

Helvetia Group

*Corporate
Story
2016*

Helvetia Holding Ltd
Helvetia Swiss Insurance Company Ltd
Helvetia Swiss Life Insurance Company Ltd

Your Swiss Insurer.

helvetia 

Helvetia to become more digital, more agile and more valuable

Over recent years, Helvetia has consolidated its position in its home market of Switzerland and in selected European markets, increased its profitability and enhanced customer benefits. Based on its strengths, Helvetia is setting new targets for the next period: With the *helvetia 20.20* strategy the company is becoming more digital, more agile and more valuable and is placing an even greater emphasis on its customers. Helvetia plays an active role in the Swiss and European insurance market – to the benefit of customers, shareholders and employees.

Helvetia is active in the life, non-life and reinsurance sectors. The growth-oriented, international and competitive insurance group has in recent years created sustainable value for customers, shareholders and employees.

Position strengthened in all markets in a profitable manner

In Switzerland, Helvetia is the leading Swiss all-line insurer with a strong top-three position. The stable and profitable home market provides a solid foundation for the further development of the Group.

The business of Helvetia in selected European countries is profitable and expandable. These avenues for growth, as well as synergy opportunities, generate additional potential.

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.

Increased focus on customers



The *helvetia 20.20* strategy is built on strong foundations, takes account of key market trends and opens up new opportunities. The strategy is systematically geared towards the requirements of existing and potential customers.

Helvetia wants to make its offers and business processes more customer-focused, more digital and more efficient – by combining traditional strengths with new opportunities. Customers will thus receive a greater selection of personalised insurance and pension solutions. As “Your Swiss insurer.” Helvetia will in future continue to stand for quality in all insurance matters – in a personal, collaborative and trustworthy manner.

Digitisation opens up new opportunities



Digitisation is also having an ever greater impact on the insurance industry as a catalyst for the further development of business models. It is expanding existing and opening up new access channels to customers and partners. Interactions with customers across the entire business relationship are becoming more mobile, more personal and simpler, and partners are better integrated into the systems. Furthermore, with the help of smart data and analytics, Helvetia can largely personalise its market services and identify risks even more precisely. Increasing automation also enables a high level of efficiency and speed in service provision.

Insurance market is in flux



The insurance market is in flux – both in Switzerland and Europe. The stability of the general economy ensures an intact environment in the non-life business and digitisation is creating new opportunities.

Helvetia is determined to exploit these opportunities, stimulate its business and play an active role in the further consolidation of the insurance business in selected markets. Good capitalisation, profitable business areas, organic growth, strategic partnerships and targeted acquisitions will allow for a sustainable improvement in the company's competitive position. Here, Helvetia is proud of its track record and can benefit from the integration experience it has gathered as part of past acquisitions. Helvetia is also relying on innovation management and corporate ventures.

The life business is confronted with the persistent low interest rate environment and additional regulations. Helvetia is meeting these challenges by making strategic adjustments: it is continuing to develop its thorough asset liability management and promoting capital-efficient products and modern guarantee concepts.

Strategy implementation creates value

Helvetia wants to create additional value with the *helvetia 20.20* strategy.

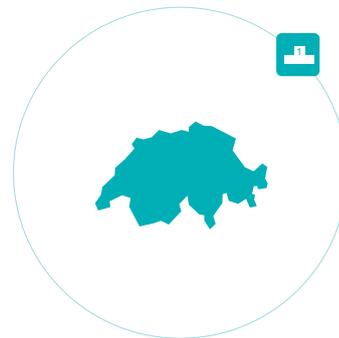
Customers will be provided with personalised insurance and pension solutions with a high level of convenience by combining the traditional strengths of Helvetia with the new opportunities presented by digitisation.

Shareholders will benefit from greater profit and dividend potential secured by capital strength, technical discipline, cost synergies and healthy growth.

Employees benefit from an even more attractive, future-oriented employer which encourages talented individuals in Switzerland and abroad with its values of trust, drive and enthusiasm and challenges and supports them in their development.

At Group level, the *helvetia 20.20* strategy is being implemented with the support of 16 Group-wide strategic initiatives. These follow our vision of “an identity as the leading Swiss all-lines insurer – with national and international ambition – digital and innovative – and with a highly developed customer focus.” They have also been designed to enhance the fundamentals of our business, accelerate profitable growth, increase efficiency and deliver quality.

Switzerland market area: best insurance company



In its home market of Switzerland, Helvetia will exploit the synergies from completed acquisitions and thus increase its contribution to Group profit on a sustainable basis. Helvetia will focus on the provision of insurance to retail customers as well as small and medium-sized companies.

As the leading Swiss all-line insurer, Helvetia wants to grow organically by developing innovative products, increasing the level of customisation through digitisation and offering a quality-based service. Here, focus will be placed on efficiency in the non-life business and capital-efficient solutions in the life business. With *smile.direct*, an online platform also already exists.

Strong partnerships remain an important pillar of the strategy. The distribution partnership with Raiffeisen can be used as an example here: the insurance and pension products of Helvetia supplement Raiffeisen's banking services. In investment management and product development, Helvetia cooperates with Vontobel and Leonteq, while collaborating with Swisscanto, Notenstein La Roche and other partners in occupational pension business.

Europe market area: significantly improved positioning



Based on healthy organic growth supplemented by acquisitions, synergies and improved efficiency, Helvetia wants to further increase the profit contribution made by the European market units in the coming years.

In the European markets of Germany, Austria, Italy and Spain, Helvetia wants to apply a growth strategy to significantly increase its business volume. Opportunities for acquisitions in the profitable non-life business are being actively sought. The life business will increasingly focus on capital-efficient products.

Speciality Markets segment: expansion as a selective niche player



The Specialty Markets business segment is pursuing a selective niche strategy with a focus on engineering, transport, art and active reinsurance. Specialty Markets writes business worldwide, with a local presence in the focus regions of Switzerland, Liechtenstein (including for the EU area), Asia, Central and South America.

Profitable growth in selected market niches will result in an increased profit contribution at Group level. The disciplined underwriting policy will not be changed.

Ambitious financial targets as benchmarks

The implementation of the *helvetia 20.20* strategy is based on clear, measurable targets. Helvetia is aiming to increase business volumes to around CHF 10 billion on a currency-adjusted basis by 2020, driven by organic growth and targeted acquisitions.

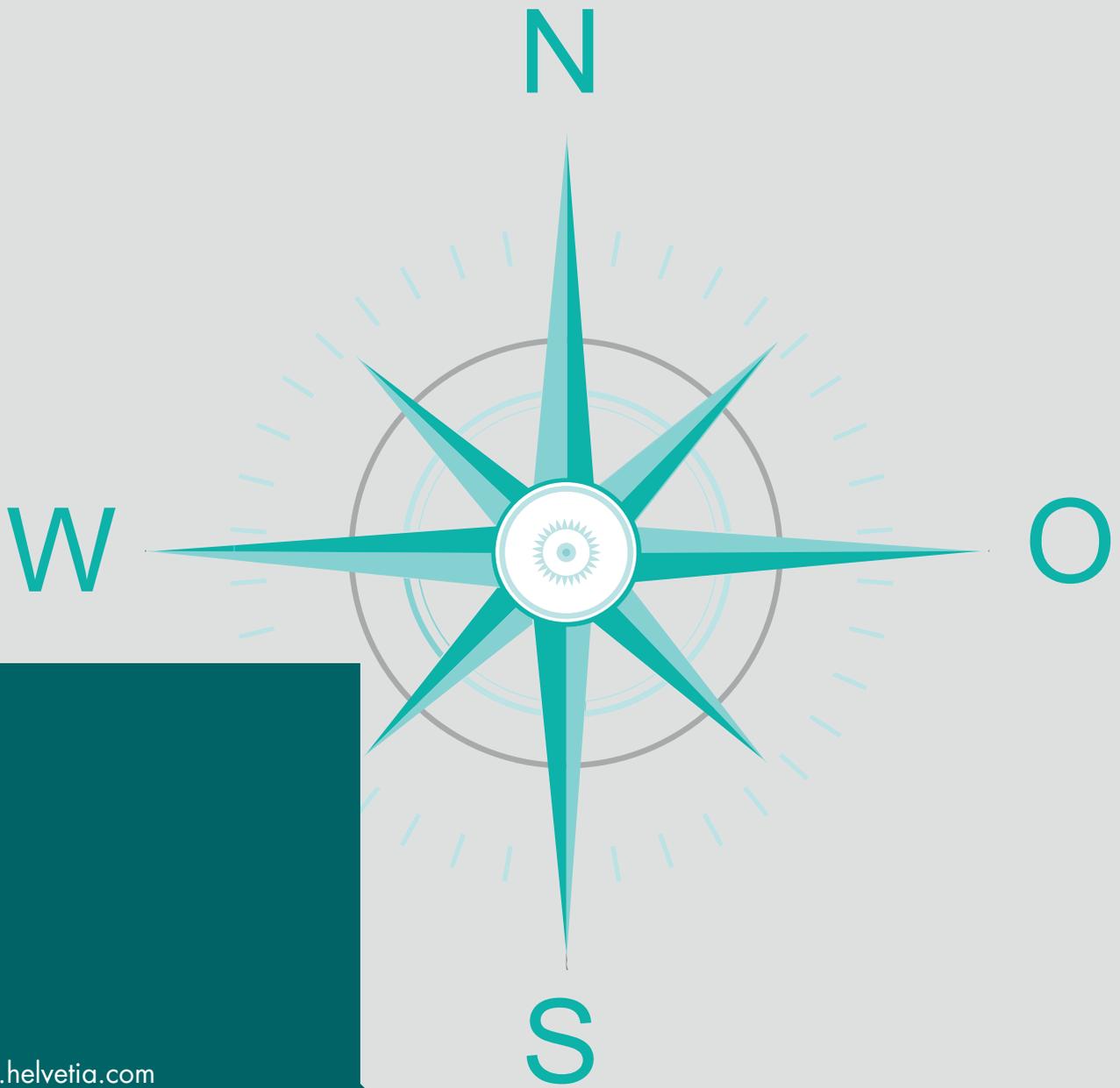
A disciplined underwriting strategy, the improved use of data (keyword: smart data) and strict cost controls should secure the first-class combined ratio in the non-life business, which should in future be under 93%. The profit share accounted for by the non-life business should remain at two-thirds.

The share of the risk result is increasing within the life business. Dependence on interest rate margins is thus being reduced further.

Helvetia is targeting a return on equity of 8% to 11% calculated on the basis of underlying earnings. The cumulative amount to be distributed to shareholders should be in excess of CHF 1 billion over the next five years.

helvetia 2020

With the *helvetia 20.20* strategy, Helvetia will become fit for the future, while remaining personal and reliable.



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