Agile.
Innovative.
Customer-centric.

simple. clear. helvetia
Your Swiss Insurer
Key figures.

<table>
<thead>
<tr>
<th>Business volume</th>
<th>2018 in CHF million</th>
<th>2017 in original currency</th>
<th>Change in CHF million in original currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premiums life</td>
<td>4480.1</td>
<td>4384.3</td>
<td>1.5%</td>
</tr>
<tr>
<td>Deposits received life</td>
<td>197.1</td>
<td>163.2</td>
<td>18.3%</td>
</tr>
<tr>
<td>Gross premiums non-life</td>
<td>3874.5</td>
<td>3678.5</td>
<td>3.5%</td>
</tr>
<tr>
<td>Active Reinsurance</td>
<td>521.6</td>
<td>415.3</td>
<td>25.6%</td>
</tr>
<tr>
<td>Business volume</td>
<td>9073.3</td>
<td>8641.3</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key performance figures1</th>
<th>IFRS</th>
<th>Underlying earnings</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings life business</td>
<td>147.9</td>
<td>193.1</td>
<td>-23.4%</td>
</tr>
<tr>
<td>Earnings non-life business</td>
<td>332.0</td>
<td>363.5</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Earnings Other Activities</td>
<td>-48.9</td>
<td>-54.2</td>
<td>9.8%</td>
</tr>
<tr>
<td>Earnings of the Group after tax</td>
<td>431.0</td>
<td>502.4</td>
<td>-14.2%</td>
</tr>
<tr>
<td>Investment result</td>
<td>580.1</td>
<td>1534.4</td>
<td>-61.7%</td>
</tr>
<tr>
<td>of which investment result from Group financial assets and investment property</td>
<td>794.4</td>
<td>1348.7</td>
<td>-41.1%</td>
</tr>
<tr>
<td>Return on equity2</td>
<td>8.1%</td>
<td>9.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key balance sheet figures</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated equity (without preferred securities)</td>
<td>5097.1</td>
<td>5229.4</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Provisions for insurance and investment contracts (net)</td>
<td>44418.5</td>
<td>44385.5</td>
<td>0.1%</td>
</tr>
<tr>
<td>Investments</td>
<td>51997.5</td>
<td>52306.1</td>
<td>-0.6%</td>
</tr>
<tr>
<td>of which Group financial assets and investment property</td>
<td>48583.5</td>
<td>48629.2</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratios</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve to premium ratio non-life</td>
<td>145.0%</td>
<td>156.3%</td>
<td></td>
</tr>
<tr>
<td>Combined ratio (gross)</td>
<td>88.7%</td>
<td>88.8%</td>
<td></td>
</tr>
<tr>
<td>Combined ratio (net)</td>
<td>91.0%</td>
<td>91.8%</td>
<td></td>
</tr>
<tr>
<td>New business margin</td>
<td>1.7%</td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>Direct yield</td>
<td>2.0%</td>
<td>2.1%</td>
<td></td>
</tr>
<tr>
<td>Investment performance</td>
<td>0.3%</td>
<td>2.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key share data Helvetia Holding AG</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group underlying earnings per share in CHF</td>
<td>41.9</td>
<td>49.2</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Group profit for the period per share according to IFRS in CHF</td>
<td>41.9</td>
<td>39.1</td>
<td>7.0%</td>
</tr>
<tr>
<td>Consolidated equity per share in CHF</td>
<td>515.4</td>
<td>528.5</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Price of Helvetia registered shares at the reporting date in CHF</td>
<td>574.5</td>
<td>548.5</td>
<td>4.7%</td>
</tr>
<tr>
<td>Market capitalisation at the reporting date in CHF million</td>
<td>5713.5</td>
<td>5454.9</td>
<td>4.7%</td>
</tr>
<tr>
<td>Number of shares issued</td>
<td>9945137</td>
<td>9945137</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Helvetia Group</td>
<td>6624</td>
<td>6592</td>
<td>0.5%</td>
</tr>
<tr>
<td>of which segments Switzerland and Corporate</td>
<td>3542</td>
<td>3499</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

1 From the 2018 financial year, Helvetia will only report in accordance with IFRS and no longer report underlying earnings. With the exception of the ongoing amortisation of bonds in the amount of CHF 16.4 million (after tax and policyholder participation), the interim financial statements no longer include any acquisition effects. To allow for a better assessment of the operating performance, however, underlying earnings adjusted for all acquisition effects are used for the prior year.

2 Based on the earnings per share (including interest on preferred securities through profit and loss) divided by the average shareholder capital (equity before preferred securities).
Solid foundation

Capital access
Proven broad capital market access

Qualified employees
Product, insurance and distribution know-how

Investment portfolio
High-quality portfolio, good asset liability matching, systematic integration of ESG criteria

Forward-looking strategy
Strengthening of core business, new business models, targeted innovations

Business areas and regions

Non-life
Property insurance in CH and Europe
Special coverage in selected niches worldwide
Active reinsurance worldwide

Life
Individual life insurance in CH and Europe
Group life insurance (occupational pensions, pillar 2) in CH

Distinguishing features

Brand and history
All-lines insurance: comprehensive offering under a strong brand in all countries

Threefold diversification
Regional: CH, Europe and selected exposures worldwide
Customers: focus on private individuals and SMEs
Sources of income: insurance premiums and fees

Customer access and services
Omni-channel approach: strong agent networks including partners and B2B2C access, direct insurer Smile, simple and good products and services

Capital base
Strong capital base / “A” rating

“Home” ecosystem
Value contribution for shareholders

Financial
Good combined ratio in non-life
Stable interest margin in life
Strong cash production
Diversified sources of income

Dividends
Attractive and sustainable dividend policy, good returns

Share price
Good share price performance over the past five years

Opportunities
Growth potential in Europe
New business models: “Home” ecosystem

Value contribution for other stakeholders

Customers
Simple, cross-channel access and services
Personal, reliable and competent partner
Strong capitalisation

Employees
Trustworthy and recognised employer

Company
Carbon-neutral company
Partnerships for philanthropic and social commitments
Fulfilment of sustainability requirements and simultaneous interaction with various target groups

Risks and risk management

Business activities
Exposure to the EU/eurozone and the associated macro risks

Capital markets
Volatile capital markets, especially share prices, real estate prices and spreads, persistently low interest rate environment

Regulation
Occupation retirement provision CH (pillar 2)

Environment
Price pressure
Competitive environment

Risk management
Integrated risk management for the early identification, recording, assessment and appropriate management and monitoring of material risks

For details, see: www.helvetia.com/business-publications
Helvetia Versicherungen, with headquarters in St. Gallen, has grown over the past 160 years to become a successful international insurance group with more than 6,600 employees and more than 5 million customers. Today, we are Switzerland’s leading Swiss all-lines insurer. In the Europe segment comprising Germany, Italy, Austria and Spain, Helvetia has promising market positions for generating above-average growth. Via the Specialty Markets segment, we have global market access in selected niches. In this segment, Helvetia offers tailored specialty lines and reinsurance cover.

Our success is based on versatile diversification: we have a balanced business mix with respect to the life and non-life business. With a strong domestic market and a profitable presence in the European countries, we also have a broad regional base. Moreover, our expertise in transport, engineering and art insurance as well as active reinsurance opens up promising opportunities outside our core markets. Our focus is placed on both retail customers and small and medium-sized companies (SMEs). We want to offer all of our customers solutions that are as uncomplicated as possible – very much in keeping with our brand promise: simple. clear. helvetia.

Finally, with the development of new business models such as the “Home” ecosystem, we are diversifying our income stream away from the traditional insurance business towards new sources of income, in particular fee revenues. Our diversification allows us to overcome economic and market fluctuations. This in turn enables us to secure our independence and increase the Group’s success on a sustainable basis for investors, customers, employees and other stakeholders.

Solid technical results, coupled with a proven asset liability approach to steer our CHF 58 billion balance sheet, guarantee sustainable profit development.

The shares of Helvetia Holding AG are traded on SIX Swiss Exchange.
An interview

Dr Philipp Gmür
Chief Executive Officer

Continuing on a successful path.

Doris Russi Schurter and Dr Philipp Gmür look back on the past year and explain where their focus will lie in 2019. Both believe Helvetia is on course with the implementation of its strategy.
Philipp Gmür, when you look back at 2018, what were your highlights?

We declared it our goal to make Helvetia more agile, innovative and customer-centric. As part of three events, we succeeded in making this ambition visible and bringing it to life: at a two-day management meeting for our domestic and international management staff, during the Helvetia Future Days for all of our employees and, finally, during the presentation of new business ideas in Zurich by young entrepreneurs for a wider audience in December.

Doris Russi Schurter, how did you find your first year in your role as Chairwoman of the Board of Directors?

It was an interesting and exciting year. I have been a member of the Helvetia Board of Directors since 2008 and know the company well. However, bearing the ultimate responsibility as Chairwoman is very different to being a member of the Board of Directors. It gives me great joy and satisfaction to manage this committee comprising proven individuals. With Beat Fellmann, Thomas Schmuckli and Regula Wallimann, we were able to add additional know-how to our Board of Directors at the 2018 Shareholders’ Meeting.
Dr Gmür, where does Helvetia stand with respect to the achievement of its strategic goals?

In terms of figures, we believe we are on track: our volumes are increasing in those business areas where we are seeking growth, namely in the non-life segments and in connection with capital-efficient life insurance products. The profitability of the insurance portfolio is robust, our capital base is solid and our dividend potential is intact. And we have also succeeded in becoming more customer-centric and making many of our products and offers even simpler. This is also demonstrated by the following examples in this brochure. Nevertheless, we are still not where we want to be and I would like to see us adopt even more of an external perspective.

Mrs Russi Schurter, where do you believe your role lies with respect to the implementation of helvetia 20.20?

I contributed to the development of the current strategy. The defined strategic objectives still apply even if the environment has changed in some respects in the meantime. We need to remain focussed on these goals and implement the relevant projects. Here, it is very important to me to provide active support to the CEO and the Executive Management in their efforts to make Helvetia even more successful. In accordance with its strategic tasks and areas of expertise, the Board of Directors always wants to provide its own impetus.
What are your plans for 2019 and what do you want to work on?

**Doris Russi Schurter:** We want to systematically continue on the successful path we have embarked upon. Together with the Executive Management, the Board of Directors is already looking beyond the end of the current strategy period towards “new ground”. It is important to recognise trends and opportunities in good time. The process of digitalisation will play an important role here. At the same time, we cannot afford to neglect our core business with which we generate the lion’s share of our income. Finding a good balance here is something I attach great importance to. And I am convinced that after 2020 Helvetia will continue to focus on creating value for its customers, employees and shareholders.

“At the 2018 SM, we elected additional know-how to the BoD.”

**Philipp Gmür:** This year will be about continuing to implement helvetia 20.20 with speed, energy and perseverance. Three topics are especially important here. Firstly, we want to push ahead vigorously with our growth initiatives. Secondly, we are looking to speed up the realisation of our major projects, for example the renewal of our non-life portfolio systems in Switzerland and our efforts relating to document management. And thirdly, our focus on customer requirements needs to be reflected even more by making a lot of things (more) simple!

“I would like us to adopt even more of an external approach.”
Our brand

Triads are at the heart of Helvetia’s new brand image. In terms of content, focus is placed on the brand promise “simple. clear. helvetia”. The new campaign is thus deliberately simple and clear. It is based on written triads that are presented in black and white. All of the triads have the same structure and describe a situation, an associated challenge and a good solution offered by Helvetia. After Helvetia launched its brand identity in 2017, this was implemented at all levels during 2018.

In addition to its corporate image, Helvetia redesigned its product advertising with new colours and modern graphic elements starting in spring 2018. TV commercials bring the triads to life in a playful manner. There was also an expanded online presence, which alongside the Helvetia website also increasingly included social media.

The advertising for the sales organisation got a new look in 2018. Helvetia presents itself as an attractive employer with its current “&Go.” campaign. The Life, Non-Life, Occupational Pensions and Specialty Markets businesses benefited from wide-ranging media appearances as well as traditional and new sponsorship commitments. For example, Helvetia has close links to skiing. In addition to the Swiss-Ski association, individual athletes from the European country markets are supported. Helvetia’s involvement in football as the title sponsor of the Helvetia Swiss Cup also attracted great attention.

On the 160th birthday of Helvetia on 6 December 2018, the new image film was finally presented which explains in 100 seconds what Helvetia understands by “simple” and where Helvetia already offers its customers simple solutions.

At the end of 2017, Helvetia launched its new brand identity “simple. clear. helvetia”. In 2018, Helvetia implemented this in all of its relevant communication channels. In doing so, Helvetia is strengthening awareness of the simplicity of its services – both internally and externally – as part of the helvetia 20.20 strategy.

Facts and figures for the new brand identity

- 1,000 new triads in all languages
- 2,000 cross-media advertising materials in Switzerland and the country markets
- TV commercials and radio advertisements
- Print/advertisements with and without images
- Posters/external advertising
- External advertising, SBB locomotive
- Marketing documentation
- Online and social media
- Sales advertising
- Campaigns/mailings
- Sponsorship and commitments
- Employer campaign
- Corporate film
Winter sport commitment

In addition to classic advertising, Helvetia has also been involved as an individual and association sponsor of Swiss-Ski since 2005. Helvetia thus supports the training ground of Swiss winter sport as well as grass-roots skiing as its basis. In doing so, it supports athletes in the disciplines of Alpine skiing, cross-country skiing, Nordic combined, ski jumping, biathlon, Telemark skiing, etc.

How do you view your cooperation with Helvetia?

Urs Lehmann: Our link to Helvetia is far more than a classic sponsorship commitment. A real partnership has developed over the years. Helvetia lives out this commitment with the highest level of professionalism, showing a great deal of passion in the process. It has thus firmly anchored itself in the Swiss snow sport family and the hearts of its members.

How has the partnership developed and what are you particularly proud of?

In 2005, following the crisis after the failure to win any medals at the World Ski Championships in Bormio, Helvetia had the courage and the confidence to commit to Swiss-Ski as a sponsor. This has paid off for both sides! Today, (almost) everyone in snow sport knows Helvetia – and this is true far beyond Switzerland’s borders. And our athletes repay this commitment with great results and numerous medals. It is thus a real win-win situation.

Why is it important to also support the Swiss-Ski association as well as top athletes?

Helvetia has adopted our vision: We need young talented individuals and skiers now in order to ensure we can also win medals in the future, for example at the Alpine World Ski Championships in Crans-Montana in 2025.

Anchored at the heart of the Swiss snow sport family

Dr Urs Lehmann
President of Swiss-Ski
Our organisation

Board of Directors
Doris Russi Schurter

Corporate Secretary¹
Christophe Niquille

CEO
Philipp Gmür

Internal Audit¹
Simon Schneider

Support functions

Corporate Development
Martin Tschopp

Corporate Centre
Kaspar Hartmann

Human Resources
Roland Bentele

Investments
Ralph-Thomas Honegger*

Finance
Paul Norton

Actuary
Beat Müller

IT
Achim Baumstark

Market areas and segments

Non-life Switzerland
Adrian Kollegger

Individual Life Switzerland
Reto Keller

Group Life Switzerland
Donald Desax

Distribution Switzerland
Ralph Jeitziner

Europe
Markus Gemperle

Specialty Markets
David Ribeaud

¹ Members of the Executive Management
    reporting to the Chairwoman of the Board of Directors
    * until 31 March 2019 / from 1 April 2019 André Keller

As at: 31 December 2018
Our Board of Directors

Dr. Thomas Schmuckli
Dr. Gabriela Maria Payer
Prof. Dr. Christoph Lechner
Dr. Hans-Jürg Bernet
Beat Fellmann
Our Board of Directors

Regula Wallimann
Dr Ivo Furrer
Doris Russi Schurter
Dr Andreas von Planta
Jean-René Fournier
Dr Hans Künzle
Our Executive Management

Beat Müller
Paul Norton
Donald Desax
Dr Philipp Gmür
Ralph Jeitziner
Our Executive Management

David Ribeaud
Adrian Kollegger
Achim Baumstark
Dr Ralph-Thomas Honegger
Dr Markus Gemperle
Reto Keller
Our strategy

helvetia 20.20

1 helvetia 20.20 creates value...

Value for customers
→ Simple, customised and personalised insurance solutions and secure pension solutions with a high level of convenience

Value for employees
→ Attractive and future-oriented employer

Value for shareholders
→ Continuous increase in profit and dividend potential

2 ...through transformation and innovation

Transformation

Strengthening of core business
→ Growth
→ Digital customer and partner interaction
→ Greater automation

New business models
→ “Home” ecosystem, skill-based M&A

Targeted innovations / prototyping
→ Corporate venturing
→ Corporate incubation
→ Partnering

3 ...and gets us fit for the future

Fit for the future
→ Agile and efficient
→ Innovative and digital
→ Customer-centric through combination of traditional strengths and utilisation of new opportunities

Still personal and reliable
→ Sustainable customer promises
→ Healthy capital base

4 Our financial objectives

Volume
CHF 10 billion (ambition)

Non-life
Net CR < 93 %
NBM > 1 %

Life
> CHF 130 million
8–11 %

Synergies (pre-tax)
> CHF 1 billion

Return on equity
180–240 %

Dividend (5 years)

SST ratio

S&P rating
A
We ask ourselves each and every day how we can inspire our customers.

Customer focus is a key element of the helvetia 20.20 strategy. Martin Tschopp, Head of Corporate Development at Helvetia, explains in an interview what this term means to Helvetia, where Helvetia has already made progress and how this customer focus is implemented.

Our objective is to be simple and clear for our customers. Just as we promise to be with our brand. In short: in order to be customer-centric, we ask ourselves each and every day how we can inspire and convince our customers.

Can you give us specific examples of customer focus at Helvetia?

We make it as easy as possible for customers to contact us or obtain our services. With respect to customer access, we adopt an omni-channeling approach. For example, our customers can get advice via video. It is also possible to conclude agreements with us online. And finally, we make targeted use of chatbots at the customer interface. For instance, as part of a pilot project for contract extensions or the reporting of bicycle thefts. The level of acceptance for such innovations is very high and we have received a great deal of positive feedback. We are exploring further opportunities to deploy this approach.

→ continues on the next page
Of course, we also want to offer simple products. Via Smile, Switzerland’s biggest direct insurer, for example, customers can now also obtain health insurance cover or flexible death risk insurance with just a few clicks.

Existing products are likewise being made simpler on an ongoing basis. In the area of occupational pension plans, for instance, we have developed possible improvements for the semi-autonomous collective foundation Helvetia BVG Invest as part of a design-thinking project together with customers.

Finally, we are also making the claims settlement process simpler: for example, Helvetia works together with the JAROWA tradesman platform in connection with the repair of building damage. Customers simply have to arrange a date with a given tradesman; the rest is handled in the background without any involvement on their part. In the SME area, we have also, for example, streamlined and simplified the claims process for motor vehicle fleets with the close involvement of customers.

With all of these efforts, we are transforming ourselves from a pure seller of products into a competent provider of solutions.

How do you ensure that this customer focus is also implemented by employees?

We collect customer feedback on a systematic basis, allowing us to ascertain in a very timely manner how well our offers and services are perceived and accepted. We also involve customer groups and employees from different areas in design-thinking projects in order to develop customer-oriented solutions together. Customers greatly appreciate this interaction and are usually prepared to invest the required time. For employees, the work with customers is rewarding and motivating.

In addition to these new working forms, we also provide our employees with codes of conduct for interacting with customers. These show how we actually implement our brand promise in performing our daily work and how we can measure and manage the provision of a good service at the customer interface.

“The interdisciplinary cooperation in a design-thinking process is essential for its success. The incorporation of opinions from different areas serves to break down existing conceptual barriers and leads to a better mutual understanding. It also allows for the optimum combination and utilisation of knowledge and skills.”

Renato Strassmann
Head of Market Development and Communication for occupational pension plans Switzerland
“The fact that we are going to our customers and asking them about their needs before we even have finished solutions is still unusual for many employees. But anybody who has taken this step never wants to implement something again without customer involvement.”

Eliana Wüst
Head Customer Centricity, Business Model & Transformation

“It is beneficial and I find it good that Helvetia gathers information on customer needs for its product development. This allows everyone to benefit from the practical relevance.”

Pietro Pignatiello
CEO and owner of PI2 Process AG in Freienbach
Helvetia is a successful, internationally active Swiss insurance group. With 6,624 full-time equivalent employees, Helvetia provides services for more than five million customers. Helvetia is active in the life, non-life and reinsurance sectors. Helvetia divides its business activities into the three market areas of Switzerland, Europe and Specialty Markets. Its business activities in its home Swiss market are bundled in the Switzerland market area. The Europe market area covers the country markets of Germany, Austria, Spain and Italy.

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

### Business volume by business area

- **Life**: 52% (CHF 4,652 million)
- **Non-life**: 48% (CHF 4,421 million)

### Business volume by segment

- **Switzerland**: 56% (CHF 5,254 million)
- **Specialty Markets**: 11% (CHF 1,018 million)
- **Europe**: 33% (CHF 3,000 million)
Non-life business.

In addition to traditional non-life (motor vehicle, property, liability) and personal (accident and health) insurance cover, Helvetia’s Swiss and European non-life product portfolio also includes special insurance policies such as transport, engineering and art insurance. These are consolidated together with the Active Reinsurance business in the Specialty Lines segment.

The Helvetia Group pursues a disciplined underwriting strategy in order to ensure portfolio quality, and only underwrites larger business risks selectively. We work together with renowned reinsurers to hedge against major loss events. Profitability also depends on portfolio composition, premium and cost performance as well as claims. Profitability can be measured with the net combined ratio, which has on average been below 92.5% at Helvetia over the past three years. In 2018 financial year, the net combined ratio was 91.0%, which reflects the portfolio quality.

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

Non-life product portfolio

<table>
<thead>
<tr>
<th>CH</th>
<th>Property</th>
<th>Motor vehicle</th>
<th>Liability</th>
<th>Accident/health</th>
<th>Travel</th>
<th>Transport</th>
<th>Engineering</th>
<th>Art</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33%</td>
<td>Property (including engineering and travel insurance)</td>
<td>31%</td>
<td>Motor vehicle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12%</td>
<td>Active Reinsurance</td>
<td>8%</td>
<td>Accident/health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8%</td>
<td>Transport (incl. art)</td>
<td>8%</td>
<td>Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Active reinsurance
How does non-life insurance work?

Customer → Helvetia

Policy → Premium

Insurance process

Current claims payments

Current claims payments

Provisions and future claims

Acquisition costs / administration costs

Investments

% Return

Result from investments

Total gross earnings non-life

Claims and costs

+ Premium

Combined ratio

Total net earnings non-life

Premiums by segment

43% Europe

34% Switzerland

23% Specialty Markets

4,396 CHF million

Net combined ratio

91.0%
Focus on the customer experience

With simple and tailored products and optimised processes, Helvetia is continuously improving the customer experience in its non-life business.

In the non-life business, Helvetia offers needs-based solutions for all customer groups. One important customer group are SMEs, as Tobias Struchen, Head of Corporate Customers Switzerland, explains in an interview. For SMEs, Helvetia offers tailored solutions that allow for all material risks to be insured simply.

Helvetia is also pressing ahead with the process of automation in Switzerland and Europe. The objective here is, among other things, to reduce processing times and improve the customer experience.

Comprehensive protection for SMEs

SMEs want simple insurance cover that is simultaneously tailored to their needs. Helvetia’s SME business insurance includes eight cover modules in a single policy that can be selected on an individual basis. “I only want to insure what is necessary. Ultimately, I don’t want to pay for something that I don’t need. With the SME business insurance, I was able to structure the insurance cover on a modular basis and thus tailor it ideally to my company’s needs,” says Marco Valetti, CEO of Valetti Bauunternehmung AG in Windisch. For requirements that cannot be covered with the SME business insurance, Helvetia offers individualised product lines.

Thanks to the new freedom of service product, SMEs with an international value chain can hedge both Swiss and European risks with a single policy. Helvetia thus closes the product gap between national solutions and complex international programmes comprising several policies.

With the rising level of digitalisation, the risk of a cyber attack is also increasing for SMEs. The cyber insurance for SMEs provides protection against damage arising from attacks on data, software and IT systems.
Automated processes for a better customer experience

In Switzerland, Helvetia is shortening processing times and improving the customer experience thanks to further automation. For example, Helvetia works together with the JAROWA tradesman platform in connection with the rectification of building damage, meaning it can seek suitable tradesmen for customers directly in the event of a claim. The customer simply has to agree a date with the tradesman. There is no need for them to get a quote or clarify which repairs are covered. The new process has been well received by customers as shown by the example of Nicole Brunschwiler. She had suffered water damage at her home.

“After I had reported the damage to Helvetia, I didn’t have to worry about anything else”, says Nicole Brunschwiler in explaining the damage repair process. “We are satisfied with the work that was performed and everything was uncomplicated and simple.”

Helvetia is also pushing forward with automation in the European country markets. For example, a digital signature has been introduced in Italy and Spain, which allows for insurance cover to be taken out without the need for paper documents. In Germany, a focus has been placed on the automation of the claims process. Examples here include the automatic settlement of claims for glass damage and the option to now check claims digitally for insurance fraud. And for online claims reports, the opening of the claims file also includes an automated cover check.
Life business.

Helvetia offers life insurance in Switzerland, Italy, Germany, Spain and Austria. The home market of Switzerland is the most important market with 77% of the business. The product range includes individual products and group life insurance policies. At around 59% of the Group’s total life volume, occupational pension plans for SMEs represent one of the most important insurance business lines. At 97%, this business is generated almost exclusively in Switzerland, where Helvetia has established itself as one of the top 3 providers of BVG (Swiss occupational pension system) insurance solutions.

In addition to the development of technical risk, the profitability of the life business is particularly influenced by the investment and savings result and thus by the performance of the financial markets. The investment result plays an important role in generating the income required to ensure that the long-term insurance obligations can be met. In the past, Helvetia has always succeeded in achieving attractive returns with the capital employed. In 2018, despite the low interest rate environment, we again managed to generate stable interest margins between current income and the guarantees given, from which customers and shareholders benefit. With flexible life insurance solutions, Helvetia offers financial security at every stage of life. This allows our customers to turn their plans into reality and ensure they are prepared for the unexpected.

Individual life product portfolio

Traditional
Risk insurance and savings, financial and pension solutions with interest rate guarantees from Helvetia

Investment-linked
Insurance policies with investment risk either with the policyholder, with Helvetia with appropriate risk hedging or with an external partner

Deposits
Investment contracts (contracts without a significant insurance technical risk)

Group life product portfolio

Occupational pension plans (BVG) (Switzerland only)

Full insurance solutions via Helvetia Collective Foundation
All risks and benefits in occupational pension plans are insured and guaranteed by Helvetia Insurance. Assumption of complete administration. Package for companies and independent foundations.

Management pension plans
Additional and separate pension solutions, which go beyond the mandatory requirements.

Helvetia BVG Invest
Needs-oriented occupational pension plans with earnings prospects. Covers the risks of death and disability by means of insurance contracts with Helvetia. Assumes the complete administration. Investments are managed by Helvetia Investment Foundation.

Risk insurance
Risk insurance and blanket risk contracts for semi-autonomous occupational pension foundations. Assumption of complete administration.

Swisscanto foundations
As a joint venture of Helvetia Insurance and the Association of Swiss Cantonal Banks, the Swisscanto Collective Foundations offer products and services for occupational pension plans and supplemental provision. Savings investment via the cantonal banks; insuring against the risks of death and disability with Helvetia. Sales via cantonal banks and brokers. The Swisscanto Vested Benefits Foundation manages vested benefits accounts for customers of the cantonal banks who do not operate their own vested benefits foundation. Helvetia manages the branch offices of all three foundations.

Helvetia Investment Foundation
Joint investment and administration of the pension funds investment. Specialising in indexed and core satellite investment products as well as real estate investments.

Helvetia Consulta AG
Draws up analyses and expert opinions, IAS 19 calculations. Assumes the technical administration of pension funds. Comprehensive consultation and services for occupational pension fund foundations.
How does life insurance work?

2018 business volume by business line

- **Group life**
  - 59%
  - 4,677 CHF million

- **Modern (investment-linked and deposits)**
  - 46%
  - 41%
  - 54%

<table>
<thead>
<tr>
<th>Business</th>
<th>Premiums by segment</th>
<th>Switzerland</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,677 CHF million</td>
<td>77%</td>
<td>59%</td>
<td>46%</td>
</tr>
<tr>
<td>54%</td>
<td>54%</td>
<td>41%</td>
<td>41%</td>
</tr>
</tbody>
</table>

2018 business volume

- **Premium**
- **Customer**
- **Policy**
- **Premium**

### 2018 business volume by business line

- **Group life**
  - 59%
  - 4,677 CHF million

- **Modern (investment-linked and deposits)**
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</tr>
</tbody>
</table>

### Premiums by segment

- **Switzerland**
  - 77%
  - 4,677 CHF million

- **Europe**
  - 23%
New approaches to life insurance

The customer focus targeted as part of the helvetia 20.20 strategy is increasingly also being reflected in the life business, which provides simple, flexible and digital protection.

In the life business, in addition to classic protection products, customers also increasingly want flexible solutions and full digital options for taking out policies. The whole life insurance from Smile and the burial insurance in Spain, which uses a virtual insurance assistant, are current examples that meet these requirements thanks to digitalisation.

In the current low-interest rate environment, there is also a great need for better return opportunities in the area of pension products. Effective immediately, Helvetia is therefore making available its own investment expertise with its own funds. Customers gain access to investment products that until now had only been available to institutional investors, allowing them to benefit from Helvetia’s 160 years of experience.

These examples show that Helvetia is also systematically implementing its strategy in the life business, strengthening its core business and making targeted use of innovations.

Smile is digitising whole life insurance

Smile, the Swiss direct insurer of Helvetia, massively simplified the process for taking out whole life insurance at the end of 2018. With just a few clicks, customers can acquire whole life cover without providing a signature. The decision-making process for the conclusion and acceptance of the policy is fully digitised and completed directly online in the offer process. The offered whole life cover stands out thanks to its simple price calculation and great flexibility. If the protection needs change, the contract can be terminated or adjusted upon expiration of the one-year contract term. The whole life insurance therefore offers the customer a fair and simple solution.
Reto Keller, Helvetia is now also providing customers with additional services such as asset management expertise. What exactly are you doing in this area?

We have launched our own funds with different risk profiles and equity allocations. The funds are managed by Helvetia Asset Management. This allows retail customers to benefit from our 160 years of investment expertise. Until now, this had only been available to institutional customers.

What added value does this specifically allow you to generate for your customers? How do they benefit?

Our customers can acquire the Helvetia Allegra Funds in line with their needs as part of a life insurance policy as well as detached from their insurance cover in a fund account. Our fund products stand out thanks to their transparent cost structure and low management fees. Especially during times of low – or even negative – interest rates, it makes sense to make provision for the future with fund savings. Analyses show that a long-term investment horizon generates a good return.

What benefits do the new fund products bring for Helvetia?

Our highly qualified portfolio managers invest customer assets directly in accordance with Helvetia’s basic principles. We can incorporate customer requirements and product developments more quickly in our funds. And we pass on the cost benefits that arise from the in-house management to our customers.

In Spain, burial insurance, i.e. protection for the costs incurred in the event of death, is an important part of life insurance. Here, Helvetia is now utilising a virtual insurance agent which answers customer queries about the product and calculates the premiums. The chatbot uses artificial intelligence, has been trained to respond to potential questions and learns each time it interacts with a customer. It can communicate with customers both via voice and text messages. The feedback on the new advisory offers has been extremely positive.

Reto Keller, Helvetia is now also providing customers with additional services such as asset management expertise. What exactly are you doing in this area?

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Helvetia is Switzerland’s leading Swiss all-lines insurer. The stable and profitable home market provides a sound basis for the further development of the Group. Helvetia offers insurance services to retail customers as well as small and medium-sized corporate customers. We have a broad network comprising strong partners. With Smile, we have a well-established online insurer. MoneyPark, Switzerland’s biggest independent mortgage broker, is another subsidiary. Helvetia is a key partner for companies in Switzerland; for example we cooperate with Swisscanto, a major occupational pension plan (BVG) provider, in group life business. Thanks to our good market position in the life business and in the area of property insurance, we are a strong partner for both retail customers and corporate customers. With our broad offering, we want to place a new emphasis, in particular, on the business with SMEs. 

**Net combined ratio** 82.7%

**New business margin** 1.4%

---

**Sales channels**

- Own field sales force
- Agents
- Brokers
- Partners: Raiffeisen, Swisscanto, Vontobel
- Direct sales/new media: online@helvetia, Smile

*Includes loss in Corporate of CHF 42 million
Non-life Switzerland

On hand where insurance needs arise

In Switzerland, Helvetia adopts a multi-channelling approach and in 2018 therefore, among others, further expanded the so-called B2B2C channel. In some areas, customers can insure purchased products directly with a specialist retailer on site and Helvetia has gained access to a large number of new customers in this way. This contributes to the strengthening of the core business – a focus area of the helvetia 20.20 strategy. In terms of technology, Helvetia is putting its faith in the start-up INZMO in which its own Venture Fund acquired a holding in 2017. INZMO has fully digitised the entire process, starting with the taking out of cover all the way to the handling of claims. One specialist retailer that uses INZMO is Vesto AG, one of the largest cycling retailers in Eastern Switzerland. Vesto offers its customers an all-risk insurance policy as well as a guarantee extension for all bikes and e-bikes with a sale price of more than CHF 5,000. “In the past, I had to enter the sales in an Excel file and give the customer the general terms and conditions. Now I can enter everything in a tool from INZMO and the customer is sent all of the relevant documentation to their mobile phone”, says Urs Keller, owner of Vesto AG, with respect to the benefits of INZMO. He also explains: “I can also report claims directly via INZMO in a very simple manner. The claim is then processed very quickly. I work with INZMO because it is so easy.”

Life Switzerland

Inspiring customers with tailored products

You also want to provide customers with simple products in the life business. How do you know what your customers want?

In order to better understand customer needs, we regularly conduct customer surveys. These have revealed that our customers want a flexible, periodically financeable retirement solution with guaranteed payments. As a unit-linked capitalisation product, this had not been available on the Swiss market until now. We have closed this gap with the launch of the Helvetia payment plan.

How exactly do your customers benefit?

Regular, guaranteed payments offer our customers planning security when financing an early retirement or serve as additional income after their gainful employment. Thanks to a selection of diversified investment strategies, there is also the opportunity to participate in market developments and thus to further increase the guaranteed payments. Our customers ultimately benefit from professional investment management and an alternative to a classic retirement pension that is attractive from a tax perspective, as the income taxation is far more favourable than is the case with pension taxation.

And what benefits arise from this for Helvetia?

In the current interest rate environment, the life business is very challenging. For many customers, it is not easy to find a product that meets their individual risk profile. We are convinced that we are an attractive partner for our customers with innovative, simple products and tailor-made pension solutions. This is also confirmed by the great customer interest in the new payment plan.
Europe segment.

Helvetia also has a consistent positioning in the Europe segment and has a cross-border brand presence. As is the case in Switzerland, focus is placed on the business with retail customers as well as small and medium-sized companies. In the Europe segment, Helvetia also offers the full range of non-life products, while in the life business Helvetia is placing an emphasis on the marketing of capital-efficient products in light of the low-interest rate environment. The business in the European countries is profitable. The Europe segment contributes to regional diversification by reducing the level of dependency on the Swiss home market.

**Business volume (CHF million)**

<table>
<thead>
<tr>
<th>Region</th>
<th>CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3,362</td>
</tr>
<tr>
<td>Switzerland and Specialty Markets</td>
<td>9,073</td>
</tr>
<tr>
<td>Non-Life</td>
<td>2,979</td>
</tr>
</tbody>
</table>

**IFRS result (CHF million)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>36%</td>
</tr>
<tr>
<td>Non-Life</td>
<td>27%</td>
</tr>
<tr>
<td>Switzerland, Specialty Markets and Corporate</td>
<td>431*</td>
</tr>
</tbody>
</table>

**Net combined ratio**

95.1%

**New business margin**

2.1%

**Sales channels**

<table>
<thead>
<tr>
<th>Channel</th>
<th>AT</th>
<th>DE</th>
<th>IT</th>
<th>ES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own field sales force</td>
<td>•</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agents</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Brokers</td>
<td>•</td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Partners</td>
<td>3 banking partners</td>
<td>ARAG</td>
<td>22 banking partners with 1,500 branches</td>
<td>3 banking partners**</td>
</tr>
<tr>
<td></td>
<td>25 work site Marketing partners</td>
<td></td>
<td>5,000 financial advisors</td>
<td></td>
</tr>
<tr>
<td>Direct sales/new media</td>
<td>•</td>
<td></td>
<td>•</td>
<td></td>
</tr>
</tbody>
</table>

* includes loss in Corporate of CHF 42 million
** Helvetia Spain has 12 banking partners, of which 3 have a substantial volume
Europe – an important diversification element

Markus Gemperle
Head of Europe

Helvetia generates around 27% of its operating profit in the foreign markets. Do you believe there is further potential here?

In the 2018 financial year – following the successful conclusion of the integration and restructuring measures – we were able to generate considerable growth in all markets and further improve profitability substantially. In doing so, we have not simply copied the big companies, but rather found the “Helvetia way”. We focus on our strengths, allowing us to grow further without having to make sacrifices in terms of profitability. Some 50% of the IFRS result is distributed by the Europe segment to Helvetia Holding AG, meaning it makes a sustainable contribution to the Group dividend. The performance in recent years makes us positive for the future.

What is your recipe for success?

In all of the European units, we work continuously on improving our customer access, the service quality and the interfaces to our partners. We do so with the objective of providing our services in as efficient and customer-oriented manner as possible. Helvetia is known as a reliable partner. We have a strong sales organisation that we equip with innovative elements and consistently align with omni-channelling. Here, we take account of local needs. We put our faith in a combination of traditional, physical sales and innovative sales forms.

What does the cooperation within Europe look like?

We work together on various issues. One example is the further advancement of skills in the areas of pricing, portfolio management and fraud prevention. We use artificial intelligence here, for instance. Where it makes sense, we also adopt a common product development approach and “multiply” products that have been successful in one country in another. This allows us to benefit from synergies in a targeted manner and to continue to follow our “Helvetia way” adapted to local market conditions in a systematic manner.

How are you progressing with the implementation of the strategy abroad?

The implementation of the helvetia 20.20 strategy is progressing successfully. In Spain, for example, we recently strengthened our core business thanks to a distribution partnership with a broker that specialises in motorbikes. In Germany and Austria, we have also entered into a closer cooperation with aggregators such as Check24.de and Durchblicker.at. With our online products, we are thus able to serve the B2B/B2B2C area, which is very important for us. Innovation is an important element of our Europe strategy: for example, our customers in Spain can take out burial insurance via a chatbot (further information in this regard can be found in the section “Life insurance”). In Italy, customers can obtain niche products such as travel or ski insurance on demand via an app in just a few steps.
The Specialty Markets segment pursues a selective niche strategy, thus achieving a strong market position and making a corresponding profit contribution. It also contributes to the Group’s diversification. Specialty Markets comprises three important parts: The “Specialty Lines Switzerland / International” market unit bundles the engineering (technical insurance), marine (transport) and art business lines in Switzerland as well as in the international markets such as Asia or Latin America. The France market unit acts as a focussed transport insurance specialist and holds a strong position as the number two on the market. Active reinsurance, which is also assigned to the Specialty Markets segment, stands out as a niche provider due to its mostly long-term and outstanding business relationships, a strict underwriting policy and a high level of sector diversification.

### Business volume (CHF million)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
<th>Value (CHF million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland, Europe and Corporate</td>
<td>89%</td>
<td>9,073</td>
</tr>
<tr>
<td>Specialty Markets</td>
<td>11%</td>
<td>1,020</td>
</tr>
<tr>
<td>Total</td>
<td>9,073</td>
<td>10,093</td>
</tr>
<tr>
<td>Active reinsurance</td>
<td>51%</td>
<td>1,020</td>
</tr>
<tr>
<td>France</td>
<td>23%</td>
<td>230</td>
</tr>
<tr>
<td>Specialty Lines Switzerland / International</td>
<td>26%</td>
<td>260</td>
</tr>
</tbody>
</table>

*Specialty Markets

### Net combined ratio

96.2%

### IFRS result (CHF million)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
<th>Value (CHF million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland and Europe</td>
<td>92%</td>
<td>431</td>
</tr>
<tr>
<td>Specialty Markets</td>
<td>8%</td>
<td>34</td>
</tr>
</tbody>
</table>

*includes loss in Corporate of CHF 42 million
**Active reinsurance**

- around 300 customers
- comprehensive business relationships, very good quality of reinsured business decisive

**Business mix by business line (2018)**

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability</td>
<td>31%</td>
</tr>
<tr>
<td>Property</td>
<td>27%</td>
</tr>
<tr>
<td>Motor</td>
<td>18%</td>
</tr>
<tr>
<td>Engineering</td>
<td>7%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>6%</td>
</tr>
<tr>
<td>Aviation</td>
<td>5%</td>
</tr>
<tr>
<td>Energy</td>
<td>3%</td>
</tr>
<tr>
<td>Marine</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Business mix by region (2018)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>55%</td>
</tr>
<tr>
<td>America</td>
<td>27%</td>
</tr>
<tr>
<td>Asia, Pacific</td>
<td>14%</td>
</tr>
<tr>
<td>Middle East</td>
<td>3%</td>
</tr>
<tr>
<td>Africa, Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Switzerland and International**

- around 43,000 customers
- leading position in Switzerland, support of global expansion of our Swiss customers, international presence, several foreign branches

**Business mix by business line (2018)**

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Large &amp; Special Risks</td>
<td>58%</td>
</tr>
<tr>
<td>Marine Switzerland</td>
<td>18%</td>
</tr>
<tr>
<td>Marine Switzerland</td>
<td>11%</td>
</tr>
<tr>
<td>Marine International</td>
<td>8%</td>
</tr>
<tr>
<td>Art</td>
<td>5%</td>
</tr>
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</table>

**Business mix by region (2018)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>45%</td>
</tr>
<tr>
<td>America</td>
<td>40%</td>
</tr>
<tr>
<td>Middle East</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

**France**

- around 23,000 customers: Retail customers, corporate customers, SMEs and industry
- efficient sales network with 11 regional and local sales agencies

**Business mix by business line (2018)**

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo</td>
<td>25%</td>
</tr>
<tr>
<td>Motor hull insurance</td>
<td>15%</td>
</tr>
<tr>
<td>Engineering</td>
<td>10%</td>
</tr>
<tr>
<td>Shipping</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Helvetia company brochure 2018 37**
Growing interest in cyber insurance

Helvetia launched a cyber insurance policy in 2018. What exactly does Helvetia offer its customers and how great is the demand for the new product?

Helvetia offers comprehensive cover for costs that arise in the event of first-party damage, third-party liability claims and legal disputes in the digital sphere. Our solution also provides customers with access to a broad network of experts that can be utilised in a targeted manner in the case of a claim. This allows for a quick, professional response, which, for example, reduces reputational risks and system downtime to a minimum. We are observing growing interest from our customers. Last year, large-scale cyber attacks were once more an issue. The awareness of SMEs with respect to this risk thus also increased. Our product has had a successful start in this environment.

The insurance sector has been accused of only reacting hesitantly to the challenges posed by cybercrime. What are the difficulties in constructing such insurance products?

The requirements and needs in the area of cyber insurance are something new relative to classic insurance solutions. There is also the fact that risks in the cyber sector are changing continuously. The constant evolution of these risks, combined with rapidly changing framework conditions in the area of data protection and the relevant technology, thus necessitates new products adapted to the prevailing conditions. Only in this way can we meet the insurance needs of our customers.

A cyber attack can cause wide-ranging damage. The risk for insurance companies is therefore difficult to assess. How does Helvetia deal with this?

We have developed an approach based on scenarios in order to evaluate potential cumulative damage and to reinsure ourselves accordingly. Our forecasts are, however, still subject to corresponding uncertainty. This is primarily due to rapid technological developments, the dynamic growth in cybercrime as well as the continuously changing risk awareness of potential victims. This poses a significant challenge for Helvetia and the entire insurance industry. However, we are tackling this in a committed and decisive manner in the interest of our customers.
Cyber risks

Checklist. Check your security status.

Have you considered these points?

- Technical security measures (e.g. firewalls, virus scanners, spam filters, etc.)
- PCI-DSS rules for credit or debit card transactions
- Physical security measures (e.g. for access to the server rooms)
- Staff awareness programmes and security training on the topic of cyber risks
- Encrypt sensitive data
- Password guidelines
- Patch and update management
- Daily data backups and secure storage of backups
- Surge protection
- Defense strategies against DoS attacks
- Appointment of an IT officer
- Authorization management

www.helvetia.ch/cyber-insurance
At Helvetia, corporate responsibility: a joint project.

The development of corporate responsibility is a demanding process, but one that is implemented in an agile manner. Helvetia wants to create sustainable value for its customers, shareholders and employees, while at the same time making a contribution to the environment and society. In 2018, Helvetia achieved a great deal, as Kristine Schulze, Head of Corporate Responsibility, reports in the following interview.

Kristine Schulze  
Head of Corporate Responsibility

What specific successes can you look back on in 2018?  
Helvetia joined the United Nations Global Compact at the start of 2018. Our decisions in the area of investment management, the insurance business and with respect to our procurement activities are thus based even more systematically on environmental, social and governance criteria. We have also improved the credibility and transparency of our reporting. Helvetia has become carbon neutral. We have also grown closer together with our environment as a company, employer and location partner.

How has Helvetia achieved this?  
A large number of committed employees have contributed to these successes. Corporate responsibility is a joint project at Helvetia. If we want to gain the approval of our stakeholders such as our employees, customers and shareholders, we need to be working on many issues at the same time and maintain a culture of open discussion. We succeed here because we do not perceive our social responsibility as something detached from our business activities. It is firmly anchored in the daily business of all countries and business areas. This is also ensured by the international CR Advisory Board, which has existed for six years and manages all sustainability activities at Helvetia.

How is corporate responsibility organised at Helvetia? What role does the CR Advisory Board play in the implementation of corporate responsibility?  
The members of this interdisciplinary body originate from all of Helvetia’s country markets and represent different business areas. They thus ensure close coordination and the quick handling of corporate responsibility issues. In their role as representatives of the Executive
Corporate responsibility highlights in 2018

Sustainable insurance

With the “FairFuture Lane” life insurance product, Helvetia in Austria is launching a unit-linked policy that is exclusively based on impact investments. It will supplement the product range from the start of 2019.

With respect to its CR commitment, Helvetia is classified as a “solid performer” and continues to be represented in the FTSE4Good Global Index and FTSE4Good Europe Index.

Dependable company

Helvetia becomes a member of the United Nations Global Compact and undertakes to comply with the ten sustainability principles from the areas of human rights, labour, the environment and anti-corruption.

Helvetia becomes carbon neutral and invests in selected climate protection projects that meet globally recognised standards in order to compensate for unavoidable CO₂ emissions.

Attractive employer

Helvetia launches a skill-based volunteering pilot project in Switzerland for employees. On a maximum of five working days, employees can support charitable organisations during working hours with professional know-how.

Helvetia provides all employees at the head offices in Switzerland with free power for charging their electric vehicles in order to promote sustainable commuter mobility.

Committed location partner

In Germany, Helvetia invests in the construction of new multi-family dwellings. In the form of 44 residential units, affordable living space for families that is suitable for the disabled is created in Hamburg.

The Helvetia Protection Alpine Forest Award, which recognises outstanding work for protection forests, was presented for the fifth time in 2018. This year, Helvetia launched the 35th protection forest project in the European Alpine region.

Management of the respective countries and as experienced management figures, they are familiar with the local conditions and provide support to the CR team with their knowledge and experience. This enables us to ensure that the CR objectives are connected to Helvetia’s core business. Furthermore, all countries can benefit from the further development of ideas on sustainable business.
Helvetia is supporting four Swiss museums in digitising selected works. In doing so, it is ensuring that the artworks are preserved in digital form, while this presentation form is also opening up new presentation formats.

Helvetia Insurance is supporting four Swiss art museums in digitising selected works. With the support of Helvetia, the Kirchner Museum in Davos is digitising more than 160 sketchbooks containing around 11,000 sketches by the artist Ernst Ludwig Kirchner. The Museum of Art Lucerne is also converting numerous video pieces by artists from the 1960s and 1970s into digital formats. It is now rarely possible for these to be shown with modern technology. Helvetia is likewise assisting the Museum of Fine Arts Bern in capturing works by Meret Oppenheim using a high-resolution scanner, also enabling it to secure information about the condition of the works at the time of digitalisation. The fourth project entails the scanning of the most important contents of the Department of Prints and Drawings of the Kunstmuseum Basel.

With this commitment, Helvetia is contributing to ensuring the preservation and availability of artwork. As an art insurer, Helvetia has also set itself the objective of preserving works for future generations. These digitalisation projects are linked to restoration and
Art commitment of Helvetia

The digitalisation projects are part of Helvetia’s art commitment. As Switzerland’s biggest art insurer, Helvetia collects art and supports artists. The company’s own collection of contemporary Swiss art is one of the most important of its kind. The Helvetia Art Prize supports young artists embarking on their professional careers.

Each of the projects will be concluded with an exhibition of the digitised works. The first exhibitions will be opened this year at the Museum of Art Lucerne and the Kirchner Museum in Davos. Fanni Fetzer, Director of the Museum of Art Lucerne, is already looking back at the innovative project: “The fact that a rather unusual and avant-garde project is being supported with the digitalisation of our media collection speaks volumes for Helvetia.” Dolores Mark, Director of the Kirchner Museum in Davos, highlights a fundamental benefit of digitised works: “The digitalisation project supported by Helvetia opens up completely new opportunities for experiencing art in a differentiated manner and in every corner of the globe. In the case of Kirchner’s sketchbooks, the digitalisation process has a particularly striking effect. Until now, analogue observation and museum presentation have meant that only the two open pages of a book can be viewed at any one time. Visitors can now browse through the entire book in a virtual fashion”.

In the exhibitions with the digital copies, visitors can not only marvel at the works themselves, but also experience a new form of presentation. However, this also raises new questions, as Fanni Fetzer explains: “How will video art be displayed when the charming cathode-ray screens no longer work? And if the noise of the player disappears, do we become nostalgic, do we then artificially add the rattling and flickering or do we simply do without it?”

2019 exhibitions upon the conclusion of the digitalisation projects

From tape to bytes
Digitalisation of video art
14 September to 24 November 2019
Museum of Art Lucerne

Kirchner Digital
Ernst Ludwig Kirchner’s sketchbooks from the Kirchner Museum in Davos
24 November 2019 to 25 April 2020
Kirchner Museum in Davos

The cover image “KLEINOLGA” of the artist Olga Titus

The artist Olga Titus (*1977), who originates from Eastern Switzerland, lives and works in Winterthur. Her world is colourful and shrill. Against the multicultural background of her Swiss-Indian-Malaysian biography, her work revolves around the questions of identity and cultural background. As a “digital magpie”, she roams the Internet and creates a dazzling mix of pictures in her photo montages made up of images from the worlds of folklore, Bollywood exoticism, advertising and computer game aesthetics. In doing so, she joyfully juggles the conventions of self-portrayal and develops an almost limitless cosmos of images reminiscent of Oriental ornamentation.

www.olgatitus.com
Mr Bentele, Helvetia started with its new “&Go.” employer campaign in September 2018. What is behind this approach? The new “&Go.” employer campaign is the result of the systematic implementation of our helvetia 20.20 strategy. In total, almost 1,500 Helvetia Group employees were involved in the content development of this positioning. A further 26 employees from across the Group have given their face to the campaign. “&Go.” is made up of identity characteristics that have made us strong as Helvetia and that our employees can be proud of. We want to maintain this identity. On the other hand, “&Go.” contains behavioural characteristics that we want to develop and establish even more in future. To this end, “&Go.” is being very closely linked to our culture project in order to accompany this change.

What does the Helvetia culture of the future look like? What are the next steps?
As our company progresses, our thoughts and actions must also develop with it. During the Helvetia Future Days in March 2018, some 2,000 employees held intensive discussions on Helvetia’s identity – both now and in the future. These discussions addressed what agility, innovation and customer focus mean during daily business and how we can try out new things. In small experiments, we have already made behavioural patterns visible and thus brought about a change of thinking in various areas. Furthermore, employees have repeatedly expressed the desire to experience Helvetia from different perspectives. With the “Change of perspective” format, our Head of Distribution and member of the Executive Management Ralph Jeitziner did just this in autumn 2018: for a period of two months, he moved his workplace to
the Helvetia Service Center. To make the change process a success, we need each and every employee – and we are providing the right platforms and tools for this purpose.

**A further major HR issue is the implementation of a KPI dashboard. Can you enlighten us a little more here?**

In the HR KPI dashboard, the strategic focus areas and long-term objectives that have been defined in the HR strategy and in the employer positioning are made measurable. Using the dashboard, it should be possible to make management-relevant statements on HR work.

All key figures in the dashboard are observed and assessed in context. It doesn’t help us if we analyse a figure on an isolated basis. For example, the statement that we have too few women in our upper functional groups only helps to a certain extent. In order to provide a well-founded statement, we also need to look at how many women we employ, what we invest in the further development of these women and why we lose them again. It is only through these analysis options that complex cause-and-effect relationships can be investigated and incorporated in strategic decision-making processes. Where undesired deviations from our targets are identified, appropriate measures can be launched immediately at the right places within the company as a whole. This gives rise to evidence-based HR and the employees form a fundamental basis of our business strategies.

### Number of full-time equivalents according to GRI

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland (incl. Corporate)</td>
<td>3,542</td>
<td>3,499</td>
</tr>
<tr>
<td>Europe</td>
<td>2,548</td>
<td>2,565</td>
</tr>
<tr>
<td>Specialty Markets</td>
<td>534</td>
<td>528</td>
</tr>
</tbody>
</table>

1 The definition of key figures complies with the Global Reporting Initiative (GRI) and includes all employees (permanent and temporary contracts). The employees in training were not included but are disclosed in a separate figure.

### Office staff

- **5,027**

### Full-time

- **5,791**

### Part-time

- **833**

### Average age

- up to 30: 960
- 30–39: 1,443
- 40–49: 1,799
- 50–59: 1,981
- from 60: 441

### Trainees

- **2018**: 321
- **2017**: 284

**4,261** **2,363**
Proven asset liability management – tried-and-tested investment strategy.

The investment strategy of Helvetia is based on a time-tested asset liability concept. Ralph-Thomas Honegger, Chief Investment Officer, explains in the following interview how Helvetia ensures that the high security requirements of the insurance business are met and that the return expectations of the individual stakeholders are taken into account.

We also diversify the investment portfolios via various asset classes and sources of income. We control our investment risk through the careful combination of low-risk assets, such as high-quality bonds and mortgages, and riskier instruments with higher returns, such as real estate, equities, foreign currency bonds and corporate bonds. At the same time, this allows us to generate attractive investment income for our customers and shareholders. Our high-quality property portfolio is an excellent fit with the liabilities from the insurance business, not only because of the long-term stable and attractive rental income, but also due to the stable value of the assets.

What is the impact of the low interest rates at present?

The persistently low interest rates pose a major challenge for the life insurance business, in particular. In order to avoid negative interest rates on Swiss franc bonds to the greatest extent possible, Helvetia has further diversified its bond portfolio and increasingly invested in higher return fixed-income euro and US dollar bonds. The foreign currency risks are hedged to a high degree. Furthermore, we have opened up the investment spectrum and expanded our exposure to corporate bonds. Here, we place high requirements on the quality of the
counterparties and demand at least a BBB rating. Careful diversification and investment limits per debtor allow us to avoid cluster risks. Finally, a new asset class has been tapped into with private debt.

**What criteria does Helvetia apply when selecting its investments? Does sustainability play a role?**

As a leading European insurance company and institutional investor, we are aware of our environmental, social and economic responsibilities. For this reason, in addition to traditional, financial factors, we also increasingly take account of ESG criteria when making our investment decisions. We are convinced that sustainable investing will pay off both for our customers and our shareholders, especially in the long-term-oriented pension business. With respect to real estate, we have already been using environmentally friendly and energy-efficient construction methods for a considerable time. Generally speaking, we strive to acquire a recognised sustainability label both for new buildings and extended-cycle renovations. We regularly assess our securities holdings according to ESG criteria. These assessments form the basis for targeted improvements to what is already today a good starting point.

**What impact would a rate hike have on Helvetia’s investment activities?**

A rate hike would not have a major impact on Helvetia’s investment behaviour. As already explained, our investments are coordinated with our liabilities from the insurance business as part of the asset liability process. This applies to both phases of low and high interest rates. Under the applicable IFRS accounting standards, however, a rate hike would have a negative effect from an accounting perspective in the short term. As the long-term liabilities and interest rate guarantees of the life insurance business mean that the vast majority of fixed-income securities are held to maturity, these are temporary effects that are relativised over time. At the same time, higher interest rates would also lead to rising investment returns and increase the attractiveness of the insurance business.
Shareholder base.

Helvetia is aware of the responsibility that it has towards its investors and focuses its shareholder policy on long-term investor relationships. We act reliably, sustainably and reputably and always communicate in an open, understandable and timely manner. To guarantee the liquidity of the shares on the capital market, we target a free float in excess of 60%. As core shareholder, Patria Genossenschaft (34.1%) provides stability and ensures that Helvetia has strategic room for manoeuvre. The free float stands at 65.9%. As at 31 December 2018, Helvetia had 16,104 shareholders. At the end of the year, the employees held 1.28% of the registered share capital, around 0.16% of which was held by members of the Board of Directors and Executive Management of Helvetia.

Dividend policy.

Helvetia follows a sustainable dividend policy with attractive and stable dividends. We optimise risks for investors and customers, while growing consistently, through our long-term focus and using efficient risk management maintaining sustainable profitability and minimising earnings volatility. It is the primary aim to pay out sustainable dividends to the shareholders, which increase in absolute terms each year, whereby the payout ratio should move within a range of 40% to 50%. Over the current strategy period, a cumulative total of more than CHF 1 billion should be distributed to shareholders.
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This document is also available in German, French, Italian and Spanish. The German version is legally binding.

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