

Ad hoc announcement

pursuant to Art. 53 LR

St.Gallen, 8 September 2022

Helvetia impresses with profitable, above-market growth and strong technical results

The most important details about the 2022 interim financial statements at a glance:

Profitable growth and strong technical results

- Helvetia increased its business volume by 1.1% on a currency-adjusted basis to CHF 6,799.9 million. The main growth driver was the non-life business with above-market, currency-adjusted growth of 6.6% in all the country markets.
- The IFRS result after tax amounted to CHF 219.5 million. In a challenging environment, the good result was underpinned by successful technical performance in all segments and business areas.
- In the non-life business, Helvetia achieved an increase in its technical result to CHF 183.3 million, thanks to the good quality of its portfolio and successful growth in attractive business lines. In life insurance, the margin after costs of CHF 216.1 million remained stable at the prior-year level and showed improved savings and cost results in particular.

Excellent capitalisation

- Helvetia has outstanding capitalisation with an "A+" rating awarded by the S&P Global Ratings (S&P) rating agency as well as an estimated SST ratio in excess of 280% at the end of June 2022 (1 January 2022: 260%).
- The strength of Helvetia's balance sheet is also evident in its comfortable economic dividend capacity of CHF 0.8 billion (as at 31 December 2021).

helvetia 20.25 strategy: improved business mix and strengthened international orientation

- As part of its successful strategy implementation, Helvetia reduced the share of life business in total business volume through the sale of the life insurance company Sa Nostra Vida and increased its share in Caser at the same time. As a result, non-life business has again become more significant.
- With regard to further growth in the international specialty insurance and reinsurance business as well as in the area of embedded insurance, Helvetia has realigned its business in Liechtenstein under the name Helvetia Global Solutions.
- In accordance with the strategy, the fee business developed dynamically with currency-adjusted growth of 22.3%.

"Helvetia can look back on a successful first half of 2022. We continued along the growth path of recent years, gained market share across the board and achieved strong technical results in doing so. The implementation of our *helvetia 20.25* strategy was also very pleasing. We further improved the business mix in Spain and increased our share in Caser. Furthermore, we are successfully accessing additional sources of income with the fee business", explains Philipp Gmür, Group CEO of Helvetia.

Good earnings thanks to extremely robust technical results

Operating in a challenging environment, Helvetia generated a strong IFRS result after tax of CHF 219.5 million in the first half of 2022 (first half of 2021: CHF 262.4 million). This good result was based on extremely robust technical results in all three segments Switzerland, Europe and Specialty Markets. Helvetia increased its technical result in the non-life business to CHF 183.3 million (first half of 2021: CHF 150.2 million). The reason for the improvement was the very good portfolio quality and the successful growth in attractive business lines. In life insurance, Helvetia posted a stable margin after costs of CHF 216.1 million (first half of 2021: CHF 223.3 million). Stronger savings and cost results contributed in particular to that.

Meanwhile, the investment results in the non-life and life business were impacted by financial market developments. These were shaped by uncertainties and volatility in the first half of 2022 relative to the strong performance in the previous year. As a result, the Group's IFRS result after tax was somewhat lower overall than in the successful prior-year period.

Non-life business and fee business post significant growth

The Helvetia Group successfully continued on its growth path with a focus on profitable business areas during the first half of 2022. The business volume amounted to CHF 6,799.9 million (first half of 2021: CHF 6,940.6 million). On a currency-adjusted basis, this represents an increase of 1.1%.

Overall, the Group's non-life business proved a strong growth driver with currency-adjusted growth of 6.6% to CHF 4,170.5 million. In this business area, Helvetia posted gains in all segments on a broad basis across various lines of business. Growth exceeded the market in all country markets. Helvetia was thus again able to expand its market shares in its profitable core business.

In life insurance, business volume amounted to CHF 2,629.4 million (–6.7% in original currency). Here, Helvetia is continuing to pursue its strategy with a focus on capital-light business. For example, the business volume with investment-linked insurance products in the individual life business in Switzerland, Germany and Austria grew considerably, while Helvetia, in line with its strategy, was cautious in selling traditional guarantee products.

The fee business again developed strongly in accordance with the *helvetia 20.25* strategy. Fee and commission income was 22.3% up over the prior-year period in original currency at CHF 193.4 million. Helvetia is making very good progress towards achieving its goal of annual fee income of over CHF 350 million by the end of the strategy period. The successful growth can chiefly be attributed to the expansion of the Health & Care ecosystem in Spain and commission income from the Helvetia (CH) Swiss Property Fund.

Improved combined ratio thanks to a resilient portfolio and lower costs

In the non-life business, the Group net combined ratio came to 93.6% (first half of 2021: 94.5%) and thus improved by just about one percentage point. The value is within the strategic target range of 92 to 94 percent. Overall, the non-life business posted strong technical development. The portfolio thus proved resilient in the face of growing inflationary pressure and the further normalisation of claims frequencies in individual business lines following the pandemic. The non-life business also developed positively on the cost side, as the ongoing efficiency measures made their presence felt as did economies of scale due to the profitable growth.

New business margin improves further

The new business margin rose to 3.4% (first half of 2021: 3.0% without Caser), driven by a more beneficial business mix and higher interest rates. It thus exceeded the target range of 2-3%.

Strong capitalisation and comfortable economic dividend capacity

Helvetia's capitalisation remains excellent. Helvetia estimates that its SST ratio rose to above 280% as at 30 June 2022 (1 January 2022: 260%). The strong capitalisation is also reflected in the "A+" rating of rating agency S&P Global Ratings (S&P) as well as the comfortable economic dividend capacity of CHF 0.8 billion (as at 31 December 2021).

Successful strategy implementation enables further profitable growth

A prominent feature of the *helvetia 20.25* strategy is profitable growth: with the sale of Sa Nostra Vida in Spain, Helvetia reduced the share of life business in its total business volume, which reduces the capital requirement. At the same time, Helvetia increased its stake in the Spanish insurer Caser to 80%. With both transactions, Helvetia has strengthened the significance of the non-life business and will in future increasingly benefit from the dynamic growth of Caser in this business area.

Helvetia is developing into a European financial services provider for insurance and pension provision. As announced in March, the online insurer Smile is being rolled out in European markets, starting in Austria. Moreover, the business in Liechtenstein under the name Helvetia Global Solutions has been realigned in view of further international growth opportunities. The focus is being placed on the international specialty insurance and reinsurance business as well as the area of embedded insurance.

A further strategic priority is taking new opportunities, especially as regards the growth of fee business. Helvetia is thereby accessing new sources of income, differentiating its business mix and making itself more independent of interest rate developments. "The dynamic growth of the fee business is a particularly good example of the strong further development of Helvetia", explains Philipp Gmür.

Improved sustainability rating

Helvetia wants to contribute to the sustainable development of both the economy and society. Various sustainability successes have been achieved in the past. These achievements are also recognised externally, as shown by the recent upgrading of our ESG rating to "A" by MSCI.

Key figures

	30.6.2022	30.6.2021
in CHF million		
Business volume		
Gross premiums life	2 467.8	2 641.4
Deposits received life	161.6	229.4
Gross premiums non-life	4 170.5	4 069.8
Business volume	6 799.9	6 940.6
Key performance figures		
Result life	105.6	122.3
Result non-life	127.3	194.6
Result other activities	-13.4	-54.5
Group profit for the period after tax	219.5	262.4
Investment result	-546.3	1 147.4
of which investment result from Group financial assets and investment property	253.5	872.3
Key balance sheet figures		
Consolidated equity (without preferred securities)	4 468.1	6 308.6
Provisions for insurance and investment contracts (net)	48 971.8	52 948.5
Investments	54 421.1	60 547.7
of which Group financial assets and investment property	49 504.1	55 082.8
Ratios		
Return on equity annualised ¹	8.4%	10.8%
Combined ratio (gross)	90.7%	97.5%
Combined ratio (net)	93.6%	94.5%
New business margin	3.4%	2.7%
Direct yield annualised	1.8%	1.7%
Investment performance	-7.3%	0.3%
Key share data Helvetia Holding AG		
Group profit for the period per share in CHF	3.9	4.7
Consolidated equity per share in CHF	84.4	119.3
Price of Helvetia registered shares at the reporting date in CHF	111.7	99.5
Market capitalisation at the reporting date in CHF million	5 923.0	5 276.1
Number of shares issued	53 025 685	53 025 685

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

Remarks

- A media breakfast will be held today in Zurich today in German at 9.00 a.m. CEST. Telephone participation is via the following numbers: +41 (0) 58 310 50 00 (Switzerland/Europe), +44 (0) 207 107 06 13 (UK), +1 (1) 631 570 56 13 (US).
- There will then be a conference call for analysts and investors in English at 11.00 a.m. CEST. The dial-in numbers for the analysts' conference are: +41 (0) 58 310 50 00 (Switzerland/Europe), +44 (0) 207 107 06 13 (UK), +1 (1) 631 570 56 13 (US).
- The conference call (English) can be heard live on the Internet at www.helvetia.com. (Audio). A replay will be available at www.helvetia.com from around 4.30 p.m. CEST.
- The interim report and the slides for the media and analysts' conference are available immediately for download at www.helvetia.com/half-year-results.
- An explanation of the alternative performance measures used can be found in the interim report from page 31.
- Watch the video interview with Group CEO Philipp Gmür at www.helvetia.com/half-year-results.

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About the Helvetia Group

Helvetia Group, with its headquarters in St. Gallen, has grown since 1858 to become a successful insurance group with over 12,000 employees and more than 7 million customers. It has been enabling its customers to seize opportunities and minimise risks for all that time – Helvetia is there for them when it matters. Helvetia is the best partner and is present everywhere that protection needs arise, with insurance, pension and investment solutions from a single source as well as simple products and processes. The insurance group knows the business, from mobile phone insurance and insurance cover for the Gotthard Base Tunnel to the long-term investment of customer assets. Helvetia develops and opens up new business models with enthusiasm and drives forward its own business in a powerful and future-oriented manner. It acts with foresight and responsibility in everything it does: for the benefit of its shareholders, customers and employees as well as its partners, society and the environment.

Helvetia is the leading all-lines insurer in Switzerland. In the Europe segment comprising Germany, Italy, Austria and Spain, the company has firmly rooted market positions for generating above-average growth. In the Specialty Markets segment, Helvetia offers tailored special insurance and reinsurance cover worldwide. With a business volume of CHF 11.22 billion, Helvetia generated IFRS net income after tax of CHF 519.8 million in the 2021 financial year. The shares of Helvetia Holding AG are traded on SIX Swiss Exchange.

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