

Helvetia Group analysts' conference

Half-year results 2016

Monday, 5 September 2016

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(the spoken words takes precedence)

Philipp Gmür, CEO of Helvetia Group

(Slide 20) helvetia 20.20 Update

Thank you, Paul, for the details of our financial performance in the first half of 2016.

I would now like to come to the last part of our presentation and give you an update on our strategy. We will start on slide 21.

(Slide 21) helvetia 20.20 makes us fit for the future

In March 2016 we announced our new helvetia 20.20 strategy. The strategy will also remain unchanged under me as CEO. We want to push ahead with the successful course Helvetia Group is pursuing.

I want to emphasise again, that the new helvetia 20.20 strategy will make us fit for the future. That means, that our product offers and channels will become more digital and modern. Fit also means that we will become more agile and efficient as an organisation. To achieve this, we will combine our traditional strengths with new opportunities that arise. The new strategy will also enable us to achieve our well known ambitious targets, that will also remain valid – shown on the right part of this chart.

One thing is very important to me in this context: Despite this evolution, Helvetia will remain personal and reliable.

With that I would like to move to slide 22.

(Slide 22) “integrate” is a component of implementation

The implementation of the strategy is based on the three key concepts of “integrate”, “innovate”, “increase”. By pushing ahead with integration and innovation, we will be creating growth.

In order to implement the new strategy in a targeted and efficient manner, we will establish a new corporate structure as an initial fundamental step. The new structure will be effective as of 1st January 2017. Following the successful integrations of Nationale Suisse and Basler Austria, which have been already implemented to a large extent, we will now intensify collaboration within the Helvetia Group whilst focussing on our customers and market developments.

I will continue on slide 23.

(Slide 23) New Executive Management as of 1st January 2017

With effect of 1st January 2017 Helvetia will have a new integrated Executive Management with well-focussed tasks. This will result from the merger of the Swiss Market Executive Board with the existing Group Executive Board to create the new Helvetia Executive Management.

Under the new structure, in addition to the existing market areas Europe and Specialty Markets, the Executive Management will be complemented by adding the market areas non-life Switzerland, individual life Switzerland, group life Switzerland as well as Sales Switzerland. As such, the new corporate structure will ensure that all the relevant market areas contributing most to growth and profit will be represented in the Executive Management. This means that there will no longer be a separate CEO or CFO for the Swiss Market Unit.

Furthermore, a new Actuary Department will be established on Group level. In view of the increasing importance of IT in terms of digitisation, a fully integrated IT Department, responsible for all IT across the Group is also going to be implemented. In addition, a newly created organisational unit called Corporate Development will support the Executive Management to further develop Helvetia in a targeted manner.

To summarise: The new corporate structure will focus on the following three key areas

1. Give innovation a higher priority in order to ensure the digital transformation of our core business, following the changing customer behaviour and expectations as well as taking advantage of the opportunities of targeted business model innovations.
2. Maintaining the focus on the growth markets Europe and Specialty Markets for diversification purposes apart from the home market Switzerland.

3. Strengthening our already well-established asset liability matching concept by optimising collaboration between the asset and liability side namely the Investments Department, the Actuary Department as well as the Finance Department.

I will now move to slide 24

(Slide 24) New structure boosts strategy implementation

The new corporate structure clearly boosts the implementation of our strategy helvetia 20.20 as our key strategic focus points “agility”, “digitisation” & “innovation” as well as “customer centricity” are now also anchored in our organisation.

An integrated corporate structure with well-focused tasks helps to streamline the organisation and to reduce management levels. By bringing together or merging support functions such as Human Resources, Corporate Development, Finance or IT which currently are represented on Group level as well as in the Switzerland market area, we are eliminating unnecessary duplications. Executive Management can therefore operate in a more focused manner and is at the same time closer aligned with market developments.

This makes Helvetia more agile.

There is no doubt that digitisation is a key catalyst for the further development of our business model. By representing IT in the Executive Management as a separate division we strengthen our IT capacity and take into account the increasing importance of digitisation. In order to continue providing our customers with first-class customer interaction and experience, one of the key pillars of our strategy is the digital transformation of our core business. At the same time the Corporate Development Department supports us to take advantage of targeted business innovations. This organisational set-up secures an intensified dialog across all areas and a comprehensive view on important strategic subjects. Exchange of experience and know-how transfer from the support functions into the market areas is also being intensified.

The new structure therefore ensures that Helvetia as a Group will become **more digital** and **innovative**.

Furthermore, the new corporate structure secures that all the relevant market areas contributing to growth and profit are represented in Group management. This helps us to be closer at our customers and therefore become more **market- and customer orientated**.

Also by representing the actuarial function in the Executive Management we continue to optimise coordination between the product development side in life or non-life, the Investment Department that provides the underlying assets, Actuary that controls the liability side and finally Finance, that is responsible for the balance sheet and risk management.

This helps us for example in the life business to intensify our efforts to focus on capital efficient modern life products.

The new corporate structure therefore ensures that we implement helvetia 20.20 in an efficient manner.

Ladies and Gentlemen, as you can see a lot has happened in the past six months. We are driving forward the implementation of our strategy and I must say that I am proud that we are well underway.

Helvetia is well positioned for the future. We will give you the next update within our Full Year Results in March 2017.

This brings us to the end of the presentation.

My colleagues and I would now be pleased to answer your questions. Thank you for your attention.