

Media release

Basel, 31 May 2022

Helvetia presents a gratifying result for occupational benefits

The collective life business of Helvetia Insurance is on a firm footing. The results for the savings, risk and cost process were positive, and costs per insured person were reduced significantly. The following still applies: a lasting reform of the occupational benefits scheme remains urgent and essential.

Helvetia Insurance presents a gratifying result for occupational benefits. Operating profit in 2021 came to CHF 81.1 million and was therefore 29% higher than in the previous year (2020: CHF 62.7 million). Thanks to a good year for investments in 2021, the result for the savings process was significantly improved. The risk and cost processes generated a cost-covering income. Helvetia used the good result in particular to strengthen its reserves for current and future pensions for its insured persons, as part of its sustainability approach.

In its occupational benefits business, Helvetia posted premium volume of CHF 1,943.6 million, which was around 6% lower than in the previous year (premiums in 2020: CHF 2,068.2 million). This decline is due in particular to the shift from full insurance to semi-autonomous solutions and the related decline in savings premiums. In 2021, premium volume in semi-autonomous solutions and the number of active insured persons both increased overall.

Steady and strong participation in surpluses

In its business subject to the minimum distribution ratio, Helvetia used a total of CHF 597.4 million to the benefit of insured persons in 2021, which equates to a payout ratio of 90.5% (2020: 90.6%).

Helvetia's surplus policy of recent years has focused on continuity and stability. This consistent surplus policy and the good business result in 2021 allow appropriate sharing of surpluses. For business subject to the minimum distribution ratio, compulsory retirement savings under LOB earned the minimum rate of interest of 1%. Supplementary retirement savings attracted 0.75%. In accordance with the regulations for the minimum distribution ratio relating to the distribution of surpluses, a risk surplus was paid out for 2021 in addition to the interest surplus.

Operating expenses continue to decline

As in 2019 and 2020, in 2021 operating expenses declined by CHF 8.8 million year-on-year (9%) to CHF 89.1 million. Operating expenses per active insured person declined by 12% to CHF 418 (2020: CHF 477) and is therefore back to the 2019 level.

Net performance based on market values was 0.97% in 2021. The market values of equities and real estate performed well, thanks to the economic upturn and the good year on the stock markets. On the other hand, rising inflation and signs of the end of ultra-expansionary monetary policy depressed the market prices of fixed-rate bonds.

The number of insured persons rose by 3% to 229,840 (2020: 222,436), while the number of collective contracts declined by 1% to 17,086 (2020: 17,286).

Non-systemic redistribution still too high

A reform of the occupational benefits scheme remains urgent and essential. The non-systemic redistribution still too high. Anja Göing-Jaeschke, Head Actuarial Services Life Switzerland at Helvetia, explains: "Thanks to the positive gross result from the savings process for active insured persons, Helvetia was able to strengthen its reserves in 2021. Together with the reduction in the conversion rates due to the introduction of the new collective life tariff on 1 January 2020, it will be possible to limit cross-subsidization for the next few years. However, without an improvement in the legal framework, it will not be possible to avoid a certain degree of cross-subsidization in future."

Comprehensive security or higher interest rates

"Helvetia offers its customers in the Swiss collective life segment both models in line with their needs: the full insurance model with far-reaching guarantees and the semi-autonomous model with potential returns", explains Hedwig Ulmer, Head Pension Provisions and a member of Executive Management Switzerland at Helvetia.

The 2021 operating statement for Helvetia Switzerland's occupational benefits business can be found at www.helvetia.ch/facts-figures-lob.

This media release is also available on our website www.helvetia.ch/media.

For further information please contact:

Analysts

Philipp Schüpbach
Head of Investor Relations

Phone: +41 58 280 59 23
investor.relations@helvetia.ch

Media

Dominik Chiavi
Senior Manager Media Relations

Phone: +41 58 280 50 33
media.relations@helvetia.ch

About the Helvetia Group

Helvetia Group, with its headquarters in St. Gallen, has grown since 1858 to become a successful insurance group with over 12,000 employees and more than 7 million customers. It has been enabling its customers to seize opportunities and minimise risks for all that time – Helvetia is there for them when it matters. Helvetia is the best partner and is present everywhere that protection needs arise, with insurance, pension and investment solutions from a single source as well as simple products and processes. The insurance group knows the business, from mobile

phone insurance and insurance cover for the Gotthard Base Tunnel to the long-term investment of customer assets. Helvetia develops and opens up new business models with enthusiasm and drives forward its own business in a powerful and future-oriented manner. It acts with foresight and responsibility in everything it does: for the benefit of its shareholders, customers and employees as well as its partners, society and the environment.

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

Cautionary note

This document was prepared by Helvetia Group and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Helvetia Group. The German version of this document is decisive and binding. Versions of the document in other languages are made available purely for information purposes. Although all reasonable effort has been made to ensure that the facts stated herein are correct and the opinions contained herein are fair and reasonable, where any information and statistics are quoted from any external source such information or statistics should not be interpreted as having been adopted or endorsed as accurate by Helvetia Group. Neither Helvetia Group nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained in this document are as up to date as is reasonably possible but may be subject to revision in the future. Neither Helvetia Group nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document.

This document may contain projections or other forward-looking statements related to Helvetia Group which by their very nature involve inherent risks and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (1) changes in general economic conditions, in particular in the markets in which we operate; (2) the performance of financial markets; (3) changes in interest rates; (4) changes in currency exchange rates; (5) changes in laws and regulations, including accounting policies or practices; (6) risks associated with implementing our business strategies; (7) the frequency, magnitude and general development of insured events; (8) mortality and morbidity rates; (9) policy renewal and lapse rates as well as (10), the realisation of economies of scale as well as synergies. We caution you that the foregoing list of important factors is not exhaustive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties. All forward-looking statements are based on information available to Helvetia Group on the date of its publication and Helvetia Group assumes no obligation to update such statements unless otherwise required by applicable law.