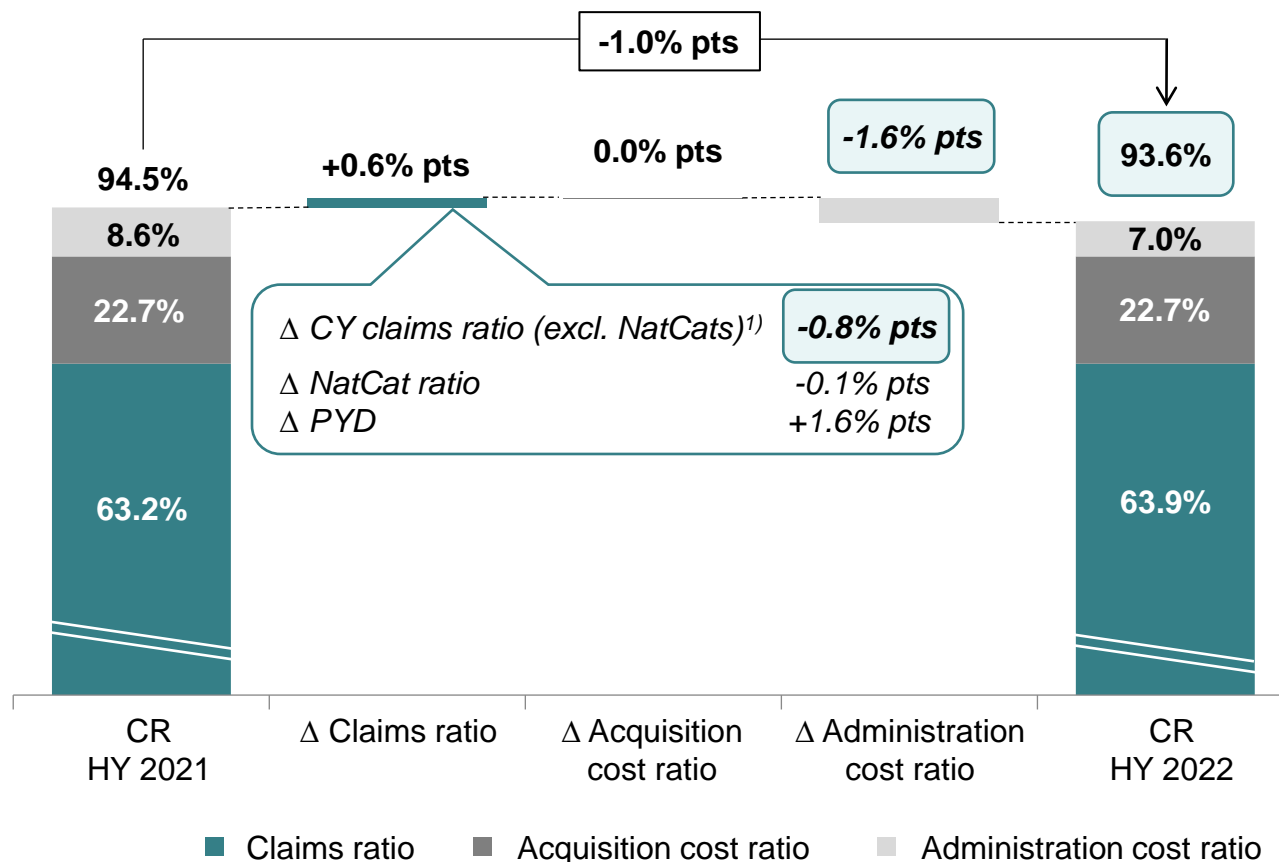
- **Asset management:** Primarily single and periodic fees from pure investment contracts and the management of investment funds.
- **Health and elderly care:** Helvetia Group operates several retirement homes, hospitals and clinics in Spain. The income from retirement homes results from the ongoing 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

Non-life: attractive net combined ratio based on high-quality and well-diversified portfolio



Combined ratio

Group net combined ratio



CR segments	HY 2021	HY 2022
Switzerland	94.8%	91.3%
Europe	93.9%	93.5%
Specialty Markets	95.6%	96.1%

Claims ratio	HY 2021 ²⁾	HY 2022
Claims ratio (excl. NatCats)	60.3%	61.1%
NatCat ratio	2.9%	2.8%

¹⁾ Including ULAE and policyholder dividends and bonuses

²⁾ Prior year adjusted for the inclusion of Caser

Non-life: attractive net combined ratio based on high-quality and well-diversified portfolio



Combined ratio

Remarks



Group net combined ratio:

- Net combined ratio on an attractive level within the target range, proving the high quality and resilience of the portfolio in the face of increasing inflationary pressure and a further normalisation of claims frequencies after the pandemic.
- Current-year claims ratio improved by 0.8% pts, driven by a better claims experience relating to mid-sized claims and supported by inflation-induced premium adjustments in some country markets.
- Stable NatCat ratio since a considerable reduction of claims from natural events in Switzerland was largely offset by claims in Specialty Markets and Europe on a net basis.
- Offsetting development of reserves for claims from prior years primarily attributable to Switzerland, including reserves for Helvetia's contributions to the Swiss natural perils pool in the reporting period.
- Significant improvement of the cost ratio (-1.6% pts) driven by the administration cost ratio. This is attributable to the ongoing implementation of efficiency measures as well as scale effects based on the profitable growth of the business.

Switzerland:

- Improving claims ratio (-0.5% pts) based on a more stable claims environment after the prior year was impacted by an exceptional number of large storms. The strong technical development of the portfolio was able to compensate for special effects related to reserves for prior year claims such as additional contributions to the Swiss natural perils pool in the reporting period.
- Substantial improvement of cost ratio (-2.9% pts) attributable to a better administration cost ratio resulting from ongoing efficiency measures and scale effects based on the profitable growth of the business.

Europe:

- Claims ratio further normalising (+1.2% pts) as the prior year had still benefited from lower claims frequencies in some lines of business during the lockdown periods; additional impact of a few natural events (e.g., storm Eunice).
- Considerably improving cost ratio (-1.6% pts) driven by scale effects based on the profitable growth of the business.

Specialty Markets:

- Slightly increasing claims ratio (+0.6% pts) as the high-quality and well-diversified portfolio was able to largely compensate for the effects of a few larger claims (e.g., floods in South Africa).
- Slight improvement of the cost ratio (-0.1% pts) attributable to scale effects based on the focused growth of the business.

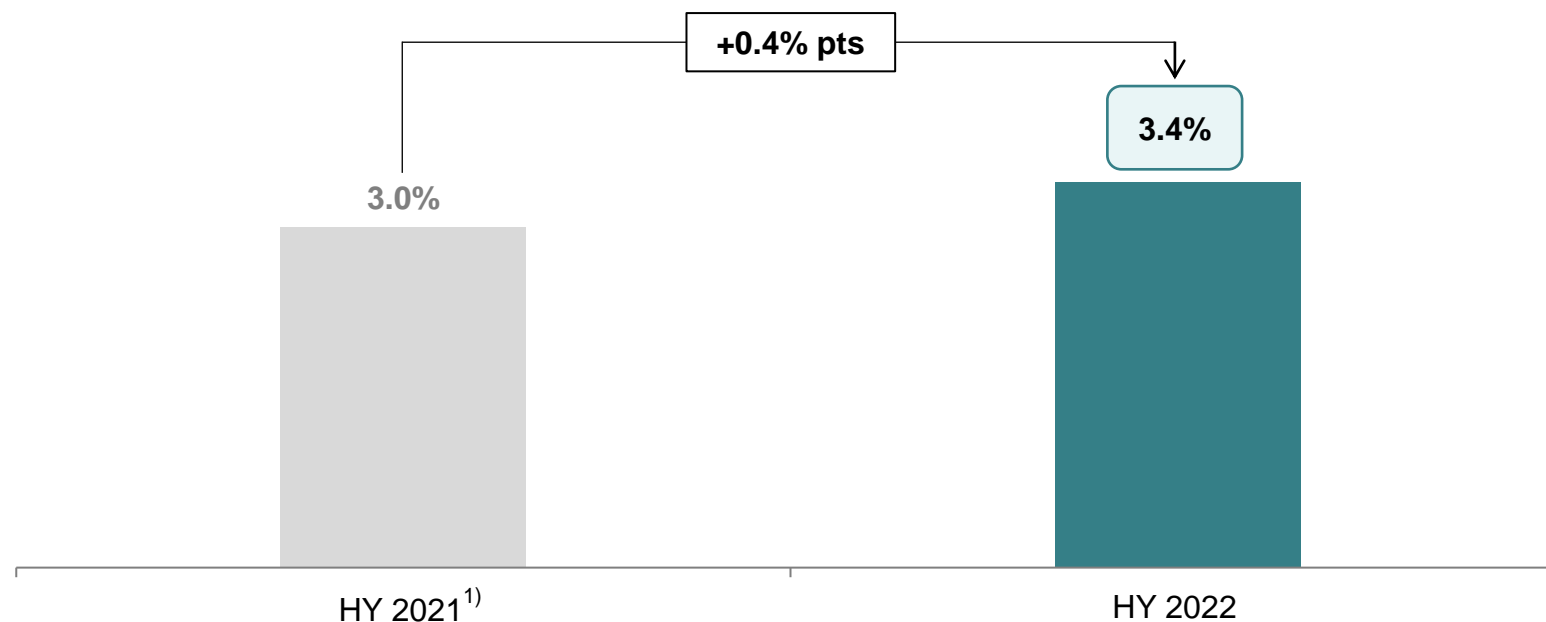
Life: new business margin exceeding target range



New business
margin

New business margin

(in % PVNBP)



(in CHF million)

Δ22/21

New business volume (in PVNBP)	1,226	1,309	6.8%
Value of new business (VNB)	37	45	21.4%

¹⁾ Excl. Caser

Life: new business margin exceeding target range



New business
margin

Remarks



- Successful development of new business in life insurance reflecting Helvetia's focus on profitable, capital-light business.

New business margin (in % PVNBP):

- Excellent new business margin of 3.4% rising above the target range of 2-3% of the *helvetia 20.25* strategy
- Increasing new business margin mainly driven by a more favourable business mix and higher interest rates.

New business volume (in PVNBP):

- Increase mainly attributable to the inclusion of Caser, which had not been reflected in the figure of the prior year period yet.
- Main contributor to the volume of new business were investment-linked products. In individual life, the share of this type of capital-light products on new business further increased both in Switzerland and in Europe.

Financial figures HY 2022: continuous profitable growth supporting a strong technical performance



Profitable growth

- Ongoing growth above market in non-life in all country markets
- Significant growth in fee business
- Further shift to investment-linked business in individual life

+6.6%

Growth in non-life
business volume
(in OC)

+22.3%

Growth in fee and
commission income
(in OC)



Strong technical performance

- Robust development of technical results in both non-life and life
- Continued sound portfolio quality

183

Non-life
technical result
(vs. 150 in HY 2021;
in CHF million)

216

Life margin
after costs
(vs. 223 in HY 2021;
in CHF million)



Outstanding capitalisation

Capitalisation on excellent level:

- Strong S&P rating
- Outstanding regulatory solvency

A+

S&P rating

>280%

SST ratio

(Estimate as of
30/06/2022)

Strategy update *helvetia* 20.25.

Strategy implementation progressing well across all four strategic priorities



Customer convenience

New solutions for digital customer journey

- Successful development of Smile
- Launch of new insurance product YOUNiverse targeting younger people in Switzerland
- Digitalisation of core business incl. further developing digital customer interaction



Right offering

Successful focus on pension products and sustainability

- Successful life tranche products incl. a new property-linked offering in Switzerland, launch of flexible cadre employee benefit scheme ("1e") in Swiss group life
- Establishing a new underwriting team focusing on solutions for renewable energy and environmental technology



Profitable growth

Strong development of core business

- Growth above market in core non-life business in all country markets
- Increased shareholding in Caser, improving business mix by strengthening non-life
- Seizing international growth opportunities with Helvetia Global Solutions



New opportunities

Strengthening of alternative distribution channels

- Launch of new real estate platform ImmoWorld in Switzerland
- Internationalisation of Smile
- Fee business growing strongly by +22.3% (in OC) driven by ecosystem "Health & care" and third-party property fund



Upgrade of MSCI ESG rating to 'A' in July 2022

Strengthening our position in Spain and the Group's non-life business with Caser and Sa Nostra transactions



Increasing stake in Caser by 10% to 80%

Transaction completed end of June 2022



Sale of Sa Nostra Vida

Completion of transaction expected in the second half of 2022

Strategic advantages



Shift in business mix towards non-life



Reduced capital requirements



Unlocking further growth potential in Spanish non-life

Financial impact

- Transfer of EUR 1.2 billion of life insurance reserves (mostly endowment and annuities)
- One-time gain in a high double digit million amount in the second half of 2022
- Group SST ratio benefiting in the low double digit percentage points range after completion of Sa Nostra transaction
- Additional share in Caser sustainably compensating for earnings dilution from Sa Nostra sale

Wrap-up and outlook: approaching strategic ambitions



Profitable growth

Strong performance in HY 2022

+1.1%
Business volume
(in OC)

219
Net income
(in CHF million)



Outstanding capitalisation

>280%
SST ratio
(estimate as of 30/06/2022)

CHF 0.8 billion
Net economic dividend capacity
(as of 31/12/2021)



Approaching strategic ambitions

- **+6.6%** growth in non-life (in OC)
- Further **improving the business mix** and **seizing growth opportunities**
- **+22.3%** increase in fee business (in OC)

Ambitious outlook

Targeted growth strategy
focusing on profitability

Well-placed
for a challenging environment and
to deliver on dividend policy

Top 3
in Switzerland

2nd strong foothold
in Europe

Strong
market positions in
selective specialties

Growth
in fee and
commission income

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

Appendix.

Non-life: business volume in HY 2022

(in CHF million; currency-adjusted growth against HY 2021)	Property	thereof Engineering	Motor vehicle	Liability	Accident / Health	Transport / Art	ARI	Total NL	Total volume incl. life
Switzerland	416	-	545	113	159	2	-	1,234	3,142
	-6.9%	-	6.3%	4.2%	4.8%	0.7%	-	1.1%	-1.8%
Europe	837	35	497	157	271	72	-	1,834	2,555
	9.6%	23.0%	1.5%	8.2%	3.6%	20.2%	-	6.6%	0.1%
Germany	226	14	140	41	16	42	-	465	638
	7.2%	18.3%	2.3%	2.4%	-5.4%	22.5%	-	5.9%	6.8%
Italy	73	12	112	36	62	5	-	289	528
	18.0%	44.4%	-3.4%	12.7%	10.1%	18.9%	-	6.6%	-5.2%
Spain	457	7	166	54	169	21	-	866	1,077
	9.4%	7.0%	2.0%	10.5%	1.8%	17.2%	-	6.6%	-2.6%
thereof Caser	376	5	98	42	156	8	-	681	828
Austria	81	3	79	25	24	4	-	212	312
	11.1%	14.8%	6.5%	7.2%	7.3%	15.9%	-	8.6%	6.7%
Specialty Markets	351	297	32	6	-	296	418	1,103	1,103
	20.6%	20.9%	29.4%	298.5%	-	11.0%	6.8%	13.2%	13.2%
Specialty Lines CH / Int.	282	282	-	-	-	88	-	370	370
	23.0%	23.0%	-	-	-	8.9%	-	19.3%	19.3%
France	69	15	32	6	-	208	-	314	314
	12.0%	-8.6%	29.4%	298.5%	-	11.9%	-	15.0%	15.0%
ARI	-	-	-	-	-	-	418	418	418
	-	-	-	-	-	-	6.8%	6.8%	6.8%
Total	1,603	332	1,074	276	430	370	418	4,171	6,800
	7.0%	21.1%	4.5%	8.2%	4.0%	12.7%	6.8%	6.6%	1.1%

Non-life: earnings by sources

(in CHF million)	HY 2021	HY 2022	Δ22/21
Premiums earned	2,742	2,843	3.7%
Insurance benefits	-1,734	-1,816	-4.7%
Technical costs	-858	-844	1.6%
Technical result (net)	150	183	22.0%
Investment result (net) ¹⁾	150	27	-81.9%
Other non-technical expenses and income ¹⁾	-45	-46	-2.5%
Profit or loss from operating activities	255	164	-35.6%
Financing costs	-3	-2	44.3%
Tax	-57	-35	38.6%
Net income after tax	195	127	-34.6%

Technical result (net):

- Substantial increase in the technical result proving the portfolio's resilience in a challenging market environment.
- Increase based on the high quality and diversification of the book and supported by the growth in business volume, which resulted in scale effects.
- Partly offsetting impact of a further normalisation of claims frequencies in some lines of business after the pandemic.

Investment result (net):

- Reflecting the influence of volatile financial market conditions in the first half-year of 2022 after the prior year had benefited from a strong performance of equity markets.

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)	62.3	63.2					67.0			63.9
Cost ratio (net)	29.0	30.3					29.1			29.7
Combined ratio HY 2022 (net)	91.3	93.5					96.1			93.6
Combined ratio HY 2021 (net)	94.8	93.9					95.6			94.5
Change from HY 2021	-3.5	-0.4					0.5			-1.0
(in %)		DE	IT	ES	thereof Helvetia	thereof Caser	AT	SpL CH/Int.	FR	ARI
Claims ratio (net)		63.1	57.7	65.6	71.8	63.7	60.4	65.0	64.0	69.1
Cost ratio (net)		30.8	34.9	28.9	24.8	30.2	29.0	26.7	30.4	29.3
Combined ratio HY 2022 (net)		93.9	92.6	94.5	96.6	93.9	89.4	91.7	94.4	98.4
Combined ratio HY 2021 (net)		94.4	91.6	95.5	96.4	95.2	88.6	91.9	93.2	97.9
Change from HY 2021		-0.4	1.0	-1.0	0.2	-1.3	0.7	-0.2	1.2	0.6

Life: business volume in HY 2022

(in CHF million; currency-adjusted growth against HY 2021)	Investment-linked	Deposits ¹⁾	Total investment-linked	Traditional life ²⁾	Total individual life	Total group life	Total life	Total volume incl. non-life
Switzerland	181 10.9%	39 27.8%	220 13.5%	198 -10.6%	418 0.6%	1,490 -4.7%	1,908 -3.6%	3,142 -1.8%
Europe	229 8.4%	123 -34.0%	351 -11.5%	274 -6.8%	626 -8.6%	95 -32.8%	721 -13.5%	2,555 0.1%
Germany	134 12.7%	- -	134 12.7%	39 -2.0%	172 9.1%	- -	172 9.1%	638 6.8%
Italy	- -	97 -26.4%	97 -26.4%	134 -5.0%	231 -15.3%	8 -38.8%	239 -16.4%	528 -5.2%
Spain	16 -7.9%	26 -52.6%	42 -41.7%	81 -11.9%	123 -22.4%	87 -32.2%	210 -28.1%	1,077 -2.6%
thereof Caser	4	26	29	71	100	47	147	828
Austria	79 5.4%	- -	79 5.4%	20 -5.6%	99 3.0%	- -	99 3.0%	312 6.7%
Total	410 9.4%	162 -25.8%	572 -3.6%	472 -8.4%	1,044 -5.2%	1,585 -7.2%	2,629 -6.7%	6,800 1.1%

¹⁾ Not reported as premiums under IFRS

²⁾ Incl. modern traditional and protection products

Life: earnings by sources

(in CHF million)	HY 2021	HY 2022	Δ 22/21
Savings result	137	141	3.4%
Fee result	14	15	6.3%
Risk result	125	116	-6.7%
Other result	-11	-24	n.m.
Cost result	-41	-32	22.0%
Margin after costs	223	216	-3.2%
Extraordinary result	-58	97	n.m.
Gains and losses on investments	219	-173	n.m.
Policyholder participation (PHP)	-228	13	n.m.
Profit or loss from operating activities	156	153	-2.1%
Financing costs	-8	-7	14.8%
Tax	-26	-41	-55.3%
Net income after tax	122	106	-13.7%

Margin after costs:

- Stable margin after costs close to the solid level of the prior year, based on stronger savings and cost results.
- Savings result slightly increasing both due to higher yields and further decreasing technical rates as a result of the maturing of old contracts with higher guarantees.
- Slightly lower risk result attributable to usual fluctuations in the technical development of the portfolio
- Other result driven by a less favourable reinsurance result
- Cost result benefiting from higher cost premiums

Extraordinary result:

- Positive result from the release of interest-related additional reserves built in prior years, both due to the ongoing maturing of individual life business as well as portfolio movements in Swiss group life.

Gains and losses on investments:

- Reflecting the influence of volatile financial market conditions in the first half-year of 2022 after the prior year had benefited from a strong performance of equity markets.

Policyholder participation:

- Better result from policyholder participation in connection with lower gains and losses on investments.

Life: interest margin

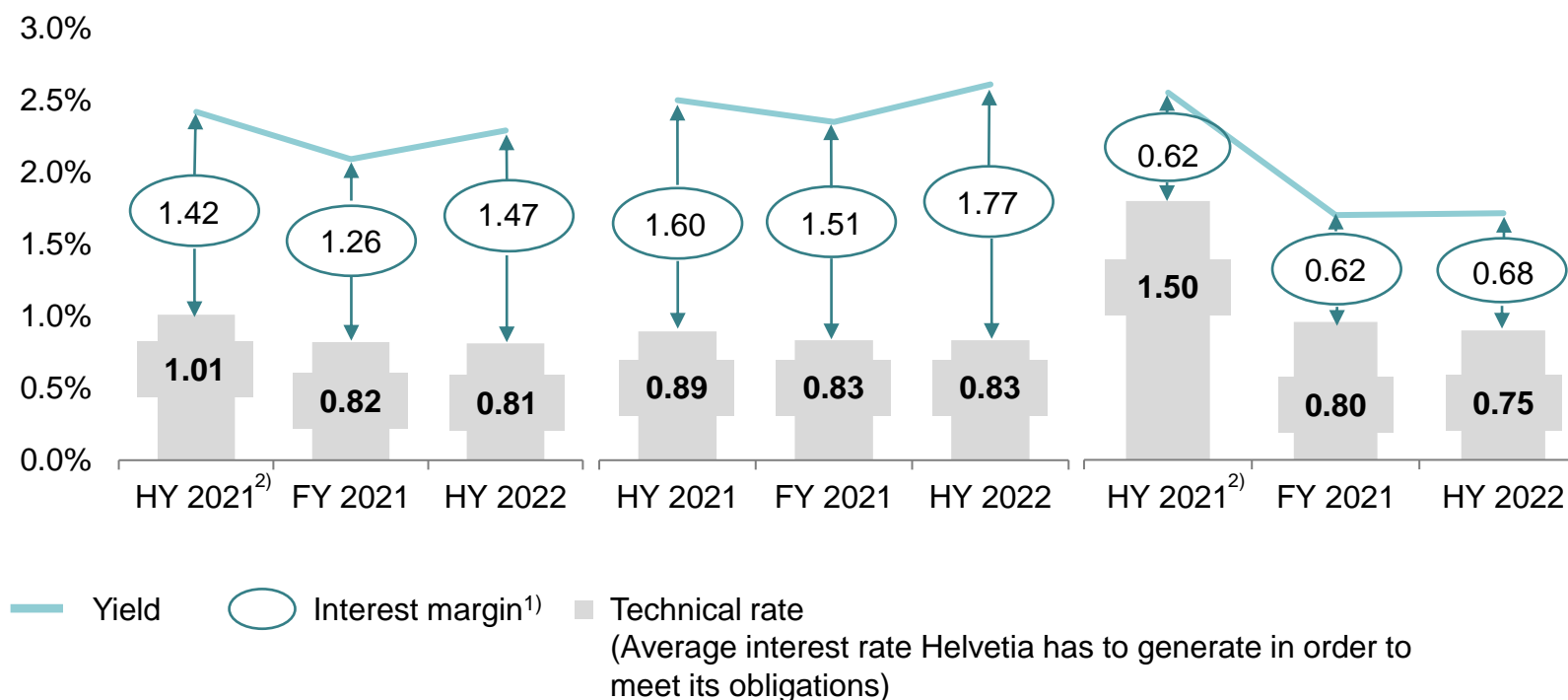
Current income and guarantees in life business

(in % of IFRS technical reserves; annualised)

Group (CHF)

Switzerland (CHF)

Europe (EUR)



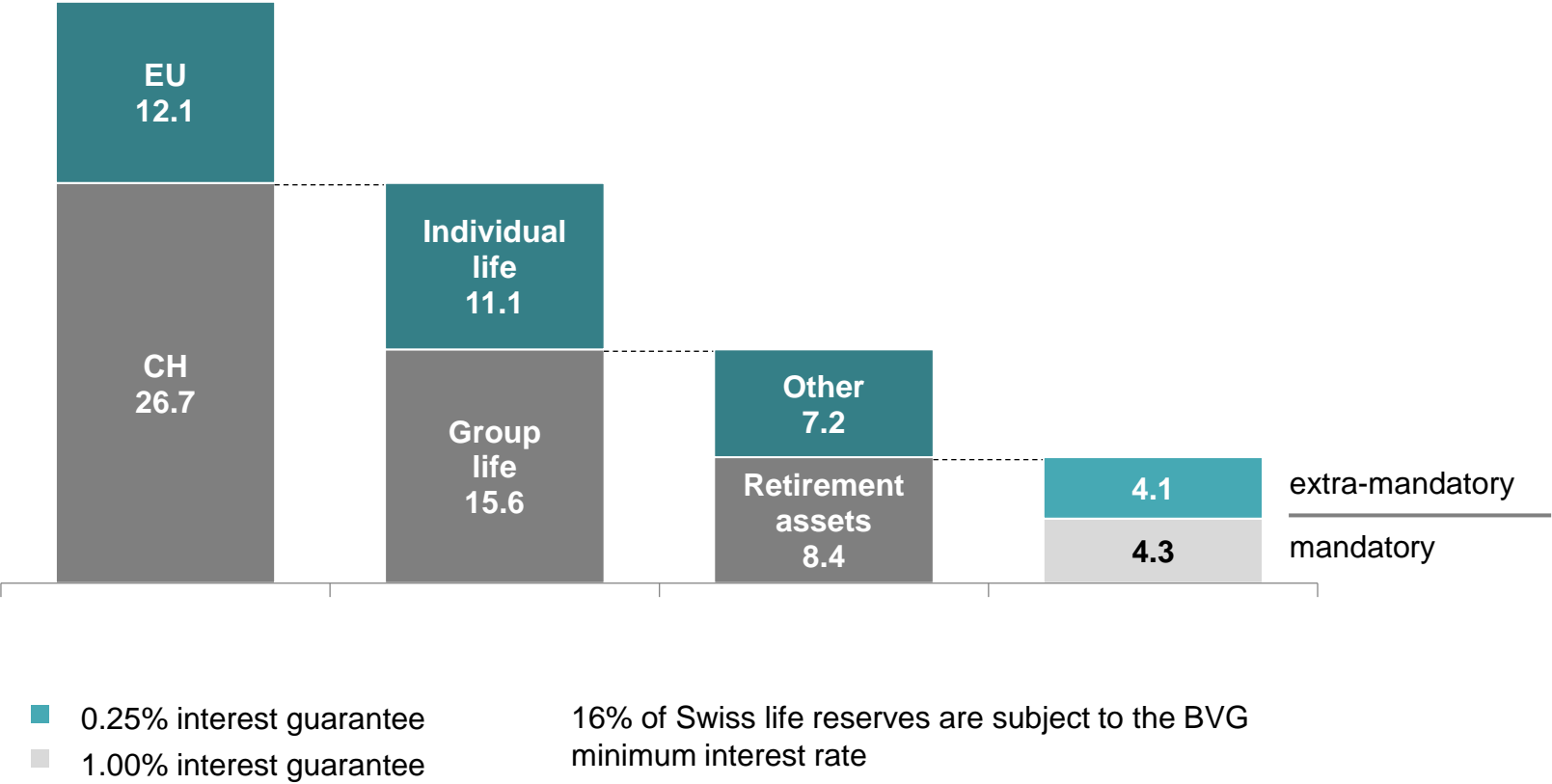
- **Increasing interest margin** driven by rising yields and a further decrease of technical rates
- **Rising yields offset by prior-year effect in Europe**
 - > **Switzerland:** Increase driven by higher reinvestment yields
 - > **Europe:** Decrease compared to HY 2021 (excl. Caser) due to accounting effects relating to the inclusion of Caser, which are largely offset by a corresponding effect on the technical rate.
- **Further decrease of technical rate**
 - > **CH:** Lower technical rate compared to HY 2021 due to the continuous replacement of maturing insurance contracts with high guaranteed rates by modern, capital-light products. Additional effect of interest-related reserve strengthening in the second half of 2021.
 - > **EU:** Decrease based on the replacement of old contracts with higher guarantees by new contracts with lower guarantees, and an accounting effect related to the acquisition of Caser (with a corresponding effect on yields).

¹⁾ Before legal quota

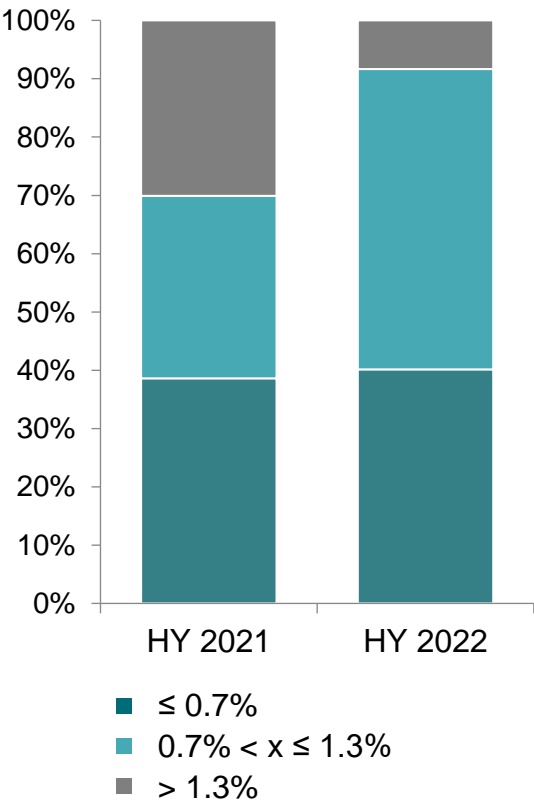
²⁾ Excl. Caser

Life: reserves

(as of 30/06/2022; in CHF billion; incl. investment-linked, excl. PHP, UPR and deposits)



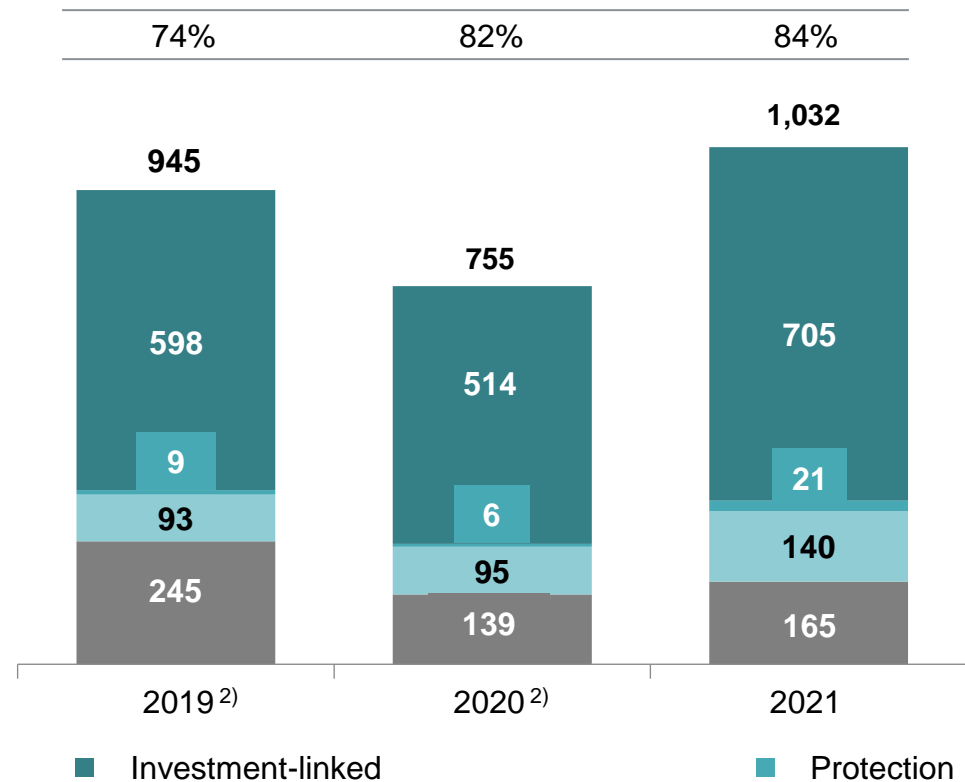
Guarantee buckets Group



Individual life: new business mix

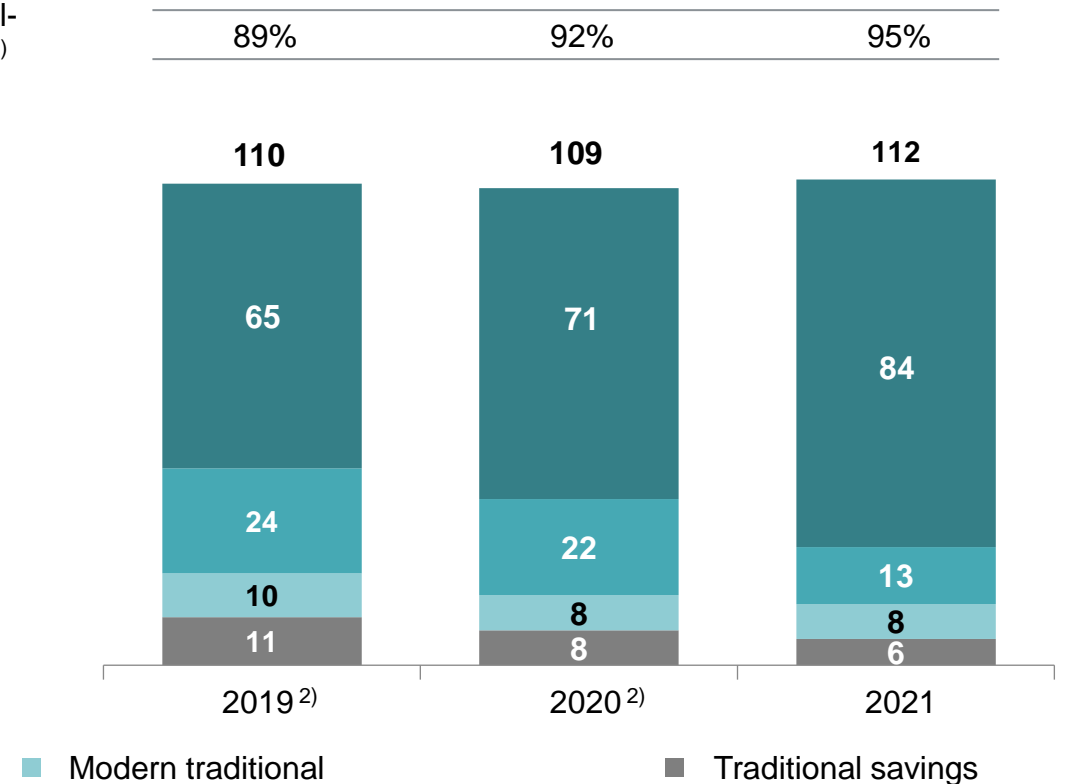
Individual life single premiums

(New business; in CHF million)



Individual life regular premiums

(New business; in CHF million)



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

²⁾ excl. Caser

Other activities: earnings by sources

(in CHF million)	HY 2021	HY 2022	Δ 22/21
Net technical result (Group Reinsurance)	-5	20	25
Investment / FX result ¹⁾	13	38	25
Costs / Other ¹⁾	-39	-45	-6
Financing costs	-25	-24	1
Tax	1	-3	-4
Net income after tax	-55	-13	41

Net technical result (Group Reinsurance):

- Strong technical result of Group Reinsurance, which had been impacted by elevated natural catastrophe claims due to large storms in Central Europe in the prior year.

Investment / FX result:

- Improvement related to positive effects in connection with own investment funds, both due to non-recurrence of a one-off effect from the liquidation of a fund in 2021 and the usual consolidation effects.

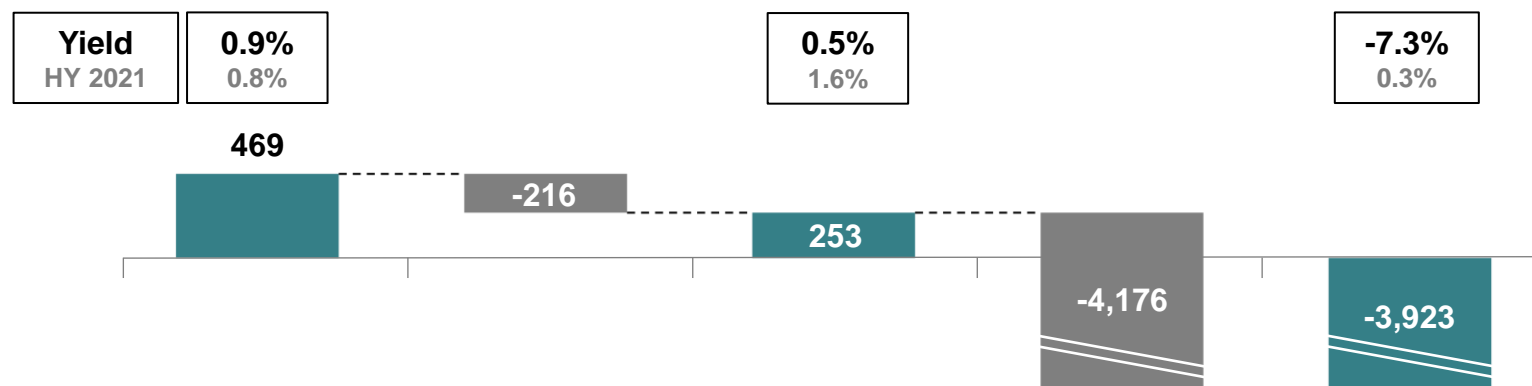
Costs / Other:

- Successful development of fee businesses offset by higher project-related expenses
- Positive earnings contribution of ecosystem "Health & care" driven by further acquisitions and a rebound of demand after the pandemic.
- Increasing fee income based on the successful capital increase in the Helvetia (CH) Swiss Property Fund

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

Investments: Group investment performance

(in CHF million; yields not annualised)



- **Current income** stable at prior year's level supported by an increasing new and reinvestment yield driven by rising interest rates; increase of **direct yield** both due to slightly higher current income and lower average value of the portfolio attributable to the rising level of interest rates.
- **Gains and losses** were influenced by the volatile financial market conditions in the first half of 2022; in contrast, the prior year had benefited from a strong performance of equity markets in particular.
- **Unrealised gains and losses** recorded in equity decreased due to a decline in the value of bonds following increasing interest rates.

	Current income	Gains and losses	Investment result	Δ unrealised G/L	Group investment performance
HY 2021	461	411	872	-725	147

	HY 2021	HY 2022
Average investment portfolio	55,231	51,812

Investments: Group investment performance by asset class

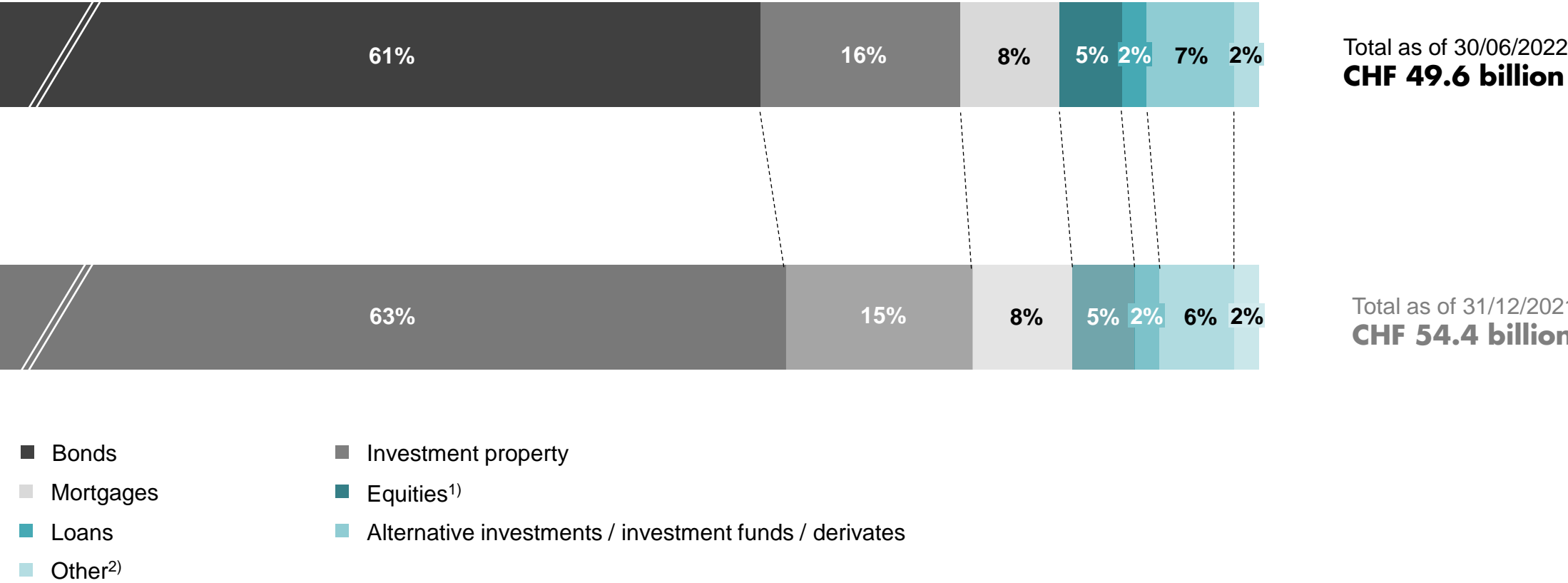
Investment performance: total portfolio (yields not annualised)

(in CHF million; yields in %)	Equities (incl. derivatives)		Bonds (incl. derivatives)		Investment property		Mortgages		Other (incl. funds)	Total	
Current income	48	1.8%	222	0.7%	141	1.8%	33	0.8%	24	469	0.9%
Gains and losses	-212		-130		121		1		3	-216	
Investment result	-163	-5.6%	93	0.3%	262	3.3%	34	0.9%	28	253	0.5%
Δ unrealised G/L	-289		-3,840		-1		0		-46	4,176	
Group investment performance	-453	-15.4%	-3,748	-10.9%	262	3.3%	34	0.9%	-19	3,923	-7.3%

New and re-investment of maturing funds (yields annualised)

	Equities	Bonds	Investment property	Mortgages	Total HY 2022	Total HY 2021
Direct yield	1.9%	1.6%	3.4%	1.0%	1.7%	1.2%
Weighted by asset class	16.6%	74.3%	6.4%	2.7%	CHF 2.4 billion	

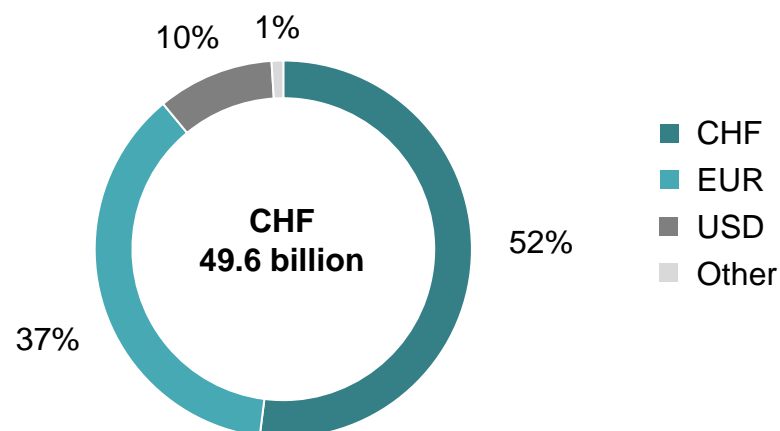
Investments: Group investment portfolio by asset class



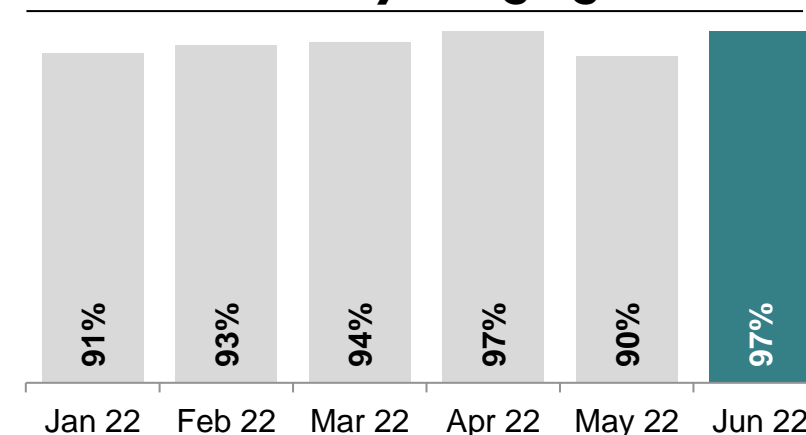
¹⁾ Equity exposure delta-adjusted: 3.1%
²⁾ Money market instruments and investments in associates

Investments: Group investments in original currency

(as of 30/06/2022)



Level of currency hedging



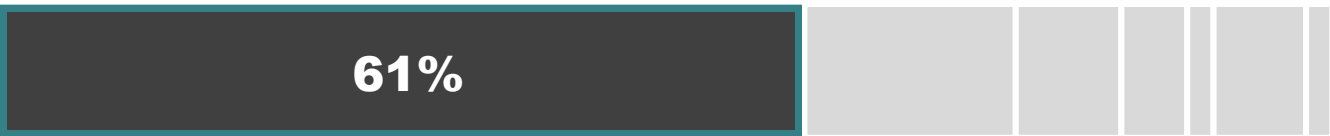
(in CHF billion)	Bonds		Equities		Funds		Other		Total	
CHF	12.1	40%	0.9	39%	0.3	13%	12.4	82%	25.7	52%
EUR	14.4	48%	0.7	29%	1.6	80%	1.8	12%	18.5	37%
USD	3.5	12%	0.8	32%	0.1	3%	0.8	6%	5.2	10%
Other	0.2	1%	0.0	0%	0.1	4%	0.0	0%	0.3	1%
Total	30.1		2.4		1.9		15.1		49.6	100%

Investments: bond portfolio

Sector and rating class allocation

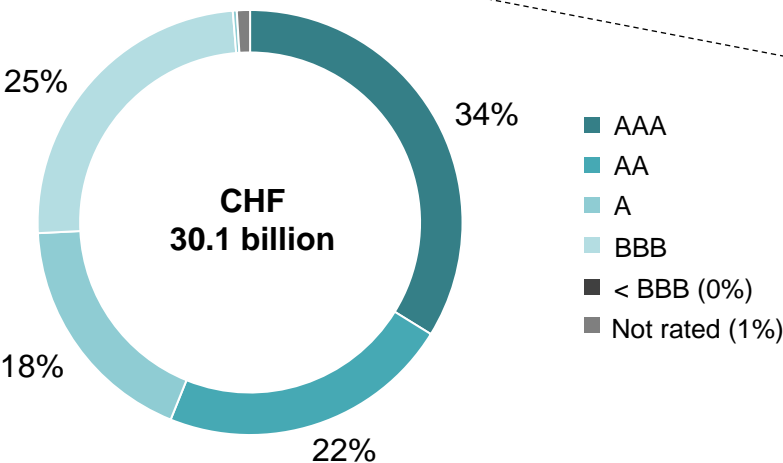
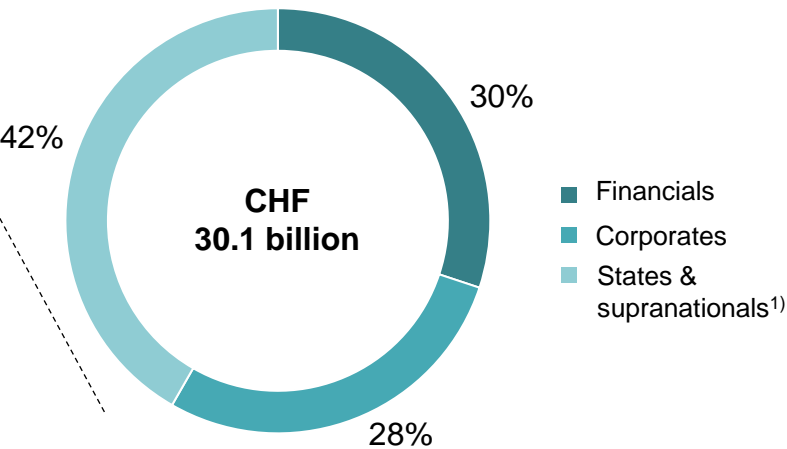
(as of 30/06/2022)

Total CHF 49.6 billion



Bonds

Lookthrough based on fair values:



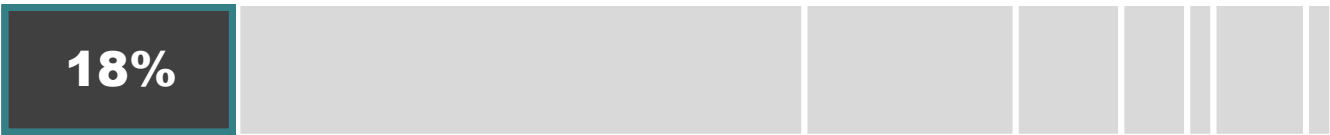
¹⁾ Supranational entities such as the European Union; predominantly supranational financial institutions like the European Investment Bank or the Nordic Investment Bank

Investments: financial bonds

Risk profile and country allocation

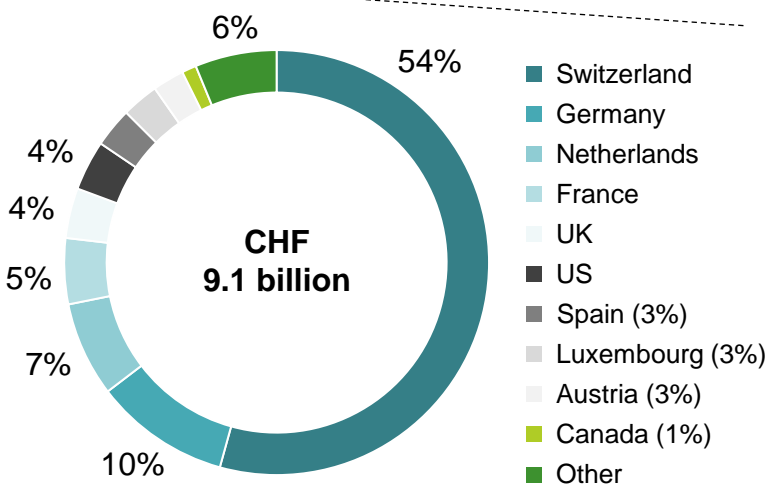
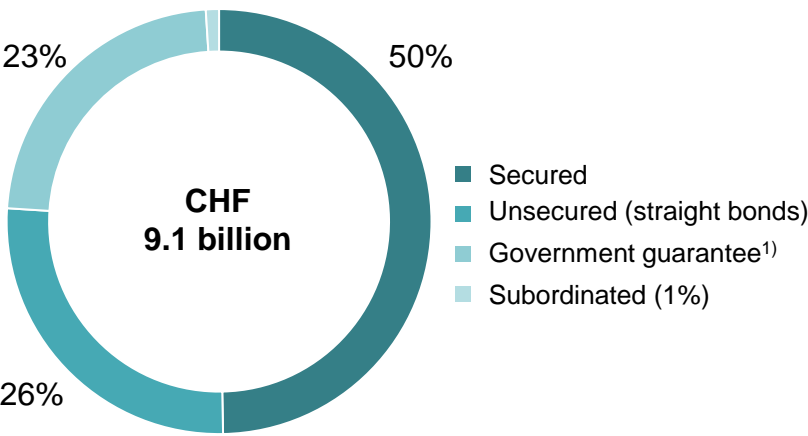
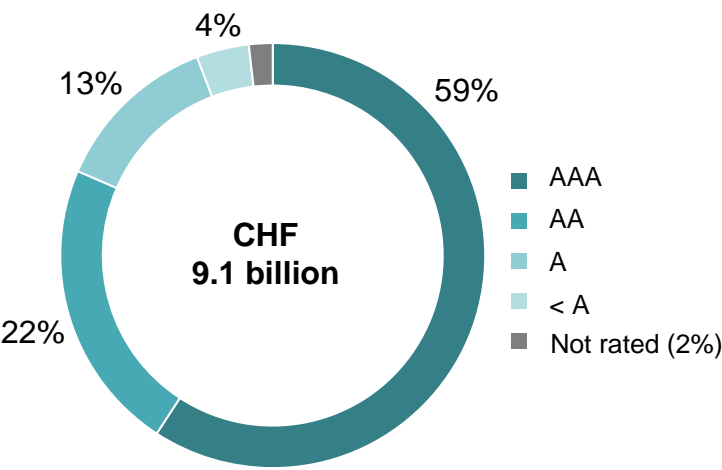
(as of 30/06/2022)

Total CHF 49.6 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

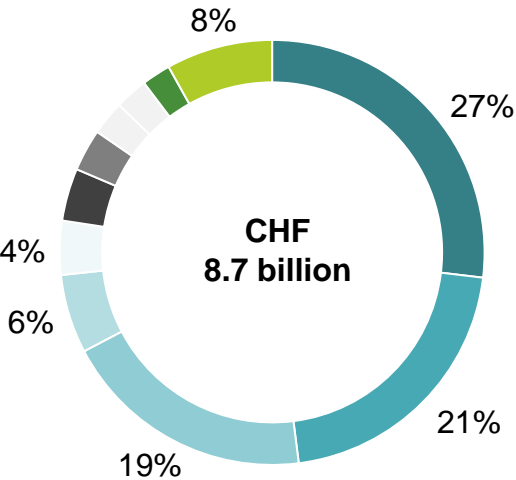
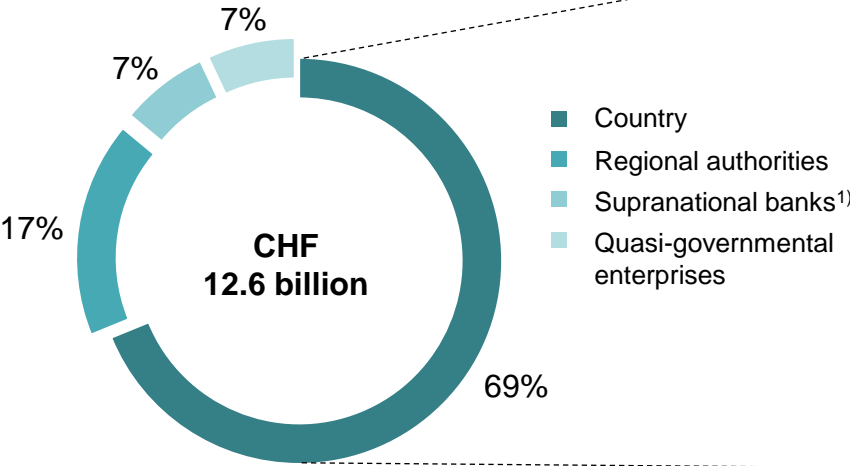
(as of 30/06/2022)

Total CHF 49.6 billion



Government & supranational bonds

Lookthrough based on fair values:



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

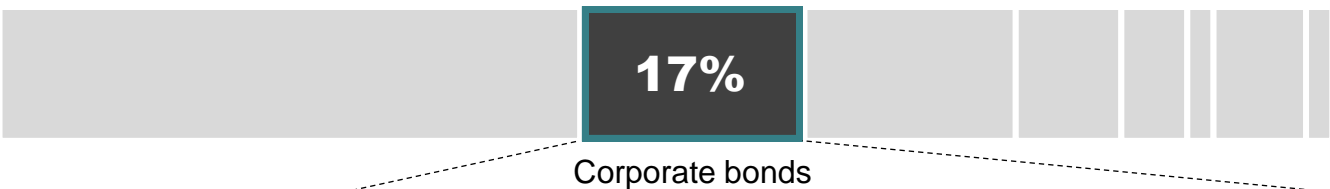
¹⁾ Supranational financial institutions such as the European Investment Bank or the Nordic Investment Bank

Investments: corporate bonds

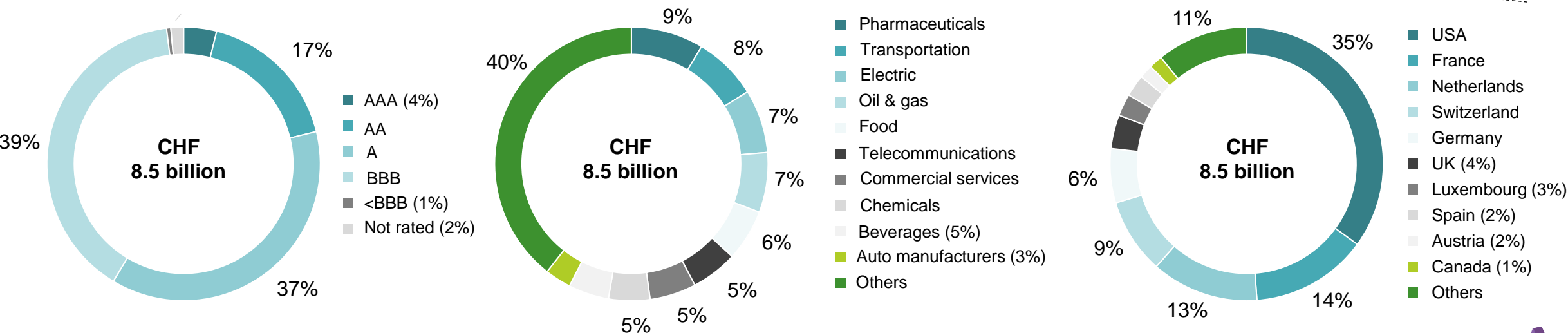
Rating class, country and sector allocation

(as of 30/06/2022)

Total CHF 49.6 billion



Lookthrough based on fair values:

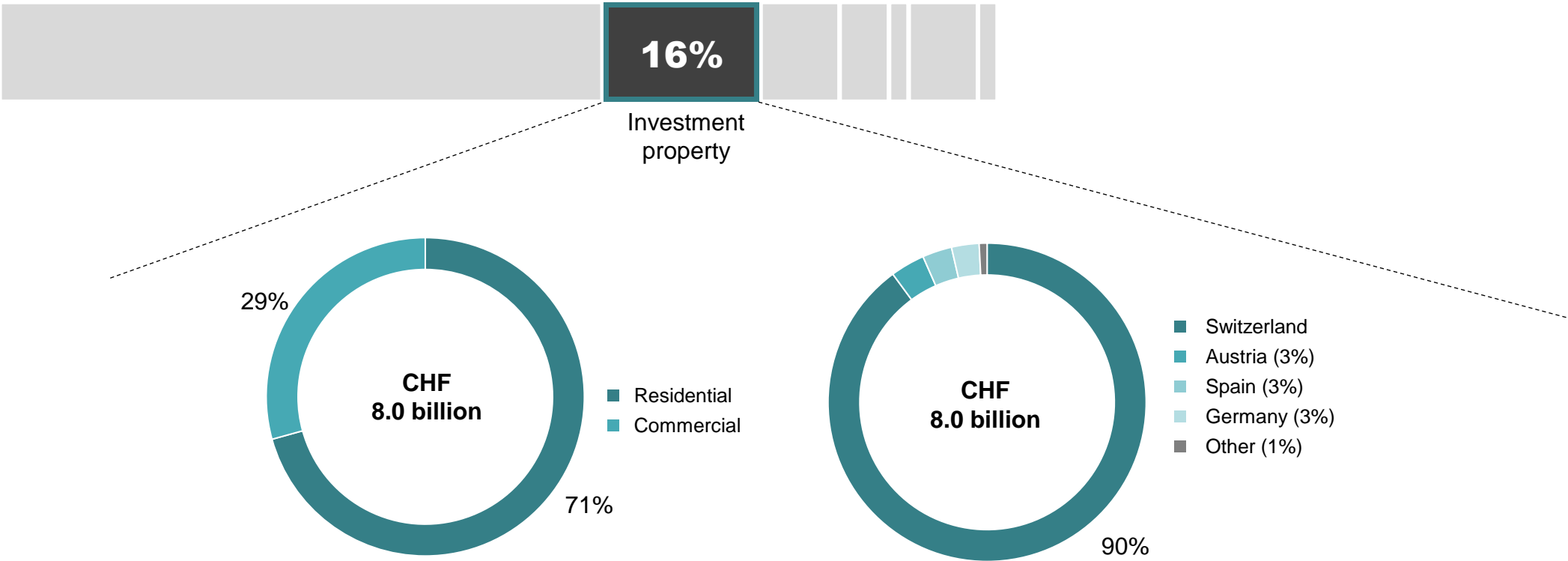


Investments: investment property

Allocation by use and country

(as of 30/06/2022)

Total CHF 49.6 billion

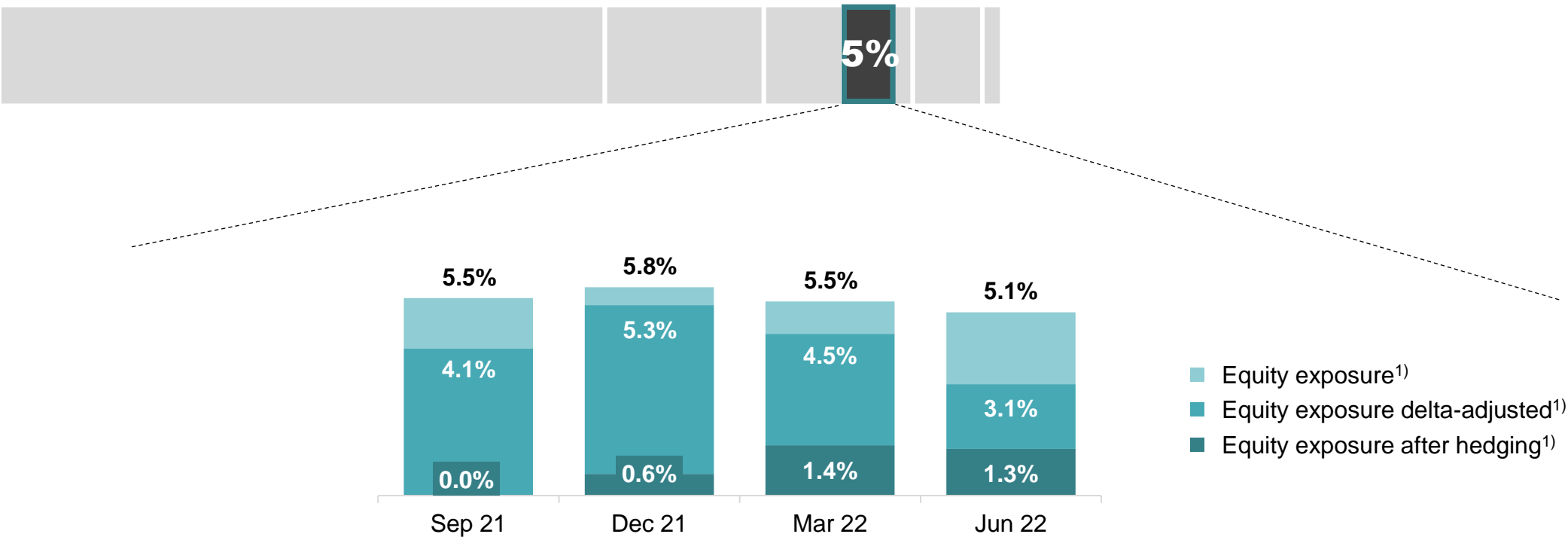


Investments: equities

Equity exposure

(as of 30/06/2022)

Total CHF 49.6 billion

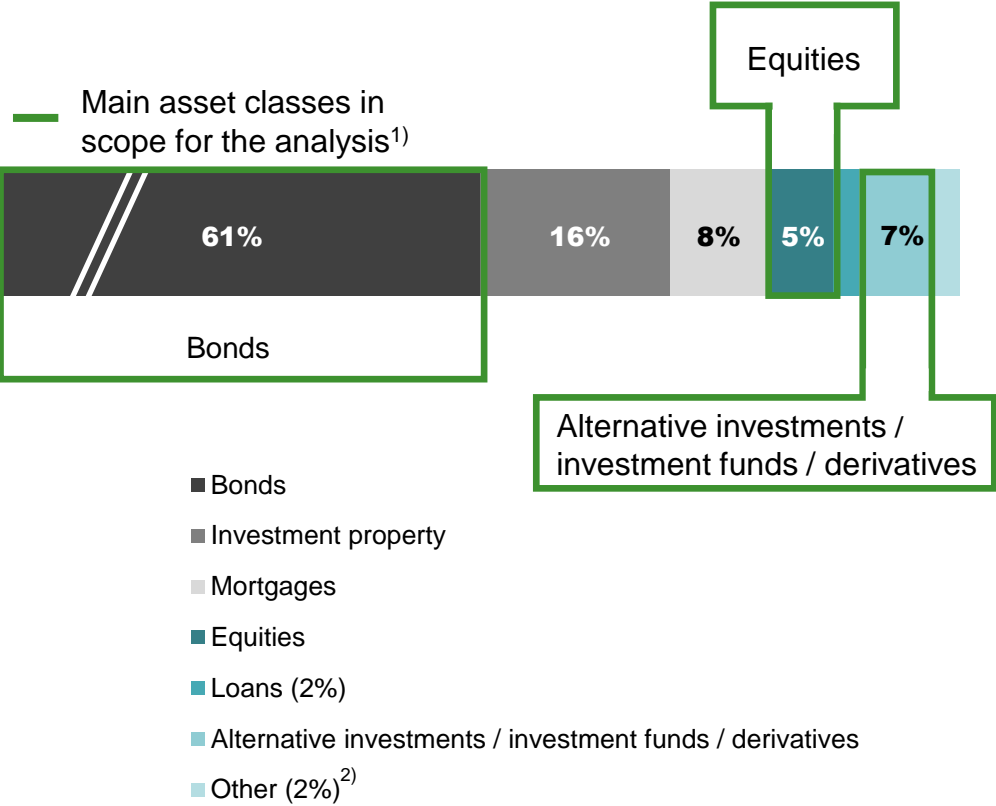


¹⁾ Incl. Group equity funds

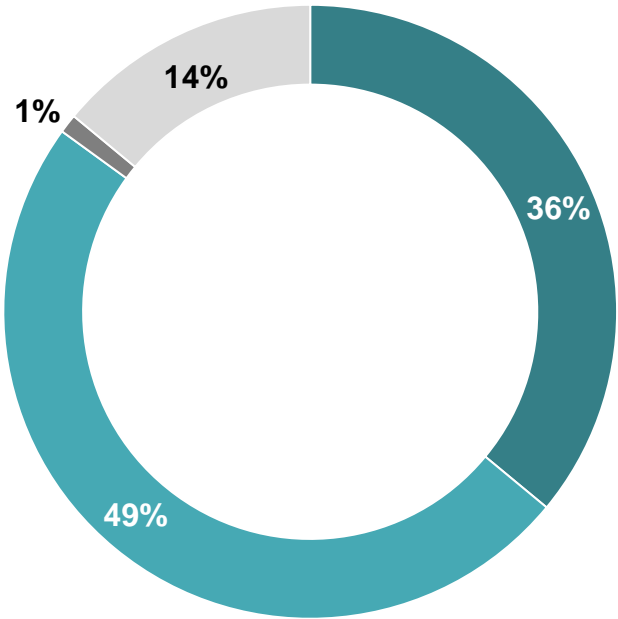
Investments: MSCI ESG risk profile

Investment portfolio

CHF 49.6 billion as of 30/06/2022



ESG risk profile: A rating



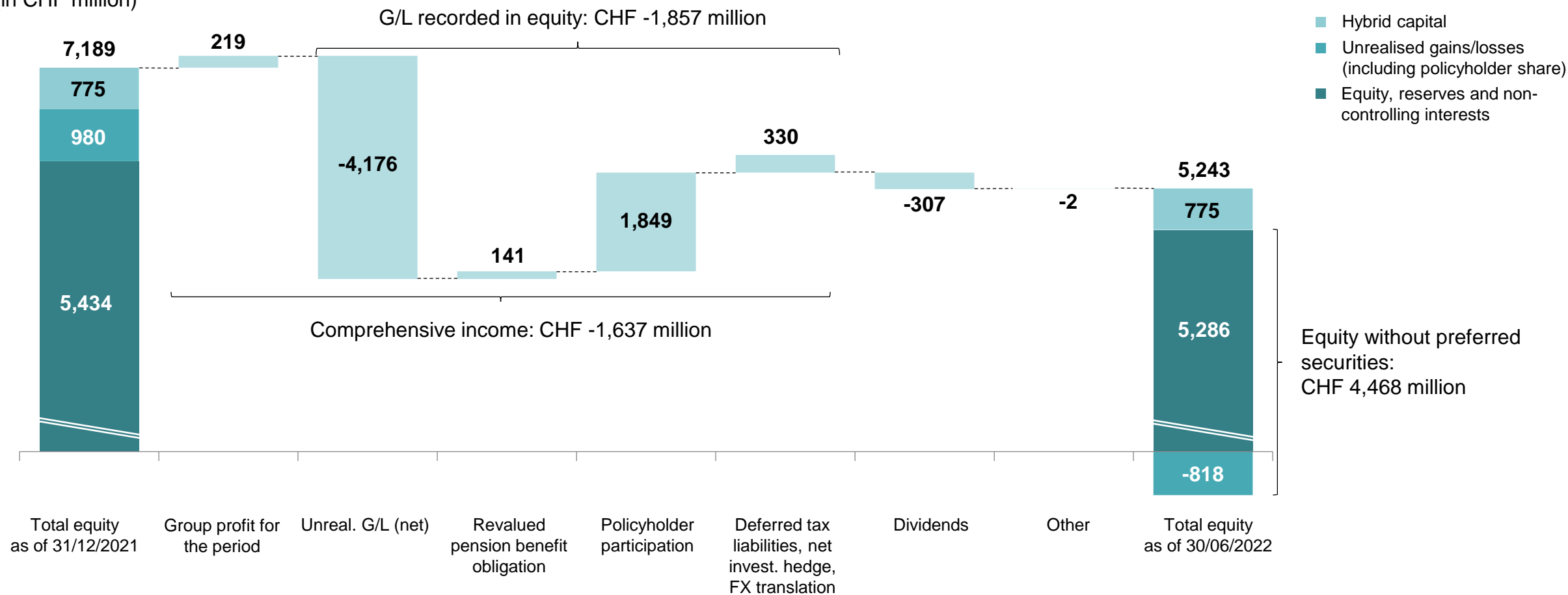
- Low / minor ESG risk = AAA – AA
- Moderate ESG risk = A – BB
- High ESG risk = B – CCC
- Not rated by MSCI

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

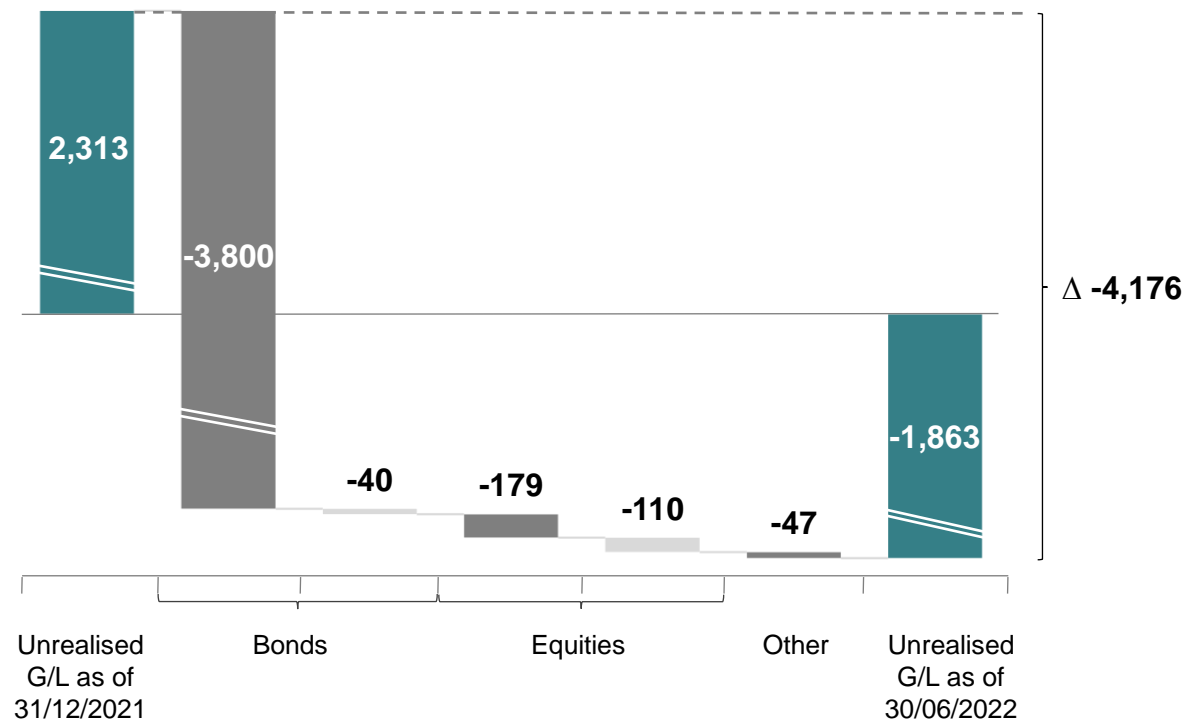
(in CHF million)



Unrealised gains/losses

(in CHF million)

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



Unrealised G/L on assets

	FY 2021	HY 2022	Δ
Equities	506	217	-289
Bonds	1,691	-2,149	-3,840
Other	115	69	-47
Total	2,313	-1,863	-4,176

Available to shareholders	361	-335
<i>thereof non-life</i>	270	-236
<i>thereof life</i>	82	-88
<i>thereof other</i>	8	-12
Policyholders' unrealised G/L in equity	620	-483
Policyholders' unrealised G/L in liabilities	1,071	-786
Non-controlling interests and deferred tax	262	-259
Total	2,313	-1,863

Operating cash production

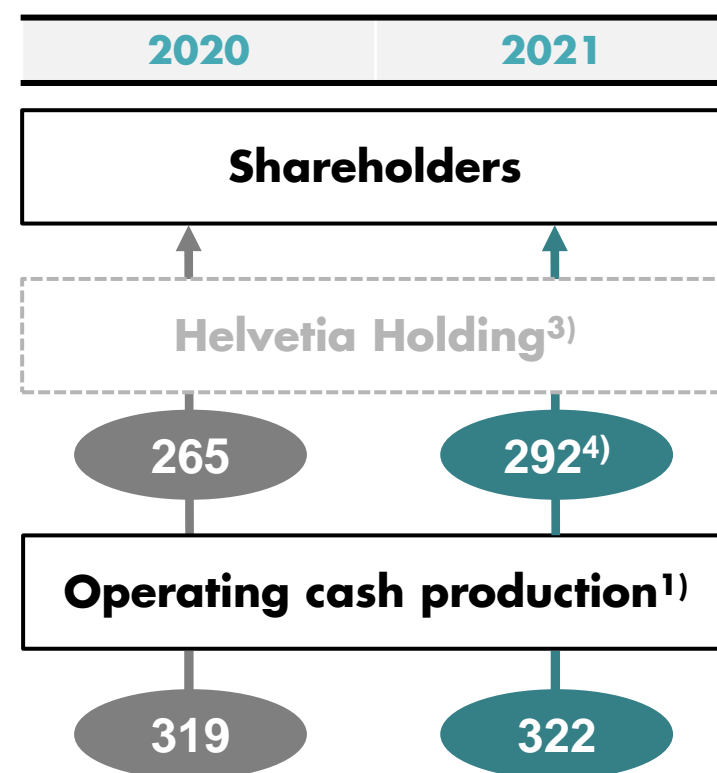
Operating cash production by segment and business area

(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

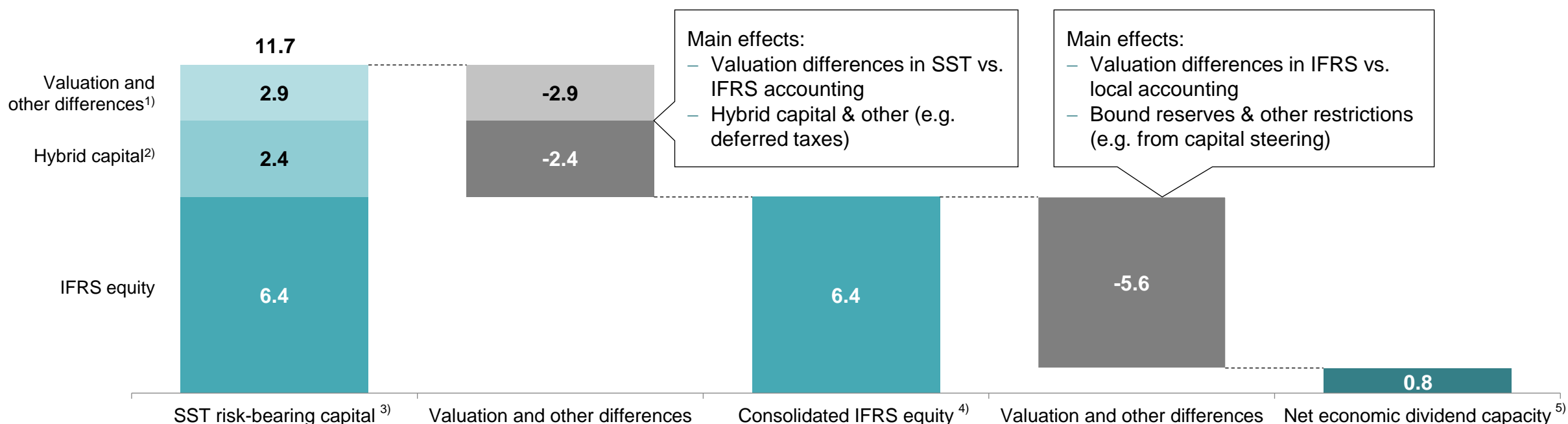
³⁾ Helvetia Holding is a "pass through" entity; to a large part, its shareholder reserves are not free to be paid out as dividends

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

Net economic dividend capacity

Capital walk: from SST capital to net economic dividend capacity (2021)

(as of 31/12/2021; in CHF billion)



¹⁾ Valuation reserves less deductions

²⁾ Hybrid capital is reported at market value under SST (CHF 2.4 billion); corresponding book value amounts to CHF 2.2 billion

³⁾ SST RBC as of 01/01/2022

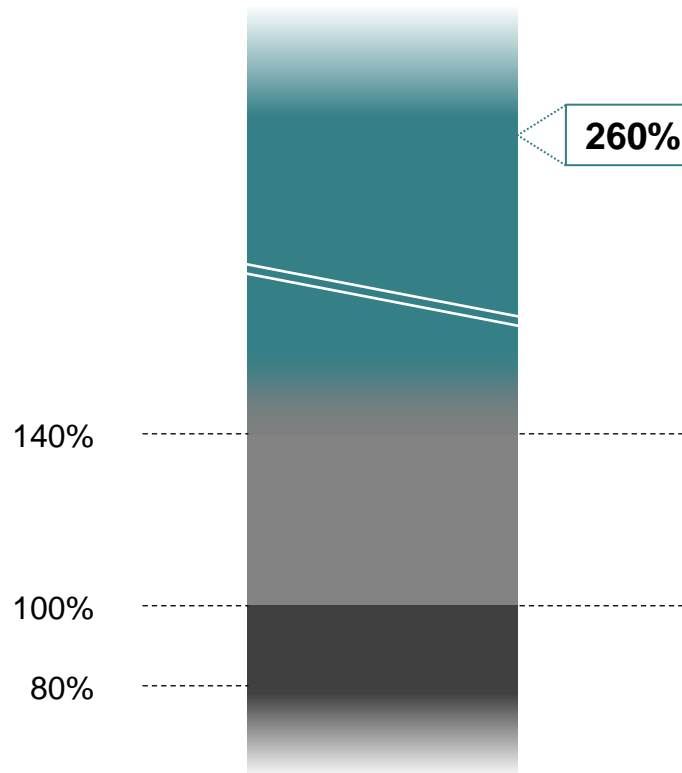
⁴⁾ IFRS equity excluding preferred securities

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

SST ratio

SST ratio

(as of 01/01/2022)



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

	31/12/2021	30/06/2022
Asset duration	7.6	6.9
Non-life	5.0	4.7
Life	8.0	7.2
Total weighted duration gap¹⁾		
On regulatory basis	-0.2	-0.2
On economic basis	-1.4	-1.1

- 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 31/12/2021)

Solvency sensitivities ¹⁾	Equities -10%	Interest rates -50 bp	Credit spreads ²⁾ +50 bp
SST ratio	-8% pts	-1% pts	-24% pts

Risk sensitivities³⁾ (as of 30/06/2022; in CHF million)

Interest rate risk sensitivities	Interest rate level +10 bp	Interest rate level -10 bp
Income statement	9.7	-10.0
Equity	-79.2	80.2

Equity price risk sensitivities	Equity price +10%	Equity price -10%
Income statement	46.4	-42.0

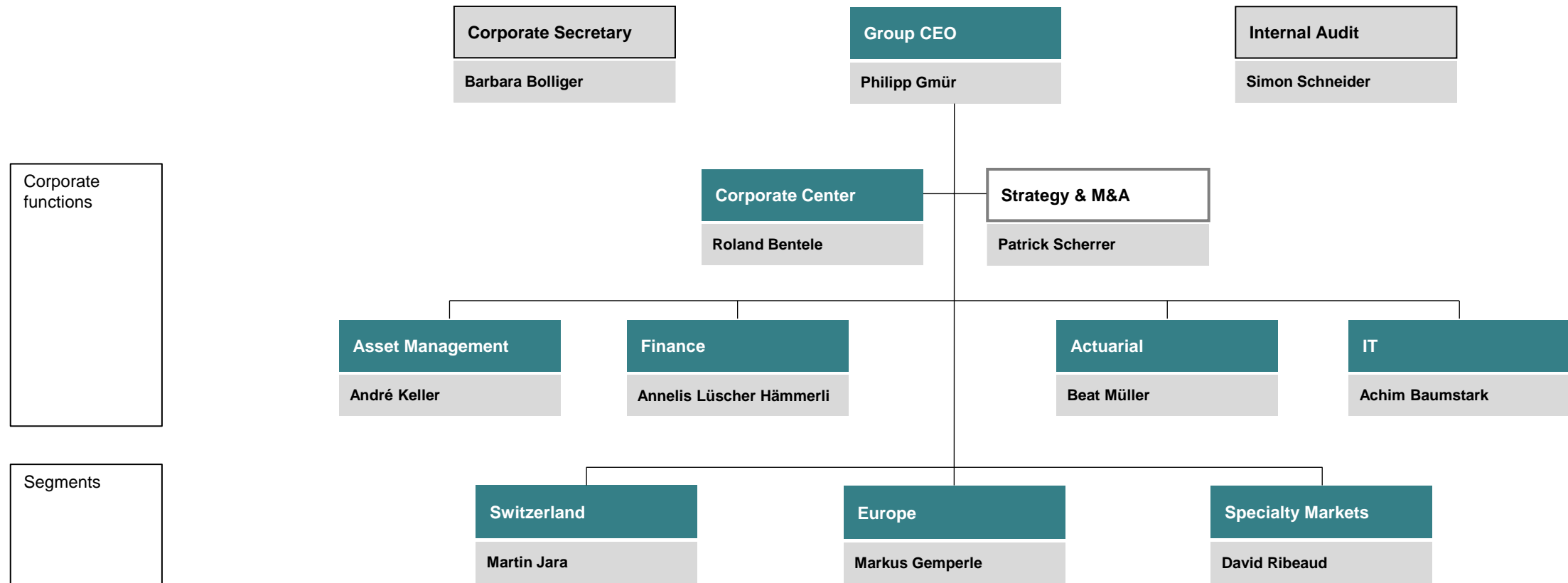
Foreign exchange risk sensitivities	EUR / CHF		USD / CHF		GBP / CHF	
	+2%	-2%	+2%	-2%	+2%	-2%
Income statement	-8.5	8.6	-12.5	12.5	-2.3	2.3

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 July 2022

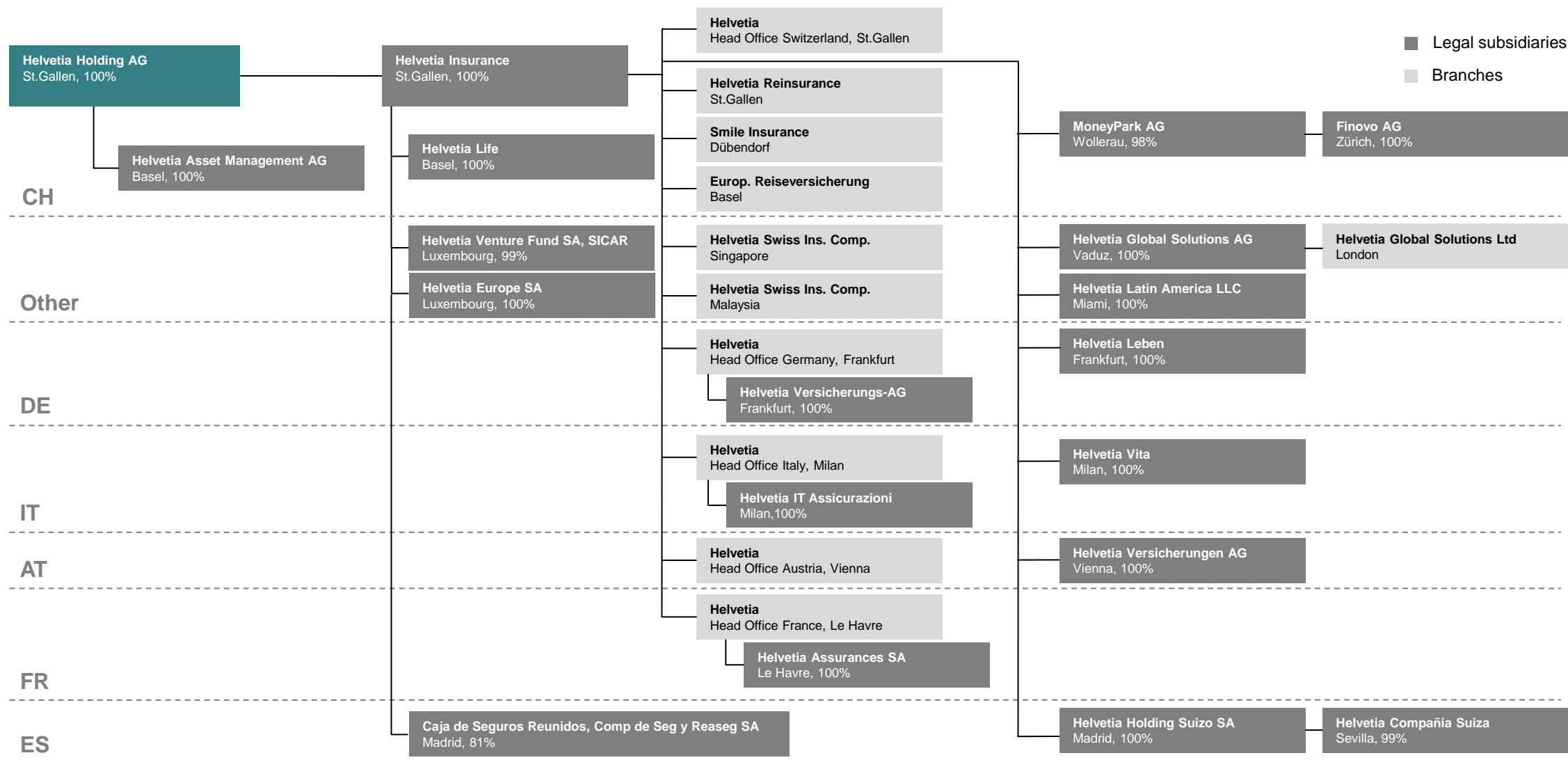


■ Members of the Group Executive Management

□ Reports to the Chairman of the Board of Directors

□ Staff function

Group structure as of 30 June 2022¹⁾



¹⁾ Chart depicts the main entities of Helvetia Group only

Abbreviations and glossary

ARI	Active reinsurance	NatCat	Natural catastrophe
bp	Basis point(s)	NB	nota bene
BVG	Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans	NEDC	Net economic dividend capacity
CH	Segment Switzerland	NL	Non-life
CHF	Swiss franc	n.m.	not meaningful
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
HY	Half-year	S&P	Standard & Poor's
IFRS	International Financial Reporting Standards	ULAE	Unallocated loss adjustment expenses
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 half-year results 2022](#)
- [Infokit full-year results 2021](#)
- [Capital Markets Day 2021](#)
- [Financial presentations](#)
- [Business publications / Equity story](#)
- [Financial calendar](#)

Calendar and contact

Important dates

- | | |
|--------------|---------------------------------------|
| – 06/03/2023 | Publication of full-year results 2022 |
| – 28/04/2023 | Ordinary Shareholders' Meeting 2023 |

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