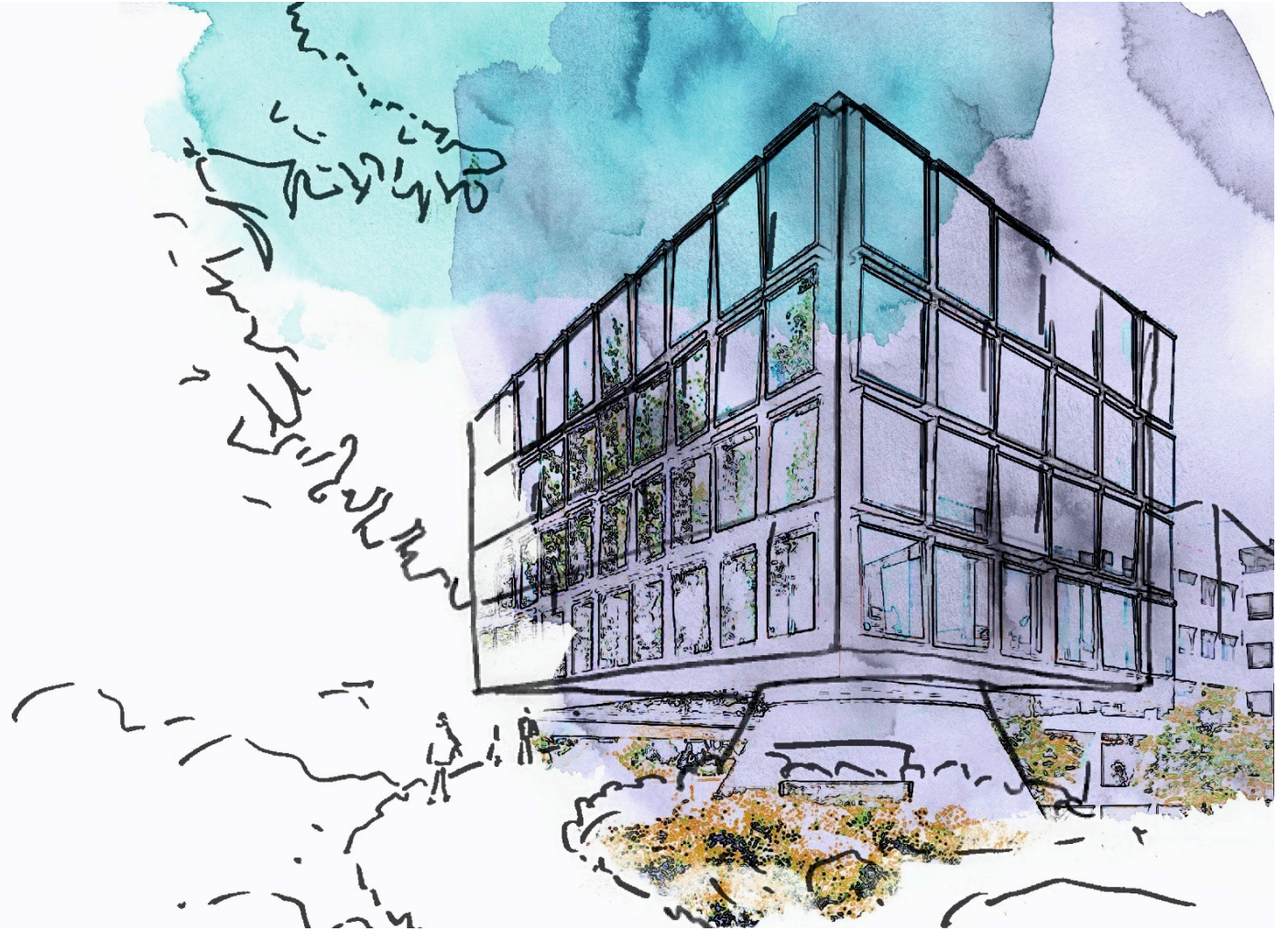


Your Swiss Insurer.

**Strategy**  
*helvetia 20.20*

September 2017



# The Helvetia 2015+ strategy was successful...

## What we are proud of:



### Market positions expanded considerably

- Volume increase 2010 – 2015: 34%, share of non-life increased substantially
- Market position improved in CH, AT, IT, FR, additional focus on niche markets



### Profitability increased

- Improvement in earnings 2010 – 2015: approx. 30%
- Dividend increased from CHF 14.50 to CHF 19.00 for 2015



### Customer benefits improved

- Increase in number of customers to almost 5 million in 2015
- High level of customer satisfaction confirmed by many rankings
- Brand awareness and image improved further

## What is on our agenda:



**Changes in customer behaviour and customer expectations**



**Low interest rate environment poses challenge to life business**



**Different solvency regimes in Switzerland and Europe increase complexity of capital management**



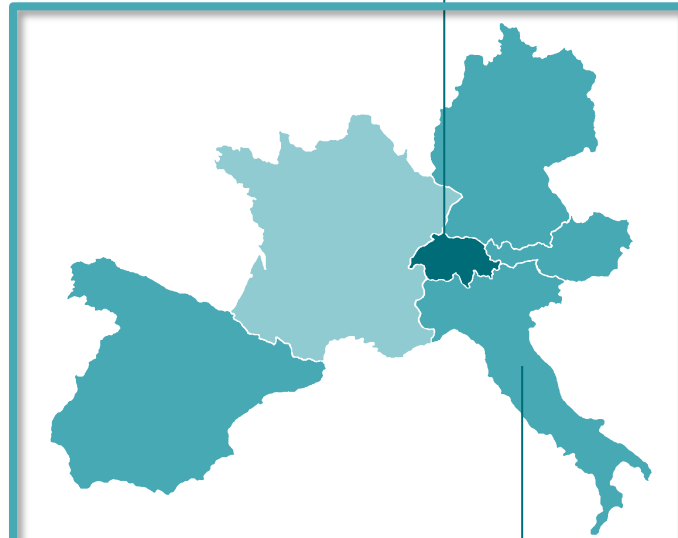
**Further progress in positioning of market units in Europe**

**Helvetia is in a position of strength.**

# ...and Helvetia is well positioned for the future with an excellent portfolio

## Switzerland

- 2016 business volume: CHF 5,107 million
- Top 3 position in stable and profitable home market
- Solid foundation for Group's further development



## Europe

- 2016 business volume: CHF 2,635 million
- Profitable and expandable market positions
- Same customer segments (retail/SME)
- Additional synergies within the Group

## Specialty Markets (worldwide)

- 2016 business volume: CHF 771 million
- Strong positioning in selected niche markets (top 1 CH, top 2 FR)
- Good international diversification

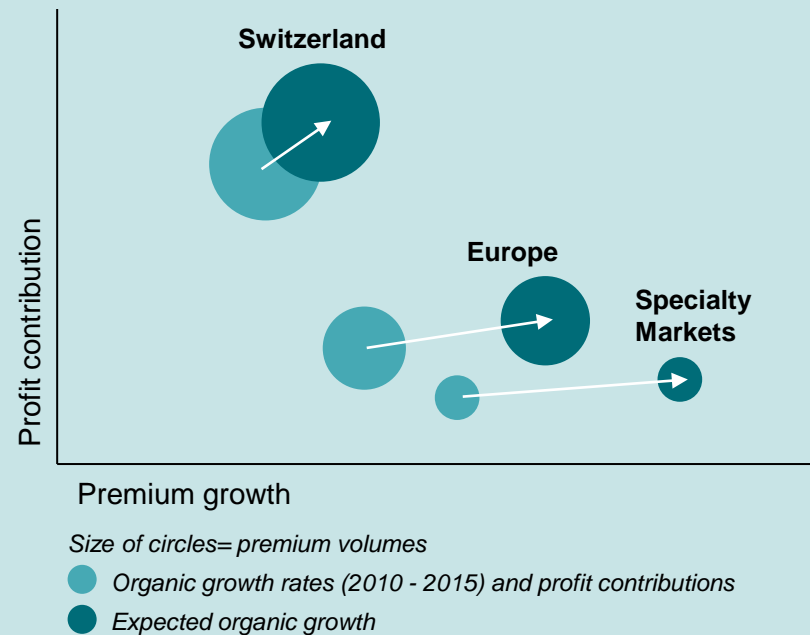


Icon on the right by freepik.com / flaticon.com

# We have ambitious target positionings...

## Target positioning of *helvetia* 20.20

(illustration)



### Switzerland:

- Increase in Switzerland's profit contribution through organic growth, innovation and synergies from past acquisitions
- Objective: **Best Swiss insurer**

### Europe:

- Further expansion in Europe and increase in profit contribution by focusing on growth, acquisitions, synergy effects and efficiency enhancements
- Objective: **Significantly improved positioning**

### Specialty Markets:

- Profitable growth in current selected niche markets with growing contribution to the Group
- Objective: **Further growth as selective niche player**

The combination of a growing profit contribution of Switzerland and profitable growth opportunities abroad makes Helvetia attractive.

...that make us fit for the future

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# helvetia 2020

## Fit for the future

- Innovative and increasingly digital
- Customer-centric by combining traditional strengths and new opportunities
- Agile and efficient

## Still personal and reliable

- Sustainable promises to customers
- Healthy capital base

## Added value for customers

- Customised and personalised insurance and secure pension solutions offering greater convenience

## Added value for employees

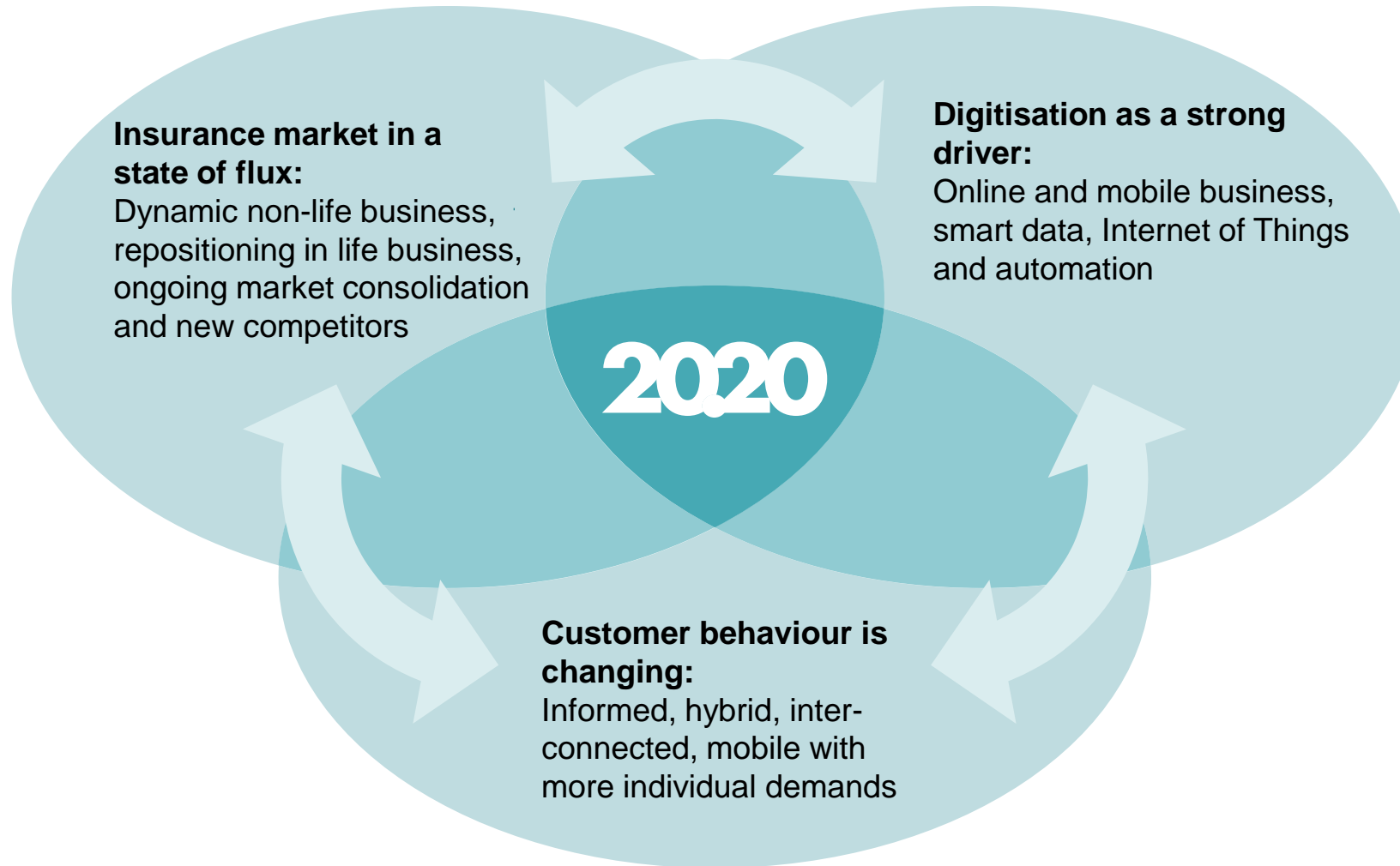
- Attractive and forward-looking employer

## Added value for shareholders

- Constant increase in profit and dividend capacity

# helvetia 20.20 focuses on the most important trends

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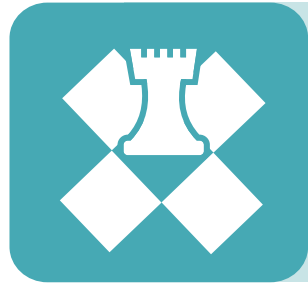
# We exploit the changes in the insurance market



General economic stability,  
new opportunities created  
by digitisation

## Healthy growth in non-life business

- Helvetia focuses on organic growth among retail customers and SMEs, supplemented by acquisitions.
- Helvetia exploits the opportunities offered by digitisation to stimulate business.



Low interest rates and  
stricter regulation

## Repositioning in life business

- Helvetia will continue to develop its careful asset liability management.
- Helvetia is pushing capital efficient life products and modern guarantee concepts.



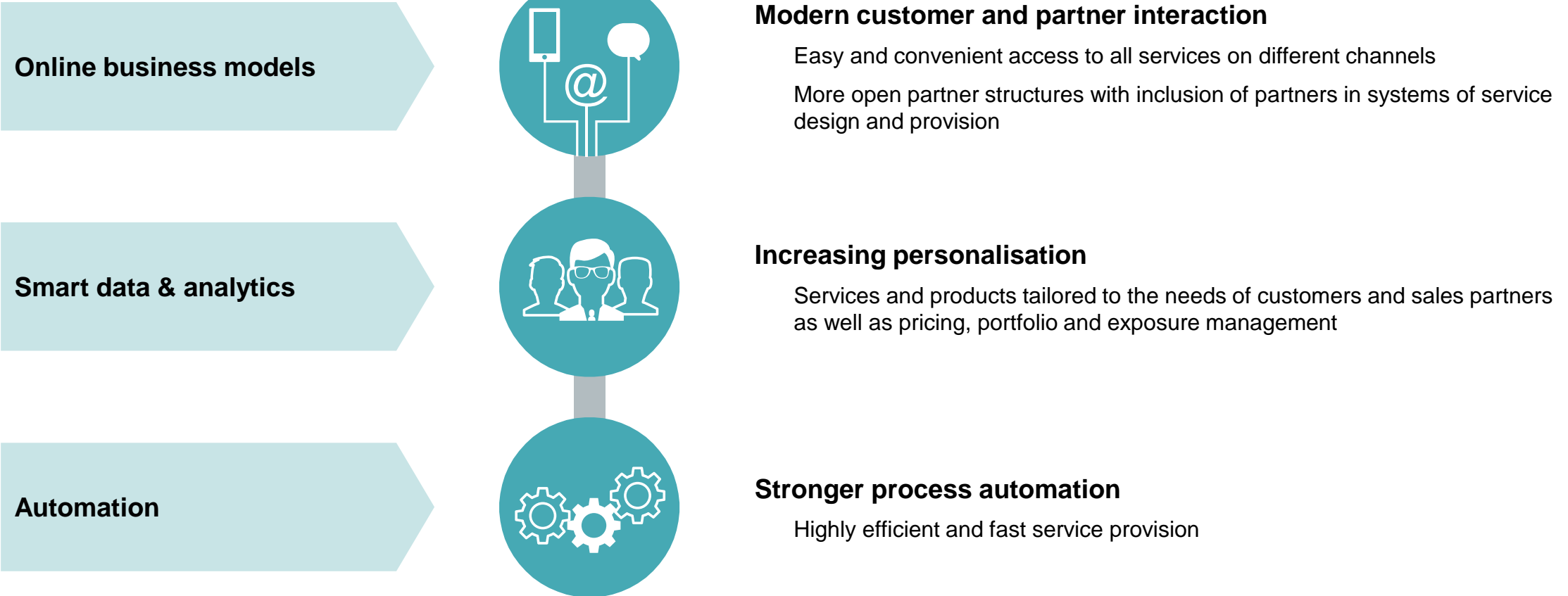
Ongoing consolidation,  
technological change and new  
competitors

## Active role in market

- Helvetia is well-capitalised, continuing its active M&A approach, strengthening its innovation management and launching corporate venturing.
- Helvetia is systematically renewing its current business models.

**Helvetia has the answers for a successful future.**

# We build on the opportunities offered by digitisation...



**Helvetia is implementing a comprehensive digitisation strategy.**

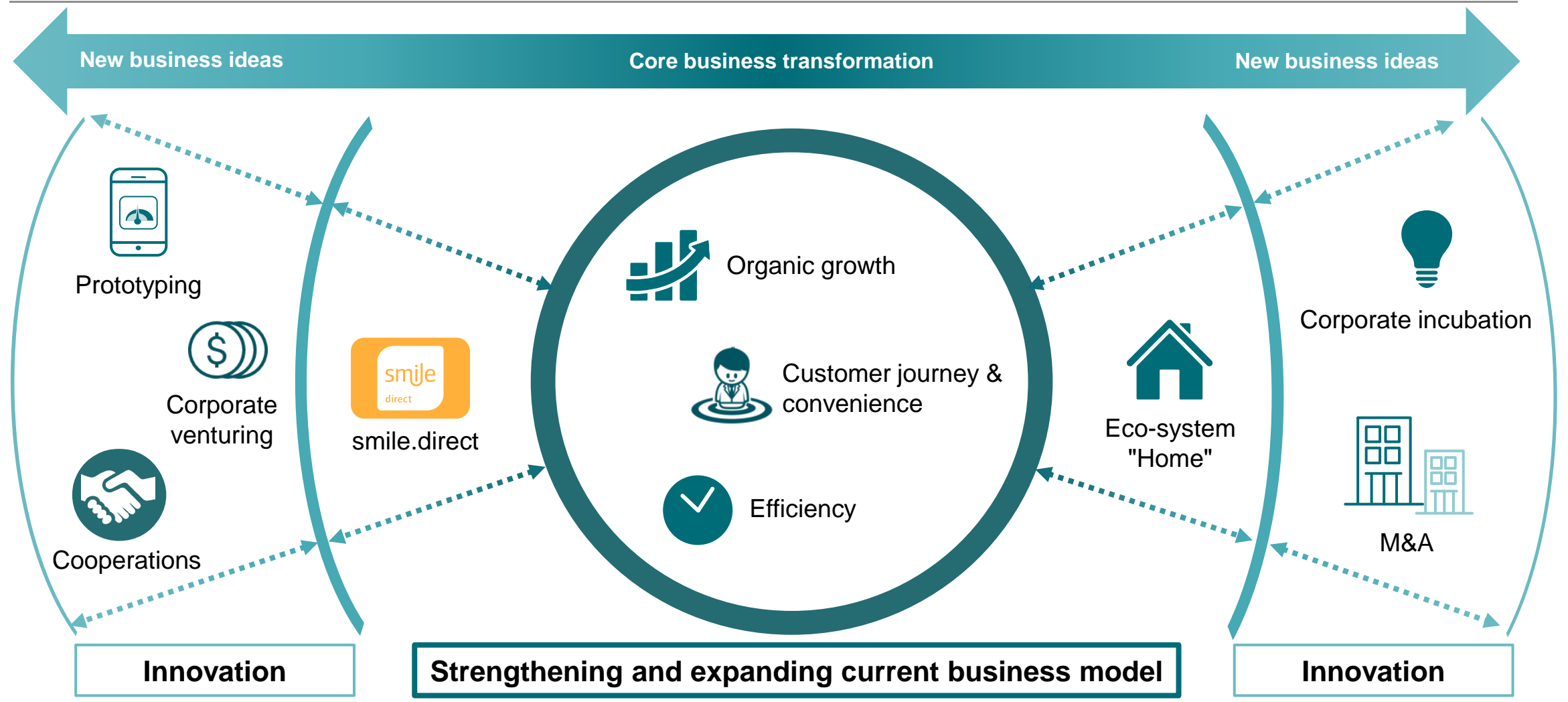


# ...in order to continue providing our customers with first-class advice and insurance



**We are specifically aligning our strategy to the needs of our current and potential customers.**

# helvetia 20.20: strengthening the core business, expanding the business model and innovating new business ideas



# Employees and culture provide strong foundation

2020

## Continued development of corporate culture

- Helvetia believes in values of trust, dynamism and enthusiasm.
- It is continuing to develop its culture on that basis by selectively strengthening its customer focus, flexibility and innovative power.

## Development of new knowledge and new skills

- Managers are equipped with adapted management tools to promote the acquisition of knowledge and skills as well as openness.
- Managers are empowered to push ahead with customer centricity, agility and innovation.

## Participation of employees

- Employees are involved in and contribute to implementation of strategy.
- Employees' new ideas and proposals for improvement are recorded and implemented more systematically.

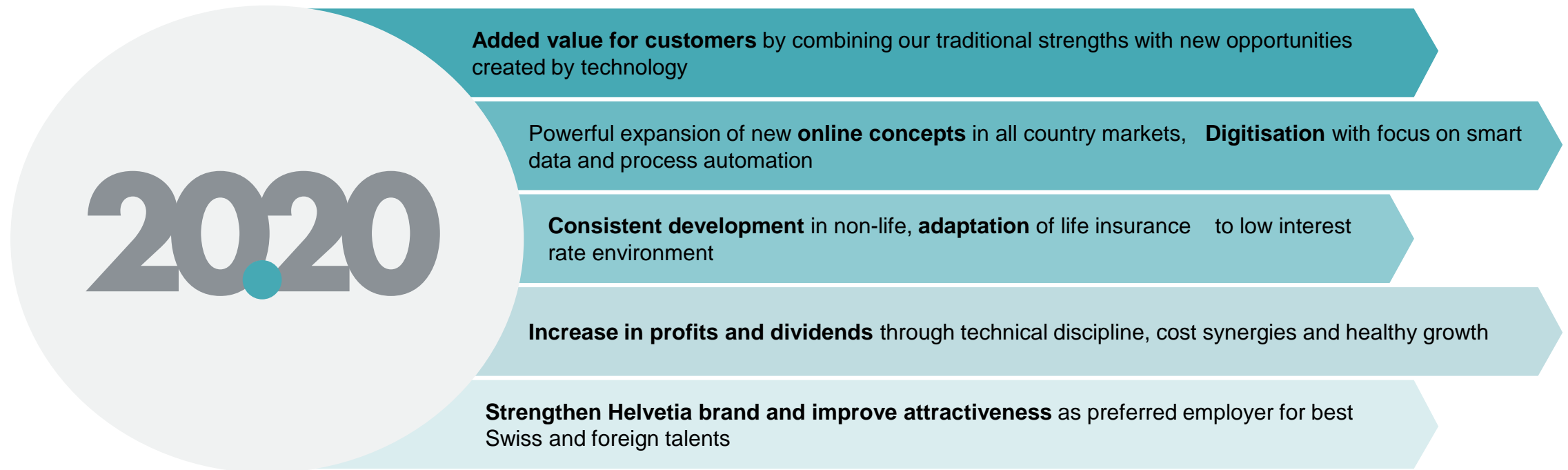
***helvetia 20.20* offers employees added value: they can play an active role while advancing personally and professionally.**

# Ambitious financial targets as benchmark

	Financial targets for 2020	Comments
Growth	Volume: CHF 10 billion	Dependent on currency fluctuations (impacting growth of European units) Through organic growth and further acquisitions
Profitability	Non-life: CR <93% Life: NBM >1%	Net combined ratio New business margin
Costs	Synergies from acquisitions: >CHF 130 million	All synergies from acquisitions of Baloise AT and Nationale Suisse to be realised by end of 2017
Capital	SST ratio: 140 – 180% S&P rating class: A	Dependent on model adjustments (particularly life)
Return on equity	8 – 11%	Dependent on capital market environment, based on underlying earnings (until 2018)
Dividend	Pay-out ratio 40 – 50% Pay-out (5y) >CHF 1 billion	Cumulative amount over next 5 years

# Conclusion: Added value through systematic renewal

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**Helvetia gets fit for the future, while remaining personal and reliable!**

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# Backup

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## Strategy for the market areas

- Switzerland
- Europe
- Specialty Markets

# Switzerland: Top 3 with excellent starting position

## Excellent starting position:

- Leading Swiss all-lines insurer with strong brand**
- Balanced portfolio mix with persistently robust technical results**
- Broadly based sales reach with unique cooperation partners**
- Innovative individual life products with short time to market**
- Swisscanto Collective Foundation serves as second foothold in group life business in addition to traditional full insurance solution**

## What is on our agenda:

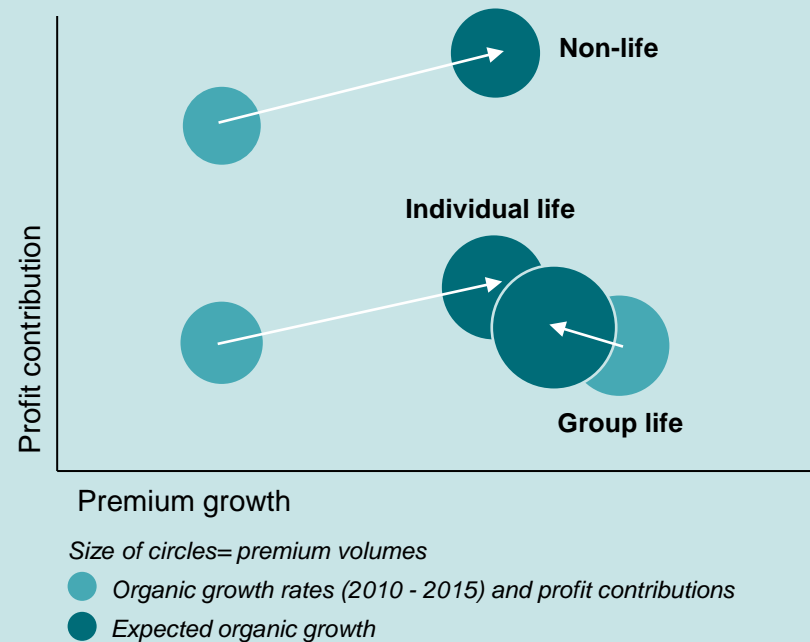
- Focus on consistent customer orientation**
- Growth above market as SME insurer in non-life segment**
- Expansion of digital and mobile customer interaction**
- Improving end-to-end process efficiency through standardisation and automation**
- Mastering the challenges posed to the life business by the low interest rate environment**

**The market area Switzerland is the solid foundation of the Helvetia Group.**

# Switzerland: Forward strategy in all business areas

## Target positioning in Switzerland

(illustration)



### Non-life:

- Cross- and upselling to existing customers
- Promoting non-life SME business
- Accessing alternative customer channels
- Objective: **Profitable growth across all business areas**

### Individual life:

- Developing new security concepts
- Accessing alternative customer channels
- Objective: **Repositioning with modern and capital-efficient products**

### Group life:

- Promoting Swisscanto model
- Developing innovative pension concepts for companies
- Objective: **Focus on capital-efficient business models and securing of market position**

**"Best Swiss insurer" thanks to innovative and customised insurance and pension solutions.**



# Consistent European business strengthens portfolio

## Europe market area has consistent positioning:

- Focus on retail and SME customers with integrated multi-channel approach
- Complete range of non-life products and capital-efficient life business
- Consistent brand image
- Synergies within Europe (pricing, reinsurance)



## European business already makes sensible contribution to portfolio:

- **European business is profitable:** All countries report profits and returns are higher than on the capital market.
- **European business reduces dependence:** European business reduces dependence on developments in Swiss market.

## European business harbours potential:

- **Margin in Europe can be improved:** There are further synergies from past acquisitions and higher degree of integration.
- **Europe has growth potential:** The countries in this market area have attractive opportunities for organic growth and substantial potential for M&A.

# Europe: Starting position and focal topics

## Good starting position:

- Positive profit contributions by all units
- Balanced portfolio in individual and commercial focal areas
- Diverse and established access to market (multi-channel)
- Uniform presence and very good brand image
- Strong digitisation solutions with potential have already been implemented in various markets

## What is on our agenda:

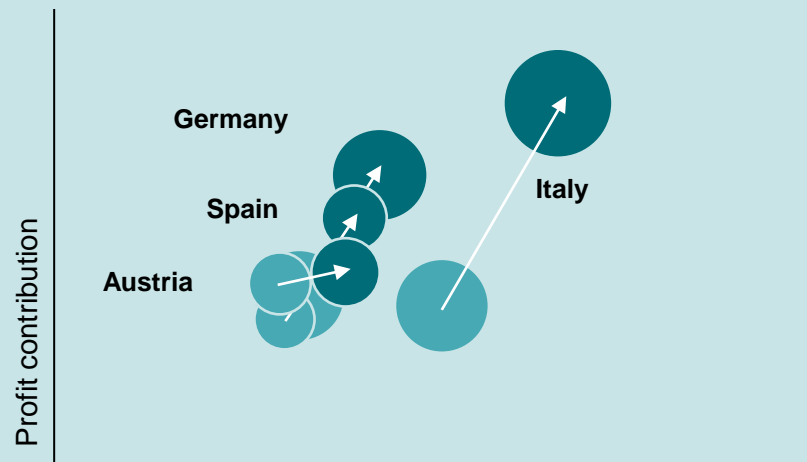
- Customer focus and convenience across the entire service provision
- Using smart data & analytics for customised personalisation as well as adequate pricing and risk management
- Improving brand recognition in relevant areas of competition
- Making further progress in efficiency by slimlining processes and automation
- Value-focused development of life portfolio (new and backbook)
- Active M&A-strategy

European markets are well equipped to exploit the opportunities arising from changed customer behaviour and digitisation.

# Europe: Target positioning and strategy focus

## Target positioning in Europe

(illustration)



Size of circles= premium volumes

● Organic growth rates (2010 - 2015) and profit contributions

● Expected organic growth

### Germany:

- New products via digital channels
- More automation and process optimisation
- Objective: **Improved earning power and innovation**

### Italy:

- Streamlining operations
- Stronger online interaction with customers and partners
- Objective: **Highly efficient with real omni-channelling**

### Spain:

- Establishment of digital sales channel
- Individualised non-life on standard platform
- Objective: **Expansion of market position with high profitability**

### Austria:

- New online offer for customers and partners
- Expansion of business with institutional partners
- Objective: **Profitable growth, substantially above the market**

**Significantly improved positioning in Europe with increase in volume and rise in profit contribution.**

# Specialty Markets: Starting position and focal topics

## Excellent starting position:

- Top positioned as specialty lines insurer in Switzerland and as transport insurer in France
- Proven global risk diversification in active reinsurance
- Established access to local markets in growth markets of Asia and Latin America
- Pronounced expertise and experience in risk-adjusted underwriting of complex risks
- Specialty lines and active reinsurance boast synergies and mutual added value

## What still concerns us:

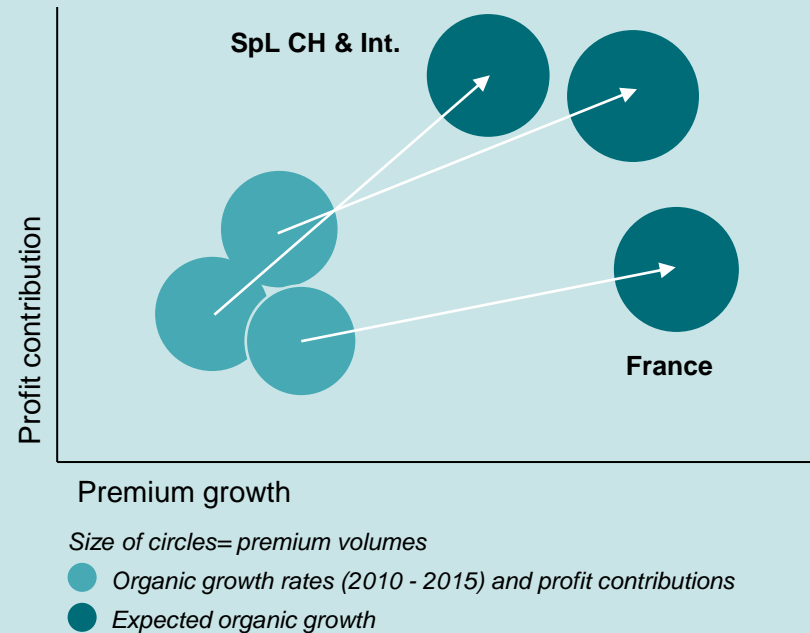
- Persistently difficult market conditions due to excess capacity and economic cycles (soft markets)
- Regulatory requirements as thresholds for market access
- Relatively high acquisition and administration costs
- Optimised investment strategy in a very dynamic market environment

**Potential for growing profit contribution and diversification for Group.**

# Specialty Markets: Niche strategy

## Target positioning in Specialty Markets

(illustration)



### Specialty Lines Switzerland & International:

- Expand market leadership in Switzerland
- Profit-focused development of international business
- Objective: **Selective forward strategy**

### France:

- Comprehensive online services for customers and partners
- Development of new niche products and product bundles
- Objective: **Consolidation of strong market position**

### Active reinsurance:

- Expansion of offer and development of additional services
- Further progress in portfolio diversification
- Objective: **Strengthening of reinsurance business**

Further growth as selective niche player.