Helvetia Group

helvetia.com

Annual Report 2023.

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Your Swiss Insurer

Key figures.

in CHF million	2023	2022	Change in Group currency
Insurance revenue			
Insurance revenue life	1 810.8	1 799.6	0.6 %
Insurance revenue non-life	6 809.7	6 356.6	7.1 %
Insurance revenue	8 609.5	8 146.6	5.7 %
Business volume			
Premiums written life	3 926.2	3 997.3	– 1.8 %
Deposits life	279.1	178.7	56.2 %
Premiums written non-life	7 117.1	6 553.2	8.6 %
Business volume	11 311.3	10 729.3	5.4 %
Fee and commission business			
Income from fee and commission business	390.5	350.9	11.3 %
Fee result (before tax)	32.6	27.5	18.5 %
Key performance figures			
Underlying earnings life	310.2	275.4	12.6 %
Underlying earnings non-life	220.6	319.3	– 30.9 %
Underlying earnings other activities	– 156.8	– 101.7	54.3 %
Underlying earnings	372.5	492.9	– 24.4 %
IFRS net income	301.3	480.2	– 37.3 %
Key balance sheet figures			
Shareholders' equity	3 337.5	3 458.9	– 3.5 %
Insurance contract liabilities (net of insurance contract assets)	47 436.2	46 269.9	2.5 %
thereof contractual service margin (gross of tax)	4 030.8	3 942.4	2.2 %
Investments	51 883.8	51 201.9	1.3 %
thereof Group financial assets and investment property[1]	46 569.7	46 723.0	– 0.3 %
Ratios			
Return on equity annualised[2]	7.5 %	11.6 %	– 4.1 %-pts
Combined ratio	97.4 %	94.3 %	3.0 %-pts
New business margin	5.1 %	4.5 %	0.6 %-pts
Direct yield annualised	2.0 %	1.8 %	0.2 %-pts
Key share data Helvetia Holding AG			
Group profit for the period per share in CHF	5.2	8.0	– 34.7 %
Shareholders' equity per share in CHF	63.2	65.4	– 3.4 %
Price of Helvetia registered shares at the reporting date in CHF	115.9	107.8	7.5 %
Market capitalisation at the reporting date in CHF million	6 145.7	5 716.2	7.5 %
Number of shares issued	53 025 685	53 025 685	0.0 %
Employees			
Helvetia Group	13 812	12 628	9.4 %
of which Switzerland and Corporate	4 025	3 825	5.2 %

1 Incl. assets held-for-sale
2 Based on net income per share (after interest on preferred securities through profit and loss) divided by average shareholders' equity (equity without non-controlling interests and preferred securities, excluding fair value reserve and insurance finance reserve).

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Scan the QR code to view the entire Annual Report as well as the individual reports.

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Helvetia portrait

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Dr Thomas Schmuckli
Chair of the Board of Directors

Fabian Rupprecht
Chief Executive Officer

Ladies and Gentlemen.

2023 demonstrated that our strategic focus is proving its worth even against the backdrop of a challenging environment. Helvetia last year recorded extraordinarily high claims from natural catastrophes and major loss events in the non-life business in Switzerland and Europe. This is also reflected in the result. Despite this challenging environment, the Board of Directors will propose to the Annual General Meeting that the dividend be increased to CHF 6.30 per share based on Helvetia's profitable growth and strong capitalisation. Helvetia intends to pay out a cumulative dividend of more than CHF 1.65 billion by the end of the strategy period *helvetia 20.25*. Helvetia is a reliable dividend payer. This was reflected by the inclusion of Helvetia in the SIX Swiss Exchange index with the 20 highest-dividend securities in the SPI last March.

"Helvetia's robust financial strength and diversified business base made a significant contribution to its resilient performance."

Dr Thomas Schmuckli
Chair of the Board of Directors

Helvetia generated underlying earnings of CHF 372.5 million in 2023 (2022: CHF 492.9 million). We are placing a focus on this key figure for the first time in the 2023 annual financial statements. The underlying earnings show how the operating insurance service result is developing, irrespective of financial market volatility or other non-operating influences. In 2023, the underlying earnings were impacted by the aforementioned high claims burden. This also affected the key technical figures in the non-life business, including the combined ratio. Our objective here is clear: we also want to achieve good technical results in years with bad weather and thus become more profitable overall. In life insurance, we posted a solid result that slightly exceeded that of the previous year.

Helvetia's robust financial strength and diversified business base made a significant contribution to its resilient performance. This resilience is also reflected in Helvetia's capitalisation, which remains excellent: the SST ratio was at more than 280% as at 1 January 2024. Helvetia has been awarded an "A+" rating by the S&P Global Ratings (S&P) rating agency.

In keeping with the *helvetia 20.25* strategy, we were able to continue on our path of selective growth. Focus here was placed on profitable and capital-efficient business fields. Helvetia increased its business volume on a currency-adjusted basis by 7.2 % to CHF 11,311.3 million. Key drivers of this growth included a strong performance in the Specialty Markets segment and above-market growth in the non-life of the markets of Switzerland, Spain and Austria.

> "The basis for our activities and our success is formed by our customers. Helvetia has a very loyal customer base."
>
> **Fabian Rupprecht**
> Chief Executive Officer

Helvetia also recorded considerable growth in its fee income of 11.3 %. The increase can be attributed to various supplementary acquisitions in this business area. The fee business already contributed more than 5 % to IFRS net income in 2023.

As part of the *helvetia 20.25* strategy, we set ourselves the goal of increasing our cost efficiency by CHF 100 million. This objective has now already been achieved prior to the end of the current strategy period. Nevertheless, the focus remains on cost efficiency and will further be improved.

Helvetia is well on track to achieve the financial goals for the current strategy period and we are continuing to work systematically on the implementation of the *helvetia 20.25* strategy. At the same time, the Board of Directors and the Executive Management are conducting a review of the strategy to ensure we are able to serve our customers even better in the future. We will provide further information on the next steps of the strategy review during the course of the year.

The basis for our activities and our success is formed by our customers. Helvetia has a very loyal customer base. And our products and services are impressing the market, as revealed by the steady growth in recent years. A second important factor in our success are our employees. We are delighted to note that our employees have a very high level of identification with Helvetia. Last year, Helvetia was also awarded the European "Top Employer" seal for the first time.

In summary, we can say that Helvetia is very well positioned. We are building on three pillars, namely a strong core business, a high level of resilience thanks to our financial strength and diversification and our proven ability to seize attractive growth opportunities. It is on this basis that we embrace our purpose: "Life is full of opportunities and risks. We are there when it matters." Last year, with its numerous severe weather events, illustrated that this purpose is more than just fine words and that we live it each and every day in our dealings with our more than 7.2 million customers.

We would like to thank you for the trust that you place in us and the support you show as we navigate our path.

Yours sincerely

Dr Thomas Schmuckli
Chair of the Board of Directors

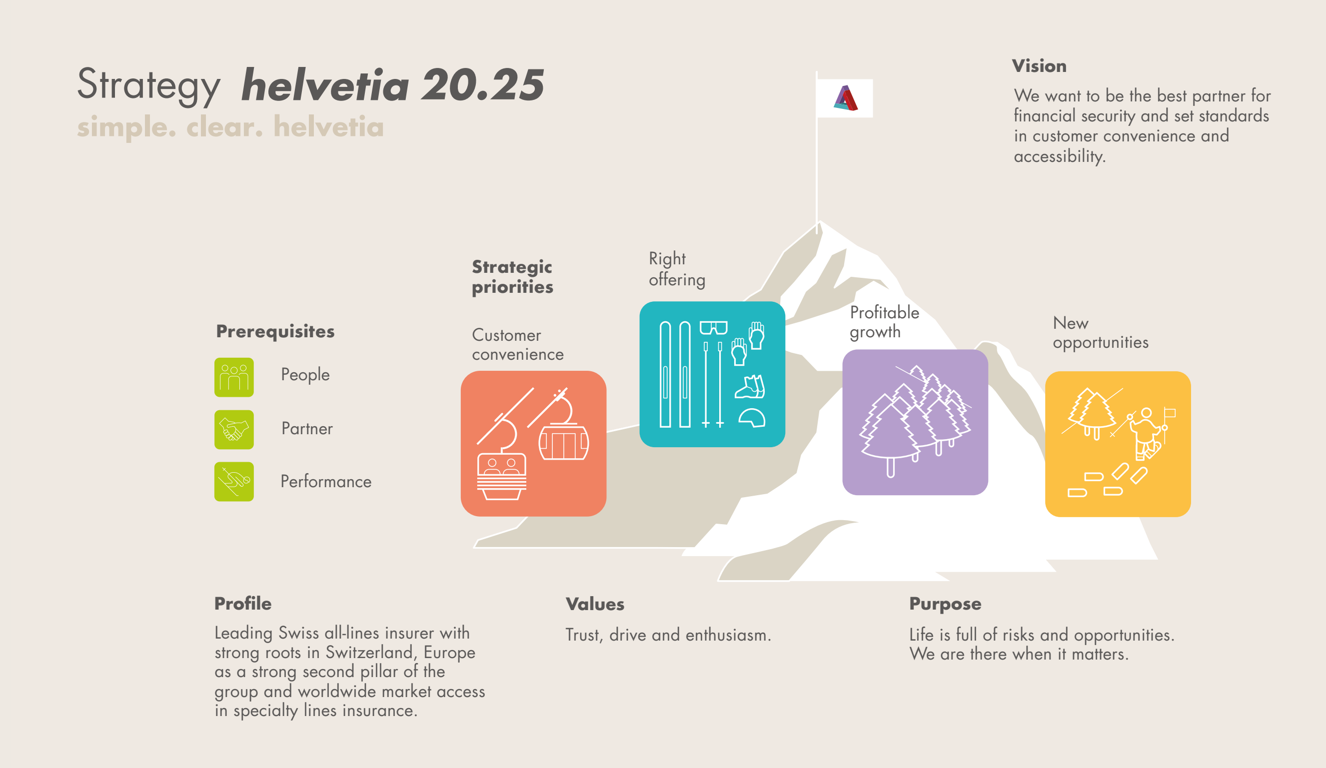
Fabian Rupprecht
Chief Executive Officer

Our strategy.

Our path towards 2025

Following the successful start to the *helvetia 20.25* strategy period, Helvetia is very well positioned. In future, we want to continue on the path that we have successfully embarked upon. To allow us to do so, we have added a chapter to our proven strategy with the objective of doing even better justice to all of our stakeholder groups.

Even if the environment in which we operate is constantly changing, Helvetia's raison d'être has remained the same since 1858: Life is full of opportunities and risks. Helvetia is there for its customers when it matters. Helvetia's vision is to be the best partner for financial security and to set standards in the areas of customer convenience and customer access: simple. clear. helvetia. is becoming even more part of Helvetia's DNA.



In its *helvetia 20.25* strategy, Helvetia sets four strategic priorities:

Helvetia embraces customer convenience

Helvetia is on hand wherever insurance and pension needs arise and provides its services in the simplest way possible for customers (see also page 27).

Helvetia has the perfect offering

Helvetia offers comprehensive products and services in the areas of insurance and pension provision (more information on page 28).

Helvetia grows profitably in its core business

Helvetia increases customer value creation in Switzerland, continues to develop its European business as a profitable, second strong pillar for the Group and generates additional growth in its international Specialty business.

Helvetia utilises new opportunities

Helvetia opens up new business models in its core business and in the area of asset management (further information on page 28).

Thanks to the company's performance culture and technical excellence, the digitalisation of its processes, its ability to work as a partner as well as its leadership and talent management, Helvetia creates the optimal conditions for the successful implementation of its strategy.

The basis for this success is formed by Helvetia's employees. According to the current Top Employer audit, Helvetia performed well Group wide in the area of Business Strategy, Organisation and Change, and Ethics and Integrity. The academy established in France to train underwriting specialists in-house due to the shortage of skilled workers is one example of this.

The financial objectives specified in Helvetia's strategy focus on profitability, operational efficiency, solid capitalisation over the long term and the ability to pay dividends. Our financial objectives are based on the strategic priorities and reflect our level of ambition.

As a European insurance provider, we want to contribute to the sustainable development of both the economy and society. That's why our Sustainability Strategy includes all relevant areas of value creation and integrates sustainability factors consistently into company decisions. The repeated awarding of the MSCI ESG rating "A" also confirms the quality of these sustainability efforts.

People

Performance

Partners

Strategic priorities

- Customer convenience
- Right offering
- Profitable growth
- New opportunities

Financial objectives

Quality of results and growth	**Profitability**	
	Non-life combined ratio (2021–2025)	92–94%
	Life new business margin (2021–2025)	4–6%
	Fee business	
	Volume	CHF >450 million up to 2025
	Share on Group IFRS net income	>5% up to 2025
Operational efficiency	Cost efficiency	CHF 100 million up to 2025
Capital and dividend	Rating	A rating (S&P)
	Cumulative dividend distribution (2021–2025)	CHF >1.65 billion
	Return on equity*	11–14%

Helvetia acts responsibly towards the environment, society, its employees and the economic sphere.

* Equity excl. fair value reserve and insurance finance reserve

Our sustainability approach.

Helvetia lives up to its corporate responsibly towards the environment, society, its employees and the economic sphere. Our sustainability strategy is consistently geared towards the needs of our stakeholders and the long-term, sustainable success of Helvetia.

Our ambition

Our ambition in the area of sustainability is based on our purpose: "Life is full of opportunities and risks. We are there when it matters." The way we view our task as an insurer is underpinned by a deeply rooted understanding of pensions and risk management. With our services and the way in which we behave, we want to contribute to the positive development of the environment, society, technology and the economy.

Fields of work of our sustainability strategy

Our fields of work

Sustainable products and customer relationships

Integration of sustainability factors in our core business of insurance.

Proactive collaboration with customers, partners and other stakeholders.

- Adjustments to the Group-wide underwriting guidelines taking account of sustainability criteria
- Growth in sustainable productsby 36% relative to 2022

Governance and sustainability culture

Inclusion of sustainability factors in company management.

Integration of sustainability aspects in risk and security management.

Sustainable employer: Sustainability is part of our culture.

- Expansion of Group-wide sustainability governance
- Further development of our sustainability culture with a focus on sustainability perspectives, diversity and talent management
- New Code of Conduct and specific Supplier Code of Conduct

Responsible investment

Measures to reduce climate risks and to reduce the CO_2 footprint of our investment portfolio to net zero emissions by 2050.

- Average MSCI letter rating of 'A' for our portfolio investments
- First greenhouse gas balance of our investment portfolio

Sustainable business operations

Measures to reduce the CO_2 footprint of our operations to net zero by 2040.

- Reduction of the CO_2 emissions per employee by 46% compared to the year 2012 (without commuter traffic)
- CDP rating of "B"

Strategic goals

As a contribution to reducing climate change, Helvetia undertakes to continuously cut its emissions from business operations and emissions related indirectly to our investment and insurance businesses to net zero. Helvetia has set itself the goal of achieving "net zero" for its investment portfolio and insurance business by 2050. In its operating business, Helvetia has also committed to pursuing the goals of the Paris Agreement and has set itself the goal of reducing emissions from its own business operations to net zero by 2040. Furthermore, we want to further improve our current MSCI ESG rating from 'A' to 'AA' over the next few years.

Our Sustainability Strategy 20.25 is systematically geared towards the needs of our stakeholders and is divided into four fields of work.

Climate strategy

As part of its Sustainability Strategy 20.25, Helvetia developed a comprehensive, Group-wide climate strategy in 2023. Our climate strategy is broken down into three pillars: 1) own business operations, 2) investment business and 3) insurance business, and it includes specific measures and net zero targets. As a step towards net zero, Helvetia created a fossil fuel policy in the year under review for its investment and insurance business. This defines our exit strategy from businesses relating to coal and far-reaching exclusion criteria for businesses relating to oil and gas. In addition, we also have a greenhouse gas balance for our investment portfolio for the first time.

Transparent information

Helvetia communicates about the implementation of its Sustainability Strategy in a transparent way and continuously expands its non-financial reporting. In the financial year, focus was placed on fulfilling reporting obligations in accordance with Art. 964 (a-c) of the Swiss Code of Obligations and the new reporting obligations of the EU Taxonomy Ordinance as well as on preparing for the provisions stipulated under the European Corporate Sustainability Reporting Directive (CSRD), which will apply to the European market units from 2024.

Our employees.

The helvetia.way, diversity and state-of-the-art working conditions strengthen our position as an attractive employer

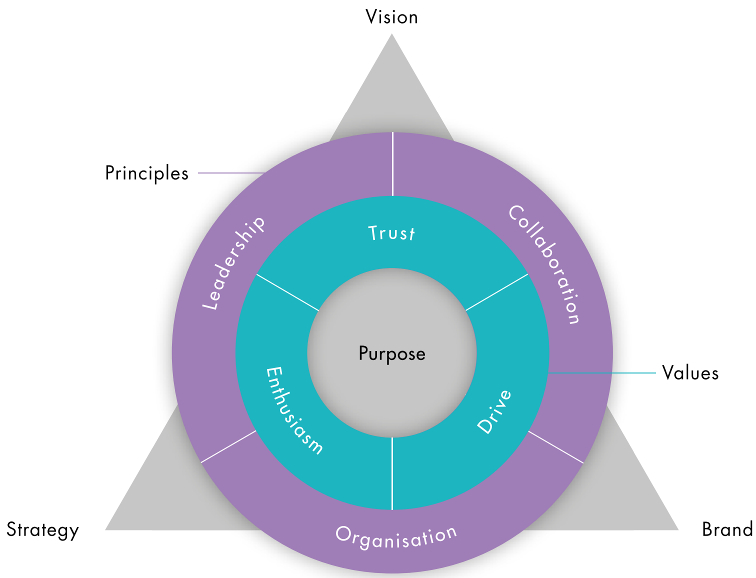
To successfully implement the *helvetia 20.25* strategy, Helvetia is aiming to further strengthen its performance culture within the scope of the helvetia.way. Our shared corporate values of trust, dynamism and enthusiasm form the foundation here. At the same time, it is important to identify, analyse and evaluate changed conditions and requirements on the labour market in each country market and to derive suitable measures. Evolving requirements of the skills of employees with a simultaneous shortage of skilled workers, changing needs of customers as well as employees, and the progression of digitalisation are all challenges which at the same time, present big opportunities. Helvetia is addressing these in a targeted way with its human resources strategy. In 2023, we successfully addressed many issues that further strengthen our position as an attractive employer in Switzerland and Europe. The results of employee surveys have been very pleasing. Helvetia is on the right track with the helvetia.way.

"Top Employer" certification

Helvetia was successfully audited in five country markets as a Top Employer. For this reason, the Group was awarded the European Top Employer seal by the Top Employers Institute for the first time in the 2023 financial year. The Top Employers Institute awards companies that place their employees at the centre of their business activities and offer them an excellent working environment and development opportunities. Recognition as a Top Employer underscores the excellent working conditions of Helvetia's employees and the attractiveness of Helvetia as an employer. The Top Employer audit includes the topics People Strategy, Work Environment, Talent Acquisition, Learning, Well-being and Diversity & Inclusion. These are defined annually by the Top Employers Institute and adjusted to the challenges of the market. The audit is actively used as a Group-wide benchmark across all HR topics, which supports the continuous further development of Helvetia as an attractive employer.

helvetia.way – mutual values and principles

With the goals of the *helvetia 20.25* strategy, Helvetia has set itself high ambitions and is investing continuously in the behaviour required for a sustainable performance culture to enable it to achieve them. Its values of trust, dynamism and enthusiasm are reflected in its understanding of leadership ("empowering leadership") just as they are in its understanding of collaboration. Helvetia calls it the helvetia.way. It is the essence of what unites the over 13,800 employees of the Helvetia Group.



Outstanding commitment – supported by empowerment

In the scope of the Group-wide 2023 Engagement & Culture Survey, employees assessed their commitment and the various aspects of the targeted performance culture in their work environment. Some 77% of Helvetia employees are strongly committed or very strongly committed (commitment index), which is significantly above the Global Finance Benchmark of 70%. This high level of employee commitment is also reflected in the Group-wide high level of readiness among employees to recommend Helvetia as an employer (84%).

Based on its values and as a part of its performance culture, Helvetia fosters a leadership style that requires and promotes a high level of employee accountability. In its culture survey, the question "My manager encourages me to take decisions independently" scored the highest throughout the Group among the survey questions. The topic of collaboration saw the biggest increase (+4.5 points). These results are pleasing because the performance culture embodied at Helvetia also requires effective collaboration across teams and areas.

Overall, compared with the culture survey results from the years 2021 and 2023, these results paint a positive picture with respect to the establishment of the helvetia.way: Helvetia further strengthened its mutual values as a basis of its performance culture. This is important because success requires trust, dynamism and enthusiasm. So that Helvetia can be there when it matters.

Our brand.

Corporate culture and values

Helvetia Insurance has grown in Switzerland since 1858 to become the leading all-line insurer in its domestic market. Our aim since has always stayed the same: We enable our customers to seize opportunities and minimise risks and we are for them when it matters. What unifies us is our corporate culture. Our mutual values and principles shape us in the way we work together and develop our organisation: with trust, dynamism and enthusiasm. Our values are also reflected in current topics that we addressed in 2023, and of which we are particularly proud.

Trust – Helvetia as a reliable partner and employer

Hedging against financial risks from natural catastrophes and major loss events is a part of the core business of insurance. Despite the current challenging market environment, Helvetia remains a reliable partner for its customers. For example, during the severe storms last autumn, it offered support in an uncomplicated way.

For the first time, Helvetia was recognised as a "Top Employer" in Europe in 2023, including in the areas of ethics and integrity. The award confirms how Helvetia embraces its values as an employer: It offers a trustworthy and flexible working environment – to cater for the variety of life plans and customer expectations. Helvetia exudes this outside the company: "Trust" is a value that is regularly rated as strongly applicable to Helvetia by its customers across all countries.

You can read more on the "Top Employer Award" here.

Dynamism – chatbot Clara uses ChatGPT technology

At the beginning of 2023, the idea arose to connect the existing, elaborately programmed chatbot Clara with modern ChatGPT technology. What began as an experiment was definitively implemented a few months later: Chatbot Clara is one of the first representatives of the generation of chatbots using artificial intelligence to answer customer queries about insurance and pensions. It knows much more than it did before and is learning constantly. As such, Helvetia is the first listed insurance company to launch a service with direct customer contact based on the ChatGPT technology of OpenAI. The media was also impressed: Back in the spring, Swiss TV already labelled Helvetia a "Pioneer with chatbot solutions". We aim for the entire Helvetia Group to use AI capabilities in future.

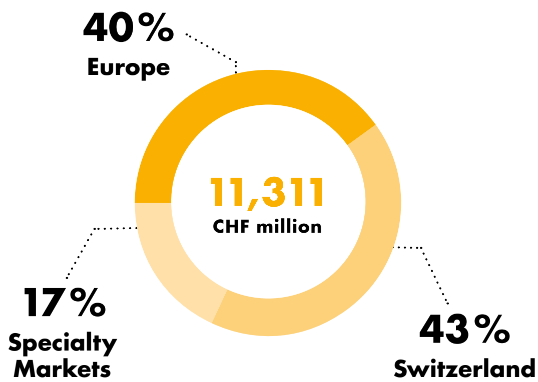
Enthusiasm – together a strong #TeamHelvetia

Helvetia's snow sports team has been delighting spectators for nearly 20 years. It represents the team spirit that shapes Helvetia's corporate culture. We also see ourselves as team players – within Helvetia and with our customers. With #TeamHelvetia, we express our enthusiasm for our company purpose: No one person alone can make the world a safer place. Only together, as a strong team, can we make the world safer. That's why Helvetia customers can always rely on us.

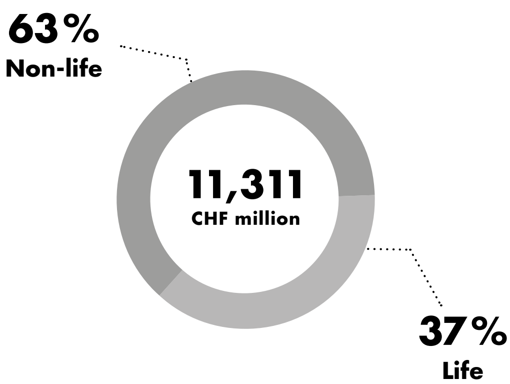
Our business.

Helvetia is an international, broadly diversified and innovative Swiss insurance group. With over 13,800 employees, Helvetia provides services for more than 7.2 million customers. Helvetia is active in the non-life, life and reinsurance sectors as well as increasingly in the fee and commission business. Helvetia divides its business activities into the segments of Switzerland, Europe and Specialty Markets. As Switzerland's leading Swiss all-lines insurer, its business activities in its home market are bundled in the Switzerland segment. The Europe segment covers the country markets of Spain, Germany, Italy and Austria. Helvetia is active in these countries in the non-life and life businesses and counts both private individuals and small and medium-sized companies among its customers. In the Specialty Markets segment, Helvetia offers tailor-made cover in the specialty insurance lines of transport, aviation and space, art and engineering insurance. Helvetia is globally active in this area with a local presence in Switzerland, France, the United Kingdom and Singapore as well as in Miami for Latin America. Its Active Reinsurance business is also assigned to this segment. In this business field, Helvetia holds a broadly diversified global portfolio primarily comprising proportional reinsurance contracts in the non-life business.

Business volume by segment



Business volume by business area



Switzerland segment.

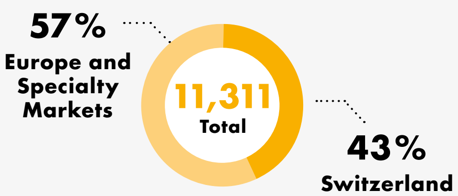
Helvetia is Switzerland's leading Swiss all-lines insurer. The stable and profitable home market provides a sound basis for the further development of the Group. Helvetia offers insurance services for retail customers as well as for small and medium-sized enterprises. In doing so, it draws on a broad network comprising strong partners. Smile, Switzerland's leading provider of online insurance, belongs to Helvetia. MoneyPark, Switzerland's biggest independent mortgage broker, is also part of the Helvetia Group. Thanks to its broad range of insurance solutions and other services, Helvetia is a strong partner for both private customers and companies in Switzerland. In cooperation with Servisa, for example, it is a major provider in the area of occupational pension plans and enjoys a top-three position in the market. Helvetia is also among the biggest providers in the Swiss market in the individual life (no. 4) and non-life (no. 5) businesses.

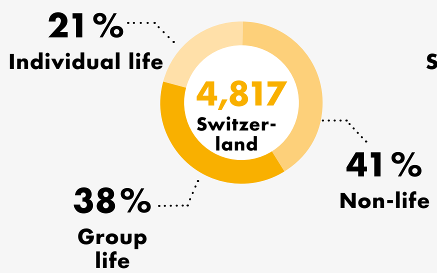
Underlying earnings
CHF 334 million

Non-life
Combined ratio
94.8%

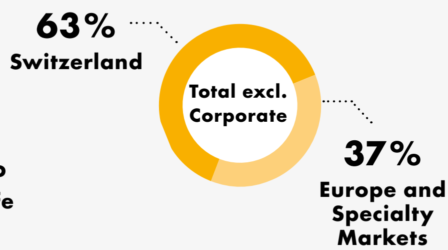
Life
New business margin
3.9%

Business volume (CHF million)

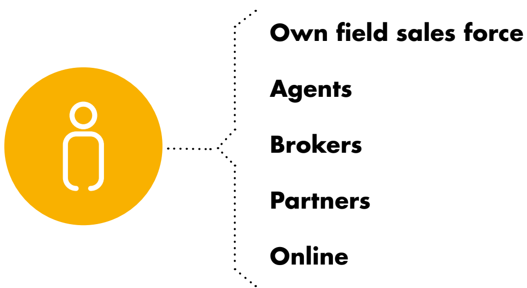




Underlying earnings



Sales channels



Europe segment.

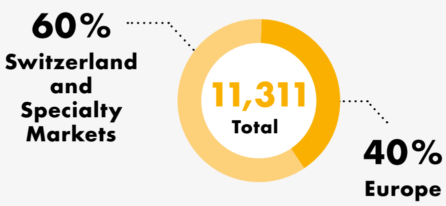
The Europe segment comprises the country markets of Spain, Germany, Italy and Austria. Helvetia has a cross-border, consistent brand presence. As is the case in Switzerland, focus in Europe is placed on the business with retail customers as well as small and medium-sized companies. Helvetia offers the full range of non-life products in the European country markets. In the life insurance business, Helvetia is placing an emphasis on the marketing of capital-efficient investment-linked insurance solutions and pure risk coverage. The European country markets contribute to regional diversification as well as to the Group's profitable growth. Helvetia is therefore developing the Europe segment on a continuous basis as a second strong pillar.

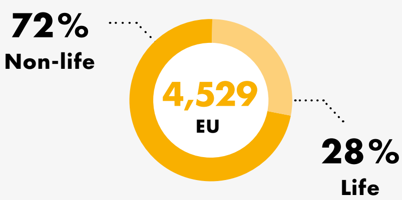
Underlying earnings
CHF 114 million

Non-life
Combined ratio
100.3%

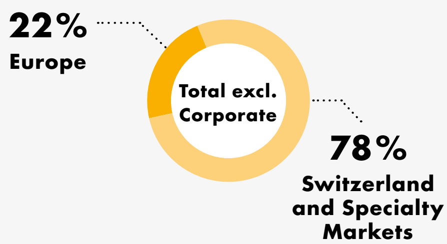
Life
New business margin
5.3%

Business volume (CHF million)





Underlying earnings



Sales channels

	Caser	Helvetia Spain	Germany	Italy	Austria
Own field sales force					•
Agents	•	•	•	•	•
Brokers	•	•	•	•	•
Partners	Agreements with 2 shareholder banks – Various distribution agreements with other banks and other partners	12 distribution agreements with banks	ARAG	18 work site marketing partners – 10 banking partners – Digital banking partnership	3 banking partners
Online	•	•	•	•	•

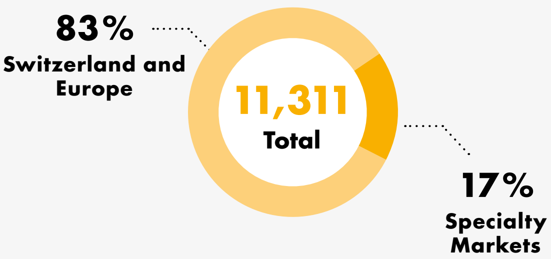
Specialty Markets segment.

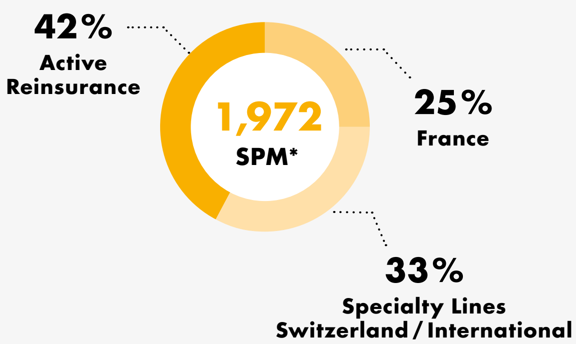
The Specialty Markets segment pursues a selective niche strategy in the international special insurance business. In doing so, it makes a significant contribution to the Group's profitable growth and broad diversification. Specialty Markets comprises three parts: The "Specialty Lines Switzerland / International" market unit bundles the engineering insurance, transport, aviation and space 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 the number one position in the French market in this sector. Active Reinsurance, which is also assigned to the Specialty Markets segment, stands out as a provider for reinsurance cover thanks to its long-term and outstanding business relationships, a strict underwriting policy and a high level of diversification.

Underlying earnings
CHF 82 million

Non-life Combined ratio
94.8%

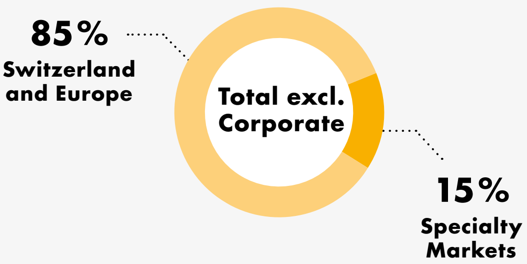
Business volume (CHF million)





* Specialty Markets

Underlying earnings



Active Reinsurance

→ Comprehensive business relationships, broadly diversified portfolio

Business volume by business line

37% Property

18% Liability

14% Life

10% Motor

5% Engineering

5% Aviation

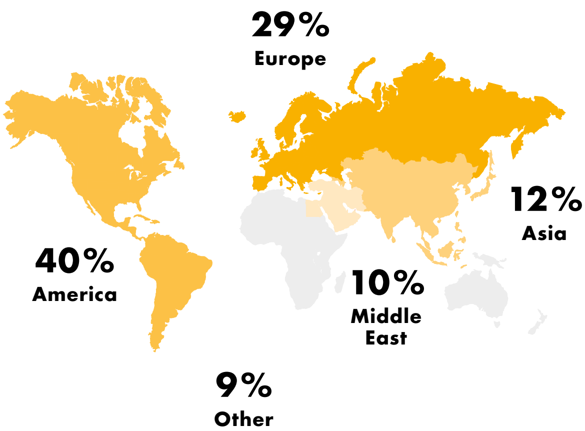
2% Marine

2% Agriculture

2% Energy

5% Other

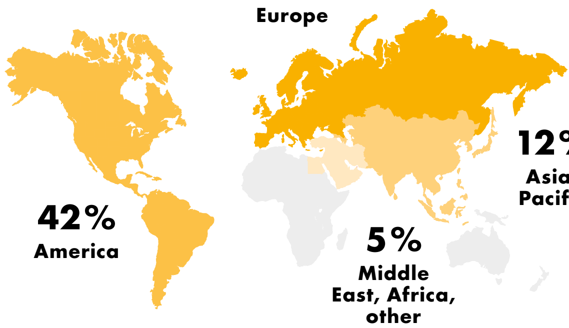
Business volume by region



Specialty Lines Switzerland and International

→ Leading position in Switzerland, support of global expansion of our Swiss customers, international presence, several foreign branches

Business volume by region



Business volume by business line

66% Global Engineering & Property Solutions

9% Aviation

8% Marine International

8% Engineering Switzerland

5% Marine Switzerland

2% Art

2% Space

1% Professional liability

France

→ Efficient sales network with 11 regional and local sales agencies

Business volume by business line

23% Ship hull

18% Carriers

17% Cargo

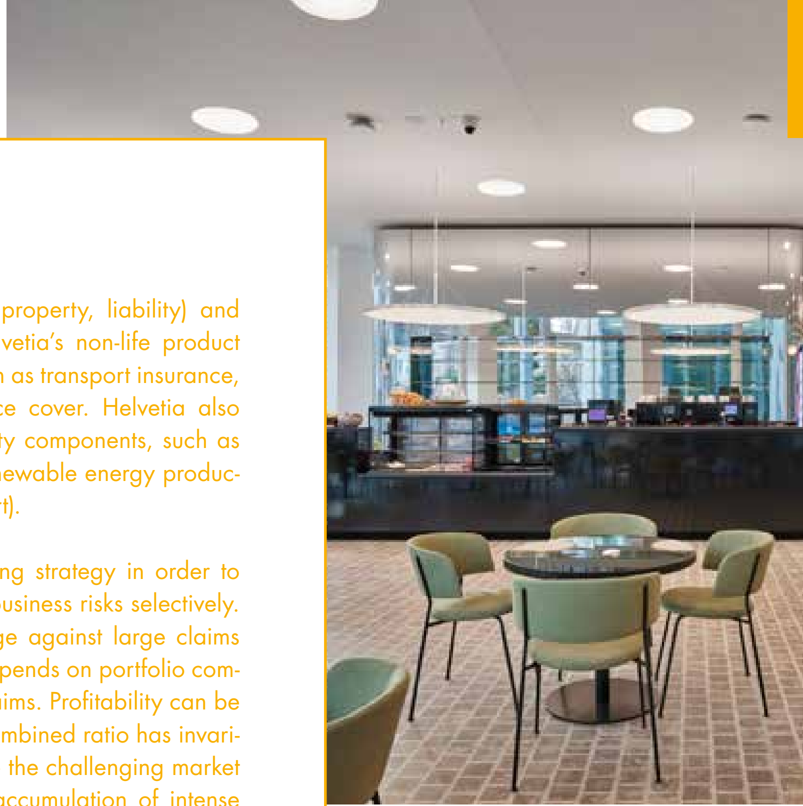
15% Property

12% Motor hull

9% Aviation and space

5% Engineering

1% Art, other



Non-life business.

In addition to traditional indemnity (motor vehicle, property, liability) and personal (accident and health) insurance cover, Helvetia's non-life product portfolio also includes specialty insurance policies such as transport insurance, engineering insurance, art insurance and reinsurance cover. Helvetia also offers solutions and products that include sustainability components, such as insurance for vehicles with alternative drives or for renewable energy production (see also from page 36 in the Sustainability Report).

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 large claims events. The profitability of the non-life business also depends on portfolio composition, premium and cost performance as well as claims. Profitability can be measured with the combined ratio. At Helvetia, the combined ratio has invariably been below 98% over the past five years despite the challenging market conditions owing to the coronavirus pandemic, an accumulation of intense severe weather events and inflation. This reflects the quality of the portfolio. In the 2023 financial year, the combined ratio stood at 97.4%.

Helvetia is placing an emphasis on organic growth with retail customers, small and medium-sized companies and larger businesses. In doing so, Helvetia is making its business processes simpler, more customer-friendly, more digital and more efficient and is combining its traditional strengths with new possibilities. For example, it is utilising the opportunities presented by digitalisation with Smile, Switzerland's leading online insurer. Through the targeted expansion of the embedded insurance business (B2B2C), Helvetia is opening up new means of customer access and ensuring it is on hand where the need for insurance arises.

Combined ratio

97.4%

Non-life product portfolio

	Switzerland	Spain	Germany	Italy	Austria	SpL[1]	France	ARI[2]
Property	•	•	•	•	•		•	•
Motor vehicle	•	•	•	•	•		•	•
Liability	•	•	•	•	•	•	•	•
Accident / health	•	•	•	•	•			•
Transport	•	•	•	•	•	•	•	•
Engineering		•	•	•	•	•	•	•
Art		•	•	•		•	•	

[1] Specialty Lines Switzerland / International [2] Active Reinsurance

Business volume by business line

38% Property

26% Motor vehicle

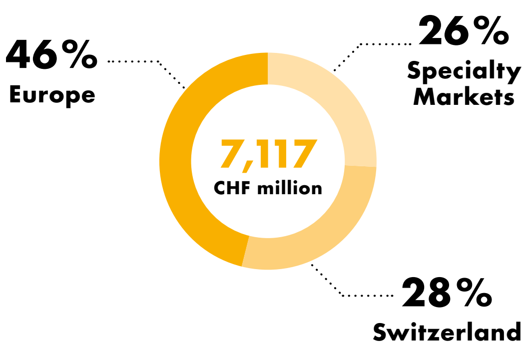
10% Transport (incl. art)

9% Engineering

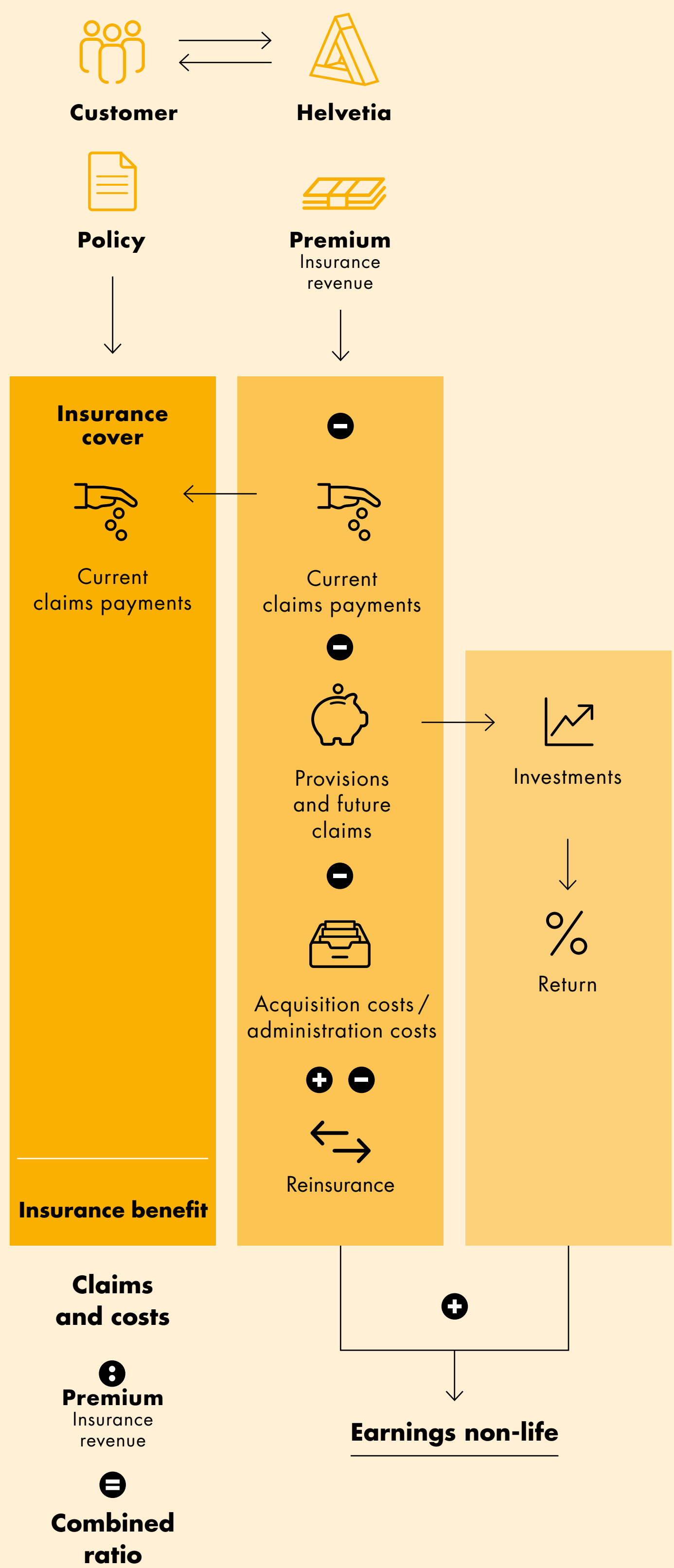
9% Liability

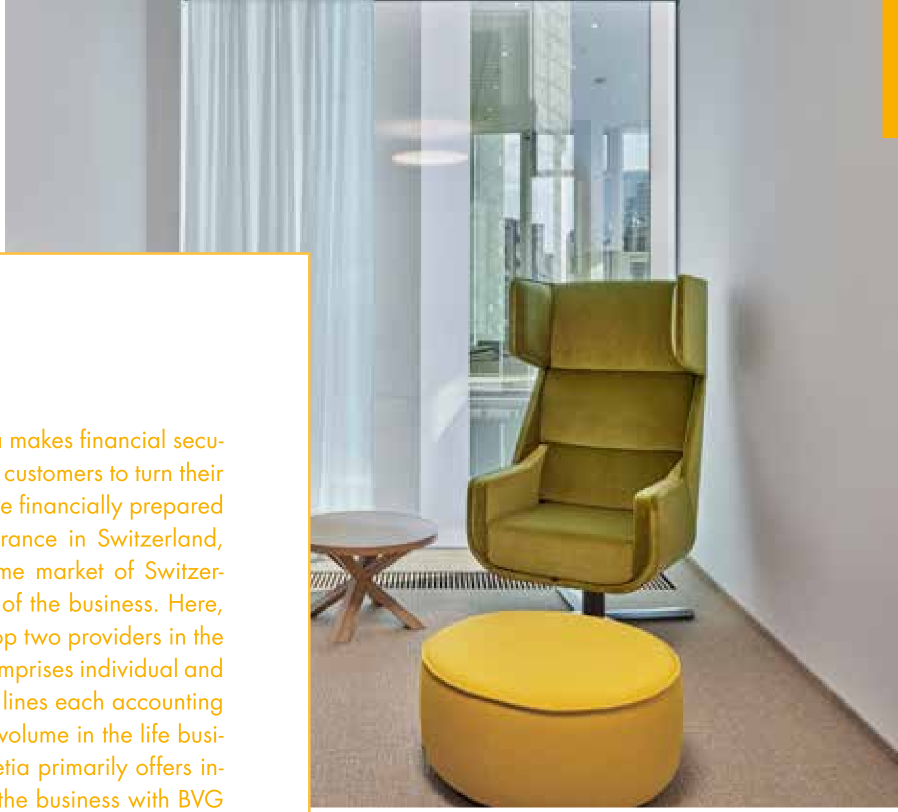
8% Accident / health

Business volume by segment



How does non-life insurance work?



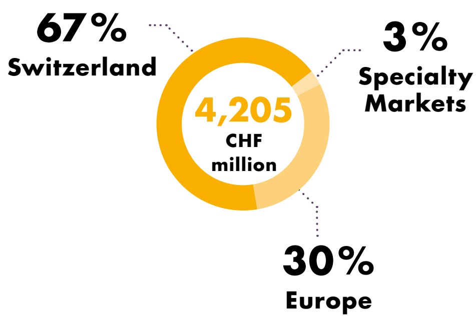


Life business.

With flexible life insurance solutions, Helvetia makes financial security possible at every stage of life. This allows customers to turn their personal plans into reality and ensure they are financially prepared for the unexpected. Helvetia offers life insurance in Switzerland, Spain, Germany, Italy and Austria. The home market of Switzerland is the most important market with 67 % of the business. Here, Helvetia has established itself as one of the top two providers in the life insurance business. Our product range comprises individual and group life insurance, with these two business lines each accounting for around half of the Group's total business volume in the life business. In the European country markets, Helvetia primarily offers individual life insurance, while in Switzerland the business with BVG (Swiss occupational pension system) insurance solutions dominates with a share of 64 %. In several country markets, Helvetia also successfully offers sustainable investment and life insurance products, allowing customers to invest their contributions in sustainable funds (see also from page 36 in the Sustainability Report).

In addition to the development of technical risk, the profitability of the life business is particularly influenced by the investment income generated and thus by the performance of the financial markets. Investments play an important role in generating the income required to ensure that the long-term insurance obligations can be met. On the basis of a careful combination of low-risk assets and instruments with higher returns, Helvetia has in the past always succeeded in generating attractive returns with the capital employed. This benefits the Group's customers as well as its shareholders.

Business volume by segment



Life product portfolio

	Switzerland	Spain	Germany	Italy	Austria	ARI
Traditional products	•	•	•	•	•	
Risk insurance and savings, financial and pension solutions with benefits guaranteed by Helvetia						
Investment-linked insurance products	•	•	•	•	•	
Insurance contracts with investment risk and return opportunities as well as risk cover guaranteed by Helvetia						
Investment products (deposits)	•	•		•		
Investment, savings and capitalisation solutions without significant insurance technical risk						
Group life	•	•		•		•
Insurance and reinsurance solutions for groups of several people						

Group life Switzerland product portfolio

Full insurance – Helvetia Collective Foundation

Package for companies and independent foundations, whereby all risks and benefits in occupational pension plans are insured and guaranteed by Helvetia, which also performs the administration.

Semi-autonomous solution – Helvetia BVG Invest

Offer for occupational pension plans with income opportunities. Helvetia insures the risks of death and disability and takes over management and administration. The retirement assets are invested via the Helvetia Investment Foundation.

Management pension plans

- Additional and separate pension solutions, which go beyond the mandatory occupational pension plan requirements.
- Management pension plan 1e for self-employed individuals and insured persons in higher salary segments.

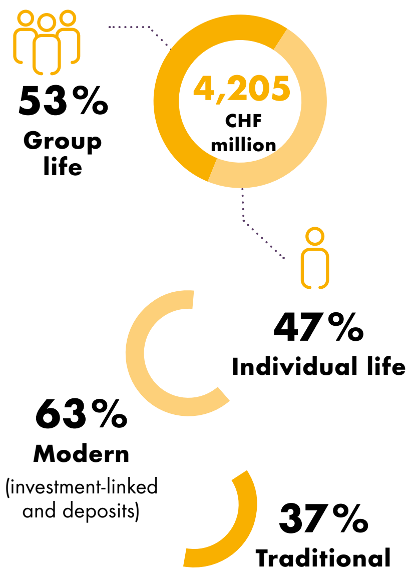
Risk insurance

Risk insurance for semi-autonomous pension funds with the assumption of administration by Helvetia.

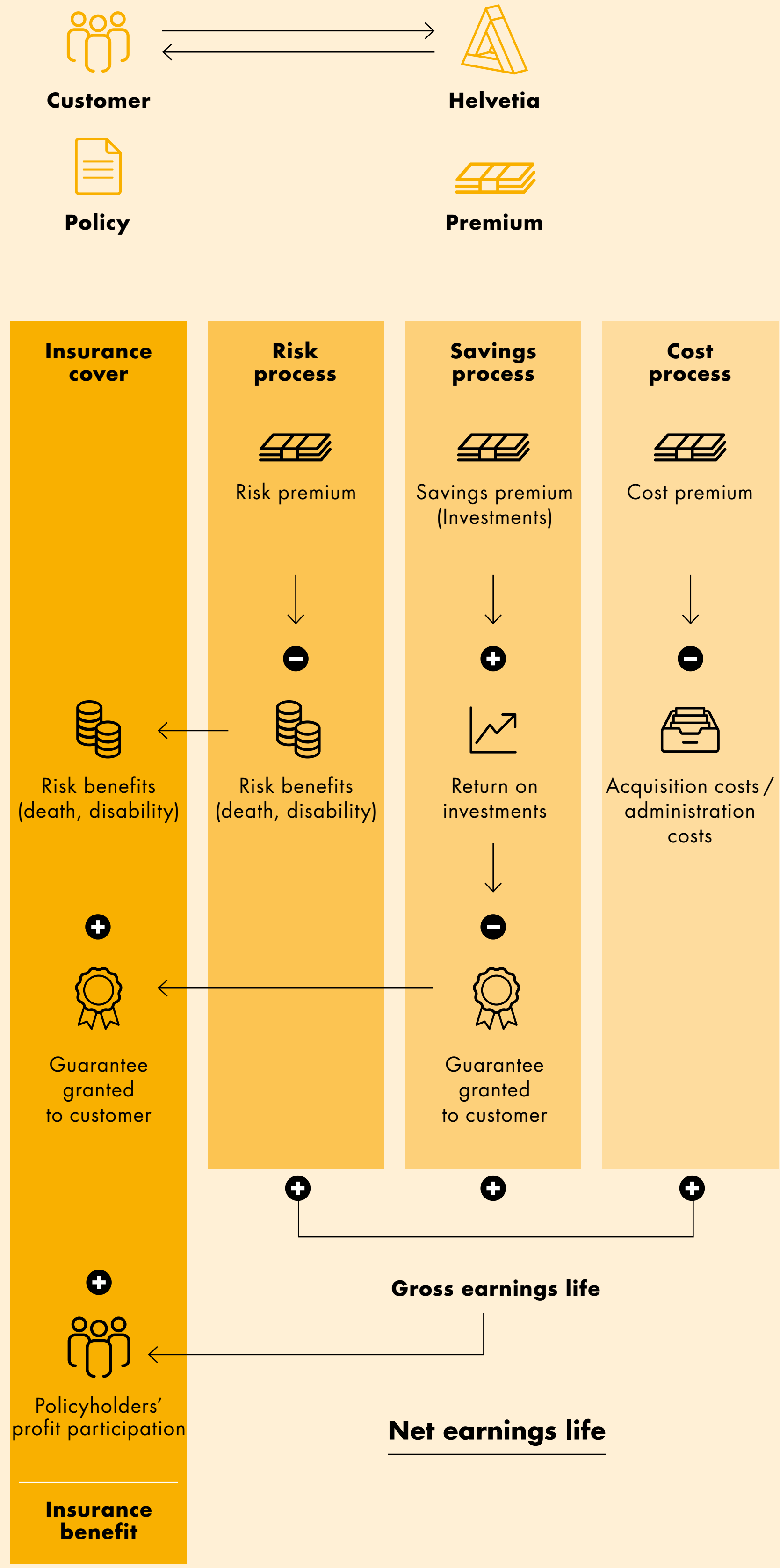
Other activities and services

- **Helvetia Investment Foundation:** Solutions for pensions founds for the joint investment and management of entrusted pension assets.
- **Helvetia Consulta:** Advice and other services for pension funds and companies.
- **Swisscanto Vested Benefits Foundation:** Vested benefits accounts for customers of cantonal banks that do not have their own vested benefits foundation. Management by Helvetia.
- **Servisa collective foundations:** Independent semi-autonomous collective foundations with solutions for occupational pension plans. Helvetia covers the risks of death and disability and takes over the foundations' management and administration.

Business volume by business line



How does life insurance work?



Other activities.

In addition to the Corporate segment (financing companies, Corporate Center, centrally managed investment [funds] and Group reinsurance), the Other activities business area includes the intermediary and advisory area (e.g. MoneyPark) and the non-insurance business of the Spanish company Caser.

The latter includes nursing homes, hospitals and other services. This area also includes the activities in the areas of asset management for third-party investors (e.g. Swiss real estate funds) as well as various smaller service companies that are not assigned to the life or non-life business areas.

With the aforementioned activities, Helvetia is increasingly generating commission and fee income from non-insurance business, thus diversifying its income sources.

Fee and commission business

Health and elderly care

Nursing homes

Since 2004, services in the area of care for the elderly with the current operation of 24 care homes with turnover of approximately EUR 100 million.

Healthcare

Since 2008, strongly growing services in the healthcare sector with the current operation of seven private hospitals with turnover of approximately EUR 80 million and more than 1.1 million patients in primarily tourist regions (Balearic Islands, Canary Islands, etc.) and Extremadura.

Distribution services

- Distribution of mortgage products and the accompanying advice
- Distribution of fund units
- Distribution of insurance products of third-party providers

Asset management

- Management of investment funds, in particular the *Helvetia (CH) Swiss Property Fund*
- Fees from pure investment contracts

Other services

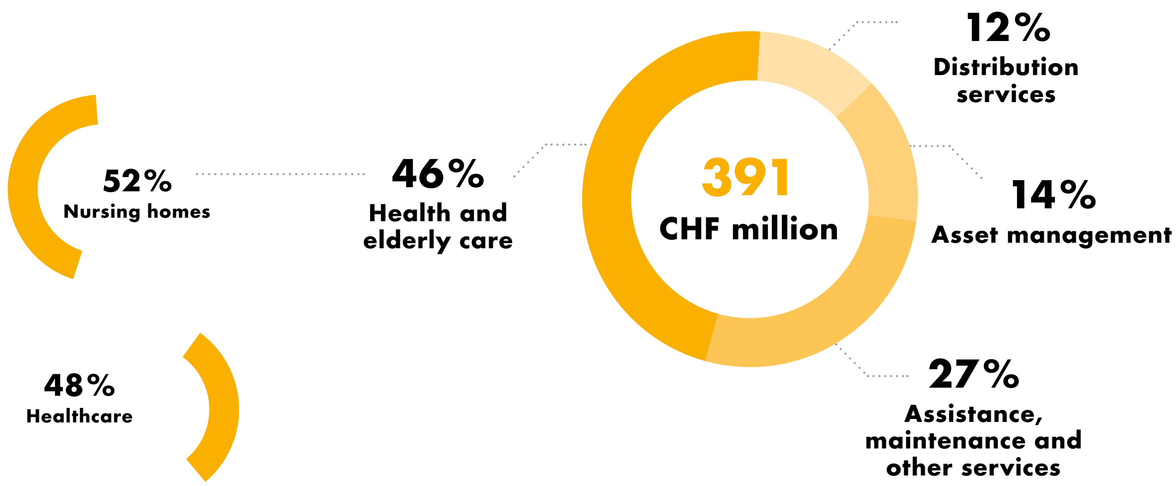
- Assistance in the medical, technical and legal field
- Various specialised services for companies and private individuals in the areas of real estate management, building maintenance and technics and call centres
- Dental practices
- Veterinary practices
- Financial advice
- Funeral homes

Group reinsurance

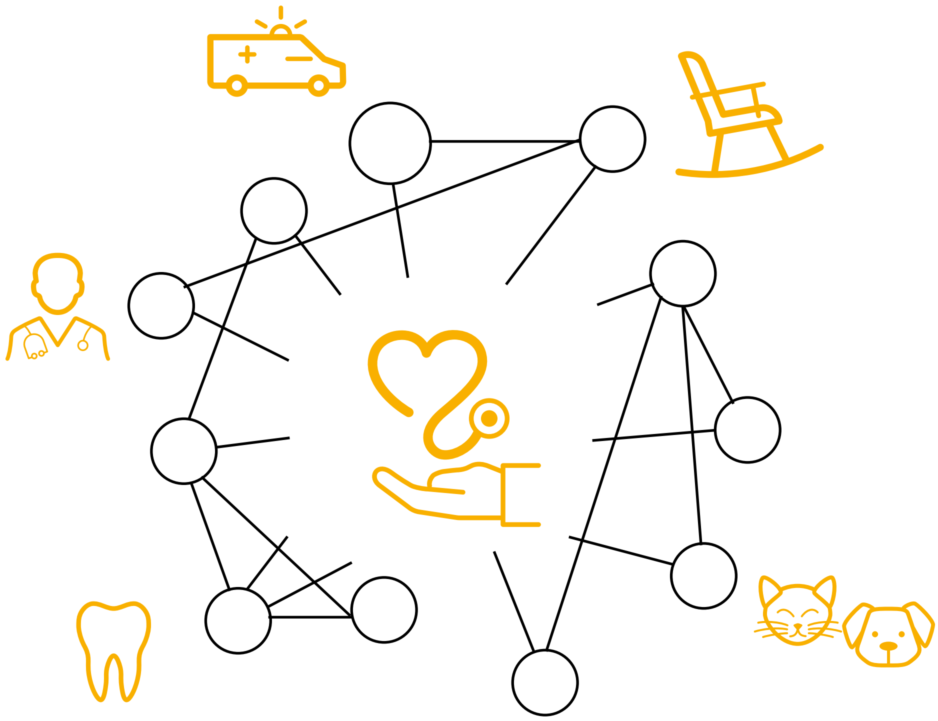
Group reinsurance coordinates reinsurance cover across the Group and places the assumed risks centrally on the reinsurance market. In doing so, it ensures the application of uniform standards and utilises synergies in the reinsurance process.

Fee and commission income

(total incl. non-life and life businesses)



Health and elderly care services



Market position.

Our market position in competitive markets

In over 160 years, Helvetia Group has grown from a number of Swiss and foreign insurance companies into a successful insurance group that conducts business across Europe. Helvetia is the number three Swiss all-lines insurer in the Swiss insurance market. The Group is also among the top seven insurance companies in Austria and the top eight in the Spanish non-life business. It is ranked 13th in the Italian non-life business. In Germany, Helvetia holds advantageous positions in individual business lines such as transport insurance (top 10). The countries in which Helvetia operates are among the biggest insurance markets by volume worldwide: Switzerland, Germany, Italy, Spain and Austria hold global market shares of around 0.8 %, 3.6 %, 2.4 %, 1.0 % and 0.3 %, respectively.[1] With the Specialty Markets segment, which comprises transport, art and engineering insurance as well as active reinsurance, Helvetia is further expanding its expertise as a specialty insurer. For example, the Group is the Swiss market leader in the transport, engineering insurance and art business lines, while also occupying a leading market position for transport insurance in France.

Our market positions

Growth potential in attractive insurance markets

The markets in which Helvetia is active generated a volume of around USD 814 billion in 2022, representing a good 12 % of the global market.[1]

CH **No. 3***
total
CHF 1,978 million non-life
CHF 2,839 million life

AT **No. 7****
total
CHF 433 million non-life
CHF 164 million life

ES **No. 8****
in non-life
CHF 1,571 million non-life
CHF 502 million life

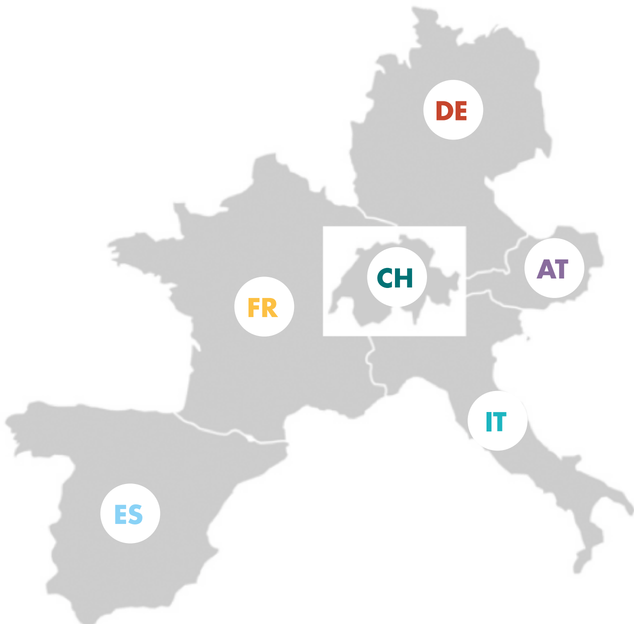
FR **No. 1****
in transport / marine
CHF 482 million non-life

DE **No. 8***
in transport
CHF 714 million non-life
CHF 275 million life

IT **No. 13***
in non-life
CHF 563 million non-life
CHF 311 million life

Business volume of the country markets in the 2023 financial year

*Figures for 2022
**Figures for 2023



[1] Swiss Re, sigma 3 / 2023

Highlights from the past year.

Financial figures alone cannot show how Helvetia and the insurance market as a whole developed last year. Four highlights are therefore presented below to provide a more in-depth insight into how Helvetia is utilising new technologies for its services, living up to its corporate responsibility, helping to shape the discussion in the area of cyber risks and tapping into international growth opportunities.

Artificial intelligence at the service of customers

Over the course of the reporting year, Helvetia succeeded in raising the bar in terms of customer convenience and customer access. It is thus present as the ideal partner everywhere that protection needs arise, with insurance, pension and investment solutions from a single source as well as simple products and processes. Helvetia is also increasingly drawing on artificial intelligence (AI), be this in the area of direct communication with its customers or in the back office area.

Helvetia has in fact already been using artificial intelligence for several years as part of numerous applications, including in the areas of claims settlements, fraud detection, underwriting and marketing. Helvetia actively involves its employees here, for example during the development of self-learning models. The company views the competent and responsible handling of artificial intelligence as an important component in the realisation of current and future insurance models.

The chatbot Clara is an outstanding example of the customer-oriented use of state-of-the-art AI technology. The launch of the pilot project in spring 2023 allowed customers of Helvetia Switzerland to enter their questions and concerns in a simple manner directly via the website. Following the successful conclusion of the first test phase, Clara has been live since autumn 2023 as a standard service that incorporates the latest generative AI technology. In just a short space of time, it has established itself as Helvetia's most important self-service channel with around 150,000 chats recorded in the first nine months.

Try Clara now
Scan QR code and put it to the test.

Systematic implementation of sustainability goals in all areas

Helvetia takes its corporate responsibility in the area of sustainability seriously. The cornerstones of the Helvetia corporate sustainability approach include forward-looking business management and the assumption of responsibility for the environment and society. In order to do full justice to the multifaceted topic of sustainability, Helvetia is focussing its ambitions on four strategic priorities: sustainable products, responsible investment, sustainable business operations, employees and sustainability culture.

Progress was made with all of the strategic focus areas in 2023. Particular mention should be given to the specification of climate change mitigation targets. In terms of its own business operations, Helvetia has fleshed out its ambitions by setting a net zero target by 2040. Helvetia has also set itself a net zero target for its underwriting and asset management activities by 2050, thus assuming its responsibility for advancing the transformation towards a decarbonised society. Progress was made in measuring Helvetia's carbon footprint in all areas in 2023, thus laying an important foundation for a gradual exit from the especially CO_2-intensive business.

Furthermore, Helvetia received the European "Top Employer" seal for the first time. It also furthered its social commitment in 2023, as demonstrated by the protection forest project. At its core, Helvetia's commitment to European protection forests fits with its work as an insurance specialist: not only does it recognise the interactions between the environment, habitats and economic activity, but also the role played by insurance in the areas of risk prevention and damage limitation.

Protection against cybercrime as the order of the day

During 2023, a key topic in the international insurance market was the growing threat posed by cyberattacks, both from a quantitative and qualitative perspective. The advancing use of sophisticated AI applications by criminals significantly increased the risk faced by companies of falling victim to cybercrime.

Helvetia is adopting a forward-looking approach in responding to this challenge by emphasising the need to raise awareness about cyberattacks and implement measures to prevent them. A communication offensive by senior management via media outlets as well as specialist articles in dedicated IT publications saw Helvetia assume a leading role within the insurance sector in just a short space of time. The Cyber Symposium in Bern, which took place in summer 2023, underscored this position. In collaboration with expert speakers from the worlds of business, science and government, the sector's importance for protecting the economy against cyberattacks was emphasised here, while solutions were also highlighted. Helvetia thus lived up to its own self-image as a company with social and political responsibility.

In terms of practical implementation, Helvetia is now offering tailored insurance products in line with market prices, primarily for customers working in the SME segment. The main focus is being placed on effective prevention, in part as part of collaborations with third-party companies. For example, Helvetia is currently offering a cyber alert that can be subscribed to free of charge, while also making available a cyber security checklist based on the recommendations of the National Cyber Security Centre and arranging customised bug tests and bug bounty programmes in cooperation with the specialist company GObugfree.

In light of the fact that the share of Swiss SMEs insured against cyberattacks currently stands at just shy of 10 %, the measures launched during the reporting year will be advanced further in 2024. The more companies that protect themselves against cyberattacks, the smaller the damage for the economy as a whole will be should coordinated attacks against critical infrastructure threaten the market one day.

Smile utilises international growth opportunities

Smile, Switzerland's leading provider of online insurance, belongs to Helvetia. Helvetia is now expanding Smile's unique model for success into individual European country markets on a step-by-step basis. This expansion started in Austria in 2022 with the smile.home household insurance offered via an online aggregator. In September 2023, the product offering was expanded further with smile.car. This car insurance product can be taken out directly via the Smile website.

As the first insurance company in the Austrian motor vehicle insurance market to do so, Smile has introduced a monthly right of termination. A move away from long insurance contracts and the decision to allow customers to make their own flexible decisions has already proven its worth in Switzerland. The offer also includes the introduction of e-documents and 100 % online customer communication.

The market launch in Spain followed in November 2023. As an initial product in Spain, Smile is offering liability insurance for e-scooters and e-bikes as well as other two or three-wheeled motor vehicles with a maximum speed of 25 km / h under the name smile.mobility.

The offerings of Smile in Austria and Spain are to be expanded further during the course of 2024, thereby driving forward the scaling of the digital business yet further. The launch of the Smile app in Austria is to follow in 2024. Smile can therefore now be experienced online in Austria across all contact points, from the insurance application and conclusion processes to the app service offering. Smile is pursuing a business model that complements Helvetia's, catering the growing customer demand for fully digital insurance solutions and providing quick and easy access to insurance solutions. The close involvement of the respective local Helvetia unit ensures that the specific habits and needs of the individual markets are taken into account at all times.

With the internationalisation of Smile, Helvetia has succeeded in just a short space of time in seizing new opportunities in the European online sales space, while at the same time further driving the development of Helvetia into a leading European insurance group.

Share and bonds.

Investment story

Helvetia endeavours to generate value for its investors on a sustainable basis. As a European insurance group with a broadly diversified business base, Helvetia is excellently positioned to achieve its financial targets (see also page 11 in this portrait) and offer its shareholders added value over the long term. The basis for this is formed by a strong core business in attractive insurance markets as well as the continuous seizing of growth and value potential. Focus is placed on three aspects here:

Sustainably growing dividends made possible based on a strong core business

Helvetia pursues an attractive distribution policy with a focus on a consistent increase in dividends. The aim of the dividend policy is to ensure reliable distributions to shareholders that rise each year or that at least remain at the prior-year level. The basis for doing so is formed by a profitably growing core insurance business. This allows Helvetia to strengthen its position in attractive insurance markets and increase the cash remittances to the Group.

Sustainably growing dividends

Profitably growing core insurance business...

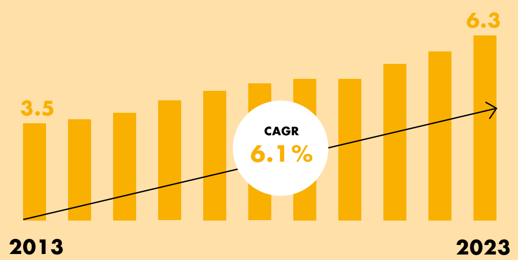
Business volume
(in CHF million)

2013	2023
7,477	11,311

Change in definition following introduction of IFRS 17/9 in 2023

...building the basis for a consistent increase in dividends

Dividend per share
(in CHF)



Resilience based on financial strength and diversification

The Helvetia Group has a broadly diversified business base with respect to the regions and business areas in which it is active as well as in terms of its income streams and customer segments. This contributes to a balanced risk position and the diversification of the earnings base. Helvetia has a strong balance sheet and outstanding capitalisation, meaning the Group is very resilient.

Resilience based on financial strength and diversification

Regions	Business fields	Income streams	Costumer segments	
Switzerland	Non-life	Premiums	Private customers	Solvency (SST ratio) >280%
Europe	Life	Investment returns	Small and medium-sized enterprises	
Specialty Markets (global)	Active reinsurance	Fee and commission income	Large corporates (specialty niches)	
	Fee business			

Attractive growth opportunities

Thanks to its financial strength and diversified, flexible positioning, Helvetia has access to business opportunities with an attractive risk-return profile and the ability to seize them. The Group raises growth and value potential through the development and scaling of successful business models with insurance solutions as well as in the fee business. These include, among others, innovative distribution channels, health and care services and special insurance markets.

Proven ability to seize growth opportunities

Scaling online insurer Smile

Business volume CAGR 2016–2023

7.0%

smile

Expansion of health and elderly care services driving capital-light fee income

Fee and commission income (in CHF million)

2020: 226 → 2023: 391

Change in definition following introduction of IFRS 17/9 in 2023

Continuously pursuing growth opportunities in attractive specialty niches

Business volume (in CHF million)

2016: 215 → 2023: 658

Engineering – Marine – Aviation – Space – Art

Change in definition following introduction of IFRS 17/9 in 2023

Performance in 2023: Helvetia with a total return of 13 %

In 2023, the financial markets largely recovered from the challenges faced during the prior year. Equities benefited from a robust economy and the looming end of the cycle of increasing interest rates. Burgeoning concerns about the banking sector during the first half of the year only put a temporary dampener on price developments on the equity markets. During the second half of the year, technological developments in the area of artificial intelligence boosted growth expectations. The Swiss Performance Index reported a total return of +6.1 %. The advance of the Swiss Market Mid Cap Index (SMIM) was slightly more marked at +6.4 %. The Swiss insurance sector significantly outperformed this benchmark index with a gain of + 10.1 %, with the Helvetia share generating an even greater return of + 12.6 %.

Falling rates of inflation and an emerging turnaround in monetary policy interest rates towards the end of the year saw yields fall on Swiss bonds, which was reflected in corresponding increases in value. The broad Swiss Bond Index (SBI) gained 7.4 % relative to the previous year.

Patria Genossenschaft as core shareholder

Helvetia share

Security symbol	HELN
Nominal value	CHF 0.02
Security number	46 664 220
Listed on	SIX

Compared with the end of 2022, there were no changes in the composition of the core shareholder base. As at 31 December 2023, Patria Genossenschaft still held the most significant stake in Helvetia Holding, at 34.1 %. The free float was thus unchanged at 65.9 %.

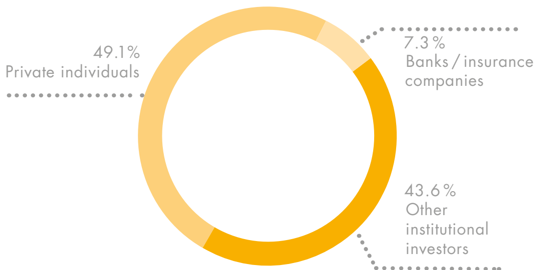
Shareholders numbered 30,141 as of 31 December 2023, a 5 % increase over year-end 2022. There was a minor shift in the composition of the investor groups in comparison with the end of 2022. The proportions of private individuals (49.1 % of the free float entered in the share register, 31 December 2022: 46.0 %) and financial institutions (7.3 %, 31 December 2022: 6.6 %) increased at the expense of other institutional investors (43.6 %, excluding the aforementioned core shareholder, 31 December 2022: 47.4 %).

The majority of the registered shareholders are based in Switzerland. On 31 December 2023, measured by the registered free float, 88.2 % of the shares were held by investors who have their registered office in Switzerland (31 December 2022: 80.1 %). A total of 11.8 % (31 December 2022: 19.9 %) were held by foreign investors. The reason for the decline in the share of registered shareholders domiciled abroad was a change in the procedure of a foreign custodian bank with respect to the entry of shares in the share register. This also led to an increase in shares pending registration to 28.2 % at the end of December 2023 (31 December 2022: 25.4 %).

Higher trading volume due to index inclusion

The average number of traded shares and the trading volume increased during 2023 relative to the prior year. The main reason for this increase was the inclusion of Helvetia in the MSCI Global Standard equity index. This led to considerable demand from passive investment funds that track the index and thus to a far above-average trading volume on the date of inclusion in the index. Over 2023 as a whole, an average of 88,360 Helvetia shares were traded every day, which is almost 6 % more than in the previous year. Thanks to the positive share price development, the average daily trading volume even increased by approximately 19 % to CHF 11.0 million (2022: CHF 9.3 million).

Investor groups
(excluding core shareholder base)
in %



Bonds in circulation

	Issue volume	Interest	Term	Year of issue
Senior bond	CHF 150 million	1.50 % p.a.	10.5 years	2014
Subordinated bond	CHF 225 million	4.00 % p.a.	30 years	2014
Subordinated bond	EUR 500 million	3.375 % p.a.	30.5 years	2017
Subordinated bond	CHF 275 million	1.50 % p.a.	Perpetual	2020
Subordinated bond	CHF 125 million	1.45 % p.a.	20.5 years	2020
Subordinated bond	EUR 600 million	2.75 % p.a.	21.25 years	2020
Green subordinated bond	CHF 200 million	1.75 % p.a.	Perpetual	2020
Senior bond	CHF 250 million	1.45 % p.a.	4 years	2022
Senior bond	CHF 150 million	1.95 % p.a.	7 years	2022

Successful Annual General Meeting

The Helvetia Group presented its result for 2022, the best in its history, to the 2,279 shareholders with voting rights attending the ordinary Annual General Meeting on 28 April 2023. On the basis of the strong development of the core business, a one-time profit from the sale of the Spanish life insurance company Sa Nostra Vida and the continuous optimisation of the use of capital, Helvetia increased its target for the cumulative dividend distribution up to 2025 to more than CHF 1.65 billion. The Annual General Meeting approved the proposed dividend increase by CHF 0.40 to CHF 5.90 per share for the 2022 financial year.

After 12 years as a member of the Board of Directors, Jean-René Fournier did not stand for re-election. Dr Yvonne Wicki Macus and Dr René Cotting were elected by the shareholders as new members of the Board of Directors.

Due to the revision of company law that entered into force at the start of the year, the Annual General Meeting also passed various amendments to the Articles of Association. These revisions aimed to improve the protection of minority shareholders and modernise the provisions for conducting Annual General Meetings.

Less CO_2 thanks to green bond

In 2023, Helvetia did not place any new bonds on the capital market. The Group has now allocated all of the funds from the green bond issued in 2020 in an amount of almost CHF 200 million. The funds are being used for the further development of Helvetia's own real estate portfolio, taking account of sustainability criteria. With the implemented real estate projects, almost 8,000 tonnes of CO_2 emissions will be saved each year (see also from page 44 in the Sustainability Report).

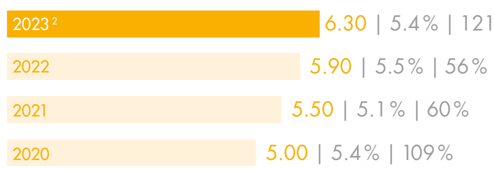
Key share data Helvetia Holding AG

	2023	2022
Number of shares issued		
Treasury shares	181 566	117 070
Shares outstanding	52 844 119	52 908 615
Number of shares issued	53 025 685	53 025 685
Price of Helvetia registered shares in CHF		
Year-end	115.9	107.8
High for the year	139.1	132.3
Low for the year	108.4	90.6
Market capitalisation in CHF million	6 145.7	5 716.2
Shareholders' equity per share in CHF	63.2	65.4
Price / book ratio (P / B)[1]	1.8	1.6
IFRS net income per share in CHF	5.2	8.0
Price / earnings ratio (P / E)[1]	22.1	13.4
Dividend per share[2]	6.30	5.90
Payout ratio	121 %	74 %
Dividend yield[1/2]	5.4 %	5.5 %

[1] Based on year-end price
[2] Proposal to the Shareholder's Meeting

Dividend history

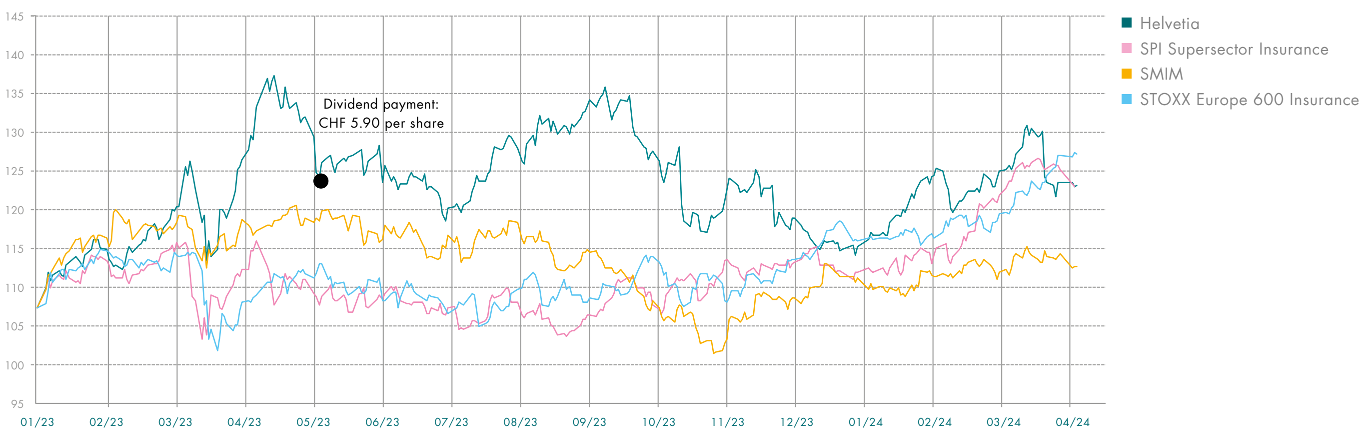
Dividend per share (in CHF) | dividend yield at year-end price | payout ratio[1]

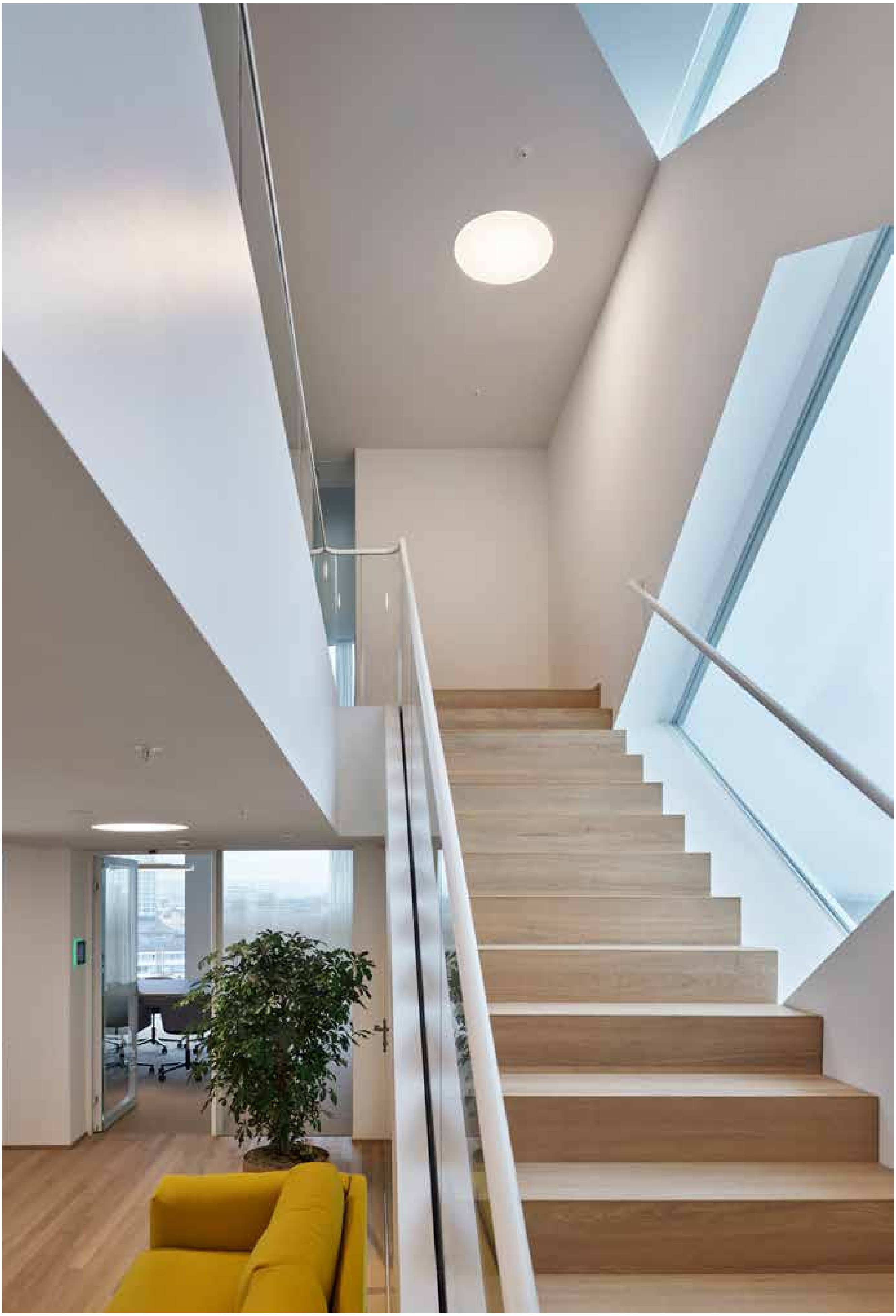


[1] Based on IFRS net income
[2] Proposal to the Annual General Meeting

Share price development 1.1.2023–4.4.2024

in CHF





Corporate governance

02

Contents

Corporate governance.

Helvetia is aware of the importance of good corporate governance. It is a key requirement for the success of the entire Helvetia Group and forms the basis for sustainably increasing the company's value – especially in the interest of the shareholders, but also in the interest of all other stakeholders. In meeting its obligation to ensure corporate governance that is geared towards economic, social and environmental goals, Helvetia not only complies with the relevant regulatory requirements, such as those stipulated under the Circular 17/2 "Corporate Governance – Insurers" of the Swiss Financial Market Supervisory Authority (FINMA), but also consistently follows recognised guidelines and recommendations, including the "Swiss Code of Best Practice for Corporate Governance" of economiesuisse, the Swiss economy's umbrella organisation.

"Effective and forward-looking corporate governance is part of our DNA: it is the strong foundation of our responsible, value-oriented company leadership and as such it makes a key contribution to the Helvetia Group's lasting success."

Dr Thomas Schmuckli
Chair of the Board of Directors

The principles and rules of corporate governance at Helvetia are set out in the Articles of Association, the organisational and management regulations, the Code of Conduct of the Helvetia Group and various other internal directives. These documents are reviewed on a regular basis and, where necessary, adjusted in line with revised regulatory requirements or new standards in the area of corporate governance. The Articles of Association of Helvetia Holding AG, the organisational regulations applicable across the Group and other individual governance-related documents are published on the website of the Helvetia Group.

The following information follows the structure provided for under the "Directive on Information Relating to Corporate Governance" (DCG) of SIX Exchange Regulation AG in its current version of 29 June 2022, which entered into force on 1 January 2023. This requires all issuers whose ownership interests have a primary listing on SIX Swiss Exchange to disclose to investors key corporate governance information as listed in the annex to the RLCG.

The Compensation Report from page 10 contains information on our compensation system in general and specific details on the compensation paid to the Board of Directors and the Executive Management. Where information on corporate governance is provided elsewhere, i.e. outside of this section, reference is made to it in each case.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

→ **Other company publications:**
https://www.helvetia.com/corporate/web/en/home/investors/publications/business-publications.html

1. Corporate structure and shareholders

1.1 Corporate structure

Helvetia is an international Swiss all-lines insurance group. The parent company, Helvetia Holding AG, is organised in accordance with Swiss law.

1.1.1 Operational Group structure

The management structure is shown on page 35 of this corporate governance report. This structure is intended to ensure the best possible operational management of the Group from a legal, financial, fiscal and regulatory perspective as well as smooth, efficient and flexible business operations.

1.1.2 Listed companies

Helvetia Holding AG has its head office in St. Gallen and is listed on SIX Swiss Exchange AG in Zurich: security number 46 664 220, ISIN CH0466642201, ticker symbol HELN. It had a market capitalisation of CHF 6,146 million as at 31 December 2023. Key data for investors can be found in the portrait on pages 29 and 32 under "Share and bonds". Helvetia Holding AG is the only listed company in the Group structure of the Helvetia Group.

1.1.3 Non-listed companies

The Group's subsidiaries included in the scope of consolidation are listed on pages 177 to 183 of the financial report. Reports on the main subsidiaries – Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen (Helvetia Versicherungen), and Helvetia Schweizerische Lebensversicherungsgesellschaft AG, Basel (Helvetia Leben) – can be found in the Notes to the financial report from page 191. The complete list of Group companies, including investments, is provided in the financial report from page 180.

1.2 Major shareholders

Helvetia maintains an open and shareholder-friendly strategy in an effort to build up a shareholder base that is as widely diversified and informed as possible. We also have a stable and long-term relationship with our most significant shareholder Patria Genossenschaft, Basel (founding partner). On the reporting date, 30,141 (previous year: 28,768) shareholders were registered in the share register of Helvetia Holding AG.

Patria Genossenschaft, Basel, is the largest shareholder with around 34.1%. Another significant shareholder is BlackRock, Inc. (parent company) with a shareholding of 4.18%.

As at 31 December 2023, no other shareholder exceeded the reporting threshold of 3%. All Helvetia's notices on share transactions and investments subject to a reporting obligation can be found on the website of SIX Exchange Regulation AG by selecting "Helvetia Holding AG" under the "Significant shareholders" section.

Further information on the shareholder structure can be found in the portrait on page 31 under "Share and bonds".

→ **SIX Exchange Regulation AG | "Significant shareholders" (issuer: Helvetia Holding AG**
https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

1.3 Cross-holdings

There are no cross-holdings that exceed 5% of the capital or voting rights.

Capital structure

2. Capital structure

2.1 Capital

The ordinary share capital of Helvetia Holding AG amounts to CHF 1,060,513.70, consisting of 53,025,685 registered shares with a par value of CHF 0.02 each. At the year-end price of CHF 115.90 per share, this equals a market capitalisation of CHF 6,146 million.

The Articles of Association also provide for "conditional capital", which can be used to increase the ordinary share capital by a maximum of CHF 129,793.20 or around 12%.

As at 31 December 2023, the Articles of Association do not provide for a "capital range" that would authorise the Board of Directors to increase and/or decrease the ordinary share capital by up to 50% for a maximum period of five years and within a range approved by the Annual General Meeting (see Art. 653s CO[1]).

Furthermore, there is no "authorised capital". A corresponding authorisation of the Board of Directors as provided for under the Articles of Association expired on 24 April 2022 in accordance with the resolution of the Annual General Meeting of 24 April 2020. Accordingly, Art. 4a ("Authorised capital") of the Articles of Association of Helvetia Holding AG was deleted without replacement.

2.2 Capital range and conditional capital in particular

As already explained under section 2.1, the Articles of Association do not provide for a "capital range" as of the reporting date.

The scope of the "conditional capital increase" amounts to a maximum of 6,489,660 fully paid-up registered shares with a par value of CHF 0.02 each. This corresponds to the maximum amount of CHF 129,793.20 specified in section 2.1. The group of beneficiaries and the individual conditions and modalities can be found in Art. 4 of the Articles of Association.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

2.3 Changes in capital

There were no changes in capital in the 2023 reporting year or in the 2021 and 2022 financial years preceding the reporting year.

The authorised capital of a maximum of 4,158,850 fully paid-up registered shares with a par value of CHF 0.02 each or CHF 83,177.00 remaining from a resolution of the Annual General Meeting of 24 April 2020 expired on 24 April 2022. The underlying provision of the Articles of Association (Art. 4a "Authorised capital") was deleted accordingly without replacement.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

2.4 Shares and participation certificates

The share capital comprises 53,025,685 fully paid-up registered shares with voting and dividend rights with a nominal value of CHF 0.02 each (Art. 3 of the Articles of Association of Helvetia Holding AG). There are no preferential rights or participation certificates. Further details on the Helvetia share can be found on pages 29 to 32 in the portrait. On 31 December 2023, Helvetia held 181,566 treasury shares (0.34%).

[1] Federal Act on the Amendment of the Swiss Civil Code (Part Five: Code of Obligations). SR 220 (as at: 1 January 2024)

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

2.5 Dividend right certificates

There are no dividend right certificates.

2.6 Restriction on transferability and nominee registrations

The Board of Directors may refuse to approve registration with voting rights especially if an individual would therefore then own more than 5% of the voting rights of the entire share capital entered in the Commercial Register. Here, the term "individual" also includes buyers of shares who are connected to each other either by way of capital or votes, or by united management, or in any other form as well as buyers of shares who act in a coordinated manner to circumvent the restriction. This restriction also applies if the shares were subscribed to or acquired by means of subscription, option or conversion rights associated with instruments issued by the company or third parties.

In the reporting year, no new exceptions were declared regarding the restriction of transferability (for major shareholders: see section 1.2).

Persons who do not expressly certify in the registration application that (i) they have acquired the shares for their own account (known as "nominees"), (ii) there are no agreements regarding the redemption or return of the respective shares, and (iii) they bear the economic risk associated with the shares are entered in the share register with voting rights up to a maximum of 3% of the total share capital.

The registration regulations are described in detail in Art. 7 and 8 of the Articles of Association of Helvetia Holding AG. Any amendment by the Annual General Meeting to the statutory restriction of transferability referred to above requires a two-thirds majority of votes represented.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

2.7 Convertible bonds and options

There are no convertible bonds, options or employee options.

3. Board of Directors

The Board of Directors of Helvetia Group is the highest management body of the company. It is responsible for the overall management and the strategic direction of the Group and it also appoints and monitors the Executive Management. The Board of Directors currently has ten members. Dr Thomas Schmuckli, who has served as a member of the Board of Directors since 2018, was elected Chair of the Board of Directors at the 2022 Annual General Meeting.

The members of the Board of Directors of the Group and of Helvetia Holding AG as the highest Group company are identical to the Boards of Directors of the two subsidiaries Helvetia Schweizerische Versicherungsgesellschaft AG and Helvetia Schweizerische Lebensversicherungsgesellschaft AG.

In addition to the Federal Insurance Supervision Act (ISA), the FINMA Circular 17/2 "Corporate Governance – Insurers", among other regulations, also requires licensees such as Helvetia to ensure that individuals who hold positions in which they are responsible for proper business conduct are both "fit", i.e. possess relevant expertise and professional experience, and "proper", i.e. have an impeccable character and a good reputation. While the obligation to ensure "properness" must be met by the individuals who hold such a position, it is a company's strategic and operational management as a whole that is evaluated with respect to "fitness". As the highest management body, the Board of Directors must therefore be comprised in such a way that it can supervise and fulfil its responsibility for the overall management of the Helvetia Group in a flawless manner under all circumstances. For this reason, the Board of Directors of the Helvetia Group is made up of individuals with extensive specialist knowledge, considerable professional and international experience and a high degree of integrity – personal characteristics that, in particular, should ensure independent decision-making in dialogue with the Executive Management. Helvetia also ensures adequate gender diversity and that the composition of the Board of Directors is conductive to the sustainable development of the company.

As far as the assessment of the independence of Board members is concerned, Helvetia follows the recommendations of the Swiss Code of Best Practice for Corporate Governance and the requirements of Circular 17/2 Corporate Governance – Insurers. All Board members are non-executive members and no Board member belonged to the Executive Management of the Helvetia Group or the Executive Management of any of its Group companies in the three financial years preceding the reporting period. No member of the Board of Directors has any significant business relationships with Helvetia other than as a policyholder. Anti-conflict-of-interest rules are consistently applied by all committees of the Board of Directors. Every year, the Board of Directors assesses the level of compliance with these requirements and the quality of the services it has performed, both in its entirety and within each committee. If necessary, further optimisations can be carried out on the basis of this.

The following table contains information on the composition of the Board of Directors, the Board committees and the first time each Board member was elected.

The Board of Directors of Helvetia Holding AG as at: 31 December 2023

	Function	Year of birth	Election by AGM	Nationality	SGC	NCC	IRC	AC
Dr Thomas Schmuckli	Chair	1963	2018	Switzerland	o o			
Dr Hans C. Künzle	Vice Chair	1961	2014	Switzerland		o	o o	
Dr René Cotting	Member	1970	2023	Switzerland			o	
Beat Fellmann	Member	1964	2018	Switzerland			o	o
Dr Ivo Furrer	Member	1957	2017	Switzerland	o			o o
Luigi Lubelli	Member	1969	2022	Italy			o	
Dr Gabriela Maria Payer	Member	1962	2014	Switzerland	o	o o		
Dr Andreas von Planta	Member	1955	2014	Switzerland		o		o
Regula Wallimann	Member	1967	2018	Switzerland		o		o
Dr Yvonne Wicki Macus	Member	1973	2023	Switzerland	o			

SGC Strategy and Governance Committee
NCC Nomination and Compensation Committee
IRC Investment and Risk Committee
AC Audit Committee
o o Chair
o Member

Secretary of the Board of Directors
Barbara Bolliger

3.1 Members of the Board of Directors

Thomas Schmuckli

Doctorate in law (University of Fribourg), lawyer,
Swiss, Zug, 1963
Chair, non-executive and independent

Committee membership
Strategy and Governance Committee (Chair)

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Credit Suisse: 1993–1998 various management roles in the Legal department of the Leu Group, 1998–2000 Member of a credit recovery task force, 2005–2007 Head of Legal & Compliance Corporate & Institutional Clients, 2007–2013 Head of Legal & Compliance Asset Management Switzerland; Zuger Kantonalbank: 2000–2005 Member of the Extended Executive Management (product, project and process management); independent Member of the Board of Directors since 2014

Appointments at listed companies
Chair of the Board of Directors of Bossard Holding AG, Zug

Appointments at other companies
Chair of the Board of Directors of Bossard Finance Ltd, Zug; Member of the Board of Directors of Hans Oetiker Holding AG, Horgen

Pro bono appointments
One appointment at a charitable institution

Hans C. Künzle

Doctorate in law (University of Zurich)
Swiss, Kilchberg ZH, 1961
Vice Chair, non-executive and independent

Committee membership
Investment and Risk Committee (Chair)
Nomination and Compensation Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Until 1989 at Bülach District Court; 1989–2004 various managing roles at Winterthur Versicherungen, including CEO of Winterthur operations in the Czech Republic and Head of Mergers & Acquisitions at group level; 2004–2014 CEO of the Schweizerische National-Versicherungs-Gesellschaft AG, Basel; since 1 January 2015 Vice Chair of the Board of Directors of Helvetia Insurance

Appointments at listed companies
None

Appointments at other companies
Five appointments, in particular Chairman of the Board of Directors of Forum Capital Management AG; Member of the Board of Directors of Hochalpines Institut Ftan (HIF) AG; Member of the Board of Directors of JANZZ.technology AG

Pro bono appointments
Four appointments, in particular President of the Foundation of UNICEF Switzerland and Liechtenstein and member of the Executive Committee of the Institute of Business Management at the University of St. Gallen

Dr René Cotting

Doctorate in strategic management, finance and macroeconomics (University of Fribourg), Swiss, Stäfa, 1970, Member, non-executive

Committee membership
Investment and Risk Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background, exercising operational executive functions
1995–2002 ABB Group, Controller and Accountant IFRS/US GAAP (until 2000), Head of Strategic Planning & Controlling Processes (until 2002); 2002–2006 CFO US Network Management business unit ABB (Silicon Valley, Houston, US); 2006–2009 ABB Group, CFO ABB Corporate R&D and global R&D Controller; 2009–2012 ABB Group, Head of Corporate Controlling & Financial Planning; 2013–2017 ABB Switzerland, CFO, Member of the Executive Management of ABB Switzerland and Chairman of the Board of Trustees of the ABB Pension Fund; 2013–2020 Vice Chairman of the Board of Directors of AVADIS Vorsorge AG; 2017–2021 ABB Group, Head of Operations in Innovation and R&D; Member of the Board of Directors of ABB Switzerland 2013–2019; 2015–2023 Bossard Group, Member of the Board of Directors and Head of the Audit, Risk and Compliance Committee; since 2021 Group CFO of the SMARTENERGY Group and in this context CFO/Head Investor Relations of Edisun Power

Appointments at listed companies None

Appointments at other companies
Member of the Board of Directors of Patria Genossenschaft, Basel; Chairman of the Board of Directors of Edisun Power Schweiz Ltd., Zurich; Member of the Board of Directors of CCI COTTING CONSULTING AG, Tafers

Pro bono appointments
Member of the Board of Directors, Lions Club Zürich-Dolder

Beat Fellmann

Degree in Economics (University of St. Gallen) and Swiss Certified Public Auditor
Swiss, Seuzach, 1964
Member, non-executive and independent

Committee membership
Investment and Risk Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background, exercising operational executive functions
Bühler AG: 1991–1998 Various functions within the Group; Holcim AG: 1998–2004 Head of Financial Holdings in Zurich, Amsterdam and Hamburg, 2005–2008 Deputy Group CFO and Member of the Extended Executive Management; Implenia Ltd: 2008–2019 CFO and Head of Corporate Center and Head of Real Estate Investment Committee; Exyte AG, Stuttgart: 2019–2020 Member of the Board; Valora Holding AG: since 2020 CFO Group, Member of the Executive Management (incl. function-related Board mandates in Group companies)

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Vitra Holding AG and Member of the Swiss Takeover Board (TOB)

Pro bono appointments
None

Ivo Furrer

Doctorate in law (University of Zurich)
Swiss, Zurich, 1957
Member, non-executive and independent

Committee membership
Audit Committee (Chair)
Strategy and Governance Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1982–1999 Winterthur Versicherungen, various management positions in Canada, the US and London as well as Chief Underwriting Officer Global Corporate; 1999–2002 Credit Suisse Group, including as a Member of the Executive Committee e-Investment Services Europe; 2002–2008 Zurich Financial Services, Head of international key account business in Germany, Member of the Global Corporate Executive Committee, CEO Life Switzerland; 2008–2017 Swiss Life Group, CEO Switzerland and Member of the Corporate Executive Board

Appointments at listed companies
Member of the Board of Directors of Fundamenta Group AG

Appointments at other companies
Member of the Board of Directors of Inventx AG, Chur

Pro bono appointments
Member of the Board of Trustees of the Swiss Foundation for Work and Further Education (SSAW)

Luigi Lubelli

University degree in economics
(Bocconi University, Italy), FRM GREA
Italian, Spain, 1969
Member, non-executive and independent

Committee membership
Investment and Risk Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
2000–2015 Various management positions at MAPFRE, Spain, including Deputy General Manager for Risks and Capital Markets and Group CRO; 2015–2018 Assicurazioni Generali, Italy, including Group CFO; 2019 Allfunds Bank, Spain, CFO and Member of the Executive Committee; since 2019 Associate Professor, Finance and Risk Management at the Bespoke School of Finance, Madrid; since March 2023 Senior Advisor Arcano Partners Group, Spain

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Linnex Capital SICAV, Luxembourg

Pro bono appointments
None

Gabriela Maria Payer

Doctorate in philosophy (University of Zurich)
Swiss, St. Moritz, 1962
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee (Chair)
Strategy and Governance Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background, exercising operational executive functions
Until 1993 responsible for marketing at IBM and American Express; 1993–2012 numerous management roles with UBS AG; including: 1999 set-up and management of UBS e-banking; 2005 worldwide management of Human Resources Wealth Management & Business Banking; 2009 founding and management of the UBS Business University for the entire Group; from 2012–2017 Head of Training and Member of the Executive Management of the Swiss Finance Institute; since 2012 Owner of the consulting company, PAYER-PARTNER, for strategic business performance and various mandates on boards of directors

Appointments at listed companies
None

Appointments at other companies
Vice Chair of the Board of Directors of Sygnum Bank Ltd, Zurich; Member of the Board of Directors of Sphaira Innovation Ltd., Zug; Member of the Supervisory Board of FMA, Vaduz

Pro bono appointments
Three advisory mandates at the Universities of Bern and Lucerne

Andreas von Planta

Doctorate in law (University of Basel), LL.M. (Columbia University), lawyer
Swiss, Cologny, 1955
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background, exercising operational executive functions
Since 1983 law firm Lenz & Staehelin, Geneva; Partner from 1988–2017; Senior Counsel since 2018.

Appointments at listed companies
None

Appointments at other companies
Socotab Frana SA, Geneva

Pro bono appointments
Member of the Board of Trustees of the Conservatoire de Musique de Genève

Regula Wallimann

Degree in Economics (University of St. Gallen)
Swiss and US Certified Public Accountant
Swiss, Meilen, 1967
Member, non-executive and independent

Committee membership
Nomination and Compensation Committee
Audit Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
1993–2017 Accountant at KPMG, including assumption of responsibility for the auditing of large, listed, internationally operating industrial firms as Global Lead Partner from 2003–2017; independent Member of the Board of Directors since 2017

Appointments at listed companies
Member of the Board of Directors of Straumann Holding Ltd, Basel;
Member of the Board of Directors of Adecco Group Inc., Zurich

Appointments at other companies
Vice Chairwoman of the Board of Directors of Swissgrid Ltd, Aarau; Member of the Board of Directors of Radar Topco S.à.r.l., Luxembourg (Swissport Group, Opfikon), including mandates in its Group companies

Pro bono appointments
Member of the Supervisory Board of the Institute for Accounting, Controlling and Auditing (ACA) of the University of St. Gallen (HSG)

Yvonne Wicki Macus

Doctorate in economics (University of St. Gallen)
Swiss, Uster, 1973
Member, non-executive

Committee membership
Strategy and Governance Committee

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background, exercising operational executive functions
Unilever: 2004–2007 Key Account & Category Manager; Coca Cola HBC Switzerland: 2007–2015 various management positions, including National Account Manager, Head of Retail Trade and Head of Immediate Consumption; SV Group: 2016–2020 Director Customer Management & Sales, 2020–2023 Member of the Group Executive Board as Chief Marketing Officer and Managing Director Collective Catering, since 2023 Director Strategy & Transformation

Appointments at listed companies
None

Appointments at other companies
President of the Board of Directors of Patria Genossenschaft, Basel

Pro bono appointments
President of the Board of Trustees of the IDEA helvetia Foundation, Bottmingen; Vice-President of Camerata Zurich, Zurich

Secretary of the Board of Directors
Barbara Bolliger
Law degree (University of Zurich), lawyer

3.2 Other activities and interests

In addition to their activities on the Board of Directors of the Helvetia Group, the individual Board members sometimes perform other activities, especially as members of management and supervisory committees, which may give rise to interests with third parties. Activities that must be disclosed in accordance with the relevant requirements can be found in the explanations on pages 10 to 14 in this Corporate governance report and more detailed in the Compensation report (section 4.4, page 13).

In addition, the following interests exist:

– Dr Yvonne Wicki Macus as Chair and Dr René Cotting as a member of the Board of Directors represent Patria Genossenschaft, Basel, as the most significant shareholder of Helvetia Holding AG on the Board of Directors of the Helvetia Group. The statutory purpose of Patria Genossenschaft is, among other things, to promote the conclusion and implementation of life insurance policies at beneficial conditions with Helvetia in the interest of its members and to strengthen its economic independence and development through financial participation in Helvetia Holding AG.
– No member of the Board of Directors holds any official functions or political offices that would have to be disclosed here.

The members of the Board of Directors manage their personal and business matters in such a way that conflicts of interest with Helvetia Holding AG and the Group companies are avoided as far as possible.

If a member of the Board of Directors has personal interests that affect the interests of Helvetia or must safeguard the corresponding interests of third parties (interests affected), they must notify the Chair. They shall disclose all relevant circumstances so that the Chair may assess the interests of the person concerned. If the Chair is concerned, they shall notify the Vice Chair, who shall make the following arrangements.

In the event of conflicting interests (conflict of interest), the Board of Directors shall make a decision commensurate with the intensity of the conflict of interests excluding the party concerned in order to ensure the independent safeguarding of the interests of the company. Unless otherwise decided, the member of the Board of Directors affected by the conflict of interest is obliged to abstain from the discussion and passing of resolutions, whereby the member affected must be given the opportunity to present their point of view.

Transactions between the company and members of the Board of Directors or related individuals or legal entities represented by them are also subject to the principle of conclusion at third-party conditions. They are approved excluding the person concerned.

See Art. 38 of the organisational regulations of the Helvetia Group.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

3.3 Number of activities allowed

According to Art. 32 ("Mandates outside the Group") of the Articles of Association of Helvetia Holding AG, members of the Board of Directors may not hold more than five additional mandates with listed and ten additional mandates with non-listed companies.

This restriction does not apply to:

a) Mandates with companies that are controlled by the company directly or indirectly or in joint agreement with third parties or which control the company directly or indirectly or in joint agreement with third parties;
b) Mandates accepted by a member of the Board of Directors on instructions of the company or companies directly or indirectly controlled by the company. Members of the Board of Directors may not hold more than ten such mandates; and

c) Mandates with associations, charitable organisations, foundations and staff pension funds. Members of the Board of Directors may not hold more than ten such mandates.

Mandates shall mean mandates in comparable functions with other companies with an economic purpose. Mandates with different legal entities controlled by the same company or beneficial owner count as a single mandate.

Details of such mandates of the individual members of the Board of Directors can be found on pages 10 to 14 in this Corporate governance report and more detailed in the Compensation report (section 4.4, page 13).

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

3.4 Election and term of office

All members of the Board of Directors, including the Chair and the members of the Nomination and Compensation Committee, are individually elected at the Annual General Meeting each year in accordance with the applicable legal provisions of the CO (formerly VegüV[2]). Re-election of sitting Board members is possible. The option of re-election ends at the latest with the ordinary Annual General Meeting in the year in which a Board member turns 70.

In addition to this maximum age, a maximum term of office has also applied since 1 January 2022. According to this, the term of office of a Board member of the company generally ends upon completion of his or her 12th year of office. In exceptional cases, the Board of Directors can propose to the Annual General Meeting that the maximum 12-year term be extended for a member, provided the maximum age of 70 is not exceeded. The normal term of office of 12 years can be extended by up to a maximum of three years. The exceptions for the extension of the term of office must be in the interest of the company, in particular (a) for the purpose of securing skills and experience in the Board of Directors that are of great significance for the future development of the company or (b) for the purpose of succession planning in the Board of Directors, in particular concerning the replacement of the Chair of the Board of Directors or of one of its committees.

Having reached the maximum term of office, Jean-René Fournier did not stand for re-election at the 2023 Annual General Meeting. The Annual General Meeting elected Dr Yvonne Wicki Macus and Dr René Cotting as new members of the Board of Directors.

Further information on the composition of the Board of Directors and the first-time election of its individual members can be found in the table on page 9 in the corporate governance report.

3.5 Internal organisation

Corporate governance at Helvetia is based on the relevant legal provisions (in particular company and stock exchange law) as well as on internal directives and regulations. The latter are reviewed on a regular basis and, where necessary, adjusted in line with revised regulatory requirements or new standards in the area of corporate governance. The Articles of Association of Helvetia Holding AG, the organisational regulations applicable across the Group and other individual governance-related documents are published on the website of the Helvetia Group.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

[2] Ordinance Against Excessive Compensation in Listed Companies Limited by Shares (VegüV).

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

→ **Other company publications:**
https://www.helvetia.com/corporate/web/en/home/investors/publications/business-publications.html

3.5.1 Division of duties in the Board of Directors

The diagram on page 9 in the corporate governance report shows the tasks that were delegated to the committees by the Board of Directors. The figure shows the constitution of the Board of Directors as at 31 December 2023. The Board of Directors appoints from among its members the Vice Chair(s) of the Board of Directors as well as the Chairs and members of the various committees (exception: the members of the Nomination and Compensation Committee) and designates the secretary of the Board of Directors. The Chair heads the Board of Directors. They convene the meetings of the Board, prepare the agenda for the Board meetings and chair these meetings. They prepare the Annual General Meeting and the invitation to the Annual General Meeting, and also chair this meeting. They draw up the strategic objectives that are discussed by the Board of Directors and represent the shareholders in important strategic projects in consultation with the CEO. They ensure that shareholders receive timely and correct information on the Group's business operations and nurture relationships with major investors. Together with the other executive bodies of the Group, the Chair ensures good corporate governance and an effective internal control system. They serve as line manager to the CEO and act in consultation with the CEO whenever possible. Together with the CEO, they prepare the CEO's annual agreement on objectives, and assess the CEO's performance every year. The Chair may take part in important meetings of the Executive Management as a guest; to this end they receive the agenda and accompanying documents for all meetings. They manage the secretary of the Board of Directors, assess requests for information, meetings or the inspection of documents from members of the Board of Directors and decides whether they accept new directorships or similar appointments (the Strategy and Governance Committee decides on such appointments of the Chair). Together with another member of the Board of Directors, they also sign the commercial register applications and perform other duties assigned to them by the Board of Directors. They may inspect any and all documents at all times. If the Chair is unable to act, the Vice Chair or another member appointed by the Board of Directors from among its own members performs his function. If the office of Chair is vacant, the Board of Directors appoints a Chair from among its own members until the conclusion of the next ordinary Annual General Meeting.

3.5.2 Composition of the committees of the Board of Directors, their duties and delineation of powers

In order to incorporate the individual skills of its members into the decision-making process in a targeted manner, the Board of Directors has formed committees from among its members which report to the Board of Directors for the preparation of its resolutions or for the performance of its supervisory function. The following committees exist for this purpose: the Strategy and Governance Committee, the Nomination and Compensation Committee, the Investment and Risk Committee and the Audit Committee. The duties and powers of these committees are described in detail in the organisational regulations of the Helvetia Group and the composition of each committee is presented on page 9 in the corporate governance report.

a) The Strategy and Governance Committee (SGC) prepares the resolutions of the Board of Directors to be adopted in the event of a redefinition or change of strategy. It monitors, in particular, strategy implementation, deals with mergers, acquisitions and disposals of companies or major portfolios, and prepares the required resolutions by the full Board of Directors. It also ensures integrated corporate governance for the effective management and supervision of the Helvetia Group. The SGC assumes duties and powers that have been assigned to it by the Board of Directors, deals with issues entrusted to it by the Chair or the CEO, unless reserved for the full Board of Directors in accordance with the law, the Articles of Association or regulations, and discusses important and urgent issues. See Art. 13 et seq. of the organisational regulations of the Helvetia Group.

b) The Nomination and Compensation Committee (NCC) prepares the resolutions to be passed by the Board of Directors in connection with the Compensation Report, the compensation policy of the company and the structure of compensation for the members of the Board of Directors and the Executive Management, and monitors their correct implementation. It also prepares the proposals to be made by the Board of Directors to the Annual General Meeting with respect to the total amount of fixed and variable compensation to be paid to the members of the Executive Management and the Board of Directors. The NCC approves the concept and strategy of the employee pension funds in Switzerland on behalf of the employer and takes note of their annual financial statements. Furthermore, it prepares the resolutions by the Annual General Meeting regarding the appointment and dismissal of members of the Board of Directors. The NCC also prepares the personnel decisions to be taken by the Board of Directors, including personnel planning, the appointment and dismissal of members of the Executive Management and of those responsible for Risk Management, Compliance and Internal Audit. It handles the appointment and dismissal of the CEOs in all country markets, takes note of the appointment and dismissal of other members of the Executive Management in all country markets and periodically reviews plans and measures to retain and promote senior managers; in particular the NCC also deals with questions of culture and engagement. The NCC also serves as the Sustainability Committee of the Board of Directors, which monitors developments with the aim of ensuring sustainable business management and prepares the resolutions to be passed by the Board of Directors on the sustainability strategy, targets and reporting. It monitors non-financial reporting, implementation of the sustainability strategy and the effectiveness of the directives issued and measures taken (sustainability management). As of 1 June 2024, extended governance regarding the management of sustainability topics will come into force at Board of Directors level. This stipulates that the NCC will retain its function as “Sustainability Committee”, but sustainability topics directly related to the responsibilities of other committees of the Board of Directors will be dealt with by these (see Sustainability Report, from page 94).

c) The Investment and Risk Committee (IRC) prepares the basic guidelines and the investment strategy. It approves the strategic ranges of asset allocation at least once a year, monitors the investment activities of the Helvetia Group and decides on investments to the extent that the Board of Directors has delegated this task to it. The IRC also prepares the most important risk strategies and tolerances as well as the risk appetite and the applicable risk limits, and monitors all risks (including the strategic risks and operational risks relevant to the whole company) as well as the related risk management measures and compliance with limits. It is also responsible for and ensures that the Board of Directors has a comprehensive overview at all times of the significant risks to Helvetia and the measures taken to manage them. See Art. 19 et seq. of the organisational regulations of the Helvetia Group.

d) The Audit Committee (AC) assists the Board of Directors in its duties with regard to overall supervision and financial control. It examines the accounts from the perspective of completeness, integrity and transparency, and verifies their compliance with applicable accounting standards and external reporting requirements. It assesses the appropriateness and effectiveness of the principles and processes for complying with the relevant legal, regulatory and internal provisions, the handling of compliance breaches and overall risk governance and organisation, as well as the functionality and effectiveness of the internal control systems (ICS). The AC monitors the operational risks and related risk management measures and verifies the independence and quality of the audits by the internal and external auditors. It ensures optimum cooperation between internal and external control units, the AC, the Chair of the Board of Directors and the Executive Management. The AC approves the internal audit plan and assists with the development of external audit plans, examines the results of audits, comments on them for the attention of the Board of Directors, and may, if necessary, award special audit assignments. The AC prepares the election of the statutory auditors, and submits the necessary proposals to the Board of Directors. It verifies the consistency of auditing activities with any existing consulting mandates and examines the overall fee structure. See Art. 22 et seq. of the organisational regulations of the Helvetia Group.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

3.5.3 Modus operandi of the Board of Directors and its committees

The Board of Directors convenes as often as business requires, but at least five times a year. Meetings of the Board of Directors may be held in person or by electronic means, namely in the form of audio or video conferences (including hybrid). The ordinary meetings, which as a rule last a full day, are generally held at the Group head office in St. Gallen, and the executive seminar, which usually lasts two days, is generally held at external premises.

The Chair of the Board of Directors generally acts as chair. If they are unable to attend, the Vice Chair or another member of the Board of Directors sits as chair.

The Board of Directors is quorate if the majority of its members are present. Its resolutions are carried with a majority of the votes of the members in attendance. In the event of a tie, the Chair shall cast the deciding vote. Resolutions may also be passed by circular letter. See Art. 3 et seq. of the organisational regulations of the Helvetia Group.

In addition to the members of the Board of Directors, members of the Executive Management are present at the meetings in an advisory capacity. As a rule, the meetings are organised as follows: The meeting starts with an internal meeting of the Board of Directors and discusses relevant topics. The meeting is then continued in the presence of the CEO and – depending on the topic – some or all of the members of the Executive Management.

In the 2023 reporting year, 13 meetings (seven half-day and six full-day meetings) were held, including one two-day ordinary meeting and one two-day retreat of the full Board of Directors, seven times in the absence of a member of the Board of Directors.

The individual committees of the Board of Directors also convene as often as business requires – generally for a half-day meeting.

Accordingly, the SGC met five times in the 2023 reporting year, with all committee members present. The CEO takes part in the meetings of the SGC in an advisory capacity.

The NCC met four times in 2023, all of which were attended by all committee members. Two circular resolutions were also passed in the reporting year. The CEO takes part in the meetings of the NCC on an advisory basis, provided that topics of the Executive Management are being addressed.

In 2023, the IRC met seven times, including one full-day meeting and one two-day meeting, once in the absence of a committee member. The CEO, CFO, CIO and the Head of Risk Management attend the meetings of the IRC in an advisory capacity. The CEO, CFO and the Head of Risk Management were present at all meetings in the year under review, while the CIO took part in six meetings.

The AC met nine times in 2023, once in the absence of a committee member. The CEO, CFO and the Head of Internal Audit attend the meetings in an advisory capacity; the CEO and CFO attended all meetings in the reporting year and the Head of Internal Audit attended eight meetings. The external auditors also attended six meetings.

The relevant provisions of the organisational regulations require that the Chair of the Board of Directors be a member of the SGC. Accordingly, the Chair of the Board of Directors also chairs the meetings of the SGC. The Chair of the Board of Directors may also attend meetings of the NCC, the IRC and the AC as a guest. Additional internal and external specialists may also be called upon to attend the meetings of the Board of Directors and its committees to deal with specific topics and issues.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

3.6 Definition of areas of responsibility

Based on its inalienable and non-transferable duties stipulated in the provisions of Swiss company law (Art. 716a CO), the Articles of Association of Helvetia Holding AG (Art. 19) and the internal organisational regulations of the Helvetia Group (Art. 8), the Board of Directors may pass resolutions on all matters that are not reserved for another governing body by law, the Articles of Association or the organisational regulations. In particular, it has the following duties and powers:

- overall management of the Group and issuing of the required regulations and directives;
- defining the strategy and regularly reviewing it;
- definition of the organisational principles;
- definition of the structure and principles of accounting, financial control and financial planning;
- appointing and dismissing the CEO and the other members of the Executive Management;
- regulation of signing authority;
- ultimate supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, Articles of Association, regulations and directives;
- preparation of the Annual Report and the Compensation Report;
- approving the sustainability strategy and the sustainability goals defined therein;
- overall supervision of the Helvetia Group's sustainability management;
- approving and signing the report on non-financial matters;
- preparation of the Annual General Meeting and implementation of its resolutions;
- adoption of resolutions on an increase or decrease in the share capital, insofar as this falls under the powers of the Board of Directors (capital range), as well as making the necessary determinations and the corresponding amendments to the Articles of Association;
- approval of legal transactions that have or could have a material impact on the Group, including: the purchase and sale of participations, the establishment of collaborations and alliances, the opening and closing of branches and major investments, provided responsibility here is not delegated to the IRC, the Chair of the Board of Directors or the Executive Management.

Furthermore, the Board of Directors addresses issues relating to organisational development and defines the principles and objectives for the ongoing development of the Helvetia Group, in particular cultural and technological development, in accordance with the strategic guidelines.

The Board of Directors delegates operational management within the meaning of Art. 716b of the CO in full to the Executive Management under the direction of the CEO, unless the law, the Articles of Association or the organisational regulations provide otherwise.

Appendix I of the organisational regulations contains a detailed description of the division of powers between the Board of Directors, the Board committees and the Executive Management:

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

3.7 Information tools and control instruments regarding the Executive Management

The Board of Directors is continuously informed about the activities within the Helvetia Group, its business performance and relevant developments in the market. At its meetings, it requests information concerning:

- the content and outcome of matters dealt with by the various Board committees, including all resolutions and proposals – all committees are required to submit copies of their minutes without delay;
- the course of business and market trends, to be provided by the CEO and/or the respective market area and Group function heads, as well as (where necessary) the main projects, to be provided by the persons responsible;
- the status of compliance with budget and other annual objectives as well as strategic multi-year plan values;

- the results and findings of the audits conducted by internal and external auditors, which are, in particular, discussed in the meetings of the AC and recorded in its minutes;
- the most important strategic, financial and operational risks, any changes to them and risk management measures that have been taken or are planned;
- compliance with legal and regulatory provisions and internal regulations;
- important facts and events, generally as part of ordinary reporting or (on an ad hoc basis) upon the occurrence of extraordinary events.

The members of the Board of Directors also regularly receive key data concerning the course of business. They also periodically receive reports on current issues relating to governance as well as selected analyses and situation reports concerning market trends, market players and noteworthy occurrences. The regular reports submitted to the Board of Directors and its committees are listed in detail in Appendix II of the organisational regulations of the Helvetia Group.

At the meetings, every member of the Board of Directors may ask other members and members of the Executive Management for information concerning all matters pertaining to the Group. Outside of the meetings, every member of the Board of Directors may ask the CEO to provide information about the general course of business and, with the approval of the Chair, also about specific business cases, or may inspect any business documents as required. See Art. 9 of the organisational regulations.

In the 2023 reporting year, the Chair of the Board of Directors also met regularly with the CEO as well as occasionally with other members of the Executive Management outside of the regular meetings in order to exchange information.

Helvetia has introduced and implemented a coordinated and formalised concept for risk management and risk control. Further information can be found on pages 12 et seq. of the financial report.

The Board of Directors also has the Internal Audit unit at its disposal as an auditing and supervisory body. Working in a systematic, objective and independent fashion, it assesses whether risks are correctly identified and monitored, internal controls are effective and existing management processes are suitable to ensure compliance with the relevant legal and regulatory requirements as well as internal regulations and directives. It can also examine whether the Executive Management is adequately meeting its monitoring and supervisory duties. See Art. 36 of the organisational regulations.

The Board of Directors also receives regular reports concerning Helvetia's general development and specific activities in the areas of compliance and risk management.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

4. Executive Management

The Executive Management is the highest executive body of the Helvetia Group and is responsible for implementing the strategy adopted by the Board of Directors. It has been headed by Fabian Rupprecht since 1 October 2023. Together with the division heads of the Executive Management and the Executive Management boards of the market units in and outside of Switzerland, he is responsible for the operational management of the Group. Fabian Rupprecht took over as CEO from Dr Philipp Gmür, who had announced his resignation at the end of 2022.

The detailed organisational chart of the Helvetia Group as at 31 December 2023 can be found on page 35 in the corporate governance report.

4.1 Members of the Executive Management

Fabian Rupprecht

Degree in business management (finance and controlling)
(WHU – Otto Beisheim School of Management, Koblenz)
Swiss, Montreux, and German, 1969
Group CEO

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1994–1998 Colonia Group, Cologne, Assistant to the Management Board, Strategy and Finance (until 1996), Head of Accounting for Health and Life Insurance (until 1998); 1998–2000 Head of Product Management at EquiVest, The Equitable Life Assurance (AXA), New York; 2001–2007 Head of Life and Annuity Insurance, AXA Germany, Cologne; 2008–2010 Head of Individual Life, Member of the Executive Management at AXA-Winterthur, Winterthur; 2010–2013 Head of AXA Global Life, Member of the Global Life & Health Board, AXA Global Life & Health, Paris; 2013–2016 Regional CFO, Member of Regional Executive Committee, AXA Mediterranean Holding, Madrid; 2016–2018 Regional CFO and CEO MEA, Member of Regional Executive Committee, AXA Emerging Markets, Madrid; 2018–2023 CEO International Insurance, Member of Group Management Board, NN Group, The Hague; since 1 October 2023 Member of the Executive Management in his current position

No other appointments

Achim Baumstark

Degree in computer science (University of Karlsruhe)
German, Basel, 1964
Group Chief Technology Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1992–1995 Consultant and Project Manager at Andersen Consulting; 1995–2000 Programme Manager at debis Systemhaus, Stuttgart; 2000–2005 Managing Director, Chief Operating Officer at Daimler Chrysler Services Information Technology Ltd, United Kingdom; 2005–2006 Chief Information Officer for Europe / Africa / Asia Pacific at Daimler Chrysler Financial Services AG, Berlin; Director ITF / F at Daimler Chrysler AG, Stuttgart; 2009–2012 Head of Group Solutions at Zurich Financial Services; 2012–2013 Chief Information Officer at Zurich Switzerland; 2013–2017 Chief Information Officer, Member of the Executive Board of the Helsana Group; Member of the Executive Management in his current position since 1 April 2017

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Prevo AG, Basel

Pro bono appointments
None

Roland Bentele

Doctorate in law (University of Fribourg)
Swiss, St. Gallen, 1961
Group Chief Corporate Center Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
1989 – 1991 Assistant, University of Fribourg; 1992 – 1993 Auditor, St. Gallen District Court; 1994 – 1996 Legal Assistant, Civil Engineering and Road Administration Legal Service, Canton of St. Gallen; 1996 HR Consultant, Urs Ledermann + Partner AG; 1996 – 1997 Legal Assistant, law firm Jürg Grämiger; 1997 – 2002 various positions, most recently Head Human Resources Swissair Airline, Member of the Executive Management, SAir Group / Swiss air; 2002 – 2004 Senior Vice President Human Resources, Hilti AG; 2004 – 2009 Head of Human Resources, Member of the Executive Management, Unique (Zurich Airport Ltd.); 2009 – 2013 Managing Director, from 2013 Chair of the Board of Directors, Neomentum AG; 2014 joined the Helvetia Group, Head of Human Resources International, from 2017 Head of HR Group, Member of the Extended Executive Management, Head of Corporate Center since 2019, Member of the Executive Management in his current position since 2020

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors of Genossenschaft Konzert und Theater St. Gallen

Pro bono appointments
Member of the Board of Trustees of Swissair Staff Foundation for Children in Need; Member of the Board of Trustees of the Textilmuseum, St. Gallen; Vice Chairman of the Board of Pflegeheim St. Otmar, St. Gallen

Markus Gemperle

Doctorate in law (University of St. Gallen)
Swiss, Niederteufen, 1961
CEO Europe

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
1988 – 1990 Academic Assistant, Institute of Insurance Economics, University of St. Gallen; 1990 joined Helvetia Insurance: head of various departments in the non-life business in Switzerland; 2002 Head of Corporate Center Helvetia Group; 2004 Member of the Executive Management of Helvetia Switzerland: Head of IT; 2006 Member of the Executive Management of Helvetia Switzerland: Head of Operations & Partners; 2008 Member of the Group Executive Management: Head of Strategy & Operations; 2015 Member of the Executive Management in his current position

Appointments at listed companies
None

Appointments at other companies
Member of the Board of Directors at Abraxas Informatik AG, St. Gallen

Pro bono appointments
None

Martin Jara

Doctorate in economics University of St. Gallen
Swiss, Effretikon and Basel, and Austrian, 1972
CEO Switzerland

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
1995–2001 Institute of Insurance Economics, University of St. Gallen, Research Associate; 2002–2005 Winterthur Group, Head of COO & Regional Office (CEE, Belgium, Spain & UK Life); 2005–2008 SUVA, Winterthur Agency Manager and Improvement Manager Risk / Underwriting; 2008–2020 Allianz Suisse, Head of Broker Business (until 2011), Head of Market Management & Corporate Development (until 2014), Head of Sales (until 2020), Member of the Executive Management (2010–2020); 1 May 2020 joined the Helvetia Group, Member of the Executive Management in his current role

Appointments at listed companies
None

Appointments at other companies
Member of the Board of the Swiss Insurance Association (SIA); Member of the Board of economiesuisse

Pro bono appointments
None

André Keller

Business Administrator HWV, CFA, FRM, CAIA
Swiss, Wettswil am Albis, 1970
Group Chief Investment Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
Until 1998 Swiss Bank Corporation / UBS AG; 1998–2009 Swiss Re: various management positions, including 2004–2007 Head of Asset Allocation, 2007–2009 Head of Alternative Equity Strategies; 2009–2014 Nationale Suisse: Head of Asset Management and Deputy CIO; 2014–2015 Catlin Group Ltd.: Head of CIO Office, Deputy CIO; 2015–2019 XL Group Ltd., later AXA XL: Managing Director, Head of Global Asset Positioning, from 2017 Executive Vice President, Group CIO; 1 April 2019 joined the Helvetia Group and Member of the Executive Management in his current role

Appointments at listed companies
None

Appointments at other companies
Member of the Investment Committee of the Swiss Insurance Association (SIA)

Pro bono appointments
None

Annelis Lüscher Hämmerli

Dr rer. nat (Max Planck Institute, Plön) / Master of Advanced Studies in Finance, ETH and University of Zurich, Board Director Diploma, IMD, Lausanne
Swiss, Bern, 1975
Group Chief Financial Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
2004–2007 Swiss Life: Head Financial Risk Methods; 2007–2020 Swiss Life Asset Managers: Head Investment Risk; 2016–2020 Swiss Life Asset Managers: Chief Risk Officer; 2020–2020 Swiss Life Asset Managers France: Chief Investment Officer; 1 October 2020 joined the Helvetia Group, Member of the Executive Management in her current role

Appointments at listed companies
Member of the Board of Directors of Berner Kantonalbank

Appointments at other companies
None

Pro bono appointments
None

Beat Müller

Degree in actuarial science (University of Basel), Actuary SAA, graduate Swiss pension insurance expert
Swiss, Breitenbach, 1964
Group Chief Actuarial Officer

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungs-gesellschaft AG

Professional background
1985–1989 various positions at a pension fund advisory office and at IBM; 1990 joined Helvetia Insurance: 1990–2007 Actuary and Chief Actuary Life Insurance, from 2003 also Head of Actuarial Services Life Helvetia Group; 2007 Head of Actuarial Services / ALM and Member of the Executive Management of Helvetia Switzerland; Member of the Executive Management in his current role since 1 January 2017

No other appointments

David Ribeaud

Degree in natural sciences (ETH Zurich)
Swiss, Zurich, 1970
CEO Specialty Markets

Other appointments within the Group
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

Professional background
1995 Joined Swiss Re, last working as Senior Underwriter Property & Casualty; 2001 moved to Zurich Global Corporate Switzerland as Actuary Head; 2005 Chief Pricing Actuary Europe General Insurance; 2009–2011 Chief Underwriting Officer at Zurich Italy; 2012 joined the Executive Management at Nationale Suisse as Head of Customer Service & Non-Life Switzerland and from 2013 as Head of Specialty Lines & Foreign Countries; since 1 January 2015 Member of the Executive Management in his current position

No other appointments

Note: The CVs of the members of the Executive Management are published on the website of the Helvetia Group and can be accessed via the following link: https://www.helvetia.com/corporate/web/en/home/about-us/profile/executive-management.html

4.2 Other activities and interests
Please refer to pages 22 to 26 in the corporate governance report and in the Compensation Report (section 5.5, page 21).

4.3 Number of activities allowed
According to Art. 32 ("Mandates outside the Group") of the Articles of Association of Helvetia Holding AG, members of the Executive Management may not hold more than five additional mandates with listed and ten additional mandates with non-listed companies. In practice, however, this statutory rule, which applies to the members of the Board of Directors in equal measure, is applied much more restrictively to members of the Executive Management. They should dedicate their work primarily to the dutiful fulfilment of their tasks within the Helvetia Group. External mandates are therefore only approved in exceptional cases. In particular, the acceptance of a third-party mandate must in no way impair the dutiful fulfilment of an individual's tasks as a member of the Executive Management of the Helvetia Group. In this respect, any conflicts of interest that could potentially be associated with the exercise of a mandate must also be carefully examined and generally avoided.

This restriction does not apply to:
a) Mandates with companies that are controlled by the company directly or indirectly or in joint agreement with third parties or which control the company directly or indirectly or in joint agreement with third parties;
b) Mandates accepted by a member of the Executive Management on instructions of the company or companies directly or indirectly controlled by the company. Members of the Executive Management may not hold more than ten such mandates; and
c) Mandates with associations, charitable organisations, foundations and staff pension funds. Members of the Executive Management may not hold more than ten such mandates.

Mandates shall mean mandates in comparable functions with other companies with an economic purpose. Mandates with different legal entities controlled by the same company or beneficial owner count as a single mandate.

A list of such mandates of the individual members of the Executive Management is provided on pages 22 to 26 in the corporate governance report and in the Compensation Report (section 5.5, page 21).

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

4.4 Management contracts
There are no management contracts with external parties that have to be disclosed.

5. Compensation, shares and loans

5.1 Content and method of determining the compensation and participation programmes
The Board of Directors is also responsible for regulating general compensation issues and compensation models under the compensation provisions of revised Swiss company law. It is supported in its work by the NCC, which provides advice to the Board of Directors at least once a year in the decision-making process in accordance with the organisational regulations and has final decision-making power in some areas. The (total) compensation of the members of the Executive Management is reviewed at regular intervals in cooperation with consulting firms specialising in compensation issues for insurers and financial services providers, and takes account of the function and responsibility

assumed by each Executive Management member as well as the compensation paid by the Group's competitors. Such a compensation review last took place in 2022. Members of the Executive Management do not participate in meetings of the Board of Directors at which discussions are held on specific issues relating to compensation and corresponding decisions are made. The delineation of powers for compensation matters is defined in Appendix I of the organisational regulations. Further details on compensation can be found in the Compensation Report.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

5.2 Disclosures from issuers subject to the provisions of company law pursuant to Art. 620 to 762 CO

5.2.1 Statutory rules regarding principles of performance-related compensation and additional amount for new Executive Management members

In addition to their fixed compensation, the members of the Executive Management can also be paid variable compensation that is based on the achievement of specific performance objectives and geared towards business performance.

The performance objectives can include personal objectives, Group objectives and division-specific objectives. Objectives that are related to the market, other companies or similar benchmarks are also possible. The function and level of responsibility of the recipient of the variable compensation should be taken into account when formulating the performance objectives. The Board of Directors or, if the matter has been delegated to it, the Compensation Committee determines the weighting of the performance objectives and the target values and reports on these in the Compensation Report.

In 2017, the Board of Directors decided to in future only pay itself fixed compensation. A member of the Board of Directors must obtain at least 30% of this fixed compensation in the form of blocked shares.

Compensation is paid in the form of cash, shares, options, similar instruments or units, benefits in kind or services. The Board of Directors or, if the matter has been delegated to it, the Compensation Committee determines the conditions and deadlines for allocation, exercise and transfer as well as the vesting periods and conditions of expiry, if any. The Board may decide that conditions and deadlines for exercise and transfer as well as vesting periods are shortened or cancelled, payments are made under the assumption that the target values are reached or payments are cancelled if specific events defined in advance should occur, such as a change in control or the termination of an employment or mandate relationship. In doing so, the Board of Directors takes account of the company's ability to recruit suitable employees on the labour market and to retain these employees. The company may acquire the necessary shares or other equity securities on the market or provide them in the form of a conditional capital increase. The compensation can be paid by the company or the companies controlled by it.

See also Art. 30 of the Articles of Association of Helvetia Holding AG.

If there are any changes to the Executive Management during the course of a year, the company or the companies controlled by it are authorised to pay an additional amount for this period to each member of the Executive Management who joins the Executive Management after the date on which the Annual General Meeting approved the compensation if the amount that was already approved is not sufficient to cover their compensation. The additional amount per compensation period may not exceed 40% for the Chief Executive Officer and 25% for the other positions on the Executive Management of the total maximum amount of compensation that was most recently approved for the Executive Management. The remuneration of a member of the Executive Management who is promoted within the Executive Management after the Annual General Meeting has been held will be approved at the next Annual General Meeting if and to the extent that the maximum total amount already approved is not sufficient.

See Art. 29 of the Articles of Association of Helvetia Holding AG.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

5.2.2 Statutory rules for loans, credit and pension benefits to members of the Board of Directors and the Executive Management

Loans may only be granted to the members of the Board of Directors at market conditions and to the members of the Executive Management at the usual employee conditions. Loans may only be granted for as long as the total amount of all outstanding loans to members of the Board of Directors and the Executive Management, including the new loans, is not more than twice the total amount of compensation that was most recently approved by the Annual General Meeting. Exceptions apply to the pre-financing of court fees and attorneys' fees in connection with lawsuits, proceedings or investigations resulting from serving as a member of the Board of Directors or the Executive Management. Furthermore, the Articles of Association provide for a limitation on the pension benefits paid to former members of the Board of Directors and the Executive Management outside the scope of occupational pension plans.

See also Art. 33 of the Articles of Association of Helvetia Holding AG.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

5.2.3 Statutory rules regarding voting on compensation by the Annual General Meeting

In accordance with the compensation provisions transferred from the VegüV to the revised Swiss company law and the Articles of Association of Helvetia Holding AG, the Board of Directors prepares an annual written Compensation Report and presents the total amounts of the compensation of the Board of Directors and the Executive Management to the Annual General Meeting to be voted on. No payments/share allocations may be made to the Board of Directors and the Executive Management prior to the approval of the compensation.

The Annual General Meeting thus has the following powers in matters of compensation (see Art. 28 of the Articles of Association of Helvetia Holding AG):

- As regards the general report on business performance: Review of the Compensation Report and thus the principles and conditions under which the compensation for the members of the Board of Directors and the Executive Management are determined.
- Approval of the following total amounts by way of individual voting:
  a) fixed compensation of the Board of Directors for the period up to the next ordinary Annual General Meeting (prospective vote);
  b) fixed compensation of the Executive Management for the period from 1 July of the current year to 30 June of the following year (prospective vote);
  c) variable compensation of the Executive Management for the concluded financial year (retrospective vote). No variable compensation is paid to the Board of Directors.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

6. Co-determination rights of shareholders

Helvetia observes the principle of equal treatment of shareholders.

6.1 Voting rights restrictions and proxy voting

Restrictions on voting rights that are identical to the restrictions relating to the transferability of registered shares of Helvetia Holding AG are described in section 2.6 of this section (see Art. 7 and 8 of the Articles of Association of Helvetia Holding AG in this regard).

The Board of Directors specifies the rules that govern participation in the Annual General Meeting and the determination of voting rights.

The right to attend the Annual General Meeting and exercise voting rights is reserved for persons registered in the share register as shareholders with voting rights as of the cut-off date specified by the Board of Directors. This applies regardless of whether the meeting is held physically or virtually, i.e. using purely electronic means, or in a combined form, i.e. hybrid.

Shareholders who possess voting rights but who do not attend the Annual General Meeting may assign their voting rights to a third party (who does not necessarily have to be a shareholder) by means of a written power of attorney. However, they may only represent the voting rights of third parties if, together with their own shares, they do not exceed 10% of the total share capital. In contrast, this restriction does not apply for the independent proxy.

Shareholders who are linked to each other by way of capital or voting rights or in any other way or united under the same management and shareholders who act in a coordinated manner with a view to circumventing the restriction on proxy voting shall be deemed to be one shareholder.

At the 2023 Annual General Meeting, no individual shareholder with voting rights represented more than 10% of the voting rights, with the exception of Patria Genossenschaft as the most significant individual shareholder and founding member of Helvetia in its current form.

See also Art. 14 and 15 of the Articles of Association of Helvetia Holding AG.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

6.2 Statutory quorum

The Annual General Meeting is quorate regardless of the number of shareholders in attendance and votes represented by proxy. Unless stipulated otherwise by legal provisions or the Articles of Association, the Annual General Meeting passes resolutions by a relative majority of the votes cast. In addition to the resolutions cited in Art. 704, para. 1 CO, a two-thirds majority of represented votes is required for amendments to the Articles of Association, the premature termination of office of more than one member of the Board of Directors, and the liquidation of the company.

See also Art. 17 of the Articles of Association of Helvetia Holding AG.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

6.3 Convening the Annual General Meeting

The Annual General Meeting is convened by the Board of Directors, or, if necessary, by the statutory auditors. Liquidators and representatives of creditors also have the right to call a meeting. The ordinary Annual General Meeting is held within six months of the end of the financial year, generally in April.

Extraordinary Annual General Meetings take place if the Board of Directors or the statutory auditors consider them necessary, if this is passed by a Annual General Meeting or if shareholders who represent at least 5% of the share capital jointly request in writing an extraordinary Annual General

Meeting, while stating the items on the agenda and the motions to be put forward and choosing the names of the proposed candidates.

The Annual General Meeting shall be convened no later than 20 days before the date of the meeting by publication in the Swiss Official Gazette of Commerce.

See also Art. 11 and 13 of the Articles of Association of Helvetia Holding AG.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

6.4 Addition of items to the agenda

Shareholders with voting rights who together represent shares with a par value of at least CHF 2,000 may request the addition of items to the agenda in writing, stating the motions to be put forward, no later than 45 days before the Annual General Meeting (see Art. 12 of the Articles of Association of Helvetia Holding AG).

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

6.5 Registration of shares

The right to attend the Annual General Meeting and exercise voting rights is reserved for persons who were registered in the share register as shareholders with voting rights as of the cut-off date specified by the Board of Directors and announced in the Swiss Official Gazette of Commerce. In exceptional cases, guest tickets for the Annual General Meeting may be issued, but holders of such tickets do not have any voting rights. Every share registered in the register entitles the holder to cast one vote. See also Art. 14 of the Articles of Association of Helvetia Holding AG

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

7. Change in control and protection measures

7.1 Obligation to announce takeover bids

Art. 37 of the Articles of Association of Helvetia Holding AG states that the obligation to announce a takeover bid in accordance with Art. 135 para. 1 of the Financial Market Infrastructure Act (Fin-MIA) of 19 June 2015 (version as at 1 February 2024) only applies if a shareholder acquires 40% or more of the voting rights.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

7.2 Clauses regulating a change in control

In accordance with Art. 735c and Art. 735d of the CO, the employment contracts of members of the Board of Directors and the Executive Management as well as of other members of Helvetia's management do not contain any agreements regarding a change in control. The practice of "golden parachutes" does not apply at Helvetia. Normal periods of notice apply (maximum twelve months for members of the Executive Management, six months for other managerial staff), during which the rules for contractual and variable compensation components remain applicable. See Art. 31 of the Articles of Association of Helvetia Holding AG in this regard.

→ **Articles of Association of Helvetia Holding AG:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf

8. Statutory auditors

8.1 Term of office and tenure of office of the lead auditor

The independent auditors KPMG AG, Zurich, have served as the auditors of Helvetia Holding AG and its consolidated subsidiaries since 2005. The statutory auditors' term of office must be renewed by the Annual General Meeting every year. The KPMG AG audit team for the 2023 financial year consisted of:

- Rainer Pfaffenzeller (since 2019), German Public Auditor and Swiss Audit Expert, Partner Financial Services; auditor in charge.
- Christoph Hörl (since 2020), German Public Auditor and Swiss Audit Expert, Director.

8.2 Audit fees

In the reporting year, the fees charged by the auditors amounted to: CHF 9,128,910.

8.3 Fees for additional consultancy services

CHF 96,682. These fees covered quality assurance review services for the introduction of new legal standards, as well of training courses and tax advisory services.

8.4 Information tools of the external auditors

The AC prepares the election of the statutory auditors for the Board of Directors. It monitors and assesses their audit activities. This supervision is predominantly carried out by means of the external auditors' reports on audit results, the reporting process, decisions, for example on IFRS issues, and statements in the local audits. Important findings are summarised in a management letter.

Representatives of the external auditors attend meetings of the AC in an advisory capacity. Copies of the minutes are sent to all members of the Board of Directors. Reports on the activities of the AC are provided at the meetings of the full Board of Directors. In the 2023 reporting year, the external auditors were represented at six meetings of the AC. Discussions between the external auditors, the Chair of the Board of Directors, the Chair of the AC, the CEO and the CFO take place annually. Meetings or an exchange of experience with specialists from the areas of finance, risk management, legal and compliance, general council and corporate governance are also held periodically. It is also ensured that the external and internal audit teams liaise on a regular basis regarding issues such as audit planning, audits and results as well as current problems.

→ **Organisational regulations of the Helvetia Group:**
https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

9. Information policy

As a listed company, Helvetia follows a consistent and transparent information policy towards its (potential) shareholders, customers, employees and the public. Shareholders receive additional information on the course of the past financial year, including the most important key figures, as part of the invitation to the Annual General Meeting. The Annual Report and the invitation to the Annual General Meeting in spring and the interim report in autumn are made available to the general public on the website of the Helvetia Group. The same applies to a great deal of further information about the Helvetia Group, especially with respect to its strategic focus, the price development of its share and its social and environmental commitment. In addition, further publications, media releases and important dates can be found here at any time.

→ **Helvetia Group website (homepage):**
https://www.helvetia.com

→ **Business publications of the Helvetia Group:**
https://www.helvetia.com/corporate/web/en/home/investors/publications.html

→ **Share and shareholders:**
https://www.helvetia.com/corporate/web/en/home/investors/services/shares-and-shareholders.html

→ **Information on the Annual General Meeting:**
https://www.helvetia.com/corporate/web/en/home/investors/publications/annual-general-meeting.html

→ **Ad hoc releases and media releases:**
https://www.helvetia.com/corporate/web/en/home/media/publications/media-releases.html

Interested parties may also register online to receive the latest information on the company immediately upon its release and to request particular publications. The following link can be used for this:

→ **Helvetia News subscription:**
https://www.helvetia.com/corporate/web/en/home/media/services/news-subscription.html

Helvetia periodically meets with institutional investors and presents the published financial results at special roadshows. Our Investor Relations team will be pleased to assist with any personal enquiries; contact details are provided on page 215 of this financial report as well as on the website of the Helvetia Group.

→ **Contact Investor Relations:**
https://www.helvetia.com/corporate/web/en/home/investors/services/contact.html

Prior to the Annual General Meeting, shareholders have the option of paperless communication with the share register of Helvetia. Various services can be processed online. Access is gained via the QR code that is provided to shareholders as part of the invitation to the Annual General Meeting.

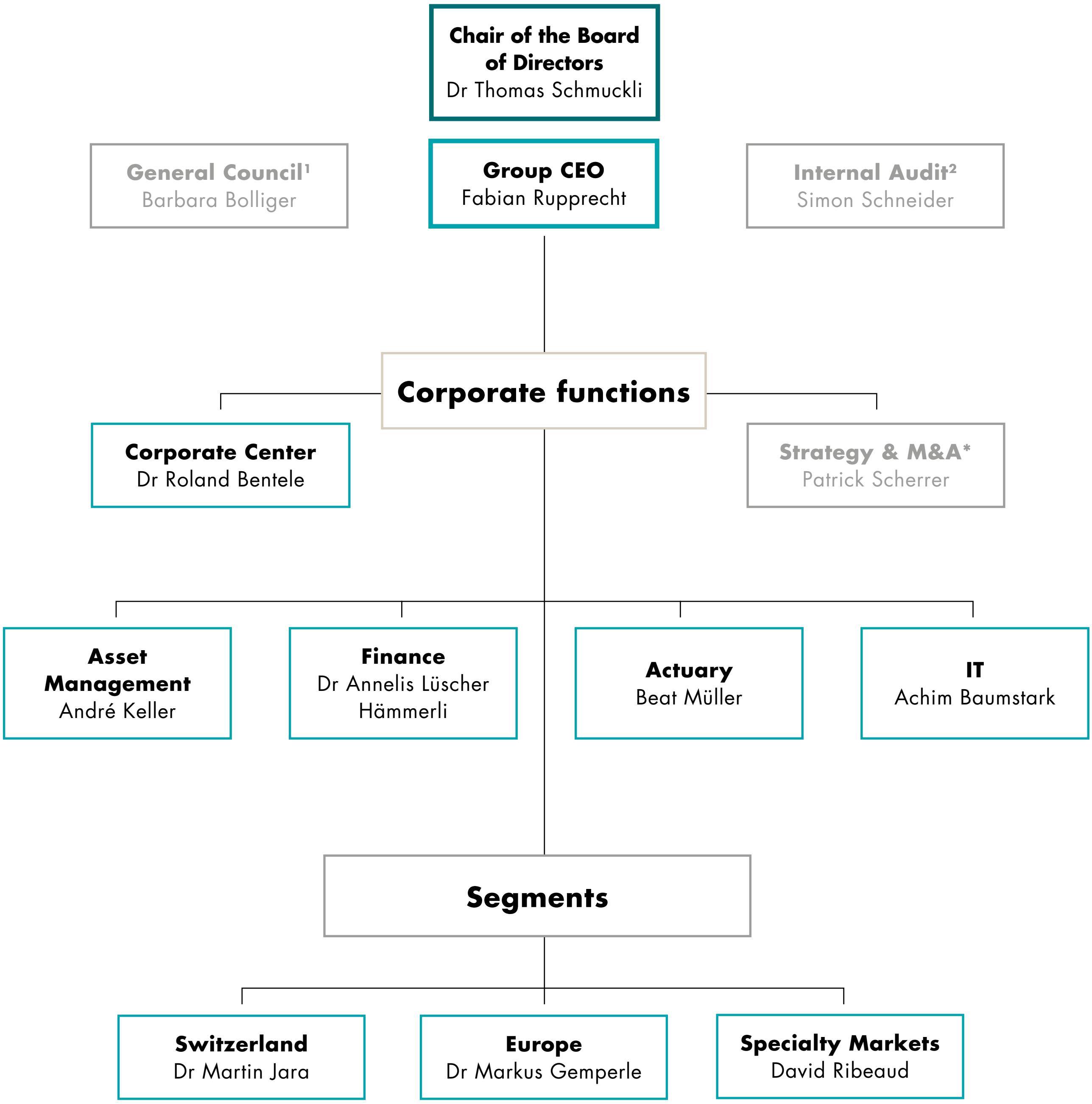
Information policy

10. Blackout periods

In connection with the publication of the annual and interim reports, a predefined group of addressees are strictly prohibited from trading registered shares of Helvetia Holding AG and derivative financial instruments that are significantly dependent on their price performance either for their own account or for the account of third parties. They are also prohibited from exercising corresponding call options. This applies irrespective of whether the addressees of the ban on trading are aware of insider information in the individual case. The members of the Board of Directors and the Executive Management as well as, in general, all employees of Helvetia Holding AG and its direct and indirect subsidiaries / Group companies are regularly affected by such general blackout periods, insofar as their function or specific activity allows them to gain an early insight into the company's reporting. This general ban on transactions also applies to third parties, including agents and partners of the Helvetia Group who are entrusted with work related to the creation or publication of the results.

The individuals affected by a general blackout period are informed in advance via e-mail by the share register of Helvetia Holding AG with respect to the start and duration of the ban on trading. As a rule, this takes effect at the beginning of the consolidation phase for the interim and annual reports (i.e. approximately two months prior to their publication) and, generally speaking, ends upon the publication of the results at the Group media conference.

Helvetia can introduce further blackout periods at any time during which the addressees are forbidden from engaging in relevant transactions in connection with the equity securities of Helvetia Holding AG. Such periods are referred to as "special blackout periods".



Members of the Executive Management
[1] reporting to the Chair of the Board of Directors
[2] reporting to the Chair of the Audit Committee
* Staff function

As at: 31 December 2023

CVs of the Executive Management members

Compensation Report

03

Contents

= Audited by the Statutory Auditor

1. Letter from the Chair of the Nomination and Compensation Committee (NCC).

Dear Shareholders

The 2023 financial year demonstrated the benefits and stability of our diversified business model against the backdrop of a challenging environment. Despite an accumulation of natural and major loss events, we established a robust basis for implementing our dividend ambition.

Profitable growth and strong capitalisation

Helvetia continued to grow in its profitable core business, in particular in all segments and lines of non-life business. Our broadly diversified business base paid off in a challenging market environment. While the non-life business in Switzerland and Europe was hit by extraordinarily high claims from natural catastrophes and major loss events, life insurance and the global specialty insurance business delivered solid results. Helvetia's resilience is also reflected in its capitalisation, which remains excellent. Helvetia continued to seize attractive growth opportunities on a selective basis, for example with the targeted development of the fee business.

First-time holding of an advisory vote

In order to further strengthen our dialogue with our shareholders, the Board of Directors decided to conduct an advisory vote on the Compensation Report for the first time in connection with the introduction of the new compensation system for the Executive Management last year. We would like to take this opportunity to express our sincere thanks for the very positive response of our shareholders to our report and thus also to our compensation system. We greatly appreciate the constructive feedback. We discussed this in detail in the Nomination and Compensation Committee and incorporated it into this Compensation Report.

"The compensation system of Helvetia is designed to establish a close link between performance and compensation without incentivising excessive risk-taking."

Dr Gabriela Maria Payer
Chair of the Nomination and Compensation Committee (NCC)

Performance-related compensation and balanced risk ratio

Helvetia's compensation system is designed to establish a close link between performance and compensation without incentivising excessive risk-taking. The IFRS 17/9 accounting standards introduced in the reporting year significantly increase the volatility of earnings in some business areas – specifically in non-life. In order to maintain a balanced risk ratio in the variable compensation, the Board of Directors has therefore made an adjustment to the payout curve of the results-based variable compensation. This is described in more detail in this Compensation Report. Cultural, behavioural and sustainability issues at Helvetia are of particular importance to the Board of Directors and are an integral part of performance evaluations.

Group-wide roll-out of the compensation system

Following the successful introduction of the new compensation system for the Executive Management and the Executive Management boards of the market units, work was carried out in 2023 on the roll-out to additional employees in all market units. This will ensure that, from 2024, the variable compensation of all eligible employees is aligned with the overarching objectives of the organisation.

I would like to thank you for your interest and the trust you place in Helvetia.

St. Moritz / St. Gallen, April 2024
Dr Gabriela Maria Payer

2. General compensation principles.

The Helvetia Group has a multi-level, yet simple and transparent compensation system. At Helvetia, compensation is deliberately designed so that:
- it is transparent, fair and appropriate;
- it takes account of the responsibility carried by the function holder, the quality of their work and the effort and time involved in carrying out the work;
- it supports the prudent corporate governance oriented towards long-term success and is in line with Helvetia's risk strategy;
- it takes into account sustainability criteria;
- it aims at a balanced relationship between the fixed and variable compensation components to ensure that individual employees' risk tolerance is not excessively influenced by variable compensation components that are too high and unintentionally affected by incentive criteria that are too short-term;
- it is function-appropriate and shaped to a considerable extent by individual targets and the overall result of the company.

3. Compensation governance.

The Compensation Report is based, in particular, on the provisions of the Swiss Code of Obligations (Art. 732 et seq. CO, version dated 1 January 2024) as well as other relevant regulations: Specifically, the "Swiss Code of Best Practice for Corporate Governance", which was first enacted by economiesuisse in 2002 and last updated in 2023, the Directive on Information relating to Corporate Governance (DCG) of SIX Exchange Regulation AG as amended on 29 June 2022, which entered into force on 1 January 2023, and the Circular of the Swiss Financial Market Supervisory Authority (FINMA) 2010/1 "Remuneration schemes", as amended on 4 November 2020 (last amendment), and 2016/2 "Disclosure – insurers (Public Disclosure)", in the version dated 6 May 2021 (last amendment).

3.1 Compensation structure

Helvetia's compensation structure consists of several components. These are relevant to different groups of people in the company, in particular the Board of Directors (BoD) and the Executive Management (EM), to varying degrees. The following diagram shows the components of the compensation landscape and their characteristics. These are explained in detail below.

Compensation structure

Components of the compensation structure		BoD	EM
Fixed compensation		✓	✓
Variable compensation	Short-term variable compensation (in cash)	✗	✓
	Long-term variable compensation (in blocked shares)	✗	✓
	Employee share purchase plan	✗	✗

The principles of compensation for the BoD and the EM are defined in the Articles of Association. These can be accessed in full on the website.[1] The essential main aspects correspondingly include:

Correct reproduction of the provisions of the Articles of Association

Article 29	Additional amounts for new EM members	Should there be changes within the EM during the course of the year, each member who joins the EM following the granting of approval of compensation by the Annual General Meeting (AGM) can be paid an additional amount for this period if the compensation already approved by the AGM is not sufficient to cover their compensation. The additional amount for each new member of the EM may not exceed 25 % and for a new CEO 40 % of the most recently approved total amount for the maximum compensation to be paid to the EM. The compensation of a member of the EM who is promoted within the EM after the date of the AGM is approved at the next AGM if and insofar as the total amount of compensation already approved by the AGM is not sufficient for their compensation.
Article 30	Compensation for the members of the BoD and EM	Compensation can be issued in a fixed or, for the EM, variable form, whereby the latter is based on the achievement of certain performance objectives and can be paid out in cash, shares or other instruments or non-monetary reference values. The associated performance objectives can be of various types and include, for example, both individual or company-focused aspects.
Article 31	Contracts with BoD members	Contracts on compensation may be concluded with members of the BoD. These may not exceed the term of office.
	Contracts with EM members	Permanent or temporary employment contracts can be concluded with members of the EM. Temporary employment contracts have a maximum duration of one year; renewal is permitted. Permanent employment contracts have a maximum notice period of twelve months.
	Non-competition clauses	Agreement of non-competition clauses justified for business reasons for the period after the termination of an employment contract shall be permitted. In order to compensate for such a non-competition clause, compensation may be paid that does not exceed the average remuneration of the past three financial years.

3.2 Powers of the various decision-making bodies

The BoD is in charge of general compensation issues and compensation models. It is supported in performing its work by the Nomination and Compensation Committee (NCC), which advises the BoD in the decision-making process in accordance with the organisational regulations and has final decision-making power on compensation issues in some areas. The responsibilities in the sub-areas are summarised as follows:[2]

Areas of expertise

	NCC	BoD	AGM
Appointment and dismissal of the EM and those responsible for risk management, compliance and internal audit	Preparation	Decision	
Appointment and dismissal of the EM board chairpersons in the country markets	Decision	Right to information	
Appointment and dismissal of the EM boards in the country markets	Right to information	Right to information	
Measures to secure and promote managers	Decision	Right to information	
Adjustment of BoD/EM compensation regulations	Preparation	Decision	
Total amounts of fixed compensation for the BoD	Preparation	Proposal	Approval
Total amounts of fixed and variable compensation for the EM	Preparation	Proposal	Approval
Concept and strategy of the employee pension funds in Switzerland	Approval		
Compensation Report	Preparation	Decision	

[1] https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/articles-of-association.pdf
[2] For a detailed overview of the delineation of powers for compensation matters, please refer to Appendix I of the organisational regulations: https://www.helvetia.com/content/dam/os/corporate/web/documents/investor-relations/business-publications/organisational-regulation.pdf

3.3 NCC activities

The NCC consists of four independent members. These are elected annually and individually by the Annual General Meeting. The committee constitutes itself and elects a chair from among its members. The NCC convenes as often as business requires. It met four times in 2023 with the participation of all committee members and also passed two circular resolutions.

NCC

Name	Chair	Member
Gabriela Maria Payer	•	
Hans C. Künzle		•
Andreas von Planta		•
Regula Wallimann		•

The Chair of the NCC may invite non-voting guests to attend its meetings. As a rule, the Group CEO, the Group Chief Corporate Center Officer as well as the Chair of the Board of Directors take part in the meetings in an advisory capacity. Guests are not present, however, when their own compensation is being discussed and may be excluded from certain discussions at any time. The NCC may consult external advisors in certain matters.

The NCC informs the other members of the Board of Directors about its activities on a regular basis. The minutes of the NCC meetings are available to all members of the Board of Directors. If perceived information is relevant to the company and of particular importance to the Board of Directors, the Chair of the NCC immediately informs the Chair of the Board of Directors.

During the reporting year, the NCC dealt with the following agenda items in particular:

Agenda items

	First quarter	Second quarter	Third quarter	Fourth quarter
Governance				
Disclosure of compensation	•	•		•
Compensation strategy and system				
Review and adjustment of compensation system		•	•	
Review and adjustment of compensation	•	•		•
Variable compensation				
Target assessment business targets (previous year)	•			
Setting of business targets (following year)				•
Compensation structure				
Performance of benchmarking (amount and structure) for BoD / EM		•		
HR policy				
Culture and engagement				•
Succession and talent management	•		•	
Nominations	•	•		
Diversity		•		•
ESG				
Corporate sustainability	•	•		•

With the support of a specialised consulting firm, the NCC regularly performs benchmarking analyses in order to assess the compensation of the BoD and the EM of Helvetia in the market environment. The aim is not only to assess the amount and structure of compensation paid from an internal perspective, but also to take account of external market trends and competitive considerations.

The compensation of the members of the Board of Directors is compared against two peer groups. The focus is on a cross-sector peer group consisting of listed Swiss companies of a similar size (around 50% to 200% of Helvetia's market capitalisation) with an international business model. This primarily takes into account the requirements for the experience and expertise of the members of the Board of Directors with regard to their duties as the supervisory body of a company based in Switzerland. A national peer group from the financial industry is also taken into account as a further reference point. The most recent benchmarking for members of the Board of Directors was carried out in the 2023 financial year.

For the members of the Executive Management, the regular benchmarking analysis is primarily based on an international group of peer companies from the insurance sector (according to Thomson Reuters Business Classification) in the main markets in which Helvetia operates. The peer group consists of companies of a similar size (around 40% to 250% of Helvetia's market capitalisation). This represents Helvetia's typical recruitment market and reflects the necessary industry-specific know-how of Helvetia's Executive Management. As with the Board of Directors, the compensation of a national peer group from the financial industry is included as a further reference point for the Executive Management.

For the benchmarking in 2022, the sector-specific peer group for the compensation of the Executive Management consisted of the following 13 companies:

Admiral Group PLC	Mapfre SA	Unipol Gruppo SpA
Baloise Holding Ltd	Phoenix Group Holdings PLC	Uniqa Insurance Group AG
Beazley PLC	SCOR SE	Vienna Insurance Group Wiener Versicherung Gruppe AG
Direct Line Insurance Group PLC	Talanx AG	
Grupo Catalana Occidente SA	UnipolSai Assicurazioni SpA	

The relevance of the companies in each peer group is regularly reviewed by the NCC.

Helvetia's objective is to structure the compensation packages for the Executive Management and employees in a competitive manner compared to the market and to place a strong focus on performance-based compensation. Accordingly, positioning around the median of the peer group is generally aimed for with regard to fixed and variable compensation as well as benefits.

4. Compensation for the Board of Directors.

4.1 Compensation system for the Board of Directors

The compensation principles relevant for the BoD and individual components of the concept as well as the procedure used for determining performance-related compensation are set out in the compensation regulations approved by the full BoD. The compensation for the members of the BoD consists solely of fixed compensation, which comprises the following:

Basic compensation, including allowances	Every BoD member receives fixed basic compensation determined in advance, and in principle, the same basic remuneration (exception: Chair of the BoD). Differences arise from the allowances for the Vice Chair, the membership of the committees and the committee chairpersons. These payments take account of the responsibility and specific functions of each of the individual BoD members. The higher total compensation paid to the Chair takes into account their greater involvement in the company's management and operational activities. The committee chairpersons and committee memberships of the individual BoD members can be found in the Corporate Governance section.
Shares as part of basic compensation	Members of the BoD receive part of their fixed compensation in the form of shares. A figure of 30% of the total compensation calculated on the basis of the basic compensation, the compensation for the Vice Chair, committee chairpersons and committee membership is paid out in the form of shares that are blocked for at least three years (standard solution). Each BoD member can apply for an extension to the blocking period for each generation of shares. The remaining 70% of the total compensation is paid out in cash. The BoD does not participate in any employee share purchase plans and also did not participate in any previous share option programmes.

For each term of office, the members of the BoD receive lump-sum expenses in the amount of CHF 10,000 and the Chair of the Board of Directors receives lump-sum expenses in the amount of CHF 15,000. These lump-sum expenses cover expenditure and travel expenses for the members of the BoD and the Chair within Switzerland.

4.2 Compensation of the Board of Directors for the 2023 financial year

In the reporting year, the BoD members received fixed compensation totalling CHF 3,047,578. The fixed compensation includes all allowances and expenses set out in the compensation regulations as well as the contributions to social insurance schemes. In the previous year, the members of the BoD received fixed compensation in the amount of CHF 2,905,037. The increase in compensation results, in particular, from the addition of one member to the BoD.

All compensation and fees paid to the BoD members for 2023 are shown in the table below. No payments were or are made to BoD members who have left.

Total fixed compensation of the Board of Directors in 2023[1]

1 January until 31 December, in CHF	Basic compensation	Compensation for Vice Chairpersons	Compensation for committee chairpersons[2]	Compensation for membership of committees[3]	Lump-sum expense allowances	Social security contributions[4]	Total compensation
Thomas Schmuckli (Chair)	790 000	0	0	0	15 000	42 282	847 282
Hans C. Künzle (Vice Chair)	130 000	45 000	30 000	100 000	10 000	17 548	332 548
René Cotting (member)[5]	86 667	0	0	33 333	6 667	7 801	134 468
Beat Fellmann (member)	130 000	0	0	100 000	10 000	13 427	253 427
Ivo Furrer (member)	130 000	0	30 000	100 000	10 000	15 278	285 278
Luigi Lubelli (member)	130 000	0	0	50 000	10 000	11 243	201 243
Gabriela Maria Payer (member)	130 000	0	30 000	100 000	10 000	14 897	284 897
Andreas von Planta (member)	130 000	0	0	100 000	10 000	13 765	253 765
Regula Wallimann (member)	130 000	0	0	100 000	10 000	13 427	253 427
Yvonne Wicki Macus (member)[5]	86 667	0	0	33 333	6 667	7 801	134 468
Retired member							
Jean-René Fournier[6]	43 333			16 667	3 333	3 442	66 775
Total	**1 916 667**	**45 000**	**90 000**	**733 333**	**101 667**	**160 911**	**3 047 578**

[1] 30 % of the basic compensation and the compensation for the Vice Chair, committee chairpersons and committee memberships is paid out in the form of shares that are blocked for at least three years.
[2] The committee chairpersons receive compensation in the amount of CHF 30,000.
[3] Committee members receive compensation in the amount of CHF 50,000 per committee.
[4] AHV / IV / EO / ALV
[5] Basis of compensation: New entry as member from May 2023
[6] Basis of compensation: Departure at end of April 2023

Total BoD compensation
CHF 3,047,578

Total fixed compensation of the Board of Directors in 2022[1]

1 January until 31 December, in CHF	Basic compensation	Compensation for Vice Chairpersons	Compensation for committee chairpersons[2]	Compensation for membership of committees[3]	Lump-sum expenses[4]	Social security contributions[5]	Total compensation
Thomas Schmuckli (Chair)[6]	570 000	15 000	0	26 667	11 250	36 308	659 225
Hans C. Künzle (Vice Chair)	130 000	45 000	26 667	93 333	10 000	17 813	322 813
Beat Fellmann (member)	130 000	0	0	93 333	10 000	13 499	246 832
Jean-René Fournier (member)	130 000	0	0	46 667	10 000	11 244	197 911
Ivo Furrer (member)	130 000	0	26 667	93 333	10 000	14 439	274 439
Luigi Lubelli (member)[7]	86 667	0	0	33 333	6 667	7 941	134 608
Gabriela Maria Payer (member)	130 000	0	26 667	93 333	10 000	14 958	274 958
Andreas von Planta (member)	130 000	0	0	93 333	10 000	10 941	244 274
Regula Wallimann (member)	130 000	0	0	93 333	10 000	12 785	246 118
Retired members							
Christoph Lechner[8]	43 333	0	0	13 333	3 333	3 303	63 303
Doris Russi Schurter[8]	230 000	0	0	0	3 333	7 223	240 556
Total	**1 840 000**	**60 000**	**80 000**	**680 000**	**94 583**	**150 454**	**2 905 037**

[1] 30% of the basic compensation and the compensation for the Vice Chair, committee chairpersons and committee memberships is paid out in the form of shares that are blocked for at least three years.
[2] The committee chairpersons receive compensation in the amount of CHF 30,000 (previously CHF 20,000).
[3] Committee members receive compensation in the amount of CHF 50,000 (previously CHF 40,000) per committee.
[4] The Chair receives lump-sum compensation in the amount of CHF 15,000 (from 1 October 2022, previously CHF 10,000).
[5] AHV / IV / EO / ALV
[6] Basis of compensation: Vice Chair until April 2022 and Chair from May 2022
[7] Basis of compensation: New entry as member from May 2022
[8] Basis of compensation: Departure at end of April 2022

Helvetia currently provides BVG insurance for five members of the BoD. The members finance their contributions in full from their basic compensation (including, in particular, employer contributions). This does not result in any additional costs for Helvetia.

At the reporting date, there were no mortgage loans to the members of the BoD. There are also no other loans, credits or guarantees.

4.3 Other aspects of compensation of the Board of Directors

a) Departure regulations and other compensation

When a member leaves the BoD, the fixed compensation is paid on a pro rata basis up to the end of the month in which they leave the Board of Directors. No provision is made for severance payments, and no such payments were made or promised in the past or in the reporting year. Loans and credits are granted at market conditions. The BoD members do not benefit from any discounts that are offered to the EM and Helvetia employees.

b) Share ownership guidelines

In order to achieve an even stronger and longer-term alignment of the interests of the BoD with those of the shareholders, each member of the BoD must build up and maintain a defined number of shares. For the Chair and the other members of the BoD, this corresponds to 100% of the individual fixed compensation (basic compensation plus the compensation for the Vice Chair, the committee chair and the committee members).

The build-up of the required number of shares to be held shall take place over four years from 1 October 2022 or from the time of the entry into office of a new member of the Board of Directors. The shares held will also include the blocked shares of the 30% of the remuneration paid in shares to the members of the Board of Directors. See the following table for an overview of the shares held per BoD member and persons closely related to them as at 31 December 2023.

Shares of Board of Directors

The shares held by the members of the Board of Directors and persons closely related to them as of the reporting date are listed in the following table:

Number of shares as of 31.12.

	2023	2022
Thomas Schmuckli	4736	2709
Hans C. Künzle	4264	3481
René Cotting	400	–
Beat Fellmann	4604	4014
Ivo Furrer	2984	2317
Luigi Lubelli	662	200
Gabriela Maria Payer	6739	6072
Andreas von Planta	7049	6459
Regula Wallimann	2971	2379
Yvonne Wicki Macus	200	–

4.4 External mandates of the Board of Directors

As of the reporting date, the members of the Board of Directors held the following comparable functions at other companies with an economic purpose:

External mandates

Name of member	Name of company	Function performed
Thomas Schmuckli	Bossard Finance Ltd	Chair of the BoD
	Bossard Holding AG	Chair of the BoD
	Hans Oetiker Holding AG	BoD member
Hans C. Künzle	FM7 Investments Ltd	Chair of the BoD
	Forum Capital Management AG	Chair of the BoD
	HFK Investments Ltd	Chair of the BoD
	Hochalpines Institut Ftan (HIF) AG	BoD member
	JANZZ.technology AG	BoD member
René Cotting	CCI COTTING CONSULTING AG	BoD member
	Edisun Power Schweiz Ltd.	Chair of the BoD
	Patria Genossenschaft	BoD member
	SMARTENERGY Group AG	CFO Group
Beat Fellmann	Valora Holding Ltd. including Board mandates in its Group companies	CFO Group
	Vitra Holding AG	BoD member
Ivo Furrer	Fundamenta Group AG	BoD member
	Inventx AG	BoD member
Luigi Lubelli	Linnex Capital SICAV	BoD member
Gabriela Maria Payer	Sphaira Innovation Ltd.	BoD member
	Sygnum Bank Ltd	Vice Chair of the BoD
Andreas von Planta	Dufour SICAV	BoD member
	Socotab Frana SA	BoD member
Regula Wallimann	Adecco Group Inc.	BoD member
	Radar Topco S.à.r.l. (Swissport Group) including mandates in its Group companies	BoD member
	Straumann Holding Ltd	BoD member
	Swissgrid Ltd	Vice Chair of the BoD
Yvonne Wicki Macus	Patria Genossenschaft	Chair of the BoD

5. Compensation for the Executive Management.

5.1 Compensation system for the Executive Management

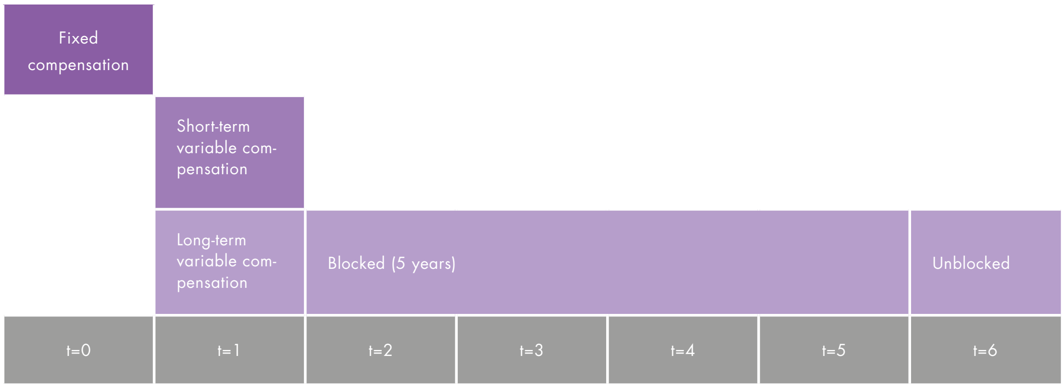
The compensation system for the Executive Management focuses on the following key aspects:

Based on strategy	Clear focus of the compensation system on the successful implementation of *helvetia 20.25*, whereby medium and long-term as well as quantitative and qualitative strategic goals form the measurement and assessment basis for variable compensation; the share and amount of variable compensation is based on responsibility in strategy implementation
Focus on performance	Performance differentiation and participation in corporate performance in line with shareholder interests, as well as motivation of employees by rewarding them for their individual performance
Transfers responsibility	Participation of the EM members in the sustained, sustainable business development through extended share blocking periods as well as shareholding rules
Creates consistency	Uniform and simplified compensation system for the entire Helvetia Group, especially with regard to the control and consistency of variable compensation

In order to consistently align the interests of the employees of the Helvetia Group and to link compensation with the achievement of strategic priorities, the compensation system frameworks also apply to the majority of managers and a significant proportion of employees of the Helvetia Group.

	Fixed compensation			Variable compensation	
Components	Basic compensation	Pension benefits	Expenses and benefits in kind	Short-term variable compensation	Long-term variable compensation
Purpose	Function-dependent compensation for responsibility, skills and position			Performance-dependent compensation for course of business and individual performance	
Payout	Cash			Cash	Blocked shares (5 years)
Influencing factors	Function-specific classification regarding responsibility and role			• "Business part": Amount and quality of corporate success and implementation of the strategic priorities • "Individual part": Individual contribution to success and strategy implementation	

Fixed compensation components will be paid out during the year. Variable components are paid out in the following year partly in cash (short-term variable compensation) and partly in shares blocked for five years (long-term variable compensation).



5.2 Components of compensation for the Executive Management

a) Fixed compensation

The members of the EM are paid a fixed compensation in cash which is determined every year by the NCC for the period from 1 July to 30 June of the following year and the total amount of which is approved by the AGM. This consists of three components:

Basic compensation: The basic compensation will be paid out in cash annually in twelve equal instalments and will take into account the function and responsibility of the individual EM member as well as the market situation.

Pension benefits: The benefits to which EM members are entitled under occupational pension plans are in line with the model for internal pension regulations applicable to all employees. The employer pays the standard contribution. There is also an employer-financed supplementary BVG plan for the EM members. All contributions are shown in the pension contributions made to the EM members. No extraordinary benefits are paid out.

Expenses and benefits in kind: The reimbursement of expenses is governed in writing in the corresponding regulations. The EM members are entitled to a company car which they may also use for private purposes for a fixed fee. The employer does not grant any other benefits in kind. Insurance contracts and loans are granted at the usual employee conditions.

Replacement awards to compensate for a demonstrable financial disadvantage ("joining bonuses" pursuant to the Swiss Code of Obligations): In accordance with general market practice and Swiss law, replacement awards may be granted to new members of the Executive Management in order to compensate for forfeited compensation entitlements with previous employers due to joining Helvetia. Such joining bonuses are predominantly paid in Helvetia shares and never exceed the amount forfeited with the previous employer, which is verified on the basis of the written documentation provided by the recipient. They are shown accordingly in the compensation table for the financial year in question.

b) Variable compensation

The variable compensation system aligns compensation with the successful implementation of *helvetia 20.25*. Medium and long-term as well as quantitative and qualitative strategy goals form the basis for measurement and assessment. Variable compensation as a proportion of total compensation is based on responsibility for strategy implementation. The variable compensation consists of two components:

Short-term variable compensation: The short-term variable compensation for the Group CEO[1] and the other EM members amounts to 55.4% and 40% to 42.4%, respectively, of the basic compensation including expenses and a maximum of 83% for the Group CEO and 60.0% to 63.5% of the basic compensation including expenses for the other EM members. It is paid out immediately in cash at the end of the financial year.

[1] For the following reporting, reference is made to the Group CEO responsible as at the reporting date, Fabian Rupprecht.

Long-term variable compensation: The long-term variable compensation for the Group CEO and the other EM members amounts to 77.5% and 47% to 68.5%, respectively, of the basic compensation including expenses and a maximum of 116.2% for the Group CEO and 76.0% to 102.8% of the basic compensation including expenses for the other EM members. It is allocated at the end of the financial year in shares blocked for five years. During this blocking period, the shares may not be pledged, sold or transferred in any manner to another person. The transfer under inheritance law upon the death of the beneficiary is excluded from this. This concept establishes a direct link between the members of the EM and the long-term development of the company in two ways:

Positive or negative price performance during the five-year vesting period
The EM members – and not the company – are exposed to price change risk during the blocking period (both positive and negative developments). In contrast to other systems, the number of shares allocated per financial year remains constant over time if business is good and no longer increases.

Option of retroactive reduction of the number of allocated shares
There is the option of redemption of the blocked shares (clawback, see also section 5.4) within the blocking period in the event of gross violations by the EM member of the Helvetia Code of Compliance.

For both forms of variable compensation (short term and long term), it is also up to the BoD to decide not to pay variable compensation on the basis of legal and regulatory requirements or developments relevant to solvency. The Board of Directors also reviews whether the variable compensation to be paid is commensurate with Helvetia's risk-adjusted profitability in recent years.

No use was made of this right of the Board of Directors or other discretionary adjustments in 2023.

Short-term and long-term variable compensation is set at 50% each as a **"business part"** and an **"individual part"**. The total amount of the variable compensation must be retrospectively approved before the payout by the AGM.

Business part: 50% of each individual target amount of the short-term and the long-term variable compensation serve to align the compensation of the EM members with the general business performance. The KPIs of the business part are divided into financial and non-financial strategy KPIs. They reward the jointly achieved success of the Group and the market units. This is represented by the business performance factor, the contents of which are composed of the NIAT factor and the quality factor and lies between 0% and 150%. The business performance factor is defined at Group level and at market unit level, whereby the latter is only relevant for EM members with responsibility for the respective market units and is given the same weighting as the Group view.

The NIAT factor reflects the financial performance, measured using the Net Income After Tax (NIAT), and is determined based on a formula along a target achievement curve of 0% to 150%. The target curve of the NIAT at Group level and the NIAT factor relevant for this financial year and defined by the Board of Directors are explained in Chapter 5.3.

The *quality factor* represents additional aspects of performance such as progress with regard to strategic priorities and other financial as well as non-financial quality requirements for success. The quality factor is thus used for correcting the financial performance measured by the NIAT factor and can range between –20% and +20%. The quality factor is defined by the Board of Directors based on a quality scorecard which comprises quantitative and financial KPIs as well as qualitative and non-financial KPIs. The financial KPIs reflect the industry-specific strategic requirements to ensure the long-term success and competitiveness of Helvetia. They include sector-specific quantitative KPIs such as, for example, the combined ratio and volume growth. ESG KPIs, in particular, are used to assess the non-financial quality of the success.

This also ensures that strategically important climate and sustainability risks are embedded in the compensation system. Bearing in mind Helvetia's role as a responsible insurer, the aim is to encourage an appropriate approach to facets of sustainability which have a significant influence on the Group's risk management. Further information on Helvetia's commitment to sustainability and corporate sustainability can be found in the Sustainability Report.

Target ranges are defined for each KPI in advance. The quality factor is determined on the basis of whether or not the corresponding target ranges have been achieved or exceeded. The quantitative and financial objectives are weighted in the quality scorecard up to a total of 80% and the qualitative and non-financial objectives up to a total of 20%. Here too, the assessment is carried out both at Group level and at market unit level. An illustration of the quality scorecard for the Helvetia Group as well as the quality factor for this financial year can be found in Chapter 5.3, Compensation Report.

50%

Business part

NIAT factor (0% to 150%)

+

Quality factor (–20% to +20%)

=

Business performance factor

(0% to max. 150%)

Individual part: The other half of the individual target amount of the short-term and long-term variable compensation enables the achievement of personal milestones and the individual performance contribution to the success of Helvetia as well as the desired behaviour of the EM members to be rewarded. As part of the assessment of the individual contribution, the promotion of the cultural development of Helvetia is also taken into account. The individual factor determined for this purpose ranges from 0% to 150% and is defined by the achievement of previously determined *content and behavioural objectives*. The content objectives comprise quantitative and/or qualitative objectives, which may include financial, strategic and project-related aspects. They have a weighting of 80%. The behavioural objectives are based on the principles of cultural orientation, the helvetia.way, and consist of up to four objectives with a weighting of 20%.

50%

Individual part

80% content factor (0% to 150%)

+

20% behaviour factor (0% to 150%)

=

Individual factor

(0% to max. 150%)

5.3 Compensation paid to the Executive Management for the 2023 financial year

The table below shows the compensation for the highest paid member of the EM (Group CEO) as well as the aggregated total compensation for all members of the EM for the financial year 2023 (1 January 2023 to 31 December 2023).

EM compensation

Compensation for the Executive Management	Group CEO			EM	
1 January to 31 December, in CHF	2022	2023		2022	2023
		1.1–31.10	1.10–31.12		
Fixed compensation (including basic compensation, expenses and benefits in kind)[1]	1 041 694	879 471	498 686[2]	5 482 612	5 825 446
Total fixed compensation paid out	1 041 694	879 471	498 686	5 482 612	5 825 446
Variable compensation (short-term)	549 900	421 825	136 500	2 636 520	2 107 756
Variable compensation (long-term)	998 402	658 058[3]	191 145[3]	3 688 954	3 207 871[3]
Total variable compensation	1 548 302	1 079 883	327 645	6 325 474	5 315 627
Employer contributions to pension funds and to social insurance schemes	856 808	477 221	67 848	3 455 000	3 184 797
Total social security contributions	856 808	477 221	67 848	3 455 000	3 184 797
Total compensation	**3 446 804**	**2 436 575**	**894 179**	**15 263 086**	**14 325 870**

[1] Includes non-monetary benefits as part of the company car programme valued at CHF 79,028 (previous year: CHF 97,434). All other tax-relevant benefits that the EM members have received as employees are included in the fixed compensation listed above. They did not receive additional benefits in kind or bill the company for any additional services.

[2] The compensation of the Group CEO, Fabian Rupprecht, also includes a replacement award in shares to replace the compensation lost due to the switch to Helvetia in the amount of CHF 221,837.

[3] Shares blocked for five years at a price of CHF 129.59 calculated on 22 March 2024.

The structure of the targeted and effective overall compensation for the Group CEO and the other EM members in the reporting year 2023 is based on fixed and variable compensation. The targeted variable compensation includes the individual target amount for the short-term and the long-term variable compensation. The actual variable compensation includes the effective amount to be paid out for the short-term part and the amount to be allocated for the long-term part. The targeted compensation package of the Group CEO was composed of 42.9% fixed and 57.1% variable compensation, for the other EM members these values varied between 47.4% and 53.5% fixed compensation and between 46.5% and 52.6% variable compensation. Based on the effective compensation in the reporting year, the Group CEO received fixed compensation of 45.3% and variable compensation of 54.7%, and 47.3% to 57.2% (fixed) and 42.8% to 52.7% (variable) for the other members of the EM. Here, no employer contributions to pension funds or social insurance schemes have been taken into account either for the fixed compensation (basic salary plus expenses) or the variable compensation.

In the reporting year, a replacement award in the amount of CHF 221,837 was presented for the new Group CEO in the form of blocked Helvetia shares.

Total compensation of the EM

CHF 14,325,870

Explanations of the variable compensation in the financial year

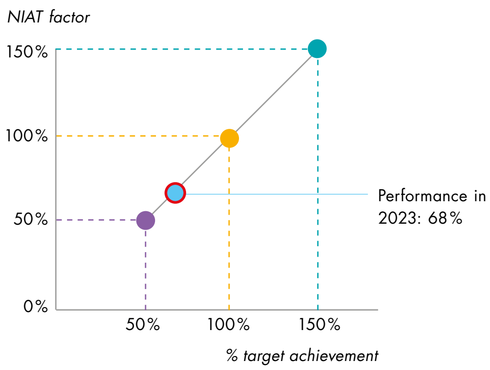
Business part

The determination of the NIAT curve for determining the NIAT factor follows a clearly defined process each year. The NIAT curve is defined in such a way as to ensure a symmetrical payout for target achievement above and below the NIAT target. The NIAT target, which leads to a NIAT factor of 100%, is determined along the budgeted value for the relevant financial year.

With the entry into force of IFRS 17/9, the NIAT curve will be adjusted in the non-life business due to the increased volatility caused by the change in accounting in order to establish a balanced risk ratio. The NIAT minimum, which leads to a NIAT factor of 50%, corresponds to 50% of the NIAT target defined in advance. The NIAT maximum, on the other hand, which leads to a NIAT factor of 150%, corresponds to 150% of the NIAT target defined in advance. This procedure is applied both at Group level and at market unit level.

Target, minimum and maximum values are conclusively defined for each performance year by the Board of Directors. The NIAT curve for the Helvetia Group is shown in a relative form.

Helvetia Group NIAT curve



The NIAT factor of the Group for this financial year is 68%. The operating result, which came in below expectations, was shaped by a challenging market environment and extraordinarily high claims from natural catastrophes and major loss events in Switzerland and Europe. Nevertheless, the business areas' broad diversification paid off, with Helvetia generating solid results in life insurance and the specialty insurance business.

Helvetia Group quality scorecard

To determine the quality factor, the Board of Directors assessed four quantitative and qualitative key topics for the current financial year (profitability, capital adequacy, growth and ESG) using the quality scorecard. The four topics are each evaluated using defined KPIs in accordance with the table below. These KPIs reflect the main drivers of the strategic ambitions and priorities in the current financial year. The Board of Directors assesses performance for each KPI on a scale of 1 to 3 performance points and uses the weighted average of the performance points to determine the overall level of the quality factor. The targets on which the evaluation and awarding of performance points are based are guided by the strategic financial objectives and are derived from the specific expectations for the reporting year taking account of the market environment. They are considered to be commercially sensitive, competitive information and may not be published.

In its assessment, the Board of Directors took into account the positive development in terms of growth in the core business, in particular in all segments and lines of business of the non-life business, as well as Helvetia's capitalisation, which remains excellent. The profitability of the non-life business, which was lower than expected due to the aforementioned extraordinarily high claims from natural catastrophes and major loss events, was also taken into consideration accordingly in the performance assessment. New business in the life business developed profitably with a growing new business margin, which nevertheless came in slightly below the target for the financial year.

The Board of Directors also acknowledged further successes in the implementation of the sustainability strategy and the steady improvements made with respect to the various dimensions of the MSCI ESG rating. The "A" rating was confirmed in 2023, with the overall score sitting slightly above the industry benchmark.

	Key topic	KPI	Weighting	Performance points
Quantitative / financial	Profitability	Combined ratio	80 %	•
		New business margin		•
	Capital base	SST value		• • •
		S&P rating		• •
	Growth	Life volume growth		• • •
		Non-life volume growth		• • •
Qualitative / non-financial	ESG target	MSCI ESG rating	20 %	• •

Performance in 2023: • below the target range, • • within the target range, • • • above the target range

Taking account of the described key financial and non-financial topics, the Board of Directors took the decision not to correct the NIAT factor and thus to set the Group's business performance factor at 68 %.

Based on the business performance in 2023, this results in a business performance factor for the Group CEO of 68 % (target 100 %, range 0 %–150 %) and for the other EM members between 34 % and 96 %. This payment range of the EM members reflects the different business performance in the market units in combination with the performance orientation aimed at in the new compensation system dependent on their level of responsibility.

Individual part

Based on the individual performance for the content and behaviour-related targets set for the 2023 financial year, the Group CEO achieved an individual factor of 114 % and the other members of the EM a factor in the range of 100 % to 110 %.

5.4 Other aspects of the Executive Management's compensation

a) Departure regulations and clawback

When a member leaves the EM, the fixed compensation is calculated on a pro rata basis up to the end of the month in which they leave the Board of Directors. Depending on the reason for departure, entitlement to variable compensation no longer applies in the year of departure. Likewise, depending on the reason for departure, the transferred shares can be reclaimed during the blocking period ("clawback"). This also applies in particular in the event of a serious violation against the Code of Compliance of the Helvetia Group. No provision is made for severance payments and no such payments were made or promised in the past or in the reporting year. In the event of a change in control, there will be no preferred treatment for members of the EM.

b) Share ownership guidelines

In order to achieve an even stronger and longer-term alignment of the interests of the EM with those of the shareholders, each member of the EM must build up and maintain a defined number of shares for the duration of the function. The share for the Group CEO and the other EM members corresponds to 200 % and 100 % of fixed compensation, respectively. The shares will be built up over four years from 1 January 2022 or from the time at which the member takes office. The held shares will also include allocated blocked shares of the variable compensation. See the following table for an overview of the shares held per EM member and persons closely related to them as at 31 December 2023.

Shares of Group Executive Management

The shares held by the members of the Executive Management and persons closely related to them as of the reporting date are listed in the following table:

as of 31.12.	2023	2022
Number of shares		
Fabian Rupprecht	1 754	–
Achim Baumstark	3 590	1 700
Roland Bentele	3 339	1 217
Markus Gemperle	13 819	10 200
Martin Jara	4 066	523
André Keller	4 447	700
Annelis Lüscher Hämmerli	4 213	700
Beat Müller	6 303	4 350
David Ribeaud	9 862	7 535

In addition to the ownership of shares as reported, the active members of the Group Executive Management have deferred claims to a total of 18,544 shares (previous year: 37,829 shares) acquired under the LTC programme, which was valid until 2021 and responsible for the long-term share-based component of the variable compensation.

c) Insurance contracts, loans, credits and other services

EM members may conclude insurance contracts, loans, credits and other services under the terms and conditions that apply to employees. At the reporting date, mortgage loans had been granted to Beat Müller (CHF 1,170,000 [previous year: CHF 1,170,000]), David Ribeaud (CHF 1,015,000 [previous year: CHF 1,015,000]) and Roland Bentele (CHF 1,350,000 [previous year: CHF 1,350,000]).

The mortgage to Beat Müller of CHF 986,000 earned interest of 0.81 % in 2023 (previous year: 0.81 %), the extra mortgage of CHF 184,000 earned interest at 0.81 % (previous year: 0.81 %). The mortgage to David Ribeaud of CHF 595,000 earned interest at 0.89 % in 2023 (previous year: 0.89 %), the extra mortgage of CHF 420,000 earned interest at 0.95 % as in the previous year. The mortgage to Roland Bentele of CHF 1,350,000 earned interest at 0.80 % in 2023 as in the previous year. There are no other loans, credits or guarantees in favour of members of the Executive Management.

5.5 External mandates of the Executive Management

As of the reporting date, the members of the Executive Management held the following comparable functions at other companies with an economic purpose:

External mandates

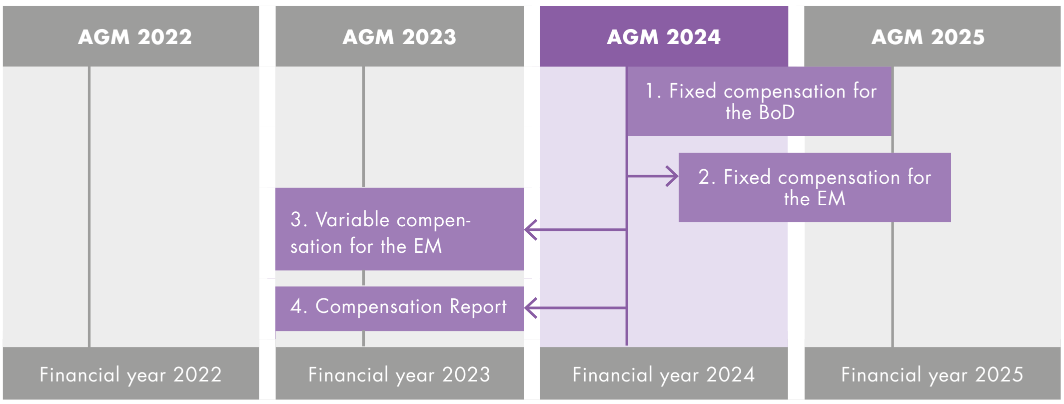
Name of member	Name of company	Function performed
Achim Baumstark	Prevo AG	BoD member
Roland Bentele	Genossenschaft Konzert und Theater St. Gallen	BoD member
Markus Gemperle	Abraxas Informatik AG	BoD member
Annelis Lüscher Hämmerli	Berner Kantonalbank	BoD member

6. Share purchase plan for employees in Switzerland.

In 2005, an employee share purchase plan was introduced in Switzerland to allow employees to participate in the performance of Helvetia and thus to strengthen their personal ties to the company. Employees can purchase registered shares of Helvetia Holding AG at reduced prices. The number of available shares is specified taking account of the financial results and the functions of the employees concerned. The purchase price of a share is calculated on the basis of the average closing stock exchange price during the five trading days following the publication of the financial results. Participation in this shareholding scheme is voluntary. As these shares are subject to a blocking period of three years, they can be sold by the company at a tax-exempt discount of 16.038 %. Neither the members of the BoD nor, since 2023, the EM members are entitled to participate in this programme. The share purchase plan also does not apply to employees of Helvetia's foreign subsidiaries. The share purchase plan implemented for 2023 was recognised with an expense of CHF 1.14 million (previous year: CHF 1.24 million).

7. Compensation to be approved by the 2024 Annual General Meeting.

Under the compensation regulations of the revised company law and the Articles of Association of Helvetia Holding AG, the AGM must approve the following compensation for the BoD and the EM:



7.1 Fixed compensation for BoD (for the period from the 2024 AGM to the 2025 AGM.)

The Board of Directors reviewed its fixed compensation and decided not to adjust the rates for the basic and various additional compensations for the 2024 / 2025 period.

The Board of Directors requests approval from the Annual General Meeting for fixed compensation for the Board of Directors in the total maximum amount of CHF 3,300,000 for the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting.

Total fixed compensation amount for the Board of Directors (prospective) AGM to AGM

	Prospective 2024 / 2025	Effective 2023 / 2024	Approved 2023 / 2024	Difference approved/ effective
Total amount of fixed compensation including contributions to social insurance schemes	3 300 000	3 114 349	3 300 000	
Amount to be requested	**3 300 000**	**3 114 349**	**3 300 000**	**–5.6 %**

7.2 Fixed compensation for EM (for the period from 1 July 2024 to 30 June 2025)

For the 2024 / 2025 period, the following unchanged total amount of fixed compensation for the EM will be proposed:

The Board of Directors requests approval from the Annual General Meeting for the fixed compensation for the Executive Management in the total maximum amount of CHF 8,300,000 for the period from 1 July 2024 to 30 June 2025.

Total fixed compensation amount for the Executive Management, prospective period 1 July – 30 June

	Prospective 2024 / 2025	Effective 2023 / 2024	Approved 2023 / 2024	Difference approved/ effective
Total amount fixed compensation[1]	8 300 000	8 070 610	8 300 000	
Amount to be requested	**8 300 000**	**8 070 610**	**8 300 000**	**– 2.8 %**

[1] Including expenses allowance, child / education allowances, long-service awards, company car schemes, employer contributions to pension funds and contributions to social insurance schemes

7.3 Variable compensation for the EM (for the completed 2023 financial year)

The variable compensation components of the EM and their calculation are described in section 5 and the amounts disclosed. Based on this, the following total amount of the variable compensation for the EM will be requested:

The Board of Directors requests approval from the Annual General Meeting for a total amount of variable compensation for the Executive Management in the amount of CHF 5,900,000 for the past financial year 2023.

Total variable compensation of the Executive Management (retrospective) for financial year

	Retrospective 2023	Paid out 2023 for 2022	Approved for 2022	Difference approved / effective
Total variable compensation including employer contributions to pension funds and contributions to social insurance schemes	5 868 820	6 967 867	7 000 000	
Amount to be requested	**5 900 000**	**6 967 867**	**7 000 000**	**– 0.5 %**

7.4 2023 Compensation Report (advisory vote)

KPMG

Report of the statutory auditor

To the General Meeting of Helvetia Holding AG, St. Gallen

Report on the Audit of the Compensation Report

Opinion
We have audited the Compensation Report of Helvetia Holding AG (the Company) for the year ended 31.12.2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the disclosures marked “audited” within the chapters “4. Compensation for the Board of Directors.” and “5. Compensation for the Executive Management.” of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the Compensation Report complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor’s Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
KPMG AG

Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Christoph Hörl
Licensed Audit Expert

Zurich, 10 April 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Sustainability Report

04

Contents

Ladies and Gentlemen.

Sustainability has always been part of our business philosophy. We align our operations with the long-term needs of our customers: Helvetia offers solutions for pensions, for loss prevention, and for the decisive situations in life that cannot be planned. We strive to keep our promises to our customers – at all times and in the long run. Looking ahead and making viable, long-term decisions is therefore a matter of course for us.

"Our aim is to operate sustainably in all areas of the company and to make a positive contribution in favour of all our stakeholders."

Dr Thomas Schmuckli
Chair of the Board of Directors

After the Board of Directors and Executive Management approved the updated Sustainability Strategy 20.25 last year, the focus this year was on its implementation. Particularly noteworthy is the progress we made in climate strategy, sustainability governance and reporting.

Major efforts are needed for addressing climate change and adapting to it. Together with our customers, we as an insurer are at the forefront when it comes to managing the effects of global warming. The natural catastrophe losses we incurred in 2023 show just how disastrous the damage caused by natural hazards can be, but also how important and valuable good insurance cover is. Managing climate change risks is therefore of key importance to us. We want to identify and assess the negative effects of climate change and develop effective measures that make a difference in future. In doing so, we will continue to offer our customers financial protection, support them with advice in adapting to climate change, contribute to their business success and thus ensure the success of our business model. At the same time, we intend to utilise the opportunities associated with the transition to a lower-carbon society as part of our climate strategy.

To help limit global warming, we strive continuously to bring greenhouse gas emissions from our operations and sources associated with insurance and the investment portfolio down to net zero. We measured the emissions from our investment portfolio for the first time and are now disclosing the results in this report.

"We support our customers in coping with the effects of climate change and develop our climate strategy to help mitigate its consequences."

Fabian Rupprecht
Group Chief Executive Officer

With regard to sustainability governance, the aim was to implement measures in all market units according to uniform guidelines. Helvetia now has sustainability governance in all market units that is consistent with the Group guidelines and ensures that our sustainability strategy is being implemented.

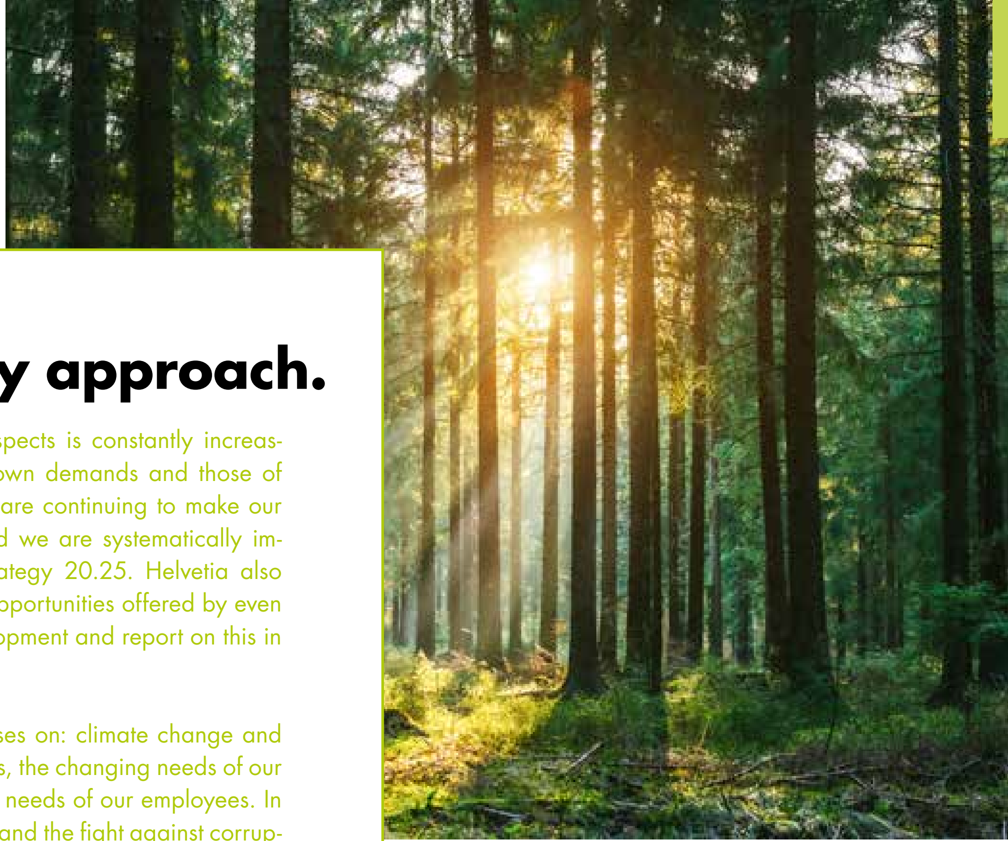
The report explains how the new requirements of the Swiss Code of Obligations and the extended requirements of the EU Taxonomy Ordinance have been implemented. Reporting in accordance with Art. 964a-c CO on non-financial matters can be found in the notes to this report.

The Board of Directors and Executive Management are pleased to once again be able to provide transparent and comprehensive information on the progress of Helvetia's activities from a sustainability perspective in this report!

Best regards,

Dr Thomas Schmuckli
Chair of the Board of Directors

Fabian Rupprecht
Group Chief Executive Officer



Sustainability approach.

The relevance of sustainability aspects is constantly increasing. We want to live up to our own demands and those of our stakeholders. This is why we are continuing to make our business activities sustainable and we are systematically implementing our Sustainability Strategy 20.25. Helvetia also intend to make better use of the opportunities offered by even more sustainable corporate development and report on this in a transparent manner.

Our sustainability approach focuses on: climate change and the environment, sustainability risks, the changing needs of our customers and the well-being and needs of our employees. In addition, respect for human rights and the fight against corruption and bribery also play an important role in our sustainability approach.

Our sustainability strategy

Our sustainability strategy is in line with the *helvetia 20.25* corporate strategy and our purpose statement “Life is full of opportunities and risks. Helvetia is there when it matters”. As part of our sustainability strategy, we are setting ourselves targets for the aforementioned topics and systematically integrating measures into our business activities to reach them.

The focus during the financial year remained on implementing our Sustainability Strategy 20.25. It comprises the four areas of activity:

- Sustainable products and customer relationships
- Responsible investment
- Sustainable business operations
- Sustainability culture and governance

In addition to specific implementations within these four areas of activity, three topics were particularly important during the financial year: firstly, making further progress in the area of climate and the environment, an issue that affects all four areas of activity; secondly, implementing the Group-wide sustainability governance; and thirdly, implementing new reporting obligations and further improving transparency in reporting.

In the area of climate and environment, the Executive Board and Board of Directors approved a climate strategy in the financial year which also has guidelines for business involving fossil fuels. In the area of coal, the United Nations call to phase out coal-based energy production by 2040 will be supported by corresponding guidelines for the insurance and investment business, as this is the only way to reach the global net-zero target by 2050.

We have taken important steps towards implementing sustainability governance. Each market unit has a governance system that is aligned with the Group’s specifications, which is an essential prerequisite for the consistent implementation of the sustainability strategy.

Helvetia communicates the implementation of its sustainability strategy transparently. To this end, non-financial reporting has been further expanded. This was done in the financial year with a particular focus on fulfilling the reporting obligations pursuant to Art. 964 (a-c) of the Swiss Code of

Obligations, the new reporting obligations of the EU Taxonomy Regulation and with a view to the provisions of the European Sustainability Reporting Directive (CSRD) that will apply in the European market units in 2024. Another important milestone was the first publication of the Principal Adverse Sustainability Impact Report under the EU Disclosure Regulation. This year, we also published results on relevant sustainability issues as part of various voluntary initiatives (e.g. PRI, CDP, UN Global Compact) and informed our stakeholders about these topics on our website.

For more information on the business model and corporate strategy, please refer to the Helvetia Portrait from page 8.

Four work areas of the sustainability strategy

Sustainable products and customer relationships

01

In our core business, we systematically consider sustainability opportunities and risks as well as possible negative effects. In the insurance business, this means integrating sustainability factors into product development, underwriting and claims settlement.

Helvetia intends to further expand its range of sustainable insurance solutions. At the same time, we strive to minimise or, wherever possible, completely eliminate any indirect negative effects of our business with regard to environmental, social and employee matters in relation to human rights, corruption and bribery. We therefore systematically align our processes with these objectives. In terms of climate change mitigation, we aim to bring indirect emissions from our insurance business to net zero by 2050, with the adoption of our fossil fuel policy as an important first step.

More detailes on this part of our strategy can be found in the sustainability report sections "Climate change" from page 21 and "Sustainable products and customer relationships" from page 36 onwards.

Responsible investment

02

As an insurer, we have strong leverage in investment and asset management and can contribute to reducing climate risks and making the economy and society more sustainable. By committing to gradually aligning our investment portfolio to reach net zero emissions by 2050, we are meeting the requirements of the Paris Climate Agreement. We measured the greenhouse gas emissions of our investment portfolio for the first time in the financial year. Our greenhouse gas figures provide the basis for implementing our climate strategy in the area of investment and asset management.

When implementing the sustainability strategy, the focus in investment and asset management is on systematically integrating other important sustainability factors such as environmental, social and employee matters, respect for human rights and the fight against corruption and bribery into our investment processes in addition to climate-relevant aspects. This helps us to reach our climate targets and other important sustainability goals. At the same time, the targeted and systematic consideration of sustainability factors in investment and asset management is also part of our risk management.

This part of our strategy is explained in detail in the sustainability report sections "Climate change" from page 22 and "Responsible investment" from page 44 onwards.

Sustainable business operations

In its operating business, Helvetia has also committed to pursuing the goals of the Paris Agreement and has set itself the goal of reducing emissions from its own business operations to net zero by 2040.

In line with the Paris Agreement's goal of limiting global warming to 1.5 degrees above pre-industrial levels, our climate strategy is developing effective measures and reduction targets based on best-practice methods. We report on our progress and activities annually in our Sustainability Report and within the framework of our transparency initiatives, such as the Carbon Disclosure Project (CDP). The CDP is considered the "gold standard" for assessing companies in the areas of greenhouse gas emissions and climate protection. With a CDP rating of "B", Helvetia in 2023 was on average for European companies (B rating) and financial services providers (B rating), as well as above the global average (C rating).

Comprehensive explanations of how we are making our business operations more sustainable, climate-friendly can be found in the sustainability report section entitled "Climate change" from page 21 onwards.

03

Sustainability culture and governance

To ensure that the sustainability strategy can be integrated across all areas and countries, Executive Management and the Board of Directors have defined a Group-wide sustainability governance system. This defines responsibilities, tasks and competencies in relation to sustainability management and is structurally embedded in the existing Group governance.

The Board of Directors sets the strategic guidelines and monitors the implementation of the strategy. Executive Management is responsible for implementing the strategy. It is supported by the Group Sustainability Committee, an Executive Management committee with specialists and key functions, and the Group Chief Sustainability Officer, who manages Group-wide sustainability matters in line with the sustainability strategy and governance.

Based on firmly established values, Helvetia also has a corporate culture strongly geared towards sustainability, which we are further developing with targeted measures as part of the sustainability strategy. Our ambitions and measures relating to employee concerns are also anchored in this area of the strategy. Helvetia offers an attractive, diverse, fair and inclusive working environment that motivates employees to contribute to the company's strategy and success.

Transparent insights into the governance section can be found in this section starting on page 17. Details on the topics of sustainability culture and employees can be found in the sustainability report section "Our employees" from page 50 onwards.

04

Stakeholder commitment

Helvetia maintains regular and constructive dialogue with its main stakeholder groups, namely employees, customers, shareholders and investors. In doing so, we want to:
1. Align internal and external perspectives
2. Obtain critical feedback on our current state and identify room for improvement
3. Improve awareness and strengthen the consensus the most pressing sustainability topics
4. Evaluate and focus on our key sustainability topics
5. Further develop the sustainability strategy
6. Identify and make greater use of opportunities for collaborating on sustainable development

The scope and form of the commitment differ according to the needs of the stakeholders. Among other things, we use benchmark studies and surveys and regularly engage our stakeholders in dialogues about sustainability issues at events, investor conferences and the Annual General Meeting.

We maintain direct dialogue with stakeholders – non-governmental organisations, supervisory authorities, associations, politicians, our competitors and business partners – on specific topics. Helvetia also has a number of initiatives and associations for pooling resources both within and across sectors. Table 1 provides an overview of our key stakeholders and their main concerns with regard to our focus on sustainability. The table is not exhaustive but outlines the key stakeholder groups, organisations and initiatives with which we interact and share our commitment.

Focus on material sustainability topics

Since 2013, Helvetia has been conducting regular materiality assessments to understand the needs of its stakeholders, identify sustainability-related effects, opportunities and risks and to include them in its business activities and long-term value creation. However, the materiality assessments also highlight Helvetia's current and future risks and opportunities from these issues.

To keep pace with the changing interests of stakeholders and the new opportunities and risks that arise, Helvetia undertakes to update its sustainability assessment regularly. by applying the main international sustainability standards and regulatory frameworks.

In 2023, Helvetia carried out a comprehensive materiality assessment and included the principle of "dual materiality". Our materiality assessment approach complies with internationally accepted reporting standards and regulations. We are guided by the GRI Standards and the EU Directive on Corporate Sustainability Reporting (CSRD) as well as the corresponding European Sustainability Reporting Standards (ESRS).

Dual materiality requires an assessment from two perspectives:
– How sustainability factors affect the company (financial materiality),
– and how the company's activities affect people and the environment (impact materiality).

By applying the concept of dual materiality, Helvetia considers sustainability topics to be material if they represent or may represent an increased risk or opportunity for the company in the short, medium or long term and / or if there is an actual or potential increased positive or negative effect on people or the environment.

The results of the 2023 assessment confirm the focus of the Sustainability Strategy 20.25 and ensure that our efforts concentrate on the most relevant sustainability topics in terms of materiality. The materiality assessment process also contributed to a constructive dialogue with our stakeholders in the financial year.

Table 1: Stakeholders and their views, interests and expectations

Stakeholders	Core concerns
Customers	
Discussions and the exchange of information with our employees at the service centres and in sales and underwriting form the basis for our dialogue with customers. Employees pass on internally the concerns and feedback they learn about. Employees in the aforementioned centres also ensure that customer concerns are managed systematically and competently. By collecting the Net Promoter Scores, we receive feedback from our customers about our service. Formal customer surveys occur at two- or three-year intervals.	– Correct and fast claims processing – Targeted advice on insurance and financial requirements as well as services – Comprehensive insurance cover and access to policies – Data protection – Range of sustainable products and services – Communication on sustainability strategy and activities
Employees	
Regular discussions with line managers and annual performance appraisals are an important basis for dialogue with employees. The Helvetia intranet also provides comprehensive information and opportunities for dialogue across hierarchies, specialist areas and country companies. In addition, various formal and informal events take place at which employees can discuss specific issues and concerns with each other and with Helvetia's management. Regular satisfaction surveys round off the dialogue with our employees.	– Flexible working arrangements – Occupational health – Development of own ideas and abilities – Continuing education opportunities – Integration, social connections, networking – Co-determination and participation – ESG upskilling – Communication on sustainability strategy and activities
Sales partners / brokers	
The sales and underwriting organisations of the Helvetia market units are in constant contact with our sales partners and exchange information with them on a regular basis, which gives them important feedback and suggestions for improvement of our products and services. Regular broker surveys, from which we also derive improvements for our partners and end customers, supplement this feedback.	– Long-term cooperative relationship – Attractive product range – Sustainable products and services – Ensuring high-quality advice and protecting customer interests – Ability to provide information on sustainability issues
Suppliers	
Exchange with suppliers occurs via the central Group Procurement department. Main suppliers are given special support. Helvetia actively exchanges information with its suppliers. Targeted supplier surveys are also conducted occasionally to obtain input for improving procurement processes.	– Long-term cooperative relationship – Transparency with regard to purchasing criteria and supplier selection, especially ESG criteria – Prompt payment for goods and services received – Opportunity to position themselves with us through sustainable products and services
Investors	
We regularly inform our investors and shareholders about business developments and our strategy in the Annual and Half-Year Reports, the Sustainability Report and at the Annual General Meeting. As part of roadshows and investor days, we are also in regular dialogue with the approximately 500 institutional investors who hold Helvetia shares or bonds. With an open and shareholder-friendly strategy, Helvetia is targeting a shareholder base that is as widely distributed, international and long-term in orientation as possible.	– Dividend returns and share price increases – Reputation, compliance, good governance – Transparency of reporting – Forward-looking risk management – Comprehensive sustainability strategy and good sustainability performance in the relevant industry topics – Involvement in international sustainability initiatives – Good ESG rating – Willingness to engage in dialogue and maintain good investor relations
Analysts	
We exchange information with analysts regularly and are transparent in our business activity. Providing information on our sustainability performance is a major part of this. Helvetia is continuously improving its information base through its sustainability reporting, the response to enquiries and the expansion of its communication via the Internet. In addition to financial analysts, we are in constant contact with sustainability analysts from rating agencies and provide them with transparent information. At the same time, we receive feedback from analysts on their assessment of our sustainability efforts. Furthermore, sustainability experts (see below about non-governmental organisations and universities) also guide us in assessing our sustainability performance.	– Information on the sustainability strategy – Transparent, publicly accessible sustainability reporting – Standardisation of sustainability information – Comprehensive set of key figures for the relevant industry topics – Publication of supplementary documents on the company website – Feedback on ESG ratings and willingness to report on sustainability aspects – Willingness to engage in dialogue and maintain good investor relations

Stakeholders	Core concerns
Local municipalities and local politics We actively engage with the communities where we live. Representatives of Helvetia, in particular Executive Management, Executive Boards and general agents, maintain regular dialogue with the political representatives of the local municipalities. This occurs at local events or directly in bilateral discussions.	– Tax revenue and location development – Reputation, compliance, good governance – Job supply, job security and vocational training – Discussion on sustainability topics – Social and cultural commitment
Non-governmental organisations and universities Helvetia collaborates with non-governmental organisations and universities on specific projects and in connection with lectures and enquiries about particular topics. Non-governmental organisations and universities in particular offer us access to sustainability experts and research results. Dialogue with experts provides important pointers on the further development of measures in the area of sustainability. We have enjoyed a long-standing partnership with the Institute of Insurance Economics at the University of St. Gallen. Helvetia generally supports the research work of the institute by means of financial contributions, including work in the area of sustainability, such as research on climate risks. In the area of talent management, Helvetia collaborates with the Executive School of the University of St. Gallen, which supports it with exclusive training modules in leadership and strategy. For diversity and inclusion, we use services from the Competence Centre for Diversity & Inclusion of the University of St. Gallen (CCDI), which examine our salary structure.	– Exchange and discussion on sustainability issues – Encouraging participation in specific initiatives – Responding to enquiries on sensitive sustainability topics – Making the general public more aware of sustainable finance – Call for participation in specific campaigns and measures; e.g. exclusions, statements – Communication on sustainability strategy and activities – Transparent, publicly accessible sustainability reporting – Comprehensive set of key figures for the relevant industry topics – Publication of supplementary documents on the company website
Associations and initiatives Helvetia is a member of various initiatives and associations and maintains a regular exchange as part of these memberships. Organisations and standards with great relevance for sustainability topics in which Helvetia plays an active role at the Group level: **External initiatives** – UN 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) – Carbon Disclosure Project (CDP) – CEO4Climate – Chief Risk Officer (CRO) Forum – Global Reporting Initiative (GRI) – Principles for Responsible Investment (PRI) – RE 100 – Swiss Sustainable Finance (SSF) – TSB Task Force on Climate-related Financial Disclosure (TCFD) – UNEP Finance Initiative – UN Global Compact – Association for Environmental Management and Sustainability in Financial Institutions (VfU) **Associations** – Swiss Insurance Association (SIA) The associations and initiatives in which the national subsidiaries are active are listed in the Notes on page 88 (Sustainability Report). For specific information on the commitment of our national subsidiaries, please consult the respective membership overviews on our company websites.	– Commitment and specific contributions to relevant sustainability topics in the sector – Commitment to shared obligations and standards – Cross-sector cooperation for sustainable development and a low-carbon economy – Communication on sustainability strategy and activities – Transparent, publicly accessible sustainability reporting
Media and publicity Helvetia's Media Relations office actively maintains high standards in its work. When it comes to balanced reputation management, the topic of sustainability is a high priority.	– Transparent information – Communication on sustainability strategy and activities – Transparent, publicly accessible sustainability reporting – Up-to-the-minute updates and short response times

Materiality assessment process and method

Our 2023 materiality assessment follows a Group approach and is based on a four-phase process. Significant negative and positive effects are assessed based on the severity and / or probability of the impact on people or the environment, while the assessment of the materiality of Helvetia's financial risks and opportunities is based on the probability of occurrence and the potential effect on net profit.

Our materiality assessment covers the country markets of Switzerland, Germany, Italy, Spain (Helvetia Seguros and Caser), Austria and France and their value chain. The analysis also includes the subsidiaries in Switzerland and the specialty lines business. For the 2023 materiality analysis, Helvetia primarily involved internal stakeholders from the Group's various market units and business functions. These mainly consisted of members of the Board of Directors, Executive Management, Group Risk Management, the Sustainability Officers of all business units and representatives of Caser's top management (including the CEO and CFO).

By seeking input from our stakeholders in the different regions and areas of activity and considering the potential and actual impacts, risks and opportunities along our value chain, we ensure that the results are relevant not only at the corporate level, but also at the local level and in our business units. The results of our valuation are presented on an aggregated basis, as no significant differences in material effects, risks and opportunities were found among countries.

Table 2: Materiality assessment process and method

Phase 1: Identify potentially material sustainability topics	Establish a comprehensive list of potentially material topics through extensive secondary research. The material topics of Helvetia's previous analysis, the corporate strategy, the relevant concerns of stakeholders and external sources, including sustainability frameworks and regulations as well as relevant industry standards (e.g.: GRI, ESRS, Swiss Code of Obligations Art. 964, TCFD, SASB, SVV, AMAS, for the financial sector). Identification of more than 30 potentially material sustainability topics (including biodiversity, community relations, human rights and artificial intelligence).
Phase 2: Stakeholder surveys	Quantitative stakeholder engagement through online surveys and qualitative interviews with internal stakeholders to gather input on impact and financial materiality. For each potentially material sustainability topic, our stakeholders assess both actual and potential positive and negative effects arising directly from Helvetia or its value chain. At the same time, the risks and opportunities are also assessed in the form of actual or potential short-, medium- and long-term financial effects.
Phase 3: Analysis and prioritisation of topics	Analysis of results of stakeholder surveys and secondary research. Definition of topic clusters, correlation analysis, ranking of shortlisted topics based on materiality thresholds and forward-looking considerations. Qualitative analysis of the scores for forward-looking scenarios 2030 and 2050.
Phase 4: Results and acceptance	Identification of the 14 material sustainability topics that exceed materiality thresholds from both an impact and a financial perspective. Round of consultations to validate and approve the results by Executive Management and the Board of Directors.

Our key sustainability topics

The materiality assessment carried out in 2023 identified 14 material sustainability topics, which are reflected in the four areas of work of our sustainability strategy already described in the chapter, as well as in ambitious targets relating to efficiency, profitability, value creation, employee well-being and development, customer satisfaction, and sustainable business practices.

As described in the approach, our materiality assessment takes into account how the relevance of the topics may evolve over time. Based on our stakeholder surveys and qualitative scenario analysis, we expect topics such as ESG integration in underwriting, responsible investment, GHG reduction; talent acquisition, nurturing and retaining; and innovation management to become more important over time. To monitor the development of the relevance of the material topics, Helvetia has established a process for updating the materiality assessment annually.

To monitor progress, we have defined ambitions and strategic KPIs for each material topic. For each material topic, table 3 summarises our ambitions, indicators and progress and provides references to the sections of the Annual Report that address the topics in detail.

Figure 1: Helvetia materiality matrix 2023

Table 3: Our ambitions and progress

Material topic	Areas of work of our sustainability strategy	Ambition	Indicators	Implementation status and measured values	Existing principles and guidelines	References
Customer satisfaction	Sustainable products and customer relations	We aim to set standards in customer satisfaction. We create added value for our customers to ensure that they stay loyal to the company and to help us acquire new ones.	(1) Monitoring of customer satisfaction (2) Net Promoter Scores	1) Helvetia systematically monitors customer satisfaction in every market unit (2) Pleasing and, in some cases, outstanding transactional NPS values of the market units.	Customer convenience (including customer satisfaction) as a strategic focus in the *helvetia 20.25* strategy	Sustainability report, chapter "Sustainable products and customer relationships" section, page 41
Integration of ESG factors into underwriting		We minimise the probability of negative indirect effects in the insurance business and take sustainability-related opportunities and risks into account. To this end, we create structures and processes to systematically integrate ESG topics into the underwriting process.	(1) Indicator in development: Proportion of income in Specialty Lines of companies in the subscription portfolio with a net zero target (2) Preparation and further development of process descriptions, data integration and exclusion lists	1) Revenue disclosure requirements for companies in the Spl portfolio with a net-zero target (for implementation in 2024) (2) Transparent exclusion criteria for fossil fuel transactions	Investment and underwriting policy in fossil fuel-related businesses Group Underwriting and Claims Directive	Sustainability report, chapter "Sustainable products and customer relationships", page 39
Innovation management		Increase market share through product or service innovations, taking into account customer needs and sustainability (ESG) aspects.	(1) Growth rate of sustainable products[1] (2) Share of sustainable products in total business volume	(1) 36% (2) 1.25%	The sustainability strategy 20.25 defines the principle of sustainable product development Internal definition of sustainable products	Sustainability report, chapter "Sustainable products and customer relationships", page 36
Protecting our customers financially		Financial hedging for our private and business customers with suitable solutions and fair and responsible treatment when purchasing and using financial products and services.	1) Access to quality information (2) Number of breaches of regulations related to information about products and services and their labelling	(1) Helvetia ensures transparent and legally compliant advice for new customers and communication with existing customers (2) No violations reported	Helvetia's financial products and customer advisory services meet local and international regulatory requirements and the respective internal guidelines	Sustainability report, chapter "Sustainable products and customer relationships", page 36
Reduction of greenhouse gas emissions	Climate change issues	Helvetia acknowledges its responsibility with regard to climate change. We are continuously reducing GHG emissions in accordance with the Paris Climate Agreement. Net-zero targets for own business operations by 2040 and for the insurance and investment portfolio by 2050.	(1) GHG emissions from own operations (Scopes 1, 2, 3) (2) Financed emissions Scope 1, 2, 3 (3) Financed emission intensity (Scope 1, 2, 3 tCO_2e / CHFM invested)	(1) 43,055 t CO_2e (2) 8,682 kt CO_2e (3) 100 t CO_2e / m CHF invested	Climate policy Investment and underwriting policy with regard to fossil fuel businesses	Sustainability report, chapter "Climate change", page 21
Responsible investment		Deliver positive financial returns while aligning investment decisions with environmental, social and governance (ESG) criteria.	(1) Average MSCI ESG rating of the portfolio (2) Proportion of investments in fossil fuel companies, including thermal coal, unconventional oil and gas, and fossil fuels (3) Production capacity of solar installations in the property portfolio	(1) "A" (2) 4.59% (3) 1,711 kWp	Responsible investment policy and strategy	Sustainability report, chapter "Responsible investment", page 44 PAI statement

Material topic	Areas of work of our sustainability strategy	Ambition	Indicators	Implementation status and measured values	Existing principles and guidelines	References
Climate risks and opportunities	Climate change issues	Identification, assessment and management of climate change risks, opportunities and effects to keep Helvetia's business model resilient and mitigate the negative consequences of climate change.	(1) Probable maximum loss of the insured risks due to weather-related natural catastrophes (2) Claims payments due to weather-related natural catastrophes	(1) Gross PML for floods and storms shown for the first time, see page 32. (2) CHF 28 m	Helvetia Sustainability Risk Framework	Sustainability report, chapter "Climate change", page 30 For transition risks, see "Responsible investment" above
Corporate governance, including integrity and compliance		To enable efficient and effective corporate governance and appropriate control and monitoring by the Board of Directors. Ensuring integrity and compliance with legal requirements.	(1) Remuneration of Executive Board members linked to sustainability performance (2) Frequency of sustainability-related training and opportunities for (a) members of Executive Management and (b) members of the Board of Directors (3) Violations of laws and regulations (including fines from supervisory authorities, legal proceedings against a Helvetia company or individuals from management)	(1) ESG KPIs have the potential (if all financial KPIs remain constant) to influence total variable remuneration by up to 10% pte. (2a) Executive Management: 3 (2b) Board of Directors: 1 (1) 1 (further information in the "Business ethics" chapter from page 68)	Organisational regulations of Helvetia Group. Code of Conduct Internal management regulations. Group-wide Sustainability Governance Guideline Internal guidelines on Helvetia Group's compliance management system Helvetia Group's variable remuneration regulations Group Compliance Report	Remuneration Report. Sustainability report, chapter "Sustainability approach", page 17 and chapter "Business ethics", page 68
Anti-corruption, including bribery and anti-competitive practices	Sustainability governance	Combating corruption with the help of anti-corruption policies and procedures.	(1) Cases of corruption in the reporting year (2) Employee training in anti-corruption measures and procedures	(1) None (2) All employees have been informed of the anti-corruption policy. 35% of employees participated in anti-corruption training	Code of Conduct Internal, Group-wide anti-corruption policy. Directive on combating money laundering in connection with pension products for private customers. Group Compliance Report.	Sustainability report, chapter "Business ethics", page 66
Responsibility for digital technology, including AI and cybersecurity		Ethical and responsible use of digital technologies, e.g. AI. Ensuring cybersecurity through risk management and rapid response measures in the event of IT system failures or information security incidents.	(1) Number of information-security incidents that led to an interruption of essential business activities (2) Well-founded complaints about breaches of customer privacy and loss of customer data	(1) None (2) 20	Group-wide Policy on Sustainable Security & Data Protection Approach Group-wide data protection policy Group-wide, internal cyber defence policy Various internal policies on IT and information security	Sustainability report, chapter "Business ethics", from page 70
Risk assessment and management		Systematic identification of threats along the value chain. Evaluate the associated risks for the company and implement control mechanisms to reduce the risks.	(1) Further development of risk management governance (2) Number of risk management measures implemented / completed in CRP, the process of overall assessment of strategic, operational and emerging risks	(1) Systematic integration of sustainability risks into the risk framework (2) 67	Integrated risk and capital management (IRM) documentation (internal group guideline)	Financial report, chapter "Risk, capital and investment management", from page 12

Material topic	Areas of work of our sustainability strategy	Ambition	Indicators	Implementation status and measured values	Existing principles and guidelines	References
Attracting, nurturing and retaining talent, including employee development and succession planning		Attracting, retaining and developing the employees and managers necessary to implement the Group strategy through attractive working conditions, an appreciative and attractive corporate culture, specific talent-oriented development measures and Group-wide succession planning.	(1) Employee Engagement Index (2) Employee turnover (3) Gender distribution in management positions (from team leader) (4) Gender distribution in top management (Executive Management, Executive Boards, Board of Directors). (5) Proportion of internal senior management replacement appointments[2]	(1) 77% of Helvetia employees are highly or very highly committed. (2) 15.6% (3) 30% women (4) 19% women (5) 45%	Local general terms and conditions of employment supplemented by specific provisions on training and further education and recruitment through referrals. Talent strategy	Sustainability report, chapter "Our employees", page 50
Equal treatment and fair pay in the workplace	Sustainability culture	Ensure that all persons, regardless of their characteristics or background, are treated fairly and without discrimination. Creating an environment in which employees are rewarded in a fair and transparent manner.	(1) Gender pay gap (2) Ratio of total annual compensation	(1) Standardised analysis of the gender pay gap for country markets under development and to be reported from the 2025 financial year onwards. Currently regular analyses of the gender pay gap in the market units of Germany, Italy, Austria, Switzerland and Spain. (2) 21.4 (as at 31.12.2022 for all employees in Switzerland)	Code of Conduct Intra-Group and local remuneration policies Local guidelines on performance and result-related variable remuneration	Sustainability report, chapter "Our employees", page 52
Stakeholder engagement		Ongoing communication with our stakeholders in order to understand and meet their expectations and interests. Ensuring a positive reputation within society.	(1) Memberships of associations and external initiatives (2) Donations as part of our commitment to the common good	(1) Commitments to external initiatives at Group level (e.g. RE100) and active membership of associations in all market units. (2) CHF 3.6 m	Code of Conduct Local statutes on general working conditions	Sustainability report, chapter "Our sustainability approach", page 11 and chapter "Social commitment", page 60

[1] Our internal definition of sustainable products can be found in the section "Sustainable Products and Customer Relationships".

[2] Rolling average of reporting year and previous year. Senior management is defined as members of Executive Management and the hierarchy level directly below it, as well as the Executive Boards of the market units.

Sustainability governance

Helvetia is committed to responsible and sustainable corporate governance and ensures targeted and efficient implementation of its sustainability strategy and sustainability management at all corporate levels and in all relevant business areas by means of appropriate sustainability governance.

Sustainability governance is integrated into the governance of Helvetia Group. It defines the organisational framework in the form of responsibilities, tasks and competencies as well as the interaction of the relevant functions and organisational units in Group-wide sustainability management. Sustainability management is the approach and processes by which we identify sustainability-related effects, risks and opportunities, assess their materiality, set targets and take actions to reach our overall sustainability and business goals. Prudent sustainability governance is therefore of great importance to Helvetia. In addition to strategy implementation and operational sustainability management, sustainability governance is also needed to avoid governance risks such as non-compliance with legal requirements or reputation loss.

We revised the internal Group-wide directive on sustainability governance during the financial year. In doing so, we were guided by best practices, global sustainability initiatives and voluntary standards. The directive entered into force in December 2023 after approval by the Board of Directors.

Organisation of the Group-wide sustainability governance

The following bodies and functions perform duties and are responsible for sustainability-related due diligence and management within the Group.

Board of Directors

As the highest management and administrative body, the Board of Directors (BoD) of Helvetia Group is responsible for approving the material sustainability topics, the sustainability strategy and goals. It also supervises the Group's sustainability management.

To this end, the Board of Directors maintains active and regular dialogue with internal and external stakeholders (Executive Management and the Executive Board, managers, employees, business partners, investors, associations, authorities and political decision-makers). This regular exchange supports the Board of Directors in particular in assessing the concrete effects of business activities from different perspectives, in identifying key sustainability trends at an early stage, and in taking adequate account of economic, ecological and social responsibility in the strategic management of the company.

The BoD and its committees address sustainability issues as often as business requires, at least twice a year. The agenda for sustainability topics is set by the Chair of the BoD in consultation with the chairs of the committees.

In 2023, the Board of Directors addressed the following sustainability topics:
– Acknowledgement of the Sustainability Report 2022,
– Approval of the climate strategy,
– Approval of the materiality matrix,
– Approval of the sustainability governance update,
– Training and information about relevant regulatory ESG developments by experts, and
– Discussion and acknowledgement of the implementation of the sustainability strategy.

Sustainability-related issues upstream of the BoD primarily take place in the Nomination and Remuneration Committee (see Corporate Governance Report, page 8). As of 1 June 2024, extended governance regarding the handling of sustainability issues will come into force at Board of Directors level. This will regulate in detail the division of labour between the committees with regard to the various sustainability issues. In addition to the existing role of the Nomination and Compensation Committee as the "Sustainability Committee", it should also be formally stipulated that all investment and risk issues relating to sustainability are discussed in the Investment and Risk Committee, while the Strategy and Governance Committee and the Audit Committee deal with their integration into the overall strategy and with compliance and control issues as well as regulatory reporting.

The Board of Directors' ability to fulfil its role as supreme governing body with regard to sustainability management is ensured, among other things, by ensuring that the Board has the right composition. Directors are selected based on a range of criteria, on legal and regulatory requirements, and in particular on the "fit and proper" principles. The personality and independence of candidates are of particular importance, as are – in the overall composition – technical and professional qualifications and gender diversity. Avoiding conflicts of interest is also relevant when electing Directors.

Executive Management

The Executive Management (EM) is responsible for developing and implementing the Group-wide sustainability strategy and for reaching the targets set by the Board of Directors. To this end, the EM checks and defines the topics in the materiality analysis and derives appropriate measures from this. These relate in particular to the requirements on sustainability management in all business areas where this is necessary for the implementation of the sustainability strategy, e.g. requirements in the

Figure 2: Structure of Helvetia Group's sustainability governance

areas of risk management, underwriting, claims management, investment management, operational governance or employee conduct. EM is also the decision-making body for exceptions to the Group Underwriting and Claims Directive in the area of sustainability-related exclusions.

EM deals with sustainability topics as often as business requires, but at least twice a year. EM reviews and defines the Group's topics classified as material in the context of the materiality analysis, develops and manages the implementation of the sustainability strategy and reports to the BoD on its progress. It informs the BoD of current, emerging and potentially relevant developments in the area of sustainability.

Finally, EM ensures that the human and financial resources required for Group-wide sustainability management are commensurate with the nature of the business, the scope and complexity of the sustainability strategy and external requirements, and enables an opportunity and risk-based management approach.

Group Sustainability Committee

The Group Sustainability Committee (GSC), chaired by the Group Chief Corporate Centre Officer, is an Executive Management committee that has been expanded to include specialists and key positions. In particular, it monitors the implementation of the sustainability strategy and assesses current sustainability trends. The GSC is also a preparatory discussion body for proposals and decisions that need to be made at EM (or BoD) level. It also serves as an escalation and decision-making committee for the integration of sustainability issues, with the exception of risk management and individual transaction decisions.

The GSC currently comprises the Group CEO, the three Segment CEOs and all Heads of Group Functions (with the exception of the Group Chief Financial Officer and the Group Chief Technology Officer) and – as advisory specialists – the Group Chief Sustainability Officer and the Group Chief Risk Officer.

The GSC meets as often as business requires, but at least twice a year. Three meetings were held in 2023, each of which focused on reporting on the implementation of the sustainability strategy and advisory activities for the EM and the BoD.

Group Chief Sustainability Officer

The Group Chief Sustainability Officer (Group CSO) is responsible for Group-wide functional management of the prescribed governance, the sustainability strategy and the topics functionally defined for Group-wide sustainability management, including ensuring compliance at Group level. The Group CSO is supported by a team of sustainability specialists as well as specialists from other Group functions. The most important thematic responsibilities and duties of the Group CSO include the active management and coordination of the implementation of the sustainability strategy, supporting the business units in integrating sustainability management into their core business (ESG integration), measuring and assessing sustainability performance, preparing the annual sustainability report and other external reporting obligations, and regular reporting to the GSC, the EM and the BoD.

Sustainability management in the market units

The Group divisions and Executive Boards of the market units are responsible for implementing and integrating the sustainability strategy and for ensuring compliance in their areas of responsibility. The Group Sustainability Team and local specialists support them in these roles.

The Group's market units each have their own sustainability organisation. Each market unit has local sustainability officers who implement measures in the sustainability strategy, monitor how targets are reached, and support local Executive Boards in ensuring regulatory compliance in their local jurisdictions. They support local Executive Boards in general with sustainability management and coordinate local communication and reporting. The local sustainability officers report to local Executive Boards and also functionally to the Group CSO.

Measures at operational level

Under the leadership of the Group Chief Sustainability Officer, important initiatives were further advanced at the operational level in 2023. This meant further developing the action plans for implementing the sustainability strategy at a local and functional level, formally documenting sustainability governance at market unit level, training managers on relevant topics and managing Group-wide sustainability communication. The latter took place with the aim of promoting a common sustainability culture throughout the Group.

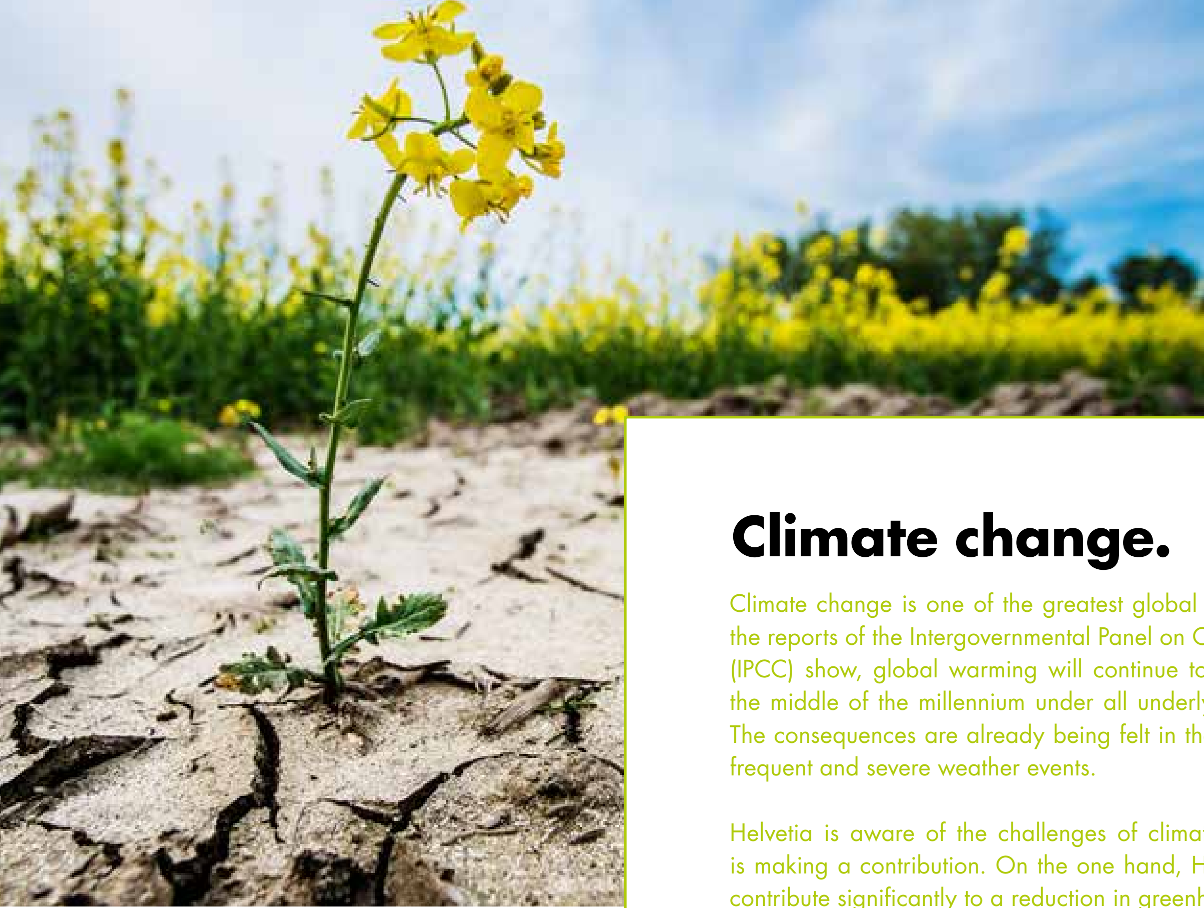
One important initiative concerns the realignment of all non-financial reporting in accordance with the new legal requirements of Switzerland and the EU. A major milestone has already been reached with the publication of this report. Further work is currently underway to fully comply with the new Swiss climate reporting legislation that comes into force from 2024 and the requirements of the EU Directive on Corporate Sustainability Reporting (CSRD). To this end, Helvetia can build on a good level of reporting and use its many years of experience with the recognised GRI Standards. At the same time, Helvetia has driven forward the analysis of the risks and opportunities associated with climate change with scenario analyses and is preparing to publish its climate reporting in accordance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD). Our efforts in the area of non-financial reporting will further increase the transparency of sustainability reporting for the benefit of our stakeholders.

Our ESG ratings and awards

Numerous awards and ESG ratings, both at Group level and in the market units, confirm the success of our sustainability efforts.

Table 4. Selected ESG ratings and awards

Helvetia Group	
CDP rating	Carbon Disclosure Project Performance Score Climate Change (2023): "B".
MSCI ESG rating	Helvetia's MSCI ESG rating of "A".
"Top employer" in Europe	Awarded the European "Top Employer" seal by the Top Employers Institute for the second time in a row.
Market units	
Switzerland	
Friendly Workspace (CH)	Successful recertification for another three years with the Friendly Workspace label.
Swiss LGBTI label (CH)	Helvetia Switzerland was awarded the Swiss LGBTI Label for the first time.
Germany	
ESG company ranking by Zielke Research Consult GmbH (DE)	Fifth place and thus "Gold" award in the ESG company ranking by Zielke Research Consult GmbH.
M&M Corporate ESG Rating	In this year's M&M ESG rating for companies, Helvetia Germany's sustainability reporting was rated "5 stars" or "excellent".
Sustainability in fund selection CleVesto Select	In its fund policy sustainability ratings 2023, Institut für Vorsorge und Finanzplanung GmbH awarded the unit-linked annuity insurance CleVesto Select the highest rating of "Excellent" in the "Active" category. September 2023.
Italy	
Sole 24 ore e statista – Sustainability Leader 2023	Recognised again as a "Sustainability Leader" in the Sole 24 Ore and Statista survey on companies' ESG practices.
Insurance Connect Awards 2023	Awarded at the Insurance Connect Awards in the categories Claims Management and Diversity & Inclusion.
Future Bancassurance Forum & Awards 2023	Awarded by the Future Bancassurance Forum & Awards in the Innovation category for the successful partnerships with Banco Desio and Banca di Asti in the field of cyber insurance and accident insurance.
Austria	
Versicherungsaward Austria 2023 in the Sustainability category	First place in the sustainability category at the Versicherungsawards Austria 2023.
Top employer	Helvetia Austria has been named "Top Employer" for the fifth time in a row. Awarded second place in the insurance industry and ranked among the best employers in Austria for five years in a row.



Climate change.

Climate change is one of the greatest global challenges. As the reports of the Intergovernmental Panel on Climate Change (IPCC) show, global warming will continue to progress until the middle of the millennium under all underlying scenarios. The consequences are already being felt in the form of more frequent and severe weather events.

Helvetia is aware of the challenges of climate change and is making a contribution. On the one hand, Helvetia aims to contribute significantly to a reduction in greenhouse gas emissions. On the other hand, we identify possible negative effects of climate change to offer our customers financial hedging when adjusting to climate change, even under altered environmental conditions.

The causes of climate change are largely due to the increase in greenhouse gas (GHG) emissions in recent decades. In particular, the frequency and intensity of extreme heat, sea heat waves, heavy precipitation, droughts, more tropical cyclones, reduced snow cover and permafrost are expected to increase. These changed framework conditions will in turn negatively affect global and local ecosystems and have social and economic consequences.

Bringing global warming to an acceptable level in terms of environmental, social and economic consequences by the end of the millennium can only be achieved by drastically reducing greenhouse gas emissions worldwide. Accordingly, as early as 2015, the Paris Climate Agreement called for measures to reduce greenhouse gas emissions, resulting in global warming of no more than 1.5 degrees compared to the pre-industrial era. In its latest report, the Intergovernmental Panel on Climate Change states that it is still technologically and economically feasible to reach the goal of the Paris Agreement. The prerequisites for this, however, are an immediate turnaround in GHG emissions.

We aim to continuously reduce GHG emissions in our own operations as well as in our investment and insurance business. Our climate strategy defines net-zero targets based on the Paris Climate Conference agreement and outlines actions to reach these goals. We differentiate between targets for our own operations and those for indirect emissions from the investment and insurance business. The latter are subject to our investments and insurance portfolio, and Helvetia influences them through indirect measures.

Helvetia reports on progress and challenges in pursuing our net-zero targets in this Sustainability Report and as part of the internationally recognised transparency initiative CDP (Carbon Disclosure Project). The basis of this approach includes conscientious greenhouse gas accounting in our own business operations and, since 2023, in the investment business. Our accounting applies internationally recognised industry standards (VfU, PCAF) and considers emissions in the various categories, ranging from Scope 1 (direct emissions from our own activities) and Scope 2 (indirect emissions from energy production) to Scope 3 (other indirect emissions in our value chain upstream from procurement and downstream from our portfolio of products and services).

Helvetia emphasises its environmental efforts in combating climate change by investing in high-quality climate protection projects. We make these investments in the amount of our remaining and unavoidable GHG emissions from our own operations. Helvetia also applies the concept of eligibility and alignment to its insurance products and investment activities and uses various measures to integrate environmental and sustainability aspects into its own practices.

At the same time, we intend to actively seize the opportunities associated with the transition to a lower-carbon society and to contribute to society and the economy.

Climate strategy

With its Sustainability Strategy 20.25, Helvetia has developed a comprehensive, Group-wide climate strategy. This forms the framework for assessing the actual and potential future effects of climate-related risks and opportunities on strategy, business and financial planning, and Helvetia then uses this framework to define its climate-related goals and measures. The climate strategy includes goals and measures for managing the financial materiality of risks and opportunities from climate change on our activities as well as goals and measures for managing the impact materiality of our actions on the climate.

We have adjusted our risk management approach to better identify and evaluate the risks and opportunities associated with climate change. Climate change issues are also part of our materiality analyses. The sub-chapter on "Climate risk management" describes in detail how we manage climate risks.

To consider both the financial and impact perspectives, we divide the climate strategy objectives and measures into the pillars (1) own business operations, (2) investment business and (3) insurance business. As contribution to mitigating climate change, Helvetia is committed to net-zero targets in all three pillars. In our own business operations, this net-zero target relates to the direct emissions generated by our business activities. In the investment and insurance business, we aim to reduce indirect emissions (financed emissions).

Fossil fuel policy

As a step towards net zero, Helvetia developed a fossil fuel policy for the investment and insurance businesses in the reporting year which defines our exit strategy from transactions involving coal and extensive exclusion criteria for transactions involving oil and gas. Decarbonising the energy sector and phasing out coal-based power generation in the near future are key to reaching the goals of the Paris Agreement. This is why our transition strategy supports the necessary transition to low-carbon energy. At the same time, we are strongly committed to energy security and provide targeted support for the energy transition with our insurance solutions from the Specialty Markets segment.

For the coal sector, the fossil fuel policy includes the exclusion of new coal energy projects, mining and expanding businesses, and a full phase-out by 2040, for both investment and (direct) insurance businesses. In the oil and gas sector, we focus on excluding and reducing unconventional oil and gas production methods. In the investment business, we also exclude companies that are expanding further in the oil and gas sector.

The current status of the fossil fuel policy for the investment business and the insurance business is described in more detail below. Helvetia aims to fully operationalise the fossil fuel policy in 2024, which will further specify the implementation measures. Outstanding issues include the targeted use of valid external data, the definition of additional thresholds, e.g. for global contract structures in the insurance business, and a detailed implementation schedule.

The current version of the fossil fuel policy is available on our website.

Own business operations – net zero by 2040

Helvetia has already significantly reduced its GHG emissions from its operations in recent years and, for example, invests continuously in energy efficiency of the buildings it uses. With its climate strategy, Helvetia intends to minimise its environmental impact and has committed to reducing GHG emissions from its operations in Scopes 1 and 2 to net zero by 2040. This means that by then all avoidable GHG emissions will be reduced and any remaining ones will be completely removed from the Earth's atmosphere by means of offsetting services. In addition, we will take measures to reduce our Scope 3 GHG emissions. To this end, Helvetia will develop an emission reduction method by the end of 2024 that includes medium-term objectives and the associated measures. The focus is on reducing emissions from operating the company's own buildings, business transactions and electricity use. Other topics relate to procurement and the reduction of paper and waste. Emissions from commuting are now also taken into account.

Details on the current status of implementation of the climate strategy and GHG accounting in the Group's own operations are described in the sub-chapter "Sustainable business operations" below.

Investment business – net zero by 2050

As an asset manager, we have significant leverage in investment and asset management and can contribute to reducing climate risks and the sustainability transformation of the economy and society. In the investment business, Helvetia is committed to aligning its portfolio with the targets of the Paris Climate Agreement and has therefore set itself a net-zero target for portfolio emissions by 2050.

The Principles for Responsible Investment (PRI) provide Helvetia with a framework for climate-related investment activities. They also form the basis for our exit strategy from the coal-related business and for applying additional exclusion criteria for oil and gas-related business. For the investment business, the fossil fuel policy prescribes the exclusion of counterparties that earn at least 20% of their revenue from coal or unconventional oil and gas extraction, or expand their operations into coal or oil and gas. A complete phase-out of coal and unconventional oil and gas is planned by 2040. Helvetia is striving to fully operationalise its fossil fuel policy in 2024 and will continue to report transparently in this regard.

An important step towards net zero is to understand the baseline situation, i.e. to calculate the carbon footprint and identify and better understand the emission hotspots in our investment portfolio. This year, Helvetia implemented the methodology for accounting for GHG indirect emissions from the investment business. Based on the data and findings on the GHG balance sheet, reduction targets and measures will be defined in 2024, and they will be implemented over the coming years.

The "Emissions from investments" section discusses the current status of the implementation of the climate strategy in the investment business and the GHG balance sheet of the investment portfolio in detail. The "Climate risk management" section describes in more detail how investment management deals with climate-related risks.

Insurance business – net zero by 2050

The climate strategy for the insurance business also aims to continuously reduce indirect emissions from our underwriting portfolio to net zero by 2050.

In a first step, the fossil fuel policy specifies our exit strategy from insurance business involving coal and the implementation of additional exclusion criteria for business involving oil and gas. A clearly defined exit strategy for coal-related business is particularly important to achieve our climate targets. For this reason, there are specific requirements and deadlines for withdrawing from such business in the primary insurance business. Helvetia already no longer insures coal mines, corresponding infrastructure projects and new projects for coal-based power generation. Since 1 September 2023, energy companies that expand the coal sector have no longer been insured. The ongoing exit from coal-related businesses will initially take place in the OECD countries up to 2035 and then globally up to 2040. Helvetia has also defined exclusions for production methods in the oil and gas sector that are particularly harmful to the environment and climate. These relate to mining activities in the Arctic and in extreme deep waters as well as oil sands production. These measures will be fully operationalised in 2024.

Other measures that describe our path to net zero in the insurance business relate to the expansion of sustainable products that support the transition to a more climate-friendly economy and society. Details can be found in the sustainability report section "Sustainable products and customer relationships" from page 36 onwards.
The next interim goal on the path to net zero emissions in the insurance business will be the development of tools for greenhouse gas accounting in the non-life insurance business. Using the same methodology that we use to determine our financed emissions in the investing business, we will build a framework over the coming years to estimate and better understand our non-life insurance-related emissions. However, the corresponding standards for the insurance industry and their application in practice are still in the process of being developed.

The handling of climate-related risks as part of the non-life insurance business is described in more detail in the "Climate risk management" section.

CDP climate rating

Since 2012, Helvetia has been disclosing its sustainability efforts in connection with climate change via the Carbon Disclosure Project transparency initiative. The Carbon Disclosure Project (CDP) is a globally recognised platform for disclosing corporate environmental effects and sustainability efforts. The platform publishes data on CO_2 emissions as well as reduction paths and measures. CDP is now considered the "Gold Standard" for assessing companies in the areas of greenhouse gas emissions and climate protection.

CDP evaluates companies on a scale from D to A. In 2023, Helvetia had a "B" rating (previous year "A-") based on the key figures from 2022. This means that Helvetia is currently on average for European companies (B rating) and financial services providers (B rating) and is still above the global average (C rating). Helvetia scored particularly well in the governance categories, in initiatives to reduce greenhouse gas emissions, and in greenhouse gas accounting (Scopes 1, 2, 3).

With the measures currently being implemented, Helvetia intends to increase its rating result again in the coming years. The results of the CDP rating are available online.

Sustainable business operations

With more than 14,000 employees, comprehensive office infrastructure, vehicle fleets and commercial and commuter traffic, Helvetia inevitably causes GHG emissions that contribute to global warming and the subsequent risks. We are aware of our responsibility and have therefore been continuously reducing our CO_2 footprint for more than 10 years through targeted measures, also by involving risks and their effects on the environment and climate in our decision-making.

Our employees' business travel, i.e. the number of business trips as a whole and the means of transport (car, train, plane) is a main driver of GHG emissions. The need for business trips arises above all from our business model, which relies heavily on personal advice and close collaboration with our business partners. Another driver is the consumption and procurement of heat and electricity for our offices, whereby heat consumption may be subject to weather-related fluctuations.

In 2023, we set a net-zero target in our climate strategy for our operations by 2040. To this end, we are currently setting medium-term goals and implementing measures for reaching them, which relate in particular to the aforementioned topics of business travel and heating. We are already reducing our GHG emissions from electricity consumption as much as possible. As a member of the Climate Group's RE-100 initiative, we use electricity only from renewable sources. When it comes to business travel, we see strong potential in the use of electric vehicles. With respect to heating, switching to lower-emission systems is a priority in our efforts.

Methods for calculation of the greenhouse gas balance sheet

GHG emissions are calculated according to the methods of the Association for Environmental Management and Sustainability in Financial Institutions (VfU). During the financial year, the calculation method was updated to the version for the refer-

Table 5

Group-wide energy consumption and energy mix

in MWh	2022	2023	Deviation in %
Total energy consumption	71 655	75 830	5.8
Total energy consumption from fossil sources	22 789	29 534	29.6
Total energy consumption from nuclear sources	0	0	-
Total energy consumption from renewable sources	45 895	46 296	0.9
Of which, fuel consumption for renewable sources including biomass	0	0	-
Of which, consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	45 704	46 113	0.9
Of which, consumption of self-generated renewable energy	191	182	–4.4

ence year 2022, which primarily influenced the emission factors. We record all emissions arising from our building use, business travel, paper and water consumption, and waste disposal. GHG emissions from home office use and, for the first time, commuter traffic are also calculated. Financed emissions (GHG Protocol Scope 3, Category 15) are not taken into account in the GHG accounting of our operations. These are reported separately in the "Emissions from investments" section below.

The conversion factors that VfU uses to calculate the greenhouse gas footprint come mainly from the EcoInvent database and use the kg CO_2 equivalents (kg CO_2e) variable. This means that in addition to carbon dioxide (CO_2), other relevant greenhouse gases such as methane or nitrous oxide are included in our greenhouse gas balance sheet. The VfU tool calculates the CO_2 equivalent emissions per full-time equivalent (CO_2e per FTE) as an efficiency parameter. When we talk about GHG emissions in the following chapter, we always refer to emissions measured in CO_2 equivalents.

Swiss Climate audited the environmental performance indicators of our operations for the financial year 2023 independently based on the AA1000 standard. The AA1000 audit standard, developed by Accountability, reflects the nature of stakeholder relationships and is based on the principles of inclusiveness, materiality, responsiveness and dialogue.

Group-wide energy consumption and energy mix

Group-wide energy consumption in 2023 was 75,830 MWh (compared with 2022: 71,655 MWh), consisting of 60% electricity consumption and 40% heat consumption. Group-wide energy consumption thus increased slightly year on year (5.8%).

To minimise the resulting GHG emissions, Helvetia attaches great importance to increasing energy efficiency and sustainable energy procurement. Helvetia obtains electricity from renewable sources wherever possible and buys guarantees of origin from hydropower in Switzerland for electricity consumption when working from home and for the remaining amount of electricity from non-renewable sources, including nuclear power and unknown sources. Since joining RE 100 in 2017 and the declaration made, Helvetia has thus ensured that it procures 100% of its electricity from renewable sources throughout the Group. Helvetia also has solar installations at its company locations and uses the electricity from these for its operations.

Helvetia is also continuously improving the energy efficiency of its electrical devices. The shift of computing power to the cloud is also helping to increase energy efficiency. Cloud services optimise the use of resources, are scalable, are usually centrally located in efficient data centres and use energy more efficiently, thanks to technology such as artificial intelligence (AI), data analytics and data processing. Helvetia is in constant contact with its cloud providers to further improve and implement measures to promote sustainability. Overall, Helvetia intends to continuously reduce the required number of certificates it purchases.

Dependency on fossil fuels for heating remains a considerable issue. Wherever possible, Helvetia uses more climate-friendly heating systems or the district heating. In many country markets, however, our buildings are still connected to the gas grid. Measures for alternative options and for reducing fossil gas consumption are being reviewed. Helvetia is also implementing targeted measures to increase building efficiency. Due to strong organic growth and the new company locations at Caser, the group-wide absolute heating demand increases by 15%.

Proportion of absolute CO_2 emissions in 2023

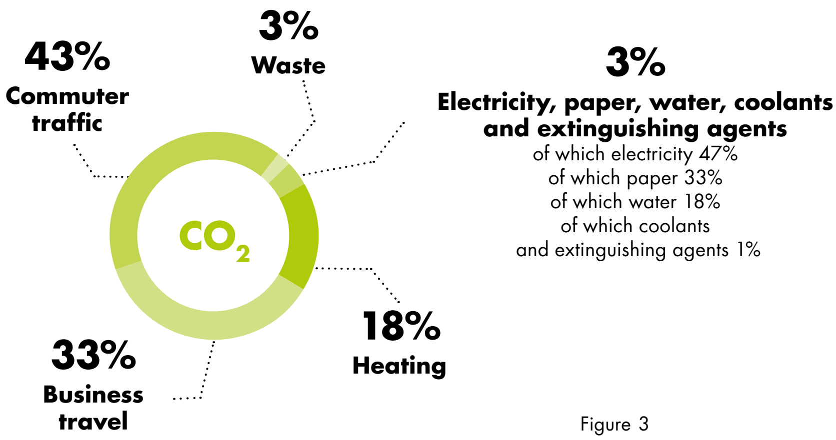


Figure 3

Development of Group-wide GHG emissions

During the financial year, Helvetia emitted 43,055 tonnes of GHG from its own operations (2022: 38,548 t CO_2e). There are many reasons for this increase: After the COVID-19 pandemic, there is a strong need for meeting in person. At the same time, Helvetia Group is growing and employs 8.5% more employees (in FTEs) than in the previous year. Caser also put additional hospitals and retirement homes into operation in the financial year. For the first time, we are disclosing the emissions from commuter traffic for the years 2022 and 2023. Last but not least, the revised emission factors also contribute to the increase in emissions from heating and business travel.

A key benchmark for monitoring emission reductions in operations is GHG emissions per full-time equivalent (FTE). Average Group-wide emissions per person (excluding commuters) in 2023 were 1,747 t CO_2e (2022: 1,715 t CO_2e). This figure shows an improvement of 46% since the measurement was introduced in 2012 and illustrates that the measures we have taken so far to reduce GHG emissions in our own business operations are effective. The Helvetia Group's country markets differ significantly in terms of employee numbers. 76% of all employees (in FTE) work either in Switzerland or at Caser in Spain. These two entities therefore account for a large proportion (74%) of Helvetia Group's absolute emissions. The emissions generated by the Group's own business

Table 6

Gross Scope 1,2,3 and total GHG emissions in own business operations for 2023

In tCO_2e	**Gruppe**	CH	DE	AT	FR	IT	ES	Caser
Scope 1	**12 684**	4 644	854	1 584	459	714	345	4 085
Scope 2 (market-based)[1]	**253**	209	1	37	0	1	5	0
Scope 2 (location-based)[2]	**9 920**	1 616	464	408	85	510	514	6 323
Scope 3	**30 117**	7 440	1 419	2 638	803	1 380	1 009	15 428
Of which, category 1[3]	**586**	137	7	154	5	92	22	169
Of which, category 3[4]	**6 956**	2 769	494	995	310	403	375	1 609
Of which, category 5[5]	**1 297**	88	27	39	16	13	11	1 102
Of which, category 6[6]	**2 795**	1 634	300	140	212	54	101	355
Of which, category 7[7]	**18 484**	2 812	591	1 309	260	819	500	12 193
Total Scope 1,2 (market-based) + 3	**43 055**	**12 293**	**2 275**	**4 258**	**1 262**	**2 095**	**1 358**	**19 513**
Total Scope 1,2 (location-based) + 3	**52 722**	**13 700**	**2 737**	**4 629**	**1 348**	**2 604**	**1 868**	**25 836**

1 The market-based method calculates Scope 2 emissions for electricity on the basis of emission factors for electricity generation that a company has consciously selected.
2 The location-based method calculates Scope 2 emissions for electricity on the basis of the average emissions intensity of the grid in which the energy consumption is taking place.
3 GHG Protocol Scope 3, Category 1: Purchased goods and services
4 GHG Protocol Scope 3, Category 3: Fuel and energy-related activities (Not included in Scope 1 or 2)
5 GHG Protocol Scope 3, Category 5: Waste generated during operation
6 GHG Protocol Scope 3, Category 6: Business travel
7 GHG Protocol Scope 3, Category 7: Employee commuting

operations primarily result from Scope 1 and Scope 3 activities under the GHG principle. Scope 1 includes direct emissions that result from owner-occupied office space, vehicle fleets or private cars that employees use for business trips. Helvetia's Scope 2 emissions result from electricity generated and purchased externally as well as from district heating. Indirect emissions and emissions that cannot be controlled directly fall under Scope 3. This includes purchased goods such as paper and water, emissions from energy for electricity and heating, waste and waste water from operations, and business trips using third-party means of transport (e.g. trains, rental cars, planes, etc.). Our gross Scope 1, 2, 3 emissions plus the total GHG emissions during the financial year for the Group and individual country markets are in table 6.

GHG emission trend by source

The main drivers of GHG emissions from Helvetia's operations are business and commuter traffic, followed by heating. To continuously reduce our emissions in our operations, we are committed to making measures relating to business travel and heating a priority. Overall, it is harder to influence the commuter behaviour of our employees. Our measures include switching gradually to electric vehicles in business travel, renovating buildings, and replacing heating systems. Using modern workplace and office concepts and increasing the number of virtual meetings make it possible to further reduce office space and commuter numbers. Commuter traffic accounted for 43% or 18,484 t CO_2e in 2023 (2022: 16,381 t CO_2e), closely followed by business travel with 33% and 14,347 t CO_2e (2022: 11,937 t CO_2e).

The volume of business travel increased compared to the previous year (2023: 59,747,521 km 2022: 52,091,769 km).

Heating causes 7,734 t CO_2e 18.0% of total GHG emissions. The reasons for the increase in emissions from commuter traffic, business traffic and heating are described in the previous section.

Electricity, paper, water, waste, coolants and extinguishing agents as emission sources contribute only small amounts to the company's greenhouse gas emissions (see figure 3). Nevertheless, we also see further potential for reducing GHG emissions here.

Because we rely solely on renewable electricity, electricity consumption causes only 1.5% of our total emissions. Absolute electricity consumption has remained almost constant (2023: 45,295,599 kWh; 2022: 44,407,952 kWh). Thanks to new hybrid working models, working from home continues to be very popular. Electricity consumption when working from home is calculated using the methods developed by VfU and included in the overall electricity consumption and environmental balance sheet. Emissions from our paper consumption, which accounts for 1% of our environmental footprint, fell by 29% per FTE. This is because less paper is used as Helvetia continues to digitalise all of its locations.

Table 7

Total GHG emissions in own business operations of Helvetia Group by emission source for 2023

	Absolute CO_2e emissions, in t CO_2e			CO_2e emissions per employee, in kg CO_2e / FTE		
	2022	2023	Change compared with previous year in %	2022	2023	Change compared with previous year in %
Electricity	547	627	15	42	45	5
Heating	6178	7734	25	478	549	15
Business travel	13392	14319	7	1036	1017	–2
Commuter traffic	16381	18484	13	1268	1313	4
Paper	569	443	–22	44	31	–29
Water	229	243	6	18	17	–2
Waste	1248	1187	–5	97	84	–13
Coolants and extinguishing agents	4	18	346	0	1	309
Total[1]	38548	43055	12	2983	3058	3
Total, without commuter traffic	22167	24571	11	1715	1745	2

[1] Corresponds to the total GHG emissions from Scope 1, 2 (market-based) and 3 of the own business operations of Helvetia Group.

Voluntary contributions to climate protection

Since 2017, Helvetia has been underlining its environmental efforts by investing in high-quality and externally certified climate protection projects and projects for renewable energies. We do so to cover the remaining and currently unavoidable emissions by purchasing the respective certificates. This confirms our commitment to climate protection and a low-carbon, net-zero economy. In line with our primary objective to reduce GHG emissions from our operations, investing in climate protection projects (including negative emissions technologies) is also part of our climate strategy.

For the 24,571 t CO_2e caused by its operations (excluding commuter traffic) in the 2023 financial year, Helvetia invested in certificates from climate protection projects in the areas of wind energy, forest protection and solar energy in Aruba, Colombia, India and Peru. Helvetia's Climate Partner ID 12937-1809-1001 makes it possible to transparently view the projects and the quantities procured.

Emissions from investments

Investments are inevitably linked to indirect GHG emissions. Our investment portfolio of over CHF 47 billion contributes significantly to Helvetia's overall greenhouse gas footprint. Helvetia Group therefore already in 2021 defined a net-zero target for asset management by 2050. Since then, asset management has been working on the strategy for reaching this target based on the Group's climate strategy. Correct measurement of emissions is essential for their targeted reduction.

Introduction of greenhouse gas accounting according to the PCAF standard

As the basis for defining and implementing the climate strategy in asset management, we built up the tools and capabilities for the greenhouse gas assessment of our investment portfolio in the reporting year and carried out the calculation for the 2022 financial year for the first time. To ensure a comprehensive view, we compile data from various sources. Our data sources are proprietary databases for real estate and mortgage investments and MSCI ESG for securities, both in combination with emission factors. Our approach is consistently based on the internationally recognised PCAF standard. The Partnership for Carbon Accounting Financials (PCAF) is a partnership led by the financial industry to facilitate transparency and accountability of financial service providers with regard to the Paris Climate Agreement. The PCAF standard provides detailed methodological guidance for measuring and disclosing GHG emissions in relation to seven asset classes: listed equities and corporate bonds, loans and unlisted equities, project financing, real estate, mortgages, auto loans and government bonds.

The use of PCAF methods not only ensures transparency in terms of methodology, but also consistency and comparability over the years. The process and the results achieved provide valuable insights for improving the collection of climate data, as well as for assessing the climate compatibility of our portfolio. The greenhouse gas accounting of our investment portfolio will be updated annually from the 2023 financial year onwards. This allows us to systematically monitor the development of our portfolio emissions and plan and implement decarbonisation measures.

GHG balance of our investment portfolio

In the 2023 financial year, our investment portfolio was associated with 8,682 kt CO_2e. CHF 39 billion, i.e. 83 % of total assets, was incorporated into the evaluation for the asset classes equities, corporate bonds, government bonds, loans, real estate and mortgages. Of which GHG emissions could be calculated for 99% of assets. The missing 1% is extrapolated linearly for a more complete image. This means that the GHG emissions are reported for 100% of the evaluated portfolio. The results can be seen in table 8.

In addition to the absolute emissions, we calculate the economic and, where appropriate, the physical greenhouse gas intensity in order to improve interpretation and comparability. Economic intensity is a figure that reflects the amount of GHG emissions that are attributed to Helvetia as an investor in the corresponding asset class for each CHF million invested. In contrast, physical intensity represents the amount of GHG emissions emitted per unit of a physical factor. This is meaningful in our case for real estate, where we use the intensity in relation to square metres of residential or usable space.

A data quality score is also measured per asset for the calculated portfolio emissions, which indicates how reliable the results are. The PCAF data quality score is based on the three data options used to calculate the portfolio emissions: 1) reported emissions, 2) emissions based on physical activities and 3) emissions based on economic activities. These three options are divided into sub-options, depending on the available data, which are reflected in the PCAF five-point scale for data quality, ranging from 1 (referring only to verified emissions) to 5 (only emission factors for the sector are known). Table 8 shows the average quality score per asset class and shows that there is significant improvement potential, particularly with mortgages and unlisted equities and loans.

Government bond emissions account for a significant portion of our portfolio emissions. Dealing with them is therefore an important part of the further implementation of our climate strategy. Only Scope 1 emissions from production are included in the total portfolio emissions. Table 8 also shows Scope 1 and 2 emissions from consumption for improved transparency. In the case of production-based emissions, experts believe that it is still unclear whether measures from land use, land use change and forestry (LULUCF) to improve the climate footprint of governments should be included in the calculation of financed emissions for government bonds. Therefore, both values are given as recommended by PCAF.

Listed equities and corporate bonds are the largest asset class, accounting for the majority of portfolio emissions at 87%, followed by government bonds at 10%. Listed equities and corporate bonds also show the greatest economic intensity at 136.7 tCO_2e per million invested in Swiss francs. These results provide valuable insights for the further design of our climate strategy.

For the coming financial year, Helvetia plans to define specific interim targets and measures to achieve them. This includes establishing a framework to monitor and analyse the performance of portfolio emissions and thus the effectiveness of the transition plan.

A first step is our fossil fuel policy, which we published in 2023. It addresses particularly emission-intensive sectors and aims to help reduce the GHG footprint. Further information on the fossil fuel policy can be found at the beginning of this chapter.

Table 8

Greenhouse gas balance sheet of the Helvetia Asset Management investment portfolio for 2023

PCAF asset class	Balance sheet value of the assets	Of which analyzed	Scope 1+2	Scope 3	Total emissions (Scope 1,2,3)	Economic emission intensity (Scope 1+2)	Physical emission intensity	PCAF Data quality score Scope 1	PCAF Data quality score Scope 2	PCAF Data quality score Scope 3
	in MCHF	%	In $ktCO_2e$	In $ktCO_2e$	In $ktCO_2e$	tCO_2e / MCHF	$kgCO_2e$ / m^2			
Listed shares and corporate bonds	21 266	99	2 907	4 689	7 596	136.7	–	2.5	2.3	2.9
Real estate	6 246	100	29	0	29	4.7	41.0	2.3	2.3	0.0
Mortgages	3 457	100	32	0	32	9.3	–	5.0	5.0	0.0
Government bonds - Production incl. LULUCF[1]			869	NA	869	–	–	1.0	–	–
Government bonds - Production excl. LULUCF			952	NA	952	–	–	1.0	–	–
Government bonds - consumption	6 697	100	657	786	1 443	–	–	1.0	4.0	4.0
Loans and unlisted shares	1 310	90	66	89	155	56.1	NA	2.9	2.9	2.9
Total portfolio	**38 976**	**99**	**3 870**	**5 564**	**8 682**	**100.2**	**NA**	**2.4**	**2.2**	**1.7**

[1] Incl. LULUCF: "Land-Use, Land-Use Change and Forestry"

Climate risk management

Dealing with weather-related damage is part of our core business. As an insurer, we therefore have a strong interest in identifying, assessing and managing risks associated with climate change. In doing so, we want to mitigate the negative consequences of climate change, which can have a direct effect on our business, and to be in a position to offer our customers suitable insurance solutions even under changing conditions and to keep our business model resilient and profitable on both the assets and liabilities side of the balance sheet. To ensure this, we strive to understand the risks and opportunities of climate change as well as possible and take them into account in our business activities.

Climate change risks include physical risks arising from an increase in weather-related damage and natural catastrophes, which may be caused by an increase in the frequency and intensity of extreme heat, ocean heat waves, heavy precipitation, droughts and tropical cyclones. In addition, there are transition risks due to the possible negative consequences of the transition to a low-carbon economy, which could lead to changes in the investment portfolio or the insurance business model. Examples include new climate regulations such as CO_2 taxes, the use of new technologies or changing consumer demand. Such transitory risks tend to become apparent over a longer period of time, for example due to changes in the market and technological advances. For example, the demand for traditional car insurance could decline as a result of an increasing demand for electric vehicles that use new innovative technologies.

Efforts to mitigate and adapt to climate change also offer companies opportunities, for example through greater resource efficiency and cost savings, the increased use of low-emission energy sources, access to new markets, etc. Helvetia would like to seize these by actively supporting its customers in their further development with suitable solutions.

Strategic approach to dealing with climate change risks

To assess the risks of climate change, but also the associated opportunities, Helvetia has been carrying out materiality analyses systematically and at regular intervals since 2013. The internal analyses of climate-related risks and opportunities are supplemented with scenarios from the Network for Greening the Financial System (NGFS) for a qualitative description and quantified with the Representative Concentration Pathways (RCP) climate scenarios.

The scenarios show the consequences of different climate change mitigation strategies on physical and transition risks. Without appropriate climate action, global warming could exceed 3°C by 2080, with irreversible consequences and significant physical risks. An orderly transition to a low-carbon economy, driven by early, effective and gradual policy action, can significantly reduce physical and transition risks. However, a disorderly transition with delayed and limited climate action increases transition risks due to the need for abrupt emission reductions. In order to understand the consequences of different scenarios, it is important to understand the interactions between political will, the speed of the transformation process and the resulting risks. A summary of the potential effects of climate change risks and opportunities on Helvetia's various business activities is provided in table 9.

Identifying and assessing climate change risks is a challenge for us for a variety of reasons. Longer time horizons, non-linear pathways and interdependencies, and a lack of consensus on effective climate policy measures are some of the factors that make assessing and monitoring climate change risks challenging. To adequately identify climate change risks and effectively integrate them into our risk management, investment decisions and underwriting, we will continue to evaluate and update our methods, models and decision-making processes in the future to further develop a forward-looking view of risk in addition to our statistical and historical perspective. In addition, the financial industry and supervisory authorities are developing new methods and approaches to better integrate climate change risks into risk management processes. Helvetia is closely following these trends and actively participating in the discourse with relevant stakeholders.

Measures for dealing with climate risks

A better understanding of physical climate change risks is an important prerequisite for offering suitable insurance services and remaining profitable in future. We are aware that as global warming progresses, weather-related events will occur more frequently, severely and persistently. This also tends to increase the frequency of claims and the potential extent of damage. Extreme weather events and trends, as we are already seeing today, are therefore already priced into our rates to ensure premiums are appropriate. Our natural catastrophe models play an important role in assessing and pricing premiums. However, the speed with which extreme weather events change and society's ability to implement mitigation and adaptation

Table 9

Potential risks and opportunities of climate change

Risk category Business activities	Transition risks	Physical risks	Opportunities
Own business operations	Unlikely	Unlikely	Cost savings through increased efficiency in electricity consumption.
Reputation and strategy	If our efforts to minimise the impact are not credible, our reputation could be damaged.	Insurance gap due to escalating costs of extreme weather events and the difficulty of balancing risk and pricing, lower or more expensive reinsurance cover.	Improving reputation and customer loyalty, partnering with governments and industry, supporting decarbonisation strategies.
Investment business	Reduce returns and losses from investing in carbon-intensive companies or sectors whose business models are negatively impacted by the transition to a low-carbon economy.	Reduction of income and losses from real estate, reduction of returns and losses from investments in companies exposed to climate-related physical risks.	Capital return and diversification opportunities (e.g. cleantech infrastructure, renewables, social infrastructure, etc.), lower cost of capital (green bonds), sustainable unit-linked (life) insurance, sustainable real estate development.
Non-life insurance	Decline in demand for traditional auto insurance products due to market disruptions and technological changes.	Potentially strategic risk in the long term but unlikely in the short term due to risk mitigation (pricing extreme weather events into premiums and acquiring reinsurance cover).	Insurance of renewable energy technologies and new vehicle systems, offering new services for adjustment to the (physical) impacts of climate change.
Life insurance	Risks associated with underlying assets (see Investment business).	Increased mortality due to heat waves and other physical climate change risks.	Sustainable investment and savings products, such as Helvetia's FairFuture Lane.

strategies may adversely affect Helvetia's ability to offer products and services to its customers at affordable prices in the long term. We therefore believe it is all the more important to develop natural catastrophe models that take the consequences of climate change into account in a proactive manner and to implement damage prevention measures.

The Responsible Investment Strategy outlines how we mitigate climate change transition risks in our investment business. An important measure is the development of a reduction path for the investment portfolio. Helvetia has committed to aligning its investments with the targets of the Paris Climate Agreement and gradually reducing its portfolio emissions to net zero by 2050. To this end, we developed the tools for GHG accounting for our investment portfolio and calculated them for the first time as of 31 December 2022. Based on the GHG figures, we will define the medium-term targets from 2024, define measures to achieve these targets and establish a monitoring and analysis framework for portfolio emissions. Existing measures are also aligned with the Responsible Investment Strategy. With our fossil fuel policy, we exclude companies from our portfolios that operate in very emission-intensive sectors and thus run counter to our objectives (negative screening). Furthermore, we integrate climate criteria into the selection and evaluation of investment opportunities, e.g. by measuring the exposure of investments and the investment portfolio to fossil fuels. We are also working on our strategy to actively influence the climate impacts of companies in which we are invested (active ownership). Finally, we intend to make more targeted investments in companies that have a positive environmental effect (impact investing).

The management of climate change risks is an integral part of the management of sustainability risks at Helvetia. In line with the governance and reporting principle of dual materiality, the perspective of both financial risks and external impacts on the climate are considered in internal decision-making processes. The process is described in the Sustainability Risk Framework and in the Principal Adverse Impacts (PAIs) published in 2023. Both reports are available on our website.

Table 10

Indicators for weather-related natural catastrophes

Helvetia Group's gross PML from weather-related natural catastrophes (1 in 200)[1]

in CHF million	Europe	America
PML from flooding	988	69
PML from summer and winter storms	421	308

Insurance payouts due to weather-related natural catastrophes assumed in active reinsurance[2]

in CHF million	
Insurance payouts from modelled natural catastrophes	24.5
Insurance payouts from non-modelled natural catastrophes	3.5
Total insurance payouts	**28.0**

[1] The PML has been calculated for the entire Helvetia Group and is reported as a gross value (before reinsurance).
[2] Insurance payouts for modelled and non-modelled natural catastrophes are reported under active reinsurance.

Risk indicators for weather-related natural catastrophes

In managing weather-related natural disaster risks, Helvetia takes into account the probable maximum loss (PML) as an indicator, which can be expected in case of an individual event taking weather-related natural catastrophes into account. PML is defined as the expected value of the largest monetary loss that could impact the entity's insurance portfolio due to weather-related natural catastrophes and is based on catastrophe modelling and exceedance probability. As climate change favours the occurrence of natural catastrophes, PML is also a measure of risk exposure to physical climate change risks. The PML from weather-related natural catastrophes was calculated using a 1-in-200 exceedance probability and is specified in table 10.

The size of our monetary losses from weather-related natural catastrophes is reflected in the total amount of monetary losses from insurance claims due to weather-related natural catastrophes. Our management of weather-related natural disaster risks takes into account the modelling of these risks. This is also confirmed by the analysis of insurance payouts in assumed reinsurance, where 87.5% of insurance payouts from weather-related natural catastrophes originate from modelled natural catastrophes (see table 10).

Disclosure according to the EU Taxonomy Regulation

Disclosure of taxonomy-eligible and taxonomy-aligned assets and economic activities in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation), Article 8

The EU Taxonomy Regulation classifies all economic activities in terms of their contribution to ecologically sustainable development. In the insurance sector, a distinction is made between investments and non-life insurance and reinsurance.

Helvetia published taxonomy-eligible assets and economic activities for the first time in 2021 under Article 8 of the Regulation (EU) 2020/852 (Taxonomy Regulation). For the 2023 reporting year, information on taxonomy alignment must also be published for our foreign market units in addition to taxonomy eligibility. In the year under review, we reviewed the taxonomy disclosure and aligned it with the new taxonomy alignment disclosure requirements. The share of taxonomy-eligible insurance products in Helvetia's non-life business is 15.2%, while 3% of our investments are taxonomy-eligible (see table 11). In the non-life sector, there are still various open questions in the insurance industry regarding the interpretation of the taxonomy and Helvetia considers the current status of the documentation of the fulfilment of the criteria to be generally inadequate. Applying the principle of prudence, there are therefore currently no parts of our non-life portfolio that we classify as taxonomy-compliant. Of our investments, 0.7% are taxonomy-aligned.

Although the implementation in the insurance sector is prescribed according to standardised criteria, there are still uncertainties regarding the specific and detailed implementation requirements. Future changes in disclosure due to changes in interpretation cannot be ruled out. However, standardised reporting is expected to become established as part of the introduction of the reporting obligation and its review.

Investment

All assets under management have been analysed in the report for taxonomy eligibility and alignment, with data availability varying significantly between asset classes. Fund-linked assets attributable to the policy of the insurance customers and owner-occupied real estate were also included in the analysis. For investment funds, aggregated data was used or, where possible, individual components were analysed and aggregated at fund level in order to achieve the greatest possible transparency.

Taxonomy eligibility and alignment information has been determined using MSCI ESG data. For unlisted investments, this data was supplemented by proprietary data for real estate as well as data requested by external asset managers. Data coverage and quality are expected to continue to improve over time, both from external data providers and from other data sources. In cases where issuers do not yet disclose relevant information and therefore cannot systematically and comprehensively reflect their economic activities in accordance with the taxonomy screening criteria, the activities are considered non-taxonomy-aligned. Information on taxonomy alignment for the first two environmental objectives defined by the taxonomy is not always available in the same form as in the overall view. Therefore, the sum of these two does not add up to the total. The breakdown by environmental target could be made sense for15 % of the assets. We do not currently have any data on the breakdown of taxonomy eligibility by environmental objectives three to six. In order to avoid uncertain interpretations and estimates, we have therefore refrained from presenting them. As financial entities are only required to publish their taxonomy alignment in this reporting year, it is not possible to disclose information on counterparties in this category.

The EU Taxonomy metrics for our investments, according to the official template, can be found in the Notes of the sustainability report starting on page 86. The most important key figures are clearly presented in table 11.

Non-life insurance

For non-life insurance, we reviewed and adjusted the entire approach to disclosure under the Taxonomy Ordinance in 2023 and standardised the interpretation of the criteria across the Group. Furthermore, we no longer used the gross premiums of the individual business lines as a basis, but instead the IFRS revenues.

The Taxonomy Regulation provides clear guidance for assessing taxonomy eligibility. Insurance products are categorised into eight business lines for the purpose of determining taxonomy eligibility under the Taxonomy Regulation. Products within this business line shall be considered eligible for taxonomy if the insurance conditions provide for the coverage of risks related to "climate hazards" as defined in Annex II to Delegated Act 2021 / 2139 on Climate Change. These include, above all, classic natural hazards and their climate-related changes or increases, such as major acute hazards such as storms, heavy precipitation or floods, but also hazards in connection with changes in soil composition that lead to increased mudslides or soil erosion, or hazards directly related to the rise in temperature, such as heat waves or increased forest and wildfires.

In non-life insurance, cover for such risks is traditionally included in many of our products. To test and determine the taxonomy eligibility, we examined whether the criterion of coverage of risks associated with "climate hazards" is met. Products and sales with collateral that did not meet the criterion were deducted. This was also done for transactions with bundled products. Either the premium for covering specific natural hazards was used for the calculation, or the share of sales was estimated from the premium calculation or the expected loss for natural hazards. The result are the taxonomy-eligible revenues per line of business.

As in the previous reporting year, we have consequently identified taxonomy-eligible products mainly in the three business lines of motor insurance, marine, aviation and transport insurance, and fire and other property insurance. Overall, the share of taxonomy-eligible insurance products in Helvetia's non-life business is 15.2% (see table 12).

The publication obligation for 2023 concerns also taxonomy alignment for the first time. This indicates whether an economic activity that is taxonomy eligible also contributes to ecological sustainability. In non-life insurance, an activity is taxonomy-aligned if it supports adaptation to climate change and, at the same time, does not compromise the achievement of any of the other six objectives (Climate Mitigation, Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Reduction, Protection and Restoration of Biodiversity and Ecosystems).

The assessment of taxonomy alignment is based on the fulfilment of so-called technical screening criteria ("TSC"). In addition, the criteria of DNSH ("Do no significant harm") and the "Minimum Safeguards" must be met. The DNSH criterion includes the requirement mentioned above that no other environmental objective may be compromised. The "Minimum Safeguards" criterion encompasses specific requirements in the areas of human rights, anti-corruption, fair competitive behaviour and the conduct of the company as a taxpayer, which must be met. As the law does not clearly regulate the interpretation of taxonomy alignment criteria, Helvetia has developed an approach for the assessment of taxonomy alignment that is based on the opinions of the German Insurance Association (dated May 2023), publicly available implementation recommendations and on the report of the Platform on Sustainable Finance (dated October 2022). Taking into account the continuing uncertainties regarding interpretation and applying the implementation framework we have developed, Helvetia has come to the conclusion that the level of documentation on the part of Helvetia in the operational processes in particular is currently not yet sufficient to withstand a strict interpretation of the criteria and that we currently

Table 11

Taxonomy eligibility and alignment of Helvetia Group's assets and country markets

in CHF million as at 31.12.2023	Group		Switzerland		Germany		Italy	
		in %		in %		in %		in %
Assets under management	**52 157**	**100**	38 940	100	3 808	100	4 439	100
Of which: Government counterparties	**12 854**	**25**	7 868	20	745	20	2 116	48
Assets included for eligibility disclosure (coverage ratio)	**39 303**	**75**	31 072	80	3 063	80	2 323	52
Of which: Derivatives	**757**	**2**	370	1	1	0	0	0
Of which: Counterparties not subject to NFRD reporting obligations	**21 615**	**55**	17 979	58	2 051	67	1 482	64
Of which: Counterparties subject to NFRD reporting obligations	**4 882**	**12**	1 686	5	787	26	767	33
Of which: other counterparties or assets	**12 062**	**31**	11 047	36	240	8	68	3
Sales-based	**–**	**0**	–	0	–	–	–	–
Taxonomy-eligible assets	**1 084**	**3**	276	**1**	285	**9**	215	**9**
Of which taxonomy-aligned	**280**	**1**	99	0	38	1	61	3
CapEx-based	**–**	**0**	–	0	–	–	–	–
Taxonomy-eligible assets	**1 413**	**4**	411	**1**	316	**10**	261	**11**
Of which taxonomy-aligned	**463**	**1**	183	1	43	1	88	4

[1] Speciality Markets Switzerland and International, including reinsurance.

Table 12

Non-life business taxonomy alignment Helvetia Group[1]

Economic activities in IFRS revenue in MCHF as at 31.12.2023	Revenue 2023	Substantial contribution to climate change adaptation Proportion of revenue 2023	Proportion of revenue 2023
	in CHF million	in %	in %
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**
A.1.1 Of which reinsured	–	–	–
A.1.2 Of which stemming from reinsurance activity	–	–	–
A.1.2.1 Of which reinsured (retrocessions)	–	–	–
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**1 033 488**	**15.2**	**15.0**
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**5 765 201**	84.8	85.0
Total (A.1 + A.2 + B.)	**6 798 649**	**100.0**	**100.0**

[1] Consolidated, based on the extrapolation of the respective shares in an aggregated view of the total consolidated IFRS sales of the non-life business. The figures at market unit level in the original currency can be found in the Notes of the sustainability report on page 82.

[2] The activity does not include insurance for the extraction, storage, transport or production of fossil fuels, nor does it include insurance for vehicles, fixed assets or other facilities serving these purposes.

[3] Helvetia requires suppliers to comply with its Code of Conduct for suppliers, based on our Group purchasing guidelines, whereby an obligation to adhere to social standards is required. Due diligence processes are in place for human rights, tax payments, anti-bribery and anti-corruption, and fair competition.

do not consider any parts of our non-life portfolio to be taxonomy-compliant. In line with hopefully clearer guidelines and standards, we will strive to optimise the documentation in the future. As mentioned above, the evolution of the interpretation of the EU Taxonomy Regulation may lead to changes in our approach in the future.

The EU Taxonomy KPIs for our non-life business per market unit according to the official template of the EU can be found in the notes of the sustainability report starting on page 82. The differences between the units are mainly due to the different product offerings.

Spain		Austria		France		Caser		SpM[1]	
	in %		in %		in %		in %		in %
991	100	2 277	100	429	100	4 845	100	2 644	100
295	30	320	14	103	24	1 108	23	108	4
696	70	1 957	86	326	76	3 737	77	2 537	96
0	0	0	0	0	0	435	12	1	0
464	67	1 192	61	203	62	2 331	62	2 196	87
163	23	465	24	99	30	775	21		
68	10	300	15	25	8	314	8		
–	–	–	–	–	–	–	–		
43	**6**	141	**7**	18	**6**	90	**2**	78	**3**
13	2	19	1	7	2	37	1		
–	–	–	–	–	–	–	–		
53	**8**	157	**8**	30	**9**	144	**4**	84	**3**
19	3	20	1	12	4	77	2		

No significant harm (DNSH)					
Climate change mitigation[2]	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystem**	**Minimum safeguards[3]**
Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No

Sustainable products and customer relationships.

Our vision is to be the best partner for financial security and raise the bar for customer convenience and customer access. In a fast-changing world, the needs and requirements of our business partners and customers are also changing rapidly.

We see it as our job to monitor developments closely and offer our customers the appropriate solutions in good time. Helvetia provides its services in the simplest way possible for customers. To this end, we are simplifying processes, reducing complexity and increasing efficiency.

As an insurance company, Helvetia is there for its customers when it matters. When it comes to claims settlement, we support you on-site as quickly and easily as possible in difficult situations, for example in the event of major weather-related claims, thereby protecting you financially. Today and in future, Helvetia contributes to the satisfaction of its customers and business partners with the right offer, fast and straightforward claims settlement, and outstanding customer convenience.

Products that address sustainability issues contribute to a better future and also represent a significant business opportunity for Helvetia. That's why we pay close attention to sustainability when developing products in our core business of insurance and systematically integrate criteria relating to sustainability factors into our underwriting.

Sustainable products

Helvetia further developed its definition of sustainable products during the financial year. The aim here is to develop a definition that covers all insurance services and can be applied even more precisely in future to promote sustainable products and measure progress made in this connection.

Helvetia defines sustainable products as those that have a positive environmental and / or social impact or that support activities in this regard (see table 13). This definition includes life and non-life insurance products, investment products, financial and non-financial services and additional product components (supplementary insurance or services). When we talk about sustainable products below, we always refer to our internal definition.

Our definition is deliberately broad, but excludes one important aspect, namely pure natural hazard cover. This is despite the fact that cover for natural hazards by insurance products is important from the point of view of adjustment to climate change and is also a prerequisite for being considered sustainable according to the EU Taxonomy.

Table 13

Sustainable products according to our own internal definition	
Products with **direct** positive ecological and / or social impact	– Life and financial products consisting of Art. 9 SFDR products – Special supplementary insurance or services for risk prevention or claims settlement with environmental or social impacts – Products or services for socially disadvantaged groups
Products with **indirect** ecological and / or social impact	– Life and financial products consisting of Art. 8 SFDR products – Products or services that support climate protection through sustainable technology, e.g. the use of electrified cars or micromobility or projects and infrastructure for the generation of renewable energy – Products that indirectly support sustainable behaviour or health and well-being (e.g. through incentives)

Sustainable insurance products thus promote ecological and social change. Helvetia wants to be part of this change and is using its innovative strength to develop forward-looking, sustainable insurance solutions.

One of the most far-reaching problems of our time is climate change. One important response to climate change is the transition to a climate-neutral economy and society. Business and society are facing these challenges: They are launching innovations and bringing new products and services on the market. In the course of this transition, certain technologies and the associated insurance products will become less important in our markets, such as fossil fuel motor vehicle insurance. At the same time, the market for insurance products that support a more sustainable economy and society is gaining in importance. The development of infrastructure for sustainable mobility and renewable energies requires insurance solutions in both the private and public sectors.

Importance of sustainable products

Helvetia endeavours to adjust its products and services to current developments on an ongoing basis. By deliberately focusing on these developments, we are actively supporting ecological and socially responsible change, seizing market opportunities in our core business, and minimising transition risks for the company at the same time. Understanding our customers' needs and behaviour with regard to sustainability and then developing sustainable products is very important for Helvetia in order to remain successful in the competitive environment.

Non-life business

Helvetia has a wide range of current examples of sustainable, non-life insurance products. During the financial year, Helvetia Germany expanded its residential building insurance cover to include renewable energies. Photovoltaic systems on façades and garage roofs are now included in this insurance policy, thus providing the owner with financial protection in case of any damage. Also new is the inclusion in residential building insurance of theft of electric car charging stations. To protect customers and their belongings from weather-related risks, Helvetia Spain voluntarily introduced a severe weather warning system in the financial year. This warns customers by text message about local weather-related hazards. In Specialty Lines Switzerland and International, we have for many years gained considerable expertise in specialty insurance for infrastructure for renewable energy production, including hydropower projects, wind farms, geothermal and photovoltaic infrastructure. Some of these solutions also include cover for environmental risks at different levels, depending on the needs of the customers.

Helvetia is attaching increasing importance to the promotion of sustainable benefits in the event of a claim. Residential building insurance from Helvetia Germany has been actively supporting bookings due to loss events in sustainable, certified hotels since 2023. In addition, Helvetia Germany assumes additional costs for sustainable restoration measures in connection with installing photovoltaic systems, solar thermal systems and greenery on roofs. Residential building insurance also covers additional costs incurred from resource-saving repairs, even in excess of the replacement value.

Helvetia Italy launched a new photovoltaic product that appeals to a broader customer group thanks to its automation. Originally intended only for the industrial sector, this insurance solution is now also offered by distribution partners for smaller companies and private customers.

Life insurance business

Sustainable solutions also play an important role for Helvetia in the life business. In unit-linked life insurance, for example, Helvetia Austria offers the sustainable FairFuture Lane investment option, which only considers investments that meet high environmental and social standards and conscientious corporate governance.
On the one hand, advice on sustainable pension solutions has to be provided very expertly. On the other hand, regulatory requirements now also have to be taken into account, which means that the aspect of sustainability has to be explicitly investigated in the needs analysis. For example, Helvetia has been implementing the revised European Insurance Distribution Directive (IDD) in the EU markets since August 2022. Intermediaries and customer advisors ask their customers how they feel about environmental and social aspects and good corporate governance criteria (ESG criteria). Based on these preferences and other needs, Helvetia then offers suitable pension products.

Growth in sustainable products

Demand for sustainable products is growing. In the reporting year, Helvetia generated sales from sustainable products of CHF 141.4 million (compared with 2022: CHF 103.9 million). Thanks to the satisfying growth, the share of sustainable products in the total business volume increased and now amounts to 1.25% (cf. 2022: 0.94%).

As shown in table 14, growth was recorded in the majority of market units. In 2023, Italy posts the strongest growth, as they introduced sustainable life and financial products consisting of Art. 8 products under the SFDR. The highest revenue of sustainable products reported Helvetia Austria. In particularly sustainable life and financial products consisting of Art. 8 products under the SFDR, including FairFuture Lane, had strong revenue growth. With more than 200 individual funds, Helvetia Austria has the largest selection of funds in the Austrian insurance industry. The conversion of the funds of many fund providers to Art. 8 or 9 also contributes to their increase in revenue. Helvetia Spain and Caser also offer sustainable, pension products that make it possible to invest in sustainable funds.

Table 14

Sales of sustainable products according to internal definition

Written premiums in MCHF		Group	CH	DE	IT	ESP	AT	FR	Caser
	Life and financial products consisting of consisting of Art. 9 products according to SFDR	6.1	0.0	0.0	0.0	0.0	6.1	0.0	0.0
Products with direct positive ecological and / or social impact	Special supplementary insurance or risk prevention services, claims settlement with ecological or social effects	1.2	0.0	0.0	1.2	0.0	0.0	0.0	0.0
Products with indirect ecological and / or social impact	Life and financial products consisting of Art. 8 products according to SFDR	93.5	0.0	0.0	20.6	9.6	48.2	0.0	15.2
	products or services, that support climate protection through sustainable technology	40.7	15.0	7.0	7.7	3.2	5.7	2.0	0.0
Total premiums, 2023		**141.4**	**15.0**	**7.0**	**29.5**	**12.8**	**59.9**	**2.0**	**15.2**
Total premiums, 2022[1]		**103.9**	**10.5**	**5.4**	**6.4**	**9.9**	**53.0**	**-**	**18.6**
Development, in %		36	42	29	358	30	13	-	–18

[1] The total premiums of sustainable products for 2022 were recalculated retrospectively and in accordance with the new definition

Consideration of ESG criteria in underwriting

The consideration of sustainability criteria (ESG criteria) has always been part of our Group-wide underwriting policy, traditionally in particular to better assess indirect technical insurance risks or reputation risks. This is because auditing from an ESG perspective broadens our understanding of risks and makes it possible to identify and reduce them. At the same time, potential negative environmental or social impacts as well as potential compliance risks are identified, which is necessary to meet our standards of responsible business conduct.

ESG criteria are particularly important in the Speciality Markets segment in the Speciality Lines segment, where projects and infrastructure in the energy sector are co-insured worldwide, for example. Here, for example, a "Restricted Country List" is used for the purpose of implementing international sanctions. There are also anti-corruption audits. Due diligence checks are carried out in each case during the underwriting process also when risks in key issues, such as the environment or human rights, are suspected so as to exclude them as far as possible or to include them into the underwriting decision. Our internal Group-wide Underwriting Policy for Engineering & Property Solutions states that if an insurance transaction has a significant adverse effect on sustainability factors, we will prefer not to do so. In 2023, an analysis of the insurance portfolio of Engineering & Property Solutions was carried out for the first time on the basis of data from an ESG rating provider, which confirmed our underwriting policy in a positive sense.

As part of our efforts to contribute to a more sustainable development of the economy and society, we are working on integrating ESG criteria based on the material sustainability factors into the underwriting process in an even more systematic and targeted manner going forward. In terms of the environment, our ambition to continuously reduce the CO_2 footprint of our insurance portfolio plays an important role. The issue of preserving biodiversity is also important to us. In future we would like to use more environmental data and data on the ethical standards of companies for which we review insurance cover, review it systematically and incorporate it, where possible automatically, into our underwriting decision processes. This will bring us closer to our goal of responsibly considering sustainability factors in underwriting while ensuring the necessary efficiency at the operational level.

We believe our approach of systematically integrating sustainability factors can play an active role in transitioning to more sustainable development, but we are also keen to actively seize business opportunities even in a global environment that is complex from a sustainability perspective.

Sustainable customer relationships

As a European insurance group, we look after customers and business partners from different cultures and with a wide range of requirements. Understanding our customers' needs and offering suitable solutions is a strategic success factor. We demonstrate our customer focus with our broad range of contact options for advice and sales, professional claims management, support for essential business processes through digital solutions, careful handling of customer data, respect for self-determination and feedback loops. We try to avoid negative effects, for example from new technologies, through prudent application and strict compliance with legal standards. We also aim to strengthen the trust of our customers and business partners in Helvetia. It is therefore of great importance that we provide and communicate information correctly and label our products and services correctly. As in previous years, there were no breaches of regulations or voluntary agreements in product information.

Customer convenience

Customer convenience is one of the four strategic priorities of the *helvetia 20.25* strategy. In line with our motto "We embrace customer convenience," we are present wherever insurance and pension needs arise and provide our services in the simplest way possible for customers. To this end, we simplify processes, reduce complexity and increase efficiency. This contributes to a high level of customer satisfaction and loyalty as well as to successful implementation of the brand promise "simple. clear. helvetia".

New solutions for a straightforward customer journey

Our decentralised customer service structure allows us to invest in the customer journey and develop new solutions on an ongoing basis and in a targeted manner. In this way, we want to respond even better to customer needs and expectations. At the same time, we want to use innovative product development to meet our customers' increased need for products that have a positive effect on society, the economy and the environment, and which cover known and new risks. Especially when it comes to product innovation, we are in close dialogue with our customers and business partners.

Helvetia also simplified its interactions with customers or launched new innovative solutions with numerous innovations in the reporting year. Our highlights are described in table 15.

Table 15

Highlights of new features in customer interaction

Switzerland	"vlot" – In just five to ten minutes, the online pension analysis "vlot" reveals potential income gaps in the event of death and disability, as well as savings gaps in retirement. A quick digital initial assessment of someone's pension situation can now be made directly via the QR code on the pension certificate.
	"ClaraGPT" – In 2017, Helvetia became the first Swiss insurer to use GPT technology as a digital assistant as an experiment. ClaraGPT has now become a standard service: The new AI-based chat version allows customers to address their questions and concerns to Clara in German, French, Italian, English and other languages. Helvetia Switzerland was honoured with the Swiss Insurance Innovation Awards 2023 for its efforts.
	Free data protection check for SMEs – Since the revised Swiss Data Protection Act came into force, SMEs must observe data protection rules. Together with the legal service provider YLEX, Helvetia is offering its corporate customers a free and comprehensive data protection check, including a website scan and recommendations for measures to take so that our customers meet the requirements of the new Data Protection Act.
	Freemium model – Smile continues to set new standards in customer convenience in Switzerland with its unique Freemium model featuring an end-to-end digital customer journey. Smile prevailed against more than 200 attendees at the InsurTech Insights conference in London and was one of the winners of the Ambitious Insurer Award 2023 with its freemium business model.
ESP	**"Digital onboarding"** – Helvetia Seguros introduced a "digital onboarding" system with which customers can easily access the customer portal using an identification card and a selfie.
	Severe Weather Warning System – To protect customers and their belongings from weather-related hazards, Helvetia Spain introduced a voluntary severe weather warning system in the financial year.
FR	**"HelvetiaNet" & "DocuSign"** – Another country market implements HelvetiaNet, a portal for reporting claims quickly and easily for its customers. Insurance policies can now also be created via HelvetiaNet and signed electronically with DocuSign.
	"SOLUNAUTE" satellite Beacon – In 2018, Helvetia France launched the "Emaps Plaisance" platform to track boats in the West Indian Ocean, especially during the hurricane season. To this end, more than 340 boats have been equipped with a satellite location beacon (GPS tracker). Five years after their introduction, the tracking devices are now obsolete. To best support our customers in these high-risk areas, the devices are being replaced by the SOLUNAUTE beacon, a state-of-the-art technology that improves the quality of the ship's position and is easier for customers to use.
IT	**Helvetia4U** – New app with a focus on sustainability and a simplified display process for niche products. The app also offers customers the opportunity to assess their needs in terms of retirement provisioning and term life insurance.

Further broadening of customer access

Helvetia continuously improves customer access and interaction with its customers. In this context, we are very broadly positioned and have different customer approaches and ways in which customers can contact us and obtain our services in the country markets. With the *helvetia 20.25* strategy, we are developing new business models in each country, including by aligning our services with customer needs within ecosystems and integrating them in an easily accessible manner.

Online sales are one of the most important and easiest ways to access Helvetia's services. Helvetia owns Smile, the market leader in this segment in Switzerland. Helvetia is also establishing the Smile business model in its foreign markets. It all started in Austria in 2022. One year after entering the Austrian market, Smile is now entering the Spanish market with its first product, smile.mobility. Smile's e-scooter liability insurance in Spain offers a 100% digital, simple and fast customer experience. For 2024, Smile is planning to expand the product range together with Caser and Helvetia Seguros.

Feedback culture

Customer satisfaction

Customer satisfaction is a strategic success factor for Helvetia and expresses the relationship between customers' expectations and their need satisfaction. A high level of customer satisfaction is the best basis for successful and long-term customer loyalty, which in turn guarantees stability and continuous business success.

Feedback culture

Helvetia maintains an active feedback culture with its customers. By proactively collecting and responding to feedback from our customers, we are able to measure and improve our services and ensure they meet their needs. The exact procedure for proactively surveying our customers and the measured indicators are explained in the "Measuring customer satisfaction" section.

Helvetia attaches great importance to careful feedback management that includes both praise and complaints. When it comes to complaints, our main focus is on resolving the content of a customer issue correctly. We review all customer concerns that are submitted to us and strive for customer-oriented solutions and fast response times when dealing with enquiries and problems. Transparency plays a key role in our approach: In case of non-fulfilment of self-imposed or communicated objectives, we will report internally and apologise for failing to live up to a promise. These and other principles are set out in our internal Code of Conduct and feedback management concepts.

To collect customer feedback, there are feedback forms in the market units which customers can use to contact us directly and provide praise, criticism and suggestions on topics such as claims, policies, data protection, campaigns or public appearance.

Handling customer complaints

Helvetia sets the highest standards when it comes to service quality. This means that we want to improve our performance continually. On the one hand, it ensures fair treatment, satisfies our customers whenever possible, even in case of a complaint, and allows for regular and general improvements. We take customer complaints very seriously and examine them carefully in each individual case. Each market unit has processes and persons responsible for dealing with complaints in a professional manner.

This includes active feedback on the complaints process in order to improve it on an ongoing basis. Since 2018, there has also been an arbitration board in the Swiss country market, which is consulted to resolve conflicts with customers, claimants, tenants and other external stakeholders. It serves to ensure impartial understanding and thus enables amicable solutions to be reached in many cases. The decision-making power always remains with the parties involved in the conflict. Through this active conflict management, Helvetia avoids costly and often unsatisfactory legal proceedings, protects the reputation of the company and the employees involved, and fosters customer trust. In addition, the company gains valuable insights into the improvement of processes and products and customer communication from such cases. The Arbitration Board also submits an annual report to the CEO Switzerland and the Group CEO, who examine the causes and grounds for the complaints in detail. Financial compensation to settle complaints or guarantees of non-recurrence is neither used nor planned at Helvetia.

Measuring customer satisfaction

In order to further deepen our understanding of our customers' expectations, we conduct systematic and continuous customer satisfaction surveys. For several years now, the main indicator of customer satisfaction has been the Net Promoter Score (NPS), which we use to measure the willingness to recommend and thus the satisfaction and loyalty of customers at various points in time. This can be done either directly after a customer experience (transactional NPS or tNPS) or independently of a specific moment in the customer journey (relational NPS). A positive trend in tNPS means that the organisation is continually leveraging customer feedback to improve its performance and delight its customers.
The tNPS surveys in the country markets are geared to local conditions. The values are therefore not necessarily comparable. The tNPS values measured in the market units are at a satisfying and, in some cases, very high level. The very good satisfaction scores are the result of an outstanding and highly competitive service quality, which we see as a key success factor and will continue to adjust to the changing needs of our customers and

partners. The aim is to build on the positive trend of our NPS values at all touchpoints and in all country markets and maintain the good values that already exist.

In addition to NPS, we measure various other KPIs in the context of customer satisfaction. The Customer Satisfaction Score (CSAT) measures overall satisfaction with an experience and provides business areas with valuable input to improve service quality. The Customer Effort Score (CES) shows whether customers found it easy to process their concerns. This metric is an important indicator of whether we are delivering on our brand promise. Simplicity is one of the most important differentiating features, particularly when it comes to claims settlement.

Promoting customer satisfaction

Increasing customer satisfaction is pursued strategically across the Group. The market units are responsible for taking specific measures.

In 2023, Helvetia Switzerland successfully launched a new, modern, scalable Customer Experience Management Tool (CXM Tool). The new CXM tool allows us to collect customer feedback even more systematically and automatically and to make it available to the touchpoints in real time. This enables them to be used for operational purposes. The Swiss country market has also been breaking new ground since this financial year with targeted callbacks to dissatisfied customers. The primary objectives of these are to convey special appreciation, to put oneself in the customer's shoes and to clarify questions and misunderstandings. They help to increase customer satisfaction and loyalty, prevent cancellations and exploit opportunities for cross-selling and up-selling.

Helvetia Seguros established a new department to further improve customer service and availability in specific regions. Simplifying pricing for vehicle solutions and improving the e-signature platform also aim to drive customer satisfaction.

Due to the widespread use of vehicle liability insurance among its customers, Helvetia Italy annually conducts a special customer satisfaction study in which customers of other insurance companies also participate in order to monitor and evaluate service standards, compare services and implement improvement plans. In recent years, the Italian customer satisfaction index has reached high average values, which is also due to the high quality of the services offered by the network of intermediaries.

Transparent communication and advice

Helvetia relies on transparency and honesty in its advice and communication with its customers. It is essential that the information provided is not only accessible and understandable, but also accurate. Helvetia thus offers customers a clear and reliable basis for making decisions on insurance and pension products.

Helvetia uses a variety of communication channels for this, which sometimes differ slightly between the country markets: They range from a personal consultation, in which our advisors provide detailed information about products and services, to a website or customer portal, where comprehensive and easy-to-understand information is available. Precise and clear contract-relevant documents, which together contain all the key information on the benefits of the insurance and pension products, are just as important. These include, for example, policies with individual service descriptions, general, supplementary, and special insurance conditions, individually created investor profiles, and investor information.

In addition, Helvetia strictly monitors compliance with regulatory and legal requirements concerning products and customer communication. In the life business, these requirements are generally stricter than in the non-life business. Depending on the country market, life insurance products and occupational pension plans, for example, must be reviewed by the relevant supervisory authorities and approved for sale. The provision of pre-contractual information is also more demanding in the life business. In life and non-life business, Helvetia ensures that all relevant information – in accordance with the legal requirements in the country markets – is communicated to customers adequately and in good time.

The frequency and intensity of communication therefore varies depending on the country-specific conditions and the business. In addition to complying with the statutory and regulatory requirements, Helvetia follows the principle of providing customers with comprehensive information only as often as necessary. Finding this balance is essential to ensure that important information is not lost in an overabundance of communication, but is conveyed concisely and effectively.

With the best-possible advice, Helvetia intends to offer its customers tailored solutions and build their trust. In addition to on-site advice, Helvetia also relies on innovative digital tools such as electronic signatures, a digital document platform for your policies, online claims reporting and the fund savings plan calculator. Since August 2022, Helvetia has been implementing the revised European Insurance Distribution Directive (IDD) in the EU markets. Since then, brokers and sales staff offering insurance investment products have been asking their customers about the personal significance of environmental and social aspects and about good corporate governance criteria (ESG criteria). We then select the appropriate pension products according to your preferences.

EU Disclosure Regulation

The principles regarding this disclosure requirement are set out in Delegated Regulation 2021 / 1257 / EU (amending Delegated Regulations (EU) 2017 / 2358 and 2017 / 2359) on the Insurance Distribution Directive (IDD). It describes the organisational requirements and specifies the regulations for the sale of sustainable financial and insurance products, such as the aforementioned collection and consideration of sustainability preferences.

The market units implement the legal requirements, combined with our efforts to achieve a high level of customer convenience: Helvetia Austria, for example, modernised the selection of individual funds on its website and added information on sustainability. This includes the documents required by law as well as sustainability information about the funds, making it easier for advisors and customers to query their sustainability preferences. The sales prospectuses of the individual funds also contain a more detailed explanation of the sustainability factors. Descriptions of the sustainability risks in the cover fund and the products are also available online. In the pre-contractual information, customers receive an information sheet on the sustainability risks of the selected product.

In the financial year, Helvetia Italy initiated the process of integration of ESG factors into its investment processes and the redesign of the product lines in accordance with Art. 8. The relevant pre-contractual declarations, the disclosure of the relevant technical product requirements and the description on sustainability risks and the primary adverse impacts of investment decisions on sustainability factors are available online. Since this financial year, customers have been receiving regular information that allows them to track the extent to which the environmental and social characteristics promoted by the product lines offered have been achieved.

Avoiding greenwashing

In Switzerland, we analyse and follow the current legal developments relating to the prevention of greenwashing in the area of financial and life insurance products labelled as "sustainable" and the Federal Council's agenda in this regard. We are aware of the importance of this issue for the protection of our customers and, in the year under review, played an active role in the insurance association in drawing up appropriate self-regulation for the insurance industry.

Responsible investment.

Our financial and real estate investments worth CHF 47 billion[1] are a powerful lever for achieving Helvetia's sustainability goals. Responsible investing is therefore one of the four main pillars of our Group-wide sustainability strategy, which is described in more detail in the chapter on the sustainability approach starting on page 6.

We strive to promote a sustainable and climate-friendly economy through our investment activities. For Helvetia, generating market-compliant returns goes hand in hand with the long-term focus of its investment management.

Our Responsible Investment (RI) strategy from 2021 sets out the bases of our approach so that sustainability is thoroughly anchored in our investment management. With the Responsible Investment Directive, a document was published in the reporting year that provides a binding description of our conscientious investment practice and on which further specifications for the implementation of the RI strategy will be based.

Our Responsible Investment approach

Taking into account the constantly evolving state of the art and the resulting development of best practices in sustainability in investment management, we are also continuously developing our Responsible Investment (RI) approach. Our aim is to systematically identify and manage sustainability risks and opportunities. This includes not only identifying relevant ESG factors and managing the resulting financial risks and opportunities in the investment portfolio but also avoiding risks from companies that do not comply with international standards or whose behaviour is not compatible with Helvetia's values. We are also committed to aligning our investments with the Paris Climate Agreement targets and to progressively reduce portfolio emissions to net zero by 2050. This enables us to manage our investments effectively for the future while making a positive contribution to the sustainable development of the economy and the financial system.

Our RI approach has four pillars: Negative screening, ESG integration, active ownership and impact investing. Clearly defined exclusion guidelines are in place for sensitive business areas, such as controversial weapons, and for cases involving suspected or confirmed violations of internationally accepted standards, such as those described by the OECD Guidelines for Multinational Enterprises. Implementing the RI strategy also allows us to develop step by step the required models and systems for ESG integration. Climate-relevant factors are an important focus here. As an active investor, we exercise our shareholder voting rights

[1] All figures given in the "Responsible investment" section, including Caser.

in line with our values. In addition, we continuously develop our active ownership approach for exercising our voting rights (proxy voting) and engaging with the companies in which we have invested. Within the scope of impact investing, we analyse the effect our portfolio has on the real world and assess investment opportunities that deliver not only financial returns but also measurable positive environmental and social impacts.

Helvetia owns and manages a significant real estate portfolio in Switzerland and Europe, with a strong focus on residential property. Investments in energy-related renovations, the promotion of renewable energies coupled with fossil fuel reductions and measures for raising tenant satisfaction all aim to lower the ecological footprint of buildings, minimise potential climate change risks and contribute positively to society. In this way, Helvetia also ensures that properties retain their value in the long term.

Responsible Investment governance

A solid governance structure is essential for implementing the RI strategy. The main responsibility lies with the Group Chief Investment Officer (CIO), the Responsible Investment Committee (RIC) and the Lead Sustainable Investment Officer (LSIO).

The RIC chair is the CIO, who is also responsible for implementing the sustainability strategy within Helvetia Asset Management. As an internal body of Helvetia Asset Management, the RIC has members of Helvetia Asset Management and the Chief Sustainability Officer (CSO). The RIC develops and monitors the implementation of the RI strategy and reports to Executive Management. It analyses and discusses the results of the sustainability measures and processes used. The RIC also serves as an escalation committee to assess investment decisions on sustainability issues.

The LSIO refines the RI measures and develops the overarching RI strategy in collaboration with the sustainability specialists. The LSIO is responsible for developing policies and procedures to effectively implement the RI strategy.

The management team of the respective market unit, with the support of the CSO, LSIO and the sustainability specialists, coordinates Helvetia's market units on sustainability issues, such as implementing the sustainability strategy, complying with local regulations and providing adequate resources.

The LSIO, our sustainability specialists and other employees are involved in industry events and associations, such as Swiss Sustainable Finance (SSF), Asset Management Association Switzerland (AMAS) and the Swiss Insurance Association (SIA). This enables us to contribute to the long-term development of the Swiss financial market.

Sustainability in the investment portfolio

As our RI approach becomes more systematised, measuring and monitoring clearly defined key indicators gains in importance. These are summarised in table 16 below. As our practice evolves, these key indicators s will expand and change so as to become the most effective tool for managing the sustainability of our investment portfolio.

Principles for Responsible Investment (PRI)

Helvetia Group signed the United Nations Principles for Responsible Investment (PRI) at the beginning of 2020. The six principles, as well as other PRI publications, serve as guidelines for our sustainable investing practices. The PRI report was officially completed and submitted for the first time for the reporting year. Key components are, above all, the description of our sustainability strategy and organisation, as well as the associated governance. The questions in the report and the assessment results serve as valuable input for developing not only our RI processes and practices but also our transparency for external stakeholders.

ESG ratings

As in 2022, our investment portfolio had an average MSCI ESG letter rating of "A" across all country markets at the end of December 2023, with an average ESG score of 6.90. Financial assets amounting to CHF 36.68 billion were valuated, of which 15.75% did not have an ESG rating. The share of investments with a very high ESG risk (letter rating CCC) is 0.02%. Helvetia regularly monitors the distribution of ESG ratings across the securities portfolio to identify changes in the ESG risk structure at an early stage.

As a company, Helvetia also has an MSCI ESG rating, which gives a score for responsible investment that is part of the overall rating. The demands placed on our sustainability practices are at least as high as those on our counterparties in the portfolio. With an MSCI RI Key Issue Score of 6.1 we are well above the average of 5.3 for multi-line insurance. We aim to further improve this value as the RI strategy continues to be implemented.

Climate-relevant key figures

Climate-relevant key figures are regularly measured and analysed for the investment portfolio. As part of the development of the climate strategy, these analyses and the identification and management of the key figures are being expanded and refined.

A particularly important step for our climate strategy was taken in the reporting year with the introduction of greenhouse gas accounting for financed emissions in accordance with the internationally recognised PCAF standard. Absolute greenhouse gas emissions from the investment business amount to 8,682 ktCO_2e and correspond to the total of the portfolio emissions explained in detail in the "Climate change" section from page 21 in the sustainability report.

Weighted average carbon intensity (WACI) reflects the weighted value of portfolio emissions, expressed in CO_2e tonnes per million USD $_{in}$ sales. This makes it possible to compare CO_2 emissions of different portfolio companies to a certain extent. The WACI for Scope 1+2 emissions in 2023 was 69.77 tCO_2e / $m in sales. A similar concept for government bonds is country greenhouse gas intensity, which measures greenhouse gases per USD million of gross domestic product. This amounts to 185.80 tCO_2e / $M GDP.

For key figures in fossil fuels, we analyse the proportion of companies in the overall portfolio that

1. extract, sell or generate energy from coal;
2. generate sales with unconventional forms of oil and gas according to the Febelfin definition;
3. may be associated with other fossil fuels they hold as reserves or use for generating energy, for example.

No sales threshold or similar value applies to all three points, and any identified involvement is taken into account. Of the total portfolio, this represents 1.18 % for coal, 1.18 % for unconventional oil and gas, and 2.23 % for other fossil fuels. In addition to greenhouse gas emissions and the involvement of counterparties in the fossil fuel business, factors such as the assessment of transition risks or the evaluation of our counterparties' climate targets also play an important role in the future.

EU regulation and PAI statement

The EU action plan on sustainable finance is a key framework for our RI activities and approaches, especially for our disclosures. Since 2023, the European Union SFDR Regulation has required financial market participants and financial advisors to publish a Principal Adverse Impact (PAI) statement of investment decisions on sustainability factors on their website. PAI refers to negative impacts on sustainability at the company and the product level. In accordance with the SFDR requirement, Helvetia published the first Principal Adverse Impact Statement on its website on 30 June 2023 by using the official regulatory template (EU) 2019 / 2088 Annex I. The published key figures are for the 2022 financial year.

For companies in which Helvetia invests, the PAI figures cover, among other things, absolute greenhouse gas emissions, GHG emission intensities, and the intensity of energy consumption by climate-intensive sectors of companies. Indicators on biodiversity and social issues, such as the proportion of companies lacking processes and compliance mechanisms for monitoring, or specific violations of UNGC principles and the OECD guidelines, are also covered.

Following the publication of the first PAI statement in 2023, this report incorporates the first EU Taxonomy alignment values. The process for measuring, monitoring and controlling taxonomy alignment, as well as the most important negative impacts of our investments on the environment and society, will be further developed and systematised based on current EU regulations in this area. Detailed content on the implementation of the taxonomy order in investment management can be found in section "Climate change".

Table 16

Key sustainability figures for our investment portfolio

	2023
Climate – Emissions[1]	
Absolute THG emissions Scope 1+2, in kt CO_2e	3 870.14
Absolute THG emissions Scope 3, in t CO_2e	5 563.50
WACI[2] Scope 1+2, in tCO_2e / $M turnover	69.77
WACI Scope 3, in tCO_2e / $M turnover	1 177.78
THG emissions intensity government bonds[3], in tCO_2e / $M GDP	185.80
Climate – Fossil Fuels[4]	
Share of companies involved in coal, in %	1.18 %
Share of companies involved in unconventional oil and gas, in %	1.18 %
Share of companies involved in other fossil fuels, in %	2.23 %
Screening	
Percentage of companies that violate the UN Global Compact	0.07 %
Share of companies associated with weapons	
Controversial weapons[5]	0.01 %
MSCI ESG ratings	
Average portfolio MSCI ESG rating	A
Ratio AAA rating	8.04 %
Ratio AA rating	28.54 %
Ratio A rating	34.79 %
Ratio BBB rating	11.43 %
Ratio BB rating	1.09 %
Ratio B rating	0.35 %
Ratio CCC rating	0.02 %
Ratio kein rating	15.75 %
Portfolio ESG score	6.90
Helvetia MSCI ESG rating	
MSCI ESG Responsible Investment Key Issue Score	6.1

1 The absolute greenhouse gas emissions correspond to the sum of the portfolio emissions shown in more detail in the “Climate change” chapter.

2 Weighted Average Carbon Intensity: the market value-weighted CO_2 intensity of the portfolio companies, expressed in tonnes CO_2e / $M turnover.

3 Market value-weighted carbon intensity of the portfolio companies, expressed in tonnes CO_2e / $M gross domestic product.

4 Companies associated with the extraction, sale or production of energy from coal, which generate revenue from unconventional forms of oil and gas as defined by Febelfin, or which are associated with the ownership of reserves or the production of energy from other fossil fuels, for example.

5 Counterparties involved in anti-personnel mines, cluster munitions, chemical weapons, and biological weapons are excluded from the investable universe for direct investments.

Sustainable real estate management

At about CHF 8 billion, the real estate portfolio of Helvetia Group comprises 17% of our investment portfolio (see Financial report, chapter ´Business performance´ on page 11). In proportion, most of Helvetia's real estate portfolio is in Switzerland. For this reason, the real estate strategy has a strong focus on Switzerland, and Group-wide measures are mostly initiated from here. The aim is to apply the same principles to as many of Helvetia Group's properties as possible.

In 2021, we defined a comprehensive sustainability strategy for our real estate portfolio in Switzerland, including a CO_2 reduction path and measures. We are currently implementing this strategy. Thanks to the very good consumption data basis, we are currently able to focus on monitoring and reporting CO_2 emissions, process integration and numerous construction initiatives.

Sustainable investments in our properties

During the period under review, various construction projects were realised in accordance with the measures planned in Switzerland and other countries. 19 (Switzerland: 8, Germany: 1) solar installations with a nominal output of 420 kWp (Switzerland: 406 kWp; Germany: 14 kWp) were commissioned. As a result, the buildings in our Group-wide real estate portfolio are currently equipped with solar installations with a nominal output of 1,711 kWp (Switzerland: 1,697 kWp; EU: 14 kWp) and produced a total of 1,074 MWh of solar power.

Eight more solar installations (447 kWp) are under construction in Switzerland. A new solar installation will also be commissioned in Austria in 2024.

To meet future demand for electric charging stations, 227 electric parking spaces were also installed at eight properties in Switzerland. Heat pumps were monitored for efficiency and the portfolio is being further advanced. Current solar thermal systems are already being monitored in their entirety.

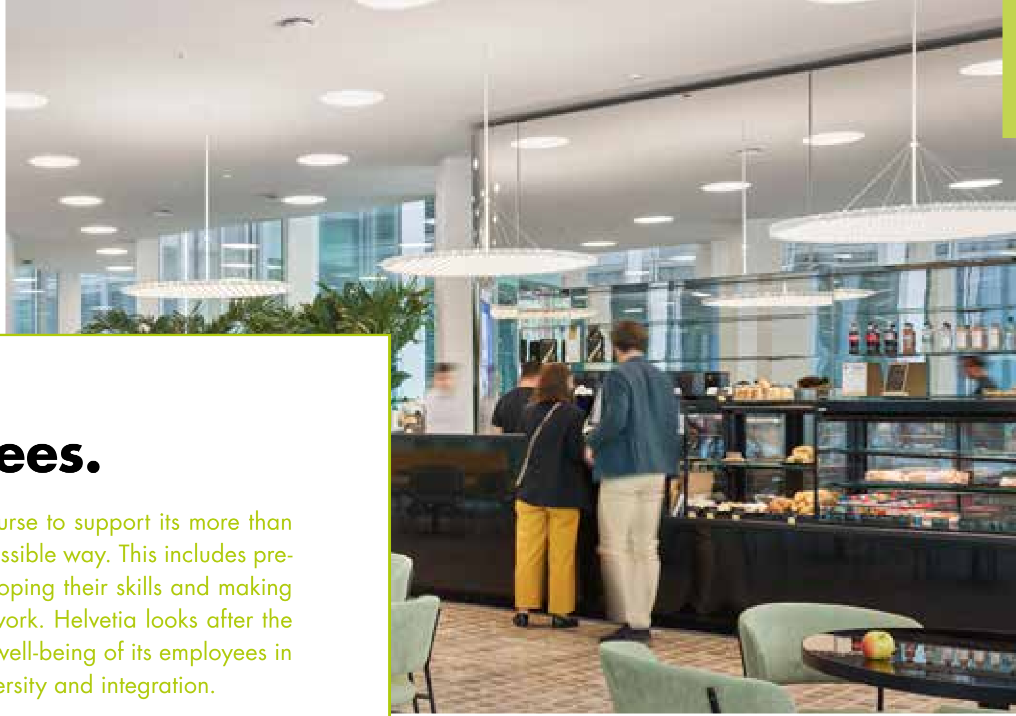
Preparations are under way for participation in the REIDA CO_2 benchmark for the properties in the Swiss insurance portfolio in the coming financial year. The Real Estate Investment Data Association (REIDA), is a non-profit organisation that aims to improve the underlying data of the Swiss investment property market. In 2022, REIDA issued the first standardised real estate benchmark on CO_2 emissions. Further information on the methodology and system boundaries can be found on the REIDA website. Another measure is to survey tenant satisfaction with commercial space. The tenant survey of our residential space has been carried out regularly for years.

Sustainability assessments of our real estate portfolios

Sustainability assessments of real estate portfolios analyse and evaluate the environmental, social and economic impact of real estate investments and provide investors with independent and transparent results on the ESG performance of companies and real estate vehicles. In the financial year, the two real estate investment groups of Helvetia Investment Foundation (Swiss real estate and French-speaking real estate) and *Helvetia (CH) Swiss Property Fund* of Helvetia Asset Management AG were valued for the first time by GRESB. The three investment vehicles, with a total volume of around CHF 3 billion, achieved satisfying GRESB scores (between 76 and 80 out of 100 points) and three out of a total of five stars in a relative benchmark comparison. This means that all three investment vehicles meet the criteria for the additionally awarded Green Star certification. Further information on the GRESB evaluation can be found online.

Sustainability Report of Helvetia Asset Management AG

Helvetia Asset Management AG, based in Basel, is wholly owned by Helvetia Holding AG, St. Gallen. It is a provider of fund and asset management services, supervised by the Swiss Financial Market Supervisory Authority FINMA, and operates in the business of collective investment schemes. As an independent fund management company, Helvetia Asset Management AG acts solely in the interests of investors and has also taken sustainability aspects into account in the collective investments it manages since it was founded in 2020. Its sustainability strategy is based on the sustainability strategy of Helvetia Group, including the climate strategy and the responsible investment strategy. On this basis, a specific sustainability strategy was developed for the real estate portfolio of Helvetia Asset Management AG that takes into account the sustainability dimensions of environment, society and economy and integrates them into the entire real estate life cycle. Helvetia Asset Management AG provides investors in the collective investment schemes it manages with an annual sustainability report that forms part of the Annual Report.



Our employees.

Helvetia makes it a matter of course to support its more than 14,000 employees in the best possible way. This includes preparing them for the future, developing their skills and making sure they find meaning in their work. Helvetia looks after the physical and mental health and well-being of its employees in the workplace and promotes diversity and integration.

Our Human Resources strategy 20.25 comprises measures to ensure that Helvetia remains an attractive employer for employees in the future and supports the achievement of Helvetia Group's objectives by focusing on the necessary skills, comprehensive talent and succession management and the provision of a modern HR infrastructure.

Attracting, developing and retaining employees is a key success factor. We promote the quality of our services by being highly attractive to new employees and by retaining and developing our current staff. This also helps us to reduce personnel risks, such as departures or bottlenecks. We strengthen employee loyalty through attractive working conditions, an attractive corporate culture and by offering them the opportunity to continuously develop. With a talent strategy tailored to our needs, we are ensuring that we systematically support employees and managers with potential while at the same time maintaining the skills essential for our strategy at our disposal in the future.

Sustainability is very important for Helvetia as well as for many employees. Our sustainability strategy, the proactive communication of sustainability topics and specific training courses raise the awareness of our employees and empower them specifically with regard to these issues of their professional duties.

Our HR approach

Human Resources Strategy 20.25

The Group-wide Human Resources Strategy 20.25 (HR strategy) is an integral part of Helvetia Group strategy. With our HR strategy, we make an important contribution to achieving the company's goals. To this end, we are pursuing three strategic thrusts: "Workforce Transformation", "Talent and Succession Management" and "Efficiency". An important core of our HR strategy is the promotion of a diverse employee mix in terms of origin, gender, education, skills, attitudes and lifestyles. The implementation comprises a wide range of initiatives, processes and instruments that are individually adjusted to the respective local needs in the country markets. As part of the helvetia.way, we use Group-wide principles to strengthen our performance culture and thus promote a better customer focus, while our flexible and modern working models help our employees to balance their work and private lives. We support our employees through systematic talent and succession management and ensure that we continue to have top capabilities in all important specialist and management functions for Helvetia in future. In this way, we want to fill important positions primarily with internal candidates. Finally, we are constantly increasing the efficiency of our HR processes, implementing strategy-related performance and remuneration systems, identifying competencies that are critical for success across the Group and systematically developing these through appropriate training and development opportunities.

To implement our HR strategy successfully, we focus on targeted measures that further strengthen our performance culture in the long term. For us, performance culture means being ambitious, measuring ourselves by reaching our business goals, while at the same time focusing on the health of our employees. To further develop our HR strategy, we monitor, analyse and evaluate changing conditions and requirements on the labour market.

HR governance

Responsibility for human resources management at Group level lies with the Group Chief Corporate Centre Officer, who, as a member of Executive Management, reports directly to the Group CEO. Group Human Resources (Group HR) creates the conditions for optimal employees development across the Group so that all employees and teams can successfully fulfil their duties.

Derived from the Group-wide HR strategy, the requirements of the regulators and corporate governance, and guided by efficiency considerations, Group HR manages important HR issues such as talent, succession, remuneration and performance systems, corporate culture, and HR systems throughout the Group. Group HR is responsible for the functional management of strategic HR topics across the Group and supports the market units in their implementation. This ensures that a common understanding of leadership and culture is put into practice in all countries, that developments are continuously assessed with the help of surveys and that potential for improvement is identified. If HR topics are not managed across the Group, HR responsibility lies with the market units.

Helvetia is currently establishing a Group-wide IT landscape for HR to support HR governance. An integrated HR suite forms the basis for efficient HR data management within the Group. In the Swiss country market, the digital transformation into a cloud-based HR world and the expansion of digital HR processes have largely been completed in recent years. The first two foreign market units, France and Austria, followed in 2023. Helvetia Italy and Helvetia Spain are also on the verge of completing this step. Helvetia was thus able to make important progress in the digital transformation of its HR world.

Attractive employer

Fair working conditions and social benefits

Helvetia attaches great importance to fair working conditions and attractive social benefits. As with our customers, the financial security of our employees is of fundamental importance. Helvetia pays particular attention to the structure of social benefits in line with local government social benefits and the legal framework conditions and protects its employees as needed against loss of income due to serious health or life events such as illness and occupational accidents. Salary adjustments for parental leave are made in accordance with local legislation.

Flexible working models

Flexible working hours and workplace models have become an integral part of today's working world. They are an important measure to strengthen our attractiveness as an employer in an environment with an increasing skills shortage, to promote diversity and to support our employees' work-life balance. We support part-time work and offer attractive and modern workplace models. 18% of Helvetia employees (in FTE) work part-time (2022: 18%). To meet the needs of employees, the FlexOffice model has been established in Switzerland, which we describe in detail on our website. The foreign market units also adjusted their regulations on job flexibility based on the positive experiences of recent years. The collaboration tools introduced throughout the Group offer the best prerequisites for successful hybrid forms of work. This is confirmed by the market units' rates of working from home, which are between 20% and 50%.

Attractive and fair remuneration

Helvetia attaches great importance to the attractive and fair remuneration of all employees and uses the respective benchmarks in all country markets. Our Group-wide remuneration policy outlines our and aims to attract, retain and motivate the most suitable employees to develop their careers in line with Helvetia's talent strategy. Helvetia accepts no discrimination of any kind with regard to remuneration. Taking external market conditions into account, internal wage equity applies regardless of age, gender, nationality, ethnicity, origin, health impairment, sexual orientation, political or trade union activity and religion, based on the principle: "Equal pay for equal qualifications and work".

Helvetia pays particular attention to offering equal pay to men and women. We are actively committed to ensuring that all employees are paid fairly and appropriately, regardless of gender. This commitment reflects our belief that equal opportunity and fairness are key elements of a successful and sustainable work culture. We continuously implement measures to ensure that our Group-wide remuneration policy is transparent, non-discriminatory and fair and to ensure an inclusive and equal-opportunity work environment.

The introduction of a Group-wide equal pay analysis is an important measure of the Group-wide HR strategy and is planned for 2025. Regular audits are currently carried out in our country markets of Germany, Italy, Austria, Switzerland and Spain. In Switzerland, an independent salary review carried out by the Competence Centre for Diversity & Inclusion of the University of St. Gallen (CCDI) in 2022 confirmed fair pay in line with the principle of "equal pay for work of equal value". The measured wage difference between women and men was below the tolerance threshold of 5%. The formal and methodical correctness of the equal pay analysis for Switzerland was confirmed by an independent audit within the framework of the legal requirements. In the financial year, Helvetia Spain used the Hays methodology to review equal pay within comparable employment positions. Italy addresses a potential gender pay gap through the Diversity Plan, in which certain indicators are directly aimed at monitoring equal pay. In Austria, a systematic equal pay analysis is carried out every two years according to function groups and at management levels, in which mean values are compared across genders. The mean values are analysed by the works council, a body representing the interests of the workforce. The analyses carried out in Helvetia Group confirm compliance with the principle of "equal pay for work of equal value". No systematic wage inequalities between women and men were identified.

Ratio of total annual remuneration

Since 2022, Helvetia has published its ratio of total annual remuneration in accordance with the GRI Standards. In the reporting year, the ratio of total annual remuneration according to GRI Standards was recorded for the first time. It reflects the ratio between the organisation's highest-paid individual, in our case the Group CEO, and the median annual total remuneration for all employees (excluding remuneration for the highest-paid function). In calculating the overall remuneration ratio, Helvetia takes into account only fixed, short-term and long-term variable remuneration of employees in Switzerland. For part-time employees, the total remuneration was extrapolated to full-time employment (FTE pay rate). Variable components are paid out in the following year and were not yet available at the time of publication. For this reason, total annual remuneration is based on the previous financial year. The ratio of calculated total annual remuneration was 21.4 in 2022 (2021: 16.8). This development is attributable to the positive business trend in 2022, which significantly influenced the total remuneration of the Group CEO. In addition, we are disclosing the ratio of total annual remuneration separately on the basis of fixed remuneration. This ratio is independent of the operating result and amounts to 9.7 (2021: 10.0).

Dialogue with our employees

The Helvetia brand units have maintained a systematic dialogue with their employees for many years, through regular employee surveys as well as through regular personal dialogue between managers and their employees. The HR strategy was also developed with the involvement of employees. The interests and views of our employees were incorporated into these through workshops and discussions.

Employee survey

Helvetia regularly surveys its employees on various topics, such as culture, commitment, ability in the workplace, career prospects, well-being and workload. Our Group-wide Culture Survey takes place every two years and again in 2023 asked our employees about various aspects of the targeted performance culture. A comparison with the results of the Culture Survey from 2021 shows a very positive development overall in establishing the helvetia.way: We have further strengthened our joint Helvetia values as basis of our performance culture.

During the financial year, Helvetia developed and carried out a new Group-wide engagement survey. As part of this engagement survey, we asked all employees about key factors in the satisfaction with their work, including appreciation, respect, development opportunities and well-being. The survey was conducted online and consisted of 15 questions.

The results of the engagement survey are extremely positive. The response rate across the Group was over 70%. 77% of Helvetia employees are highly or very highly committed (Engagement Index), which is well above the Global Finance Benchmark (Korn Ferry) of 70%. This high level of commitment among employees is also reflected in their strong willingness (84%) to recommend Helvetia as an employer. At 72%, the result in "enablement," i.e. the ability of employees to be productive in day-to-day work (Enablement Index), is exactly on par with the Global Finance benchmark.

The results of the Engagement Survey and the culture survey, which is conducted every two years, were analysed Group-wide by all relevant committees and at management and employee levels. Subsequently, measures to further strengthen our corporate culture were defined and put into practice. For example, structures and processes have been further developed in all countries. The concept of career development is being revised in the Switzerland segment. Helvetia Austria consolidated its very good results with workshops and defined further developments for each department.

In future, the engagement survey will be conducted annually with a standardised set of questions to ensure comparability and development over time. In the coming financial year, the impact of the defined measures will be reviewed together with the management teams of the segments and business units.

Whistleblower systems

The Code of Conduct expresses our zero tolerance when it comes to discrimination and harassment of employees. Helvetia does not accept any discriminatory acts on the basis of gender, religion, age, ethnicity, origin, health impairment, sexual orientation, political or trade union activity. Furthermore, we do not accept any form of harassment.

Incidents of discrimination and harassment in the workplace as well as other violations of our Code of Conduct are reported by our employees via the protected external whistleblower system EQS Integrity Line, which is described in the Business Ethics chapter (see sustainability report page 65). At an individual level, employees can contact their HR officers at any time, submit feedback or complaints and request advice and support, e.g. on long-term absences, personal concerns or parenthood. Incidents of bullying are also reported to the HR managers of the respective market units. Independent ombudspersons are available to assist employees with questions and emergencies relating to sexual harassment. Helvetia takes all enquiries, reports and complaints very seriously and examines them carefully. The respective contact persons provide support in coping with difficult professional and private situations and take the necessary measures in the event of sexual harassment, bullying and discrimination in consultation with the HR managers. In the financial year, 11 cases of discrimination (CH: 6; AT:2; FR:3) via the channels described here.

Our HR focus topics

In 2023, we made strong progress that further strengthens our position as an attractive employer. We focused in particular on diversity and inclusion, recruitment, development and retention of talent, and on sustainability prospects for our employees. We also focused on maintaining and developing other important aspects, such as fair working conditions and flexible working models, attractive and fair remuneration, employee development and health promotion.

Diversity and inclusion

A diverse workforce strengthens the company's innovation capabilities and creativity in the long term, optimally reflects the interests and requirements of our customers, and provides the company with even better access to qualified staff. With its Diversity@Helvetia strategy 2025, Helvetia focuses on three focus topics. The first is to ensure a balance of generations, opportunities for lifelong learning, and knowledge transfer. Secondly, a wide range of flexible forms of work and services should support the work-life balance. Thirdly, Helvetia wants to offer women the same opportunities as men in every respect and ensure their inclusion. Our world is diverse – and so are our customers. We need a diverse workforce – and therefore also a balanced gender ratio at all levels. The strategy also addresses the changing main topics of the year concerning specific diversity issues in our country markets. For more information, please visit our website.

Diverse employee structure

In the financial year Helvetia had 14,079 employees (12,924 full-time equivalents), in Executive Board and Executive Management functions, in back office and field sales, including temporary staff on a monthly salary and working by the hour, as well as trainees and apprentices. Our "employees" in the Annual Report refers to all functions and the entire Helvetia workforce, including the employees of our subsidiaries. All age groups are represented in a balanced ratio in the workforce (see Notes of the sustainability report from page 76).

Helvetia intends to continuously increase the proportion of women in its overall workforce, in management and in sales. Across the Group, the proportion of female managers increased to 31.3 % in 2023 (2022: 29.8 %). Also the proportion of women on the Board of Directors of Helvetia Holding AG increased in the reporting 2023 from 22.2 % in 2022 to 30 %. The proportion of women in Executive Management is 11.1 %. Together, 16.9 % of the members of Executive Management and the Executive

Boards of the market units are currently women, 6.5% percentage points higher than in the previous year. The average proportion of women in all functions across Helvetia Group as a whole increased slightly to 52.2% (cf. 2022: 51.6%).

For Helvetia, diversity also means that we are very open and act without prejudice towards people with health challenges or restrictions. In all our market units, we are committed to developing and implementing measures to increase the proportion of employees with health impairments. To protect privacy, employees are not obliged to provide information on any health impairments, challenges or needs. Concerns regarding privacy and personal freedom of our employees prevent Helvetia from making any definitive and specific statements about employees with health impairments.

In addition to internal employees, Helvetia also employs external staff. As a rule, they work exclusively for Helvetia clearly defined working hours and are fully integrated into the company. External employees usually have very specific knowledge and work primarily in IT. External workers also support claims processing, auditing, insurance brokerage, logistics and the prevention service. During the financial year, there were 2,452[1] external employees worked for (2022: 2,499) for Helvetia, of which 40% were women. A detailed presentation of Helvetia's employee structure and external employees can be found in the notes of the sustainability report starting on page 78.

Establishing diversity in the corporate culture

Responsibilities with regard to diversity are clearly defined and assigned organisationally, both at Group level and in all country units. The diversity managers are usually located in HR or Communications. Most market units have established diversity committees or working groups for further support, which are made up of employees with different backgrounds. For example, Helvetia Spain has established a Controlling Committee, which acts as a supervisory body for diversity. More than 20 people from different areas and at different levels are involved in the Swiss Diversity Council. One Executive Board member also has an active role in the Council. The employees of the Swiss Diversity Council act as ambassadors for diversity, both within and outside the company. In addition to a Diversity Council, Helvetia Germany also has two sponsors from the Executive Board who actively support issues relating to diversity. Helvetia Italy and Helvetia Spain also have D&I Champions who stand up for the D&I messages. Working groups in France and at Caser deal with the promotion of gender diversity.
All market units are taking measures to make employees aware of the D&I issues. In Switzerland, Germany and Austria, for example, we offer webinars on the subject of "unconscious bias" that are specially tailored to employees and managers, and additional measures are being taken to raise awareness of this topic. In 2023, Helvetia Italy also launched a training programme on inclusive leadership, in which 130 managers have already taken part and which is now being expanded to cover the entire management level. Helvetia Austria once again took part in the DIVÖRSITY action days this year, and Executive Board members learned more about diversity and inclusion during a workshop. The Helvetia market units also offer specific courses or coaching sessions for all women and specifically for women in management positions.

Partnerships to promote diversity

The Helvetia market units use partnerships with strong local providers and organisations to promote D&I. For example, Helvetia Switzerland has been a member of Advance an association committed to equality in the workplace, for several years. Employees have access to courses, events and a mentoring programme. Since this year, Helvetia has also been a member of EqualVoice United, an international organisation that aims to improve gender equality in the economy. Helvetia Switzerland also maintains partnerships with loopings, the 45+ Competence Centre for Work, and Profawo, a non-profit organisation committed to promoting a healthy work-life balance. In Italy, employees can take advantage of various opportunities such as mentoring programmes, training and best practice sharing as part of the partnership with the Valore D organisation. Helvetia Germany and Helvetia Austria are members of the "Diversity Charter", an organisation that supports employers in establishing diversity management and anchoring it with specific measures. All employees have access to various childcare and family services to assist them in all situations.

[1] Measured in headcount as of 31 December 2023

Group-wide talent management
Helvetia's success is largely determined by its ability to attract, develop and retain talented individuals. Measures to attract, develop and retain talent are therefore of key importance to Helvetia. The measures for attracting, developing and retaining talent are set out in our talent strategy. The aim of Helvetia's talent strategy is the long-term retention and development of qualified and motivated employees to support the strategic objectives and long-term success of the company by specifically promoting employees with the skills deemed important and minimising the risks of departure and bottlenecks. We do this with specific support and development measures for talented individuals and our approach to succession management, in line with Helvetia's objectives and strategy.

Specific talent development measures

Helvetia Summit Expedition (HSE)
The HSE is a Group-wide development programme for our talents in leadership positions and aims to strengthen their leadership skills and contribute to strategy implementation and Group-wide cultural change. The programme is internationally oriented, lasts six months, has two modules with lectures, workshops and project work, and offers coaching for participants. It offers participants from all country markets a unique and challenging opportunity for further development. The aim is for the participants to become ambassadors in the ongoing transformation of Helvetia. In addition, discussions with internal representatives also help to consolidate the common Helvetia identity beyond national borders. Helvetia partners with the Executive School of the University of St. Gallen to develop and implement HSE. Helvetia is also supported by the Executive School of the University of St. Gallen with experts, new research findings and best practice examples in the implementation of HSE, which takes place in two modules and is rounded off by project work and coaching. In autumn 2023, the second cohort of the programme, consisting of 20 talented individuals, started in St. Gallen.

Executive Mentoring Journey
Participants on the Executive Mentoring Journey have the opportunity to be mentored for one year by an executive (member of Executive Management or an Executive Board of the brand units). Mentor-mentee tandems focus on individual development needs of the mentees. Feedback shows that the intensive exchange of experiences and mutual commitment are greatly appreciated and that the goals set in the process were systematically reached. In 2023, 46 mentor-mentee tandems participated in this talent development programme.

Management meetings
Talent development is also a priority at international management meetings. The Executive Management Meeting (EMM) takes place annually and, with over 100 participants from all country markets and Group functions, is one of the Group CEO's most important management platforms. The meeting is used to further develop our strategy and promote our shared culture and identity. Besides Executive Management, Executive Board members of the market units and managers from the corporate functions, selected young talents also took part for the first time in 2023.

The Corporate Functions Management Meeting (MMCF) is attended by all Group function leaders, including various talented individuals. The meeting was organised for the first time in 2023. The management meetings of the market units, which are held under the leadership of the local CEOs, also include the objective of promoting talented individuals and their potential.

Helvetia Switzerland Trainee Programme
The Helvetia Switzerland trainee programme is our tool for attracting talented individuals starting a career after completing a BA or MA degree. The 18-month programme aims to optimally prepare trainees for a permanent position in the specialist area and ensure that enough highly qualified young talents are available in all specialist fields. Mentors coach the trainees throughout the programme. After the trainee programme, trainees also have the option of working part-time if they continue their studies. The programme provides trainees with an ideal introduction to practical work and allows them to get to know Helvetia and its culture. Over the past three years, 28 young talents have completed our attractive trainee programme, of which 17 (61 %) have been offered permanent positions. Three graduate trainees are currently still in the recruitment process.

Diversity

Succession management

With our succession management, we ensure that management roles and key functions in the company are regularly reviewed with regard to both the current appointment and the timely development of potential successors. If necessary, specific development measures are implemented for potential successors. By systematically promoting talented individuals, we exploit their potential, develop them further, and ensure that important positions are filled with qualified staff, both now and in future. This enables us to reduce the risk of unwanted staff departures, meet legal and regulatory requirements and ensure the long-term success of operations and the organisation.

Most important management positions and functions critical to success are to be filled by internal candidates. Wherever possible, we therefore establish potential successors internally. In 2022 and 2023, Helvetia filled 45% (rolling average) of senior management positions with internal candidates. Helvetia's senior management includes the members of the Group Executive Management and the hierarchy level directly below, as well as the management of the market units.

Succession management helps us to identify our needs as well as employees who are willing and able to take on more responsibilities. As part of the Group-wide succession management process, talent conferences are held in all country markets to discuss and document any specific needs in relation to key functions and potential successors. A total of 49 talent conferences were held across the Group in 2023.

International mobility

As an international company, Helvetia enables its talents to take important development steps in other markets through international mobility. This helps talented individuals gain experience through new professional challenges and learn about the needs of our customers in other markets.

In addition to secondments, the other talent programmes also aim at the international integration within Helvetia, which promotes Group-wide collaboration and a common identity. All national subsidiaries can benefit from the programmes and nominate talented individuals.

Employee development

Internal and external training opportunities

To ensure that employees can meet the high standards in the working environment at Helvetia and to retain employees at the company and develop them further in the long term, it is important to offer them development opportunities and the opportunity for further training. Helvetia therefore supports measures to develop the skills of employees and provide such training.

Helvetia relies on a comprehensive continuing education programme and offers a wide range of services to expand professional and personal skills. In addition to specialist training, this also includes leadership programmes, seminars and courses on communication, negotiation, time management and self-management. Online offers available via the company's own e-learning platform play an increasingly important role here. With our talent strategy, we also support the attendance of external training courses in terms of time and money for the purpose of individual development.

All market units are fully committed to developing and training their employees. Various internal continuing education formats and topics are offered across the units. For example, Helvetia Germany is currently focusing on further training offers in self-management and conflict management as well as on method seminars, for example in agile techniques and upskilling in specific specialist areas, such as expert qualifications in liability, property insurance and life insurance. In addition to the above-mentioned offers, Helvetia Spain is increasingly promoting IT training courses, e.g. in cloud computing and in programming. Since the launch of the "Helvetia Academy", Helvetia France has been running a career-changer training programme in underwriting since 2023. The one-year training programme by external specialists and 80 experienced Helvetia employees is open to internal employees and external applicants. It includes basic and specialised courses as well as six months of on-the-job training for the participants.

Similar to the previous year, Helvetia invested an average of 22 hours per employee in training and further education in 2023 (2022: 21 hours). Detailed key figures on the hours of training in the various country markets and at Group level can be found in the Notes of the sustainability report on page 78.

Regular appraisal interviews

Our goal is for all employees to have formal Helvetia appraisal interviews with their superiors annually. Besides performance, they also cover the current work situation and willingness to develop further. In particular, the appraisal interview also offers employees the opportunity to discuss health issues, collaboration and work-life balance with their manager.

The following overview shows the proportion of employees with regular performance reviews, whereby Caser is shown separately from the rest of the Group. In the market units (excluding Caser), 71 % of employees (2022: 75.1 %, see table 17) had an appraisal interview, while at Caser 31.8 % (2022: 36.4 %) had one.

Table 17

Proportion of employees (headcount) with regular performance evaluations

	Group, without Caser				Caser		
in percent	2021	2022	2023	Change compared with previous year in %	2022	2023	Change compared with previous year in %
Women	69.1 %	76.0 %	72.0 %	–5.2 %	14.3 %	11.0 %	–4.3 %
Men	70.0 %	74.5 %	70.4 %	–5.4 %	90.7 %	81.2 %	–12.8 %
Executive Board Member	100 %	100 %	100 %	–	100 %	100 %	–
Management	81.7 %	85.4 %	86.9 %	1.8 %	21.3 %	47.1 %	30.3 %
Specialists	85.8 %	78.1 %	69.8 %	–10.6 %	35.9 %	12.9 %	–29.4 %
Clerks	62.0 %	72.0 %	72.3 %	0.3 %	44.8 %	50.2 %	7.6 %
Junior staff	15.9 %	28.1 %	23.7 %	–15.5 %	0.0 %	0.0 %	0.0 %
Total	**69.7 %**	**75.1 %**	**71.0 %**	**–5.3 %**	**36.4 %**	**31.8 %**	**–6.2 %**

The lower percentage of employees with a performance review at Caser is primarily due to its business model, which includes hospitals and nursing homes. Hospitals and nursing homes employ more temporary workers who are not currently scheduled for appraisal interviews. However, new and departing employees also take part in formalised onboarding and exit interviews at Caser.

Health promotion

Our employees perform exceptionally well. High dedication can increase health risks and be mentally stressful. Sitting in an ergonomically incorrect posture while working can also be associated with physical illnesses. Helvetia aims to reduce these health risks with prevention and support measures. Promoting and maintaining the health of our employees is a strategic success factor for us and therefore occupies an important place within Helvetia's HR strategy and performance culture.

Occupational health management (OHM)

To promote and maintain employees' health, Helvetia has developed systematic and professional occupational health management (OHM) over many years. The goal of OHM is to create the framework conditions for promoting our employees' health and identifying and reducing their load. As a result of these efforts, Helvetia in Switzerland has been awarded the "Friendly Work Space" quality label from Health Promotion Switzerland since 2016, which recognises effective OHM systems. Helvetia also has reliable OHM systems in all other country markets.

Our employees are constantly made aware of health issues, whether through information campaigns, e-learning courses or a changing range of activities or workshops. Helvetia also has various employees services, including ergonomic advice, discounts for fitness subscriptions, free flu shots, health check-ups, sports programmes and seminars on health topics such as nutrition. Resilience and stress workshops are held in various market units to promote mental health. Helvetia also offers sports activities directly at the workplace. Last but not least, Helvetia offers psychological services in several country markets for employees in particularly demanding and stressful personal or professional circumstances. These services can also be used anonymously.

Safety in the workplace

As an insurance company, Helvetia offers its employees a low-risk workplace where occupational accidents and injuries are extremely rare. As a result, these incidents do not affect the company's strategy and are therefore not recorded and monitored in the Group. However, Helvetia pays attention to ergonomic and modern workstations and to safety in the workplace and in buildings across all countries. We prioritise the health and well-being of our employees and continuously implement measures to mitigate risks and maintain a safe working environment.

Sustainability outlook for employees

Helvetia makes its employees aware of sustainability management activities via the intranet and offers them opportunities to upskill in the area of sustainability. In the reporting year, for example, articles on sustainability reporting, the climate strategy, sustainability ratings and awards were communicated on the intranet. In December, Helvetia implemented a Group-wide communication campaign on sustainability over several weeks in which examples were used to reflect on the sustainability performance of Helvetia Group and specifically of the country markets.

A Group-wide webinar series was held in collaboration with Ecofact about regulatory ESG and soft law developments with a view to developing employees' skills in connection with sustainability. Participants included Executive Management members serving on the Group Sustainability Committee, Executive Board members of the market units directly responsible for sustainability, as well as sustainability, risk management and compliance specialists. The webinar will be held as an annually recurring series, and two sub-series have taken place so far in 2023. In the first webinar, the focus was on an overview of the requirements and regulations of non-financial reporting in relevant jurisdictions such as the EU, Switzerland and other places. The second webinar focused on the materiality analysis and Helvetia's approach to the Group-wide implementation of non-financial reporting. In general, these webinars raise our employees' awareness of sustainability topics and create a network in which they can exchange ideas. In addition to the content of this webinar, the country markets offer further specific training courses on sustainability.

In 2023, Helvetia Germany increasingly offered training courses for sales employees on the topic of sustainability in life insurance and sustainability funds. In 2023, Helvetia Spain launched a mandatory e-learning course for new employees on Helvetia's commitment to sustainability. The course covers the relevance of sustainability, how it relates to the company, how it is integrated into the insurance business, and what the resulting regulatory implications are for Helvetia. By November 2023, more than 90% of the employees of Helvetia Spain completed the course.

Caser also continued to raise awareness of sustainability among its employees. A training course on basic sustainability topics has been developed for all employees, even those whose daily work does not directly relate to the topic. 1,697 participants confirmed the interest of Caser employees in sustainability. In addition, 224 employees from business areas with a clear sustainability focus completed more specific and advanced sustainability training. Executive Board members also took part in training on sustainability regulations and the implementation of related initiatives within Caser.

The "Pillole di DNF" measure in ESG upskilling that Helvetia Italy launched in 2021 was continued in 2023. This course covers non-financial reporting topics, the approach to integrating ESG factors into the insurance business and the implementation of "good governance" in sustainability. Furthermore, a new "#Sustainability thinking – what you need to know" initiative was created in January 2023, which provides monthly information on specific sustainability topics on the intranet.

All employees can complete an online training course on responsible investment.

Representing the interests of our employees

In the country markets of Germany, Austria, Spain, Italy and France, committees and trade unions represent the rights of employees. Most employees in these countries (between 82.7% and 100%) work under a collective bargaining agreement. Employees in Switzerland do not have contracts governed by a collective wage agreement, as the Employee Committee has the legal and democratically mandated task of representing the interests of Helvetia employees. The terms of employment in Switzerland have been subject to a voluntary agreement between the Employee Committee and Helvetia as the employer for more than 15 years.

Helvetia set up a European forum for exchanging information and consulting employees about decisions on cross-border issues that includes representatives of the works councils and trade unions of the subsidiaries in the respective countries. It meets at least once a year, chaired by the CEO Europe.

The proportion of Helvetia Group employees with wage agreements is constant at 62.2% (cf. 2022: 60.9%, see table 18).

Table 18

Proportion of employees with collective labour agreements[1]

in %	2022	2023	Change compared to previous year
Switzerland	0	0	–
Germany	90.9	90.4	–0.5%
Italy	93.8	94.9	1.2%
Spain	99.8	95.7	–4.2%
Austria	78.7	82.7	5.0%
France	96.1	91.5	–4.8%
Caser	100.0	100.0	–
Helvetia total	**60.9**	**62.2**	**2.1%**

[1] Totals in this table are based on unrounded figures and may therefore differ due to rounding.

Corporate citizenship.

Our social commitment has a long tradition and is an important part of our sustainability culture. As a company and through our employees, we have strong roots in our local offices and are committed to promoting positive interaction between business and society, both in our role as employer and as insurer.

With its contribution to the common good, Helvetia is helping to bring about long-term change. Together with IDEA helvetia foundation, Helvetia supports smaller local projects that add value for society and the environment. We have been promoting the reforestation and maintenance of protection forests since 2011, thus contributing to the prevention of natural hazards. We also support local cultural and social projects as well as research in insurance.

Commitment to protection forests

Protection forests help prevent natural hazards such as avalanches, rockslides and landslides. With its commitment to protection forests, Helvetia and the IDEA helvetia foundation support the reforestation and maintenance of protection forests, particularly in European mountain areas, to protect villages and infrastructure. The preservation of our forests, with their high CO_2 storage potential, also contributes to climate protection. By supporting protection forests, Helvetia contributes to Goal 15 of the United Nations 2030 Agenda for Sustainable Development, as this commitment supports the conservation, restoration and sustainable use of the forest ecosystem. The local Helvetia market units are responsible for working with the respective project managers. The financial resources for this commitment are provided by IDEA helvetia foundation, which was established by Patria Genossenschaft, Helvetia's largest shareholder. By the end of 2023, the number of reforestation projects supported in the European Alpine region had increased to 62 and included over 600,000 tree donations. New international protection forest projects were implemented in Switzerland, Germany, Austria and Spain in 2023.

As in previous years, Helvetia supported the Consortium of Alpine Forestry Associations with the Helvetia Protection Forest Award, which recognises exemplary projects for protection forests every year and promotes the further development of forest protection projects. The Helvetia Protection Forest Award has a range of categories. In 2023, six winners in different categories were selected.

All winners of the 2023 Helvetia Protection Forest Award have been posted on our website.

IDEA helvetia foundation

The IDEA helvetia foundation supports projects run by smaller charitable organisations and institutions in Switzerland, Austria, Germany and Spain that focus on people, nature and the environment. In many cases, Helvetia employees support the projects, which means we also have a personal and direct connection to the issue at hand. Together with Helvetia, the foundation also substantially supports Helvetia's commitment to protection forests in our country markets. Patria Genossenschaft, Helvetia's main shareholder, provides IDEA helvetia with its financial resources.

In 2023, a total of 391 (Switzerland: 342, Germany: 4, Austria: 43, Spain: 2) submitted written applications for funding and support, of which 239 (Switzerland: 194, Germany: 2, Austria: 41, Spain: 2) were presented to the Board of Trustees. 169 projects run by play groups, private schools, clubs and youth and nature groups convinced the Board of Trustees and were supported with CHF 531,837 (previous year CHF 526,596 for 140 projects) in total. In line with a consistent allocation policy, the winning projects were well defined and easy to manage, and no lump-sum contributions were made to large projects already supported by other organisations. The total amounts for and number of projects by country are as follows: 133 applications in Switzerland were funded with a total of CHF 450,726, while the remaining CHF 81,111 was allocated to 31 projects in Austria and two projects each in Germany and Spain.

In addition, amounts of CHF 100,000 were granted for two protection forest projects in Switzerland, and EUR 77,000 for one project each in Germany, Spain and Austria.

Promoting sustainable change

Helvetia provides targeted support for projects that contribute to sustainable change. One such initiative is the support of repair cafés in Austria. Since 2021, Helvetia and RepaNet have been cooperating with initially 20 insured repair cafés, for which Helvetia provided a free insurance solution, which currently covers 73 organisations and initiatives with their 160 repair cafés. Helvetia Austria thus insures pro bono around three quarters of all repair cafés in Austria. This type of liability cover enables the volunteers at the repair cafés to fix defective everyday objects and protect themselves against consequential damage. Further information on the repair cafés and the Re-Use initiative of Helvetia Austria can be found online.

Public welfare commitment

Table 19 provides an overview of the number of projects and support contributions. In the year under review, Helvetia provided a total of 502 projects with financial support amounting to CHF 3.61 million.

Table 19

Public welfare commitment: Number of projects and support amounts[1]

	Number 2022	Support amounts 2022 in CHF	Number 2023	Support amounts 2023 in CHF
Switzerland	277	3 136 888	355	1 882 101
Germany	3	59 367	6	27 082
Italy	10	15 775	13	52 551
Spain	62	731 194	69	697 097
Austria	26	88 367	38	77 575
France	1	50 240	6	217 683
Caser	49	547 665	15	657 831
Helvetia, total	**428**	**4 629 496**	**502**	**3 611 919**

[1] The key figures include the number of projects and the amounts supported by the IDEA helvetia Foundation (incl. commitment to protection forests).

Commitment to art.

Helvetia is one of Europe's leading art insurers and regards the promotion of art as part of its corporate culture. In addition to collecting Swiss art and supporting young artists with its own art prize, the company has a public exhibition space in Basel, the Helvetia Art Foyer. Helvetia owns one of the most important collections of contemporary Swiss art with an 80-year history. The professionally curated collection with more than 2,000 works by around 400 artists focuses on painting, drawing and photography. The Helvetia art collection includes works by numerous nationally and internationally renowned artists. You can find online an overview of the artists it represents.

A look inside the Helvetia Art Foyer at Steinengraben with works by Andrea Heller, Claudia Comte, Studer van den Berg and Giacomo Santiago Rogado.

The history of our commitment to art

The company collection was founded in 1943 by Hans Theler, the director of National Insurance at the time. In a lively exchange with curators and artists, he regularly acquired new works. His son René Theler took over responsibility for the art collection in 1980 and continued its expansion.

For the past 20 years, a committee of rotating members has been responsible for purchases. Following the acquisition of Nationale Suisse by Helvetia, which also collected contemporary Swiss art, the two collections merged into the current Helvetia art collection in 2014.

Helvetia Art Foyer

The periodically changing exhibitions in the Helvetia Art Foyer at the head office in Basel provide an insight into the Helvetia art collection. They are accessible to the public free of charge, entirely in the spirit of easily accessible and broad-based communication of art. The most recent exhibition (opened at the end of November 2023), entitled "I like!", brought together a varied and diverse compilation of works from the company's collection.
The exhibition marked the 80th anniversary of the Helvetia art collection and focused on personal taste and individual access to art.

Installation of Pipilotti Rist at the head office in Steinengraben

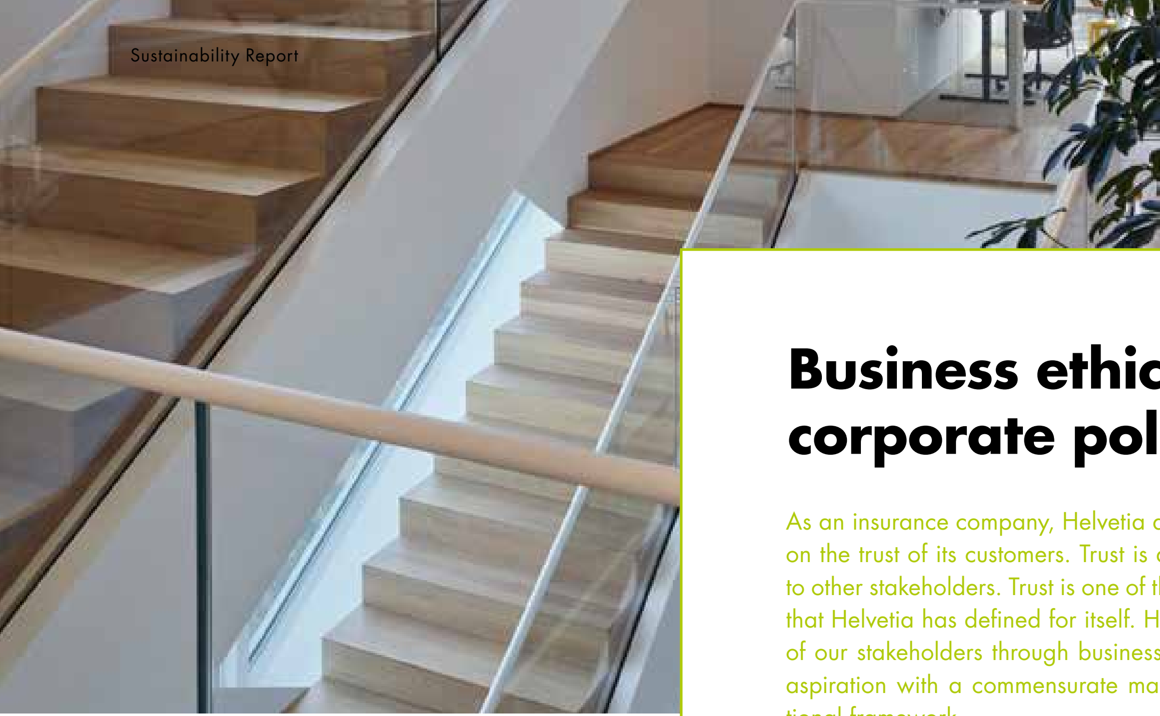
Support for young Swiss artists

In addition to collecting Swiss art, Helvetia is also committed to supporting young artists. The Helvetia Art Prize, which is awarded annually, is intended to help young talented artists start their professional careers. Since its foundation in 2004, the award has become a relevant part of the annual programme of the young artists it aims to promote and makes an important contribution to the development of the Swiss cultural landscape. The prize includes financial support of CHF 15,000 and a solo presentation at the Liste Art Fair Basel, which takes place in parallel to Art Basel.

In 2023, Bisso Yann Stéphane (*1998), a graduate of the Master's programme in Visual Arts at HEAD Genève, was granted the award. In summer 2024, he will have the opportunity to present his own works to an expert audience at the Liste Art Fair Basel. In doing so, he will also be able to establish and expand his contacts in the national and international art scene.

Helvetia Art Prize
CHF 15,000

Bisso Yann Stéphane, winner of the 2023 Helvetia Art Prize



Business ethics and corporate policy.

As an insurance company, Helvetia depends to a large extent on the trust of its customers. Trust is also important in relation to other stakeholders. Trust is one of the three corporate values that Helvetia has defined for itself. Helvetia promotes the trust of our stakeholders through business ethics and supports this aspiration with a commensurate management and organisational framework.

Compliance

To prevent violations of the law and reputation loss, clear rules are required for all employees and for all independent sales partners working exclusively for Helvetia. Helvetia's business ethics also have a significant and positive social effect based on strong ethical principles, a robust compliance framework and specific rules and regulations to protect our customer data, among other things.

Our compliance management system helps us to ensure compliance with legal, regulatory and internal requirements. In organisational terms, it encompasses the activities of the Group's compliance offices and those within the country markets and the associated compliance governance, including adequate processes such as reporting. The Helvetia Group's compliance management system is described in detail in internal directives.

Furthermore, the helvetia.way initiative lays out our expectations on employee conduct. For example, our leadership principles include topics such as the consistent and flexible assumption of responsibility and reflection on our activities. Helvetia's culture of cooperation is based on an environment of trust and the principle of continuous improvement, among other things. From an organisational perspective, we want to establish ourselves so that our structures and processes put our customers at the centre of our attention and value creation. In this respect, helvetia.way reflects the common ambition of our daily work, which, in addition to the main goal of a strong performance culture, also significantly shapes correct and fair conduct towards our stakeholders and in the market.

Group-wide compliance organisation

As the highest management bodies, the Board of Directors and the Executive Management also bear responsibility for the Group-wide implementation of legally compliant and ethical business conduct. To this end, they rely on risk management, Group compliance and internal audits, in addition to line management. The Group Compliance Officer informs Executive Management and the Board of Directors about the compliance process, implementation of compliance and conduct requirements, the assessment of compliance risks and compliance-relevant incidents on a half-yearly basis. For the identification, evaluation, control, monitoring and documentation of the risks, the Group Compliance Officer cooperates closely with qualitative risk management. Items relating to compliance can be added to the agenda of management meetings at any time.

The Helvetia market units each have their own compliance officers. They inform the Group Compliance Officer at least every six months about key topics, incidents and breaches that have occurred. Specialists in money laundering, data protection, competition law and other areas, such as sanctions and embargoes, are also involved.

Employees can contact the compliance officer of their Group company or the Group Compliance Officer at any time if they have any questions. In addition, the Compliance Officers and their teams advise and support employees, line managers and Executive Management with implementing legal, regulatory and ethical requirements.

Code of Conduct

The Code of Conduct is an expression of Helvetia's corporate responsibility and corporate culture. It sets out the fundamental ethical principles and conduct that Helvetia expects of its employees in performing their duties. With regard to employee conduct, the Code of Conduct thus provides the basis for compliance with statutory and regulatory provisions and meeting ethical standards. It also defines how we correctly incorporate sustainability factors into our everyday business conduct from an ethical, legal and regulatory perspective.

The Code of Conduct is binding for all Helvetia Group business units in Switzerland and abroad and applies to all areas of activity. The Code of Conduct applies to the highest management body as well as to junior employees, and everyone in the organisation is aware of it. It includes mandatory compliance training (see sustainability report page 67) for new employees and refresher training for the entire workforce.

In the 2022 and 2023 financial years, we revised our Code of Compliance and expanded it into a comprehensive Code of Conduct. The current version was approved by the Board of Directors and can be accessed on our website.

Protection of whistleblowers

Helvetia wants to avoid illegal and unethical conduct. It is therefore in Helvetia's interest that critical situations are identified as early as possible to prevent damage to the company. Helvetia therefore has whistleblower systems in all market units for reporting misconduct, in particular violations of statutory and regulatory provisions, the Code of Conduct or internal policies and directives. All Helvetia employees are encouraged and requested to report such violations. Employees have various options and contact persons for confidential advice at their disposal. They can contact supervisors, HR contact persons or Compliance (local Compliance Officer or Group Compliance). Reports can also be made anonymously. Employees who report misconduct are guaranteed protection in all cases. Submitted reports are handled confidentially and the whistleblower does not have to fear any negative consequences.

Helvetia has been using the electronic whistleblowing system EQS Integrity Line for several years. Potential misconduct can be reported and checked via this system – both stating identity and anonymously. This platform is available to our employees in Switzerland, Germany, Italy, France, Austria, Liechtenstein and Spain (Helvetia Seguros) around the clock and in the languages of the country markets. Employees of Caser can report grievances and violations using an online form on the Caser website or an anonymised email or letter. The system Caser uses is to be improved in 2024 and the establishment of an "EQS Integrity Line" or a comparable system is currently being examined.

Reports reported via the "EQS Integrity Line" are carefully reviewed by the local compliance officers. Reports received via other channels are answered by line managers, HR contact persons or Compliance. Compliance notifications that indicate serious grievances are listed in the Compliance Report and communicated to the Executive Management.

Mandatory compliance training for new employees and refresher training for the entire workforce ensure that all Helvetia Group employees are familiar with the various channels of the whistleblower system. Reports are made on occasion, indicating that the platform is well respected by employees.

Prevention and detection of corruption and bribery

Anti-corruption has been an important compliance topic within Helvetia Group for many years. This is because we want to prevent the negative effects of corruption – erosion of stability in society, indirect rise in criminality, human rights violations – at all cost. We also want to minimise compliance and reputation risks for Helvetia that may arise from non-compliance with statutory requirements and recognised international guidelines on combating corruption.

The internal Group-wide anti-corruption policy, the Helvetia Code of Conduct, the Vendor Code of Conduct and local directives and work instructions on combating corruption form the framework for our employees' compliance with the rules. Our principles of business conduct are fairness, transparency and trust. Accordingly, Helvetia strictly prohibits all forms of bribery, extortion and corruption. It is Helvetia's overarching objective to contribute to the global elimination of corruption and protect its good reputation and the interests of all its stakeholders. Helvetia, the Executive Management and all line managers have a zero-tolerance approach to offering, accepting, paying or legitimising any benefits that may influence decisions and actions and with regard to misusing power with the aim of obtaining personal gains. Helvetia endeavours to comply with all applicable local and relevant international anti-corruption laws and regulations.

Helvetia is currently implementing a Group-wide anti-corruption programme that will further improve our processes. The program includes measures, training and controls to combat corruption and promote transparency in all relevant activities. Executive Management bears ultimate responsibility for implementing this Group-wide programme. Regular and targeted training courses help ensure that all employees are familiar with and follow the Code of Conduct in accordance with applicable Swiss and foreign anti-corruption laws and regulations. Further information on our compliance training can be found in the "Mandatory compliance training" section below.

Our whistleblower systems described above and our loss event reporting serve to uncover cases of corruption or bribery. If a loss event also proves to be a case of corruption or bribery, it is included in the Compliance Report and communicated to the Executive Management. We report on cases of corruption in the summary of the Compliance Report, see sustainability report page 68.

Respect for human rights

As an employer and internationally active insurance company, Helvetia is committed to the principles of human rights and labour rights in all its business activities in accordance with the standards of the OECD Guidelines for Multinational Enterprises (MNE), the UN Guiding Principles on Business and Human Rights (UNGPs), the eight Conventions of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Convention on Human Rights. To implement our efforts, we are guided by the United Nations Global Compact, in which we voluntarily report on our progress and make it publicly available.

Helvetia is not exposed to any risk with regard to non-compliance with human rights, including child labour, among its own employees. Because we are active solely in the service sector and all our locations are in OECD countries, we do not see any direct negative effect of our activities on human rights in this context. The employment conditions of our employees outside Switzerland meet the standards of the entire Helvetia Group, or at least the local statutory standards. Any violation of human rights, including forced and child labour, will not be tolerated. We have implemented processes and controls to avoid any form of child labour. In 2023, we checked whether there could be any reasonable suspicion of child labour. The controls related to on-site visits by management and the commitment of our suppliers to respect human rights and prohibit child labour. Based on our controls, we found no reasonable suspicion of child labour. Helvetia therefore considers itself exempt from the due diligence and reporting obligations pursuant to Art. 964j-l of the Swiss Code of Obligations.

Helvetia could be indirectly confronted with negative effects of human rights issues as a result of its activities along the value chain. However, based on our measures and due diligence checks, there are no indications that Helvetia is indirectly associated with human rights violations. We identify the possibility of indirect links to human rights violations in relation to our activities in asset management, the underwriting of international insurance solutions and purchasing. Although the potential for such indirect effects was identified in the materiality analysis conducted in accordance with the dual materiality principle, they were not deemed to be material. Nevertheless, Helvetia intends to completely avoid such negative effects along the value chain and therefore implements risk-based due diligence assessments in the relevant areas (see sustainability report sections "Responsible investment" from page 44 and "Sustainable products and customer relationships" from page 36 as well as in the "Procurement principles for suppliers" section further down).

Mandatory compliance training

All employees of Helvetia Group receive regular compliance training and are familiar with the Code of Conduct. For example, new employees complete an obligatory basic training course on integrity. New external employees with access to Helvetia's IT infrastructure are also required to participate in compliance training. During their employment with the company, our employees repeat their compliance training in the form of refresher courses every two to four years. The exact training content is the responsibility of the market units and is closely aligned with the Code of Conduct. The training courses cover anti-corruption, illegal business practices, money laundering and terrorist financing, economic sanctions, dealing with employees, customers and the public, and ways to report misconduct. General compliance training also has specific modules for managers, sales staff and certain specialist departments that cover anti-corruption, sanctions / embargoes and the prevention of money laundering and terrorism financing.

In the year under review, 5,416 employees across the Group, which corresponds to 35 % of the entire workforce, completed the general compliance training. Refresher courses were regularly offered for employees in the market units of Switzerland, Spain, Italy, Austria and France. Employees in the market units who had already completed a basic course were instructed to refresh their knowledge. Caser does not distinguish between compliance training for new employees and for its current workforce. Table 20 shows the training participants broken down by type of training and market unit.

Table 20

Employee training on the Code of Compliance, including anti-corruption

in CHF million	Group	Switzerland	Germany	Spain	Italy[1]	Austria	France	Caser
New employees who have completed training on the Code of Compliance	1,125	744	53	54	40	134	100	
Employees who have completed the refresher training[2]	4,291	1,089	0	201	78	841	0	2,082
Total training participants	5,416	1,833	53	255	118	975	100	2,082
Share of training participants in total workforce in %[3]	**35**	**37**	**6**	**39**	**21**	**100**	**19**	**30**

[1] For Helvetia Italy, the figure includes participants in the "Code of Ethics" module, which covers all topics the Code of Compliance.
[2] No refresher training courses were offered by the market units Germany and France in 2023.
[3] Ratio of training participants to total number of employees (headcount) per country or group in 2023.

Compliance Report

These results show that Helvetia's compliance culture and all the organisational measures taken with the compliance management system are effective in terms of good governance. All country markets are obliged to report compliance incidents as part of the Compliance Report.

Cases of corruption or bribery

There were no confirmed incidents of corruption against employees or business partners of Helvetia Group in the reporting year. There were no confirmed incidents in the Group of employees being dismissed or disciplined for corruption.

Compliance with laws and regulations

There were no significant violations of laws and regulations within Helvetia Group that affect social and economic aspects. Group-wide, there were also no fines as a result of breaches of local, regional or national industry regulations in the area of marketing and communicating information about insurance products to new and existing customers. As the only monetary loss, Helvetia Spain reported a regulatory fine of EUR 60,000 for non-compliance with the obligation to submit data on time to the competent authority in connection with the compulsory motor vehicle insurance. The case dates back to 2021 and was closed in March 2023. The system was able to determine and rectify the internal error.

Communication of critical concerns

In the financial year, no critical concerns about violations of conduct prescribed by our Code of Compliance were raised by customers as part of the complaints and feedback processes and communicated to the Executive Management.

Integral enterprise security

With our concept of integral security, Helvetia takes a proactive, full-spectrum approach to protect assets, including customer relationships, from cyber threats, ensure compliance with laws and regulations and ensure business continuity. Helvetia relies on state-of-the-art technologies and innovation in all business areas.

Careless handling of corporate security matters harbours unavoidable risks for data security and protection and can ultimately lead to substantial reputation loss. Daily threats such as phishing attacks via email, phone calls and social media, malware and social engineering are a constant threat to company security. Cyberattacks have recently increased by almost 20% in Switzerland.

Helvetia therefore considers corporate security to be a priority. Our comprehensive, modern information security and cyber protection framework meets recognised international security standards and provides a secure environment for the digital transformation of Helvetia. Raising awareness among our employees through training and phishing campaigns prevents carelessness. This helps to optimally protect Helvetia's information and customers.

The Group-wide Helvetia Security Directive, together with the other technical security and work directives, forms the basis for the integrated security approach. They lay out goals and strategies for integrated security as long-term principles and define responsibilities.

The "Creating Trust with Corporate Security" flyer on our website describes in detail Helvetia Group's integrated corporate security concept and the Three Lines of Defence Risk Management Framework.

Security organisation

As the supreme operating body, Executive Management is responsible for the security of the Group, ensures suitable organisational structures and resources, and manages implementation through functional and operational units. As a member of the Executive Management and security officer, the Group Corporate Centre Officer is responsible for integrated security at the Helvetia Group level.

The Group Chief Security Officer reports to the Group Corporate Centre Officer and, together with the security organisation as an assurance function and security observer in the second line of defence, monitors the relevant security risks, implementation of the principles from the security directives and compliance with the relevant statutory or regulatory requirements, and ensures that the Executive Management receives an annual security report.

The Group-wide Helvetia Security Directive, together with the other technical security directives and work instructions, lays out the basis for Helvetia Group's integral security approach, which also covers data protection, information security, cyber defence, IT risk management, business continuity management and physical security.

The security organisations manage the comprehensive, Group-wide information security management system (ISMS) and the security framework to ensure secure business processes and keep business data safe. Information security requirements (policies, directives, concepts and standards) as well as monitoring and reporting are managed at Group level. All Helvetia market units, subsidiaries, Group functions, operational IT units and suppliers must observe the security framework and regularly ensure adequate protection, operational reliability, monitoring and controls.

Information Security and Protection Framework

Based on statutory and regulatory requirements and dynamically increasing cyber threats, Helvetia's business processes are protected and monitored by well-trained, certified IT and security experts as well as by a comprehensive, continuously expanded information security and cyber protection framework in accordance with recognised international security standards (ISO / IEC 2700X / NIST).

The Group Information Security Policy defines objectives and strategies for information security as long-term principles and governs responsibilities in a binding manner. The Helvetia market units have their own information security organisations that work closely together at Group level and are supported and supervised by the Group Security Organisation.

Full-spectrum cyber defence

The Corporate Cyber Defence Center of Helvetia Group and the cyber defence functions of the local market units and subsidiaries are responsible for handling early detection and coordinating measures against critical cyber threats and attacks. Cyber defence capabilities are constantly being expanded, especially in the cloud and in the market units. Regular risk-based cyber threat hunts, continuous penetration tests and bug bounty programmes support the enhanced protection framework and help prevent significant business-critical incidents. This ensures that no substantial cyber incidents occurred in the current financial year.

Our best practices for ensuring business security

Regular reviews and controls

As part of the established security risk management process, group-wide security reviews, regular security health checks, annual phishing audits and monthly awareness campaigns are conducted to identify, assess and mitigate security risks. The Security Framework and its indicators and processes are reviewed annually and adjusted to the evolving security risk and threat landscape, best practices and new regulatory requirements.

Security health checks were carried out in all market units in 2023. No new high security risks were identified and some of the current high security risks were closed or addressed.

Our annual phishing campaign improved in 2023 compared to the previous year. Helvetia informed its employees in monthly awareness campaigns about topics such as fraudulent calls, OneNote malware, AI awareness and quishing.

In addition, mandatory security awareness training courses have now been introduced both new employees and annually for current employees. Each course also requires a passing mark on a final test.

In line with our risk-based approach, external independent security controls as well as internal and external audits are conducted annually to verify that our security concept of IT and data security standards and compliance meet the requirements of the Swiss Insurance Supervisory Authority (FINMA). FINMA's requirements cover existing and new IT systems as well as newly introduced technologies with a focus on exposed IT services and critical internal IT services as well as technical and operational measures to protect the services (e.g. penetration tests, bug bounty programmes, compliance audits, etc.).

Ongoing security training

Our annual mandatory information security training and reviews for all permanent, new and external employees (including contractors), which are implemented across the Group, cover the content of the information security policy and ensure that all internal and external employees (including contractors) receive regular and ongoing training on data security and the management and avoidance of risks related to data protection.

Security in the supply chain

Security is a high priority in the supplier life cycle and minimum standards and periodic controls are built in at each stage (i.e. supplier evaluation and selection, supplier onboarding, continuous monitoring and controls, including periodic reviews of suppliers' compliance with our requirements, supplier offboarding). The security organisation also regularly conducts risk-based security assessments of suppliers. In addition, a Vendor Code of Conduct (Supplier Code of Conduct) is prerequisite for all suppliers, which requires compliance with the relevant statutory provisions on data protection and the application of state-of-the-art methods to protect data and information security. Further information on procurement principles for suppliers can be found in the sustainability report on page 72.

Information technology

The IT infrastructure and IT services are continuously developed in line with business and operational requirements, new best practices, compliance and protection requirements in the area of information security and cyber defence. IT infrastructure, operations and services meet the highest security and quality standards and are certified based on recognised standards such as ISO 27001, ISAE 3402, SOC 2 and others.

As the importance of identity and access management (IAM) within IT infrastructure and in information security and cyber defence continues to increase, Helvetia has established a comprehensive Group-wide IAM strategy. The IAM strategy incorporates and ensures modern identification, strong authentication, identity encryption and access control techniques to prevent unauthorised access to personal, sensitive and confidential information, including risk-based access rights recertification campaigns to promote least privilege and need-to-know principles.

Helvetia responds proactively to the increasing use of personal data on account of expanding IT services, increasing data generation and the overarching trend towards digitisation. This strategic approach allows us to securely manage data and improve service delivery. Our strong commitment to responsible data handling demonstrates our awareness of our responsibility for data shared with third parties and ensures its lawful and sustainable secure handling.

Information security incidents

The standards, processes and best practices used at Helvetia to ensure information security are having an effect. There were no information-security incidents across the Group during the financial year that led to an interruption of key business activities.

Data protection

Data protection is of paramount importance in the modern digital landscape. Protecting sensitive data is of immense significance for our customers, strategic business partners and employees. Neglecting this important aspect could have serious negative consequences. As a company committed to sustainability, we are keenly aware of its importance and committed to protecting the privacy of our stakeholders.

Data protection governance and directives

Our data protection governance framework is based on our internal Group-wide data protection policy. This defines the basic principles for the processing and safeguarding of personal data within Helvetia Group. It also defines the requirements for demonstrating compliance with data protection standards and regulatory requirements. The country markets apply the Group directive to local directives in accordance with Swiss and foreign data protection laws and regulations. As a core element of our ethos, all new employees (including external contractors) are required to participate in our comprehensive data protection training programme to ensure a consistent understanding of our obligations. Details on our Group-wide data protection policy are posted on the Helvetia website under the heading "Information on data protection".

Our approach to compliance management in data protection is dynamic and decentralised. Independent data protection experts work at Helvetia under the disciplinary and / or functional leadership of the data protection officer for Switzerland and the Group. As a hub, the Group's data protection officer thus supports not only the relevant departments within Switzerland, but also the local data protection officers abroad and throughout Helvetia Group. Helvetia works closely with regulatory authorities and industry associations to ensure that it is always up to date with developments in the area of data protection.

Given the diversity of our activities in the different countries, each Helvetia market unit has its own, tailor-made data protection guidelines and training modules, which are based on the Group-wide requirements of the Group guidelines as well as local requirements. This localised resource approach takes into account the nuances of specific regional regulations and laws and underscores our commitment to holistic compliance. For the market units, the local data protection officers serve as key advisory bodies, liaising with the Data Protection Office and local management to ensure full compliance with data protection requirements. To maintain the integrity of our engagement, a comprehensive network of risk assessment and control processes is in place to monitor compliance with regulatory requirements.

Proactive and reactive measures

To minimise the risk of data breaches, Helvetia takes a multi-faceted approach based on best practices, legal requirements and standardised incident and emergency response plans. Our strategy includes training our employees on compliance and data protection, strengthening the security of our customers' data by implementing state-of-the-art IT infrastructure, and demanding high security standards from our third-party service providers. As with the general compliance training, targeted training courses for new and current employees are developed and regularly updated. Communication and awareness-raising measures as well as networking events also impart specialist knowledge and make our employees even more aware of the relevance of data protection. Helvetia is also committed to transparency and openness by regularly reviewing our data protection practices and notifying our stakeholders of changes.

In the area of IT, our proactive and reactive measures include:

- The Helvetia Group Cyber Defence Centre for early detection and response to cyber threats.
- Use advanced data analytics to identify and investigate anomalies.
- Computer Security Incident Response Process based on NIST best practices.
- Emergency and crisis organisations that are regularly trained to respond effectively.
- Contract with an external specialist company for incident response and forensics.
- Procedure for reporting cyberattacks and personal data breaches to supervisory authorities.

Transparent information

Information on data protection is available on all Helvetia Group websites (e.g. helvetia.com/privacy) and provides an overview of how we collect, process and store personal data. The data protection information serves as a gateway to increasingly detailed information that applies to selected issues.

In it, Helvetia describes the processing activities of personal data and how this is handled by third parties. Any processing of personal data by third parties is always carried out for a specific purpose and in accordance with the information on data protection provided. Further details on the transfer of data to third parties can be found in our privacy policy in the section "List of recipients and countries". Helvetia does not collect any personal data from third parties unless required to do so by law or necessary to fulfil contractual obligations.

To guarantee data protection, Helvetia minimises data processing and deletes or anonymises personal data that is no longer required for the stated purposes in accordance with its retention policy. Our internal policy defines retention periods from 0 days to a maximum of 40 years, as prescribed by law or operational requirement.

Our data protection advisor replies by post, phone or email to any queries concerning data protection and rights (e.g. right of access). The contact details of our data protection advisor can be found online in our privacy policy. Complaints can also be sent to Helvetia or our data protection advisor at any time.

Data protection incidents

Feedback from our stakeholders is very important to us. In all country markets, we therefore have feedback forms through which customers can contact us directly. In the reporting year, there were 20 (2022: 26) justified complaints Group-wide from customers and external parties regarding our handling of personal data. In five cases, leaks, theft or loss of customer data could not be ruled out. In all cases, Helvetia immediately took all necessary measures to avoid risks to the persons concerned. We informed the data subjects and complied with the legal provisions of the data protection authorities. Adjustments were also made to directives and IT systems, and the employees involved were retrained to prevent similar cases in future.

Overall, our commitment to data protection shows that we recognise the importance of data protection and are committed to protecting the privacy of our stakeholders and managing their data securely.

Procurement principles for suppliers

Procurement at Helvetia is organised on a decentralised basis with managers for individual product groups. Since 2020, the Group Procurement department has supported the strategic and operational procurement of products and awarding of services. It also monitors the resulting contractual relationships and ensures that sustainability issues are taken into account.

To provide Helvetia's suppliers with clear and transparent information about what is expected of them, Group Procurement drew up a Vendor Code of Conduct (VCOC) in the financial year. The VCOC for business partners is an integral part of our procurement policy and Helvetia's General Terms and Conditions of Purchase (GTCP) and will be communicated to our business partners by 31 August 2024 as part of the implementation of the e-procurement software. Our VCOC is based, among other things, on the principles of the UN Global Compact, which Helvetia has committed to implement.

A key component of the VCOC is the consideration of environmental aspects. Helvetia expects its business partners to minimise their environmental impact, comply with all applicable environmental laws and regulations and take measures to reduce negative effects on the environment. Examples of such measures include reducing greenhouse gas emissions, lowering energy consumption and minimising emissions-intensive business travel. Compliance with human rights and labour standards is also an important part of the VCOC. Helvetia expects its business partners to uphold and respect human rights and labour standards that correspond to the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises or equivalent standards and are considered fundamental to human rights in the workplace. Other procurement principles concern, for example, the consideration of anti-discrimination, antitrust law and unfair competition, corruption prevention and data protection.

The Group Chief Sustainability Officer approved the Vendor Code of Conduct on 20 July 2023. Further information can be found directly in the Vendor Code of Conduct, which is published on our website.

Public policy

Helvetia is in regular dialogue with administrators, public officials, researchers and key members of the public. Our Public Affairs Policy formulates the standard guidelines for doing so. We are committed to the professional standards of the Swiss Society of Public Affairs (SSPA) and the incorporated "Code de Lisbonne", the European Code of Professional Conduct in Public Relations. Our political work in Switzerland includes constructive engagement with legislative projects, participation in hearings and political consultations, putting forward arguments in political discussions and direct talks with decision makers. The European country markets ensure the representation of interests primarily through membership of regional, national and European associations.

Political sponsorship takes place only in Switzerland and is clearly regulated by the internal policy on party financing. Since 2016, a maximum of CHF 123,000 has been available for political contributions. Of this amount, CHF 118,173 was used in the 2023 reporting year.

Notes

About this report

With this report, Helvetia Holding AG provides information about its sustainability activities throughout the Group for the seventh time. Reports for country markets Switzerland and Spain were issued for the years 2012 to 2016. In accordance with the country-specific implementation of EU Directive 2014/95, the report also discloses non-financial information on the country markets of Germany and France. The Italy, Spain and Austria national subsidiaries publish their own Sustainability Reports that refer to Helvetia Group's Sustainability Report. The Sustainability Reports of our national subsidiaries are available on our website.

Period

Unless stated otherwise, the data and information listed in this Sustainability Report of Helvetia Holding AG refer to the financial year 2023 (1 January 2023 to 31 December 2023). The Sustainability Report is published annually and has been an integral part of the Annual Report since 2023.

Entities

The data and information contained in this Sustainability Report of Helvetia Holding AG relates to all subsidiaries with majority holdings (see the Financial Report, pages 182 to 184). Subsidiaries with a non-controlling interest are not included in the Sustainability Report. The name "Helvetia" in this report always refers to Helvetia Group. Subsidiaries with majority stakes are reported as fully consolidated entities, unless specifically stated in the report: All employees, consumption and emissions are taken into account. If data or information is not available for a subsidiary, this is explicitly noted in the relevant places and extrapolated where possible.

Methodology

We have carefully compiled this information using the sustainability data management platform WeSustain (Cority). In the report, the data is broken down by country markets (Austria, Switzerland, Germany, Spain, France, Italy) and Caser. The subsidiaries are attributed to the respective country and are not reported individually. The figures for Switzerland include some FTEs based abroad (Active Reinsurance Singapore and SpL International) that are not listed separately due to their small volume, and the subsidiaries Finovo AG, Helvetia Asset Management, Helvetic Warranty GmbH, Medicall AG and MoneyPark AG.

In the greenhouse gas accounting for the Group's own operations, missing environmental key figures for individual locations or subsidiaries were extrapolated on the basis of full-time equivalents (FTEs) and included in the overall accounts. The country-specific electricity mix was used as basis for the extrapolation of energy consumption. Greenhouse gas emissions were calculated according to the methods of the VfU sustainability network for financial institutions in the version of the reference year 2022.

For Caser, the reporting period for some environmental indicators was also postponed to 1 October 2022 to 31 September 2023 in order to circumvent difficulties with data availability. These discrepancies are highlighted in our illustrations of the environmental indicators.

Internal and external quality assurance

The information and data published in the Sustainability Report were reviewed by internal specialists and approved by Executive Management and the Board of Directors.

On a voluntary basis and on behalf of Helvetia, Swiss Climate AG subjects the greenhouse gas accounting for its own business operations as a whole of Helvetia Holding AG, including subsidiaries with majority interests, to an external and independent audit review (limited assurance). Swiss Climate is an independent consulting firm in the areas of CO_2 management, sustainability, CO_2 compensation and energy, with its registered office in Bern.

For the 2023 financial year, the topics of social matters, employee matters, respect for human rights and the fight against corruption, including the related statements in the report on non-financial matters, were subjected to a limited assurance audit by KPMG. The audit was conducted in accordance with the International Standard on Assurance Engagements (ISAE 3000 Revised) applicable to such engagements.

Correction or restatement of information

The greenhouse gas accounting and absolute consumption of the Group's own business operations (see sustainability report sections "Climate change" from page 24 and Notes from page 80) are restated for the 2022 financial year. We have retroactively recalculated and disclosed the Group-wide GHG figures of our business operations, including 100% of Caser's emissions. Previously, 80% of the issues of Caser were accounted for pro rata by using the "equity share" approach. From now on, we will apply the "organisational control" approach to greenhouse gas accounting and take into account the full emissions of our majority-owned subsidiaries.

Helvetia further developed its definition of sustainable products in the financial year. In order to ensure comparability with the previous financial year, the total written premiums of sustainable products for 2022 were recalculated retrospectively and in accordance with the new definition and are shown in Table 14 on page 38 of the sustainability report.

GRI Sustainability Reporting Standards

Helvetia Holding AG prepared the report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023. An overview of the selected standards and the corresponding references can be found in the GRI Content Index starting on page 89 in this section. At the same time, this report serves as the basis for the UN Global Compact's Communication on Progress (COP) to be submitted in 2023 and the reports to the PRI, CDP and RE 100 initiatives.

At the time of publication of the Sustainability Report, the GRI Index was reviewed by the GRI Content Index – Advanced Service. For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

SIX Exchange Regulation

To provide market participants with more comprehensive information, Helvetia is one of 30 listed Swiss companies to publish its Sustainability Report on the SIX Exchange Regulation website. Through this voluntary communication, Helvetia declares that it will prepare a Sustainability Report ("opting in" in accordance with Art. 9 para. 2.03 of the Directive on Regular Reporting Obligations) and commits to publishing the Sustainability Report within eight months of the Annual Report reporting date and keeping it on its website for five years.

Report on non-financial matters

We comply with our obligation to report on non-financial matters pursuant to Art. 964a-c CO with the report from page 94 onwards. The report covers the description of Helvetia's business model and the legally required descriptions of environmental matters, social matters, employee matters, respect for human rights and the fight against corruption. The report refers to the relevant chapters of this Annual Report for the standards and procedures applied to non-financial reporting and for details regarding content. The report is also available as a separate document on our website.

Key figures employees

Table 1

Key figures for employees in full-time equivalents (FTE)[1]

	Group			CH[2]		DE
	2022	2023	Change compared with previous year in %	2022	2023	2022
Personnel structure in full-time equivalents (FTE)						
Executive Board members	74	90	21.1	33[3]	45	7
Management	1 748	1 876	7.3	684	713	102
Specialists	3 724	3 973	6.7	1 809	1 959	76
Clerks	6 693	7 244	8.2	1 614	1 585	581
Junior staff	295	296	0.3	187	190	27
Temporary employees	389	599	53.8	1	40	5
Employees total[4]	**12 924**	**14 079**	**8.9**	**4 328**	**4 532**	**797**
Fluctuation rate (departure in % of personnel)[5]	**11.1 %**	**15.6 %**	**40.3**	**12.2 %**	**13.4 %**	**6.1 %**
Internal service staff	11 002	12 019	9.2	3 249	3 435	689
Salesforce	1 921	2 060	7.2	1 080	1 097	109
Temporary female employees	579	688	18.8	129	119	16
of which hourly workers	45	62	37.8	42	60	3
Temporary male employees	338	323	–4.3	150	128	18
of which hourly workers	67	68	1.5	65	63	2
Total temporary employees	**917**	**1 012**	**10.3**	**278[6]**	**247**	**33[6]**
Full-time female employees	6 088	6 659	9.4	1 284	1 379	305
Full-time male employees	5 919	6 408	8.3	2 766	2 906	459
Total full-time employees	**12 007**	**13 068**	**8.8**	**4 050**	**4 285**	**764**
Temporary female employment ratio in %	28.6	28.2	–1.6	37.1	36.8	28.0
Temporary male employment ratio in %	7.9	7.9	–0.2	9.4	9.6	3.7
Total temporary employment ratio in %	**18.6**	**18.5**	**–0.6**	**18.4**	**18.6**	**13.5**
Diversity						
≤ 29 years of age	2 032	2 297	13.1	923	980	89
30–39 years of age	2 933	3 326	13.4	1 085	1 195	157
40–49 years of age	3 446	3 666	6.4	948	997	174
50–59 years of age	3 542	3 704	4.6	1 070	1 044	309
≥ 60 years of age	971	1 086	11.8	302	317	69
Female ratio ≤ 29 years of age in %	54.4	55.0	1.0	42.9	42.6	47.6
Female ratio 30–39 years of age in %	53.4	52.4	–1.9	37.0	35.0	44.9
Female ratio 40–49 years of age in %	55.2	55.4	0.4	29.6	30.4	51.2
Female ratio 50–59 years of age in %	47.2	49.7	5.2	26.0	28.2	32.2
Female ratio ≥ 60 years of age in %	43.4	43.3	–0.2	18.6	20.4	29.0
Female ratio total in %	**51.6**	**52.2**	**1.2**	**32.6**	**33.0**	**40.2**
Female ratio in management roles in %	**29.8[6]**	**31.3**	**4.9**	**18.5**	**19.0**	**21.5**
Executive Board ≤ 39 years of age	0.0	0.0	0.0	0.0	0.0	0.0
Executive Board 40–49 years of age	16.1	17.5	8.4	28.6	29.4	12.5
Executive Board 50–59 years of age	58.4	54.2	–7.3	64.3	58.8	75.0
Executive Board ≥ 60 years of age	30.5	31.5	3.3	14.3	11.8	12.5
Female ratio on the Executive Board in %	**10.4[6]**	**16.9**	**62.8**	**14.3**	**23.5**	**12.5**
Board of Directors ≤ 39 years of age	0.0	0.0	0.0	–	–	–
Board of Directors 40–49 years of age	0.0	0.0	0.0	–	–	–
Board of Directors 50–59 years of age	44.4	50.0	12.5	–	–	–
Board of Directors ≥ 60 years of age	55.6	50.0	–10.0	–	–	–
Female ratio on the Board of Directors in %	**22.2**	**30.0**	**35.0**	**–**	**–**	**–**

	ES		IT		AT		FR		Caser	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
7	7	12	5	4	7	6	7	7	9	9
105	82	89	136	135	68	73	98	112	579	650
76	20	18	6	6	99	108	9	17	1 704	1 790
585	470	509	390	404	627	656	299	332	2 712	3 173
21	0	3	20	14	17	17	19	29	25	23
5	0	0	0	0	0	1	1	16	383	537
799	**579**	**630**	**557**	**563**	**818**	**861**	**433**	**514**	**5 412**	**6 180**
5.5 %	**0.5 %**	**6.1 %**	**5.1 %**	**5.9 %**	**6.9 %**	**7.8 %**	**7.6 %**	**1.1 %**	**13.2 %**	**22.1 %**
692	431	391	557	563	523	555	433	514	5 121	5 870
107	148	240	–	–	295	307	–	–	291	310
10	8	14	9	6	7	9	16	32	395	499
2	–	–	–	–	–	–	–	–	–	–
18	8	12	11	8	14	15	8	18	129	124
5	–	–	–	–	–	–	–	–	–	–
35	**16**	**26**	**20**	**14**	**21**	**24**	**24**	**50**	**524**	**624**
312	258	274	242	249	306	324	242	267	3 451	3 855
459	305	331	295	300	490	514	167	197	1 437	1 702
771	**563**	**605**	**537**	**549**	**797**	**838**	**409**	**464**	**4 888**	**5 557**
28.9	0.6	0.6	6.8	6.8	34.1	33.5	10.0	9.3	29.7	29.1
3.3	1.5	0.7	0.2	0.2	4.3	3.0	0.0	0.9	11.3	11.1
13.6	**1.1**	**0.7**	**3.2**	**3.2**	**15.7**	**14.8**	**6.0**	**5.8**	**24.4**	**23.8**
94	36	52	51	37	173	191	71	95	689	848
150	110	130	98	112	209	212	116	153	1 159	1 375
171	180	189	163	158	179	200	127	139	1 676	1 812
305	197	197	212	213	219	213	95	100	1 440	1 632
79	56	64	33	43	39	45	25	27	448	513
45.0	41.7	42.7	47.1	54.1	41.7	42.3	66.0	61.1	73.9	73.3
45.5	61.0	58.4	54.0	48.4	40.8	41.3	55.1	56.2	71.3	69.3
50.1	59.0	58.7	41.7	45.6	36.3	36.5	65.2	61.9	72.3	71.8
32.7	31.9	35.0	44.9	46.0	41.0	41.4	55.7	55.0	69.0	69.6
33.3	25.7	16.9	33.8	25.9	4.8	6.1	59.8	51.7	67.7	66.5
40.3	**45.9**	**45.7**	**45.1**	**45.4**	**38.3**	**38.6**	**59.6**	**58.2**	**71.1**	**70.4**
23.7	**21.4**	**21.6**	**28.6**	**28.0**	**24.4**	**23.3**	**49.0**	**48.4**	**43.5**	**45.9**
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	12.5	25.0	0.0	25.0	30.2	16.7	14.3	14.3	0.0	0.0
75.0	25.0	25.0	60.0	25.0	69.8	66.7	71.4	57.1	33.3	44.4
25.0	62.5	50.0	40.0	50.0	0.0	16.7	14.3	28.6	66.7	55.6
12.5	**12.5**	**25.0**	**0.0**	**25.0**	**15.1**	**16.7**	**14.3**	**14.3**	**0.0**	**0.0**
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Key figures for employees in full-time equivalents (FTE)[1]

	Group			CH[2]		DE
	2022	2023	Change compared with previous year in %	2022	2023	2022
Training: Average in hours[7]						
Training hours Salesforce	37[6]	38	4.2	27	31	37
Training hours Internal service staff	18[6]	20	13.9	16	19	18
Total training hours	**22[6]**	**24**	**7.7**	**19**	**22**	**21**
Total training hours Women	20[6]	22	9.0	19	22	22
Total training hours Men	25[6]	26	6.7	19	22	20
Training hours Executive Board members	36[6]	12	–65.5	0	0	20
Training hours Management	25[6]	32	26.6	14	13	20
Training hours Specialists	14[6]	20	47.7	20	22	20
Training hours Clerks	24[6]	19	–18.2	14	18	21

1 Totals in this table are based on unrounded figures and may therefore show rounding differences. Yearly comparisons are calculated on the basis of unrounded figures.
2 The key figures for CH also include some FTEs located abroad (Active Reinsurance Singapore and SpL International), which are not reported separately due to the small size of these units, as well as the subsidiaries Finovo AG, Helvetia Asset Management, Helvetic Warranty GmbH, Medicall AG and MoneyPark AG.
3 The key figures "Executive Board" in Switzerland include the Executive Management of Helvetia Group and Helvetia Switzerland, as well as the subsidiaries Finovo AG, Helvetia Asset Management, Helvetic Warranty GmbH, Medicall AG and MoneyPark AG in addition to the Group Executive Management.
4 Including junior staff and temporary employees, in contrast to the total number of 13,783 FTEs stated in the annual report.
5 The Group-wide methodology for staff turnover was adjusted in the financial year. For the financial year 2022, the staff turnover was recalculated retrospectively and do not correspond to the values in the previous year's report.
6 The values of these indicators have been corrected for the financial year 2022 and do not correspond to the values of the previous year's report.
7 The training hours at the subsidiaries Finovo AG, Helvetia Asset Management, Helvetic Warranty GmbH, Medicall AG and MoneyPark AG could not be included in the calculation of the key figures for system reasons. The actual training hours per employee in Switzerland are therefore likely to be higher than the stated value.

Table 2

Employee key figures in headcount

	Group			CH[1]		DE
	2022[2]	2023	Change compared to previous year in %	2022	2023	2022
Personnel structure (headcount)						
Women	–	8 340	–	–	1 768	–
Men	–	7 002	–	–	3 155	–
Employees total	**–**	**15 342**	**–**	**–**	**4 923**	**–**

1 The key figures for CH also include some employees based abroad (Active Reinsurance Singapore and SpL International), which are not reported separately due to the small size of these units, as well as the subsidiaries Finovo AG, Helvetia Asset Management, Helvetic Warranty GmbH, Medicall AG and MoneyPark AG.
2 The employee key figures in headcount are reported for the first time in 2023.

Table 3

Key figures external employees

	Group			CH		DE
	2022	2023	Change compared to previous year in %	2022	2023	2022
External employees (headcount)						
Women	1 121	976	–71 %	165	166	23
Men	1 378	1 476	–40 %	711	640	72
External employees total	**2 499**	**2 452**	**–54 %**	**876**	**806**	**95**

	ES		IT		AT		FR		Caser	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
18	96	–	–	–	49	58	–	–	30	51
18	16	36	28	28	63	80	27	31	16	15
20	**37**	**36**	**28**	**28**	**58**	**72**	**27**	**31**	**17**	**17**
21	34	37	28	27	53	64	30	31	15	16
19	39	35	28	28	61	77	23	30	22	19
18	19	26	24	16	25	52	5	40	229	0
18	11	43	41	37	60	94	26	38	34	45
22	13	29	24	25	31	48	15	10	5	17
20	42	35	25	25	41	47	27	32	22	10

	ES		IT		AT		FR		Caser	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
362	–	299	–	261	–	413	–	306	–	4 931
484	–	351	–	308	–	559	–	213	–	1 932
846	**–**	**650**	**–**	**569**	**–**	**972**	**–**	**519**	**–**	**6 863**

	ES		IT		AT		FR		Caser	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
15	75	61	10	44	0	0	40	41	808	649
42	71	57	9	65	1	1	25	24	489	647
57	**146**	**118**	**19**	**109**	**1**	**1**	**65**	**65**	**1 297**	**1 296**

Environmental performance indicators

Table 4

Helvetia Group, 2018 to 2023

	Unit	2018	2019	2020	2021[1]	2022[2]	2023[3]	Change compared to previous year in %
Absolute consumption								
Electricity	kWh	27 367 507	25 555 560	22 245 066	38 318 776	44 407 952	45 295 599	2
Heating	kWh	17 436 683	16 585 898	12 954 514	23 837 779	26 754 604	30 534 041	14
Business travel	km	48 300 739	48 644 847	33 882 548	36 002 844	52 091 769	59 747 521	15
Commuting	km	–	–	–	–	79 353 626	89 495 015	13
Paper	t	676	625	581	709	520	491	–6
Water	m^3	116 862	132 710	81 806	236 530	345 306	393 968	14
Waste	t	1 334	1 659	1 187	2 335	2 993	2 668	–11
Coolants and extinguishing agents	kg				2	4	18	346
Consumption per employee (FTE)								
Electricity	kWh	3 938	3 585	3 066	3 448	3 436	3 217	–6
Heating	kWh	2 509	2 327	1 785	2 178	2 070	2 169	5
Business travel	km	6 951	6 824	4 669	3 290	4 031	4 244	5
Commuting	km	–	–	–	–	6 140	6 357	4
Paper	kg	95	88	80	65	40	35	–13
Water	m^3	17	19	11	22	27	28	5
Waste	kg	192	233	164	213	232	190	–18
Coolants and extinguishing agents	kg				0.1	0.3	1.3	309
Absolute emissions in CO_2eq								
Electricity	t	396	357	337	434	547	627	15
Heating	t	2 926	2 960	2 418	5 406	6 178	7 734	25
Business travel	t	10 804	10 553	8 338	9 984	13 392	14 319	7
Commuting	t	–	–	–	–	16 381	18 484	13
Paper	t	813	751	698	775	569	443	–22
Water	t	88	99	61	157	229	243	6
Waste	t	227	276	172	1 030	1 248	1 187	–5
Coolants and extinguishing agents	t				4	4	18	346
Total	**t**	**15 254**	**14 996**	**12 025**	**17 789**	**38 548**	**43 055**	**12**
Total, without commuting	**t**	**15 254**	**14 996**	**12 025**	**17 789**	**22 167**	**24 571**	**11**
Emissions per employee (FTE) in CO_2eq								
Electricity	kg	57	50	46	40	42	45	5
Heating	kg	421	415	333	494	478	549	15
Business travel	kg	1 555	1 480	1 149	912	1 036	1 017	–2
Commuting	kg	–	–	–	–	1 268	1 313	4
Paper	kg	117	105	96	71	44	31	–29
Water	kg	13	14	8	14	18	17	–2
Waste	kg	33	39	24	94	97	84	–13
Coolants and extinguishing agents	kg				0.4	0.3	1.3	309
Total	**kg**	**2 195**	**2 104**	**1 657**	**1 625**	**2 983**	**3 058**	**3**
Total, without commuting	**kg**	**2 195**	**2 104**	**1 657**	**1 625**	**1 715**	**1 745**	**2**

[1] The 2021 key figures include 70.53 % of the subsidiary Caser, which was acquired in mid-2020, for the first time (corresponds to Helvetia Group's share in Caser Group as at 31.12.2021). The deviations from the previous year are therefore not representative.

[2] The key figures for 2022 and 2023 include 100.00 % of the acquired subsidiary Caser.

[3] Greenhouse gas emissions were calculated in accordance with the methodology of the Association for Environmental Management and Sustainability in Financial Institutions (VfU) in the version for the reference year 2022. The environmental indicators for 2023 were verified independently.

Market units, 2023

	Unit	CH	DE	IT	ES	AT	FR	Caser
Absolute consumption								
Electricity	kWh	12 564 950	1 086 097	2 277 982	1 985 274	1 495 537	1 473 278	24 412 482
Heating	kWh	7 800 886	1 290 804	1 713 900	246 881	1 149 864	0	18 334 016
Business travel	km	31 084 013	4 769 408	2 490 949	3 018 283	7 968 598	4 688 564	5 727 705
Commuting	km	16 714 729	2 952 365	5 549 819	2 698 778	6 876 820	1 183 281	53 519 223
Paper	t	127	7	96	23	165	5	69
Water	m³	37 931	2 309	13 989	3 608	15 869	2 851	317 411
Waste	t	413	86	80	58	92	40	1 899
Coolants and extinguishing agents	kg	14	–	–	–	4	–	–
Consumption per employee (FTE)								
Electricity	kWh	2 773	1 360	4 047	3 150	1 736	2 869	3 950
Heating	kWh	1 721	1 616	3 045	392	1 335	0	2 966
Business travel	km	6 859	5 971	4 425	4 788	9 252	9 130	927
Commuting	km	3 688	3 696	9 859	4 282	7 984	2 304	8 660
Paper	kg	28	8	171	36	191	9	11
Water	m³	8	3	25	6	18	6	51
Waste	kg	91	108	143	92	107	78	307
Coolants and extinguishing agents	g	3	–	–	–	5	–	–
Absolute CO_2 emissions								
Electricity	t	72	27	41	169	20	5	292
Heating	t	1 749	372	440	63	282	0	4 828
Business travel	t	7 432	1 251	690	593	2 449	976	928
Commuting	t	2 812	591	819	500	1 309	260	12 193
Paper	t	113	6	87	21	149	4	62
Water	t	23	1	9	2	10	2	196
Waste	t	77	27	9	10	35	15	1 013
Coolants and extinguishing agents	t	14	–	–	–	4	–	–
Total	**t**	**12 293**	**2 275**	**2 095**	**1 358**	**4 258**	**1 262**	**19 513**
Total, without commuting	**t**	**9 481**	**1 684**	**1 276**	**859**	**2 949**	**1 002**	**7 320**
CO_2 emissions per employee (FTE)								
Electricity	kg	16	34	74	268	24	10	47
Heating	kg	386	465	781	101	327	0	781
Business travel	kg	1 640	1 566	1 225	941	2 844	1 900	150
Commuting	kg	620	740	1 455	792	1 520	506	1 973
Paper	kg	25	8	154	33	173	8	10
Water	kg	5	2	15	4	11	3	32
Waste	kg	17	33	17	17	41	29	164
Coolants and extinguishing agents	kg	3	–	–	–	5	–	–
Total	**kg**	**2 713**	**2 848**	**3 722**	**2 155**	**4 944**	**2 458**	**3 157**
Total, without commuting	**kg**	**2 092**	**1 282**	**2 267**	**1 363**	**3 424**	**1 952**	**1 184**

Taxonomy disclosure

Taxonomy alignment – non-life business
Table 5

Non-life-business Taxonomie-alignement Helvetia Group

	Substantial contribution to climate change adaptation			No significant impairment (DNSH)					
	Revenue 2023	Proportion of revenue 2023	Revenue 2022	Climate change mitigation[1]	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[2]
	in MCHF	in %	in %	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Group (in MCHF)[3]									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	–						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**1 033 448**	**15.2**	15.0						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**5 765 201**	**84.8**	85.0						
Total (A.1 + A.2 + B)	**6 798 649**	**100.0**	100.0						
Helvetia Schwitzerland (in MCHF)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	–						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**204 481**	**10.5**	10.3						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**1 750 934**	**89.5**	89.7						
Total (A.1 + A.2 + B)	**1 955 415**	**100.0**	100.0						
Helvetia Germany (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	–						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						

	Substantial contribution to climate change adaptation			No significant impairment (DNSH)					
	Revenue 2023	Proportion of revenue 2023	Revenue 2022	Climate change mitigation[1]	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[2]
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**39 571**	**5.4**	**4.6**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**692 503**	**94.6**	**95.4**						
Total (A.1 + A.2 + B)	**732 073**	**100.0**	**100.0**						
Helvetia Italy (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**24 816**	**4.5**	**4.2**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**526 620**	**95.5**	**95.8**						
Total (A.1 + A.2 + B)	**551 437**	**100.0**	**100.0**						
Helvetia Spain (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**60 033**	**16.6**	**17.5**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**302 526**	**83.4**	**82.5**						
Total (A.1 + A.2 + B)	**362 559**	**100.0**	**100.0**						
Caser (Spain) (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						

	Substantial contribution to climate change adaptation			No significant impairment (DNSH)					
	Revenue 2023	Proportion of revenue 2023	Revenue 2022	Climate change mitigation[1]	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[2]
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**232 196**	**19.0**	**18.3**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**988 056**	**81.0**	**81.7**						
Total (A.1 + A.2 + B)	**1 220 252**	**100.0**	**100.0**						
Helvetia Austria (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**29 094**	**6.6**	**7.4**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**413 597**	**93.4**	**92.6**						
Total (A.1 + A.2 + B)	**442 691**	**100.0**	**100.0**						
Helvetia France (in MEUR)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**16 324**	**2.8**	**2.6**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**568 529**	**97.2**	**97.4**						
Total (A.1 + A.2 + B)	**584 852**	**100.0**	**100.0**						
Speciality Lines Switzerland / International (in MCHF)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						

	Substantial contribution to climate change adaptation			No significant impairment (DNSH)					
	Revenue 2023	Proportion of revenue 2023	Revenue 2022	Climate change mitigation[1]	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards[2]
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**62 168**	**10.3**	**9.1**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**543 224**	**89.7**	**90.9**						
Total (A.1 + A.2 + B)	**605 392**	**100.0**	**100.0**						
Active reinsurance (in MCHF)									
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**–**	**–**	**–**						
A.1.1 Of which reinsured	–	–	–						
A.1.2 Of which stemming from reinsurance activity	–	–	–						
A.1.2.1 Of which reinsured (retrocession)	–	–	–						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**402 968**	**63.7**	**55.1**						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**229 678**	**36.3**	**44.9**						
Total (A.1 + A.2 + B)	**632 646**	**100.0**	**100.0**						

1 The activity does not include the insurance of the extraction, storage, transportation or production of fossil fuels or the insurance of vehicles, fixed assets or other facilities serving these purposes.

2 Helvetia requires suppliers to comply with its Supplier Code of Conduct, based on our Group Purchasing Policy, which requires a commitment to social standards. Due diligence processes are in place for human rights, tax payments, anti-bribery and corruption and fair competition.

3 Consolidated, based on the extrapolation of the respective shares of the market units in an aggregated view.

Taxonomy alignment – investments

Table 6

Taxonomy alignment – non-life business, Helvetia Group

Taxonomy metrics %	**Taxonomy KPIs, absolute in CHF**
Insurance or reinsurance undertakings geared or related to the financing of taxonomy-aligned economic activities, in proportion to the value of total assets covered for the KPI, with the following weights of equity interests in undertakings as set out below: Sales-based: 0.71 % CapEx-based 1.18 %	The weighted average value of all investments of insurance or reinsurance undertakings aimed at or related to the financing of taxonomy-aligned economic activities with the following weightings of participations in undertakings as set out below: Sales-based: 224,855,344 CapEx-based: 449,048,487
The percentage of assets covered in the KPI relative to the total investments of insurance or reinsurance undertakings (Total AuM). Without investments in government institutions. Capture rate: 75.35 %	The monetary value of the assets covered for the KPI. Without investments in government institutions. Coverage: 39,392,467,620
Additional, supplementary disclosures: Breakdown of the denominator of the KPI	
The percentage of derivatives in relation to total assets that are tracked for the KPI: 1.93 %	The value of derivatives as monetary amount: 757,485,826
Exposures to financial and non-financial entities not subject to Art. 19a and 29a of Directive 2013/34/EU as a proportion of total assets covered by the KPI: For non-financial companies: 7.64 % For financial companies: 5.95 %	The value of exposures to financial and non-financial entities not subject to Art. 19a and 29a of Directive 2013/34/EU: For non-financial companies: 3,001,718,509 For financial companies: 2,339,357,877
The proportion of exposures to non-EU financial and non-financial entities not subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the KPI: For non-financial companies: 40.73 % For financial companies: 0.68 %	The value of exposures to financial and non-financial entities from non-EU countries not subject to Art. 19a and 29a of Directive 2013/34/EU: For non-financial companies: 16,007,392,148 For financial companies: 266,960,402
Exposures to financial and non-financial entities subject to Art. 19a and 29a of Directive 2013/34/EU as a proportion of total assets covered by the KPI: For non-financial companies: 8.51 % For financial companies: 3.91 %	The value of exposures to financial and non-financial entities subject to Art. 19a and 29a of Directive 2013/34/EU: For non-financial companies: 3,344,931,658 For financial companies: 1,537,333,237
The proportion of exposures to other counterparties to the total assets covered for the KPI: 30.69 %	The value of exposures to other counterparties: 12,061,767,626
The proportion of investments of the insurance or reinsurance undertaking, other than investments for life insurance contracts where the investment risk is borne by the policyholders, which are oriented towards or related to the financing of economic activities in accordance with the taxonomy: 0.58 %	The value of the investments of the insurance or reinsurance undertaking, other than those for life insurance contracts where the investment risk is borne by the policyholders, aimed at, or related to, the financing of economic activities in accordance with the taxonomy: 227,384,685
The value of all investments that finance non-taxonomy-eligible economic activities in relation to the value of total assets covered for the KPI: 97.19 %	The value of all investments that finance non-taxonomy-eligible economic activities: 38,198,492,965
The value of all investments that finance taxonomy-eligible but non-taxonomy-aligned economic activities in relation to the value of total assets covered for the KPI: 2.10 %	The value of all investments that finance taxonomy-eligible but non-taxonomy-aligned economic activities: 824,420,864

Additional, supplementary disclosures: KPI meter breakdown

The share of taxonomy-aligned exposures to financial and non-financial entities subject to Art. 19a and 29a of Directive 2013/34/EU in total assets covered by the KPI: For non-financial companies: sales-based: 0.71 % CapEx-based: 1.18 % For financial companies: sales-based: 0.00 % CapEx-based: 0.00 %	The value of taxonomy-compliant exposures to financial and non-financial entities subject to Art. 19a and 29a of Directive 2013/34/EU: For non-financial companies: sales-based: 279,672,376 CapEx-based: 463,297,952 For financial companies: sales-based: – CapEx-based:
The proportion of investments of the insurance or reinsurance undertaking, other than investments for life insurance contracts where the investment risk is borne by the policyholders, which are oriented towards or related to the financing of economic activities in accordance with the taxonomy: Sales-based: 0.58 % CapEx-based: 1.12 %	The value of the investments of the insurance or reinsurance undertaking, other than investments for life insurance contracts where the investment risk is borne by the policyholders, aimed at or related to the financing of economic activities in accordance with the taxonomy: Sales-based: 227,138,322 CapEx-based: 440,047,868
The proportion of taxonomy-aligned exposures to other counterparties in total assets covered for the KPI: Sales-based: 0.00 % CapEx-based: 0.00 %	The value of the taxonomy aligned exposures to other counterparties: Sales-based: - CapEx-based: -
(1) Climate protection	Sales: 0.68 % Transitional activities: % (sales 0.02; CapEx 0.00) CapEx: 1.06 % enabling activities: % (sales: 0.35; CapEX 00)
(2) Adaptation to climate change	Sales: 0.01 % Transition activities: % (sales 0.01; CapEx 0.00) CapEx: 0.13 % enabling activities: % (sales)
(3) Sustainable use and protection of water and marine resources	Sales: 0.00 % Transition activities: % (sales 0.00; CapEx 0.00) CapEx: 0.00 % enabling activities: % (sales 0.00; CapEx 0.00) enabling activities: % (sales 0.00; CapEx 0.00)
(4) The transition to a circular economy	Sales: 0.00 % Transition activities: % (sales 0.00; CapEx 0.00) CapEx: 0.00 % enabling activities: % (sales 0.00; CapEx 0.00) enabling activities: % (sales 0.00; CapEx 0.00)
(5) Pollution prevention and reduction	Sales: 0.00 % Transition activities: % (sales 0.00; CapEx 0.00) CapEx: 0.00 % enabling activities: % (sales 0.00; CapEx 0.00) enabling activities: % (sales 0.00; CapEx 0.00)
(6) Protection and restoration biodiversity and ecosystems	Sales: 0.00 % Transition activities: % (sales 0.00; CapEx 0.00) CapEx: 0.00 % enabling activities: % (sales 0.00; CapEx 0.00) enabling activities: % (sales 0.00; CapEx 0.00)

Membership in associations and initiatives.

Group
- UN Global Compact
- Task Force on Climate-related Financial Disclosures (TCFD)
- Carbon Disclosure Project (CDP)
- Principles for Responsible Investment (PRI)
- RE100 and EP100 (The Climate Change Organisation)
- CEO4climate

Switzerland
- Swiss Insurance Association
- Swiss Sustainable Finance (SSF)
- Swisscleantech
- Association for Sustainable Economy, öbu
- Swiss Climate Foundation

Germany
- German Insurance Association, Berlin
- Employers' Association of Insurance Companies in Germany, Munich
- German Nuclear Reactor Insurance Association, Cologne
- Pharma reinsurance association, Munich
- Working group for occupational pensions, Berlin
- Rhein-Main vocational training centre for the insurance industry, Wiesbaden
- German Association for Data Protection and Data Security, Bonn (DGG)
- Institute of Internal Auditors, Frankfurt
- German Association of Actuaries
- Support group for the Institute for Insurance Science at the University of Leipzig, Leipzig
- Support association for the Institute for Insurance at the Cologne University of Applied Sciences, Cologne

Spain
- Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)
- Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones (ICEA)
- POOL Riesgos Medioambientales

Italy
- Associazione Nazionale fra le Imprese Assicuratrici (ANIA)
- American Chamber of Commerce in Italy
- Associazione Italiana Internal Auditors (AIIA)
- Associazione per lo Sviluppo degli Studi di Banca e Borsa (ASSBB)
- Associazione Italiana per la Previdenza Complementare (ASSOPREVIDENZA)
- Swiss Chamber of Commerce in Italy
- Chamber of Commerce Industry
- Consorzio Universitario per l'Ingegneria nelle Assicurazioni (CINEAS)
- Credito e Cauzioni Forum
- Ordine Nazionale degli Attuari (National Association of Actuaries)
- Valore D

Austria
- Austrian insurance association
- Swiss-Austria-Liechtenstein Chamber of Commerce
- Board of Trustees for Road Safety
- Austrian Society of Insurance Experts

France
- France Assureurs (Fédération Française de l'Assurance)
- Comité d'Etudes et de Services des Assureurs Maritimes et Transports (CESAM)
- Groupement d'Assurance de Risques Exceptionnels (GAREX)
- CLUSTER MARITIME FRANÇAIS
- Propeller Club
- Ecole 42 Le Havre
- Fédération Internationale de la Construction, de l'Urbanisme et de l'Environnement

GRI Index

This GRI Index was reviewed by GRI Services "Content Index – Advanced Service". For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The Service was performed in the German version of the report.

Declaration of application

Helvetia Holding AG has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI 1 used: GRI 1 Foundation 2021

General Disclosures

GRI Standard / other source	Disclosure		Location / page	Omissions and comments
The organisation and its reporting practices				
GRI 2: General disclosures 2021	2–1:	Organisational profile	74, Helvetia Portrait p.19–26 Corporate Governance Report p. 6	
	2–2:	Entities included in the organisation's sustainability reporting	74, Financial report p. 182–185	
	2–3:	Reporting period, reporting frequency and contact point	74, AR p. 220	
	2–4:	Correction or restatement of information	75	
	2–5:	External audit	101–106	
Activities and employees				
GRI 2: General disclosures 2021	2–6:	Activities, value chain and other business relationships	Helvetia Portrait p. 19–29	2–6c) Relevant business partners of Helvetia Group are: Italy: Banco Desio, Cassa di Risparmio di Asti, Civibank Caser: Ibercaja Banco, Unicaja Banco Group Asset Management: Privera AG There have been no relevant changes in 2–6 compared with the previous year.
	2–7:	Employees	Helvetia Portrait p. 2; 76–78	
	2–8:	Workers who are not employees	78	
Governance				
GRI 2: General disclosures 2021	2–9:	Governance structure and composition	17–18 Corporate Governance Report p. 9–34	At the Annual General Meeting 2023, the total amount of fixed remuneration of the Board of Directors and the fixed and variable remuneration of Executive Management were each approved with more than 90 % of the vote. The exact number of votes can be found in the minutes of the Annual General Meeting, page 5. The next Annual General Meeting will take place on 24 May 2024.
	2–10:	Nomination and selection of the highest governance body	Corporate Governance Report p. 8–14	
	2–11:	Chair of the highest governance body	Corporate Governance Report p. 10	
	2–12:	Role of the highest governance body in overseeing the management of impacts	16–17	
	2–13:	Delegation of responsibility for the management of impacts	16–19	
	2–14:	Role of the highest governance body in sustainability reporting	17, 94	

GRI Standard / other source	Disclosure		Location / page	Omissions and comments
GRI 2: General disclosures 2021	2–15:	Conflicts of interest	Corporate Governance Report p. 8–25; Organisational regulations p. 13, p. 34; Code of Conduct p. 13	
	2–16:	Sharing of critical concerns	65	
	2–17:	Collective knowledge of the highest governance body	16–17	
	2–18:	Evaluation of the performance of the highest governance body	Remuneration report p. 5, 10–21	The Board of Directors is not independently assessed, but the members of the Board of Directors do not receive variable remuneration.
	2–19:	Remuneration policy	Remuneration Report p. 6–7, 10–21	
	2–20:	Procedure for setting remuneration	Remuneration Report p. 10–21	
	2–21:	Ratio of total annual remuneration	52	
Strategy, policies and practices				
General disclosures 2021	2–22:	Declaration of application on the Sustainable Development Strategy	5	
	2–23:	Declaration of commitment to principles and courses of action	5, 14–16, Code of Conduct	Code of Conduct. Published, Group-wide directive. Approved by the Board of Directors and Group Management. The section on money laundering and terrorist financing specifies activities within the scope of due diligence obligations. **Anti-corruption directive.** Internal, Group-wide directive, approved by Group Management. **Information Security Policy.** Internal, Group-wide directive, approved by the Executive Board. **Data protection policy of the Group.** Internal, Group-wide directive. Approved by Group management. **Group data protection policy.** Internal, Group-wide directive. Approval by Group management. See excerpts Notes on data protection at Helvetia, data protection information on the use of your data. Helvetia Principal Adverse Impact Policy, published declaration. Valid Group-wide. Authorisation by Chief Investment Officer.
	2–24:	Inclusion political commitments	64–68, 73	
	2–25:	Procedure for eliminating adverse effects	21–35, 41, 53, 65–67	
	2–26:	Procedure for obtaining advice and reporting concerns	64	
	2–27:	Compliance with laws and regulations	68	
	2–28:	Membership of associations and interest groups	11, 88	
Stakeholder engagement				
GRI 2: General disclosures 2021	2–29:	Approach to stakeholder engagement	9–11	
	2–30:	Collective bargaining agreements	59	

GRI 1: Foundation 2021
Material topics

GRI Standard / other source	Disclosure		Location / page	Comments and further sources
Material topics				
GRI 3: Material topics 2021	3 – 1:	Procedure for determination of material topics	12 – 13	
	3 – 2:	List of material topics	13 – 16	
Customer satisfaction:				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	41	
Own indicator	3 – 3:	Monitoring of customer satisfaction	41 – 42	
Own indicator	3 – 3:	NPS values	41 – 42	
Integration of ESG factors into underwriting				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	39	Requirements for the disclosure of revenues of companies in the SpL portfolio with a net-zero target (for implementation in 2024)
Own indicator in development	–	Proportion of income in SpL of companies in the subscription portfolio with a net-zero target	Indicator in development	Revenue disclosure requirements for companies in the SpL portfolio with a net-zero target (for implementation in 2024)
Own indicator		Preparation and further development of process descriptions, data integration and exclusion lists	22 – 23	
Innovation management				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	36 – 38	
Own indicator	3 – 3:	Growth rate for sustainable products	38	
Own indicator	3 – 3:	Share of sustainable products in total business volume	38	
Financial protection for our customers				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	36 – 37	
SASB FN-IN-270a.4 Indicator	270a.4	Description of approach to informing customers about products	42	
GRI 417: Marketing and labelling	417 – 2	Number of breaches of regulations relating to information about products and services and their labelling	68	
Reduction of greenhouse gas emissions in business operations and investment portfolio				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	21 – 24	
GRI 305: Emissions 2016	305 – 1: 305 – 2: 305 – 3: 305 – 5:	Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions Other indirect (Scope 3) GHG emissions Reduction of GHG emissions	25 – 26, 80 – 81	GHG emissions from own operations.
	305 – 1: 305 – 2: 305 – 3: 305 – 4:	Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions Other indirect (Scope 3) GHG emissions GHG emissions intensity	28 – 29	GHG emissions of the investment portfolio.
Responsible investment				
GRI 3: Material topics 2021	3 – 3:	Management of material topics	28 – 29, 44 – 45	
Own indicator		Average MSCI ESG rating of portfolio	47	
Own indicator		Proportion of investments in fossil fuel companies, including thermal coal, unconventional oil and gas, and fossil fuels	47	
Own indicator		Production capacity of solar installations in the Group-wide real estate portfolio.	48	

GRI Standard / other source	Disclosure		Location / page	Comments and further sources
Climate risks and opportunities				
GRI 3: Material topics 2021	3–3	Management of material topics	29–32	
SASB FN-IN-450a.1 Indicator	450a.1	Probable maximum loss from the insured risks due to weather-related natural catastrophes	32	
SASB FN-IN-450a.2 Indicator	450a.2	Claims payments due to weather-related natural catastrophes	32	
Corporate governance, including integrity and compliance				
GRI 3: Material topics 2021	3–3:	Management of material topics	Corporate governance p. 5, 8–9; 64–65	
Own indicator		Remuneration of Executive Board members linked to sustainability performance	Remuneration Report p. 20	
Own indicator		Frequency of sustainability-related training and further education opportunities for members of (a) Executive Management and (b) the Board of Directors	15, 17–18	
GRI 2: General disclosures 2021	2–27	Violations of laws and regulations (including fines from supervisory authorities, court proceedings against a Helvetia company or individuals from management)	68	
Anti-corruption, including bribery and anti-competitive practices				
GRI 3: Material topics 2021	3–3	Management of material topics	66	
GRI 205:	205–2	Communication and training about anti-corruption policies and procedures	67	**Omissions (Information incomplete):** The number of business partners to whom the organisation's anti-corruption policy and procedures have been communicated is not yet recorded.
Anti-corruption 2016	205–3	Confirmed incidents of corruption and actions taken	68	
Responsibility for digital technology, including AI and cybersecurity				
GRI 3: Material topics 2021	3–3	Management of material topics	69–72	
Own indicator	3–3	Number of information-security incidents that led to an interruption of key business activities	70	
GRI 418: Customer privacy 2016	418–1	Substantiated complaints about breaches of customer privacy and loss of customer data	72	
Risk assessment and management				
GRI 3: Material topics 2021	3–3	Management of material topics	Financial report, p. 12–13	
Own indicator		Number of new risks, number of upgrades and downgrades in the Comprehensive Risk Profile (CRP). Changes to the watch list?	15	
Attracting and retaining talent, including employee development				
GRI 3: Material topics 2021	3–3	Management of material topics	50–51, 55–57	
Own indicator	–	Employee Engagement Index	53	
GRI 3: Employees 2016	401–1	Employee turnover	76	**Omissions (Confidentiality constraints):** We only report the rate of employee turnover.
GRI 404: Training and education 2016	404–1	Average training hours per employee per year	58, 78	

GRI Standard / other source	Disclosure		Location / page	Comments and further sources
GRI 405: Diversity and equal opportunity	405 – 1	Gender distribution in the workforce, in management positions (from team leader) and in top management (Executive Management, Executive Boards).	54, 76 – 77	**Omissions (Confidentiality constraints):** We do not disclose per employee category.
Own indicator		Proportion of internal replacements at top management level (Executive Management, Executive Board).	16	
Equal treatment and fair pay in the workplace				
GRI 3: Material topics 2021	3 – 3	Management of material topics	50 – 52, 54 – 55	**Omission (Confidentiality constraints):** We do not report on the status of the discrimination incidents and actions taken.
GRI 405: Diversity and equal opportunity	405 – 2	Gender pay gap	52	
GRI 406: Anti-discrimination 2016	406 – 1	Cases of discrimination	53	
GRI 2: General disclosures 2021	2 – 21	Ratio of the total annual compensation	52	
Stakeholder commitment				
GRI 3: Material topics 2021	3 – 3	Management of material topics	9 – 10	
GRI 2: General disclosures 2021	2 – 28	Memberships in associations and external initiatives	11, 88	

Report on non-financial matters (reporting pursuant to Art. 964a-c of the Swiss Code of Obligations)

Since 1 January 2022, new provisions on non-financial reporting pursuant to Art. 964a-c of the Swiss Code of Obligations (CO) have been in force in Switzerland. These include a reporting obligation on environmental, social, employee and human rights matters as well as on combating corruption. As a public-interest entity (as defined by the Auditor Oversight Act), Helvetia is subject to this reporting obligation (Art. 964a para. 1 item 1).

The report was approved and signed by the Board of Directors of Helvetia Holding AG and is published as part of the Annual Report of Helvetia Holding AG and as a separate document on our website. It applies to the entire Helvetia Group, i.e. all direct and indirect domestic and foreign subsidiaries of Helvetia Holding AG in which Helvetia Holding AG directly or indirectly holds a majority of capital and/or voting rights, as well as to all direct and indirect domestic and foreign branches of Helvetia Holding AG.

The report includes the following tables on environmental, social, employee and human rights issues, and steps to combat corruption. It also describes in each case the concepts being applied, the due diligence audits, the risks, the measures being applied and their efficacy, and it includes notes about the performance indicators being applied. For details of each area, reference is made in the following tables to the relevant sections of the Sustainability Report and the remaining sections of the Annual Report. The Sustainability Report was also approved by the Board of Directors of Helvetia Holding AG as part of the overall Annual Report.

The internationally recognised GRI (Global Reporting Initiative) reporting standard for sustainability reporting forms the basis of sustainability reporting and this report in accordance with Art. 964a-c CO. This also includes the concept of dual materiality, which Helvetia uses in sustainability management as part of its due diligence audit and for reporting. The concept makes it possible to identify and evaluate material topics in terms of risks and opportunities for Helvetia and in terms of effects on sustainability issues to devise measures for managing sustainability issues.

Description of the business model

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Helvetia is an international insurance group with its registered office in Switzerland that is active in the non-life, life and reinsurance business as well as increasingly in the fee and commission business. In addition to direct income from these areas of business, results from the investments are also important for our business. Our business model with regard to the various business areas is described on pages 19-26 of the Annual Report. In organisational terms, Helvetia's business activities are divided into the segments Switzerland, Europe and Speciality Markets. Its business activities in its home Swiss market are bundled in the Switzerland segment. The Europe segment covers the country markets of Germany, Austria, Spain and Italy. Specialty Markets includes the French country market, which is very strongly focused on transport insurance, the globally active reinsurance business and the Specialty Lines Switzerland and International segment, which underwrites in Switzerland and international special insurance policies (engineering, transport and art). In Spain, Helvetia operates an ecosystem in the healthcare sector with the Caser Group, which generates stable fee income and is strongly linked to the insurance and pension business. We focus on private customers and small and medium-sized enterprises. We also insure large companies in selected sectors (e.g. Occupational Pension Plans Switzerland and Speciality Lines). We differentiate ourselves in all markets through suitable offers, convenience for customers and sales partners, and by developing and participating in ecosystems.	GRI 2–1 GRI 2–2 GRI 2–6	Portrait of Helvetia p. 19–26 Financial Report p. 182–184

Environmental matters

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Applied concepts – Concept of dual materiality as part of the materiality analysis. – Based on the sustainability strategy 20.25, Helvetia developed a comprehensive, Group-wide climate strategy. It sets ambitious targets for its own business operations (net-zero target by 2040), the insurance business (net-zero target by 2050) and the capital investment business (net-zero target by 2050). – Helvetia has carried out CO_2-accounting in accordance with recognised standards for its own business operations and the investment business. In the insurance business, the carbon footprint was analysed for the first time for a sub-portfolio of the Swiss business in a pilot project. In the coming years, we would like to establish a corresponding framework to better understand the indirect emissions from our non-life insurance portfolio.	GRI 2–22 GRI 305–1 GRI 305–2 GRI 305–3 GRI 305–4 GRI 305–5	Sustainability Report p. 9, 12 p. 22–24 p. 24–29 p. 80–81
Due diligence audit – Own business operations: Management decisions relating to a company's own business operations always include the assessment of risks and negative impacts on the environment in addition to the consideration of opportunities. The environmental data is validated by Swiss Climate by means of an independent audit. – Investment and insurance business: Assessments of potential negative effects on the environment are implemented according to a risk-based approach.	GRI 2–5	Sustainability Report p. 102–104 p. 24 p. 73 p. 22 p. 30–32 p. 39 p. 46–49
Risks – Increase in technical insurance risks in non-life business due to more frequent and larger natural catastrophe events as a result of climate change. – Increased physical risks and transition risks in the investment portfolio. – Potential negative impacts on the environment from the company's own business activities and – the investment and insurance business.	SASB FN–IN–450a.1 & a.2	Sustainability Report p. 30–32
Measures – Implementation of internal and external guidelines that describe how to deal with environmental issues and contribute to minimising negative or positive effects in environmental matters (see overview of internal and external guidelines at the end of the report). – Business operations: Procurement of electricity from 100% renewable energy sources, procurement of heat with the lowest possible CO_2e emissions, improvement of energy efficiency, environmentally friendly workplace and office concepts and enabling working from home. The development of a reduction pathway and measures to achieve net zero by 2040 are currently being drawn up. – Insurance business: Development of sustainable products and application of the EU Taxonomy, exclusion criteria for fossil fuel related insurance, assessment of potential adverse environmental impacts as part of the underwriting process. – Investment business: Exclusion criteria for investments related to fossil fuels. Review of potential negative effects on the environment as part of the investment process. Development of an active ownership strategy and the net-zero reduction pathway is currently under development. **Efficacy** – Reduction of CO_2e emissions/FTE from own business operations (without commuter traffic) in 2023 by 20% since 2018 and by 46% since 2012, with an increase of 9% compared to the previous year due to higher heating demand. – Growth in sustainable insurance products of 36%. – Average MSCI ESG letter rating of the investment portfolio of "A".	GRI 2–22 GRI 302–1 GRI 305–1 GRI 305–2 GRI 305–3 GRI 305–4 GRI 305–5.	Sustainability Report p. 14–15 p. 22–24 p. 24–28 p. 28–29 p. 30–32 p. 36–39
Performance indicators – Business operations: Energy consumption from renewable sources in %; GHG result of own business operations, including Scope 1, 2, 3 in absolute emissions (in $tC0_2e$) and per full-time equivalent kg $C0_2e$/FTE). – Insurance business: Share of sustainable products in total sales in %; share of taxonomy-compliant sales in the non-life business in %. – Investment business: MSCI ESG rating of the investment portfolio; investment portfolio's exposure to fossil fuels, GHG figures of the Investment Portfolio (absolute emissions in $tC0_2e$, GHG intensities in GHG emissions/CHF million invested), sales- and CapEx-based taxonomy compliance in %.	GRI 3–3 GRI 302–1 GRI 305–1 GRI 305–2 GRI 305–3 GRI 305–4 GRI 305–5	Sustainability Report p. 14–15 p. 27 p. 29 p. 38 p. 34 p. 80–81 p. 82–87

Social matters

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Applied concepts – Concept of dual materiality as part of the materiality analysis. – *helvetia 20.25* strategy, which is consistently geared towards fulfilling the needs of our customers. For several years now, the main indicator of customer satisfaction has been the Net Promoter Score (NPS), which we use to measure customers' willingness to recommend us and thus their satisfaction and loyalty at various points in time. – Helvetia is committed to society at various levels, in particular at its head offices in Switzerland and abroad.		Sustainability Report p. 9, 12 p. 39–43 p. 60–61
Due diligence audit – We examine potential negative effects that could arise directly or indirectly as a result of our business activities in all relevant areas (e.g. customer relations, data protection) as part of an adapted, risk-oriented due diligence review.		p. 42–43 p. 69–73
Risks – Risks due to insufficient customer satisfaction and insufficient data and consumer protection are material for us. – We do not consider any risks arising from inadequate handling of or potential negative impacts on municipalities and affected communities as a result of our activities to be material.	GRI 3–3 GRI 418	Sustainability Report p. 14–16 p. 41–42
Measures – Implementation of the *helvetia 20.25* strategy and of internal and external guidelines that describe how social issues are dealt with and help to minimise negative or positive effects (see overview of internal and external guidelines at the end of the report). – Ongoing dialogue with customers, local authorities, communities and affected residents at our locations allows us to adequately incorporate their concerns as well as opportunities and risks into our decisions. – Regular customer surveys and satisfaction surveys as well as consumer and data protection measures; we take customer concerns very seriously and check each individual case. – Through dialogue with authorities, politicians and members of the public, as well as through our activities in associations, we advocate sustainable, affordable and long-term insurance, pension and healthcare systems. – Commitment and donations in the areas of education and research, in support of cultural institutions and through our protection forest initiative. **Efficacy** – Satisfaction surveys with high NPS scores. – Customer concerns can be reported easily and are dealt with fairly. – No significant information-security incidents. – 20 substantiated complaints from customers and external parties regarding our handling of personal data. – No fines or convictions for non-compliance with statutory or regulatory consumer protection requirements. – Implementation of various projects for the public welfare: Through our commitment to protection forests, we promote awareness of the need to protect communities and their infrastructure from natural hazards. With donations and projects in favour of social and/or cultural institutions and projects, we contribute to a healthy social environment. With our commitment to research in the insurance sector, we indirectly contribute to research in important societal issues and at the same time derive important insights for our business activities.	GRI 2–22 GRI 2–23 GRI 2–24 GRI 2–25 GRI 2–26 GRI 2–27 GRI 2–28 GRI 2–29 GRI 3–3 GRI 418–1	Portrait of Helvetia p. 10–13 Sustainability Report p. 9, 11–12 p. 14–16 p. 41–42 p. 60–63 p. 64–68, p. 69–72
Performance indicators – Net promoter scores (customer satisfaction, willingness to recommend) – Number of information-security incidents – Complaints about our handling of personal data – Fines or convictions for non-compliance with statutory or regulatory consumer protection requirements – Contributions to the common good in CHF	RI 2–24 GRI 2–25 GRI 2–27 GRI 3–3	Sustainability Report p. 14–16 p. 41–42 p. 60–63 p. 64–68, p. 69–72

Employee concerns

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Applied concepts – Concept of dual materiality as part of the materiality analysis. – Group-wide Human Resources Strategy 20.25 (HR Strategy), which promotes sustainability in the workplace and comprises the three strategic thrusts of 'workforce transformation', 'talent and succession management' and 'efficiency'. – Our Code of Conduct is the guiding principle for our business activities. Our approach to eliminating discrimination is also anchored there. Helvetia values all of its employees and does not accept any discriminatory actions based on gender, religion, age, ethnicity, origin, health impairment, sexual orientation, political or trade union activity. The principle of zero tolerance for discrimination is also enshrined in our Group-wide remuneration policy.	GRI 2–22 GRI 2–23 GRI 3–1	Portrait of Helvetia p. 12–13 Sustainability Report p. 9, 12 p. 50–51 p. 65
Due diligence audit – Regular equal pay analyses for the market units Germany, Italy, Austria, Switzerland and Spain (confirmed for Switzerland by the Competence Centre for Diversity & Inclusion of the University of St. Gallen (CCDI) for 2022 as fair compensation in line with the principle of "equal pay for equal work"); a Group-wide analysis is planned for 2025. – Assessment of working conditions and employee satisfaction through the annual Culture Survey of all employees.	GRI 2–21 GRI 3–3 GRI 405–2	Sustainability Report p. 52
Risks for our employees – Our employees perform exceptionally well. High dedication can increase health risks and be mentally stressful. Sitting in an ergonomically incorrect posture while working can also be associated with physical illnesses. – Non-compliance with our Code of Conduct: Cases of discrimination, bullying or sexual harassment in the workplace. **Risks for Helvetia** – Lack of qualified workers (shortage of skilled workers) and lack of succession for management positions and other key functions. – Reputation risk due to any form of discrimination or sexual harassment in the workplace. – Helvetia does not have any risk exposure to non-human rights-compliant working conditions, such as child labour, forced labour and human trafficking, within its own workforce due to the nature of our business and the fact that we operate exclusively in countries with corresponding legal regulations prohibiting such working practices and we adhere to them strictly. – Indirect connections to non-human rights-compliant working conditions are possible through purchased services or the investment or insurance business and may represent a reputation risk (see below under "Respect for human rights").	GRI 3–3 GRI 401–1 GRI 406–1	Sustainability Report p. 50 p. 58 p. 65–66
Measures – Implementation of internal and external guidelines that describe how employee concerns are dealt with and help to minimise negative effects or contribute to positive effects (see overview of internal and external guidelines at the end of the report). – Systematic and professional occupational health management (OHM) that creates health-promoting conditions for our employees and aims to identify and reduce stress at an early stage. Specific measures include, for example, raising awareness of health issues through information campaigns, e-learning courses or alternating offers of activities or workshops. – Helvetia is committed to important international standards in human and labour rights and complies with the relevant national legislation. Helvetia prohibits all forms of child and forced labour. The requirements regarding human rights, discrimination, equal treatment and equal opportunities and harassment are enshrined in our Code of Conduct. All new employees are trained in this. – Protected, external whistle-blower system "EQS Integrity Line" for reporting incidents of discrimination, equal treatment and equal opportunities, harassment and other violations of our Code of Conduct. – Talent management: Targeted measures to recruit, retain and develop talents to implement our strategy, reduce departures and staff shortages and create suitable internal succession solutions. – Diverse measures to create attractive jobs: fair working conditions, flexible working models, fair and competitive remuneration, and comprehensive approaches to employee development. – Diversity and inclusion strategy with strong local partners to promote diversity and inclusion and to anchor diversity in the corporate culture. – Representation of the interests of our employees through works councils, trade unions and (in Switzerland) staff committees as well as topic-specific exchange groups involving management (e.g. on the advancement of women or equality issues). **Efficacy** – Since 2016, Helvetia has been awarded the "Friendly Work Space" quality label from Health Promotion Switzerland, which distinguishes effective OHM systems. – 11 incidents of discrimination in the workplace. – 15.6% employee turnover.	GRI 2–22 GRI 2–23 GRI 2–25 GRI 2–26 GRI 2–30 GRI 3–3 GRI 401–1 GRI 406–1	Sustainability Report p. 16 p. 51–52 p. 53 p. 54–55 p. 55–57 p. 58 p. 65 p. 66 p. 59

Performance indicators – Percentage of women in the total workforce, in management and at the Executive Board and Executive Management levels – Proportion of internal successors at executive and senior management level – Reported incidents of discrimination in the workplace – Employee turnover – Proportion of employees with collective bargaining agreements	GRI 2–30 GRI 3–3 GRI 404–1 GRI 405–1 GRI 406–1	p. 16 p. 53 p. 59 p. 76–79

Respect of human rights

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Applied concepts – Concept of dual materiality as part of the materiality analysis. – We are guided by internationally valid human rights and refer to the OECD Guidelines for Multinational Enterprises (MNEs), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the eight International Labour Organisation Conventions on Fundamental Principles and Rights at Work and the International Charter of Human Rights. – Helvetia is also committed to the requirements of the UN Global Compact and voluntarily reports on compliance with them and the progress made.	GRI 2–23 GRI 3–1	Sustainability Report p. 9, 12 p. 66–67, 73
Due diligence audit – Dual materiality analysis: Possible indirect impacts on human rights issues were identified but not defined as material for Helvetia. – Risk-based due diligence audits in areas that may indirectly be associated with negative effects (special insurance policies, asset management, purchasing).	GRI 3–1	Sustainability Report p. 39 p. 44 p. 66–67
Risks – Our business model and locations enable us to see only indirect negative effects on human rights from our activities along the value chain (special insurance policies, asset management, purchasing). – For Helvetia, an actual indirect link between our activities and negative impacts could represent a reputation risk.	GRI 3–3	Sustainability Report p. 66–67
Measures – Risk-based due diligence assessments enables Helvetia to minimise the risk that its activities are indirectly associated with negative effects of human rights. – Implementation of internal and external guidelines that prohibit direct non-compliance with human rights and require assessment of negative effects on human rights issues (see overview of internal and external guidelines at the end of the report). **Efficacy** – Based on our measures and due diligence audits, there are no indications that Helvetia is directly or indirectly associated with human rights violations.	GRI 3–3 GRI 2–23	Sustainability Report p. 39 p. 44 p. 66–67
Performance indicators – Asset Management (see PAI statement): Average and distribution MSCI ESG rating in the area of governance in the equity and corporate bond portfolio. Proportion of investments in companies involved in non-compliance with the UNGC Principles or the OECD Guidelines for Multinational Enterprises. Proportion of investments in investee companies that do not have guidelines in place to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises, or mechanisms to handle complaints about breaches of the UNGC Principles and the OECD Guidelines for Multinational Enterprises. – Insurance business: Average and distribution of MSCI ESG rating in the area of governance across the Global Engineering & Property Portfolio (internal measurement, carried out during the year in 2023). – Procurement: Percentage of business partners who have signed our Vendor Code of Conduct (not yet measured).	GRI 3–3	Sustainability Report p. 39 p. 47–48

Anti-corruption

Contents	Detailed reference in accordance with the GRI standard	References, Annual Report
Applied concepts – Concept of dual materiality as part of the materiality analysis. – Helvetia Group assumes responsibility and is committed to combating corruption in all business activities. In doing so, we are guided by the OECD Guidelines for Multinational Enterprises (MNE), the UN Principles for Responsible Investment and the UN Global Compact as the implementation framework. – The anti-corruption requirements are set out in our Code of Conduct and other internal guidelines. We have also set out the detailed regulations in a Group-wide anti-corruption policy.	GRI 2–27 GRI 205 GRI 3–3	Sustainability Report p. 7, 12–13 p. 66
Due diligence audit – Internal Group-wide compliance reports submitted to Executive Management and the Board of Directors, which also include violations in the area of anti-corruption, should such occur. – Risk-based due diligence audits in areas that may indirectly be associated with negative effects (special insurance policies, asset management, purchasing). – Automatic individual risk assessment in underwriting using external anti-corruption data as well as manual audits for countries with a Corruption Perceptions Index lower than 30.	GRI 2–27 GRI 205 GRI 3–3	Sustainability Report p. 39 p. 43–44 p. 66–67 p. 73
Risks – Compliance and reputation risks associated with non-compliance with legal requirements and recognised international anti-corruption guidelines. – Negative effects on state and social stability as well as possible indirect promotion of more widespread crime and human rights violations.	GRI 3–3	Sustainability Report p. 15 p. 66
Measures – Implementation of the Group-wide Anti-Corruption Directive and other internal and external guidelines aimed at preventing corruption (see the overview of internal and external guidelines at the end of this report). – Helvetia strictly prohibits bribery, extortion and all other forms of corruption and has implemented corresponding controls in its business processes. The Board of Directors, Executive Management and all line managers have zero tolerance towards the offering, receiving, paying or legitimising any benefits that may influence decisions and actions, and towards the abuse of power for the purpose of gaining personal benefits. – Implementation of and compliance with all applicable local and relevant international anti-corruption laws and regulations by including our standards in the Code of Conduct, in all employee training programmes, in Helvetia's anti-corruption policy, in underwriting practice, and in the Vendor Code of Conduct. – A Group-wide anti-corruption programme is currently being developed and implemented, encompassing analyses, processes, measures, training and controls to promote good business practices and transparency for all relevant activities. – Guaranteeing the protection of whistleblowers, e.g. by anonymous reporting of (suspected) cases of corruption via our external, protected whistleblower system or the compliance officers of the countries and Group. **Efficacy** – Helvetia considers the efficacy of the fight against corruption to be given. There have been no court convictions for corruption involving Helvetia's legal entities or Executive Board members.	GRI 2–23 GRI 2–25 GRI 205	Sustainability Report p. 15 p. 39 p. 46–48 p. 66–67 p. 73
Performance indicators – Cases of corruption or bribery by employees and/or business partners (fines and sanctions for corruption or bribery). – Training of employees in anti-corruption measures and procedures (in %).	GRI 205–3	Sustainability Report p. 15 p. 68

Overview of key internal and external guidelines

Guidelines	Environmental matters	Social matters	Employee matters	Respect of human rights	Anti-corruption
Group-wide internal guidelines:					
Results of the double materiality analysis	x	x	x	x	x
Integrated Risk Management (IRM) Group Directive	x	x			
Group Directive on Sustainability Governance	x	x	x	x	
Sustainability Risk Framework	x	x	x	x	x
Code of Conduct	x	x	x	x	x
Helvetia Vendor Code of Conduct	x	x	x	x	x
Helvetia Group Investment Guidelines (Chapter 12, RI)	x	x	x	x	x
Responsible investment directive	x	x	x	x	x
Group Underwriting and Claims Directive	x	x	x	x	x
Directive on Sanctions and Embargoes				x	x
Directive on UW Engineering & Property Solutions	x	x	x	x	x
Anti-Corruption Policy					x
External guidelines:					
CDP – Carbon Disclosure Project[1,2]	x				
CEO4Climate Initiative[1]	x				
RE100 and EP100[1,2]	x				
Swiss Sustainable Finance[1,3]	x	x	x	x	x
UN Global Compact (UNGC)[1,2]	x	x	x	x	x
UN Principles for Responsible Investment (PRI)[1,2]	x	x	x	x	x
OECD Guidelines for Multinational Enterprises (MNE)[1]				x	x
The UN Guiding Principles on Business and Human Rights[1]				x	
ILO Conventions on Fundamental Principles and Rights at Work[1]				x	
International Bill of Human Rights[1]				x	

[1] Commitment
[2] Voluntary reporting
[3] Member

The Sustainability Report 2023 and this report were voluntarily subjected to a limited assurance engagement by the independent audit firm KPMG, Zurich, with regard to the reporting obligations pursuant to Art. 964a-c. of the Swiss Code of Obligations. The information on environmental matters was excluded from this. As in previous years, this information relating to the company's own business operations was audited by the independent company Swiss Climate AG, Berne, which specialises in environmental management. The reports of the independent auditors can be found in the sustainability report from page 101 onwards.

The Annual General Meeting will be asked to approve the report by means of a consultative vote.

On behalf of the Board of Directors of Helvetia Holding AG

Dr Thomas Schmuckli
Chair of the Board of Directors

Dr Gabriela Maria Payer
Chair of the Nomination and Remuneration Committee

Assurance Statement: CO_2 Footprint Helvetia Holding Ltd. 2023 (Summary)

SCOPE OF VERIFICATION

Swiss Climate was commissioned by Helvetia Holding Ltd. to provide assurance on its 2023 carbon footprint data. Swiss Climate undertook the assurance in accordance with AA1000AS v3, Type 2 moderate-level assurance.

Swiss Climate has analysed:

- Standards used for carbon footprint calculation;
- Activity data (raw data) accuracy;
- Carbon footprint methodology, including operational and organisational boundaries, data quality, conversion factors and calculations used, with an emphasis on the plausibility of the information; and
- Responsibilities, processes and systems used to gather and consolidate carbon footprint data.

Organisational boundaries and geographical scope: Helvetia took an operational control approach to define the organizational boundaries. The organisational boundaries include 2023 14’079.11 full-time equivalents (FTE) in Switzerland, Germany, Austria, France, Italy, Spain. In 2020, Helvetia has acquired the Spanish insurer Caser. This unit is considered in the CO_2 Footprint 2023 at 100 %.

Operational system boundaries:
Scope 1: stationary energy consumption (natural gas, heating oil), mobile energy consumption (fleet), cooling agents
Scope 2: district heating + electricity
Scope 3: purchased goods and services (paper and water); fuel- and energy-related activities; solid waste and waste water generated in operations, business travel (3rd party transportation means: rail, road and air travel) and commuter traffic (3rd party transportation means: rail and road)

CARBON FOOTPRINT

Swiss Climate has verified the following greenhouse gas emissions for the year 2023:

	t CO_2e	kg CO_2e/FTE
Scope 1, Total	12’684	901
Scope 2 (location-based), Total	9’920	705
Scope 2 (market-based), Total	253	18
Scope 3, Total	30’117	2’139
Total Scope 1 + Scope 2 (location-based) + Scope 3	**52’722**	**3’745**
Total Scope 1 + Scope 2 (market-based) + Scope 3	**43’055**	**3’058**

OPINION

Swiss Climate did not find evidence to insinuate that the processes and systems in place to collect the data and to calculate the carbon footprint are such that the company’s carbon management performance would be erroneously described, and that the carbon footprint would not follow the leading international standards such as ISO 14064-1 and the Greenhouse Gas Protocol, and therefore not fulfil the criteria of relevance, completeness, consistency, transparency and accuracy.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:

Luka Blumer, Swiss Climate AG

Bern, 23rd February 2024

Internal Review:

A Schmidt

Annika Schmidt, Swiss Climate AG

Bern – Geneva – Zurich – Hamburg contact@swissclimate.ch www.swissclimate.ch +41 31 343 03 30

Independent limited assurance report on Helvetia Holding AG's Sustainability Report 2023

To the Board of Directors of Helvetia Holding AG, St.Gallen

We have undertaken a limited assurance engagement on the Sustainability Report 2023 of Helvetia Holding AG (hereinafter "Helvetia") and its subsidiaries (the Group), except for the letter to stakeholder on page 5 and the sustainability information concerning environmental matters listed on page 95, including the mentioned references (hereinafter "Sustainability Report 2023").

Our limited assurance engagement included the non-financial information disclosed in the Sustainability Report 2023.

It is important to note that the new reporting requirements as per the EU Taxonomy Regulation were not covered within the scope of this assurance engagement.

Our assurance engagement does not extend to information in respect of earlier periods or future looking information or to any other information included in the Sustainability Report 2023 or any other report, including any images, audio files or embedded videos.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the *'Summary of the Work we Performed as the Basis for our Assurance Conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report 2023 is not prepared, in all material respects, in accordance with the Sustainability reporting internal criterias as mentioned in the section *'Understanding how Helvetia has prepared the Sustainability Report 2023'* .

We do not express an assurance conclusion on information in respect of earlier periods or future looking information or to any other information included in the Sustainability Report 2023 or linked from the Sustainability Report 2023 2023, including any images, audio files or embedded videos.

Understanding how Helvetia has Prepared the Sustainability Report 2023

The Sustainability Report 2023 has been prepared in accordance with the following reporting and internal criteria:

- Article 964b of the Swiss Code of Obligations
- Global Reporting Initiative (GRI)
- Helvetia Group Sustainability Risk Management
- Helvetia Group internal guidelines and directives for sustainability reporting

Consequently, the Sustainability Report 2023 needs to be read and understood together with these criteria.

Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Report 2023 and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Report 2023 because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Helvetia’s Responsibilities

The Board of Directors is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Report 2023, taking into account applicable law and regulations related to reporting the Sustainability Report 2023;
- The preparation of the Sustainability Report 2023 in accordance with the selected reporting and internal criteria for the key performance indicators;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Report 2023 that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Report 2023 is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Helvetia.

As we are engaged to form an independent conclusion on the Sustainability Report 2023 as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Report 2023 as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Report 2023 is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Report 2023 included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Rainer Pfaffenzeller
Licensed audit expert
Auditor in Charge

Corina Wipfler
Licensed audit expert

Zurich, 10 April 2024

Enclosure:
Sustainability Report 2023

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Financial information

05

Contents

Business performance.

In its 2023 annual financial statements, Helvetia is reporting for the first time in accordance with the new accounting principles as prescribed under IFRS 17 and IFRS 9 over an entire financial year. All information in this chapter relating to the previous year has been adjusted in keeping with the new definitions and requirements. Information on the alternative performance measures used is available from page 199.

- In 2023, Helvetia generated **underlying earnings** in the amount of CHF 372.5 million (2022: CHF 492.9 million) and thus has a robust basis for realising its ambition of distributing a sustainably growing dividend. The result was influenced by extraordinarily high insured claims from natural catastrophes and large claims events in the non-life business in Switzerland and Europe. The life insurance business reported a solid result slightly above that of the previous year. **IFRS net income** stood at CHF 301.3 million (2022: CHF 480.2 million). Compared to the previous year, the IFRS earnings contribution from Sa Nostra Vida (CHF 20.4 million) and the one-off gain of CHF 87.2 million from the sale of this company at the end of 2022 did not recur.

- In a challenging market environment with an accumulation of natural events, Helvetia benefited from its robust financial strength and diversified business base. Helvetia was thus able to successfully continue its selective growth path with a focus on profitable and capital-efficient business fields. Helvetia increased its **business volume** on a currency-adjusted basis by 7.2% to CHF 11,311.3 million, driven by a strong performance in the Specialty Markets segment and above-market growth in the non-life business of the two largest markets – Switzerland and Spain.

- With the performance posted in the fee business and the expansion of new business fields, Helvetia succeeded in taking advantage of attractive new growth opportunities. The Group increased its **fee income** by 11.3% to CHF 390.5 million. The fee business contributed more than 5% to IFRS net income.

Helvetia Group's result

Helvetia generated **underlying earnings** (see page 203) of CHF 372.5 million in the 2023 financial year (2022: CHF 492.9 million). In line with the market as a whole, Helvetia registered an exceptionally high claims burden from natural catastrophes and large claims events in the third quarter. Severe weather in the Alpine and Mediterranean regions contributed to record market-wide claims owing to thunderstorms.[1] In addition to claims from natural events, Helvetia was also impacted by individual large fire damage claims. As already communicated in November 2023, the net claims burden from natural and large claims events stood at CHF 215.6 million (before tax) in the third quarter of 2023 alone and was therefore around one and a half times as high as in the whole of 2022. Switzerland, Italy and Germany were hit hardest. In addition to the operating insurance service result, Helvetia posted an almost stable operating finance result compared to the prior year. The Group's current income from investments increased slightly. This can primarily be attributed to the fact that it was possible to replace maturing investments with investments with higher returns thanks to the rise in interest rates in recent years. This was offset by higher effects from the unwind of discounting from the insurance business, which were also chiefly driven by higher interest rates.

[1] Source: Munich Re, https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2024/natural-disaster-figures-2023.html

Apart from the extraordinary claims burden arising from natural events and large claims during the third quarter, the Group's non-life business proved robust. The portfolio's broad diversification paid off here. The Specialty Markets segment, for example, was able to increase its underlying earnings, while the Switzerland and Europe segments were impacted by the unusually high number of natural events and large claims.

The life insurance business also reported solid underlying earnings that exceeded the prior-year result, supported by a stable CSM release.

The **IFRS net income** was CHF 301.3 million in the 2023 financial year (2022: CHF 480.2 million). In addition to the development of underlying earnings, non-operating effects also had an impact on the result. These included, in particular, the non-recurrence of a one-time profit of CHF 87.2 million from the sale of the Spanish life insurance company Sa Nostra Vida in the previous year. The previous year also included an IFRS profit contribution of CHF 20.4 million from Sa Nostra Vida. Helvetia also recognised an impairment in the amount of CHF 26.9 million relating to the intermediary and advisory business in Switzerland. The better performance of the capital markets relative to the previous year had a partially compensating effect on the result. The Group's gains and losses on investments developed favourably based on market movements.

Business volume

Helvetia Group successfully continued on its selective growth path with a focus on profitable and capital-efficient business fields during the 2023 financial year. Business volume amounted to CHF 11,311.3 million (2022: CHF 10,729.3 million). At constant exchange rates, this represents an increase of 7.2 %. Measured in Swiss francs, growth was impacted by exchange rate developments and stood at 5.4 %. Insurance revenue, which reflects the share of business earned during the reporting period, stood at CHF 8,609.5 million (2022: CHF 8,146.6 million).

Overall, the Group's **non-life business** proved a strong growth driver with currency-adjusted business volume growth of 10.8 % to CHF 7,117.1 million. In this business area, Helvetia posted an increase in all segments and lines of business. The growth recorded by Helvetia's two largest country markets, namely Switzerland and Spain, outstripped the market, with this also being true in Austria. Helvetia thus was able to further expand its market shares in its profitable core business.

In the Swiss non-life business, Helvetia increased its business volume on a currency-adjusted basis by 9.3 % to CHF 1,978.0 million. This success was driven by broad-based growth in the traditional non-life business with private customers and small and medium-sized companies. The business with embedded insurance solutions (+ 32.8 %) and the online insurer Smile (+ 8.6 % to CHF 130.0 million) also contributed to the increase. Helvetia is thus continuing to strengthen its position in promising business fileds and seizing attractive growth opportunities.

In the non-life business of the Europe segment (+ 7.7 % on a currency-adjusted basis to CHF 3,281.3 million), Helvetia posted an increase in all country markets despite being cautious in writing business in lines where the market environment is currently difficult. This applies to Italian motor vehicle insurance, for example. In Germany, Spain and Austria, on the other hand, Helvetia recorded above-market growth in the non-life business and thus strengthened its market positions.

The business volume in the non-life business of the Specialty Markets segment (+ 18.6% on a currency-adjusted basis to CHF 1,857.8 million) developed very positively, a performance that can primarily be attributed to growth in new business and price increases. Beneficial price effects accounted for almost 40% of the increase. An increase in the value of merchandise due to inflation also supported premium growth in the marine segment.

In line with the development of business volume, insurance revenue in the non-life area also rose. This increased by 7.1% to CHF 6,809.7 million in 2023.

In **life insurance,** business volume amounted to CHF 4,205.3 million (+ 1.7% on a currency-adjusted basis). Here, Helvetia continues to pursue a strategy that focuses on the investment-linked business and pure risk products.

In the life business in Switzerland (+ 0.2%), business volume with investment-linked insurance solutions and deposits received from investment contracts in the individual life business increased significantly and was thus able to offset a decline in the Swiss group life business. This decline can be attributed to the continuing market-wide trend away from full insurance towards semi-autonomous solutions and the associated fall in savings premiums. Helvetia is well positioned in this environment with its semi-autonomous products and flat-rate risk solutions. The number of actively insured persons in the Swiss group life business increased relative to the end of 2022 by around 9% to 216,700.

In the life business of the Europe segment, Helvetia recorded business volume growth of 1.0% on a currency-adjusted basis. This was driven by a slight increase in Spain, where the volume of investment-linked products grew too. Helvetia also signed a large single-premium contract in Spain. The business volume in investment-linked products with single premiums was impacted in the European country markets by the financial market and interest rate environment.

In the Specialty Markets segment, Helvetia is developing the life business in the area of active reinsurance. Here, Helvetia's reinsurance solutions exclusively cover biometric risks such as death and disability. Accordingly, the life business in this segment posted a high growth rate of 85.3% with a relatively low business volume.

Insurance revenue in the life business amounted to CHF 1,810.8 million in the 2023 financial year, an increase of 0.6% on the previous year.

Fee business

As part of its *helvetia 20.25* strategy, Helvetia is using the targeted development of the fee business to tap into profitable new growth opportunities. In line with this strategy, the fee business once again performed strongly in 2023. Fee and commission income increased to CHF 390.5 million (2022: CHF 350.9 million). This growth can mainly be attributed to the expansion of the non-insurance business around health and care services of Caser in Spain. In 2023, for example, Caser acquired nine dental practices and 15 veterinary practices, thus strengthening the fee business. The associated business fields are developing profitably. In the 2023 financial year, the fee business contributed more than 5% of the Group's IFRS net income.

Result by segment

Switzerland

In Switzerland, Helvetia posted **underlying earnings** of CHF 333.6 million (2022: CHF 316.5 million) in the 2023 financial year. The improved result compared to the previous year was driven by the life business, which was able to offset a decline in underlying earnings in the non-life business, which primarily stemmed from a lower operating insurance service result. This was impacted by the extraordinarily high number of intense natural events, such as storms and hail storms, especially during the third quarter. Helvetia, as the leading insurer, was also affected by a major fire at the start of July. Inflationary effects were also noticeable to a lesser extent in individual lines of business. Due to a corresponding increase in the claims ratio, the combined ratio of 94.8% exceeded that of the previous year (2022: 91.0%). Meanwhile, the cost ratio fell slightly. This improvement resulted from scale effects based on profitable above-market growth in the core business.

In the Swiss life business, Helvetia increased its underlying earnings compared to the previous year, whereby the operating insurance service result increased slightly relative to 2022, while the CSM release remained almost stable. In addition, the operating finance result was higher due to increased current investment income. A combination of small one-time effects also had a positive impact compared to the previous year.

The **IFRS net income** in the Switzerland segment increased from CHF 277.5 million in the previous year to CHF 313.6 million. In addition to the positive operating performance in the life business, which was reflected in the underlying earnings, the financial markets also put in a better performance than in the prior year, resulting in unrealised investment gains in the non-life business. These were partially offset by an impairment in the first half-year in the amount of CHF 26.9 million relating to the intermediary and advisory business.

Underlying earnings Switzerland

in CHF million	2023	2022
Non-life	142.5	170.1
Life	200.8	153.2
Switzerland total[2]	333.6	316.5

Europe

In the Europe segment, Helvetia posted **underlying earnings** of CHF 113.7 million (2022: CHF 220.8 million) in the 2023 financial year. This decline can primarily be attributed to the non-life business. Taking account of the sale of the Spanish life insurance company Sa Nostra Vida at the end of 2022, the result of the European life business remained stable. Italy and Germany were hit by an above-average number of intense weather-related and large claims events. The Austria market unit, in contrast, increased its underlying earnings.

In the non-life business of the Europe segment, Helvetia registered an extraordinarily high claims burden from natural and large claims events, especially during the third quarter of 2023. Storms, hail storms and fires led to considerable claims in several country markets. Italy and Germany were

[2] Incl. result other activities

especially impacted by the exceptional number of intense large claims events. The Italian insurance market, for example, recorded the highest claims burden from natural events in its history.[3] An accumulation of mid-sized claims and within the usual range of volatility inflationary effects were also noticeable to a lesser extent in individual lines of business and countries. The unusually challenging market environment impacted the operating insurance service result and thus the underlying earnings of the segment's non-life business. The combined ratio stood at 100.3% (2022: 95.5%) due to the increased claims ratio. This development was offset in part by an improvement in the combined ratio in Austria.

The sale of the Spanish life insurance company Sa Nostra Vida at the end of 2022 had an effect on the life business in the Europe segment. Unlike in the previous year, its contribution to earnings was no longer included in the 2023 financial year. The CSM release was therefore lower than in 2022. The non-recurrence of a negative one-off effect relating to the valuation of the loss component in the previous year had a compensating effect.

The **IFRS net income** of Europe stood at CHF 82.7 million (2022: CHF 267.7 million). In addition to the operating performance (underlying earnings), the result was influenced by two significant non-operating effects compared to the previous year. On the one hand, a one-time profit of CHF 87.2 million from the sale of Sa Nostra Vida by the Spanish subsidiary Caser was recognised in the previous year. Sa Nostra Vida contributed CHF 20.4 million to IFRS net income in the prior year. On the other, the non-recurrence of this profit was partially offset by the more beneficial market movements of investments that are not held to cover business with direct participation features relative to the previous year. Caser contributed CHF 78.7 million to the IFRS net income. The one-time profit from the sale of Sa Nostra Vida in the previous year and its regular contribution to earnings were no longer included in Caser's result for 2023. Taking account of these effects, Caser's IFRS net income increased compared to the prior year.

Underlying earnings Europe

in CHF million	2023	2022
Non-life	0.3	88.3
Life	105.5	120.7
Europe total[4]	**113.7**	**220.8**
Germany	– 13.1	33.2
Italy	– 34.4	24.6
Spain	135.0	148.0
Austria	26.2	14.9

[3] Source: Swiss Re, https://www.swissre.com/press-release/Insured-losses-from-severe-thunderstorms-reach-new-all-time-high-of-USD-60-billion-in-2023-Swiss-Re-Institute-estimates/4a15acf7-64b4-4766-8662-1c35d268ab12

[4] Incl. result other activities

Specialty Markets

The Specialty Markets segment increased its **underlying earnings** in the 2023 financial year to CHF 81.8 million (2022: CHF 62.5 million). This earnings growth was primarily driven by higher operating insurance service results in France and in Active Reinsurance. In particular, the Specialty Markets segment reported a lower claims burden from natural and large claims events compared to the previous year. Furthermore, higher discounting of new claims reserves owing to higher interest rates and the price increases achieved in recent years had a favourable effect. The broadly diversified portfolio thus proved to be favourably positioned in view of the persistently inflationary environment. The combined ratio developed correspondingly well and improved to 94.8 % (2022: 95.7 %).

The **IFRS net income** of the Specialty Markets segment increased significantly to CHF 104.7 million (2022: CHF 46.5 million). In addition to the operating performance reflected in underlying earnings, market movements had a beneficial impact on the segment's investment result thanks to an improved financial market performance.

Corporate

The **underlying earnings** of the Corporate segment stood at CHF – 156.6 million (2022: CHF – 106.9 million). The main reason for this decline was the impact of an extraordinarily high claims burden from natural and large claims events on the insurance service result of internal Group reinsurance.

The segment's **IFRS net income** of CHF – 199.7 million (2022: CHF – 111.5 million) also reflects the usual accounting effects relating to the consolidation of own investment funds. In contrast to the previous year, this had an unfavourable impact on the Corporate segment's IFRS net income in 2023. At Group level, the impact of the consolidation of own investment funds is balanced out by opposite effects in other segments.

Result by business area

Non-life

The non-life business was confronted with a challenging market environment in 2023 that was characterised by an extraordinary accumulation of natural catastrophes and large claims events in Switzerland and Europe. Against this backdrop, Helvetia posted **underlying earnings** of CHF 220.6 million in the non-life business (2022: CHF 319.3 million). This decline can be attributed to a lower operating insurance service result. The reason for this was the extraordinary claims burden from natural catastrophes and large claims events, especially during the third quarter. An extraordinarily high number of intense storms, hail storms and floods led to considerable claims, primarily in Switzerland, Italy and Germany. Among other records, European insurance markets recorded new records during 2023 in terms of the number of severe hail storms and the maximum size of the hailstones[5]. In addition to claims from natural events, Helvetia was also impacted as an insurer by individual major fire damage claims, primarily in Switzerland and Germany. A higher number of mid-sized claims within the usual range of volatility and inflation effects were also noticeable to a lesser extent in individual lines of business. The diversification of the portfolio in terms of regions and business lines partially counteracted the impact of the challenging market environment in Switzerland and Europe. Business with global specialty insurance lines in the Specialty Markets segment recorded an improvement in underlying earnings.

[5] Source: European Severe Storms Laboratory, https://www.essl.org/cms/hailstorms-of-2023/

The **IFRS net income** of the non-life business of CHF 223.6 million was slightly higher than in the previous year (2022: CHF 205.3 million). The operating performance of the underlying earnings was compensated by a much better financial market performance compared to the previous year. This had a favourable effect on gains and losses from investments.

The Group's **combined ratio** amounted to 97.4 % (2022: 94.3 %). The claims ratio increased considerably compared to the previous year, primarily driven by the extraordinarily high claims burden from natural and large claims events. Meanwhile, the cost ratio remained stable at the prior-year level.

Life

The **underlying earnings** of the life business stood at CHF 310.2 million in the 2023 financial year (2022: CHF 275.4 million). Helvetia thus improved its result despite the fact that the contribution of the Spanish life insurance company Sa Nostra Vida, which was sold at the end of 2022, was no longer included. The CSM release was therefore slightly lower than in the previous year at CHF 371.6 million (2022: CHF 380.3 million). The non-recurrence of a negative one-time effect relating to the valuation of the loss component in the previous year in the Europe segment had a compensating effect. This led to an increase in the operating insurance service result of the Group's life business. A combination of minor one-time effects in Switzerland also had a positive impact on underlying earnings relative to the previous year.

The **IFRS net income** of the life business amounted to CHF 284.2 million in 2023 (2022: CHF 383.6 million). The positive operating performance of the underlying earnings relative to the previous year was offset by two non-operating special effects. On the one hand, Helvetia recognised an IFRS net income contribution of CHF 20.4 million from Sa Nostra Vida and a one-off gain of CHF 87.2 million from the sale of this company in the previous year. On the other, fluctuations in the market value of investments that are not held to cover business with direct participation features had an unfavourable impact on the IFRS net income.

New business in life developed profitably. The **new business margin** rose to 5.1 % (2022: 4.5 %). This was due to growth with profitable new business in Active Reinsurance and the positive effects from higher interest rates on new business in the Europe segment.

Other activities

The **underlying earnings** of the other activities business area of CHF –156.8 million fell below the prior-year figure (2022: CHF –101.7 million). This decline can chiefly be attributed to the impact of an extraordinarily high claims burden from natural and large claims events on the insurance service result of internal Group reinsurance. The fee business in connection with health and care services of Caser in Spain as well as asset management services for third parties made a positive contribution to the business area's result.

In addition to these developments, non-operating effects impacted the business area's IFRS net income of CHF –206.6 million (2022: CHF –108.6 million). On the one hand, the usual accounting effects relating to the consolidation of own investment funds in 2023 had an unfavourable effect on the result of the other activities business area. On the other, an impairment in the amount of CHF 26.9 million was recognised in this business area owing to the challenging environment in the intermediary and advisory business in Switzerland.

Balance sheet

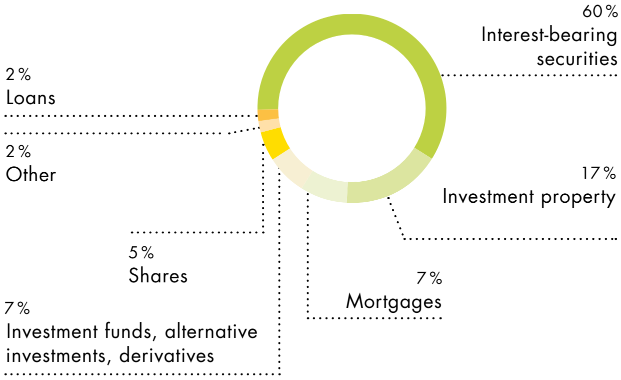
Group investments

As at 31 December 2023, Helvetia held Group investments in the amount of CHF 46,569.7 million. Compared to the previous year (31 December 2022: CHF 46,723.0 million), the portfolio thus demonstrated a high level of stability. Interest-bearing securities, as the biggest asset class, increased in value due to the interest rate developments observed in 2023. This growth was offset by a decline in the investment property and investment fund asset classes. This was primarily due to a reduction in the investment volume in the Swiss group life business owing to the market-wide trend away from full insurance to semi-autonomous solutions. As part of this process, a considerable share of the sold properties were sold to the *Helvetia (CH) Swiss Property Fund*.

The portfolio of interest-bearing securities is of a high quality and exhibits a very defensive profile in terms of credit risks. Around 80% of the interest-bearing securities are rated "A" or higher.

Group investments

as at 31.12.2023 | shares in % | in CHF million



Total 100% | 46,569.7

Contractual service margin (CSM)

The CSM in the life business increased relative to the end of 2022 to CHF 4,030.8 million as at 31 December 2023 (31 December 2022: CHF 3,942.4 million). The profitable new business written during the reporting period and the expected inforce return slightly outweighed the CSM release. Positive operating variances also made a positive contribution to the increase.

Shareholders' equity

Shareholders' equity amounted to CHF 3,337.5 million as at 31 December 2023 (31 December 2022: CHF 3,458.9 million). The slight decline can be attributed to the fact that the dividend distribution for the 2022 financial year and negative currency effects offset the generated net income attributable to shareholders and a positive net effect from the change in the fair value reserve and the insurance finance reserve.

Risk, capital and investment management.

Risk management

Comprehensive risk management is a top priority for the Helvetia Group and integral to the way that we manage our business. A primary objective of risk management is the sustained, proactive safeguarding of the capital base as well as the reputation of the Helvetia Group and its Group companies.

Risk management organisation

The organisational structure of the Helvetia Group ensures consistent application of Group-wide risk management standards. In doing so, roles and responsibilities in the business units comply with the risk management organisation of the Group. This is based on a governance model that differentiates between the three basic functions of risk owner, risk observer and risk taker.

The supreme risk owner is the Board of Directors of Helvetia Holding AG (particularly the Investment and Risk Committee) as well as the Executive Management (particularly the Risk Committee). They bear the ultimate responsibility for risk and define the risk strategy and risk appetite for the Group, both of which are aligned to the business strategy.

Various risk observers assess the risks entered into by the Helvetia Group irrespective of an operational responsibility. The Risk Committee coordinates the collaboration between the risk observers and the risk takers and advises the Board of Directors and Executive Management in their decisions. The central risk controlling role "Group Risk Management" is responsible for the improvement and development of the risk management system as well as for monitoring risks and controlling measures, and serves as a competence centre for the Group's risk management. The Risk Committee is supported by specialised risk-controlling functions, such as the Group actuarial function and risk controlling in asset management. Group Actuarial Departments independently monitors the efficiency of the risk management system.

The risk takers control and manage risks in an operational context. They are responsible for complying with / observing the guidelines and policies for risk management within the scope of their operating activities in the respective business areas and processes.

Risk management process and risk environment

The key components of the risk management process at Group level include the identification, analysis and management of risks, the monitoring of the success, effectiveness and appropriateness of the risk management measures, and reporting and communication. The risk management process ensures that sufficient risk-bearing capital is available at any time to cover the risks assumed in accordance with the chosen risk tolerance. In its business activities, Helvetia is exposed to numerous risks that are included in the Group's risk management process.

Market risks arise, in particular, from interest rate changes, fluctuations in share prices, real estate

Risk management organisation

Risk owner

Board of Directors
(Investment and Risk, Audit,
Strategy & Governance Committees)

Executive Management
(Risk Committee)

Risk observer

Risk Committee

Risk management

Specialised risk controlling functions
(e.g. Group Actuarial Departments Life / Non-Life,
Asset Management)

Risk taker

Risk management in the business areas and processes

Internal Audit

prices, or exchange rates which influence the value of the Group's investments and technical liabilities. Liquidity risk generally refers to the risk of being unable to meet payment obligations in a timely manner. Counterparty or credit risk is the risk of a contractual counterparty being unable to pay or of a change in the counterparty's creditworthiness. The technical risks of life and non-life belong to the traditional risks of an insurance company. They are consciously accepted as part of the chosen business strategy. Operational risk includes the risk of losses due to errors or the failure of internal processes, employees or systems, or as a result of external events whereby operational risks are also taken into consideration. Cyber risks and compliance risks represent an important sub-category of operational risks. Reputational risks, in particular, can also arise in connection with strategic and emerging risks. Strategic risks include the risk of not achieving business targets due to the inadequate alignment of a company's business activities to the market and in the market environment. Emerging risks are risks that have not yet manifested as actual risks, but are already in existence and have a high potential for materially negative effects. Concentration risks (also known as cluster risks) can arise from risk exposure to a single counterparty or from parallel risk positions that are vulnerable to a mutual risk factor. Sustainability risks can arise from environmental, social or governance (ESG) factors and could have a potentially adverse impact on the value of an asset or liability or on the company's reputation. Sustainability risks are not viewed as a fundamentally new risk category, but rather as risk drivers, which impact and influence the existing risk landscape.

A detailed portrayal of the risks resulting from financial instruments and insurance contracts is provided in section 16 (from page 144) of the Financial Report.

Methods for risk analysis and control

The diverse risk landscape requires the use of various methods of risk analysis. Among other things, the Helvetia Group uses internal stochastic risk models as an instrument for analysing and quantifying market, counterparty and technical risks. Scenario techniques are also used.

Risks are controlled and limited by means of hedging instruments, specific product design, reinsurance cover, limit systems (including exposure control and loss limits), diversification strategies, process optimisation and other risk reduction measures.

Risk environment

Sustainability risks						
Market risks	**Liquidity risks**	**Counterparty risks**	**Technical risks**	**Operational risks**	**Strategic risks**	**Emerging risks**
Share price risk	Medium-term	Reinsurance	Life (mortality, longevity, surrender rates, disability, costs, exercising of options)	Financial reporting	Business model	New and qualitatively different risks
Interest rate risk	Short-term	Investments	Non-life (natural hazards, major claims, base volatility, reserve risk)	Business operations (e.g. with regard to outsourcing, BCM, cyber risks)	Fundamental business policy decisions	Phantom risks
Spread risk		Other receivables		Compliance		
Exchange rate risk						
Real estate investment risk						
Long-term liquidity risks						
Other				Reputational risks		
Concentration risks						

Sustainability risk management

Helvetia pursues an integrated, holistic approach for its sustainability risk management and focuses here on reducing relevant risks and avoiding negative impacts on its reputation and capital base. Through the integration of sustainability risks, it is able to recognise and use business opportunities at the same time. The principles of sustainability risk management are described in the integrated risk management approach and in the sustainability risk framework of Helvetia.

At Helvetia, sustainability risks are not understood as a new, separate risk category within Helvetia's risk landscape, but rather as a driver of existing risk categories already monitored. In this context, sustainability risks can influence market, technical, operational or strategic risks. These risks are identified, assessed and controlled within the scope of the standardised risk management, compliance and operating business processes of Helvetia. In the operating business, sustainability risks and possible negative sustainability effects are identified – for example, as part of due diligence processes for transactions – forwarded for assessment and managed accordingly. The principles of this are outlined in our internal underwriting and investment guidelines. Helvetia also keeps a "restricted countries list" which includes countries in which business activities are either prohibited or additional due diligence obligations are required before business transactions can be carried out. In addition, Helvetia has developed a risk register that assigns potential sustainability risks from the areas of environment, social issues and governance (e.g. increase of extreme weather events) to existing risk categories (e.g. technical risk or market risk). The aim of the risk register is to ensure that all business-relevant sustainability risks are identified and covered by the risk management framework and its processes.

With regard to environmental risks, Helvetia views climate change and the loss of biodiversity as central challenges. The long-term effects of climate change can entail financial risks as well as opportunities in terms of social, economic and technological changes. Climate change risk can manifest itself either in the form of physical effects (physical risks) or as the consequences of the transition to a low-carbon economy (transition risks). Physical risks occur, for example, through changed meteorological conditions, which among other things, can affect the insurance of natural catastrophes. Transition risks can lead to changes in the investment portfolio as well as to the insurance business model, for example through the change in the energy economy. Although short-term physical climate risks or transition risks are possible, certain climate risks are more long term in nature and are therefore difficult to predict right now, which is why climate risks are currently described in both qualitative and quantitative terms. Climate change risks are described in more detail in the Climate change section of the Sustainability Report (from page 21).

Helvetia is very aware of its responsibility for the impact of its business activities on social, environmental and technological developments. The company aims to have a positive effect on these developments and to avoid or minimise the negative effects. To do so, risks for Helvetia as well as potentially positive or negative effects caused by Helvetia on the environment and society are taken into account in accordance with the "dual materiality" governance and reporting principle. The process for this is shown in the sustainability risk framework and in the declaration published in 2023 on dealing with the most important effects of investment decisions. A detailed description of our sustainability approach, including management of negative sustainability effects, can be found in the Sustainability Report (from page 6).

Capital management

Our capital management is an essential pillar for achieving the Helvetia Group's long-term growth targets aimed at profitability. The optimisation of the capital structure, capital allocation and income flows has the following objectives:
- to ensure compliance with supervisory capital requirements at all times;
- to ensure the necessary capitalisation to support the rating goals of Helvetia;
- to finance strategic growth;
- to optimise the earning power of its equity (profitable growth) and the associated dividend capacity;
- to increase the capital efficiency and fungibility of capital on a Group level;
- to ensure financial flexibility;
- to minimise capital costs.

These objectives are kept in balance by taking account of the risk strategy and cost / benefit arguments. Furthermore, as part of our capital management, Helvetia pursues the goal of an interactive rating of financial strength from Standard & Poor's of at least "A–" at Group level. Helvetia currently has a rating of "A+".

Methods for measuring capital

The measurement of capitalisation is carried out both at Group and local level, i.e. at the level of the individual legal entities. At a local level, the country-specific regulatory and commercial law requirements are key, although the applicable solvency rules are applied (Swiss Solvency Test in Switzerland and Solvency II in the EU) for the legal entities. At Group level, capital is measured on the basis of the consolidated balance sheet. In doing so, the capital requirements are measured against the capital models that are relevant to the Helvetia Group: Swiss Solvency Test and Standard & Poor's.

In these capital models, the equity forms the basis for establishing the available capital. Depending on the model, additional capital (such as hybrid capital) is added and other components, such as planned dividend payments and intangible assets, are deducted.

As is the case for Solvency II, albeit not in an identical manner, the Swiss Solvency Test involves measuring all assets and liabilities at market prices in order to calculate the available capital.

Under Standard & Poor's, the Swiss Solvency Test and Solvency II, the required capital is calculated using a risk-based method. In the Swiss Solvency Test, the effects of risks on the available capital are determined by means of scenario simulations and statistical methods, and quantified taking into consideration dependencies and diversification effects in the form of a risk-based capital requirement.

Capital management process

Helvetia applies an integrated approach to capital management. On a strategic level, focus is placed on the efficient use of capital and its fungibility. The capitalisation and risk profile of business units are managed within the context of their capital efficiency, profitability and growth potential and therefore the strategic Group targets. Capital is managed integrally in accordance with a defined capitalisation target under the relevant capital models, and is aligned with the corporate strategy using multi-year capital planning. At an operational level, the capital management process incorporates the financing of the Group as a whole as well as the safeguarding of the adequate and efficient capitalisation of the individual legal entities of the Group. In this process, capitalisation is closely monitored and optimised according to internally defined thresholds. This management also takes account of liquidity requirements.

Outlook

The supervisory requirements for risk and capital management remain subject to changes. Helvetia takes account of the requirements of the new Insurance Supervision Act as well as of the new accounting standard IFRS 17/9 in its risk and capital management and planning.

The European Insurance and Occupational Pensions Authority (EIOPA) has implemented a review process to determine the capitalisation under Solvency II. Helvetia also monitors developments here on an ongoing basis, implements the new requirements promptly and appropriately and takes account of these in its capital management of the relevant market units in a forward-looking fashion.

Investment management

The Helvetia Group pursues a sustainable investment policy tailored to the liabilities arising from the insurance business. The goal is to optimally align our investments and technical liabilities in order to generate an attractive long-term risk-adjusted return for our customers and shareholders and to make a reliable contribution to the Group result.

Proven asset liability management – tried-and-tested investment strategy

Helvetia's investment strategy is based on a proven asset-liability concept. First, a strategic asset allocation for each business unit and the Helvetia Group from a careful analysis of the liabilities is derived. This takes account of both the high security requirements of the insurance business and achieves an attractive risk-return ratio. Asset liability management also takes account of aspects such as sufficient capital requirements for the strategic further development of the Group and the fulfilment of regulatory demands. In doing so, the supervisory solvency requirements must be fulfilled at all times. In the life insurance business, the terms of fixed income securities and liabilities are aligned with one another. Due to the long maturities of the assets, changes in interest rates only gradually affect direct yields. At the same time, the change in the guaranteed interest rates included in life insurance policies also helps balance out this effect.

Robust investment portfolio thanks to high level of diversification

In light of the current economic environment, which is shaped by a high level of uncertainty and a spectrum of reflation to recession risks, and in light of growing geopolitical tensions, a robust investment portfolio is proving to be indispensable. The orientation of the investment strategy aims to assert itself both in different market phases as well as in adverse scenarios. Broad diversification is a cornerstone in this regard. The portfolio stands out thanks to its carefully balanced diversification, with regard to both the distribution between the different asset classes and within each individual asset class. This distribution spans various currencies, geographic regions and economic sectors. Moreover, we place high demands on diversification across issuers and the quality of the counterparties. At the end of the year, a large part of the bond portfolio had at least an AA rating.

Attractive, stable investment income

The careful combination of low-risk assets, such as high-quality bonds and mortgages, and instruments with higher returns, such as real estate, equities, corporate bonds and alternative investments, allows us to generate attractive investment income with controlled investment risk. The income gained from bonds, mortgages and real estate ensures sustained and stable investment income, while gains in value from the equities create interesting medium-term return potential. The high-quality property portfolio is an excellent fit with the liabilities from the insurance business. This is primarily due to the long-term stable and attractive income and the stable values of the assets.

Prudent investment strategy and timely risk management

The investment strategy is implemented as part of the periodic review of the investment policy. In addition to rebalancing the portfolio, we also take advantage of market opportunities as they arise – within the tactical ranges and risk limits. The investment strategy is always supported by timely risk management, also taking account of scenario analyses. The objective of the risk-controlling measures is to protect the balance sheet and income statement from excessive losses in value. This applies both to exposures in foreign currencies that are constantly hedged to a large degree with derivative instruments and to equities whose risks are also controlled using derivative instruments. Counterparty risks are subjected to ongoing analysis, control and management using various criteria such as credit ratings, credit quality and the development of interest spreads. In order to avoid concentration risks, exposure limits apply to the individual counterparties, depending on their quality. Investment strategy and risk management are designed to ensure the Group's long-term solvency and optimise the impact of volatile markets on the annual result.

Financial Report

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Consolidated income statement

in CHF million	Notes	2023	2022 adjusted[1]
Insurance revenue		8 609.5	8 146.6
Insurance service expenses		–7 833.8	–6 899.5
Net income from reinsurance contracts held		89.9	–202.3
Insurance service result	9.1	865.5	1 044.8
Current income from investments	7.1.1	961.5	927.7
Gains and losses on investments	7.1.2	525.0	–1 663.1
Share of profit or loss of associates		2.9	5.2
Investment result	7.1	1 489.4	–730.2
Finance result from insurance contracts		–1 213.7	553.4
Finance result from reinsurance contracts held		–35.9	–11.8
Insurance finance result		–1 249.6	541.6
Income attributable to deposits for investment contracts		–102.8	146.1
Finance result		137.0	–42.6
Income from fee and commission business	3.4	390.5	350.9
Other income		112.1	147.6
Operating and administrative expenses		–937.5	–899.0
Interest payable		–15.3	–12.8
Other expenses		–57.0	–34.8
Income from operating activities		495.3	554.3
Financing costs		–126.4	8.3
Income before tax		368.9	562.6
Income taxes	10.1	–67.7	–82.4
Net income		**301.3**	**480.2**
Attributable to:			
Shareholders of Helvetia Holding AG		283.2	438.8
Non-controlling interests		18.1	41.4
Earnings per share:			
Basic earnings per share (in CHF)	11.5	5.24	8.03
Diluted earnings per share (in CHF)	11.5	5.24	8.03

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 2.3 (page 29 Financial Report).

Consolidated statement of comprehensive income

in CHF million	2023	2022 adjusted[1]
Net income	**301.3**	**480.2**
Other comprehensive income		
May be reclassified to income		
Finance result from insurance contracts	–1 725.5	5 347.9
Finance result from insurance contracts reclassified to profit and loss	–69.3	–149.5
Finance result from reinsurance contracts held	4.2	–7.4
Change in fair value of debt investments at FVOCI	1 806.5	–5 790.0
Realised gains and losses from debt investments FVOCI reclassified to profit and loss	99.3	50.1
Change from net investment hedge	118.7	6.0
Net investment hedge reclassified to profit and loss	–21.5	–1.7
Foreign currency translation differences	–334.7	–161.8
Foreign currency translation differences reclassified to profit and loss	41.8	10.5
Deferred taxes	–27.2	126.8
Total that may be reclassified to income	–107.7	–569.1
Will not be reclassified to income		
Revaluation from reclassification of property and equipment	1.5	9.4
Revaluation of equity instruments at FVOCI	0.1	–
Revaluation of benefit obligations	–26.5	179.5
Deferred taxes	6.0	–47.1
Total that will not be reclassified to income	–18.9	141.7
Other comprehensive income, after tax	–126.6	–427.4
Comprehensive income	**174.7**	**52.8**
Attributable to:		
Shareholders of Helvetia Holding AG	179.4	16.1
Non-controlling interests	–4.8	36.7

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 2.3 (page 29 Financial Report).

Consolidated balance sheet

as of 31.12.	Notes	2023	2022	1.1.2022
in CHF million			adjusted[1]	adjusted[1]
Assets				
Goodwill and other intangible assets	5	1 570.2	1 633.9	1 827.1
Property and equipment	6	1 088.3	1 054.5	1 055.9
Investments in associates	7.7	90.0	86.6	64.1
Investment property	7.8	7 593.1	7 887.5	7 673.0
Financial assets	7	44 200.7	43 227.8	52 664.8
Insurance contract assets	9	14.5	–	52.3
Reinsurance contract assets	9	972.2	811.7	900.5
Current and deferred tax assets	10.5	139.1	119.7	320.6
Assets held-for-sale	7.9	338.6	318.8	343.2
Other assets		1 060.7	647.3	723.7
Accrued investment income		255.8	252.5	286.2
Cash and cash equivalents		1 892.9	1 460.0	1 858.8
Total assets		**59 216.1**	**57 500.4**	**67 770.2**

as of 31.12.	Notes	2023	2022	1.1.2022
in CHF million			adjusted[1]	adjusted[1]
Liabilities and equity				
Share capital	11.1	1.1	1.1	1.1
Capital reserves		971.9	969.2	959.7
Treasury shares		–21.4	–13.3	–10.2
Fair value reserve	11.2.6	–1 026.5	–2 514.2	1 929.0
Insurance finance reserve	11.2.6	783.3	2 177.2	–1 841.0
Foreign currency translation differences	11.2.6	–884.7	–706.7	–568.6
Retained earnings	11.2.6	3 513.7	3 545.6	3 186.8
Shareholders' equity		3 337.5	3 458.9	3 656.8
Non-controlling interests		303.5	318.3	457.5
Equity (without preferred securities)		3 641.0	3 777.3	4 114.3
Preferred securities	11.3	475.0	475.0	775.0
Total equity		4 116.0	4 252.3	4 889.3
Employee benefit obligations	13.2	364.3	353.1	554.0
Insurance contract liabilities	9	47 450.7	46 269.9	55 141.4
Reinsurance contract liabilities	9	55.7	46.5	11.6
Financial liabilities from investment contracts	8.1	1 284.4	1 111.0	1 265.6
Financial liabilities from financing activities	8.2	2 294.9	2 384.0	2 105.6
Other financial liabilities	8.3	1 119.4	896.6	1 220.2
Current and deferred tax liabilities	10.5	410.8	386.4	693.5
Other liabilities related to insurance business		921.5	928.1	968.7
Non-technical provisions	12.1	153.6	143.7	136.7
Other liabilities and accruals		1 044.8	729.0	783.5
Total liabilities		55 100.1	53 248.1	62 880.9
Total liabilities and equity		**59 216.1**	**57 500.4**	**67 770.2**

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 2.3 (page 29 Financial Report).

Consolidated statement of equity

in CHF million	Share capital	Capital reserves	Treasury shares	Fair value reserve
Balance as of 1 January 2022	1.1	959.7	–10.2	360.6
Effects of changes in IFRS 9[1]	–	–	–	77.6
Effects of changes in IFRS 17[1]	–	–	–	1 490.8
Balance as of 1 January 2022 restated	1.1	959.7	–10.2	1 929.0
Profit or loss for the period	–	–	–	–
Income and expense that may be reclassified to income	–	–	–	–4 450.7
Income and expense that will not be reclassified to income	–	–	–	8.0
Other comprehensive income, after tax	–	–	–	–4 442.6
Comprehensive income	–	–	–	–4 442.6
Transfer from / to retained earnings	–	–	–	–2.4
Disposal of subsidiaries	–	–	–	–
Change in non-controlling interests	–	–	–	1.8
Purchase of treasury shares	–	–	–9.0	–
Sale of treasury shares	–	8.2	5.9	–
Share-based payment	–	1.2	–	–
Dividends	–	–	–	–
Share capital increase	–	–	–	–
Shareholders´ contributions	–	45.0	–	–
Allocation of shareholders´ contributions	–	–45.0	–	–
Redemption of preferred securities	–	–	–	–
Balance as of 31 December 2022 adjusted[1]	**1.1**	**969.2**	**–13.3**	**–2 514.2**
Balance as of 1 January 2023	1.1	969.2	–13.3	–2 514.2
Profit or loss for the period	–	–	–	–
Income and expense that may be reclassified to income	–	–	–	1 486.9
Income and expense that will not be reclassified to income	–	–	–	1.1
Other comprehensive income, after tax	–	–	–	1 488.1
Comprehensive income	–	–	–	1 488.1
Transfer from / to retained earnings	–	0.0	–	–0.4
Acquisition of subsidiaries	–	–	–	–
Change in non-controlling interests	–	–	–	0.0
Purchase of treasury shares	–	–	–30.4	–
Sale of treasury shares	–	1.6	22.3	–
Share-based payment	–	1.1	–	–
Dividends	–	–	–	–
Costs of share capital increase	–	–	–	–
Shareholders´ contributions	–	45.0	–	–
Allocation of shareholders´ contributions	–	–45.0	–	–
Balance as of 31 December 2023	**1.1**	**971.9**	**–21.4**	**–1 026.5**

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 2.3 (page 29 Financial Report).

	Insurance finance reserve	Foreign currency translation differences	Retained earnings	Valuation reserves for contracts with participation features	Shareholders' equity	Non-controlling interests	Equity (without preferred securities)	Preferred securities	Total equity
	–	−568.6	3 369.7	1 814.2	5 926.5	487.9	6 414.5	775.0	7 189.5
	–	–	541.1	–	618.7	2.0	620.7	–	620.7
	−1 841.0	–	−724.0	−1 814.2	−2 888.4	−32.4	−2 920.9	–	−2 920.9
	−1 841.0	−568.6	3 186.8	–	3 656.8	457.5	4 114.3	775.0	4 889.3
	–	–	438.8	–	438.8	41.4	480.2	–	480.2
	4 018.3	−131.7	0.0	–	−564.0	−5.2	−569.1	–	−569.1
	–	–	133.3	–	141.3	0.4	141.7	–	141.7
	4 018.3	−131.7	133.3	–	−422.7	−4.7	−427.4	–	−427.4
	4 018.3	−131.7	572.0	–	16.1	36.7	52.8	–	52.8
	0.1	–	−11.6	–	−14.0	0.0	−14.0	14.0	0.0
	–	–	–	–	–	−40.7	−40.7	–	−40.7
	−0.1	−6.4	93.8	–	89.1	−124.5	−35.4	–	−35.4
	–	–	–	–	−9.0	–	−9.0	–	−9.0
	–	–	–	–	14.2	–	14.2	–	14.2
	–	–	–	–	1.2	–	1.2	–	1.2
	–	–	−294.9	–	−294.9	−11.2	−306.1	−14.0	−320.1
	–	–	−0.5	–	−0.5	0.5	–	–	–
	–	–	–	–	45.0	–	45.0	–	45.0
	–	–	–	–	−45.0	–	−45.0	–	−45.0
	–	–	–	–	–	–	–	−300.0	−300.0
	2 177.2	**−706.7**	**3 545.6**	**–**	**3 458.9**	**318.3**	**3 777.3**	**475.0**	**4 252.3**
	2 177.2	−706.7	3 545.6	–	3 458.9	318.3	3 777.3	475.0	4 252.3
	–	–	283.2	–	283.2	18.1	301.3	–	301.3
	−1 393.9	−177.9	–	–	−84.8	−23.0	−107.7	–	−107.7
	–	–	−20.1	–	−18.9	0.1	−18.9	–	−18.9
	−1 393.9	−177.9	−20.1	–	−103.7	−22.9	−126.6	–	−126.6
	−1 393.9	−177.9	263.1	–	179.4	−4.8	174.7	–	174.7
	–	–	−6.1	–	−6.5	0.0	−6.5	6.5	0.0
	–	–	–	–	–	10.3	10.3	–	10.3
	–	−0.1	22.3	–	22.1	−1.2	20.9	–	20.9
	–	–	–	–	−30.4	–	−30.4	–	−30.4
	–	–	–	–	24.0	–	24.0	–	24.0
	–	–	–	–	1.1	–	1.1	–	1.1
	–	–	−310.6	–	−310.6	−19.2	−329.8	−6.5	−336.3
	–	–	−0.6	–	−0.6	0.0	−0.6	–	−0.6
	–	–	–	–	45.0	–	45.0	–	45.0
	–	–	–	–	−45.0	–	−45.0	–	−45.0
	783.3	**−884.7**	**3 513.7**	**–**	**3 337.5**	**303.5**	**3 641.0**	**475.0**	**4 116.0**

Consolidated cash flow statement

in CHF million	2023	2022 adjusted[1]
Cash flow from operating activities		
Profit before tax	368.9	562.6
Reclassifications to investing and financing activities (affecting cash)		
Realised gains and losses on property, equipment and intangible assets	–5.7	–1.8
Realised gains and losses on sale of subsidiaries and associated companies	–0.2	–87.8
Dividends from associates	–4.3	–3.6
Adjustments		
Depreciation / amortisation of property, equipment and intangible assets	179.1	164.5
Realised gains and losses on financial instruments and investment property	185.5	170.9
Unrealised gains and losses on investments in associates	1.6	–0.9
Unrealised gains and losses on investment property	–66.6	–316.8
Unrealised gains and losses on financial instruments	–1 029.3	1 685.9
Insurance finance result	1 426.0	–503.9
Share-based payments for employees	1.1	1.2
Foreign currency gains and losses	272.3	63.3
Other income and expenses not affecting cash	55.8	–62.9
Change in operating assets and liabilities		
Insurance contract assets and liabilities	–965.5	–1 257.4
Reinsurance contract assets and liablities	–186.4	96.5
Other liabilities related to insurance business	137.3	45.5
Changes in other operating assets and liabilities	59.3	–253.3
Cash flow from investments and investment property		
Purchase of investment property	–226.2	–259.8
Sale of investment property	520.6	387.3
Purchase of interest-bearing securities	–4 686.0	–4 368.3
Repayment / sale of interest-bearing securities	4 576.2	4 168.6
Purchase of shares, investment funds and alternative investments	–2 019.8	–3 025.9
Sale of shares, investment funds and alternative investments	2 176.2	2 520.3
Purchase / sale of derivatives	61.8	–89.9
Origination of mortgages and loans	–135.9	–167.2
Repayment of mortages and loans	358.0	688.8
Purchase of money market instruments	–21 248.8	–4 650.7
Repayment of money market instruments	21 295.6	4 559.2
Cash flow from operating activities (gross)	1 100.4	64.5
Income taxes paid	–85.5	–84.1
Cash flow from operating activities (net)	1 014.9	–19.6

in CHF million	2023	2022 adjusted[1]
Cash flow from investing activities		
Purchase of property and equipment	–71.2	–74.1
Sale of property and equipment	9.2	5.9
Purchase of intangible assets	–36.4	–41.4
Sale of intangible assets	4.6	2.6
Purchase of investments in asscociates	–8.2	–35.3
Sale of investments in associates	1.0	12.4
Purchase of investments in subsidiaries, net of cash and cash equivalents	–34.9	–12.1
Sale of investments to former subsidiaries, net of cash and cash equivalents	–	167.7
Dividends from associates	4.3	3.6
Cash flow from investing activities (net)	–131.4	29.3
Cash flow from financing activities		
Increase of share capital	–0.6	–
Sale of treasury shares	24.0	14.2
Purchase of treasury shares	–30.4	–9.0
Shareholders´ contributions	45.0	45.0
Purchase of investments in subsidiaries	–1.6	–180.5
Redemption of preferred securities	–	–300.0
Issuance of debt instruments	11.2	427.5
Repayment of debt	–86.9	–16.5
Dividends paid	–337.4	–322.7
Repayment of lease liabilites	–29.7	–24.2
Cash flow from financing activities (net)	–406.5	–366.3
Effect of exchange rate differences on cash and cash equivalents	–44.0	–42.2
Total change in cash and cash equivalents	**432.9**	**–398.8**

Cash and cash equivalents		
Cash and cash equivalents as of 1 January	1 460.0	1 858.8
Change in cash and cash equivalents	432.9	–398.8
Cash and cash equivalents as of 31 December	**1 892.9**	**1 460.0**

Composition of cash and cash equivalents		
Cash	0.6	0.2
Due from banks	1 875.8	1 439.0
Other cash equivalents with a maturity of less than three months	16.5	20.8
Balance as of 31 December	**1 892.9**	**1 460.0**

Other disclosures on cash flow from operating activities:		
Interest received	665.8	719.7
Dividends received	128.8	112.6
Interest paid	93.3	94.1

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 2.3 (page 29 Financial Report).

1. General information

Helvetia is an all-lines insurance group which operates in many sectors of the life and non-life insurance business as well as in reinsurance. The holding company, Helvetia Holding AG, with headquarters in St. Gallen, is a Swiss public limited company listed on the SIX Swiss Exchange.

Through its market units, the Group operates in the insurance markets of Switzerland, Spain, Germany, Italy, Austria and France as well as worldwide in the special insurance business and in the area of active reinsurance. Helvetia also has branch offices and subsidiaries in Liechtenstein, Singapore, Malaysia and the United Kingdom as well as a representative office in the US. Some of Helvetia's investment and financing activities are managed through subsidiaries and fund companies in Luxembourg.

The Board of Directors approved the consolidated financial statements and released them for publication at its meeting on 10 April 2024. The financial statements will be submitted to the shareholders for approval at the ordinary Annual General Meeting on 24 May 2024.

2. Summary of accounting policies

The consolidated financial statements of Helvetia were prepared in accordance with the IFRS® Accounting Standards (IFRS).

The figures are not rounded. As a result, minor deviations may arise in totals and the calculation of percentages. Signs are only provided if it is not clear from the context whether it is an expense / outgoing payment or earnings / incoming payment.

Helvetia uses the term "insurance contracts" in accordance with IFRS. "Insurance contracts" therefore also include reinsurance contracts issued (active reinsurance), "reinsurance contracts" refers to reinsurance contracts held, unless explicitly stated otherwise.

2.1 Standards applied for the first time in the reporting year

The following published sector-relevant standards (IAS / IFRS), interpretations (IFRIC) and amendments to the standards were applied by the Group for the first time on 1 January 2023:

- IFRS 9 – Financial Instruments
- IFRS 17 – Insurance Contracts
- IAS 1 – Disclosure of Accounting Policies
- IAS 8 – Definition of Accounting Estimates
- IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- IAS 12 – International Tax Reform – OECD Pillar 2 Model Rules

The effects of IFRS 9 "Financial Instruments" and IFRS 17 "Insurance Contracts" are explained in section 2.3 (page 29 Financial Report). The adoption of the other amendments did not have any material impact on the Helvetia Group's financial statements.

2.2 Standards not yet applied in the reporting year

Due to their effective dates, the published sector-relevant standards, interpretations and amendments to standards listed in the table below were not applied to the 2023 consolidated financial statements:

Changes in accounting policies	to be applied for annual periods beginning on / after:
IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1 – Classification of Liabilities	1 January 2024
IAS 1 – Classification of Liabilities with Covenants	1 January 2024
IAS 21 – Lack of Exchangeability	1 January 2025

The amendments that have not yet been applied are not expected to have a material impact on the asset, financial and income situation of Helvetia.

2.3 Material changes to the accounting policies

Helvetia has applied IFRS 9 "Financial Instruments" and IFRS 17 "Insurance Contracts" since 1 January 2023. The standards entailed material changes to how insurance and reinsurance contracts as well as financial instruments are accounted for. Helvetia has therefore adjusted the prior-year figures for 2022.

With the exception of the simplifications mentioned under section 2.3.2 (page 35 Financial Report), Helvetia has consistently applied the accounting policies applicable since 1 January 2023 to all periods of the consolidated financial statements and the information provided in the Notes.

The most important changes to the accounting policies are summarised below:

2.3.1 IFRS 9 Financial Instruments

Most important changes in accounting policies

IFRS 9 introduces new rules for the classification and measurement of financial instruments. The classification of a financial instrument is based, on the one hand, on Helvetia's corresponding business model, and on the characteristics of the contractual cash flows of the financial instrument, on the other. Only instruments whose contractual cash flows are based solely on payment of principal and interest on the principal amount outstanding (SPPI) are classified at amortised cost (AC) or at fair value through other comprehensive income (FVOCI). Depending on this, subsequent measurement is at AC, at FVOCI or at fair value through profit or loss (FVTPL).

– Helvetia continues to measure a large part of its interest-bearing securities at FVOCI. The majority of unrealised gains and losses therefore continue to be recognised in the consolidated statement of comprehensive income.

– Shares are primarily classified at FVTPL under IFRS 9. More than half of the shares had already been held at FVTPL before.

– Items that were previously reported at AC / HTM are now largely reported at FVOCI (especially promissory note loans) and FVTPL (especially mortgages) under IFRS 9. A small proportion continues to be classified at AC.

– Alternative investments, investment funds and derivative instruments continue to be recognised at FVTPL.

– The measurement provisions for financial liabilities remain unchanged. Helvetia does not apply the fair value option (under which changes in the fair value of own financial liabilities arising from changes in the company's creditworthiness are recognised directly in equity) to its own bonds.

An impairment model for expected credit losses (ECL) was introduced where a credit event no longer needs to have occurred before an impairment is recognised. The new model thus aligns accounting more closely with risk management. The financial effects are not material for Helvetia.

Initial application of IFRS 9

IFRS 9 and IFRS 17 have different transitional provisions that may result in temporary recognition and measurement inconsistencies. The IASB therefore introduced the option of applying a classification overlay approach. The disclosure of the comparative information must, as a rule, be as if the IFRS 9 classification and valuation provisions were applied in the prior-year period, i.e. for 2022. Helvetia adjusted its previous year's figures using this option.

Reconciliation from IAS 39 to IFRS 9

The following pages show the impact of the introduction of IFRS 9 on the financial instruments, including the effect arising from the change to the ECL model.

The reconciliation of carrying values from IAS 39 to IFRS 9 as of 1 January 2022 is as follows:

Financial assets

as of 1.1.2022	Classification under IAS 39	Book value under IAS 39	Reclassification	Remeasurement	Book value under IFRS 9	Classification under IFRS 9
in CHF million						
Financial assets						
Interest–bearing securities	LAR	2 565.3	–2 565.3	–	–	AC
	HTM	1 872.4	–1 872.4	–	–	AC
	FVTPL (trading)	–	1 241.4	7.9	1 249.3	Mandatorily at FVTPL
	FVTPL (designated)	2 288.8	–786.3	3.7	1 506.1	FVTPL – designated
	AFS	28 916.6	3 982.5	577.0	33 476.2	FVOCI
Shares	FVTPL (designated)	1 603.7	1 354.4	0.1	2 958.2	Mandatorily at FVTPL
	AFS	1 354.4	–1 354.4	–	–	
Investment funds	FVTPL (trading)	10.9	–10.9	–	–	
	FVTPL (designated)	5 194.5	771.1	–0.0	5 965.5	Mandatorily at FVTPL
	AFS	760.2	–760.2	–	–	
Alternative investments	FVTPL (designated)	872.4	190.8	–17.1	1 046.1	Mandatorily at FVTPL
	AFS	190.8	–190.8	–	–	
Derivative financial assets	FVTPL (trading)	371.7	22.9	–3.5	391.1	Mandatorily at FVTPL
Mortgages	LAR	4 114.1	–3 703.1	–0.2	410.8	AC
			3 703.1	71.7	3 774.8	FVTPL – designated
Loans	LAR	930.9	–885.2	0.0	45.7	AC
			2.8	0.0	2.9	Mandatorily at FVTPL
			859.4	100.1	959.6	FVOCI
Money market instruments	LAR	830.6	0.0	–3.7	826.9	AC
	FVTPL (designated)	12.0	–0.0	–	12.0	Mandatorily at FVTPL
Derivative financial assets for hedge accounting	FVTPL (hedge instrument)	39.6	–	–	39.6	Mandatorily at FVTPL
Total financial assets		**51 928.8**	**–**	**736.0**	**52 664.8**	

Financial liabilities

as of 1.1.2022	Classification under IAS 39	Book value under IAS 39	Adjustment	Book value under IFRS 9	Classification under IFRS 9
in CHF million					
Financial liabilities from financing activities					
Bonds	AC	1 657.3	–	1 657.3	AC
Liabilites from lease	AC	90.7	–	90.7	AC
Minority interests in own funds	FVTPL	357.6	–	357.6	FVTPL – designated
Financial liabilities from financing activities		2 105.6	–	2 105.6	
Other financial liabilities					
Derivative financial liabilities	FVTPL (trading)	171.0	97.7	268.7	Mandatorily at FVTPL
Other	AC	563.7	–100.5	463.2	AC
	FVTPL	63.1	8.2	71.3	FVTPL – designated
Written put options on shares in subsidiaries[1]	directly booked against equity	417.0	–	417.0	directly booked against equity
Other financial liabilities		1 214.8	5.4	1 220.2	
Financial liabilities from insurance business					
Deposit liabilities for credited policyholder profit participation[2]	FVTPL	376.4	–376.4	–	–
Deposit liabilities from reinsurance contracts[2]	FVTPL	106.3	–106.3	–	–
Deposits for investment contracts	FVTPL	1 968.6	–703.0	1 265.6	FVTPL – designated
Total financial liabilities		**5 289.0**	**8.2**	**4 591.4**	

1 Not in the scope of IAS 39 or IFRS 9
2 Now part of insurance or reinsurance contract assets and liabilities

Impairment / ECL

as of 1.1.2022	Classification under IAS 39	Loss allowance under IAS 39	Adjustment	ECL under IFRS 9	Classification under IFRS 9
in CHF million					
Allowance financial assets					
Mortgages	LAR	3.9	–3.6	0.3	AC
Loans	LAR	2.0	–	2.0	AC
Money market instruments	LAR	–	3.7	3.7	AC
Total allowance financial assets		**5.9**	**0.1**	**6.0**	

The reconciliation of carrying values from IAS 39 to IFRS 9 at the time of the initial application on 1 January 2023 is as follows:

Financial assets

as of 1.1.2023	Classification under IAS 39	Book value under IAS 39	Reclassification	Remeasurement	Book value under IFRS 9	Classification under IFRS 9
in CHF million						
Financial assets						
Interest-bearing securities	LAR	1 992.0	–1 992.0	–	–	AC
	HTM	1 844.6	–1 844.6	–	–	AC
	FVTPL (trading)	0.5	871.7	–0.2	872.0	Mandatorily at FVTPL
	FVTPL (designated)	2 005.7	–945.5	316.4	1 376.6	FVTPL – designated
	AFS	23 011.2	3 910.4	–517.1	26 404.5	FVOCI
Shares	FVTPL (designated)	1 306.6	1 000.0	–	2 306.5	Mandatorily at FVTPL
	AFS	1 000.0	–1 000.0	–	–	
Investment funds	FVTPL (trading)	9.5	–9.5	–	–	
	FVTPL (designated)	4 720.6	874.6	–	5 595.2	Mandatorily at FVTPL
	AFS	865.1	–865.1	–	–	
Alternative investments	FVTPL (designated)	909.3	221.7	–4.7	1 126.3	Mandatorily at FVTPL
	AFS	221.7	–221.7	–	–	
Derivative financial assets	FVTPL (trading)	329.4	0.0	14.8	344.2	Mandatorily at FVTPL
Mortgages	LAR	3 667.8	–3 268.8	–0.1	398.9	AC
			3 268.8	–194.9	3 073.9	FVTPL – designated
Loans	LAR	829.7	–789.8	–	39.9	AC
			787.2	–79.3	707.9	Mandatorily at FVTPL
			2.6	–	2.6	FVOCI
Money market instruments	LAR	910.3	–	–1.1	909.1	AC
	FVTPL (designated)	14.5	–	–	14.5	Mandatorily at FVTPL
Derivative financial assets for hedge accounting	FVTPL (hedge instrument)	55.7	–	–	55.7	Mandatorily at FVTPL
Total financial assets		**43 694.0**	**–**	**–466.1**	**43 227.8**	

Financial liabilities

as of 1.1.2023 in CHF million	Classification under IAS 39	Book value under IAS 39	Adjustment	Book value under IFRS 9	Classification under IFRS 9
Financial liabilities from financing activities					
Bonds	AC	2 003.3	–	2 003.3	AC
Liabilites from lease	AC	74.2	–	74.2	AC
Minority interests in own funds	FVTPL	306.5	–	306.5	FVTPL – designated
Financial liabilities from financing activities		2 384.0	–	2 384.0	
Other financial liabilities					
Derivative financial liabilities	FVTPL (trading)	94.1	75.6	169.7	Mandatorily at FVTPL
Other	AC	493.8	–103.5	390.3	AC
	FVTPL	61.8	2.7	64.5	FVTPL – designated
Written put options on shares in subsidiaries[1]	directly booked against equity	272.1	–	272.1	directly booked against equity
Other financial liabilities		921.8	–25.2	896.6	
Financial liabilities from insurance business					
Deposit liabilities for credited policyholder profit participation[2]	FVTPL	342.9	–342.9	–	–
Deposit liabilities from reinsurance contracts[2]	FVTPL	113.3	–113.3	–	–
Financial liabilities from investment contracts	FVTPL	1 794.5	–683.5	1 111.0	FVTPL – designated
Total financial liabilities		**5 556.5**	**–1 164.9**	**4 391.6**	

1 Not in the scope of IAS 39 or IFRS 9
2 Now part of insurance or reinsurance contract assets and liabilities

Impairment / ECL

as of 1.1.2023 in CHF million	Classification under IAS 39	Loss allowance under IAS 39	Adjustment	ECL under IFRS 9	Classification under IFRS 9
Allowance financial Assets					
Mortgages	LAR	3.2	–3.1	0.1	AC
Loans	LAR	1.7	–	1.7	AC
Money market instruments	LAR	–	1.1	1.1	AC
Total allowance financial assets		**4.8**	**–2.0**	**2.9**	

Impact of IFRS 9 in affected balance sheet and income statement items

in CHF million	31.12.2021 (reported)	1.1.2022 (adjusted)	Adjustments
Consolidated balance sheet			
Financial assets	51 928.8	52 664.8	736.0
– of which "Group financial assets"	46368.5	–	–
– of which "Investments with market risk for the policyholder"	5560.3	–	–

in CHF million	Reported	Adjusted	Adjustments
Consolidated income statement 2022			
Current income from investments	905.4	927.7	22.3
Gains and losses on investments	–949.2	–1 663.1	–713.9
– of which "Gains and losses on Group investments (net)"	–97.0	–	–
– of which "Income investments with market risk for the policyholder"	–852.2	–	–

2.3.2 IFRS 17 Insurance Contracts

Most important changes in accounting policies

IFRS 17 governs the principles of recognition, measurement, presentation and disclosure for insurance contracts. IFRS 17 replaced IFRS 4 "Insurance Contracts".

The definition of an insurance contract under IFRS 17 does not differ significantly from that under IFRS 4. At Helvetia, the introduction of the new standard did not give rise to significant changes with respect to the classification of insurance contracts.

The key changes in IFRS 17 are related to the methodology applied to the measurement of contracts at market consistent values. Before IFRS 17, insurance contracts had mainly been measured according to past developments and on the basis of historical data. Under IFRS 17, the analysis is more future oriented and based on expected cash flows. This especially affects life insurance contracts, as they can have terms lasting several decades.

Disclosure in the balance sheet

Certain items that were previously disclosed separately are now included in insurance contract assets and liabilities. While previously, for example, the valuation reserve for contracts with discretionary participation features was reported as equity until its definitive allocation, it is part of the insurance liabilities under IFRS 17.

The inclusion of expected profits in the form of the contractual service margin (CSM) and the valuation reserve for contracts with discretionary participation features in insurance contract assets and liabilities has led to a shift from equity positions to insurance liabilities, with a corresponding reduction in the reported IFRS equity.

Disclosure in the income statement

Under IFRS 17, income is recognised in the income statement over the term of the insurance contracts according to the services rendered. The presentation of revenue and earnings is now aligned to that in other industries.

Where the "general measurement model" (GMM) and the "variable fee approach" (VFA) are applied, the CSM of a group of insurance contracts is allocated to the accounting periods according to the expected cover and other services that Helvetia renders during the period. In the case of the risk adjustment for non-financial risks, settlement takes place in line with the decrease in the underlying risks. The total profits recognised over the coverage period of a group of insurance contracts do not change relative to the previous accounting. The income is distributed differently over the coverage period, however.

The insurance revenue particularly in the life business no longer includes investment components. Helvetia therefore reports a noticeable reduction in reported revenue without any resulting impact on the technical result assuming premium volume remains unchanged.

When applying the "premium allocation approach" (PAA), at Helvetia for entire non-life business, the revenue recognition does not differ significantly from the previously used approach, where the premium and capitalised acquisition costs were accrued and recognised in the income statement over the term of the contract. A CSM does not apply to the PAA.

Initial application of IFRS 17

IFRS 17 has been applied retroactively. In applying IFRS 17, Helvetia has restated the prior-year figures as if IFRS 17 had always been applied, unless it was impracticable to do so. In these cases, IFRS 17 provides for a modified retrospective approach or a fair value approach.

Helvetia has applied the transitional provisions according to IFRS 17 and does not disclose the impact of the introduction of IFRS 17 on the individual balance sheet items or earnings per share. The transition impact of IFRS 17 is shown in the consolidated statement of changes in equity.

Helvetia has made all reasonable efforts to acquire the necessary historical information. In doing so, Helvetia has come to the conclusion that such information was not available for certain groups of contracts or was not available without undue cost or effort. Consequently, the full retrospective approach could not be applied for these groups of contracts.

In the non-life business, the modified retrospective approach was therefore also applied alongside the full retrospective approach. In the life business, the modified retrospective approach and, in some cases, the fair value approach were applied.

The assessment as to whether the full retrospective approach was feasible was taken for each group of contracts at the level of the individual Group companies. The requirements differed here from Group company to Group company. Where possible without undue cost or effort, the full retrospective approach was applied.

Helvetia judged the full retrospective approach to be impractical for insurance and reinsurance contracts on the basis of one or more of the following circumstances:

Data

The effects of a retrospective application could not be determined, as the required historical information had not been collected or had not been collected at the required level of granularity or the information was unavailable due to system migrations, data archiving provisions or other reasons. For certain groups of contracts, such information includes:

- Insofar as no acceptable data was available, information on historical cash flows required for the retrospective determination of expected cash flows upon initial recognition and subsequent changes;
- Assumptions regarding discount rates, as Helvetia had not needed this information in the required form;
- Information with respect to the allocation of costs to individual groups of contracts, as this information had not been required previously;
- Information on the change in assumptions and estimates that may not have been fully documented.

Assumptions

The full retrospective approach requires assumptions with regard to the intentions and estimates of the Executive Management in prior years or with respect to significant accounting-relevant estimates that Helvetia was unable to make without hindsight. For certain groups of contracts, such assumptions include:

- Expectations about the profitability of a contract and its risk of becoming onerous, which is a requirement for identifying a group of contracts without applying hindsight;
- Expectations upon initial recognition with respect to the policyholder's share in the result of the underlying items.
- Irrespective of the transition method applied, the amendment to IFRS 3 "Business Combinations", under which insurance contracts acquired as part of business acquisitions are to be classified with the contractual terms and other factors at the time of the acquisition, was not applied to business combinations prior to 2020 in the life business.

Classification of contracts acquired in the settlement period
Loss reserves assumed in previous acquisitions were recognised as liabilities for incurred claims and not as liabilities for remaining coverage.

Deferred acquisition costs
Helvetia considered the full retrospective approach for deferred acquisition costs, now referred to as deferred insurance acquisition cash flows, to be impractical for certain groups of contracts due to one or more of the following circumstances:
– the historical acquisition costs were not available at a sufficient granularity and
– assumptions about expectations regarding the allocation of costs to the new groups of contracts and amortisation periods at the time of payment of the acquisition costs could only be made at an approximate level without applying hindsight.

The aim of the modified retrospective approach has been to achieve a result that comes closest to retrospective application using information that is available without undue cost or effort.

To illustrate the importance of the application of the modified retrospective approach or the fair value approach to the CSM, the insurance revenue and the finance result, additional information is provided in sections 7.2 (page 71 Financial Report) and 9.1.4 (page 85 Financial Report).

Financial impact of IFRS 9 and IFRS 17
The reconciliation of the balance sheet previously reported as at 31 December 2021 to the adjusted opening balance sheet as of 1 January 2022 in accordance with IFRS 9 and IFRS 17 is summarised below.

Balance sheet reconciliation (condensed)

	31.12.2021 (reported)	1.1.2022 (adjusted)	Adjustments
in CHF million			
Assets			
Financial assets	51 928.8	52 664.8	736.0
Insurance and reinsurance contract assets	1 705.0	952.8	–752.2
Other assets	15 854.3	13 832.0	–2 022.3
Current and deferred tax assets	255.6	320.6	65.0
Total assets	**69 743.6**	**67 770.2**	**–1 973.4**
Liabilities and equity			
Shareholders' equity	5 926.5	3 656.8	–2 269.7
Minority interests	487.9	457.5	–30.4
Preferred securities	775.0	775.0	–
Total equity	7 189.5	4 889.3	–2 300.2
Insurance and reinsurance contract liabilities	52 248.2	55 153.0	2 904.8
Financial and other liabilities	9 189.1	7 034.4	–2 154.7
Current and deferred tax liabilities	1 116.7	693.5	–423.2
Total liabilities	62 554.1	62 880.9	326.8
Total liabilities and equity	**69 743.6**	**67 770.2**	**–1 973.4**

Other assets and other liabilities are reduced as certain asset and liability positions are offset. This affects, among other things, the deferred acquisition costs and premium receivables. Furthermore, items that were previously reported under other liabilities are now included in the insurance contract liabilities.

The reduction in equity of CHF 2.3 billion is driven by a shift of CHF 1.8 billion based on the recognition of the valuation reserve for contracts with direct participation features, which were previously recognised as equity and are now part of the insurance and reinsurance contract liabilities. At the same time, under IFRS 17, expected profits referred to as contractual service margin (CSM) are recognised in insurance and reinsurance contract liabilities for contracts measured according to the GMM or VFA.

A detailed reconciliation of equity can be found in the statement of equity on page 24 Financial Report.

CSM according to the initial application method

as of 1. January 2022	Insurance contracts	Reinsurance contracts held
in CHF million		
Modified retrospective approach	4700.1	–96.2
Fair value approach	49.7	–
CSM	**4749.8**	**–96.2**

Please refer to section 9 (page 82 Financial Report) for further information on the insurance business.

Reconciliation of 2022 net income

2022	Reported	Adjusted	Adjustments
in CHF million			
Net Income	**614.4**	**480.2**	**–134.2**
Earnings per share			
Basic earnings per share (in CHF)	10.60	8.03	–2.57
Diluted earnings per share (in CHF)	10.60	8.03	–2.57

The decrease of the net income is mainly due to a different accounting treatment of unrealised gains and losses on financial investments under IFRS 9 vs. IAS 39.

2.4 Consolidation principles

All the material companies included in the consolidation have the same reporting periods. Smaller Group companies with different financial years prepare interim financial statements as of the reporting date of 31 December.

2.4.1 Subsidiaries

The consolidated financial statements include the financial statements of Helvetia Holding AG, its subsidiaries and its own investment funds. Consolidation applies when Helvetia Holding AG exercises indirect or direct control over the company's operations. Subsidiaries acquired during the course of the financial year are included in the consolidated financial statements from the date on which Helvetia took effective control. Acquisitions of companies are recorded using the purchase method. Intergroup transactions and balance sheet items are eliminated.

Non-controlling interests (minority interests) are valued at the time of acquisition with their proportionate share of the identifiable net assets of the company.

Any changes in Helvetia's percentage of shares held in a subsidiary, without losing control, are treated as transactions among shareholders. The adjustments of minority interests are based on the proportional net assets of the subsidiary. Goodwill is not adjusted and no gains or losses are recognised in the income statement.

Fully controlled subsidiaries that are not material for the consolidated financial statements can be included using the equity method or carried as an investment.

2.4.2 Associates

Investments of Helvetia are accounted for using the equity method if significant influence is exercised by Helvetia. The book value of all investments is tested for impairment if there is objective and substantial evidence for impairment at the balance sheet date. Associates of Helvetia are listed together with the fully consolidated subsidiaries from the table in section 18.3 (page 180 Financial Report).

2.5 Foreign currency translation

The reporting currency of Helvetia is the Swiss franc (CHF).

2.5.1 Translation of financial statements prepared in foreign currency

Items included in the financial statements of such entities that do not have the Swiss franc as their functional currency were translated using the applicable closing rate. Items in the income statement are translated at the average exchange rates for the reporting period. The resulting translation differences are recorded in "Reserve for foreign currency translation differences" in equity, not affecting profit or loss. Upon (partial) disposal of a subsidiary with loss of control, these currency , differences, attributable to the subsidiary in question and accumulated in equity, are released through income. The rates applied in these financial statements are given in section 4.1 (page 63 Financial Report).

2.5.2 Translation of transaction currency into functional currency

Foreign currency transactions in the individual entities are accounted for using the exchange rate on the date of the transaction or, for reasons of practicability, the exchange rate at the end of the previous month.

Monetary and non-monetary balance sheet items recorded at fair value are measured at closing rates. Non-monetary balance sheet items recorded at cost are measured at historical rates.

Foreign currency translation differences are generally recognised in the income statement, except when the unrealized gain or loss is recognised in other comprehensive income. In this case, the unrealised currency gain or loss is also recognised in other comprehensive income.

2.6 Current and non-current distinction

Assets and liabilities are classified as current if they are expected to be realised or settled within twelve months after the reporting date. All other assets and liabilities are considered to be non-current.

The following items are basically classified as non-current: "Goodwill and other intangible assets", "Property and equipment", "Investments in associates" and "Investment property".

The following items are fundamentally classified as current: "Current income tax assets and liabilities", "Accrued financial assets", "Assets held-for-sale" and "Liabilities asociated with assets held for sale" as well as "Cash and cash equivalents".

All other items are of a mixed nature. The differentiation between the current and non-current balances of relevant items is explained in the Notes. The maturity schedule of financial assets, financial liabilities and insurance contract assets and liabilities is described in section 16.4 (page 161 Financial Report) as part of the risk assessment process.

2.7 Key assumptions and estimate uncertainties

Preparing the financial statements in accordance with IFRS requires Executive Management to make assumptions and estimates that affect the reported amounts of assets and liabilities for the ongoing financial year. All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual figures and estimates may differ as a result. The following information conveys which of the assumptions needed for the preparation of the financial statements require particular management judgement.

2.7.1 Fair value of financial assets and financial liabilities

The fair value of financial assets is equal to the price at which an asset could be sold on the valuation date in a normal business transaction between market participants.

Financial instruments measured at the prices quoted on an active market belong to the "Level 1" category of valuation methods. Quoted in an "active market" means that the prices are made available regularly, either by a stock exchange, a broker or a pricing service, and that these prices represent regular market transactions.

If a market value in an active market is not available, the fair value is determined using valuation methods. Such methods are considerably influenced by assumptions, which can lead to varying fair value estimates.

Financial instruments for which the model assumptions are based on observable market data are allocated to the "Level 2" valuation category. This category includes comparisons with current market transactions, references to transactions with similar instruments, and option price models. This concerns the following items, in particular:

- Mortgages and loans: The fair value of mortgages and borrower's note loans is determined on the basis of discounted cash flows. This is done using the current Swiss franc swap curve for valuing mortgages. Risk-adjusted yield curves are used for valuing borrower's note loans.
- Interest-bearing securities without an active market, including own bonds: The fair value is based on rates set by brokers or banks, which are validated through comparison with current market transactions and in consideration of transactions with similar instruments, or determined by means of the discounted cash flow (DCF) method.
- Money market instruments: The fair value is not based directly on the market but on rates set by brokers or banks or determined by means of the discounted cash flow method.
- Derivative financial instruments: The fair value of equity and currency options is determined using option price models (Black-Scholes option pricing), while the fair value of forward exchange rate agreements is determined on the basis of the forward exchange rate on the reporting date. The fair value of interest rate swaps is calculated using the present value of future payments.
- Financial liabilities: There is no active market for financial liabilities. The fair value is derived from the fair values of the underlying assets or determined by means of the discounted cash flow method.
- Minority interests in own funds and deposits for investment contracts: The fair value is derived from the fair values of the underlying assets.

If the valuation assumptions are not based on observable market data, the financial instrument in question falls into the "Level 3" valuation category. This applies in particular to

- Shares: The market value of private equity investments is calculated via the discounted cash flow method. This is done by applying the internal rate of return (IRR).
- Investment funds: The funds are valued using the net asset values as advised by the managers of each fund, tax values or price information from secondary stock exchange segments.
- Alternative investment: These consist primarily of private-debt funds. The funds are valued using the net asset values as advised by the managers of each fund.

The "Level" categories relate to the observability of prices and valuation factors and are not an indication of the quality of a financial instrument.

Helvetia recognises transfers between the valuation category levels at the end of the reporting period in which the changes occurred.

2.7.2 Risk provision for expected credit losses

Helvetia recognises a provision for expected credit losses on financial assets at amortised cost and debt investments at fair value through other comprehensive income (FVOCI).

The model for expected credit losses (ECL) is described in section 2.12 (page 43 Financial Report), while a description of the factors that serve as indicators for a change in the default risk can be found in section 16.5.3 (page 172 Financial Report).

2.7.3 Fair value of investment property

In Switzerland, Germany and Austria, investment properties are valued in accordance with the discounted cash flow method. The method is described in section 2.12.1 (page 43 Financial Report). The choice of the discount rate plays an important role in the DCF valuation method. The discount rates are based on a long-term, risk-free average rate plus a premium for market risk as well as regional and property-related surcharges and discounts based on the current condition, use and location of the property in question. The discount rates applied in the reporting period are set out in section 7.8 (page 77 Financial Report).

All other countries use independent experts to determine market estimates, at the most, every three years. These estimates are updated between valuation dates. Both valuation methods are allocated to the "Level 3" category.

2.7.4 Insurance-specific assumptions and estimate uncertainties

Insurance specific assumptions and estimate uncertainties are explained in section 9.3 (from page 123 Financial Report).

2.7.5 Impairment of goodwill

Capitalised goodwill is tested annually for impairment, or if there is any indication of impairment. The method is described in section 2.11 (page 42 Financial Report). The calculation of the recoverable amount is based on a number of assumptions, which are detailed in section 5 (page 64 Financial Report).

2.8 Goodwill and other intangible assets

Acquired intangible assets are recognised at cost and amortised over their useful life.

Helvetia has concluded distribution agreements with various banks to sell its products. The distribution agreements are recognised at cost and depreciated according to their use. Depreciation is recognised in the income statement under "Operating and administrative expenses".

The other intangible assets also include intangible assets developed by the company, principally proprietary software that is recorded at cost and amortised on a straight-line basis from the time of commissioning. Depreciation is recognised in the income statement under "Operating and administrative expenses". The useful life is usually between three and ten years.

Goodwill is recognised as of the acquisition date and comprises the purchase price plus the amount of any non-controlling interest in the acquired company and, in a business merger achieved in stages, the fair value of the previously held equity interest in the acquired company, minus the net of the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company.

A positive balance is accounted for as goodwill. If the value of the acquired entity's net assets exceeds the acquisition costs at the purchase date, this surplus is immediately recognised in the income statement. Goodwill acquired in a business combination is recognised at cost, net of accumulated impairment loss, and is tested annually for impairment. It is carried as an asset in the local currency of the acquired entity and translated at the applicable closing rate on each balance sheet date.

2.9 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accrued impairment. In the case of owner-occupied properties that serve as underlying assets for insurance contracts with profit participation, Helvetia has the option of carrying these at fair value. This decision is made on a case-by-case basis.

Property and equipment at cost

Depreciation is normally calculated using the straight-line method over the estimated useful life as follows:

Furniture	4 – 15 years
Technical equipment	4 – 10 years
Vehicles	4 – 6 years
Computer hardware	2 – 5 years

The following rates of depreciation apply to owner-occupied property:

Supporting structure	1.0 – 3.5 %
Interior completion	1.33 – 8.0 %

Land is normally not depreciated. Useful life is adjusted if the pattern of consumption of the economic benefit has changed. Value-adding investments are added to the current book value in the period and are depreciated over the entire term if an increase in the economic benefit is expected from the investment and reliable estimates exist for the cost. Depreciation is recognised in the income statement under "Operating and administrative expenses". Repairs and maintenance are charged to the income statement as incurred. Tangible assets are regularly tested for impairment (see section 2.11, page 42 Financial Report).

2.10 Leasing

When a contract comes into force, an assessment is made as to whether it establishes or includes a lease. A contract is or contains a lease if it conveys the right to control the use of an asset for a period of time in exchange for a consideration. Helvetia applies the guidance in IFRS 16 to determine whether a contract establishes or includes a lease.

2.10.1 Helvetia as lessee

Helvetia primarily presents itself as a lessee when renting business premises. Motor vehicles and other assets are also leased to a lesser extent.

A right-of-use asset and corresponding leasing liability are booked on inception of the contract. The right-of-use asset is initially recognised at acquisition cost. This basically corresponds to the leasing liability. The right-of-use asset is amortised using the straight-line method from the time of acquisition over the duration of the lease. If there are indications of an impairment, the recoverability of the right-of-use asset is reviewed and an impairment is booked if applicable.

The leasing liability corresponds to the present value of the leasing payments not yet paid on inception of the contract. Either the implied interest rate given in the leasing agreement or, in the absence thereof, an interest rate based on the rate Helvetia would have to pay for borrowing capital with maximum seniority in Swiss francs, is used as the discount rate. The maturities of the liabilities are taken into consideration for their valuation. Country and currency-specific supplements are included for foreign Group companies.

The leasing liability is measured at amortised cost applying the effective interest method. It is normally remeasured when the exercising of contractual purchasing, extension or termination options is reassessed. If the leasing liability is remeasured, the book value of the associated right-of-use asset is simultaneously adjusted accordingly.

Right-of-use assets are presented on the balance sheet under "Property and equipment". The lease liabilities come under "Financial liabilities from financing activities".

Leasing payments for low-value leases are recorded as an expense in the income statement during the term of the lease.

2.10.2 Helvetia as lessor

Helvetia lets its own properties to generate investment returns. In this capacity, it is a lessor within the meaning of IFRS 16. The rental agreements invariably count as operating leases.

Rental payments made under these agreements are booked as income and presented as part of "Current income from investments".

2.11 Impairment of goodwill and other intangible assets, tangible assets and right-of-use assets

The carrying value of an intangible asset, tangible assets or right-of-use assets amortised during their term is tested for impairment if there is evidence for impairment. Goodwill and other intangible assets with an indefinite useful life are reviewed for impairment annually in the second half of the year. They are also tested for impairment again if there is evidence of impairment.

An intangible asset is impaired if its book value exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset at current market conditions after deducting any direct disposal costs. Value in use is the present value of estimated future cash flows expected to be generated from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of impairment testing, the value in use is measured under realistic conditions, with consideration given to planned activities and their resulting cash in and outflows. If the recoverable amount is less than the carrying value, the difference is charged to the income statement as an impairment loss. This is reported in the position "Other expenses".

A reversal of the impairment loss is recognised if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was accounted for. If the new circumstances result in a decreased impairment loss, the reversal impairment is reported up to the maximum of the historical cost and recorded in the income statement in "Other expenses".

For the purpose of impairment testing, goodwill is allocated at the time of acquisition to those cash-generating units (CGU) that are expected to benefit from the synergies generated by the company merger. To calculate any impairment loss, the value in use of the CGU is determined and compared to the carrying value. The value in use is determined using the discounted cash flow method, with future operating cash flows less necessary operating investments (free cash flows) being included. Alternatively, the fair value less cost to sell is used for impairment testing. If an impairment loss arises, the goodwill is adjusted accordingly. An impairment loss for goodwill cannot be reversed.

2.12 Investments

At Helvetia, investments comprise investments in associates, investment property and financial assets (securities, derivative financial assets, loans and money market instruments). The treatment of investments in associates is described in section 2.4.2 (page 39 Financial Report).

2.12.1 Investment property

The aim of the investment property portfolio is to earn rental income or achieve long-term capital appreciation. Property held for investment purposes includes both land and buildings and is carried at fair value.

Changes in fair value are recognised in the income statement. The fair value of companies in Switzerland, Germany and Austria is measured in-house using a generally accepted discounted cash flow (DCF) valuation method. The portfolio is regularly reviewed on the basis of appraisal reports prepared by independent experts. All other countries use independent experts to determine market estimates, at the most, every three years. These estimates are updated between valuation dates.

The DCF valuation method is a two-tier gross rental method based on the principle that the value of a property equals the total of future earnings on the property. The income from the properties is determined on the basis of the current rental index and adjusted to the assessment horizon on the basis of the current rental potential.

In the first phase, the individual annual cash flows for a property over the next ten years are calculated and discounted as of the valuation date. In the second phase, the unlimited capitalised income value for the time following the first ten years is calculated and also discounted as of the valuation date. The risk-adjusted discounted rates used for the DCF valuation are based on the current condition, use and location of the property in question. The cash flows used for the forecast are based on the rental income that can be earned in the long term. Rental income is recognised on a straight-line basis over the lease term.

2.12.2 Financial assets

All acquisitions and disposals of financial instruments are recorded at the trade date. Derecognition of a financial investment occurs on expiry of the contract or at disposal if all risks and control have been transferred and if no rights to cash flows from the investment are retained.

Most financial assets are initially recognised at fair value including directly attributable transaction costs. For financial assets recognised at fair value through profit or loss (FVTPL), the costs are reported under expenses.

The recognition and measurement of financial assets follow the IFRS categories "at amortised cost" (AC), "at fair value through other comprehensive income" (FVOCI) and "at fair value through profit or loss" (FVTPL). Each asset is classified individually and the classification is irrevocable.

Financial assets at amortised cost (AC)

A financial asset is recognised at amortised cost if it meets the requirements set out below and is not classified at FVTPL:

– the business model within which the asset is held is geared towards holding the financial instruments in order to collect the contractual cash flows and
– the contractual cash flows are solely payments of principal and interest on the principal amounts outstanding ie cash flows consistent with a basic lending agreement (SPPI).

Interest is recognised on an accruals basis according to the effective interest method. Interest accruals resulting from the amortised cost method are included in the interest income.

Financial assets "at fair value through other comprehensive income" (FVOCI)

A financial asset is recognised at fair value through other comprehensive income if it meets the requirements set out below and is not classified at FVTPL:

– the business model within which the asset is held is geared towards holding the financial instruments in order to collect and sell the contractual cash flows and
– the contractual cash flows are solely payments of principal and interest on the principal amounts outstanding ie cash flows consistent with a basic lending agreement (SPPI).

Interest income (calculated according to the effective interest method) and currency effects are recognised in the income statement.

Other value fluctuations are recognised directly in equity. In the case of debt instruments, the gains and losses accumulated over time in the "fair value reserve" are recognised in the income statement upon derecognition ("recycling"). In the case of equity instruments, the accumulated gains and losses are reclassified to retained earnings when they are derecognised.

Financial assets "at fair value through profit or loss" (FVTPL)

All financial assets that are not classified at amortised cost or at fair value through other comprehensive income are recognised "at fair value through profit or loss" (FVTPL). In addition, Helvetia classifies financial instruments irrevocably at fair value through profit or loss (FVTPL – "designated") upon initial recognition if this significantly reduces or eliminates accounting mismatches.

The value fluctuations resulting from the measurement at fair value are directly recognised in the income statement under "gains and losses on investments". For the financial instruments that Helvetia has classified as at fair value through profit or loss (FVTPL – "Designated"), the default risk is insignificant for the determinination of the fair value.

Interest is recognised on an accruals basis subject to the asset's effective interest rate. Dividends are recognised with effect from the dividend payment date. Interest and dividend income from financial assets at FVTPL is recognised in "current income from investments".

Provision for expected credit losses

Helvetia recognises a provision for expected credit losses

– on financial assets at amortised cost and
– debt investments at fair value through other comprehensive income (FVOCI).

Expected credit losses (ECL) are recognised in three stages.

– Stage 1: When a financial instrument is originated or purchased, a provision is recognised for default events that are possible within the next 12 months (12-month ECL). Unless there is a significant deterioration in credit quality, the expected losses are also recognised in subsequent periods in the

amount of the 12-month ECL. Interest is appropriated on the basis of the gross carrying value (without deducting the loss allowance) according to the effective interest method.
- Stage 2: A financial instrument is transferred to stage 2 if the credit risk has increased significantly since initial recognition. In this case, the lifetime expected credit losses (lifetime ECL) are recognised as a provision. The interest appropriation method remains unchanged.
- Stage 3: If the financial instrument's credit risk increases to the point where it is considered credit-impaired, interest revenue is calculated on the instrument's net carrying amount (that is the gross carrying amount less the loss allowance). Lifetime ECLs are recognized, as in stage 2. Stage 3 also includes financial assets that have already had a credit default at the time of acquisition.

Indicators of a change in the default risk are described in section 16.5.3 (page 172 Financial Report).

The gross carrying value is impaired if it is unlikely that all of the amounts owed under the contract can be recovered. This is generally the case if Helvetia concludes that the debtor is in considerable financial difficulties and is unable to repay the outstanding amount in full. The decision is taken on a case-by-case basis.

2.12.3 Financial derivatives

Derivative financial instruments are classified at "fair value through profit or loss" (FVTPL) and are shown in the item "financial assets at fair value through profit or loss".

Derivatives may also be embedded in financial instruments, insurance contracts or other contracts. They are measured either together with their host contract or separately at fair value. The underlying security and derivative are measured and recognised separately if all of the following conditions are met:
- the structured product is not recognised at FVTPL,
- the embedded derivative meets all the requirements for a derivative and
- the economic characteristics and risks of the embedded derivative are not closely linked to those of the host contract.

Changes in the fair value of derivatives are recognised in the income statement.

2.12.4 Net investment hedge

For hedges of currency gains and losses on investments in subsidiaries with a foreign reporting currency, the hedge-effective portion of the gain or loss on the valuation of the hedging instrument is recognised in equity, while the ineffective portion is recognised directly in the income statement.

When a net investment hedge ends, the hedging instrument continues to be recognised in the balance sheet at fair value. All gains and losses reported in equity remain in equity until the subsidiary is (partially) sold. Upon the (partial) sale of the subsidiary, the unrealised gains and losses recognised in equity are transferred to the income statement.

2.13 Insurance business

2.13.1 Overview of measurement approaches

In the life business, Helvetia measures all insurance contracts either according to the "general measurement model" (GMM) or, in the case of insurance contracts with direct participation features, according to the "variable fee approach" (VFA).

In the non-life business, measurement and accounting of insurance contracts is in accordance with the "premium allocation approach" (PAA) if the respective requirements are met. Helvetia currently applies the PAA to all non-life contracts.

Reinsurance contracts in the life business are measured according to the GMM. In the non-life business, the PAA is applied if the respective requirements are met. The VFA is not applicable to reinsurance contracts.

2.13.2 Classification of insurance and reinsurance contracts

Insurance contracts are either classified as contracts with direct participation features or as contracts without direct participation features. For contracts with direct participation features, the following applies upon concluding the contract:

- under the terms of the contract, policyholders participate in a share of a clearly identifiable pool of underlying items,
- the insurer expects to pay to the policyholders an amount equal to a substantial share of the changes in the fair value of the underlying items and
- future mandatory payments fluctuate depending on how the fair value of the underlying items develops.

Underlying items primarily comprise portfolios of assets as well as the risk and cost result.

The assessment as to whether the amounts expected to be paid to the policyholders equate to a substantial share of the fair value changes in the underlying items is a discretionary decision on the part of Helvetia.

Investment contracts with discretionary participation features are reported as insurance contracts with direct participation features.

All other insurance contracts and reinsurance contracts are classified as contracts without direct participation features.

2.13.3 Aggregation of insurance contracts

Insurance contracts are grouped for measurement purposes. These groups of contracts are based on portfolios that each comprise contracts with similar risks that are managed together. Each portfolio is divided into annual cohorts. The calendar year defines the annual cohort. Each annual cohort is in turn divided into three groups, which are formed on the basis of the profitability of their contracts:
- contracts that are onerous at the time of initial recognition,
- contracts that at initial recognition have no significant possibility of becoming onerous and
- other contracts.

Generally, each reinsurance contract forms a separate measurement group.

2.13.4 Initial recognition of assets and liabilities from insurance contracts

An insurance contract is recognised at the earliest of the following dates:
- at the start of the coverage period (the period in which all services are rendered in respect of the premiums owed within the contract boundaries),
- upon the policyholder's first payment falling due or in the absence of a contractual due date, when it is paid by the policyholder or
- if facts and circumstances indicate that the contract is onerous.

Investment contracts with discretionary participation features are recognised when Helvetia becomes a contracting party.

2.13.5 Contract boundaries

For the measurement of a group of contracts, all future cash flows within the contract boundary of each contract within the group need to be considered. Cash flows are deemed to be within the contract boundary if they arise from rights and obligations that apply during the period in which Helvetia can require the policyholder to pay premiums or has a material obligation to render contractual services.

Cash flows fall within the boundaries of investment contracts with discretionary participation features if they arise from a material obligation on the part of Helvetia to make a payment.

Cash flows that fall outside the contract boundaries relate to future contracts and are taken into account if they fulfil the recognition criteria.

2.13.6 Assets for insurance acquisition cash flows

If acquisition costs are paid before an associated group of contracts is recognised in the balance sheet, an asset for insurance acquisition cash flows is recognised and reported as part of the insurance contract liabilities.

The asset for insurance acquisition cash flows is derecognised as soon as the acquisition cash flows are included in the initial measurement of the associated group of contracts.

For contracts that are measured according to the GMM or VFA, there are currently no assets for insurance acquisition cash flows.

2.13.7 Measurement – contracts that are measured according to the GMM or VFA

Initial measurement of insurance contracts

At the time of initial recognition, Helvetia measures a group of contracts as the sum of the fulfilment cash flows of the contracts included in the group. The fulfilment cash flows comprises the following components:

- the present value of the probability-weighted cash flows expected within the contract boundaries (e.g. premiums, insurance benefits, directly attributable expenses),
- a risk adjustment for non-financial risks that compensates for the uncertainty about the amount and timing of a payment and
- a contractual service margin (CSM) that represents the expected future profit.

Subsequent measurement of insurance contracts

Changes in the fulfilment cash flows

The carrying value of a group of contracts at each reporting date corresponds to the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

The liability for remaining coverage comprises the fulfilment cash flows relating to the services to be rendered in future periods as well as the remaining CSM.

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses for settling these claims that have not yet been paid, including claims incurred but not reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date on the basis of current estimates of expected cash flows, current discount rates and current estimates of the risk adjustment for non-financial risks.

Changes in the contractual service margin (CSM)

The CSM for each group of contracts is recalculated at each reporting date. A year-to-date approach is applied.

Contracts without direct participation features – measurement according to the GMM

The carrying value of the CSM of a group of contracts as at each reporting date corresponds to the carrying value at the start of the year, adjusted for:

- the CSM of all new contracts that have been added to the group during the reporting period,
- the interest accrued on the carrying value of the CSM during the year, measured using the discount rate determined at the time of initial recognition,
- changes in the fulfilment cash flows relating to future services,
- the impact of exchange rate differences on the CSM and
- the amount recognised as insurance revenue on the basis of the contractual services rendered in the reporting period.

Contracts with direct participation features – measurement according to the VFA

In the case of contracts with direct participation features, the obligation to the policyholder arises from the following factors:

- obligation to pay the policyholder an amount that corresponds to the fair value of the underlying items, minus
- a variable fee that corresponds to Helvetia's share of the fair value of the underlying items as consideration for the services to be rendered under the contracts.

Insurance contracts with direct participation features are typically deemed to be savings insurance contracts with interest guarantees and profit participation and unit-/index-linked insurance contracts.

The carrying value of the CSM at each reporting date corresponds to the carrying value at the start of the period, adjusted for the changes applicable to the GMM plus Helvetia's share of the change in the fair value of the underlying items.

2.13.8 Measurement – contracts that are measured according to the PAA

For the measurement of insurance and reinsurance contracts that meet the following requirements at the time of initial recognition, Helvetia applies the "premium allocation approach" (PAA):

- coverage period of the group's individual contracts is one year or less or

– Helvetia expects that such simplification will lead to a measurement of the liability for remaining coverage that does not differ significantly from the measurement when applying the GMM.

The carrying value of the liability for remaining coverage at the time of initial recognition of a group of contracts corresponds to the premiums received at initial recognition minus any acquisition costs assigned to the group at this time. It is also adjusted for any amounts arising from the derecognition of acquisition costs paid in advance.

Helvetia does not recognise acquisition costs as an expense at the time they are incurred, but rather reports them as an asset in the liability for remaining coverage and defers them over the coverage period.

In subsequent periods, the carrying value of the liability for remaining coverage is increased by the premiums received and the amortisation of the acquisition costs included in the liability for remaining coverage and reduced by insurance services rendered during the period.

For the initial recognition of a group of contracts, Helvetia assumes that no more than one year lies between the provision of the insurance services and the due date of the corresponding premium and therefore does not take account of the time value of money when determining the liability for remaining coverage.

Helvetia recognises a liability for incurred claims. In addition to expected payments, it also includes a risk adjustment for non-financial risks in order to compensate for the uncertainty relating to the amount and timing of the payments. The expected payments and the risk adjustment are discounted.

2.13.9 Reinsurance contracts held

The measurement of reinsurance contracts held largely corresponds to that of the underlying insurance contracts. However, no loss is

– recorded at initial recognition if the net costs exceed the expected services and
– reinsurance costs for events that have already occurred are immediately recognised in the income statement.

For the valuation of reinsurance contracts, assumptions are applied that are consistent with those of the underlying insurance contracts, with additional consideration of the risk of non-fulfilment of the obligations by the reinsurer.

Changes in the risk of non-fulfilment are recognised in the income statement in the insurance service result.

2.13.10 Onerous contracts

Contracts that are measured according to the GMM or VFA

If at initial recognition the fulfilment cash flows for a group of contracts show a net cash outflow, the group is onerous. In this case, the expected net cash outflow is recognised directly in the income statement as a “day 1 loss” in insurance service expenses. The net cash outflow is recognised as a loss component within the liability for remaining coverage.

Changes in the fulfilment cash flows of future services as well as – for contracts with direct participation features – Helvetia’s share in the development of the fair value of the underlying items are exclusively assigned to the loss component and reported in the income statement in insurance service expenses. If the loss component is reduced to zero, a CSM is established for the group of contracts in the event of positive changes in the fulfilment cash flows.

Contracts measured according to the PAA

In the case of potentially onerous groups of contracts, an onerous contract test is carried out on each reporting date to check whether, taking into consideration expected future cash flows, existing liabilities are adequately covered in order to ensure a loss-free measurement. Expected future premium income is compared to expected claims expenses, expected administration and acquisition costs and expected policyholder dividends. If the expected expenses are higher than the expected premium income, a loss component arises and is immediately recognised in the income statement, thereby increasing the liability for remaining coverage accordingly.

The release of the loss component is linear over the remaining coverage period of the contracts within the onerous group of contracts and reduces the insurance service expenses.

2.13.11 Presentation in the balance sheet and income statement

Insurance service result – contracts that are measured according to the GMM or VFA

Helvetia recognises insurance revenue and insurance service expenses in accordance with the fulfilment of its service obligations arising from a group of contracts. For contracts that are measured according to the GMM or VFA, the insurance service result comprises the following items:

- a release of the CSM, measured on the basis of services provided,
- changes in the risk adjustment for non-financial risks relating to insurance services rendered,
- the insurance services and related costs expected during the period and
- other amounts, including deviations between expected and actual premium income for current and past services.

In addition, Helvetia allocates the share of the premium attributable to the acquisition cash flows to the respective periods based on the passage of time. The amount allocated to the period is recognised as insurance revenue and simultaneously also as insurance service expenses. The insurance service result does not include savings components.

Recognition of the contractual service margin (CSM)

The CSM is recognised in accordance with the contractual services rendered during the period. The term "coverage unit" is used for this purpose. The total of coverage units corresponds to the contractual services rendered for the group of contracts overall. The CSM is systematically allocated to the coverage units that were provided in the period or will be provided in future periods.

Services rendered under insurance contracts include insurance cover and – in the case of contracts with profit participation – investment services for the management of the underlying items.

Changes to the coverage period, the expiry and termination of contracts and the occurrence of insured events affect the coverage units over time. For this reason, coverage units are reassessed at the end of each reporting period.

Insurance revenue – contracts measured according to the PAA

The insurance revenue for the period corresponds to the expected premiums allocated to the period. The allocation is made based on the coverage provided during the period. For the majority of Helvetia's non-life business, the expected premiums are allocated to the accounting periods on a pro rata basis (linear revenue recognition). If, however, the expected earnings pattern during the coverage period deviates significantly from the linear passage of time, the allocation is made according to the risk-adjusted earnings pattern (non-linear revenue recognition).

Insurance service expenses

Insurance service expenses are recognised in the income statement as incurred. They do not include any repayments of investment components and comprise the following items:

- expenses for insurance services and costs relating to the fulfilment of contractual obligations;
- amortisation of insurance acquisition cash flows: For contracts measured according to the GMM and VFA, the amount allocated to the period is recognised as insurance service expenses and simultaneously also as insurance revenue.
- losses from onerous contracts and reversals of such losses;
- adjustments to liabilites for incurred claims that do not arise from changes in non-financial parameters;
- impairment of deferred acquisition costs and reversals of such impairment losses.

Insurance finance result

The insurance finance result includes the change in the carrying value of a group of contracts, caused by:

- the effect of the time value of money and its changes and
- the effect of financial risk and its changes.

Helvetia splits the insurance finance result between the income statement and other comprehensive income. Accrued interest on fulfilment cash flows as well as the CSM, risk adjustment and liability for incurred claims are recognised in the income statement. The impact of interest rate changes and adjustments to other financial assumptions are recognised in other comprehensive income.

For contracts measured according to the VFA (contracts with direct participation features), an amount is included in the insurance finance result that corresponds exactly to the result reported in the income statement for the underlying items. The remaining insurance result for the period is recognised in other comprehensive income.

Helvetia splits changes in the risk adjustment for non-financial risks between the insurance service result and the insurance finance result.

2.14 Revenue from contracts with customers

This revenue is generally measured on the basis of the contractual agreements concluded with customers. Amounts received on behalf of third parties (as agent) are not recognised as income.

For services rendered at a point in time revenue is recognised as soon as Helvetia has a right to payment. Revenue from performance over time is either recognised on a pro rata temporis basis or based on the progress of the service performed depending on the type of service.

Revenue is reported as "income from fee and commission business" in the income statement.

Helvetia mainly generates revenue through the following services:

Investment management

Especially single and periodic fees from pure investment contracts and the management of investment funds fall into this category of services. They are services rendered over time. The resulting fees are appropriated pro-rata temporis.

Distribution services

Distribution services include in particular the distribution of mortgage products and the accompanying advice, distribution of fund units and distribution of insurance products from third-party providers. Income comprises case-based commission payments and advisory fees.

Health and elderly care

Helvetia operates several retirement homes in Spain. The income results from the ongoing settlement of residential and nursing costs and the case-based invoicing of services used.

Helvetia also operates hospitals and clinics in Spain. The income results from specific case based services (e.g. diagnosis, emergency care, dental treatment), and from the ongoing settlement of medical services provided over time (e.g. hospitalisation).

Assistance, maintenance and other services

Helvetia Group provides various assistance services in the medical, technical and legal field. In addition, repair and maintenance services for real estate are offered, mainly in Spain. Income results from case-based invoicing as well as from the pro-rata appropriation of income from services provided over time.

2.15 Current and deferred tax liabilities

Actual income tax assets and liabilities are calculated using the currently applicable tax rates. Income tax assets and liabilities are only recognised if a reimbursement or payment is expected.

Deferred income tax assets and liabilities are calculated using the tax rate changes enacted or announced as of the balance sheet date. Deferred income taxes are recognised for all temporary differences between the IFRS carrying values of assets and liabilities and the tax bases of these assets and liabilities, using the liability method. Deferred tax assets from losses carried forward are recorded only to the extent that it is probable that future taxable profit can be offset against the relevant losses. Deferred tax assets and liabilities are offset when an enforceable legal right was granted by the tax authorities in question to set off actual tax assets against actual tax liabilities.

2.16 Accrued financial assets

Interest income on interest-bearing financial investments and loans that must be allocated to the reporting year are accrued or deferred under financial assets.

2.17 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term liquid investments with a maturity of not more than three months from the date of acquisition.

2.18 Treasury shares

Treasury shares are recorded at cost, including transaction costs, and reported as a deduction from equity. In case of a sale, the difference between cost and sale price is recorded as a change in capital reserves, with no impact on profit or loss. Treasury shares are exclusively shares of Helvetia Holding AG, St. Gallen.

2.19 Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

Short-term employee benefits are due in full within twelve months after the end of the reporting period. They include salaries, social security contributions, holiday and sickness pay, bonuses and non-monetary benefits for active employees. Expected expenses for entitlements that can be accumulated, such as accrued holiday and overtime entitlements, are recognised as short-term liabilities at the balance sheet date.

Post-employment benefits pertain to defined contribution plans and defined benefit plans. The amount of the employers' contributions for defined contribution plans depends on the employee services rendered during the reporting period and is charged directly to the income statement. Defined benefit plans, pension obligations and related past service cost are calculated at each balance sheet date by a qualified actuary, using the projected unit credit method. The actuarial assumptions applied to the calculations consider the regulations of the respective countries and Group companies. Changes in the assumptions, experience adjustments and differences between the expected and actual return from the plan assets are actuarial gains and losses. These are recognised as revaluations in comprehensive income with no effect on the income statement. Net interest income from plan assets to be recognised in the income statement is calculated using the same interest rate applied to the calculation of interest on defined benefit obligations.

For funded benefit plans, a surplus in the plan which is recognised in comprehensive income with no effect on the income statement may arise if the fair value of the plan assets exceeds the present value of the defined benefit obligations. Portions of this surplus are only recognised and recorded as an asset if an economic benefit in the form of future reductions in contributions or refunds to the employer arises ("asset ceiling"). There is a contribution reduction as defined by IFRS if the employer must pay lower contributions than service cost.

Other long-term employee benefits are benefits that fall due twelve months or more after the balance sheet date. At Helvetia, these consist mainly of long-service awards and are calculated using actuarial principles. The amount recognised in the balance sheet is equal to the present value of the defined benefit obligation less any plan assets.

Termination benefits consist, for example, of severance pay and benefits from social schemes for redundancies. Such benefits are immediately recognised as expenses in the income statement at the time the employment relationship is terminated.

2.20 Financial liabilities

Financial liabilities are initially recognised at fair value. Directly attributable transaction costs are offset, except in the case of financial liabilities at fair value through profit or loss. After initial recognition, financial liabilities are carried at fair value or amortised cost (AC). The financial liability is derecognised when the obligation has been discharged. A difference between the carrying value and the paid consideration is recognised in profit or loss.

Helvetia recognises a considerable share of financial liabilities at AC. Interest expenses for financial liabilities that are used for financing purposes are recognised in the income statement as "Financing costs". Depreciation and appreciation resulting from the amortised cost method are offset against interest expenses in the income statement.

Helvetia classifies financial liabilities at FVTPL in order to reduce or eliminate accounting mismatches. This is the case for financial liabilities from investment contracts without participation features and for minority interests in own funds. The fair value of these liabilities is dependent on the performance of the underlying financial instruments. They are therefore primarily exposed to the specific risks of an asset. The credit risk is negligible and thus is not taken into account.

For other categories of financial liabilities, such as own bonds, Helvetia does not apply the fair value option (valuation differences arising from changes in the company's creditworthiness are recognised not affecting the income statement).

Written put options on shares in subsidiaries are reported under IFRS as financial liabilities in the amount of the present value of the overall purchase price. At initial recognition, these options are recognised in equity against retained earnings with no impact on profit or loss. Helvetia also offsets value changes of such options against retained earnings with no impact on profit or loss.

2.21 Non-technical provisions and contingent liabilities

Non-technical provisions are current obligations that are probable to require an outflow of resources but whose amount and timing are uncertain. A provision is recognised if there is a present obligation as a result of a past event at the balance sheet date, and on the basis of a past event, an outflow of resources is probable and the amount of the outflow can be reliably estimated.

Current obligations for which an outflow of resources is not probable or the amount of which cannot be reliably estimated are recognised as contingent liabilities.

2.22 Other liabilities

Other liabilities are carried at amortised cost, which is generally equal to the nominal value.

2.23 Offsetting of assets and liabilities

Assets and liabilities are presented on a net basis if the requirements for offsetting are met.

3. Segment information

The operating segments of Helvetia are “Switzerland”, “Europe”, “Specialty Markets” and “Corporate”.

The segment “Switzerland” comprises the Swiss country market and the financial intermediaries MoneyPark and Finovo. The “Europe” segment comprises the country markets of Germany, Italy, Spain and Austria. The “Specialty Markets” segment includes transport, art and engineering insurance policies in the Switzerland / International and France market units, as well as the global active reinsurance business. The segment “Corporate” includes all Group activities, the Group’s own fund companies, Group reinsurance and Helvetia Holding AG.

For additional information, Helvetia classifies its business areas as life business, non-life business and other activities.

In the life business, Helvetia offers various product lines, such as life insurance, pension plans and annuity insurance.

The non-life business provides property, motor vehicle, liability, transport, health and accident insurance. The non-life business also includes active reinsurance.

Units without any technical business which can be directly classed in the “life” or “non-life” business are presented in the respective segment. All other units are classed as “Other activities”.

The accounting principles used for segment reporting correspond to the significant accounting policies for the financial statements. Helvetia treats services and the transfer of assets and liabilities between segments like transactions with third parties. Investments in other companies and dividend income from associated companies between segments are eliminated in the respective segment. All other cross-segment relationships and revenues within the Group are eliminated entirely.

The allocation of the individual Group entities to the regions and segments is set out in section 18.3 (from page 180 Financial Report).

3.1 Segment information

in CHF million	Switzerland 2023	Switzerland 2022	Europe 2023	Europe 2022
Insurance revenue	3 060.0	2 873.5	3 705.9	3 657.5
Insurance service expense	–2 523.4	–2 165.3	–3 605.4	–3 186.3
Net income from reinsurance contracts held	2.1	–124.6	119.8	–113.9
Insurance service result	538.7	583.6	220.2	357.3
Current income from investments	727.5	717.9	250.6	217.6
Gains and losses on investments	295.9	–931.5	313.9	–661.0
Share of profit or loss of associates	2.3	–0.8	0.5	5.8
Investment result	1 025.7	–214.4	565.0	–437.6
Finance result from insurance contracts	–973.8	118.4	–415.4	413.3
Finance result from reinsurance contracts held	4.1	–3.9	3.4	6.9
Insurance finance result	–969.7	114.4	–412.0	420.1
Income attributable to deposits for investment contracts	–41.2	52.2	–61.6	93.9
Finance result	14.8	–47.8	91.4	76.4
Income from fee and commission business	106.6	101.4	282.9	248.4
Other income	39.3	18.4	30.4	107.5
Operating and administrative expenses	–297.1	–293.1	–467.8	–426.4
Interest payable	–21.7	–11.3	–7.6	–8.3
Other expenses	–23.7	–21.5	–40.8	–34.5
Income from operating activities	356.9	329.7	108.7	320.4
Financing costs	–10.8	–10.9	–4.7	–5.4
Income before tax	346.1	318.8	104.0	315.1
Income taxes	–32.5	–41.3	–21.3	–47.3
Net income	**313.6**	**277.5**	**82.7**	**267.7**

Specialty Markets		Corporate		Elimination		Total	
2023	2022	2023	2022	2023	2022	2023	2022
1 850.9	1 622.3	559.2	452.2	−566.5	−458.8	8 609.5	8 146.6
−1 705.6	−1 543.3	−688.5	−364.6	689.0	360.1	−7 833.8	−6 899.5
−23.0	9.4	113.6	−72.0	−122.5	98.7	89.9	−202.3
122.3	88.3	−15.7	15.6	0.0	0.0	865.5	1 044.8
56.7	41.2	−19.7	−23.4	−53.5	−25.7	961.5	927.7
−109.5	−35.9	24.6	−34.7	–	0.0	525.0	−1 663.1
0.2	0.1	–	–	–	0.0	2.9	5.2
−52.7	5.5	4.9	−58.0	−53.5	−25.7	1 489.4	−730.2
118.7	1.3	51.9	13.8	4.8	6.6	−1 213.7	553.4
−9.4	2.7	−29.1	−10.8	−4.8	−6.6	−35.9	−11.8
109.3	4.0	22.7	3.0	0.0	0.0	−1 249.6	541.6
–	–	–	–	0.0	0.0	−102.8	146.1
56.6	9.5	27.7	−55.0	−53.5	−25.7	137.0	−42.6
–	–	6.4	5.3	−5.4	−4.2	390.5	350.9
40.3	20.1	2.1	1.6	0.0	0.0	112.1	147.6
−48.9	−35.8	−129.1	−147.6	5.4	4.0	−937.5	−899.0
1.3	0.1	−26.4	−4.4	39.0	11.1	−15.3	−12.8
−41.7	−24.5	49.2	45.5	0.0	0.2	−57.0	−34.8
129.9	57.7	−85.7	−138.9	−14.5	−14.6	495.3	554.3
−0.1	−0.1	−125.2	10.1	14.5	14.6	−126.4	8.3
129.7	57.6	−210.8	−128.9	0.0	0.0	368.9	562.6
−25.0	−11.1	11.2	17.4	0.0	0.0	−67.7	−82.4
104.7	**46.5**	**−199.7**	**−111.5**	**0.0**	**0.0**	**301.3**	**480.2**

Details on the Europe segment

in CHF million	Germany 2023	Germany 2022	Italy 2023	Italy 2022
Insurance revenue	779.6	751.1	603.6	594.4
Insurance service expense	–793.9	–637.7	–700.5	–501.1
Net income from reinsurance contracts held	17.3	–38.3	75.1	–25.7
Insurance service result	3.0	75.1	–21.7	67.7
Current income from investments	51.9	47.3	77.2	68.2
Gains and losses on investments	107.0	–235.6	80.8	–168.3
Share of profit or loss of associates	–	–	–	–
Investment result	158.8	–188.2	158.0	–100.1
Finance result from insurance contracts	–156.6	175.2	–111.8	38.6
Finance result from reinsurance contracts held	1.4	1.2	0.4	1.8
Insurance finance result	–155.1	176.4	–111.4	40.4
Income attributable to deposits for investment contracts	–	–	–39.8	56.4
Finance result	3.7	–11.8	6.8	–3.3
Income from fee and commission business	3.0	3.1	6.4	6.2
Other income	3.6	5.4	7.8	3.8
Operating and administrative expenses	–34.8	–38.1	–46.4	–44.9
Interest payable	–0.4	–1.1	–0.3	–0.2
Other expenses	–4.9	–2.2	–5.2	–5.5
Income from operating activities	–26.8	30.5	–52.6	23.9
Financing costs	–0.2	–0.2	–3.8	–3.8
Income before tax	–27.0	30.3	–56.4	20.1
Income taxes	10.0	–11.2	11.4	–7.5
Net income	**–17.1**	**19.1**	**–45.0**	**12.6**

	Spain		Austria		Elimination		Total Europe	
	2023	2022	2023	2022	2023	2022	2023	2022
	1 853.6	1 869.5	472.7	445.4	–3.7	–2.9	3 705.9	3 657.5
	–1 702.5	–1 637.2	–410.5	–412.4	1.9	2.0	–3 605.4	–3 186.3
	43.9	–43.0	–18.3	–7.8	1.8	0.9	119.8	–113.9
	195.0	189.3	43.9	25.2	0.0	–	220.2	357.3
	85.6	65.4	35.9	36.6	0.0	–	250.6	217.6
	27.1	–75.6	99.1	–181.6	–	–	313.9	–661.0
	0.4	5.8	0.0	0.0	–	–	0.5	5.8
	113.1	–4.3	135.0	–144.9	–	–	565.0	–437.6
	–26.2	40.8	–120.8	158.6	0.0	0.0	–415.4	413.3
	0.9	3.3	0.6	0.5	0.0	0.0	3.4	6.9
	–25.3	44.1	–120.2	159.2	–	–	–412.0	420.1
	–21.7	37.4	–	–	–	–	–61.6	93.9
	66.1	77.2	14.9	14.2	0.0	0.0	91.4	76.4
	268.0	234.1	5.5	5.0	0.0	–	282.9	248.4
	15.6	98.1	3.3	0.1	–	–	30.4	107.5
	–353.5	–316.7	–33.1	–26.7	–	0.0	–467.8	–426.4
	–6.1	–6.1	–0.7	–0.9	–	–	–7.6	–8.3
	–26.7	–25.1	–4.0	–1.7	0.0	0.0	–40.8	–34.5
	158.3	250.8	29.8	15.3	0.0	0.0	108.7	320.4
	–0.7	–1.3	0.0	0.0	0.0	–	–4.7	–5.4
	157.6	249.5	29.7	15.2	0.0	0.0	104.0	315.1
	–37.7	–33.5	–4.9	4.9	0.0	0.0	–21.3	–47.3
	119.9	**216.0**	**24.8**	**20.1**	**0.0**	**0.0**	**82.7**	**267.7**

3.2 Information by business areas

in CHF million	Life 2023	2022	Non-life 2023	2022
Insurance revenue	1 810.8	1 799.6	6 809.7	6 356.6
Insurance service expense	–1 328.2	–1 335.4	–6 508.2	–5 562.0
Net income from reinsurance contracts held	–12.0	–26.4	108.9	–203.2
Insurance service result	470.6	437.8	410.3	591.4
Current income from investments	814.2	814.9	242.3	166.1
Gains and losses on investments	611.0	–1 435.4	–117.2	–193.0
Share of profit or loss of associates	–0.5	0.0	2.8	0.0
Investment result	1 424.8	–620.6	127.8	–27.0
Finance result from insurance contracts	–1 357.0	529.4	86.6	3.6
Finance result from reinsurance contracts held	0.5	5.1	–2.5	0.5
Insurance finance result	–1 356.4	534.5	84.1	4.1
Income attributable to deposits for investment contracts	–102.8	146.1	–	–
Finance result	–34.5	60.0	211.9	–22.9
Income from fee and commission business	35.2	28.7	69.8	69.0
Other income	27.2	102.0	80.1	43.9
Operating and administrative expenses	–122.8	–113.1	–424.1	–404.6
Interest payable	–16.7	–10.6	–27.5	–10.5
Other expenses	4.8	–27.8	–84.2	–41.2
Income from operating activities	363.8	477.1	236.3	225.1
Financing costs	–14.1	–13.0	–2.9	–3.4
Income before tax	349.7	464.0	233.4	221.7
Income taxes	–65.5	–80.5	–9.8	–16.4
Net income	**284.2**	**383.6**	**223.6**	**205.3**

	Other activities		Elimination		Total	
	2023	2022	2023	2022	2023	2022
	559.2	452.2	–570.2	–461.8	8 609.5	8 146.6
	–688.5	–364.6	691.1	362.5	–7 833.8	–6 899.5
	113.6	–72.0	–120.6	99.3	89.9	–202.3
	–15.7	15.6	0.4	0.0	865.5	1 044.8
	–17.7	–21.6	–77.2	–31.6	961.5	927.7
	31.1	–34.6	–	–	525.0	–1 663.1
	0.7	5.2	–	–	2.9	5.2
	14.0	–51.1	–77.2	–31.6	1 489.4	–730.2
	51.9	13.8	4.8	6.6	–1 213.7	553.4
	–29.1	–10.8	–4.9	–6.6	–35.9	–11.8
	22.7	3.0	0.0	0.0	–1 249.6	541.6
	–	–	–	–	–102.8	146.1
	36.8	–48.1	–77.3	–31.6	137.0	–42.6
	330.7	298.8	–45.2	–45.6	390.5	350.9
	27.8	3.2	–23.0	–1.4	112.1	147.6
	–435.4	–426.7	44.9	45.4	–937.5	–899.0
	–32.1	–8.4	60.9	16.6	–15.3	–12.8
	–0.7	32.8	23.0	1.4	–57.0	–34.8
	–88.6	–132.8	–16.3	–15.2	495.3	554.3
	–125.6	9.8	16.3	15.0	–126.4	8.3
	–214.2	–123.0	0.0	–0.2	368.9	562.6
	7.7	14.4	0.0	0.1	–67.7	–82.4
	–206.6	**–108.6**	**0.0**	**–0.1**	**301.3**	**480.2**

3.3 Additional information

by segment:

as of 31.12. in CHF million	Switzerland 2023	2022	Europe 2023	2022
Assets by geographical segment	42 036.9	40 236.4	18 196.6	18 327.5
of which investments	33 804.9	33 110.3	15 363.7	15 564.3
– investments in associates	27.4	26.3	62.6	59.4
– investment property	6 873.2	7 071.8	712.9	791.8
– Financial assets	26 904.3	26 012.2	14 588.2	14 713.2
of which insurance contract assets	1.2	–	11.2	–
– life	–	–	11.2	–
– non-life	1.2	–	–	–
of which reinsurance assets	61.5	48.4	421.0	357.6
– life	6.6	5.3	10.2	10.2
– non-life	54.9	43.1	410.8	347.4
Liabilities by geographical segment	38 533.9	36 788.7	15 513.2	15 462.8
of which insurance contract liabilities	31 354.4	30 566.6	13 392.1	13 356.5
– life	29 136.7	28 518.4	10 425.7	10 554.7
– non-life	2 217.7	2 048.2	2 966.4	2 801.8
of which reinsurance contract liabilities	7.9	–	45.8	44.4
– life	4.7	–	41.2	41.2
– non-life	3.2	–	4.5	3.2
Cash flow from operating activities (net)	897.3	63.5	82.9	–191.4
Cash flow from investing activities (net)	149.4	32.1	4.2	164.6
Cash flow from financing activities (net)	–84.2	–348.8	–181.3	–137.4
Acquisition of owner-occupied property, equipment and intangible assets	78.5	48.4	122.6	83.1
Depreciation and amortisation on tangible and intangible assets	–37.8	–36.6	–92.9	–98.7
Impairment of tangible and intangible assets affecting income	–26.9	–	–4.3	–8.9
Reversal of impairment losses on tangible and intangible assets affecting income	–	–	0.0	0.0
Share-based payment transaction costs	–2.2	–1.9	–	–

by business area:

	Life 2023	2022	Non-life 2023	2022
Assets by business area	44 454.1	43 600.3	19 534.5	17 817.6
of which insurance contract assets	11.2	–	3.3	–
of which reinsurance assets	16.8	15.4	879.8	749.7
Liabilities by business area	42 194.6	41 330.6	15 239.4	13 479.5
of which insurance contract liabilities	39 639.9	39 105.3	7 818.1	7 173.3
of which reinsurance contract liabilities	45.9	41.2	9.8	5.3
Acquisition of owner-occupied property, equipment and intangible assets	43.5	41.2	79.9	66.4
Depreciation and amortisation on tangible and intangible assets	–6.1	–12.5	–107.0	–100.7
Impairment of tangible and intangible assets affecting income	–	–7.3	–	0.0
Reversal of impairment losses on tangible and intangible assets affecting income	–	–	0.0	0.0
Share-based payment transaction costs	–1.0	–0.8	–1.2	–1.1

Specialty Markets 2023	Specialty Markets 2022	Corporate 2023	Corporate 2022	Elimination 2023	Elimination 2022	Total 2023	Total 2022
4 438.6	3 499.0	−3 625.2	−3 509.6	−1 830.8	−1 052.9	59 216.1	57 500.4
2 306.2	2 003.1	1 101.1	1 120.5	−692.2	−596.4	51 883.8	51 201.9
–	0.9	–	–	–	–	90.0	86.6
7.0	24.0	–	–	–	–	7 593.1	7 887.5
2 299.2	1 978.2	1 101.1	1 120.5	−692.2	−596.4	44 200.7	43 227.8
2.1	–	–	–	–	–	14.5	–
–	–	–	–	–	–	11.2	–
2.1	–	–	–	–	–	3.3	–
411.2	356.3	710.0	566.9	−631.6	−517.3	972.2	811.7
–	–	13.3	12.8	−10.6	−11.7	19.5	16.6
411.2	356.3	696.7	554.0	−621.0	−505.7	952.7	795.1
3 559.6	2 697.9	−675.9	−648.4	−1 830.8	−1 052.9	55 100.1	53 248.1
2 708.6	2 352.5	622.7	509.8	−627.1	−515.6	47 450.7	46 269.9
77.4	32.1	10.6	10.1	−10.6	−10.1	39 639.9	39 105.3
2 631.2	2 320.4	612.1	499.7	−616.5	−505.4	7 810.8	7 164.6
2.0	2.1	–	–	–	–	55.7	46.5
–	–	–	–	–	–	45.9	41.2
2.0	2.1	–	–	–	–	9.8	5.3
245.6	529.6	−213.3	−425.6	2.4	4.3	1 014.9	−19.6
11.1	−32.5	−296.2	−134.8	−0.0	0.0	−131.4	29.3
45.7	16.0	−184.4	108.3	−2.4	−4.3	−406.5	−366.3
8.6	9.2	0.1	2.8	–	–	209.7	143.5
−5.8	−4.7	−9.6	−10.5	–	–	−146.1	−150.5
–	–	–	−5.1	–	–	−31.3	−14.0
–	–	–	–	–	–	0.0	0.0
0.0	0.0	−6.6	−4.3	–	–	−8.8	−6.3

Other activities 2023	Other activities 2022	Elimination 2023	Elimination 2022	Total 2023	Total 2022
−2 774.3	−2 656.8	−1 998.2	−1 260.7	59 216.1	57 500.4
–	–	–	–	14.5	–
710.0	566.9	−634.5	−520.3	972.2	811.7
−335.6	−301.3	−1 998.2	−1 260.7	55 100.1	53 248.1
622.7	509.8	−630.0	−518.5	47 450.7	46 269.9
–	–	–	–	55.7	46.5
86.3	35.9	–	–	209.7	143.5
−33.0	−37.4	–	–	−146.1	−150.5
−31.3	−6.7	–	–	−31.3	−14.0
–	–	–	–	0.0	0.0
−6.6	−4.3	–	–	−8.8	−6.3

3.4 Fee and commission income

in CHF million	Fee income 2023	2022	Change in %	Change in % (FX-adjusted)
Asset management	56.2	45.5	23.4	25.0
Distribution services	46.8	53.7	–12.9	–12.4
Health and elderly care	181.2	167.8	8.0	11.6
Assistance, maintenance and other services	106.3	83.9	26.7	29.5
Income from fee and commission business	**390.5**	**350.9**	**11.3**	**13.9**

4. Foreign currency translation

4.1 Exchange rates

The Swiss franc, euro, US dollar and British pound are the functional currencies in the individual business units of Helvetia. The following exchange rates apply to the translation of these financial statements and foreign currency transactions:

Exchange rate at reporting date	31.12.2023	31.12.2022
1 EUR	0.9297	0.9874
1 USD	0.8417	0.9252
1 GBP	1.0729	1.1129

Annual average exchange rate	2023	2022
	Jan–Dec	Jan–Dec
1 EUR	0.9701	1.0020
1 USD	0.8962	0.9539
1 GBP	1.1178	1.1724

4.2 Foreign exchange gains and losses

The foreign exchange results in the consolidated income statement in the reporting year show a loss of CHF –283.7 million (previous year: CHF –60.8 million).

The foreign exchange loss from financial investments is included in "Gains and losses on Group investments" in the income statement and amounts to CHF –468.6 million (previous year: CHF –141.5 million), excluding foreign currency translation differences from investments at fair value through profit and loss and non-monetary positions.

Other foreign currency translation gains and losses are reported under the items "Other expenses" and "Other income".

5. Goodwill and other intangible assets

	Goodwill		Other intangible assets		Total	
	2023	2022	2023	2022	2023	2022
in CHF million						
Acquisition costs						
Balance as of 1 January	1 164.0	1 174.3	1 246.2	1 397.6	2 410.2	2 571.9
Change in the scope of consolidation	21.4	1.2	39.5	–107.7	60.9	–106.5
Additions[1]	0.5	0.4	35.9	41.0	36.4	41.4
Disposals	–	–	–21.1	–39.7	–21.1	–39.7
Foreign currency translation differences	–14.6	–11.9	–52.9	–45.1	–67.5	–57.0
Other changes	–	–	0.0	0.1	0.0	0.1
Balance as of 31 December	**1 171.2**	**1 164.0**	**1 247.5**	**1 246.2**	**2418.8**	**2 410.2**
Accumulated amortisation/impairment						
Balance as of 1 January	24.0	23.5	752.3	721.3	776.3	744.8
Change in the scope of consolidation	–	–	–	–15.1	–	–15.1
Amortisation	–	–	88.4	89.9	88.4	89.9
Impairment	31.3	1.6	–	12.3	31.3	13.9
Disposals amortisation/impairment	–	–	–19.1	–37.1	–19.1	–37.1
Foreign currency translation differences	–1.6	–1.1	–26.7	–19.2	–28.2	–20.3
Other changes	–	–	0.0	0.2	0.0	0.2
Balance as of 31 December	**53.7**	**24.0**	**794.9**	**752.3**	**848.6**	**776.3**
Book value as of 31 December	**1 117.6**	**1 140.0**	**452.6**	**493.9**	**1 570.2**	**1 633.9**
Book value as of 1 January	1 140.0	1 150.8	493.9	676.3	1 633.9	1 827.1

[1] Additions to intangible assets almost exclusively comprise internally developed assets. Acquired intangible assets (e.g. software) are not significant.

Helvetia's "Other intangible assets" mainly comprise the value of distribution agreements as well as purchased and internally developed software.

In 2023, goodwill in the amount of CHF 21.9 million (previous year: CHF 1.6 million) was recognised in connection with acquisitions. CHF 4.4 million (previous year: CHF 1.6 million) was immediately written off due to lack of materiality (see section 18, page 177 Financial Report).

Goodwill impairment test

Goodwill is tested annually for impairment (see section 2.11, from page 42 Financial Report).

The impairment test compares the recoverable amount of each cash-generating unit to the carrying value. The recoverable amount is determined by calculating the value in use by means of the DCF method. This calculation requires management to make estimates of expected cash flows to be derived from the asset. These free cash flows are considered for a period of three to five years and are based on the budget and the strategic plans approved by management. The growth rate is set by management and is based on past experience and future expectations. The applied discount rates are pre-tax rates and take account of the risks attached to the business units in question.

Changed customer behaviour owing to the rise in interest rates observed since last year as well as increased competition meant that the growth and earnings forecasts for the cash-generating unit "intermediation and advisory business", which comprises MoneyPark and Finovo, had to be revised. As at 30 June 2023, the carrying value of the cash-generating unit was above the recoverable amount of CHF 95.3 million and a value adjustment on goodwill of CHF 26.9 million was entered under "Other expenses" in the segment Switzerland. The recoverable amount was determined on the basis of the value in use. The financial forecasts underlying the calculation of the value in use are based on existing empirical values as well as current targets and expectations. The applied discount rate was 7.68 %, while the growth rate was 1.5 %.

As a consequence of the integration of the MoneyPark mortgage and real estate brokerage sales network into the Helvetia sales organisation, which was announced by Helvetia in September 2023, the cash-generating unit "intermediation and advisory business", comprising MoneyPark and Finovo, was integrated into the cash-generating unit "Switzerland life" from 1 January 2024.

The following growth and discount rates were used to test goodwill for impairment, assuming a perpetuity:

as of 31.12.2023	Goodwill	Growth rate	Applied discount rate
in CHF million		in %	in %
Switzerland life	4.4	1.0 %	7.83 %
Switzerland non-life	782.0	1.0 %	7.62 %
Specialty Lines Switzerland / International	15.0	1.5 %	7.59 %
France non-life	56.6	1.5 %	10.46 %
Spain	37.5	1.0 %	11.67 %
Italy non-life	31.8	1.5 %	12.98 %
Austria	55.8	1.0 %	10.88 %
Germany non-life	23.2	1.0 %	11.28 %
Intermediation and advisory business	102.4	1.5 %	7.18 %
Diversification business Caser	9.0	1.5 %	10.58 %

as of 31.12.2022	Goodwill	Growth rate	Applied discounting interest rate
in CHF million		in %	in %
Switzerland life	4.4	1.0 %	7.85 %
Switzerland non-life	773.2	1.0 %	7.73 %
Specialty Lines Switzerland / International	15.0	1.5 %	7.63 %
France non-life	60.2	1.5 %	9.94 %
Spain	35.1	1.0 %	10.80 %
Italy non-life	33.7	1.5 %	11.66 %
Austria	59.2	1.0 %	10.12 %
Germany non-life	24.7	1.0 %	10.32 %
Intermediation and advisory business	129.3	1.5 %	7.92 %
Diversification business Caser	5.3	1.5 %	10.27 %

Stress tests show that reasonable changes in key assumptions used to determine the recoverable amount could result in the book value exceeding the recoverable amount of the cash generating unit Austria. With other assumptions unchanged, the applied discount rates would have to increase by 0.4 percentage points or fall short of the budget by 5 %.

6. Property and equipment

in CHF million	Undeveloped land 2023	2022	Owner-occupied property 2023	2022	Equipment 2023	2022
Acquisition costs						
Balance as of 1 January	9.8	20.8	912.5	958.6	250.9	253.3
Change in scope of consolidation	0.0	–	5.6	14.6	2.5	0.3
Additions	0.0	–	0.7	11.9	24.3	23.7
Disposals	–	0.0	–14.7	–37.0	–32.6	–19.1
Revaluation gains on transfers to investment property	–	–	2.5	10.2	–	–
Transfer	–	–11.0	–12.7	–24.0	–	–
Transfer to assets held-for-sale	–	–	–2.3	–	–	–
Foreign currency translation differences	0.0	0.0	–33.1	–26.4	–9.7	–7.1
Other changes	–0.1	–	11.9	4.6	–0.2	–0.1
Balance as of 31 December	**9.7**	**9.8**	**870.4**	**912.5**	**235.2**	**250.9**
Accumulated depreciation/impairment						
Balance as of 1 January	0.0	0.0	238.8	269.8	166.6	168.7
Change in scope of consolidation	–	–	–	–	–	0.0
Depreciation	–	–	16.4	19.3	18.7	20.3
Impairment	–	–	–	0.1	–	–
Reversal of impairment losses	–	–	0.0	0.0	–	–
Disposals depreciation/impairment	–	–	–9.0	–33.1	–32.3	–18.3
Transfer	–	–	–18.3	–11.1	–	–
Foreign currency translation differences	–	–	–7.5	–6.3	–5.8	–4.1
Other changes	–	–	–2.0	0.1	–0.1	0.0
Balance as of 31 December	**0.0**	**0.0**	**218.5**	**238.8**	**147.1**	**166.6**
Owner-occupied property measured at fair value			37.2	39.6		
Book value as of 31 December	**9.7**	**9.8**	**689.0**	**713.3**	**88.1**	**84.4**

Property under construction		Right-of-use assets		Total	
2023	2022	2023	2022	2023	2022
142.0	99.3	165.1	173.3	1 480.3	1 505.3
–	–	2.7	–0.2	10.8	14.7
46.2	38.5	30.5	11.5	101.8	85.6
–	–	–27.0	–11.9	–74.3	–68.1
–	–	–	–	2.5	10.2
24.4	11.0	–	–	11.7	–24.0
–	–	–	–	–2.3	–
–0.5	–0.2	–7.9	–6.2	–51.3	–39.9
–14.4	–6.6	–	–1.4	–2.8	–3.5
197.7	**142.0**	**163.4**	**165.1**	**1 476.4**	**1 480.3**
0.4	0.4	59.7	51.4	465.5	490.4
–	–	–	–0.1	–	–0.2
–	–	22.5	21.0	57.7	60.6
–	–	–	–	–	0.1
–	–	–	–	0.0	0.0
–	–	–20.2	–10.4	–61.5	–61.7
–	–	–	–	–18.3	–11.1
–	–	–2.7	–1.7	–16.0	–12.1
–	–	–	–0.5	–2.0	–0.5
0.4	**0.4**	**59.3**	**59.7**	**425.3**	**465.5**
				37.2	39.6
197.3	**141.6**	**104.1**	**105.4**	**1 088.3**	**1 054.5**

7. Investments

7.1 Investment result

in CHF million	Notes	2023	2022
Interest revenue calculated using the effective interest method		554.9	537.5
Other current income		406.6	390.2
Current income from investments	7.1.1	961.5	927.7
Gains and losses on investments		534.6	–1 669.5
Gain and losses from derecognition of assets at AC		–10.2	4.3
Net impairment loss on financial assets		0.6	2.1
Gains and losses on investments	7.1.2	525.0	–1 663.1
Share of profit or loss of associates	7.7	2.9	5.2
Investment result		**1 489.4**	**–730.2**

7.1.1 Current income from investments by class

2023 in CHF million	Amortised cost	FVOCI	Designated FVTPL	Mandatorily FVTPL	Total
Interest-bearing securities	0.0	457.9	27.3	–16.4	468.9
Shares	–	0.2	54.2	–	54.4
Investment funds	–	–	63.6	–	63.6
Alternative investments	–	–	10.8	–	10.8
Derivative financial instruments[1]	–	–	0.0	1.4	1.4
Mortgages	4.5	–	44.7	–	49.2
Loans	1.1	14.1	0.0	0.0	15.2
Money market instruments	21.6	–	–	–	21.6
Other	–	–	0.1	–	0.1
Current income on financial assets	27.2	472.2	200.8	–14.9	685.2
of which interest revenue calculated using the effective interest method	27.2	472.0	72.0	–16.4	554.9
Rental income					341.5
Investment management expenses on property					–65.2
Current income from investment property					276.3
Current income from investments					**961.5**

[1] Derivatives comprise gains and losses on derivative financial assets and derivative financial liabilities.

2022	Amortised cost	FVOCI	Designated FVTPL	Mandatorily FVTPL	Total
in CHF million					
Interest-bearing securities	–	437.3	11.1	8.3	456.6
Shares	–	0.5	60.7	–	61.2
Investment funds	–	–	44.2	–	44.2
Alternative investments	–	–	7.2	–	7.2
Derivative financial instruments	–	–	–	–1.9	–1.9
Mortgages	6.9	–	52.8	–	59.7
Loans	1.6	16.1	–	–	17.7
Money market instruments	3.5	–	0.0	–	3.5
Other	–	–	0.8	–	0.8
Current income on financial assets	12.1	453.9	176.7	6.4	649.0
of which interest revenue calculated using the effective interest method	12.1	453.4	63.8	8.3	537.5
Rental income					342.8
Investment management expenses on property					–64.2
Current income from investment property					278.7
Current income from investments					**927.7**

Investment management expenses on property include all maintenance and repair costs as well as the operating expenses for property that did not generate rental income during the reporting year. The latter amounted to CHF 3.1 million in the reporting year (previous year: CHF 3.6 million).

Based on notice periods, tenancies generated lease receivables for Helvetia of CHF 154.3 million (previous year: CHF 58.4 million) due in less than one year, CHF 140.0 million (previous year: CHF 154.3 million) due between one and five years and CHF 25.4 million (previous year: CHF 37.0 million) due in more than five years.

7.1.2 Gains and losses on investments

2023	Amortised cost	FVOCI	Designated FVTPL	Mandatorily FVTPL	Total
in CHF million					
Interest-bearing securities	–0.3	–499.6	117.7	26.7	–355.5
Shares	–	–	308.6	–	308.6
Investment funds	–	–	261.2	–	261.2
Alternative investments	–	–	77.5	–	77.5
Derivative financial instruments[1]	–	–	–	89.3	89.3
Mortgages	–0.3	–	120.7	–	120.4
Loans	–1.2	0.0	–	0.4	–0.8
Money market instruments	–8.5	–	–	0.2	–8.3
Gains and losses on financial assets	**–10.3**	**–499.6**	**885.7**	**116.6**	**492.4**
FX effects from transactions with subsidiaries					–59.6
Investment property					92.2
Owner-occupied property measured at fair value					–
Gains and losses on investments					**525.0**

[1] Derivatives comprise gains and losses on derivative financial assets and derivative financial liabilities.

2022	Amortised cost	FVOCI	Designated FVTPL	Mandatorily FVTPL	Total
in CHF million					
Interest-bearing securities	–	–96.6	–233.6	–141.5	–471.6
Shares	–	–	–521.0	–	–521.0
Investment funds	–	–	–703.4	–	–703.4
Alternative investments	–	–	40.5	–	40.5
Derivative financial instruments	–	–	–	–48.4	–48.4
Mortgages	0.2	–	–266.2	–	–266.0
Loans	0.0	4.0	–	–0.5	3.5
Money market instruments	–3.5	–	–	–0.1	–3.6
Gains and losses on financial assets	**–3.3**	**–92.5**	**–1 683.6**	**–190.4**	**–1 969.9**
FX effects from transactions with subsidiaries					–39.9
Investment property					346.1
Owner-occupied property measured at fair value					0.6
Gains and losses on investments					**–1 663.1**

7.1.3 Development of the fair value reserve for financial instruments directly related to insurance contracts that were measured using the modified retrospective approach or the fair value approach

	2023	2022
in CHF million		
Balance as of 1 January	–1 779.57	1 756.2
Change in fair value of debt investments at FVOCI	1 101.92	–4 220.4
Net amount reclassified to profit and loss	199.97	–17.7
Deferred taxes	–193.92	720.6
Book value as of 31 December	**–623.1**	**–1 779.6**

7.2 Investments and reference values by class

as of 31.12.2023	Notes	Underlying items for insurance contracts	Underlying items for investment contracts	Other investments	Total
in CHF million					
Interest-bearing securities		19 461.9	936.8	9 100.3	29 499.0
Shares		1 358.5	17.5	822.0	2 198.0
Investment funds		4 631.3	344.8	800.1	5 776.3
Alternative investments		670.3	–	415.8	1 086.2
Derivative financial assets		501.0	74.3	71.8	647.1
Mortgages		3 024.0	–	393.9	3 417.9
Loans		603.5	–	106.9	710.4
Money market instruments		414.2	12.0	439.5	865.8
Financial assets		30 664.8	1 385.5	12 150.3	44 200.7
Investments in associates	7.7.1	–	–	90.0	90.0
Investment property	7.8	5 860.7	–	1 732.4	7 593.1
Investments		**36 525.6**	**1 385.5**	**13 972.7**	**51 883.8**
Cash and cash equivalents		870.1	–		
Assets held-for-sale		302.8	–		
Other positions		545.7	–		
Underlying items for direct participating contracts		**38 244.2**	**1 385.5**		

as of 31.12.2022	Notes	Underlying items for insurance contracts	Underlying items for investment contracts	Other investments	Total
in CHF million					
Interest-bearing securities		19 235.9	699.7	8 717.5	28 653.1
Shares		1 383.6	18.4	904.6	2 306.5
Investment funds		4 303.3	364.1	927.8	5 595.2
Alternative investments		716.3	–	410.0	1 126.3
Derivative financial assets		275.7	55.9	68.3	399.9
Mortgages		3 073.9	–	398.9	3 472.8
Loans		642.4	–	107.9	750.4
Money market instruments		530.2	7.7	385.8	923.6
Financial assets		30 161.3	1 145.8	11 920.7	43 227.8
Investments in associates	7.7.1	–	–	86.6	86.6
Investment property	7.8	6 224.3	–	1 663.2	7 887.5
Investments		**36 385.6**	**1 145.8**	**13 670.5**	**51 201.9**
Cash and cash equivalents		464.2	–		
Assets held-for-sale		318.8			
Other positions		220.0	–		
Underlying items for direct participating contracts		**37 388.6**	**1 145.8**		

7.3 Investments by business area

as of 31.12.2023	Notes	Life	Non-life	Other and elimination	Total
in CHF million					
Interest-bearing securities		23 411.0	5 790.9	297.1	29 499.0
Shares		789.0	210.7	1 198.3	2 198.0
Investment funds		6 645.1	947.2	– 1 816.1	5 776.3
Alternative investments		67.9	177.4	841.0	1 086.2
Derivative financial assets		586.7	59.6	0.8	647.1
Mortgages		3 033.2	384.8	–	3 417.9
Loans		667.1	164.7	– 121.4	710.4
Money market instruments		487.1	461.9	– 83.3	865.8
Financial assets		35 687.0	8 197.3	316.4	44 200.7
Investments in associates	7.7.1	0.1	28.6	61.2	90.0
Investment property	7.8	6 601.2	947.0	44.9	7 593.1
Investments		**42 288.4**	**9 173.0**	**422.4**	**51 883.8**

as of 31.12.2022	Notes	Life	Non-life	Other and elimination	Total
in CHF million					
Interest-bearing securities		22 979.2	5 316.3	357.5	28 653.1
Shares		723.6	273.9	1 309.0	2 306.5
Investment funds		6 480.3	1 090.9	– 1 976.0	5 595.2
Alternative investments		63.7	185.9	876.7	1 126.3
Derivative financial assets		344.3	51.0	4.6	399.9
Mortgages		3 074.1	398.7	–	3 472.8
Loans		700.5	217.6	– 167.7	750.4
Money market instruments		623.9	318.2	– 18.5	923.6
Financial assets		34 989.7	7 852.5	385.5	43 227.8
Investments in associates	7.7.1	0.1	30.3	56.2	86.6
Investment property	7.8	6 859.7	949.6	78.3	7 887.5
Investments		**41 849.5**	**8 832.4**	**520.0**	**51 201.9**

7.4 Financial assets by category and class

as of 31.12.	Book value 2023	2022	Acquisition cost / amortised cost 2023	2022	Unrealised gains / losses net 2023	2022	Fair value 2023	2022
in CHF million								
At amortised cost:								
Mortgages	393.9	398.9	393.9	398.9			381.4	369.6
Loans	41.0	39.9	41.0	39.9			43.7	41.5
Money market instruments	845.9	909.1	845.9	909.1			846.9	910.3
Financial assets at AC	**1 280.7**	**1 347.9**	**1 280.7**	**1 347.9**			**1 272.0**	**1 321.4**
At fair value:								
At fair value through OCI								
Interest-bearing securities	27 095.1	26 404.5	28 548.6	29 733.8	–1 453.5	–3 329.3	27 095.1	26 404.5
Shares	43.9	0.0	43.8	–	0.1	0.0	43.9	0.0
Loans	667.9	707.9	693.6	765.8	–25.7	–57.9	667.9	707.9
Financial assets at FVOCI	27 806.8	27 112.4	29 286.0	30 499.6	–1 479.2	–3 387.2	27 806.8	27 112.4
At fair value through P&L - designated								
Interest-bearing securities	1 636.1	1 376.6	1 678.1	1 527.7			1 636.1	1 376.6
Mortgages	3 024.0	3 073.9	–	–			3 024.0	3 073.9
Financial assets at FVTPL - designated	4 660.1	4 450.4	1 678.1	1 527.7			4 660.1	4 450.4
Mandatorily at fair value through P&L								
Interest-bearing securities	767.8	872.0	806.3	949.9			767.8	872.0
Shares	2 154.1	2 306.5	1 491.7	1 705.9			2 154.1	2 306.5
Investment funds	5 776.2	5 595.2	5 412.0	5 431.3			5 776.2	5 595.2
Alternative investments	1 086.2	1 126.3	933.3	1 010.6			1 086.2	1 126.3
Derivative financial assets	478.6	344.2	783.5	258.6			478.6	344.2
Derivative financial assets for hedge accounting	168.5	55.7	–	–			168.5	55.7
Loans	1.6	2.6	–	–			1.6	2.6
Money market instruments	19.9	14.5	19.7	14.7			19.9	14.5
Financial assets mandatorily at FVTPL	10 453.0	10 317.0	9 446.5	9 371.0			10 453.0	10 317.0
Financial assets at FV	**42 919.9**	**41 879.9**	**40 410.6**	**41 398.3**	**–1 479.2**	**–3 387.2**	**42 919.9**	**41 879.9**
Financial assets	**44 200.7**	**43 227.8**						

7.5 Financial assets by valuation method

as of 31.12.	Fair value 2023	2022	Quoted market prices 2023	2022	Based on market data 2023	2022	Not based on market data 2023	2022
in CHF million			Level 1		Level 2		Level 3	
At amortised cost:								
Mortgages	381.4	369.6	–	–	381.4	369.6	–	–
Loans	43.7	41.5	–	–	34.6	38.4	9.1	3.0
Money market instruments	846.9	910.3	–	–	846.9	910.3	–	–
Financial assets at AC	**1 272.0**	**1 321.4**	**–**	**–**	**1 262.9**	**1 318.3**	**9.1**	**3.0**
At fair value:								
At fair value through OCI								
Interest-bearing securities	27 095.1	26 404.5	9 414.4	6 307.2	17 671.7	20 086.5	9.0	10.7
Shares	43.9	0.0	43.9	–	–	–	0.0	–
Loans	667.9	707.9	–	–	667.9	707.9	–	–
Financial assets at fair value through OCI	27 806.8	27 112.4	9 458.3	6 307.2	18 339.5	20 794.4	9.0	10.7
At fair value through P&L - designated								
Interest-bearing securities	1 636.1	1 376.6	426.8	396.2	1 209.1	980.4	0.2	–
Mortgages	3 024.0	3 073.9	–	–	3 024.0	3 073.9	–	–
Financial assets at fair value through P&L - designated	4 660.1	4 450.4	426.8	396.2	4 233.2	4 054.3	0.2	–
Mandatorily at fair value through P&L								
Interest-bearing securities	767.8	872.0	75.8	10.3	670.8	835.4	21.2	26.3
Shares	2 154.1	2 306.5	2 019.0	2 219.4	4.7	4.7	130.3	82.3
Investment funds	5 776.2	5 595.2	4 797.3	4 502.8	641.5	795.8	337.5	296.6
Alternative investments	1 086.2	1 126.3	37.7	45.5	104.5	96.9	944.0	983.8
Derivative financial assets	478.6	344.2	69.1	46.7	409.5	297.4	–	–
Derivative financial assets for hedge accounting	168.5	55.7	–	–	168.5	55.7	–	–
Loans	1.6	2.6	–	–	1.6	2.6	–	–
Money market instruments	19.9	14.5	19.9	14.5	–	–	–	–
Financial assets mandatorily at FVTPL	10 453.0	10 317.0	7 018.7	6 839.2	2 001.2	2 088.5	1 433.0	1 389.1
Financial assets at FV	**42 919.9**	**41 879.9**	**16 903.7**	**13 542.7**	**24 573.9**	**26 937.3**	**1 442.0**	**1 399.8**
Financial assets	**44 200.7**	**43 227.8**	**16 903.7**	**13 542.7**	**25 836.8**	**28 255.6**	**1 451.1**	**1 402.9**

Transfers between the valuation category levels

in CHF million	2023	2022	2023	2022	2023	2022
from / to	Level 1		Level 2		Level 3	
Level 1	–	–	1 142.4	5 393.0	0.3	–
Level 2	3 596.8	565.6	–	–	57.2	–
Level 3	–	–	–	6.9	–	–

From the portfolio of "Level 3" financial assets of CHF 1,402.9 million as at 31 December 2022:

- Disposals in the amount of CHF 261.2 million (previous period: CHF 318.2 million) were made.
- Additions in the amount of CHF 291.9 million (previous period: CHF 371.2 million) were recorded.
- Transfers between levels in the amount of CHF +57.5 million were made (previous period: CHF –6.9 million).
- Losses of CHF –38.9 million (previous year: CHF +45.8 million) were reported under "Gains and losses on financial instruments" in the income statement and a loss of CHF –0.7 million (previous year: CHF +0.1 million) as "Change in unrealised gains and losses on investment" in the overall result calculation. Overall, this resulted in a loss of CHF –39.6 million for the "Level 3" investments (previous year: CHF +45.9 million). The valuation loss on the "Level 3" investments held on the reporting date was CHF –37.4 million (previous year: CHF +44.9 million).

Stress tests performed on the "Level 3" investments show that an increase in the credit spreads of 100 basis points would lead to a decrease in value of CHF 28.3 million.

7.6 Derivatives for hedge accounting

Derivative financial assets for hedge accounting

	Net investment hedge	
	2023	2022
in CHF million		
Amount recognised in other comprehensive income	118.7	6.0
Gains and losses reclassified to the income statement	–21.5	–1.7
Ineffectiveness reclassified to income statement	14.1	–1.1

The amounts transferred to the income statement are reported under "Gains and losses on investments".

7.7 Investments in associates

Dividend income from associates totalled CHF 4.3 million (previous year: CHF 3.6 million).

Investments in associates accounted for under the equity method are listed in the table in section 18.3 (from page 180 Financial Report).

7.7.1 Development of investments in associates

in CHF million	2023	2022
Balance as of 1 January	86.6	64.1
Change in the scope of consolidation[1]	2.9	–
Additions[1]	8.2	35.3
Disposals[1]	–0.9	–11.7
Share of profits for the year	4.5	4.5
Dividends paid	–4.3	–3.6
Impairment (net)	–1.8	–
Transfer to assets held-for-sale	–0.4	–
Foreign currency translation differences	–3.8	–2.1
Other changes	–1.0	–
Book value as of 31 December	**90.0**	**86.6**

[1] Details on additions and disposals for associates are provided in section 18 "Scope of consolidation".

7.7.2 Aggregated financial data on associates

The table below shows an aggregated balance sheet and income statement for the investments that are accounted for under the equity method.

as of 31.12. in CHF million	2023	2022
Assets		
Non-current assets	268.7	265.2
Current assets	87.8	79.7
Assets	**356.5**	**344.9**
Liabilities and equity		
Equity	135.6	119.6
Long-term liabilities	178.9	181.4
Short-term liabilities	42.0	43.9
Liabilities and equity	**356.5**	**344.9**

in CHF million	2023	2022
Profit for the year		
Income	129.1	120.3
Expenses	–118.9	–115.9
Profit for the year	**10.1**	**4.4**

Helvetia's share in the liabilities of associates amounted to CHF 97.9 million (previous year: CHF 100.0 million). Helvetia did not have any share in the contingent liabilities of associates.

7.8 Investment property

in CHF million	Switzerland	Abroad	2023	2022
Balance as of 1 January	7071.7	815.7	7887.5	7673.0
Change in scope of consolidation	–	–	–	–2.1
Additions	84.5	32.8	117.4	142.0
Capitalised subsequent expenditure	108.8	0.0	108.8	117.8
Disposals	–206.1	–15.7	–221.8	–84.1
Realised gains and losses[1]	27.5	–1.8	25.7	29.3
Book gains and losses[1]	71.3	–16.5	54.7	321.2
Transfer from / to property and equipment	8.2	–38.2	–30.0	12.9
Transfer to assets held-for-sale	–292.7	–11.6	–304.3	–283.3
Foreign currency translation differences	–	–45.6	–45.6	–39.2
Other changes	–	0.8	0.8	–
Balance as of 31 December	**6873.2**	**719.9**	**7593.1**	**7887.5**

1 Recognised in the income statement as "gains and losses on investments".

The fair value of "Investment property" in the portfolio of the Swiss, Austrian and German Group companies is calculated using a generally accepted discounted cash flow method. The method is described in section 2.12.1 (page 43 Financial Report).

In the reporting year, the discounted cash flow method was based on discount rates ranging from 2.5% to 6.2% (previous year: 2.5% to 5.9%). If the discount rates were increased by 10 basis points, the value would be reduced by CHF 224.0 million. If the rental income that can be earned in the long term were reduced by 5%, there would be a negative effect of CHF 499.6 million.

For all other portfolios, measurement is based on valuation reports by independent experts. Both valuation methods are allocated to the "Level 3" category.

7.9 Assets held for sale

Helvetia expects to sell its share of 35.0% in the associated company Audisec S.L., Ciudad Real during the first semester of 2024. Audisec is included in the Europe segment with a carrying value of CHF 0.4 million.

In connection with planned sales, the Switzerland segment held property, plant and equipment in the amount of CHF 2.3 million and investment properties in the amount of CHF 324.7 million classified as "held for sale" as at 31 December 2023. In the Europe segment, investment properties in the amount of CHF 11.2 million were classified as held for sale.

In the Switzerland segment, the reclassification of investment properties as "held for sale" was associated with a valuation adjustment of CHF +4.0 million, which is reported under "Gains and losses on investments".

As at 31 December 2022, investment properties to the value of CHF 318.8 million were classified as held for sale. Of these, properties in the amount of CHF 251.3 million were sold in 2023. A property with a carrying value of CHF 35.5 million is no longer recognised as "held for sale", as a sale is not expected before 2027.

8. Financial liabilities

Helvetia classifies financial liabilities according to their origin as financial liabilities from financing activities, financial liabilities from investment contracts and other financial liabilities.

Helvetia applies the usual financial covenants to its financial liabilities but these are not expected to have any material impact on the contractual conditions (e.g. due date, interest rate, collateral, currency).

The valuation methods used to calculate the fair value of financial liabilities belong to the "Level 2" category.

Section 16.4 (page 161 Financial Report) contains a maturity schedule of financial liabilities.

8.1 Financial liabilities from investment contracts

as of 31.12. in CHF million	Book value 2023	2022	Acquisition cost / amortised cost 2023	2022	Fair value 2023	2022
Financial liabilities at fair value						
Deposits for investment contracts	1 284.4	1 111.0	1 284.4	1 100.8	1 284.4	1 111.0
Financial liabilities from investment contracts	**1 284.4**	**1 111.0**	**1 284.4**	**1 100.8**	**1 284.4**	**1 111.0**

Deposits for investment contracts come from insurance contracts without significant insurance risk and without discretionary participation features. They therefore do not qualify as insurance contracts under IFRS.

With these contracts, the policyholder participates directly in the performance of an external investment fund or external index. The change in fair value is solely due to changes in the performance of the underlying investment fund or index.

Amounts paid into or from these deposits do not affect revenues and are not recorded in the income statement, but are offset against the deposit. The features of these products are very similar to those of insurance contracts, apart from the fact that there is hardly any insurance risk. Conditions and risks are described in section 16 (from page 144 Financial Report).

8.2 Total financial liabilities from financing activities

as of 31.12.	Book value 2023	2022	Acquisition cost / amortised cost 2023	2022	Fair value 2023	2022
in CHF million						
Financial liabilities at amortised cost						
Bonds	1 912.1	2 003.3	1 912.1	2 003.3	1 844.2	1 875.1
Liabilites from lease	74.5	74.2	74.5	74.2	74.5	74.2
Financial liabilities at amortised cost	1 986.6	2 077.5	1 986.6	2 077.5	1 918.7	1 949.3
Financial liabilities at fair value						
Minority interests in own funds	308.4	306.5	158.8	211.1	308.4	306.5
Financial liabilities at fair value	308.4	306.5	158.8	211.1	308.4	306.5
Financial liabilities from financing activities	**2 294.9**	**2 384.0**	**2 145.4**	**2 288.5**	**2 227.1**	**2 255.8**

Helvetia has bonds in liabilities and in equity. The classification depends on the characteristics of the respective bond.

The bonds in liabilities are measured at amortised cost. The interest expense from bonds treated as liabilities is reported in the income statement at CHF 53.0 million (previous year: CHF 51.2 million) under "Financing costs". The interest expense from bonds in equity is recognised as a dividend distribution in equity.

Minority interests in own funds include the investments of the Helvetia pension and supplementary funds in Helvetia I Funds.

Financial liabilities from financing activities

as of 31.12.	Bonds 2023	2022	Lease 2023	2022	Minority interests in own funds 2023	2022
in CHF million						
Balance as of 1 January	2 003.3	1 657.3	74.2	90.7	306.5	357.6
Cash flows	–29.1	399.3	–0.2	–13.5	–46.6	11.7
Change in the scope of consolidation	–	–	2.8	0.0	–	–
Value changes / interest accruals	1.3	1.3	1.0	0.8	72.3	–60.3
Foreign currency translation differences	–63.4	–54.6	–3.4	–3.0	–23.7	–2.5
Other changes	–	–	0.0	–0.8	–	–
Balance as of 31 December	**1 912.1**	**2 003.3**	**74.5**	**74.2**	**308.4**	**306.5**

Lease liabilities

as of 31.12.	< 1 year	1–5 years	> 5 years	Total 2023	2022
in CHF million					
Future lease payments	26.6	37.5	16.2	80.3	78.1
Discounting amounts				–5.8	–3.9
Liabilities from lease				**74.5**	**74.2**

Some rental agreements contain extension options in favour of Helvetia. In case they are exercised they would yield additional future rental payments of CHF 8.2 million (previous year: CHF 9.5 million).

8.3 Other financial liabilities

	Notes	Acquisition cost / amortised cost 2023	2022	Fair value 2023	2022
in CHF million					
Financial liabilities at amortised cost					
Other		552.3	390.3	552.3	390.3
Other financial liabilities at amortised cost		552.3	390.3	552.3	390.3
Financial liabilities at fair value					
Derivative financial liabilities	7.7.2	703.0	110.5	279.3	169.7
Other		37.4	64.5	37.4	64.5
Other financial liabilities at fair value		740.4	175.0	316.7	234.2
Other financial liabilities, not booked directly against equity		1 292.7	565.3	869.0	624.5

	Carrying amount 2023	2022
Financial liabilities booked directly against equity		
Written put options on shares in subsidiaries	250.4	272.1
Financial liabilities, booked directly against equity	250.4	272.1
Other financial liabilities	**1 119.4**	**896.6**

The line item "Other" at amortised cost also contains the collateral received for ongoing derivatives transactions. The carrying amounts equal the fair value.

In connection with the acquisition of Caja de Seguros Reunidos, Compañia Seguros y Reaseguros S.A. (Caser), the minority shareholders were given the option to sell their shares to Helvetia. The options to tender shares in Caser can be exercised until 2025 at the higher price of fair value and acquisition price, and subsequently at fair value.

9. Insurance business

9.1 Insurance service result

9.1.1 Composition of the insurance service result

2023	Switzerland	Europe	Specialty Markets	Corporate	Total
in CHF million					
Insurance revenue					
Contracts measured according to GMM or VFA:					
CSM recognised for services provided	234.9	113.9	22.9	5.9	371.6
Changes in risk adjustment	5.5	7.5	2.8	0.1	15.8
Expected incurred claims and other insurance service expenses	869.5	320.0	106.5	4.0	1 296.0
Recovery of insurance acquisition cash flows	64.5	62.2	0.7	–	127.4
Insurance revenue – GMM or VFA	1 174.4	503.6	132.8	10.0	1 810.8
Insurance revenue – PAA	1 885.7	3 202.3	1 718.1	549.1	6 798.6
Insurance revenue	3 060.0	3 705.9	1 850.9	559.2	8 609.5
Insurance service expenses					
Incurred claims and other expenses	–2 150.6	–2 879.5	–1 477.5	–670.8	–6 505.6
Amortisation of insurance acquisition cash flows	–440.1	–829.2	–247.8	–0.4	–1 517.5
Adjustments to liability for incurred claims	51.4	115.0	33.6	–13.4	199.0
Changes in estimates that do not adjust CSM	15.9	–11.8	–13.9	–3.9	–9.8
Insurance service expenses	–2 523.4	–3 605.4	–1 705.6	–688.5	–7 833.8
Reinsurance expenses					
Contracts measured according to GMM:					
Net cost/gain recognised in profit or loss	–4.6	–11.9	–	–2.4	–12.9
Changes in risk adjustment	–0.2	–0.1	–	–0.1	–0.3
Expected incurred claims and other expenses	–8.4	–12.8	–	–3.0	–20.2
Reinsurance expenses – GMM	–13.2	–24.7	–	–5.5	–33.4
Reinsurance expenses – PAA	–126.8	–395.9	–293.2	–258.7	–518.1
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses	120.9	542.1	255.4	346.4	592.3
Adjustments to asset for incurred claims	21.2	–3.4	14.7	28.1	48.5
Losses and reversal of losses on underlying onerous contracts	–	1.7	0.0	3.3	0.5
Net income from reinsurance contracts held	2.1	119.8	–23.0	113.6	89.9
Insurance service result	**538.7**	**220.2**	**122.3**	**–15.7**	**865.5**

The year 2023 was characterized by an above-average claims burden. Two major fire claims in February and July and massive losses from natural disasters in the third quarter had a negative impact on the insurance service result. The segments Switzerland and Europe (particularly Italy and Germany) were especially affected.

2022	Switzerland	Europe	Specialty Markets	Corporate	Total
in CHF million					
Insurance revenue					
Contracts measured according to GMM or VFA:					
CSM recognised for services provided	238.3	139.3	2.7	2.0	380.3
Changes in risk adjustment	7.5	8.6	3.1	0.2	19.2
Expected incurred claims and other insurance service expenses	867.1	365.8	50.9	10.4	1283.7
Recovery of insurance acquisition cash flows	48.3	67.2	0.8	–	116.4
Insurance revenue – GMM or VFA	1161.1	580.9	57.5	12.6	1799.6
Insurance revenue – PAA	1712.3	3076.6	1564.7	439.6	6347.0
Insurance revenue	2873.5	3657.5	1622.3	452.2	8146.6
Insurance service expenses					
Incurred claims and other expenses	–1942.5	–2490.4	–1309.9	–395.2	–5740.7
Amortisation of insurance acquisition cash flows	–381.0	–799.8	–225.2	–0.4	–1406.3
Adjustments to liability for incurred claims	164.7	168.2	7.3	31.7	333.8
Changes in estimates that do not adjust CSM	–6.5	–64.2	–15.6	–0.7	–86.3
Insurance service expenses	–2165.3	–3186.3	–1543.3	–364.6	–6899.5
Reinsurance expenses					
Contracts measured according to GMM:					
Net cost/gain recognised in profit or loss	–5.3	–14.0	–	–1.4	–18.7
Changes in risk adjustment	–0.4	–0.1	–	–0.1	–0.5
Expected incurred claims and other expenses	–17.6	–17.5	–	–7.3	–32.0
Reinsurance expenses – GMM	–23.3	–31.5	–	–8.9	–51.1
Reinsurance expenses – PAA	–117.3	–312.3	–267.7	–212.8	–463.8
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses	62.6	283.0	227.9	149.0	325.0
Adjustments to asset for incurred claims	–46.6	–51.1	49.4	0.4	–9.8
Losses and reversal of losses on underlying onerous contracts	–	–1.9	–0.2	0.2	–2.6
Net income from reinsurance contracts held	–124.6	–113.9	9.4	–72.0	–202.3
Insurance service result	**583.6**	**357.3**	**88.3**	**15.6**	**1044.8**

9.1.2 Expected CSM recognition

in CHF million	Insurance contracts	Reinsurance contracts held	Net of reinsurance
CSM as of 31. December 2023	4030.8	–77.1	3953.7
Expected changes recognised in profit or loss in			
Year 1	320.3	–9.2	311.1
Year 2	296.8	–7.4	289.4
Year 3	275.4	–6.7	268.7
Year 4	254.9	–6.1	248.8
Year 5	235.5	–5.5	230.0
Years 6–10	925.8	–20.2	905.6
Years 11–15	607.5	–9.4	598.1
Years 16–20	415.4	–5.5	409.9
Years 21 and subsequent years	699.2	–7.0	692.2

in CHF million	Insurance contracts	Reinsurance contracts held	Net of reinsurance
CSM as of 31. December 2022	3942.4	–75.5	3866.9
Expected changes recognised in profit or loss in			
Year 1	316.9	–9.9	307.0
Year 2	297.5	–9.4	288.1
Year 3	279.5	–7.8	271.7
Year 4	263.8	–6.7	257.1
Year 5	246.9	–5.7	241.2
Years 6–10	992.9	–18.2	974.7
Years 11–15	643.9	–7.8	636.1
Years 16–20	410.1	–4.1	406.0
Years 21 and subsequent years	490.9	–5.9	485.0

The table shows the expected recognition pattern of the CSM from existing contracts in the insurance revenue. The realisation of the CSM may change due to changes in the underlying actuarial and economic assumptions. The future CSM run-off will also include amounts relating to insurance contracts that will be concluded in future periods and which are not included in the table above.

9.1.3 Expected allocation of the assets for insurance acquisition cash flows

in CHF million	2023	2022
Balance as of 31 december	50.7	48.6
Expected allocation to a group of contracts		
Year 1	33.5	32.5
Year 2	17.2	16.1
Year 3 and subsequent years	–	–

9.1.4 Impact of the applied transition method on the current period

2023 in CHF million	Modified retrospective approach	Fair value approach	Other contracts	Total
Insurance contracts				
Insurance revenue	**1939.8**	**13.2**	**6656.4**	**8609.5**
CSM as at 1 January	3719.3	45.7	177.3	3942.4
Changes that relate to current service	–311.9	–3.4	–56.4	–371.6
CSM recognised for services provided	*–311.9*	*–3.4*	*–56.4*	*–371.6*
Changes that relate to future service	60.8	2.9	202.1	265.9
Contracts initially recognised in the period	*–*	*–*	*203.4*	*203.4*
Changes in the estimates reflected in the CSM	*60.8*	*2.9*	*–1.3*	*62.5*
Finance result from insurance contracts recognised in P&L	126.6	0.0	87.4	199.2
Finance result from insurance contracts	*112.7*	*0.0*	*87.4*	*200.1*
Effects from currency exchange rate differences	*13.9*	*–2.3*	*–12.5*	*–0.9*
Changes recognized in OCI	–3.3	–0.1	–1.4	–4.9
CSM as at 31 December	**3591.6**	**42.8**	**396.4**	**4030.8**
Reinsurance contracts held				
Net income from reinsurance contracts held	**–2.7**	**–**	**92.6**	**89.9**

2022 in CHF million	Modified retrospective approach	Fair value approach	Other contracts	Total
Insurance contracts				
Insurance revenue	**2236.6**	**–0.2**	**5910.2**	**8146.6**
CSM as at 1 January	4700.0	49.7	–	4749.8
Change in the scope of consolidation	–24.2	–	–	–24.2
Changes that relate to current service	–328.8	–1.4	–50.1	–380.3
CSM recognised for services provided	*–328.8*	*–1.4*	*–50.1*	*–380.3*
Changes that relate to future service	102.5	–0.2	186.1	288.3
Contracts initially recognised in the period	*–*	*–*	*225.6*	*225.6*
Changes in the estimates reflected in the CSM	*102.5*	*–0.2*	*–39.5*	*62.7*
Finance result from insurance contracts recognised in P&L	–159.5	0.0	68.9	–90.7
Finance result from insurance contracts	*–159.3*	*0.0*	*68.9*	*–90.5*
Effects from currency exchange rate differences	*–0.2*	*–*	*–*	*–0.2*
Changes recognized in OCI	–571.6	–2.3	–27.6	–601.4
Other changes	0.9	–	–	0.9
CSM as at 31 December	**3719.3**	**45.7**	**177.3**	**3942.4**
Reinsurance contracts held				
Net income from reinsurance contracts held	**–46.7**	**–0.2**	**–155.4**	**–202.3**

In the Swiss insurance industry, it is common practice for the group life business not to differentiate between annual cohorts due to the same tariff for existing and new business. The group life business in Switzerland is therefore allocated on an approximate basis.

The CSM from reinsurance contracts held is not material, therefore a reconciliation by transition method was waived.

9.2 Insurance and reinsurance contract assets and liabilities

as of 31.12.2023	Switzerland	Europe	Specialty Markets	Corporate	Elimination	Total
Notes	9.2.1	9.2.2	9.2.3	9.2.4		
in CHF million						
Insurance contract assets	1.2	11.2	2.1	–	–	14.5
Insurance contract liabilities	31 354.4	13 392.1	2 708.6	622.7	–627.1	47 450.7
Reinsurance contract assets	61.5	421.0	411.2	710.0	–631.6	972.2
Reinsurance contract liabilities	7.9	45.8	2.0	–	–	55.7

as of 31.12.2022	Switzerland	Europe	Specialty Markets	Corporate	Elimination	Total
in CHF million						
Insurance contract assets	–	–	–	–	–	–
insurance contract liabilities	30 566.6	13 356.5	2 352.5	509.8	–515.6	46 269.9
Reinsurance contract assets	48.4	357.6	356.3	566.9	–517.3	811.7
Reinsurance contract liabilities	–	44.4	2.1	–	–	46.5

New business, contracts measured according to the GMM or VFA

2023	Profitable	Onerous	Total
in CHF million			
Insurance contracts			
Estimate of the present value of future cash outflows	2 188.5	11.8	2 200.3
Claims and other insurance service expenses	*1 955.7*	*9.5*	*1 965.2*
Insurance acquisition cash flows	*232.8*	*2.3*	*235.1*
Estimate of the present value of future cash inflows	2 401.2	8.9	2 410.1
Risk adjustment	9.4	0.1	9.5
Contractual service margin	203.4	–	203.4
Reinsurance contracts held			
Estimate of the present value of future cash outflows	13.3	–	13.3
Estimate of the present value of future cash inflows	6.3	–	6.3
Risk adjustment	0.0	–	0.0
Net income from reinsurance contracts held	–6.9	–	–6.9

2022	Profitable	Onerous	Total
in CHF million			
Insurance contracts			
Estimate of the present value of future cash outflows	2 422.2	45.9	2 468.0
Claims and other insurance service expenses	*2 190.8*	*42.6*	*2 233.4*
Insurance acquisition cash flows	*231.4*	*3.2*	*234.6*
Estimate of the present value of future cash inflows	2 660.3	39.7	2 700.0
Risk adjustment	12.5	0.3	12.8
Contractual service margin	225.6	–	225.6
Reinsurance contracts held			
Estimate of the present value of future cash outflows	60.8	–	60.8
Estimate of the present value of future cash inflows	36.5	–	36.5
Risk adjustment	–0.1	–	–0.1
Net income from reinsurance contracts held	–24.3	–	–24.3

The following reconciliations show how the carrying amounts of insurance contracts issued and reinsurance contracts held developed during the reporting period, both for the Group and for each segment.

Helvetia reports the development of the liability for remaining coverage, the liability for incurred claims and the assets for insurance acquisition cash flows and reinsurance contracts held separately. In doing so, Helvetia distinguishes between contracts measured according to the PAA and other insurance contracts (according to GMM or VFA).

For insurance and reinsurance contracts that are measured according to the GMM or the VFA, the changes in the estimated present value of future cash flows, the risk adjustment and the CSM are also analysed. For these contracts, there are currently no assets for insurance acquisition cash flows recognised.

The portfolio of reinsurance contracts measured according to the GMM is not material. The reconciliation tables for each segment have therefore not been disclosed. Also due to a lack of materiality, the reconciliation tables for insurance contracts measured according to the GMM were waived in the Specialty Markets and Corporate segments.

Development of the net liability of the insurance contracts that are measured according to the PAA:

in CHF million	Liability for remaining coverage		Liability for incurred claims		Asset for acquisition cash flows	Total
	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment		
Insurance contracts assets as of 1 January 2023	–	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	866.0	104.4	5946.6	296.2	–48.6	7164.6
Opening balance as of 1 January 2023	866.0	104.4	5946.6	296.2	–48.6	7164.6
Effects from portfolio transfers	0.0	–	0.0	–	–	0.1
Insurance service result						
Insurance revenue	–6798.6	–	–	–	–	–6798.6
Insurance service expenses	1390.1	–15.8	5116.6	14.6	–	6505.6
Incurred claims and other expenses	*–*	*–34.4*	*5253.6*	*118.7*	*–*	*5337.9*
Amortisation of insurance acquisition cash flows	*1390.1*	*–*	*–*	*–*	*–*	*1390.1*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*–137.0*	*–104.1*	*–*	*–241.0*
Losses and reversal of losses on onerous contracts	*–*	*18.6*	*–*	*–*	*–*	*18.6*
Insurance service result	–5408.5	–15.8	5116.6	14.6	–	–293.0
Investment components	–27.5	–	27.5	–	–	–
Finance result from insurance contracts recognised in P&L	3.9	–0.8	–76.7	–5.5	–	–79.2
Finance result from insurance contracts	*–*	*–*	*66.5*	*3.6*	*–*	*70.1*
Effects from currency exchange rate differences	*3.9*	*–0.8*	*–143.2*	*–9.1*	*–*	*–149.3*
Changes recognized in OCI	–48.8	–4.8	–14.6	–0.6	0.0	–68.7
Cash flows	5612.0	–	–4501.7	–	–34.6	1075.6
Premiums received	*7011.2*	*–*	*–*	*–*	*–*	*7011.2*
Claims and other insurance service expenses paid	*–*	*–*	*–4474.2*	*–*	*–*	*–4474.2*
Investment components paid	*–*	*–*	*–27.5*	*–*	*–*	*–27.5*
Insurance acquisition cash flows paid	*–1399.3*	*–*	*–*	*–*	*–34.6*	*–1433.9*
Allocation of asset for acquisition cash flows to a group of contracts	–32.5	–	–	–	32.5	–
Other changes	8.1	0.0	0.0	0.0	–	8.1
Closing balance as of 31 December 2023	**972.6**	**83.0**	**6497.8**	**304.7**	**–50.7**	**7807.4**
Insurance contract assets as of 31 December 2023	–10.1	–	6.2	0.5	–	–3.3
Insurance contract liabilities as of 31 December 2023	982.7	83.0	6491.5	304.3	–50.7	7810.8

in CHF million	Liability for remaining coverage: Excl. loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Present value of the future cash flows	Liability for incurred claims: Risk adjustment	Asset for acquisition cash flows	Total
Insurance contracts assets as of 1 January 2022	−5.2	–	2.4	0.2	0.0	−2.6
Insurance contract liabilities as of 1 January 2022	877.3	118.9	6 107.0	290.5	−49.1	7 344.7
Net opening balance as of 1 January 2022	872.1	118.9	6 109.4	290.6	−49.1	7 342.0
Effects from portfolio transfers	–	–	–	–	–	–
Insurance service result						
Insurance revenue	−6 347.0	–	–	–	–	−6 347.0
Insurance service expenses	1 289.9	−10.2	4 255.4	29.0	–	5 564.1
Incurred claims and other expenses	*–*	*−53.1*	*4 524.4*	*113.3*	*–*	*4 584.5*
Amortisation of insurance acquisition cash flows	*1 289.9*	*–*	*–*	*–*	*–*	*1 289.9*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*−269.0*	*−84.3*	*–*	*−353.3*
Losses and reversal of losses on onerous contracts	*–*	*42.9*	*–*	*–*	*–*	*42.9*
Insurance service result	−5 057.1	−10.2	4 255.4	29.0	–	−782.9
Investment components	−23.0	–	23.0	–	–	–
Finance result from insurance contracts recognised in P&L	−6.7	−0.3	13.3	0.6	–	7.0
Finance result from insurance contracts	*–*	*–*	*27.8*	*1.3*	*–*	*29.1*
Effects from currency exchange rate differences	*−6.7*	*−0.3*	*−14.5*	*−0.7*	*–*	*−22.1*
Changes recognized in OCI	−37.8	−4.1	−455.6	−24.0	0.0	−521.5
Cash flows	5 151.1	–	−4 001.1	–	−32.5	1 117.5
Premiums received	*6 469.2*	*–*	*–*	*–*	*–*	*6 469.2*
Claims and other insurance service expenses paid	*–*	*–*	*−3 978.1*	*–*	*–*	*−3 978.1*
Investment components paid	*–*	*–*	*−23.0*	*–*	*–*	*−23.0*
Insurance acquisition cash flows paid	*−1 318.1*	*–*	*–*	*–*	*−32.5*	*−1 350.5*
Allocation of asset for acquisition cash flows to a group of contracts	−32.9	–	–	–	32.9	–
Other changes	0.3	–	2.1	0.0	–	2.5
Net closing balance as of 31 December 2022	**866.0**	**104.4**	**5 946.6**	**296.2**	**−48.6**	**7 164.6**
Insurance contract assets as of 31 December 2022	–	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	866.0	104.4	5 946.6	296.2	−48.6	7 164.6

Development of the net liability from insurance contracts that are measured according to the GMM or VFA

by liability:

in CHF million	Liability for remaining coverage		Liability for incurred claims		Total
	Excl. Loss component	Loss component	Present value of the future cash flows	Risk adjustment	
Insurance contracts assets as of 1 January 2023	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	38 654.2	95.1	352.6	3.4	39 105.3
Opening balance as of 1 January 2023	38 654.2	95.1	352.6	3.4	39 105.3
Change in the scope of consolidation	–	–	–	–	–
Insurance service result					
Insurance revenue	–1 810.8	–	–	–	–1 810.8
Insurance service expenses	127.4	–15.0	1 214.4	1.3	1 328.2
Incurred claims and other expenses	*–*	*–6.1*	*1 171.8*	*2.0*	*1 167.6*
Amortisation of insurance acquisition cash flows	*127.4*	*–*	*–*	*–*	*127.4*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*42.7*	*–0.6*	*42.0*
Losses and reversal of losses on onerous contracts	*0.0*	*–8.9*	*–*	*–*	*–8.9*
Insurance service result	–1 683.4	–15.0	1 214.4	1.3	–482.6
Investment components	–3 839.9	–	3 839.9	–	–
Finance result from insurance contracts recognised in P&L	1 364.1	–0.2	–6.5	–0.4	1 357.0
Finance result from insurance contracts	*1 360.8*	*0.0*	*0.5*	*0.0*	*1 361.3*
Effects from currency exchange rate differences	*3.3*	*–0.2*	*–7.0*	*–0.4*	*–4.3*
Changes recognized in OCI	931.0	–4.9	–11.8	0.0	914.4
Cash flows	3 681.2	–	–4 946.7	–	–1 265.5
Premiums received	*3 915.5*	*–*	*–*	*–*	*3 915.5*
Claims and other insurance service expenses paid	*–*	*–*	*–1 108.2*	*–*	*–1 108.2*
Investment components paid	*–*	*–*	*–3 838.5*	*–*	*–3 838.5*
Insurance acquisition cash flows paid	*–291.5*	*–*	*–*	*–*	*–291.5*
Other cash flows	*57.1*	*–*	*–*	*–*	*57.1*
Other changes	0.2	–	0.0	–	0.2
Closing balance as of 31 December 2023	**39 107.4**	**75.0**	**441.9**	**4.3**	**39 628.7**
Insurance contract assets as of 31 December 2023	–13.6	–	2.4	–	–11.2
Insurance contract liabilities as of 31 December 2023	39 121.0	75.0	439.5	4.3	39 639.9

The fair value of the underlying assets for insurance contracts measured in accordance with the VFA amounts to CHF 38,243.8 million (previous year: CHF 37,388.0 million).

in CHF million	Liability for remaining coverage		Liability for incurred claims		Total
	Excl. Loss component	Loss component	Present value of the future cash flows	Risk adjustment	
Insurance contracts assets as of 1 January 2022	–52.5	–	2.9	–	–49.6
Insurance contract liabilities as of 1 January 2022	47 337.0	59.2	397.6	2.9	47 796.7
Opening balance per 1 January 2022	47 284.5	59.2	400.5	2.9	47 747.1
Change in the scope of consolidation	–999.9	–0.1	–24.1	–	–1 024.0
Insurance service result					
Insurance revenue	–1 799.6	–	–	–	–1 799.6
Insurance service expenses	116.4	39.4	1 178.9	0.6	1 335.4
Incurred claims and other expenses	*–*	*–3.9*	*1 158.5*	*1.6*	*1 156.2*
Amortisation of insurance acquisition cash flows	*116.4*	*–*	*–*	*–*	*116.4*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*20.4*	*–1.0*	*19.4*
Losses and reversal of losses on onerous contracts	*0.0*	*43.3*	*–*	*–*	*43.4*
Insurance service result	–1 683.2	39.4	1 178.9	0.6	–464.2
Investment components	–3 743.6	–	3 743.6	–	–
Finance result from insurance contracts recognised in P&L	–528.6	–0.4	–0.4	–0.1	–529.4
Finance result from insurance contracts	*–529.1*	*–0.3*	*0.1*	*0.0*	*–529.4*
Effects from currency exchange rate differences	*0.5*	*–0.1*	*–0.4*	*–0.1*	*–0.1*
Changes recognized in OCI	–5 485.2	–3.1	–11.4	–0.1	–5 499.8
Cash flows	3 809.3	–	–4 937.1	–	–1 127.8
Premiums received	*4 041.4*	*–*	*–*	*–*	*4 041.4*
Claims and other insurance service expenses paid	*–*	*–*	*–1 190.5*	*–*	*–1 190.5*
Investment components paid	*–*	*–*	*–3 746.6*	*–*	*–3 746.6*
Insurance acquisition cash flows paid	*–289.8*	*–*	*–*	*–*	*–289.8*
Other cash flows	*57.7*	*–*	*–*	*–*	*57.7*
Other changes	0.9	–	2.5	–	3.4
Closing balance as of 31 December 2022	**38 654.2**	**95.1**	**352.6**	**3.4**	**39 105.3**
Insurance contract assets as of 31 December 2022	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	38 654.2	95.1	352.6	3.4	39 105.3

Development of the net liability from insurance contracts that are measured according to the GMM or VFA

by measurement component:

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2023	–	–	–	–
Insurance contract liabilities as of 1 January 2023	35 036.8	126.1	3 942.4	39 105.3
Opening balance as of 1 January 2023	35 036.8	126.1	3 942.4	39 105.3
Change in the scope of consolidation	–	–	–	–
Insurance service result				
Changes that relate to current service	–130.0	–14.1	–371.6	–515.8
CSM recognised for services provided	*–*	*–*	*–371.6*	*–371.6*
Changes in risk adjustment	*–*	*–14.1*	*–*	*–14.1*
Experience adjustments	*–130.0*	*–*	*–*	*–130.0*
Changes that relate to future service	–278.0	3.3	265.8	–8.9
Contracts initially recognised in the period	*–210.5*	*9.5*	*203.4*	*2.3*
Changes in the estimates reflected in the contractual service margin	*–62.5*	*0.1*	*62.5*	*0.0*
Changes in estimates that do not adjust CSM	*–4.9*	*–6.3*	*–*	*–11.2*
Changes that relate to past service	42.7	–0.6	–	42.0
Changes in fulfilment cash flows relating to incurred claims	*42.7*	*–0.6*	*–*	*42.0*
Insurance service result	–365.3	–11.5	–105.8	–482.6
Finance result from insurance contracts recognised in P&L	1 155.8	2.0	199.2	1 357.0
Finance result from insurance contracts	*1 158.4*	*2.8*	*200.1*	*1 361.3*
Effects from currency exchange rate differences	*–2.6*	*–0.8*	*–0.9*	*–4.3*
Changes recognized in OCI	903.5	15.8	–4.9	914.4
Cash flows	–1 265.5	–	–	–1 265.5
Premiums received	*3 915.5*	*–*	*–*	*3 915.5*
Claims and other insurance service expenses paid	*–1 108.2*	*–*	*–*	*–1 108.2*
Investment components paid	*–3 838.5*	*–*	*–*	*–3 838.5*
Insurance acquisition cash flows paid	*–291.5*	*–*	*–*	*–291.5*
Other cash flows	*57.1*	*–*	*–*	*57.1*
Other changes	0.2	0.0	–	0.2
Closing balance as of 31 December 2023	**35 465.5**	**132.4**	**4 030.8**	**39 628.7**
Insurance contract assets as of 31 December 2023	–296.3	17.6	267.5	–11.2
Insurance contract liabilities as of 31 December 2023	35 761.8	114.9	3 763.3	39 639.9

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2022	–330.6	20.6	260.4	–49.6
Insurance contract liabilities as of 1 January 2022	43 131.0	176.3	4 489.4	47 796.7
Opening balance as of 1 January 2022	42 800.4	196.9	4 749.8	47 747.1
Change in the scope of consolidation	–997.7	–2.2	–24.2	–1 024.0
Insurance service result				
Changes that relate to current service	–129.0	–17.7	–380.3	–527.1
CSM recognised for services provided	–	–	*–380.3*	*–380.3*
Changes in risk adjustment	–	*–17.7*	–	*–17.7*
Experience adjustments	*–129.0*	–	–	*–129.0*
Changes that relate to future service	–256.9	11.9	288.4	43.4
Contracts initially recognised in the period	*–232.9*	*12.8*	*225.6*	*5.5*
Changes in the estimates reflected in the contractual service margin	*–61.2*	*–1.5*	*62.7*	*0.0*
Changes in estimates that do not adjust CSM	*37.2*	*0.6*	–	*37.8*
Changes that relate to past service	20.4	–1.0	–	19.4
Changes in fulfilment cash flows relating to incurred claims	*20.4*	*–1.0*	–	*19.4*
Insurance service result	–365.5	–6.8	–92.0	–464.2
Finance result from insurance contracts recognised in P&L	–440.2	1.4	–90.7	–529.4
Finance result from insurance contracts	*–440.5*	*1.6*	*–90.5*	*–529.4*
Effects from currency exchange rate differences	*0.3*	*–0.2*	*–0.2*	*–0.1*
Changes recognized in OCI	–4 835.0	–63.3	–601.4	–5 499.8
Cash flows	–1 127.8	–	–	–1 127.8
Premiums received	*4 041.4*	–	–	*4 041.4*
Claims and other insurance service expenses paid	*–1 190.5*	–	–	*–1 190.5*
Investment components paid	*–3 746.6*	–	–	*–3 746.6*
Insurance acquisition cash flows paid	*–289.8*	–	–	*–289.8*
Other cash flows	*57.7*	–	–	*57.7*
Other changes	2.6	0.0	0.9	3.4
Closing balance as of 31 December 2022	**35 036.8**	**126.1**	**3 942.4**	**39 105.3**
Insurance contract assets as of 31 December 2022	–	–	–	–
Insurance contract liabilities as of 31 December 2022	35 036.8	126.1	3 942.4	39 105.3

Reinsurance contracts held

Development of the net asset from reinsurance contracts held that are measured according to the PAA:

in CHF million	Asset for remaining coverage: Excl. loss recovery component	Asset for remaining coverage: Loss recovery component	Asset for incurred claims	Total
Reinsurance contracts assets as of 1 January 2023	12.8	5.5	776.9	795.1
Reinsurance contract liabilities as of 1 January 2023	–16.2	–	11.0	–5.3
Opening balance as of 1 January 2023	–3.5	5.5	787.8	789.9
Net income from reinsurance contracts held	–514.9	–0.1	613.9	98.9
Finance result from reinsurance contracts held	0.0	–	5.4	5.4
Effects from currency exchange rate differences	–4.4	–0.2	–29.8	–34.4
Changes recognized in OCI	0.5	–0.1	–2.3	–1.9
Cash flows	519.9	–	–432.4	87.5
Premiums paid	*523.1*	–	–	*523.1*
Amounts received	*–3.2*	–	*–432.4*	*–435.6*
Other changes	3.0	0.0	–5.3	–2.3
Closing balance as of 31 December 2023	**0.6**	**5.0**	**937.4**	**943.0**
Reinsurance contract assets as of 31 December 2023	8.9	5.0	938.9	952.7
Reinsurance contract liabilities as of 31 December 2023	–8.3	–	–1.5	–9.8

in CHF million	Asset for remaining coverage: Excl. loss recovery component	Asset for remaining coverage: Loss recovery component	Asset for incurred claims	Total
Reinsurance contracts assets as of 1 January 2022	–0.8	9.5	912.0	920.7
Reinsurance contract liabilities as of 1 January 2022	–21.7	–	12.0	–9.7
Opening balance as of 1 January 2022	–22.5	9.5	924.0	911.0
Net income from reinsurance contracts held	–461.2	–3.6	288.3	–176.5
Finance result from reinsurance contracts held	0.0	–	2.4	2.4
Effects from currency exchange rate differences	–1.3	–0.1	–12.1	–13.5
Changes recognized in OCI	0.5	–0.3	–34.7	–34.5
Cash flows	477.7	–	–378.1	99.6
Premiums paid	*480.3*	–	–	*480.3*
Amounts received	*–2.6*	–	*–378.1*	*–380.7*
Other changes	3.4	–	–2.0	1.4
Closing balance as of 31 December 2022	**–3.5**	**5.5**	**787.8**	**789.9**
Reinsurance contract assets as of 31 December 2022	12.8	5.5	776.9	795.1
Reinsurance contract liabilities as of 31 December 2022	–16.2	–	11.0	–5.3

Development of the net liability from reinsurance contracts held that are measured according to the GMM

by liability:

in CHF million	Asset for remaining coverage: Excl. loss recovery component	Asset for remaining coverage: Loss recovery component	Asset for incurred claims	Total
Reinsurance contracts assets as of 1 January 2023	1.7	–	14.8	16.6
Reinsurance contract liabilities as of 1 January 2023	–41.9	–	0.7	–41.2
Opening balance as of 1 January 2023	–40.2	–	15.6	–24.6
Change in the scope of consolidation	–	–	–	–
Net income from reinsurance contracts held				
Reinsurance premiums	–33.4	–	–	–33.4
Amounts recoverable from reinsurers	–	–	24.4	24.4
Amounts recoverable for claims and other expenses	*–*	*–*	*23.8*	*23.8*
Adjustments to asset for incurred claims related to past services	*–*	*–*	*0.6*	*0.6*
Net income from reinsurance contracts held	–33.4	–	24.4	–9.0
Reinsurance investment components	–5.2	–	5.2	–
Finance result from reinsurance contracts held recognised in P&L	0.4	–	–0.1	0.3
Finance result from reinsurance contracts held	*0.4*	*–*	*–*	*0.4*
Effects from currency exchange rate differences	*–0.1*	*–*	*–0.1*	*–0.1*
Changes recognized in OCI	–3.7	–	–0.3	–3.9
Cash flows	42.5	–	–31.7	10.8
Premiums paid	*42.5*	*–*	*–*	*42.5*
Amounts received	*–*	*–*	*–31.7*	*–31.7*
Other changes	0.1	–	–0.1	0.0
Closing balance as of 31 December 2023	**–39.4**	**–**	**13.0**	**–26.4**
Reinsurance contract assets as of 31 December 2023	8.5	–	11.0	19.5
Reinsurance contract liabilities as of 31 December 2023	–47.9	–	2.0	–45.9

in CHF million	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2022	–40.9	–	20.8	–20.1
Reinsurance contract liabilities as of 1 January 2022	–2.1	–	0.2	–1.9
Opening balance as of 1 January 2022	–43.0	–	21.0	–22.0
Change in the scope of consolidation	–2.6	–	–2.8	–5.3
Net income from reinsurance contracts held				
Reinsurance premiums	–51.1	–	–	–51.1
Amounts recoverable from reinsurers	–	–	25.2	25.2
Amounts recoverable for claims and other expenses	*–*	*–*	*24.7*	*24.7*
Adjustments to asset for incurred claims related to past services	*–*	*–*	*0.5*	*0.5*
Net income from reinsurance contracts held	–51.1	–	25.2	–25.9
Reinsurance investment components	–	–	–	–
Finance result from reinsurance contracts held recognised in P&L	0.8	–	–0.1	0.7
Finance result from reinsurance contracts held	*0.8*	*–*	*–*	*0.8*
Effects from currency exchange rate differences	*0.0*	*–*	*–0.1*	*–0.1*
Changes recognized in OCI	19.6	–	–0.4	19.2
Cash flows	35.0	–	–29.9	5.1
Premiums paid	*35.0*	*–*	*–*	*35.0*
Amounts received	*–*	*–*	*–29.9*	*–29.9*
Other changes	1.0	–	2.5	3.5
Closing balance as of 31 December 2022	**–40.2**	**–**	**15.6**	**–24.6**
Reinsurance contract assets as of 31 December 2022	1.7	–	14.8	16.6
Reinsurance contract liabilities as of 31 December 2022	–41.9	–	0.7	–41.2

Development of the net liability from reinsurance contracts held that are measured according to the GMM

by measurement component:

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Reinsurance contracts assets as of 1 January 2023	−51.4	1.8	66.2	16.6
Reinsurance contract liabilities as of 1 January 2023	−50.5	0.0	9.3	−41.2
Opening balance as of 1 January 2023	−101.9	1.8	75.5	−24.6
Change in the scope of consolidation	–	–	–	–
Net income from reinsurance contracts held				
Changes that relate to current service	3.6	−0.3	−12.9	−9.6
CSM recognised for services received	*–*	*–*	*−12.9*	*−12.9*
Changes in risk adjustment	*–*	*−0.3*	*–*	*−0.3*
Experience adjustments	*3.6*	*–*	*–*	*3.6*
Changes that relate to future service	−16.9	0.1	16.8	0.0
Contracts initially recognised in the period	*−6.9*	*0.0*	*6.9*	*0.0*
Changes in the estimates reflected in the contractual service margin	*−9.9*	*0.1*	*9.8*	*0.0*
Changes that relate to past service	0.6	–	–	0.6
Changes in fulfilment cash flows relating to incurred claims	*0.6*	*–*	*–*	*0.6*
Net income from reinsurance contracts held	−12.7	−0.2	3.8	−9.0
Finance result from reinsurance contracts held recognised in P&L	1.4	0.0	−1.1	0.3
Finance result from reinsurance contracts held	*0.5*	*0.0*	*−0.1*	*0.4*
Effects from currency exchange rate differences	*0.9*	*0.0*	*−1.0*	*−0.1*
Changes recognized in OCI	−3.0	0.2	−1.1	−3.9
Cash flows	10.8	–	–	10.8
Premiums paid	*42.5*	*–*	*–*	*42.5*
Amounts received	*−31.7*	*–*	*–*	*−31.7*
Other changes	0.0	–	–	0.0
Closing balance as of 31 December 2023	**−105.3**	**1.8**	**77.1**	**−26.4**
Reinsurance contract assets as of 31 December 2023	−24.6	0.8	43.3	19.5
Reinsurance contract liabilities as of 31 December 2023	−80.7	1.0	33.8	−45.9

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Reinsurance contracts assets as of 1 January 2022	–119.5	3.4	96.0	–20.1
Reinsurance contract liabilities as of 1 January 2022	–2.1	–	0.2	–1.9
Opening balance as of 1 January 2022	–121.6	3.4	96.2	–22.0
Change in the scope of consolidation	–4.4	–	–0.9	–5.3
Net income from reinsurance contracts held				
Changes that relate to current service	–7.3	–0.5	–18.7	–26.4
CSM recognised for services received	*–*	*–*	*–18.7*	*–18.7*
Changes in risk adjustment	*–*	*–0.5*	*–*	*–0.5*
Experience adjustments	*–7.3*	*–*	*–*	*–7.3*
Changes that relate to future service	0.3	–0.6	0.3	0.0
Contracts initially recognised in the period	*–24.3*	*0.1*	*24.3*	*0.0*
Changes in the estimates reflected in the contractual service margin	*24.6*	*–0.7*	*–23.9*	*0.0*
Changes that relate to past service	0.5	–	–	0.5
Changes in fulfilment cash flows relating to incurred claims	*0.5*	*–*	*–*	*0.5*
Net income from reinsurance contracts held	–6.4	–1.1	–18.4	–25.9
Finance result from reinsurance contracts held recognised in P&L	2.2	0.0	–1.4	0.7
Finance result from reinsurance contracts held	*1.5*	*0.0*	*–0.7*	*0.8*
Effects from currency exchange rate differences	*0.7*	*0.0*	*–0.7*	*–0.1*
Changes recognized in OCI	20.5	–0.4	–0.9	19.2
Cash flows	5.1	–	–	5.1
Premiums paid	*35.0*	*–*	*–*	*35.0*
Amounts received	*–29.9*	*–*	*–*	*–29.9*
Other changes	2.6	–	0.9	3.5
Closing balance as of 31 December 2022	**–101.9**	**1.8**	**75.5**	**–24.6**
Reinsurance contract assets as of 31 December 2022	–51.4	1.8	66.2	16.6
Reinsurance contract liabilities as of 31 December 2022	–50.5	0.0	9.3	–41.2

9.2.1 Switzerland

In Switzerland Helvetia offers non-life and life products. The product portfolio in the non-life business includes traditional property and casuality (motor vehicle, property, liability) and personal (accident and health) insurance. In the life business, the product range primarily comprises individual and group life insurance. Group life insurance represents one of the most important business lines with 50% of the Group's total life volume. This business is primarily generated in Switzerland.

Development of the net liability of the insurance contracts in the Switzerland segment that are measured according to the PAA:

	Liability for remaining coverage		Liability for incurred claims		Asset for acquisition cash flows	Total
in CHF million	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment		
Insurance contracts assets as of 1 January 2023	–	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	375.8	15.9	1 640.1	64.7	–48.4	2 048.2
Opening balance as of 1 January 2023	375.8	15.9	1 640.1	64.7	–48.4	2 048.2
Insurance service result						
Insurance revenue	–1 885.7	–	–	–	–	–1 885.7
Insurance service expenses	375.7	–15.9	1 323.2	–2.4	–	1 680.5
Incurred claims and other expenses	*–*	*–*	*1 390.5*	*19.7*	*–*	*1 410.3*
Amortisation of insurance acquisition cash flows	*375.7*	*–*	*–*	*–*	*–*	*375.7*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*–67.4*	*–22.1*	*–*	*–89.5*
Losses and reversal of losses on onerous contracts	*–*	*–15.9*	*–*	*–*	*–*	*–15.9*
Insurance service result	–1 510.0	–15.9	1 323.2	–2.4	–	–205.1
Finance result from insurance contracts recognised in P&L	3.8	–	17.3	0.6	–	21.7
Finance result from insurance contracts	*–*	*–*	*17.2*	*0.6*	*–*	*17.7*
Effects from currency exchange rate differences	*3.8*	*–*	*0.1*	*0.0*	*–*	*4.0*
Changes recognized in OCI	–9.0	–	50.7	1.0	0.0	42.8
Cash flows	1 605.9	–	–1 262.5	–	–34.4	308.9
Premiums received	*1 968.6*	*–*	*–*	*–*	*–*	*1 968.6*
Claims and other insurance service expenses paid	*–*	*–*	*–1 262.5*	*–*	*–*	*–1 262.5*
Insurance acquisition cash flows paid	*–362.7*	*–*	*–*	*–*	*–34.4*	*–397.2*
Allocation of asset for acquisition cash flows to a group of contracts	–32.4	–	–	–	32.4	–
Closing balance as of 31 December 2023	**434.2**	**–**	**1 768.8**	**63.9**	**–50.5**	**2 216.4**
Insurance contract assets as of 31 December 2023	–1.7	–	0.4	0.0	–	–1.2
Insurance contract liabilities as of 31 December 2023	435.8	–	1 768.4	63.9	–50.5	2 217.7

in CHF million	Liability for remaining coverage		Liability for incurred claims		Asset for acquisition cash flows	Total
	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment		
Insurance contracts assets as of 1 January 2022	–	–	–	–	–	–
Insurance contract liabilities as of 1 January 2022	309.9	10.7	1 853.9	77.4	–48.5	2 203.3
Net opening balance as of 1 January 2022	309.9	10.7	1 853.9	77.4	–48.5	2 203.3
Insurance service result						
Insurance revenue	–1 712.3	–	–	–	–	–1 712.3
Insurance service expenses	332.7	5.2	995.1	–9.2	–	1 323.8
Incurred claims and other expenses	–	–1.3	1 158.4	18.9	–	1 176.1
Amortisation of insurance acquisition cash flows	332.7	–	–	–	–	332.7
Adjustments to liability for incurred claims related to past services	–	–	–163.3	–28.2	–	–191.5
Losses and reversal of losses on onerous contracts	–	6.5	–	–	–	6.5
Insurance service result	–1 379.6	5.2	995.1	–9.2	–	–388.6
Finance result from insurance contracts recognised in P&L	–7.1	–	10.6	0.3	–	3.8
Finance result from insurance contracts	–	–	12.0	0.4	–	12.4
Effects from currency exchange rate differences	–7.1	–	–1.4	–0.1	–	–8.6
Changes recognized in OCI	–4.6	–	–93.8	–3.7	–	–102.2
Cash flows	1 489.7	–	–1 125.6	–	–32.3	331.7
Premiums received	1 834.8	–	–	–	–	1 834.8
Claims and other insurance service expenses paid	–	–	–1 125.6	–	–	–1 125.6
Insurance acquisition cash flows paid	–345.1	–	–	–	–32.3	–377.5
Allocation of asset for acquisition cash flows to a group of contracts	–32.4	–	–	–	32.4	–
Net closing balance as of 31 December 2022	**375.8**	**15.9**	**1 640.1**	**64.7**	**–48.4**	**2 048.2**
Insurance contract assets as of 31 December 2022	–	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	375.8	15.9	1 640.1	64.7	–48.4	2 048.2

Development of the net liability from insurance contracts of the Switzerland segment that are measured according to the VFA

by liability:

in CHF million	Liability for remaining coverage: Excl. Loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Present value of the future cash flows	Total
Insurance contracts assets as of 1 January 2023	–	–	–	–
Insurance contract liabilities as of 1 January 2023	28 401.5	–	117.0	28 518.4
Opening balance as of 1 January 2023	28 401.5	–	117.0	28 518.4
Insurance service result				
Insurance revenue	– 1 174.4	–	–	– 1 174.4
Insurance service expenses	64.5	–	778.4	842.8
Incurred claims and other expenses	*–*	*–*	*740.3*	*740.3*
Amortisation of insurance acquisition cash flows	*64.5*	*–*	*–*	*64.5*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*38.1*	*38.1*
Insurance service result	– 1 109.9	–	778.4	– 331.5
Investment components	– 2 888.6	–	2 888.6	–
Finance result from insurance contracts recognised in P&L	959.3	–	–	959.3
Finance result from insurance contracts	*958.7*	*–*	*–*	*958.7*
Effects from currency exchange rate differences	*0.6*	*–*	*–*	*0.6*
Changes recognized in OCI	1 117.6	–	–	1 117.6
Cash flows	2 513.8	–	– 3 640.8	– 1 127.0
Premiums received	*2 638.4*	*–*	*–*	*2 638.4*
Claims and other insurance service expenses paid	*–*	*–*	*–751.9*	*–751.9*
Investment components paid	*–*	*–*	*– 2 888.9*	*– 2 888.9*
Insurance acquisition cash flows paid	*– 170.6*	*–*	*–*	*– 170.6*
Other cash flows	*46.0*	*–*	*–*	*46.0*
Closing balance as of 31 December 2023	**28 993.7**	**–**	**143.1**	**29 136.7**
Insurance contract assets as of 31 December 2023	–	–	–	–
Insurance contract liabilities as of 31 December 2023	28 993.7	–	143.1	29 136.7

in CHF million	Liability for remaining coverage: Excl. Loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Present value of the future cash flows	Total
Insurance contracts assets as of 1 January 2022	–	–	–	–
Insurance contract liabilities as of 1 January 2022	33 037.6	–	140.9	33 178.5
Opening balance per 1 January 2022	33 037.6	–	140.9	33 178.5
Insurance service result				
Insurance revenue	–1 161.1	–	–	–1 161.1
Insurance service expenses	48.3	–	793.2	841.5
Incurred claims and other expenses	*–*	*–*	*766.4*	*766.4*
Amortisation of insurance acquisition cash flows	*48.3*	*–*	*–*	*48.3*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*26.8*	*26.8*
Insurance service result	–1 112.9	–	793.2	–319.6
Investment components	–2 960.3	–	2 960.3	–
Finance result from insurance contracts recognised in P&L	–112.6	–	0.0	–112.6
Finance result from insurance contracts	*–112.6*	*–*	*–*	*–112.6*
Effects from currency exchange rate differences	*0.0*	*–*	*0.0*	*0.0*
Changes recognized in OCI	–3 109.9	–	–	–3 109.9
Cash flows	2 659.6	–	–3 777.5	–1 117.9
Premiums received	*2 772.2*	*–*	*–*	*2 772.2*
Claims and other insurance service expenses paid	*–*	*–*	*–817.9*	*–817.9*
Investment components paid	*–*	*–*	*–2 959.6*	*–2 959.6*
Insurance acquisition cash flows paid	*–159.4*	*–*	*–*	*–159.4*
Other cash flows	*46.8*	*–*	*–*	*46.8*
Closing balance as of 31 December 2022	**28 401.5**	**–**	**117.0**	**28 518.4**
Insurance contract assets as of 31 December 2022	–	–	–	–
Insurance contract liabilities as of 31 December 2022	28 401.5	–	117.0	28 518.4

Development of the net liability from insurance contracts of the Switzerland segment that are measured according to the VFA

by measurement component:

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2023	–	–	–	–
Insurance contract liabilities as of 1 January 2023	25 614.8	59.7	2 843.9	28 518.4
Opening balance as of 1 January 2023	25 614.8	59.7	2 843.9	28 518.4
Insurance service result				
Changes that relate to current service	–129.2	–5.5	–234.9	–369.6
CSM recognised for services provided	*–*	*–*	*–234.9*	*–234.9*
Changes in risk adjustment	*–*	*–5.5*	*–*	*–5.5*
Experience adjustments	*–129.2*	*–*	*–*	*–129.2*
Changes that relate to future service	–112.0	0.5	111.5	0.0
Contracts initially recognised in the period	*–89.0*	*1.6*	*87.5*	*0.0*
Changes in the estimates reflected in the contractual service margin	*–22.9*	*–1.1*	*24.0*	*0.0*
Changes that relate to past service	38.1	–	–	38.1
Changes in fulfilment cash flows relating to incurred claims	*38.1*	*–*	*–*	*38.1*
Insurance service result	–203.1	–5.0	–123.4	–331.5
Finance result from insurance contracts recognised in P&L	774.9	1.6	182.8	959.3
Finance result from insurance contracts	*774.3*	*1.6*	*182.8*	*958.7*
Effects from currency exchange rate differences	*0.6*	*–*	*–*	*0.6*
Changes recognized in OCI	1 108.8	7.2	1.6	1 117.6
Cash flows	–1 127.0	–	–	–1 127.0
Premiums received	*2 638.4*	*–*	*–*	*2 638.4*
Claims and other insurance service expenses paid	*–751.9*	*–*	*–*	*–751.9*
Investment components paid	*–2 888.9*	*–*	*–*	*–2 888.9*
Insurance acquisition cash flows paid	*–170.6*	*–*	*–*	*–170.6*
Other cash flows	*46.0*	*–*	*–*	*46.0*
Closing balance as of 31 December 2023	**26 168.4**	**63.5**	**2 904.9**	**29 136.7**
Insurance contract assets as of 31 December 2023	–	–	–	–
Insurance contract liabilities as of 31 December 2023	26 168.4	63.5	2 904.9	29 136.7

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2022	–	–	–	–
Insurance contract liabilities as of 1 January 2022	29 576.3	94.2	3 508.0	33 178.5
Opening balance as of 1 January 2022	29 576.3	94.2	3 508.0	33 178.5
Insurance service result				
Changes that relate to current service	–100.6	–7.5	–238.3	–346.4
CSM recognised for services provided	*–*	*–*	*–238.3*	*–238.3*
Changes in risk adjustment	*–*	*–7.5*	*–*	*–7.5*
Experience adjustments	*–100.6*	*–*	*–*	*–100.6*
Changes that relate to future service	–84.5	–0.7	85.3	0.0
Contracts initially recognised in the period	*–120.6*	*2.9*	*117.8*	*0.0*
Changes in the estimates reflected in the contractual service margin	*36.1*	*–3.6*	*–32.5*	*0.0*
Changes that relate to past service	26.8	–	–	26.8
Changes in fulfilment cash flows relating to incurred claims	*26.8*	*–*	*–*	*26.8*
Insurance service result	–158.3	–8.2	–153.1	–319.6
Finance result from insurance contracts recognised in P&L	–126.4	3.0	10.8	–112.6
Finance result from insurance contracts	*–126.4*	*3.0*	*10.8*	*–112.6*
Effects from currency exchange rate differences	*0.0*	*–*	*–*	*0.0*
Changes recognized in OCI	–2 558.9	–29.2	–521.8	–3 109.9
Cash flows	–1 117.9	–	–	–1 117.9
Premiums received	*2 772.2*	*–*	*–*	*2 772.2*
Claims and other insurance service expenses paid	*–817.9*	*–*	*–*	*–817.9*
Investment components paid	*–2 959.6*	*–*	*–*	*–2 959.6*
Insurance acquisition cash flows paid	*–159.4*	*–*	*–*	*–159.4*
Other cash flows	*46.8*	*–*	*–*	*46.8*
Closing balance as of 31 December 2022	**25 614.8**	**59.7**	**2 843.9**	**28 518.4**
Insurance contract assets as of 31 December 2022	–	–	–	–
Insurance contract liabilities as of 31 December 2022	25 614.8	59.7	2 843.9	28 518.4

Reinsurance contracts held in the Switzerland segement

Development of the assets from reinsurance contracts held in the Switzerland segment that are measured according to the PAA:

in CHF million	Asset for remaining coverage: Excl. loss recovery component	Asset for remaining coverage: Loss recovery component	Asset for incurred claims	Total
Reinsurance contracts assets as of 1 January 2023	–4.7	–	47.8	43.1
Reinsurance contract liabilities as of 1 January 2023	–	–	–	–
Opening balance as of 1 January 2023	–4.7	–	47.8	43.1
Net income from reinsurance contracts held	–126.8	–	127.5	0.8
Finance result from reinsurance contracts held	0.0	–	0.8	0.8
Effects from currency exchange rate differences	–0.3	–	–0.1	–0.4
Changes recognized in OCI	0.0	–	0.6	0.6
Cash flows	135.6	–	–128.7	6.9
Premiums paid	*135.6*	–	–	*135.6*
Amounts received	–	–	*–128.7*	*–128.7*
Other changes	0.0	–	–0.1	–0.1
Closing balance as of 31 December 2023	**3.9**	**–**	**47.9**	**51.8**
Reinsurance contract assets as of 31 December 2023	3.9	–	51.1	54.9
Reinsurance contract liabilities as of 31 December 2023	–	–	–3.2	–3.2

in CHF million	Asset for remaining coverage: Excl. loss recovery component	Asset for remaining coverage: Loss recovery component	Asset for incurred claims	Total
Reinsurance contracts assets as of 1 January 2022	–7.2	–	92.0	84.8
Reinsurance contract liabilities as of 1 January 2022	–	–	–	–
Opening balance as of 1 January 2022	–7.2	–	92.0	84.8
Net income from reinsurance contracts held	–117.3	–	1.8	–115.5
Finance result from reinsurance contracts held	0.0	–	0.3	0.3
Effects from currency exchange rate differences	–0.4	–	–0.3	–0.7
Changes recognized in OCI	0.0	–	–2.2	–2.2
Cash flows	120.1	–	–45.7	74.4
Premiums paid	*120.1*	–	–	*120.1*
Amounts received	–	–	*–45.7*	*–45.7*
Other changes	0.0	–	2.0	2.0
Closing balance as of 31 December 2022	**–4.7**	**–**	**47.8**	**43.1**
Reinsurance contract assets as of 31 December 2022	–4.7	–	47.8	43.1
Reinsurance contract liabilities as of 31 December 2022	–	–	–	–

9.2.2 Europe

In Europe Helvetia offers life and non-life products. The product portfolio in the non-life business includes traditional property and casualty (motor vehicle, property, liability) and personal (accident and health) insurance. In the life business, the product range primarily comprises individual life insurance and investment contracts with discretionary participation features.

Development of the net liability of the insurance contracts in the Europe segment that are measured according to the PAA:

	Liability for remaining coverage		Liability for incurred claims		Asset for acquisition cash flows	Total
	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment		
in CHF million						
Insurance contracts assets as of 1 January 2023	–	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	689.1	75.2	1 954.1	83.5	−0.2	2 801.8
Opening balance as of 1 January 2023	689.1	75.2	1 954.1	83.5	−0.2	2 801.8
Effects from portfolio transfers	0.0	–	0.0	–	–	0.1
Insurance service result						
Insurance revenue	−3 202.3	–	–	–	–	−3 202.3
Insurance service expenses	767.0	3.9	2 468.9	8.9	–	3 248.6
Incurred claims and other expenses	*–*	*−22.2*	*2 544.5*	*43.8*	*–*	*2 566.1*
Amortisation of insurance acquisition cash flows	*767.0*	*–*	*–*	*–*	*–*	*767.0*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*−75.6*	*−35.0*	*–*	*−110.6*
Losses and reversal of losses on onerous contracts	*–*	*26.2*	*–*	*–*	*–*	*26.2*
Insurance service result	−2 435.3	3.9	2 468.9	8.9	–	46.4
Finance result from insurance contracts recognised in P&L	–	–	12.5	0.6	–	13.0
Finance result from insurance contracts	*–*	*–*	*12.4*	*0.6*	*–*	*13.0*
Effects from currency exchange rate differences	*–*	*–*	*0.0*	*0.0*	*–*	*0.0*
Changes recognized in OCI	−42.3	−4.6	−75.3	−3.1	0.0	−125.3
Cash flows	2 477.1	–	−2 254.6	–	−0.2	222.3
Premiums received	*3 262.2*	*–*	*–*	*–*	*–*	*3 262.2*
Claims and other insurance service expenses paid	*–*	*–*	*−2 254.6*	*–*	*–*	*−2 254.6*
Insurance acquisition cash flows paid	*−785.1*	*–*	*–*	*–*	*−0.2*	*−785.2*
Allocation of asset for acquisition cash flows to a group of contracts	−0.1	–	–	–	0.1	–
Other changes	8.1	–	0.0	–	–	8.1
Closing balance as of 31 December 2023	**696.6**	**74.6**	**2 105.6**	**89.8**	**−0.2**	**2 966.4**
Insurance contract assets as of 31 December 2023	–	–	–	–	–	–
Insurance contract liabilities as of 31 December 2023	696.6	74.6	2 105.6	89.8	−0.2	2 966.4

in CHF million	Liability for remaining coverage: Excl. loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Present value of the future cash flows	Liability for incurred claims: Risk adjustment	Asset for acquisition cash flows	Total
Insurance contracts assets as of 1 January 2022	–	–	–	–	0.0	0.0
Insurance contract liabilities as of 1 January 2022	734.8	82.2	2110.3	89.9	–0.6	3016.5
Net opening balance as of 1 January 2022	734.8	82.2	2110.3	89.9	–0.6	3016.5
Effects from portfolio transfers	–	–	–	–	–	–
Insurance service result						
Insurance revenue	–3076.6	–	–	–	–	–3076.6
Insurance service expenses	732.6	–3.1	2016.1	2.4	–	2747.9
Incurred claims and other expenses	*–*	*–25.0*	*2140.9*	*38.1*	*–*	*2154.0*
Amortisation of insurance acquisition cash flows	*732.6*	*–*	*–*	*–*	*–*	*732.6*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*–124.8*	*–35.7*	*–*	*–160.6*
Losses and reversal of losses on onerous contracts	*–*	*21.9*	*–*	*–*	*–*	*21.9*
Insurance service result	–2344.0	–3.1	2016.1	2.4	–	–328.6
Finance result from insurance contracts recognised in P&L	0.0	–	3.5	0.1	–	3.6
Finance result from insurance contracts	*–*	*–*	*3.5*	*0.1*	*–*	*3.6*
Effects from currency exchange rate differences	*0.0*	*–*	*0.0*	*0.0*	*–*	*0.0*
Changes recognized in OCI	–34.4	–3.8	–201.9	–8.8	0.0	–249.0
Cash flows	2332.9	–	–1976.0	–	–0.1	356.8
Premiums received	*3084.5*	*–*	*–*	*–*	*–*	*3084.5*
Claims and other insurance service expenses paid	*–*	*–*	*–1976.0*	*–*	*–*	*–1976.0*
Insurance acquisition cash flows paid	*–751.6*	*–*	*–*	*–*	*–0.1*	*–751.7*
Allocation of asset for acquisition cash flows to a group of contracts	–0.5	–	–	–	0.5	–
Other changes	0.4	–	2.1	0.0	–	2.5
Net closing balance as of 31 December 2022	**689.1**	**75.2**	**1954.1**	**83.5**	**–0.2**	**2801.8**
Insurance contract assets as of 31 December 2022	–	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	689.1	75.2	1954.1	83.5	–0.2	2801.8

Development of the net liability from insurance contracts of the Europe segment that are measured according to the GMM or VFA

by liability:

	Liability for remaining coverage		Liability for incurred claims	Total
	Excl. Loss component	Loss component	Present value of the future cash flows	
in CHF million				
Insurance contracts assets as of 1 January 2023	–	–	–	–
Insurance contract liabilities as of 1 January 2023	10 268.1	94.4	192.2	10 554.7
Opening balance as of 1 January 2023	10 268.1	94.4	192.2	10 554.7
Change in the scope of consolidation	–	–	–	–
Insurance service result				
Insurance revenue	–503.6	–	–	–503.6
Insurance service expenses	62.2	–20.1	314.7	356.8
Incurred claims and other expenses	*–*	*–5.7*	*319.1*	*313.4*
Amortisation of insurance acquisition cash flows	*62.2*	*–*	*–*	*62.2*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*–4.4*	*–4.4*
Losses and reversal of losses on onerous contracts	*0.0*	*–14.4*	*–*	*–14.4*
Insurance service result	–441.4	–20.1	314.7	–146.8
Investment components	–951.3	–	951.3	–
Finance result from insurance contracts recognised in P&L	402.4	–0.1	–	402.3
Finance result from insurance contracts	*402.4*	*–0.1*	*–*	*402.3*
Changes recognized in OCI	–186.2	–4.7	–11.6	–202.5
Cash flows	1 064.9	–	–1 258.4	–193.5
Premiums received	*1 170.5*	*–*	*–*	*1 170.5*
Claims and other insurance service expenses paid	*–*	*–*	*–308.9*	*–308.9*
Investment components paid	*–*	*–*	*–949.5*	*–949.5*
Insurance acquisition cash flows paid	*–116.7*	*–*	*–*	*–116.7*
Other cash flows	*11.1*	*–*	*–*	*11.1*
Other changes	0.2	–	–	0.2
Closing balance as of 31 December 2023	**10 156.7**	**69.6**	**188.3**	**10 414.6**
Insurance contract assets as of 31 December 2023	–13.6	–	2.4	–11.2
Insurance contract liabilities as of 31 December 2023	10 170.2	69.6	186.0	10 425.7

in CHF million	Liability for remaining coverage – Excl. Loss component	Liability for remaining coverage – Loss component	Liability for incurred claims – Present value of the future cash flows	Total
Insurance contracts assets as of 1 January 2022	–52.5	–	2.9	–49.6
Insurance contract liabilities as of 1 January 2022	14319.8	58.8	234.3	14612.9
Opening balance per 1 January 2022	14267.2	58.8	237.2	14563.3
Change in the scope of consolidation	–999.9	–0.1	–24.1	–1024.0
Insurance service result				
Insurance revenue	–580.9	–	–	–580.9
Insurance service expenses	67.2	39.3	331.8	438.4
Incurred claims and other expenses	*–*	*–3.0*	*339.4*	*336.4*
Amortisation of insurance acquisition cash flows	*67.2*	*–*	*–*	*67.2*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*–7.6*	*–7.6*
Losses and reversal of losses on onerous contracts	*0.0*	*42.3*	*–*	*42.3*
Insurance service result	–513.7	39.3	331.8	–142.5
Investment components	–783.2	–	783.2	–
Finance result from insurance contracts recognised in P&L	–416.6	–0.3	–	–416.9
Finance result from insurance contracts	*–416.6*	*–0.3*	*–*	*–416.9*
Changes recognized in OCI	–2376.3	–3.3	–10.7	–2390.3
Cash flows	1089.6	–	–1127.8	–38.2
Premiums received	*1206.1*	*–*	*–*	*1206.1*
Claims and other insurance service expenses paid	*–*	*–*	*–340.8*	*–340.8*
Investment components paid	*–*	*–*	*–787.0*	*–787.0*
Insurance acquisition cash flows paid	*–127.4*	*–*	*–*	*–127.4*
Other cash flows	*10.8*	*–*	*–*	*10.8*
Other changes	0.9	–	2.5	3.4
Closing balance as of 31 December 2022	**10268.1**	**94.4**	**192.2**	**10554.7**
Insurance contract assets as of 31 December 2022	–	–	–	–
Insurance contract liabilities as of 31 December 2022	10268.1	94.4	192.2	10554.7

Development of the net liability from insurance contracts of the Europe segment that are measured according to the GMM or VFA

by measurement component:

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2023	–	–	–	–
Insurance contract liabilities as of 1 January 2023	9 400.3	59.3	1 095.1	10 554.7
Opening balance as of 1 January 2023	9 400.3	59.3	1 095.1	10 554.7
Change in the scope of consolidation	–	–	–	–
Insurance service result				
Changes that relate to current service	–6.4	–7.7	–113.9	–128.0
CSM recognised for services provided	*–*	*–*	*–113.9*	*–113.9*
Changes in risk adjustment	*–*	*–7.7*	*–*	*–7.7*
Experience adjustments	*–6.4*	*–*	*–*	*–6.4*
Changes that relate to future service	–146.0	0.6	131.1	–14.4
Contracts initially recognised in the period	*–96.6*	*5.6*	*93.0*	*2.0*
Changes in the estimates reflected in the contractual service margin	*–39.2*	*1.1*	*38.1*	*0.0*
Changes in estimates that do not adjust CSM	*–10.2*	*–6.2*	*–*	*–16.4*
Changes that relate to past service	–4.4	–	–	–4.4
Changes in fulfilment cash flows relating to incurred claims	*–4.4*	*–*	*–*	*–4.4*
Insurance service result	–156.8	–7.2	17.2	–146.8
Finance result from insurance contracts recognised in P&L	384.8	1.1	16.4	402.3
Finance result from insurance contracts	*384.8*	*1.1*	*16.4*	*402.3*
Changes recognized in OCI	–204.5	8.6	–6.5	–202.5
Cash flows	–193.5	–	–	–193.5
Premiums received	*1 170.5*	*–*	*–*	*1 170.5*
Claims and other insurance service expenses paid	*–308.9*	*–*	*–*	*–308.9*
Investment components paid	*–949.5*	*–*	*–*	*–949.5*
Insurance acquisition cash flows paid	*–116.7*	*–*	*–*	*–116.7*
Other cash flows	*11.1*	*–*	*–*	*11.1*
Other changes	0.2	–	–	0.2
Closing balance as of 31 December 2023	**9 230.5**	**61.8**	**1 122.3**	**10 414.6**
Insurance contract assets as of 31 December 2023	–296.3	17.6	267.5	–11.2
Insurance contract liabilities as of 31 December 2023	9 526.7	44.2	854.8	10 425.7

in CHF million	Present value of the future cash flows	Risk adjustment	CSM	Total
Insurance contracts assets as of 1 January 2022	–330.6	20.6	260.4	–49.6
Insurance contract liabilities as of 1 January 2022	13558.5	75.8	978.6	14612.9
Opening balance as of 1 January 2022	13227.9	96.5	1238.9	14563.3
Change in the scope of consolidation	–997.7	–2.2	–24.2	–1024.0
Insurance service result				
Changes that relate to current service	–29.3	–8.7	–139.3	–177.3
CSM recognised for services provided	*–*	*–*	*–139.3*	*–139.3*
Changes in risk adjustment	*–*	*–8.7*	*–*	*–8.7*
Experience adjustments	*–29.3*	*–*	*–*	*–29.3*
Changes that relate to future service	–166.5	9.1	199.7	42.3
Contracts initially recognised in the period	*–107.3*	*7.0*	*104.5*	*4.1*
Changes in the estimates reflected in the contractual service margin	*–97.3*	*2.1*	*95.2*	*0.0*
Changes in estimates that do not adjust CSM	*38.2*	*0.1*	*–*	*38.2*
Changes that relate to past service	–7.6	–	–	–7.6
Changes in fulfilment cash flows relating to incurred claims	*–7.6*	*–*	*–*	*–7.6*
Insurance service result	–203.4	0.4	60.4	–142.5
Finance result from insurance contracts recognised in P&L	–314.3	–1.4	–101.2	–416.9
Finance result from insurance contracts	*–314.3*	*–1.4*	*–101.2*	*–416.9*
Changes recognized in OCI	–2276.7	–34.0	–79.7	–2390.3
Cash flows	–38.2	–	–	–38.2
Premiums received	*1206.1*	*–*	*–*	*1206.1*
Claims and other insurance service expenses paid	*–340.8*	*–*	*–*	*–340.8*
Investment components paid	*–787.0*	*–*	*–*	*–787.0*
Insurance acquisition cash flows paid	*–127.4*	*–*	*–*	*–127.4*
Other cash flows	*10.8*	*–*	*–*	*10.8*
Other changes	2.6	0.0	0.9	3.4
Closing balance as of 31 December 2022	**9400.3**	**59.3**	**1095.1**	**10554.7**
Insurance contract assets as of 31 December 2022	–	–	–	–
Insurance contract liabilities as of 31 December 2022	9400.3	59.3	1095.1	10554.7

Reinsurance contracts held in the Europe segment

Development of the assets from reinsurance contracts held in the Europe segment that are measured according to the PAA:

	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
in CHF million				
Reinsurance contracts assets as of 1 January 2023	45.1	5.3	297.0	347.4
Reinsurance contract liabilities as of 1 January 2023	–14.0	–	10.8	–3.2
Opening balance as of 1 January 2023	31.1	5.3	307.8	344.2
Net income from reinsurance contracts held	–392.8	1.1	524.7	133.1
Finance result from reinsurance contracts held	–	–	3.1	3.1
Changes recognized in OCI	–0.5	–0.4	–16.1	–16.9
Cash flows	360.5	–	–417.6	–57.1
Premiums paid	*363.7*	*–*	*–*	*363.7*
Amounts received	*–3.2*	*–*	*–417.6*	*–420.8*
Other changes	–0.4	–	0.3	0.0
Closing balance as of 31 December 2023	**–1.9**	**6.0**	**402.2**	**406.3**
Reinsurance contract assets as of 31 December 2023	4.1	6.0	400.7	410.8
Reinsurance contract liabilities as of 31 December 2023	–6.0	–	1.5	–4.5

in CHF million	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2022	13.6	8.4	464.9	487.0
Reinsurance contract liabilities as of 1 January 2022	–16.6	–	10.8	–5.8
Opening balance as of 1 January 2022	–2.9	8.4	475.7	481.2
Net income from reinsurance contracts held	–309.7	–2.8	215.9	–96.6
Finance result from reinsurance contracts held	0.0	–	2.2	2.2
Changes recognized in OCI	–0.4	–0.4	–40.2	–41.0
Cash flows	344.7	–	–346.2	–1.5
Premiums paid	*347.3*	–	–	*347.3*
Amounts received	*–2.6*	–	*–346.2*	*–348.8*
Other changes	–0.6	–	0.4	–0.1
Closing balance as of 31 December 2022	**31.1**	**5.3**	**307.8**	**344.2**
Reinsurance contract assets as of 31 December 2022	45.1	5.3	297.0	347.4
Reinsurance contract liabilities as of 31 December 2022	–14.0	–	10.8	–3.2

9.2.3 Specialty Markets

The Specialty Markets segment comprises

- the "Specialty Lines Switzerland/International" market unit that bundles the engineering (technical insurance), marine (transport), aviation and art business lines in Switzerland as well as in the international markets such as Asia or Latin America:
- the France market unit, a focused transport insurance specialist, and
- the active reinsurance.

Development of the net liability of the insurance contracts in the Specialty Markets segment that are measured according to the PAA:

	Liability for remaining coverage		Liability for incurred claims		Total
	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment	
in CHF million					
Insurance contracts assets as of 1 January 2023	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	–198.8	13.2	2357.7	148.2	2320.4
Opening balance as of 1 January 2023	–198.8	13.2	2357.7	148.2	2320.4
Insurance service result					
Insurance revenue	–1718.1	–	–	–	–1718.1
Insurance service expenses	247.1	–3.8	1325.6	8.1	1577.0
Incurred claims and other expenses	*–*	*–12.1*	*1320.5*	*55.2*	*1363.6*
Amortisation of insurance acquisition cash flows	*247.1*	*–*	*–*	*–*	*247.1*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*5.1*	*–47.2*	*–42.0*
Losses and reversal of losses on onerous contracts	*–*	*8.4*	*–*	*–*	*8.4*
Insurance service result	–1471.0	–3.8	1325.6	8.1	–141.0
Investment components	–27.5	–	27.5	–	–
Finance result from insurance contracts recognised in P&L	0.1	–0.8	–106.6	–6.7	–114.1
Finance result from insurance contracts	*–*	*–*	*36.9*	*2.5*	*39.4*
Effects from currency exchange rate differences	*0.1*	*–0.8*	*–143.6*	*–9.2*	*–153.5*
Changes recognized in OCI	2.5	–0.2	10.0	1.6	13.8
Cash flows	1537.0	–	–987.0	–	550.0
Premiums received	*1788.1*	*–*	*–*	*–*	*1788.1*
Claims and other insurance service expenses paid	*–*	*–*	*–959.5*	*–*	*–959.5*
Investment components paid	*–*	*–*	*–27.5*	*–*	*–27.5*
Insurance acquisition cash flows paid	*–251.1*	*–*	*–*	*–*	*–251.1*
Closing balance as of 31 December 2023	**–157.8**	**8.4**	**2627.2**	**151.2**	**2629.1**
Insurance contract assets as of 31 December 2023	–8.4	–	5.8	0.5	–2.1
Insurance contract liabilities as of 31 December 2023	–149.4	8.4	2621.4	150.8	2631.2

in CHF million	Liability for remaining coverage: Excl. loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Present value of the future cash flows	Liability for incurred claims: Risk adjustment	Total
Insurance contracts assets as of 1 January 2022	–5.2	–	2.4	0.2	–2.6
Insurance contract liabilities as of 1 January 2022	–167.4	26.1	2 166.1	124.1	2 148.9
Net opening balance as of 1 January 2022	–172.5	26.1	2 168.5	124.3	2 146.3
Insurance service result					
Insurance revenue	–1 564.7	–	–	–	–1 564.7
Insurance service expenses	224.3	–12.3	1 240.6	35.2	1 487.9
Incurred claims and other expenses	*–*	*–26.8*	*1 227.0*	*56.3*	*1 256.5*
Amortisation of insurance acquisition cash flows	*224.3*	*–*	*–*	*–*	*224.3*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*13.6*	*–21.1*	*–7.5*
Losses and reversal of losses on onerous contracts	*–*	*14.5*	*–*	*–*	*14.5*
Insurance service result	–1 340.4	–12.3	1 240.6	35.2	–76.9
Investment components	–23.0	–	23.0	–	–
Finance result from insurance contracts recognised in P&L	0.3	–0.3	–1.6	0.1	–1.4
Finance result from insurance contracts	*–*	*–*	*12.2*	*0.8*	*13.0*
Effects from currency exchange rate differences	*0.3*	*–0.3*	*–13.9*	*–0.7*	*–14.5*
Changes recognized in OCI	1.3	–0.3	–160.0	–11.4	–170.5
Cash flows	1 335.5	–	–912.7	–	422.9
Premiums received	*1 556.6*	*–*	*–*	*–*	*1 556.6*
Claims and other insurance service expenses paid	*–*	*–*	*–889.7*	*–*	*–889.7*
Investment components paid	*–*	*–*	*–23.0*	*–*	*–23.0*
Insurance acquisition cash flows paid	*–221.1*	*–*	*–*	*–*	*–221.1*
Net closing balance as of 31 December 2022	**–198.8**	**13.2**	**2 357.7**	**148.2**	**2 320.4**
Insurance contract assets as of 31 December 2022	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	–198.8	13.2	2 357.7	148.2	2 320.4

Reinsurance contracts held in the Specialty Markets segment

Development of the net asset from reinsurance contracts held in the Specialty Markets segment that are measured according to the PAA:

	Asset for remaining coverage		Asset for incurred claims	Total
in CHF million	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2023	–10.8	0.9	366.2	356.3
Reinsurance contract liabilities as of 1 January 2023	–2.2	–	0.1	–2.1
Opening balance as of 1 January 2023	–13.0	0.9	366.3	354.2
Net income from reinsurance contracts held	–293.2	–0.2	270.3	–23.0
Finance result from reinsurance contracts held	0.0	–	3.1	3.1
Effects from currency exchange rate differences	–1.1	–	–11.5	–12.5
Changes recognized in OCI	0.9	0.0	–9.4	–8.6
Cash flows	293.1	–	–197.1	96.1
Premiums paid	*293.1*	–	–	*293.1*
Amounts received	–	–	*–197.1*	*–197.1*
Closing balance as of 31 December 2023	**–13.2**	**0.7**	**421.7**	**409.2**
Reinsurance contract assets as of 31 December 2023	–10.9	0.7	421.5	411.2
Reinsurance contract liabilities as of 31 December 2023	–2.3	–	0.3	–2.0

in CHF million	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2022	–13.2	1.4	297.0	285.2
Reinsurance contract liabilities as of 1 January 2022	–5.1	–	1.3	–3.9
Opening balance as of 1 January 2022	–18.3	1.4	298.3	281.3
Net income from reinsurance contracts held	–267.7	–0.4	277.5	9.4
Finance result from reinsurance contracts held	0.0	–	0.2	0.2
Effects from currency exchange rate differences	–0.4	–	2.9	2.5
Changes recognized in OCI	0.9	–0.1	–25.0	–24.1
Cash flows	272.5	–	–187.6	84.8
Premiums paid	*272.5*	*–*	*–*	*272.5*
Amounts received	*–*	*–*	*–187.6*	*–187.6*
Closing balance as of 31 December 2022	**–13.0**	**0.9**	**366.3**	**354.2**
Reinsurance contract assets as of 31 December 2022	–10.8	0.9	366.2	356.3
Reinsurance contract liabilities as of 31 December 2022	–2.2	–	0.1	–2.1

9.2.4 Corporate

The Corporate segment exclusively includes insurance and reinsurance contracts from Group reinsurance.

Development of the net liability of the insurance contracts in the Corporate segment that are measured according to the PAA:

	Liability for remaining coverage		Liability for incurred claims		Total
in CHF million	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment	
Insurance contracts assets as of 1 January 2023	–	–	–	–	–
Insurance contract liabilities as of 1 January 2023	0.1	2.4	467.6	29.5	499.7
Opening balance as of 1 January 2023	0.1	2.4	467.6	29.5	499.7
Insurance service result					
Insurance revenue	–549.1	–	–	–	–549.1
Insurance service expenses	0.4	3.0	669.3	10.3	683.0
Incurred claims and other expenses	*–*	*–0.8*	*649.7*	*17.6*	*666.5*
Amortisation of insurance acquisition cash flows	*0.4*	*–*	*–*	*–*	*0.4*
Adjustments to liability for incurred claims related to past services	*–*	*–*	*19.5*	*–7.3*	*12.2*
Losses and reversal of losses on onerous contracts	*–*	*3.9*	*–*	*–*	*3.9*
Insurance service result	–548.7	3.0	669.3	10.3	133.8
Investment components	–0.4	–	0.4	–	–
Finance result from insurance contracts recognised in P&L	–4.1	–0.3	–45.0	–2.4	–51.8
Finance result from insurance contracts	*–*	*–*	*4.4*	*0.3*	*4.7*
Effects from currency exchange rate differences	*–4.1*	*–0.3*	*–49.3*	*–2.7*	*–56.5*
Changes recognized in OCI	–	–	13.1	0.6	13.7
Cash flows	544.0	–	–527.4	–	16.6
Premiums received	*544.4*	*–*	*–*	*–*	*544.4*
Claims and other insurance service expenses paid	*–*	*–*	*–527.0*	*–*	*–527.0*
Investment components paid	*–*	*–*	*–0.4*	*–*	*–0.4*
Insurance acquisition cash flows paid	*–0.4*	*–*	*–*	*–*	*–0.4*
Closing balance as of 31 December 2023	**–9.1**	**5.1**	**578.1**	**38.0**	**612.1**
Insurance contract assets as of 31 December 2023	–	–	–	–	–
Insurance contract liabilities as of 31 December 2023	–9.1	5.1	578.1	38.0	612.1

in CHF million	Liability for remaining coverage		Liability for incurred claims		Total
	Excl. loss component	Loss component	Present value of the future cash flows	Risk adjustment	
Insurance contracts assets as of 1 January 2022	–	–	–	–	–
Insurance contract liabilities as of 1 January 2022	1.1	2.5	553.1	28.5	585.1
Net opening balance as of 1 January 2022	1.1	2.5	553.1	28.5	585.1
Insurance service result					
Insurance revenue	–439.6	–	–	–	–439.6
Insurance service expenses	0.4	0.0	349.9	3.2	353.6
Incurred claims and other expenses	–	*–0.7*	*375.2*	*11.2*	*385.8*
Amortisation of insurance acquisition cash flows	*0.4*	–	–	–	*0.4*
Adjustments to liability for incurred claims related to past services	–	–	*–25.3*	*–8.0*	*–33.3*
Losses and reversal of losses on onerous contracts	–	*0.7*	–	–	*0.7*
Insurance service result	–439.2	0.0	349.9	3.2	–86.0
Investment components	–0.4	–	0.4	–	–
Finance result from insurance contracts recognised in P&L	–0.5	–0.1	–16.4	–1.0	–18.0
Finance result from insurance contracts	–	–	*2.1*	*0.0*	*2.2*
Effects from currency exchange rate differences	*–0.5*	*–0.1*	*–18.5*	*–1.1*	*–20.2*
Changes recognized in OCI	–	–	–27.1	–1.1	–28.3
Cash flows	439.2	–	–392.3	–	46.9
Premiums received	*439.6*	–	–	–	*439.6*
Claims and other insurance service expenses paid	–	–	*–391.8*	–	*–391.8*
Investment components paid	–	–	*–0.4*	–	*–0.4*
Insurance acquisition cash flows paid	*–0.4*	–	–	–	*–0.4*
Net closing balance as of 31 December 2022	**0.1**	**2.4**	**467.6**	**29.5**	**499.7**
Insurance contract assets as of 31 December 2022	–	–	–	–	–
Insurance contract liabilities as of 31 December 2022	0.1	2.4	467.6	29.5	499.7

Reinsurance contracts in the Corporate segment

Development of the net asset from reinsurance contracts held in the Corporate segment that are measured according to the PAA

in CHF million	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2023	–16.8	1.7	569.1	554.0
Reinsurance contract liabilities as of 1 January 2023	–	–	–	–
Opening balance as of 1 January 2023	–16.8	1.7	569.1	554.0
Net income from reinsurance contracts held	–258.7	2.6	371.2	115.1
Finance result from reinsurance contracts held	–	–	3.1	3.1
Effects from currency exchange rate differences	–4.1	–0.2	–27.8	–32.1
Changes recognized in OCI	–	–	6.7	6.7
Cash flows	283.6	–	–233.8	49.8
Premiums paid	*283.6*	–	–	*283.6*
Amounts received	–	–	*–233.8*	*–233.8*
Other changes	–0.3	–	0.3	–
Closing balance as of 31 December 2023	**3.7**	**4.1**	**688.9**	**696.7**
Reinsurance contract assets as of 31 December 2023	3.7	4.1	688.9	696.7
Reinsurance contract liabilities as of 31 December 2023	–	–	–	–

in CHF million	Asset for remaining coverage		Asset for incurred claims	Total
	Excl. loss recovery component	Loss recovery component		
Reinsurance contracts assets as of 1 January 2022	7.0	2.1	663.8	672.9
Reinsurance contract liabilities as of 1 January 2022	–	–	–	–
Opening balance as of 1 January 2022	7.0	2.1	663.8	672.9
Net income from reinsurance contracts held	–212.8	–0.3	142.1	–71.0
Finance result from reinsurance contracts held	–	–	1.8	1.8
Effects from currency exchange rate differences	–1.0	–0.1	–11.7	–12.8
Changes recognized in OCI	–	–	–17.1	–17.1
Cash flows	190.1	–	–210.0	–19.9
Premiums paid	*190.1*	–	–	*190.1*
Amounts received	–	–	*–210.0*	*–210.0*
Other changes	–0.1	–	0.1	–
Closing balance as of 31 December 2022	**–16.8**	**1.7**	**569.1**	**554.0**
Reinsurance contract assets as of 31 December 2022	–16.8	1.7	569.1	554.0
Reinsurance contract liabilities as of 31 December 2022	–	–	–	–

9.3 Significant assumptions and estimates

9.3.1 Significant assumptions and estimates for contracts that are measured according to the "premium allocation approach" (PAA)

Various assumptions and estimates are used in the measurement of insurance contract assets and liabilities measured according to the PAA. Helvetia currently applies the PAA only in the non-life business.

Best estimate of assets and liabilities

The measurement takes account of all available information or information that can be obtained without undue cost or effort that relates to the uncertainties as regards the amount of the cash flows or their distribution over time. This information corresponds to the current state of knowledge and is based on internal and external empirical values as well as the best estimates of future developments. As part of the projection, the cash flows are weighted using the estimated probabilities and subsequently discounted, resulting in the expected present value of future cash flows.

The measurement of the liabilities from a group of contracts includes all future cash flows within the contract boundaries of each contract in the group. Cash flows from reinsurance contracts held are considered separately from cash flows of insurance contracts issued.

The assumptions used for the estimates are reassessed on each reporting date. The assumptions and methods significant for the measurement of the insurance contract assets and liabilities are considered below.

Liability for incurred claims (LIC)

The LIC considers all claims incurred up to the end of the reporting period. The liabiliy includes provisions for claims incurred but not yet reported. The liability is determined using actuarial methods taking account of uncertainties, whereby uniform principles are applied throughout the Group. The estimates are primarily made on a year-of-loss-occurrence basis with further allocation to annual cohorts. In the reserve modelling, a differentiation is made between small claims, large claims, claims relating to natural disasters, annuities and claims handling costs (ULAE). Estimates and the assumptions on which they are based are reviewed continuously.

Changes in estimates are recognised in the income statement at the time of the change. Expected cash flows are modelled using appropriate payment patterns and are subsequently discounted. The default risk of cash flows from reinsurance contracts held is taken into account based on the default probabilities of the counterparties.

Liability for remaining coverage (LRC)

The insurance revenue is determined either on a pro rata basis or according to a risk-adjusted earnings pattern and recognised for the respective coverage period.

Risk adjustment for non-financial risks

The risk adjustment in Helvetia's non-life business is determined on the basis of a so-called "quantile" approach. Here, the risk adjustment is determined at the level of reserving models by estimating the statistical uncertainty (standard deviation) in each reserving model using appropriate methods. Through the application of correlation matrices, diversification is achieved across models, lines of business and legal entities within a market unit. It should be noted that no diversification effects between the market units and between life and non-life businesses are taken into account.

The statistical distribution of the provisions is considered to be log-normally distributed. Applying the respective standard deviation, the risk adjustment is calculated as the difference between a certain confidence level (quantile) and the expected value of the provision.

Helvetia uses a confidence level (quantile) of 70% for the risk adjustment.

9.3.2 Significant assumptions and estimates for contracts that are measured according to the GMM or VFA

Various assumptions and estimates are used for the measurement of assets and liabilities from insurance contracts according to the general measurement model (GMM) or the variable fee approach (VFA). Helvetia currently applies GMM or VFA only for the life business.

Best estimate of assets and liabilities

The measurement is conducted on an undistorted basis and takes account of all available information and information that can be obtained without undue cost or effort that relates to the uncertainties as regards the amount of the cash flows or their distribution over time. This information corresponds to the current state of knowledge and is based on internal and external empirical values as well as best estimates of future developments. As part of the projection, cash flows are weighted using estimated probabilities and are subsequently discounted, resulting in the expected present value of the future cash flows.

In groups of contracts with direct participation features, the cash flows have significant dependencies and asymmetries with respect to the future development of market variables. In these cases, stochastic modelling methods are applied.

Measuring the assets and liabilities of a group of contracts entails all future cash flows within the contract boundaries of each contract in the group. Cash flows from reinsurance contracts held are considered separately from cash flows of insurance contracts issued.

The assumptions, deemed material for the measurement of insurance contracts assets and liabilities, are considered below.

Non-economic assumptions

Non-economic assumptions are determined at a local level by the individual group entities. Here, all known information, including historical experience and current trends in the insurance business, need to be taken into account so that the assumptions used correspond to the best estimate of future developments. Specific characteristics of the respective insurance portfolio are also taken into account. The following non-economic assumptions are reviewed at least annually and adjusted where necessary:

- Costs
- Biometric assumptions (mortality, longevity, disability and reactivation)
- Lapse rates
- Exercise of the lump-sum option for policies with an investment component, where the policyholder can choose between a single maturity payment and the payment of a pension at the end of the term.

Economic assumptions

Economic assumptions are expectations that are derived based on the conditions of the financial markets or macroeconomic parameters. These are discount rates, economic scenarios for stochastic modelling, assumptions on inflation and capital cost parameters for the calculation of the risk adjustment.

- Discount rates: A discount curve is derived for each group of contracts. The basis is formed by a currency-specific risk-free yield curve. The most relevant currencies for the measurement of the Helvetia life business are the Swiss franc and the euro. The risk-free yield curve for Swiss francs is based on SARON interest rates or SARON-based swaps. The risk-free yield curve in euro is based on EURIBOR swaps and a discount of 10 bp for the credit risk contained therein. An illiquidity premium is added to the risk-free yield curve in the life insurance business (see page 125 Financial Report).
- Inflation: Inflation assumptions for the Swiss franc and the euro are based on FINMA projections. These are updated annually.
- Capital cost parameters: Economic assumptions also include local market-specific capital cost parameters, which are used to determine the risk adjustment for non-financial risks. This parameter is derived on the basis of the established concept of the risk discount rate. The capital cost parameter is market- and country-specific and corresponds to the risk discount rate before tax.

Risk adjustment for non-financial risks

Best estimate liabilities are based on average expectations with respect to the amount and timing of the cash flows. However, the actual realisation of the expectation is uncertain and is based on statistical distributions. To be able to economically bear this statistical uncertainty, there is, alongside the best estimate liabilities, a risk adjustment for non-financial risks as additional component of insurance liabilities.

The risk adjustment in Helvetia's life business is determined on the basis of a cost of capital approach and corresponds to the present value of the future capital costs required to bear the non-financial risks. Here, Helvetia uses a confidence level (quantile) of 70% for the risk adjustment.

Recognition of the contractual service margin (CSM)

The recognition of the CSM in the income statement is based on contractual services rendered in the reporting period. The quantity of services rendered is determined by so-called coverage units.

With respect to services provided under an insurance contract, a differentiation is generally made between insurance services (related to the risk and cost processes) and services related to the management and investment of customer funds.

In the event of several different services within the same group of contracts, coverage units are weighted.

Investment components

The investment component of life insurance products with an inherent savings process corresponds to the amount that Helvetia would repay to the policyholder for all possible contractual events. These can be both insurance events (e.g. death of the policyholder) as well as operational, contract-terminating events, including the cancellation or maturity of the insurance contract. As long as no payout is made, the investment component is calculated in each reporting period.

Discount rates

A discount curve is derived for each group of contracts. The basis is formed by a currency-specific risk-free yield curve to which an illiquidity premium is added. The discount rates of the most important currencies are presented below:

Currency	CHF			EUR		
Maturity	31.12.2023	31.12.2022	1.1.2022	31.12.2023	31.12.2022	1.1.2022
1 year	1.4%	1.5%	–0.7%	3.4%	3.2%	–0.6%
2 years	1.1%	1.6%	–0.5%	2.7%	3.3%	–0.4%
3 years	1.1%	1.7%	–0.4%	2.4%	3.2%	–0.3%
5 years	1.1%	1.9%	–0.2%	2.3%	3.1%	–0.1%
7 years	1.1%	2.0%	–0.1%	2.3%	3.1%	0.0%
10 years	1.2%	2.1%	0.1%	2.4%	3.1%	0.2%
15 years	1.2%	2.2%	0.2%	2.5%	3.0%	0.4%
20 years	1.3%	2.2%	0.5%	2.4%	2.8%	0.5%
25 years	1.4%	2.2%	0.7%	2.4%	2.7%	0.7%
30 years	1.5%	2.3%	0.9%	2.5%	2.7%	1.0%
Illiquidity premiums						
Range in basis points	0 – 74	0 – 64	0 – 62	0 – 70	0 – 78	0 – 60

10. Income taxes

10.1 Current and deferred income taxes

in CHF million	2023	2022
Current taxes	81.6	74.9
Deferred taxes	–13.9	7.4
Income taxes	**67.7**	**82.4**

10.2 Expected and actual income taxes

in CHF million	2023	2022
Income before tax	368.9	562.6
Expected income taxes	65.0	124.7
Increase/reduction in taxes resulting from:		
tax-exempt income or income taxed at a reduced rate	–25.8	–54.6[1]
non-deductible expenses	49.5	22.6
Change in tax rates	–0.3	–6.9
Tax elements related to other periods	–6.8	–2.4
Effect of losses	–13.5	0.0
Other	–0.4	–1.0
Actual income taxes	**67.7**	**82.4**

[1] Around CHF 21.8 millions of tax-exempt income is related to the sale of Sa Nostra Compañia De Seguros de Vida (see section 18, page 177 Financial Report).

The expected tax rate applicable to Helvetia was 17.6% for 2023 (previous year: 22.2%). This rate is derived from the weighted average of expected tax rates in the individual countries where the Group operates.

The reason for the change in the weighted average tax rate lies in the geographical allocation of the gains on the one hand, and the different tax rates that apply in the individual territories on the other.

10.3 Taxes on expenses and income recognised in other comprehensive income

	before tax		deferred taxes		after tax	
in CHF million	2023	2022	2023	2022	2023	2022
May be reclassified to income						
Finance result from insurance contracts	–1 794.9	5 198.4	360.4	–1 077.7	–1 434.4	4 120.7
Finance result from reinsurance contracts held	4.2	–7.4	–2.8	5.1	1.4	–2.3
Change in fair value of debt investments at FVOCI	1 905.8	–5 739.9	–384.8	1 199.3	1 521.0	–4 540.5
Change from net investment hedge	97.3	4.3	–	–	97.3	4.3
Foreign currency translation differences	–293.0	–151.3	–	–	–293.0	–151.3
Total that may be reclassified to income	–80.5	–695.9	–27.2	126.8	–107.7	–569.1
Will not be reclassified to income						
Revaluation from reclassification of property and equipment	1.5	9.4	–0.2	–1.3	1.2	8.0
Revaluation of equity instruments at FVOCI	0.1	–	0.0	–	0.1	–
Revaluation of benefit obligations	–26.5	179.5	6.3	–45.8	–20.2	133.7
Total that will not be reclassified to income	–24.9	188.9	6.0	–47.1	–18.9	141.7
Total other comprehensive income	**–105.5**	**–507.1**	**–21.2**	**79.6**	**–126.6**	**–427.4**

10.4 Change in deferred tax assets and liabilities (net)

in CHF million	2023	2022
Balance as of 1 January	297.9	385.5
Change in the scope of consolidation	9.8	–8.8
Deferred taxes recognised in other comprehensive income	18.3	–80.7
Deferred taxes recognised in the income statement	–13.9	7.4
Foreign currency translation differences	–5.4	–5.6
Balance as of 31 December	**306.7**	**297.9**

10.5 Tax assets and liabilities

as of 31.12.2023	Tax assets			Tax liabilities		
	recognised against income	recognised against equity	Total	recognised against income	recognised against equity	Total
in CHF million						
Insurance and reinsurance contracts	1 420.1	28.2	1 448.3	751.3	322.7	1 074.0
Investments	71.3	370.1	441.4	847.3	9.2	856.5
Property, equipment and intangible assets	20.7	–	20.7	173.8	2.7	176.4
Financial liabilities	229.2	–	229.2	392.3	–	392.3
Non-technical provisions	14.5	–	14.5	1.2	–	1.2
Employee benefits	79.0	8.3	87.2	39.5	16.8	56.3
Tax assets from losses carried forward	44.8	–	44.8	–	–	–
Other	56.8	–	56.8	92.8	–	92.8
Deferred taxes (gross)	**1 936.2**	**406.6**	**2 342.8**	**2 298.1**	**351.3**	**2 649.4**
Offset			–2 272.4			–2 272.4
Deferred taxes (net)			**70.4**			**377.1**
Current taxes			68.7			33.8
Current and deferred taxes			**139.1**			**410.8**

as of 31.12.2022	Tax assets			Tax liabilities		
			Total			Total
in CHF million						
Insurance and reinsurance contracts	1 321.9	30.4	1 352.3	645.0	682.5	1 327.5
Investments	89.0	752.8	841.8	862.1	6.8	869.0
Property, equipment and intangible assets	22.4	–	22.4	168.8	2.7	171.5
Financial liabilities	165.8	–	165.8	345.4	–	345.4
Non-technical provisions	2.6	–	2.6	1.6	–	1.6
Employee benefits	83.0	5.6	88.6	34.2	20.4	54.6
Tax assets from losses carried forward	26.6	–	26.6	–	–	–
Other	60.8	–	60.8	89.1	–	89.1
Deferred taxes (gross)	**1 772.1**	**788.8**	**2 560.9**	**2 146.3**	**712.4**	**2 858.7**
Offset			–2 491.7			–2 491.7
Deferred taxes (net)			**69.2**			**367.1**
Current taxes			50.5			19.3
Current and deferred taxes			**119.7**			**386.4**

Valuation differences on shares in subsidiaries of CHF 1,533.2 million (previous year: CHF 1,707.9 million) did not lead to the recognition of deferred tax liabilities, as a reversal of the differences through realisation (dividend payment or sale of subsidiaries) is unlikely in the near future, or the gains are not subject to taxation.

10.6 Losses carried forward

10.6.1 Tax assets from losses carried forward

as of 31.12.	2023	2022
in CHF million		
Expire within 1 year	–	0.3
Expire between 2 and 3 years	3.9	7.6
Expire between 4 and 7 years	37.6	23.3
Without expiration	140.5	81.0
Total recognised losses carried forward	182.0	112.2
Resulting tax assets recognised	44.8	26.8
Tax assets from losses carried forward	**44.8**	**26.8**

10.6.2 Losses carried forward without tax assets recognised

On losses carried forward in the amount of CHF 110.3 million (previous year: CHF 82.3 million), no tax assets were recognised, as the related tax benefits cannot be expected to be realised with the current earnings situation of the respective companies. These loss carryforwards do not have an expiry date. The tax rates applicable to material losses carried forward for which no tax assets were recognised range between 10.0% and 25.0% (previous year: 17.0% to 25.0%).

10.7 International Tax Reform – OECD Pillar 2 Model Rules

Helvetia falls within the scope of the OECD Pillar 2 Model Rules. By 31 December 2023, these rules had been adopted in all jurisdictions in which Helvetia companies are domiciled, with the exception of Singapore. The regulations will take effect from 1 January 2024 or later.

Helvetia may be subject to additional taxes as it has group companies in Andorra, Liechtenstein, Switzerland (depending on the canton), Singapore and Luxembourg where the resulting tax rates are below or around 15%. While Helvetia does not expect any significant additional taxes in connection with the operating units, there is a potential risk in relation to the investment companies. Accordingly, measures have been identified and are being implemented to reduce this risk and the resulting amount as far as possible. Helvetia closely follows the relevant legislative developments in all jurisdictions in which it operates. At present, Helvetia does not have sufficient information to quantify the financial impact of the Pillar 2 Model Rules. This will depend greatly on the final design, the Pillar 2 options and market developments.

The Pillar 2 Model Rules do not have any tax effects as at the balance sheet date; Helvetia therefore does not have any ongoing tax risk in this regard. Helvetia applies the temporary exception rule under IAS 12 allowing no deferred taxes to be recognised in connection with the OECD Pillar 2 rules.

11. Total equity

11.1 Share capital and treasury shares

The fully paid up registered shares of Helvetia Holding AG have a par value of CHF 0.02 (previous year: CHF 0.02).

The purchase of Helvetia Holding AG registered shares is not subject to any restrictions. Shareholders who purchase the shares in their own name and on their own behalf are entered in the share register with voting rights for a maximum of 5% of the issued registered shares. Individuals who do not explicitly certify in the registration application that they acquired the shares on their own behalf are entered in the share register for a maximum of 3%.

The treasury shares that were granted to Helvetia employees at favourable terms under the Helvetia employee share purchase plan did not come from the company's own stock but were acquired on the market. This resulted in an expense of CHF 1.1 million in the reporting period (previous year: CHF 1.2 million), which was charged to the capital reserve without affecting profit or loss. This amount represents the difference between the purchase price and the reduced price for employees.

In the reporting year, Patria Genossenschaft paid a contribution of CHF 45.0 million into the bonus reserves of Helvetia Schweizerische Lebensversicherungsgesellschaft AG (previous year: CHF 45.0 million). This was credited to equity without affecting profit or loss and allocated to insurance contract assets and liabilities in line with its purpose.

	Number of shares	Share capital in CHF million
Share capital		
As of 1.1.2022	53 025 685	1.1
As of 31.12.2022	53 025 685	1.1
As of 31.12.2023	**53 025 685**	**1.1**
Treasury shares		
As of 1.1.2022	164 885	0.0
As of 31.12.2022	117 070	0.0
As of 31.12.2023	**181 566**	**0.0**
Shares outstanding		
As of 1.1.2022	52 860 800	1.1
As of 31.12.2022	52 908 615	1.1
As of 31.12.2023	**52 844 119**	**1.1**

11.2 Equity reserves

11.2.1 Fair value reserve

The fair value reserve includes changes in the value of financial assets at fair value, which are recognised in other comprehensive income (FVOCI), the portion of unrealised gains and losses of associates, as well as value changes resulting from the transfer of owner-occupied property.

During the reporting year, a transfer of CHF 0.4 million was made (previous year: CHF 2.3 million) to retained earnings as a consequence of disposals of owner-occupied properties transferred to investment property.

11.2.2 Insurance finance reserve

The reserve from insurance contracts includes effects from adjustments of financial parameters (e.g. discount rates) for groups of insurance contracts where these adjustments are recognised in equity.

For groups of contracts managed using the VFA method, this item reflects the fluctuations in the fair value of the underlying items (see section 2.13.7, page 47 Financial Report), provided their fluctuations in value are recognised in equity.

11.2.3 Reserve for foreign currency translation differences

The reserve for "Foreign currency translation differences" results from the translation of financial statements prepared in foreign currency into the Group's reporting currency (Swiss franc) as well as the effective portion of the net investment hedge for foreign exchange gains and losses on investments in subsidiaries with a foreign reporting currency.

11.2.4 Retained earnings

Accumulated non-distributed earnings of Helvetia are recognised in the balance sheet as retained earnings. Besides freely disposable funds, retained earnings also comprise the revaluation of benefit obligations and statutory reserves and reserves bound by the articles of incorporation which are sustained by the profit for the year and subject to restrictions on distributions.

11.2.5 Capital reserves

The capital reserve consists of assets paid in by third parties. The capital reserve primarily comprises the share premium of shares issued by Helvetia Holding AG and the preferred securities of Helvetia as well as the result from treasury share transactions.

11.2.6 Development of reserves in equity

in CHF million	Fair value reserve	Insurance finance reserve	Foreign currency translation differences	Retained earnings	Other reserves	Non-controlling interests	Equity (without preferred securities)
Balance as of 1 January 2023	–2 514.2	2 177.2	–706.7	3 545.6	957.0	318.3	3 777.3
May be reclassified to income							
Finance result from insurance contracts	–	–1 673.0	–	–	–	–52.6	–1 725.5
Finance result from insurance contracts reclassified to profit and loss	–	–69.3	–	–	–	–	–69.3
Finance result from reinsurance contracts held	–	3.8	–	–	–	0.3	4.2
Change in fair value of debt investments at FVOCI	1 766.2	–	–	–	–	40.4	1 806.5
Realised gains and losses from debt investments FVOCI reclassified to profit and loss	94.4	–	–	–	–	4.9	99.3
Change from net investment hedge	–	–	118.7	–	–	–	118.7
Net investment hedge reclassified to profit and loss	–	–	–21.5	–	–	–	–21.5
Foreign currency translation differences	–	–	–316.9	–	–	–17.8	–334.7
Foreign currency translation differences reclassified to profit and loss	–	–	41.8	–	–	–	41.8
Deferred taxes	–373.6	344.6	–	–	–	1.8	–27.2
May be reclassified to income	1 486.9	–1 393.9	–177.9	–	–	–23.0	–107.7
May not be reclassified to income							
Revaluation from reclassification of property and equipment	1.3	–	–	–	–	0.2	1.5
Revaluation of equity instruments at FVOCI	0.1	–	–	–	–	0.0	0.1
Revaluation of benefit obligations	–	–	–	–26.3	–	–0.1	–26.5
Deferred taxes	–0.2	–	–	6.3	–	0.0	6.0
Total that will not be reclassified to income	1.1	–	–	–20.1	–	0.1	–18.9
Other comprehensive income, after tax	1 488.1	–1 393.9	–177.9	–20.1	–	–22.9	–126.6
Other movements	–0.4	–	–0.1	–11.8	–5.4	8.0	–9.7
Balance as of 31 December 2023	**–1 026.5**	**783.3**	**–884.7**	**3 513.7**	**951.6**	**303.5**	**3 641.0**

in CHF million	Fair value reserve	Insurance finance reserve	Foreign currency translation differences	Retained earnings	Other reserves	Non-controlling interests	Equity (without preferred securities)
Balance as of 1 January 2022	360.6	-	–568.6	3 369.7	2 764.8	487.9	6 414.5
Effects of changes in accounting and valuation principles	1 568.4	–	–	–182.9	–1 814.2	–30.4	–2 300.2
Balance as of 1 January 2022 restated	1 929.0	–1 841.0	–568.6	3 186.8	950.6	457.5	4 114.3
May be reclassified to income							
Finance result from insurance contracts issued	–	5 152.7	–	–	–	195.2	5 347.9
Finance result from insurance contracts reclassified to profit and loss	–	–88.7	–	–	–	–60.8	–149.5
Finance result from reinsurance contracts held	–	–6.5	–	–	–	–0.9	–7.4
Change in fair value of debt investments at FVOCI	–5 648.3	–	–	–	–	–141.7	–5 790.0
Realised gains and losses from debt investments FVOCI reclassified to profit and loss	28.2	–	–	–	–	21.9	50.1
Change from net investment hedge	–	–	6.0	–	–	–	6.0
Net investment hedge reclassified to profit and loss	–	–	–1.7	–	–	–	–1.7
Foreign currency translation differences	–	–	–146.4	–	–	–15.4	–161.8
Foreign currency translation differences reclassified to profit and loss	–	–	10.5	–	–	–	10.5
Deferred taxes	1 169.4	–1 039.2	–	–	–	–3.5	126.8
May be reclassified to income	–4 450.7	4 018.3	–131.7	–	–	–5.2	–569.1
May not be reclassified to income							
Revaluation from reclassification of property and equipment	9.4	–	–	–	–	0.0	9.4
Revaluation of benefit obligations	–	–	–	178.9	–	0.5	179.5
Deferred taxes	–1.3	–	–	–45.7	–	–0.1	–47.1
Total that will not be reclassified to income	8.0	–	–	133.3	–	0.4	141.7
Other comprehensive income, after tax	–4 442.6	4 018.3	–131.7	133.3	–	–4.7	–427.4
Other movements	–0.6	–0.1	–6.4	225.6	6.4	–134.5	90.4
Balance as of 31 December 2022	**–2 514.2**	**2 177.2**	**–706.7**	**3 545.6**	**957.0**	**318.3**	**3 777.3**

11.3 Preferred securities

In 2020, Helvetia Schweizerische Versicherungsgesellschaft AG issued a subordinated perpetual bond of CHF 275 million. This bond will pay interest at 1.50% per year until 2026. The first call date on which Helvetia has the right, but not the obligation, to repay the bond is 12 August 2026. Thereafter, the new fixed interest rate will be based on the five-year CHF mid-swap rate and the initial margin.

Furthermore, in 2020, Helvetia Schweizerische Versicherungsgesellschaft AG issued a subordinated perpetual bond of CHF 200 million. This bond will pay interest at 1.75% per year until 2028. The first call date on which Helvetia has the right, but not the obligation, to repay the bond is 26 May 2028. Thereafter, the new fixed interest rate will be based on the five-year CHF mid-swap rate and the initial margin.

The bonds meet all solvency requirements and are allocated to equity. The interest is charged directly to equity. Helvetia can suspend interest payments at its discretion only when Helvetia Holding AG does not pay any dividends and if certain other conditions are fulfilled. However, the suspended interest payments do not lapse.

11.4 Deferred taxes recognised in other comprehensive income

The deferred taxes recognised in other comprehensive income arise from valuation differences, primarily on financial assets measured at FVOCI, insurance and reinsurance contracts, value changes related to the transfer of properties and the revaluation of benefit obligations (see section 10.3, page 127 and section 10.5, page 128 Financial Report).

11.5 Earnings per share

Basic earnings per share (EPS) are calculated on the weighted average number of shares outstanding of Helvetia Holding AG and the portion of the Group's profit for the year attributable to shareholders including the interest on the preferred securities recognised directly in equity. Diluted earnings for both reporting periods correspond to the basic earnings, as no convertible instruments or options that could have a dilutive effect are outstanding.

Earnings per share for the period

	2023	2022
in CHF		
Profit or loss for the period	301 276 428	480 178 952
Interest on preferred securities	–6 481 250	–13 997 187
Earnings for shareholders and non-controlling interests	294 795 178	466 181 765
Non-controlling interests	–18 099 287	–41 416 997
Earnings for shareholders without non-controlling interests	276 695 891	424 764 768
Weighted average number of shares outstanding	52 826 970	52 897 161
Earnings per share	**5.24**	**8.03**

11.6 Dividends

The Board of Directors will submit a proposal to the Annual General Meeting of 24 May 2024 to pay a dividend of 6.30 per share (previous year: CHF 5.90) with the total payout amounting to CHF 334.1 million (previous year: CHF 312.9 million). The proposed dividend will not be distributed before it has been approved by the Ordinary Annual General Meeting. The dividend distribution is only recognised when approved by the Annual General Meeting.

Helvetia Holding AG and its subsidiaries are subject to a range of restrictions under company law and supervisory regulations with regard to the dividends that may be distributed to the parent company, i.e. the owner.

Helvetia is required to report to the Swiss Financial Market Supervisory Authority (FINMA). FINMA also acts as the European Group Supervisor of Helvetia. The Group is also subject to supervisory requirements in the form of minimum solvency margins, compliance with which can lead to restrictions with regard to the dividends of Helvetia Holding AG.

12. Provisions and other commitments

12.1 Non-technical provisions

in CHF million	2023	2022
Balance as of 1 January	143.7	136.7
Change in the scope of consolidation	0.1	0.0
Allocation	43.5	77.8
Release	–20.0	–48.6
Used amounts	–10.2	–10.3
Foreign currency translation differences	–3.2	–1.5
Other changes	–0.3	–10.4
Balance as of 31 December	**153.6**	**143.7**

The most significant item in the "Non-technical provisions" primarily consists of provisions for variable salary components. The share of provisions classified as current is CHF 144.4 million (previous year: CHF 135.9 million).

12.2 Contingent liabilities and other commitments

The following liabilities are not recognised in the balance sheet:

Capital commitments

At the reporting date, there were financial commitments for the future acquisition of financial investments and fixed assets in the amount of CHF 341.6 million (previous year: CHF 180.1 million).

Assets pledged or assigned

Helvetia has pledged assets of CHF 303.6 million as security for liabilities (previous year: CHF 199.3 million). They are allocated to financial investments and other assets pledged in favour of liabilities from technical business, as securities for hedging instruments or as repurchase agreements.

Legal proceedings

Helvetia is involved in various legal proceedings, claims and litigation that are mostly related to its insurance operations. However, Executive management is not aware of any case that could materially impact the Group's financial position and financial performance.

Other contingent liabilities

At the reporting date, there was CHF 28.9 million (previous year: CHF 43.3 million) in other contingent liabilities.

13. Employee benefits

Helvetia had 13,812 full-time equivalent employees at 31 December 2023 (previous year: 12,628). Total personnel costs are shown in the table below.

13.1 Personnel costs

	Note	2023	2022
in CHF million			
Commissions		196.0	187.3
Salaries		828.3	768.3
Social security costs		150.7	128.8
Pension costs – defined contribution plans		12.3	11.0
Pension costs – defined benefit plans	13.3.4	67.9	92.1
Share-based payment transaction costs		8.8	6.3
Other personnel costs		77.3	67.6
Personnel costs		**1 341.2**	**1 261.3**

13.2 Employee benefit receivables and obligations

		Receivables		Liabilities	
as of 31.12.	Notes	2023	2022	2023	2022
in CHF million					
Kind of benefit					
Defined benefit plans	13.3.1	24.4	24.4	231.2	225.8
Other long-term employee benefits		–	–	29.0	26.3
Short-term employee benefits		0.7	0.7	104.1	100.9
Employee benefit receivables and obligations		**25.0**	**25.0**	**364.3**	**353.1**

"Other long-term employee benefits" principally contain liabilities for service awards. There are no employee contingent liabilities or employee contingent receivables.

13.3 Defined benefit plans

The employees of Helvetia are covered under several pension plans in Switzerland and abroad.

There are several foundations in Switzerland designed to provide benefits to employees upon retirement and in the event of disability as well as after their death to their surviving dependants in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The benefits provided by the pension fund meet at least the statutory minimum required by the BVG. Contributions to the pension fund are set as a percentage of the employee's pensionable annual salary, deducted from the salary by the employer and transferred every month to the pension fund, together with the employer's contributions. In the reporting year there were no significant transactions between the pension fund and Helvetia that are not directly related to employee benefits.

The Group investments included in the plan assets are set out in section 13.3.8 (page 140 Financial Report). There are other funded defined benefit plans in place in Germany.

In addition, unfunded defined benefit plans are in place in Germany, Austria, Italy, Spain and France. The accumulated pension obligations are recorded as pension liabilities in the balance sheet of the employer. These pension plans cover benefits for retirement, death, disability or termination of the employment contract with consideration given to local labour laws and social legislation in the individual countries. The benefits are fully financed by the employer.

The defined benefit plans include actuarial risks, particularly investment risks, longevity and interest rate risks.

The management of the pension funds is under the supervision of the respective boards of trustees. Their responsibilities are set out in the respective pension fund regulations. The pension plans are subject to the respective local supervisory authorities. In accordance with local regulations, some of these are defined contribution plans, so the benefits do not depend on the final salary. Nevertheless, these plans are also deemed to be defined benefit plans under IFRS, as in cases in which the plan assets no longer cover the pension obligations in accordance with local accounting standards – a so-called funding deficiency of an employee pension plan – restructuring contributions may be levied from the employer.

13.3.1 Reconciliation of balance sheet

as of 31.12.	2023	2022
in CHF million		
Present value of funded obligations (+)	2 978.1	2 722.0
Fair value of plan assets (–)	–3 242.5	–3 109.7
Surplus (–) / deficit (+)	–264.4	–387.7
Present value of unfunded obligations (+)	100.8	103.4
Unrecognised assets (asset ceiling)	370.4	485.7
Net liability[1] for defined benefit plans	**206.8**	**201.4**

[1] The "Net liabilities" position does not contain any reimbursement rights.

13.3.2 Change in the present value of pension obligations

in CHF million	2023	2022
Defined benefit obligation as of 1 January	2 825.4	3 756.9
Change in the scope of consolidation	0.0	0.0
Service cost	105.0	134.0
Interest cost	68.8	10.9
Actuarial gains (–)/losses (+)		
– demographic assumptions	0.0	–46.7
– financial assumptions	262.3	–824.1
— experience adjustments	–32.7	–23.3
Benefits (net)	–138.3	–166.7
Past service cost	2.4	–
Foreign currency translation differences	–14.1	–15.6
Defined benefit obligation as of 31 December	**3 078.9**	**2 825.4**

As at 31 December 2023, 92.5 % (previous year: 91.9 %) of the pension obligations resulted from pension plans in Switzerland.

13.3.3 Changes in the fair value of plan assets

in CHF million	2023	2022
Fair value of plan assets as of 1 January	3 109.7	3 377.4
Employer contributions	62.0	66.4
Employee contributions	47.8	46.0
Interest income	71.6	6.9
Benefits (net)[1]	–124.4	–153.6
Return on plan assets excluding interest income	76.3	–232.8
Foreign currency translation differences	–0.6	–0.7
Fair value of plan assets as of 31 December	**3 242.5**	**3 109.7**

[1] This item includes paid-in and withdrawn vested benefits as well as pensions and annuities.

As at 31 December 2023, 99.7 % (previous year: 99.6 %) of the plan assets related to pension plans in Switzerland.

13.3.4 Net pension costs

in CHF million	2023	2022
Current service cost	105.0	134.0
Past service cost	2.4	–
Net interest expense	8.3	4.1
Employee contributions	–47.8	–46.0
Net pension costs for defined beneit plans	**67.9**	**92.1**

Expenses for defined benefit plans are recognised in the income statement under "Operating and administrative expenses". Expected employer contributions toward defined benefit plans for the next year amount to CHF 73.1 million.

13.3.5 Revaluation of benefit obligations

in CHF million	2023	2022
Actuarial gains (+)/losses (–)	229.6	–894.1
Return on plan assets excluding interest income	–76.3	232.8
Limit on assets (asset ceiling)	–126.5	485.7
Revaluation of benefit obligations	**26.8**	**–175.5**

Revaluations of benefit obligations are recognised in the consolidated statement of comprehensive income.

13.3.6 Actuarial assumptions

	Switzerland		Abroad	
Weighted averages	2023	2022	2023	2022
in %				
Discount rate	1.5	2.3	4.0	4.2
Expected salary increases	1.5	1.5	2.5	2.5
Expected pension increases	0.0	0.0	2.3	2.4
Duration of the defined benefit liability (in years)	12.5	11.6	14.0	13.9

Helvetia based its life expectancy assumption on the BVG 2020 generation tables.

Net interest income from plan assets to be recognised in the income statement is calculated using the same interest rate applied to the calculation of interest on defined benefit obligations.

13.3.7 Sensitivity analysis

The sensitivity analysis takes into account the change to benefit obligations and the current service cost when there is a change of 50 basis points to the actuarial assumptions. Only one parameter is adjusted in each case; the other assumptions remain unchanged.

		Effect on benefit obligations		Effect on service cost	
as of 31.12.	Change	2023	2022	2023	2022
in CHF million					
Discount rate	+50bp	–179.3	–154.8	–4.4	–3.8
Discount rate	–50bp	201.8	171.0	5.1	3.6
Salary increases	+50bp	21.3	18.5	0.0	0.0
Salary increases	–50bp	–21.0	–18.5	–0.2	–0.2
Pensions	+50bp	146.7	123.7	0.0	0.0
Pensions	–50bp	–133.9	–113.4	–0.2	–0.1

13.3.8 Plan asset allocation

As far as investment policy and strategy are concerned, occupational pension plans in Switzerland focus on total returns. The strategic goal is to optimise rates of return on plan assets, benefit costs and the funding ratio of benefit plans with a diversified mix of stocks, bonds, real estate and other investments.

Expected long-term rates of return on plan assets are based on long-term expected interest rates and risk premiums and on the target plan asset allocation. These estimates are based on the historical returns of the individual asset classes and are prepared by specialists and pension experts.

Actual plan asset allocation depends on the current economic and market situation and fluctuates within pre-determined ranges. Alternative investments, such as hedge funds, are used to improve long-term rates of return and portfolio diversification.

The investment risk is monitored through the periodic review of assets and liabilities as well as quarterly reviews of the investment portfolio.

The plan assets largely consist of the following financial assets:

in CHF million	2023	2022
Interest-bearing securities		
- listed	984.2	901.3
- unlisted	2.7	4.7
Listed shares	875.4	390.5
Listed investment funds	0.9	687.3
Listed alternative investments	180.9	173.7
Listed derivative financial assets	24.5	23.1
Mortgages	129.5	122.2
Investment property	949.9	759.2
Cash and cash equivalents	93.3	24.1
Other plan assets	1.3	23.7
Total plan assets	**3 242.5**	**3 109.7**

As at 31 December 2023, plan assets do not include any shares issued by Helvetia Holding AG (previous year: CHF 16.2 million). Plan assets do not include any of Helvetia's owner-occupied properties.

14. Share-based payments

14.1 Employees of Helvetia in Switzerland

The employee share purchase plan enables employees to acquire registered Helvetia Holding AG shares. With this plan, employees can directly and voluntarily participate in the added value created by the Group at preferential conditions. All employees of Helvetia in Switzerland are eligible if they are in regular employment (not on notice) and entitled to variable compensation (excl. members of the Executive Management). The number of available shares is based on the function of the employees concerned. All shares acquired in this manner are transferred to the ownership of the employee upon receipt and are subject to a mandatory vesting period of three years. The costs associated with the share purchase plan in 2023 were recognised in the income statement at CHF 1.1 million (previous year: CHF 1.2 million).

14.2 Members of the Board of Directors

The Board of Directors receive 30% of fixed compensation – converted at the average of the 10-day closing price (trading days) of the share calculated backwards from the day of the resolution of the Nomination and Compensation Committee with regard to compensation decisions for the attention of the Board of Directors or Annual General Meeting – in shares blocked for a minimum of three years.

For the 2023 financial year, the Board of Directors received an amount of CHF 0.9 million in blocked shares (previous year: CHF 0.8 million). This corresponds to 6,590 shares at CHF 129.59 (previous year: 6,838 shares at CHF 116.95).

14.3 Members of the Executive Management

The members of the Executive Management receive as part of their variable compensation a long-term share-based compensation component. This is based both on the individual performance of the respective member of the Executive Management and the business success, taking account of financial and non-financial key figures (e.g. ESG). The share-based variable compensation is converted into a specific number of shares and transferred to the member of the Executive Management in the form of shares blocked for five years. The conversion price per share corresponds to the average of the 10-day closing price (trading days) calculated backwards from the day of the resolution of the Nomination and Compensation Committee with regard to the compensation decisions for the attention of the Board of Directors and the Annual General Meeting.

The amount of share-based compensation recognised in profit or loss in 2023 is CHF 2.4 million (previous year: CHF 3.2 million). This comprises the expected shared-based compensation for the 2023 financial year and deferred shares allocated from a previous programme (LTC) that are recognised annually in the income statement on a pro rata basis until the transfer of ownership. In addition, a dedicated provision from previous years was reversed.

For the 2023 financial year, shares to the value of CHF 3.2 million were allocated (previous year: CHF 3.7 million) to the Executive Management subject to approval by the Annual General Meeting. This corresponds to 24,754 shares at a price of CHF 129.59 (previous year: 31,543 shares at CHF 116.95).

14.4 Members of the Executive Management of the market units

The members of the Executive Management teams of the market units receive a variable compensation component in shares from the Group in addition to the local compensation. This is based on the same system as that applied to the Executive Management (section 14.3). This results-based component is paid out in the form of 15,336 shares (previous year: 21,401). The conversion price per share is calculated as described in section 14.3. All shares acquired in this manner are transferred to the ownership of the Executive Management members upon receipt and are subject to a mandatory vesting period of five years. The share-based payments for the 2023 financial year amounted to CHF 2.0 million (previous year: CHF 2.5 million).

15. Related-party transactions

15.1 Transactions with related companies

"Related companies" are the cooperation partners represented on the Board of Directors of Helvetia, i.e. Patria Genossenschaft and the pension funds and all associates of Helvetia. The latter two are discussed in section 13.3 "Defined benefit plans" (page 137 Financial Report) and section 7.7 "Investments in associates" (page 76 Financial Report).

Patria Genossenschaft, Basel, directly holds 34.1 % of the capital of Helvetia Holding AG.

Helvetia Schweizerische Lebensversicherungsgesellschaft AG and Patria Genossenschaft have concluded renewable agreements for capital support. Each of these agreements refer to a specific financial year and they document an undertaking by Patria Genossenschaft to contribute regulatory capital of up to CHF 50 million (previous year: CHF 50.0 million) to Helvetia Schweizerische Lebensversicherungsgesellschaft AG should certain adverse scenarios arise. The agreements will, if needed, be executed at normal market conditions.

The dividend payment to Patria Genossenschaft in the amount of CHF 106.7 million (previous year: CHF 99.4 million) and the contribution of CHF 45 million (previous year: CHF 45 million) from Patria Genossenschaft to Helvetia Schweizerische Lebensversicherungsgesellschaft AG were the only significant transactions in the reporting period.

15.2 Transactions with related persons

"Related persons" include the members of the Board of Directors and Executive Management of Helvetia as well as their close family members (partners and financially dependent children).

15.2.1 Compensation

Members of the Board of Directors and the Group Executive Management or persons closely related to them do not have any significant personal business relationships with Helvetia and also did not bill the Group for any significant fees or remuneration relating to additional services. Where such additional services are compensated, they form an integral part of the total remuneration stated below.

The total compensation paid to the members of the Board of Directors and the Group Executive Management comprises:

as of 31.12.	2023	2022
in CHF		
Salaries and other short-term employee benefits	10 819 870	10 872 465
Variable compensation in shares	3 207 871	3 688 954
Employer contributions to pension funds	3 345 708	3 605 382
Total compensation	**17 373 448**	**18 166 801**

15.2.2 Loans and guarantees

Members of the Executive Management may conclude insurance contracts, loans and other services under the terms and conditions currently in effect for employees.

At the reporting date, a mortgage loan had been granted to the following members of the Executive Management:

- to Beat Müller for CHF 1,170,000 (previous year: 1,170,000). In the reporting year the loan earned interest at 0.81 % (previous year: 0.81 %).

- to David Ribeaud at a total sum of CHF 1,015,000 (previous year: CHF 1,015,000). In the reporting year, the loans earned interest as follows: CHF 595,000 at 0.89% (previous year: 0.89%) as well as CHF 420,000 at 0.95% (previous year: 0.95%).
- to Roland Bentele in the amount of CHF 1,350,000 (previous year: CHF 1,350,000) with 0.80% interest (previous year: 0.80%).

Members of the Board of Directors have no claim to employee conditions.

At the reporting date, there were no loans, credits or guarantees granted to the members of the Board of Directors.

15.2.3 Shares of Group Executive Management

The shares held by the members of the Executive Management and persons closely related to them as of the end of the year are listed in the following table:

as of 31.12.	2023	2022
Number of shares		
Fabian Rupprecht	1754	–
Achim Baumstark	3590	1700
Roland Bentele	3339	1217
Markus Gemperle	13819	10200
Martin Jara	4066	523
André Keller	4447	700
Annelis Lüscher Hämmerli	4213	700
Beat Müller	6303	4350
David Ribeaud	9862	7535

In addition to the ownership of shares as reported, the active members of the Group Executive Management have deferred claims to a total of 18,544 shares (previous year: 37,829 shares) acquired under the LTC programme, which was valid until 2021 and responsible for the long-term share-based component of the variable compensation.

15.2.4 Shares of Board of Directors

The shares held by the members of the Board of Directors and persons closely related to them as of the end of the year are listed in the following table:

as of 31.12.	2023	2022
Number of shares		
Thomas Schmuckli (Chairman)	4736	2709
Hans Künzle (Vice-Chairman)	4264	3481
René Cotting (member)	400	–
Beat Fellmann (member)	4604	4014
Ivo Furrer (member)	2984	2317
Luigi Lubelli (member)	662	200
Gabriela Maria Payer (member)	6739	6072
Andreas von Planta (member)	7049	6459
Regula Wallimann (member)	2971	2379
Yvonne Wicki Macus (member)	200	–

16. Risk management

16.1 Principles of risk management

Helvetia's integrated risk management ensures that all material risks are identified, collected, evaluated and controlled in good time and managed and monitored appropriately. The risks are managed in accordance with the requirements of the relevant stakeholders, upon which the concepts and methods of risk identification, management and analysis are also based.

16.1.1 Risk management organisation

The Board of Directors of Helvetia Holding AG and the Executive Management are the supreme risk owners of Helvetia. The Board of Directors of Helvetia Holding AG is responsible for establishing and maintaining appropriate internal controls and the risk management organisation of Helvetia. It is the Board's responsibility in particular to:

– set risk policy principles that support the development of risk awareness and a risk and control culture in the Group entities;
– define a risk strategy/partial risk strategies that cover the risk management objectives of all essential business activities and are aligned with the business strategy of Helvetia;
– set risk tolerance limits and monitor the risk profile of the Group and the individual business units;
– ensure the implementation and application of a comprehensive risk management approach, including an internal control system, that guarantees the efficient allocation of risk capital and systematic control of risks by the Executive Management;
– ensure appropriate monitoring of the effectiveness of internal control systems by the Executive Management.

Board of Directors

Within the stipulated parameters, the Board of Directors delegates operational aspects of risk management. For example, the monitoring of the Group's risk profile is delegated to the Investment and Risk Committee (IRC). The structural aspects of risk management (structure of the risk management organisation and the internal control system) are delegated to the Audit Committee. The Strategy & Governance Committee is responsible for the corporate governance aspects of risk management as well as for strategy development and strategic planning in the context of which the risk situation is taken into account.

Executive Management

The Executive Management is responsible for implementing and complying with the strategies, business principles and risk limits defined by the Board of Directors, analysing the risk position of Helvetia Group, capital planning, defining the corresponding control measures and ensuring the necessary external transparency. The topics of risk and capital management are addressed in the Executive Management Risk Committee meetings under the direction of the Chief Risk Officer (CRO). Other members of the Executive Management Risk Committee are the Group CEO, Chief Financial Officer (CFO), Chief Investment Officer (CIO) and Head of Actuarial Services.

The Risk Committee, headed by the CRO, advises the Executive Management. It coordinates, monitors and assesses the risk decisions and financing and hedging measures of all business units. Other permanent members of the Risk Committee at Group level are the Group Chief Financial Officer, Chief Financial Officer Switzerland, Head of Treasury & Capital Management, CIO, Head of Actuarial Life, Head of Investment Solutions and Head of Legal & Compliance. Other specialists can be invited to attend Risk Committee meetings when required and depending on the topic. The entire committee meets at least quarterly and it holds regular discussions at monthly meetings. The Risk and Capital Reporting department, which reports to the CRO, ensures that there is sufficient risk and capital transparency:

- The Own Risk and Solvency Assessment (ORSA) report informs the Executive Management and the Board of Directors of the capitalisation and key risks that affect Helvetia (including the risk strategy and management).
- The risk and capital report published quarterly and the corresponding monthly analyses support the Risk Committee and risk owners with detailed information.

Internal Audit

The internal audit unit, an independent in-house team reporting directly to the Chair of the Audit Committee, monitors the course of operations and business, the internal control system and the efficiency of the risk management system of the Group. While the risk controlling functions are responsible for the ongoing monitoring of the Group's risk management system, the internal audit unit monitors the effectiveness, appropriateness and efficiency of the risk management measures at irregular intervals and identifies weaknesses.

16.1.2 Risk management process

The risk management process includes all activities related to the systematic assessment of risks at the Helvetia Group. The key components of this risk management process include the identification, analysis and management of risks, the monitoring of the success, effectiveness and appropriateness of the risk management measures, and reporting and communication. Helvetia distinguishes between the following types of risk that are included in the Group's risk management process: technical risks, market risks (including equity price risk, real estate price risk, interest rate risk, currency risk as well as long-term liquidity risk and other market risks such as inflation risk), medium- and short-term liquidity risks, counterparty risks, operational risks, strategic and emerging risks. Cyber risks represent an important sub-category of operational risks. Reputation risks are not recorded as a separate risk category; instead, their impact is accounted for under operational, strategic and emerging risks. Sustainability risks can arise from environmental, social and governance (ESG) factors. Sustainability risks, including climate change risks, are not viewed as a fundamentally new risk category, but rather as risk drivers, which impact and influence the existing risk landscape.

The market, counterparty and technical risks belong to the traditional risks of an insurance company and are consciously entered into as part of the chosen business strategy. They tie up risk capital in an operational context and can be influenced through the use of hedging instruments, product design, reinsurance cover and other risk management measures. Based on the overall risk profile it is ensured that these risks are constantly covered by the risk-bearing capital. In this regard, the amount of the capital required depends on the risk tolerance limits chosen.

16.2 Technical risks

As an all-lines insurer, Helvetia manages risks in the non-life and life business areas.

The most important non-life segments of Helvetia are property (including technical insurance), casualty insurance (liability, accident, motor vehicle) and transport insurance. Motor vehicle insurance policies represent the largest share of casualty insurance policies. The "Specialty Markets" segment includes the globally active reinsurance business, the international and Swiss technical, transport, aviation, space and art business and the country market France, which is focused on the transport business. This segment also includes part of the business of Helvetia Global Solutions, which has its registered office in Liechtenstein. In contrast, the segments "Switzerland" and "Europe" are basically defined geographically. The share of insurance revenue per country market is as follows: Switzerland 25.6% (previous year: 25.2%), Germany 9.7% (previous year: 10.0%), Italy 7.3% (previous year: 7.7%), Spain 20.8% (previous year: 21.7%), Austria 5.8% (previous year: 5.9%). The share of the "Specialty Markets" segment is 23.3% (previous year: 23.0%), of which 6.5% (previous year: 6.6%) is attributable to the French country market and 8.6% (previous year: 8.5%) to active reinsurance.

The life insurance products include risk and pension solutions and are aimed at private persons (individual life) and companies (group life insurance including active reinsurance). The life insurance business operates primarily in Switzerland, which accounts for 64.5% (previous year: 64.1%) of the insurance revenue of Helvetia's life business. The following table shows the breakdown of revenue by segment and business area. A total of 2.4% (previous year: 3.5%) of the revenue generated in the life business was ceded to reinsurers in 2023. 23.3% (previous year: 19.9%) of this was ceded to Group reinsurance and the rest to external reinsurance companies. 54.6% (previous year 70.3%) of the insurance revenue generated from Group reinsurance was retroceded.

Insurance revenue broken down by segment and business area

as of 31.12.2023	Switzerland	Europe				Specialty Markets	Corporate	Total
in CHF million		Germany	Italy	Spain	Austria			
Non-Life	1 885.7	710.2	534.9	1 531.5	429.3	1 718.1	549.1	6 798.6
Life	1 174.4	69.5	68.7	322.1	43.4	132.8	10.0	1 810.8
Insurance revenue	**3 060.0**	**779.6**	**603.6**	**1 853.6**	**472.7**	**1 850.9**	**559.2**	**8 609.5**

as of 31.12.2022	Switzerland	Europe				Specialty Markets	Corporate	Total
in CHF million		Germany	Italy	Spain	Austria			
Non-Life	1 712.3	676.9	526.0	1 474.1	402.5	1 564.7	439.6	6 347.0
Life	1 161.1	74.2	68.4	395.4	42.9	57.5	12.6	1 799.6
Insurance revenue	**2 873.5**	**751.1**	**594.4**	**1 869.5**	**445.4**	**1 622.3**	**452.2**	**8 146.6**

These tables were created using principles on which the segment reporting in section 3 (from page 53 Financial Report) is based. Group reinsurance is included in the "Corporate" segment and in the "other activities" business area. The role of Group reinsurance is shown in the following sections. The description below of the risks is also relevant for the Group reinsurance business as some of the risks of the non-life business are transferred in the form of reinsurance to the "Corporate" segment so that a centralised transfer can then be made to the reinsurance market.

Insurance revenue by business line

as of 31.12. in CHF million	2023	2022
Non-Life		
Property	2775.7	2484.9
Liability	611.4	628.2
Motor Vehicle	1876.2	1727.8
Transport	752.2	720.3
Accident / Health	618.2	591.9
Engineering	725.2	643.1
Life		
Traditional individual life insurance	513.1	526.3
Investment-linked life insurance	143.0	145.7
Group life insurance	1164.8	1140.2
Effects of consolidation	–570.3	–461.8
Insurance revenue	**8609.5**	**8146.6**

16.2.1 Non-life technical risks

Technical risks in non-life result from the random nature of occurrences of an insured event and the uncertainty regarding the amount of the resulting obligations. In particular, correctly pricing events with a low frequency and very high damages is subject to uncertainty. These events include natural disasters (floods, earthquakes, storms and hail), which are particularly relevant for property insurance and motor vehicle portfolios. They also relate to major losses caused by people (liability, fire and terrorism).

In addition to the prospective risk of a risk premium being too low, there is also the retrospective risk of inadequate provision for known losses or lack of reserves for losses that have occurred but are not yet known. In terms of large risks, there is more uncertainty associated with estimating future claims payments as it can take a longer time to process such claims. In the case of sectors such as liability, a longer period of time can also pass between the occurrence of a loss and it becoming known. The change in such losses can have a major impact on the technical result. For example, a change in the claims ratio of +5 percentage points would have a negative effect of CHF 339.9 million (previous year: CHF 317.4 million) on income before tax. This sensitivity analysis has no direct impact on equity.

Helvetia's active reinsurance considers itself as a co-insurer and usually holds smaller parts of reinsurance contracts. This policy of small holdings, combined with broad diversification (geographical and by insurance segment), leads to a balanced reinsurance portfolio.

Helvetia designs its business processes in accordance with the principle of commercial prudence. This assumes that the risks are adequately identified, assessed, monitored and controlled and reported and can be duly taken into account for the assessment of the capital requirements. Helvetia counters prospective and retrospective risks with actuarial controls, needs-based reserves and diversification. Helvetia's consistent focus on a portfolio that is well diversified geographically and across sectors promotes risk-balancing and reduces the risks described above. Helvetia controls the technical risks through a risk-adjusted rate schedule, selective underwriting, proactive claims settlement and a prudent reinsurance policy. The underwriting ensures that the risks entered into meet the necessary quality criteria in terms of type, exposure, customer segment and location. In order to cover existing liabilities that are still to be claimed by policyholders, Helvetia establishes reserves for incurred but not reported claims. These are calculated using actuarial methods on the basis of many years of claims experience, taking into account current developments and existing uncertainties.

Loss reserves are determined using actuarial methods based on many years of claims experience and taking account of current trends and developments. The assumptions used in determining the loss reserves have not changed materially in this reporting year.

The following table sets out the development of loss reserves for the previous ten years.

Claims settlement

Year of loss occurrence	until and with 2013	2014	2015
in CHF million			
At end of accident year		2 614.1	2 569.2
One years later		2 468.6	2 549.9
Two years later		2 314.3	2 407.2
Three years later		2 157.8	2 324.7
Four years later		2 114.9	2 251.3
Five years later		2 090.5	2 728.3[1]
Six years later		2 567.9[1]	2 713.1
Seven years later		2 519.3	2 706.1
Eight years later		2 518.8	2 713.3
Nine years later		2 516.3	–
Undiscounted gross liabilities	850.0	71.2	100.1
Elimination intercompany transactions			
Effect of discounting claims			
Receivables / payables			
Claim handling costs			
Risk Adjustment			
Liabilities for incurred claims (gross)			

[1] Effects of the acquisition of Caser in 2020

The table above regarding the claims settlement in non-life business shows that, after taking into consideration the effects from earlier acquisitions:

- Sufficient provisions are raised at an early stage to cover all existing technical liabilities.
- The fluctuation of the annual claims incurred is small overall for the well-diversified portfolio even before reinsurance.

2016	2017	2018	2019	2020	2021	2022	2023	Total
2 422.5	2 547.4	2 634.5	2 787.5	3 871.7[1]	4 440.8	4 462.7	5 536.4	
2 314.8	2 520.7	2 668.5	3 320.7[1]	3 865.1	4 437.4	4 506.4	–	
2 210.9	2 483.1	3 207.7[1]	3 415.4	3 701.9	4 291.2	–	–	
2 153.3	3 008.6[1]	3 230.5	3 393.1	3 678.6	–	–	–	
2 599.2[1]	2 986.1	3 208.8	3 338.3	–	–	–	–	
2 583.9	2 987.9	3 187.3	–	–	–	–	–	
2 580.1	2 976.1	–	–	–	–	–	–	
2 576.5	–	–	–	–	–	–	–	
–	–	–	–	–	–	–	–	
–	–	–	–	–	–	–	–	
114.7	144.8	210.4	324.8	533.8	781.6	1 307.5	2 945.5	7 384.4
								–776.6
								–425.5
								91.8
								223.7
								304.8
								6 802.5

Group reinsurance

Despite the balancing of risks through diversification, individual risk clusters (e.g. in the form of individual large risks) or risk accumulations (e.g. via cross-portfolio exposure to natural disasters) may occur. These types of potential risks are monitored throughout the Group and hedged in a coordinated manner by means of treaty reinsurance contracts. Facultative reinsurance contracts are taken out for individual large risks not covered under the treaty reinsurance contract. Treaty reinsurance contracts are coordinated by the Group reinsurance business unit as part of Helvetia Schweizerische Versicherungsgesellschaft AG and usually centrally placed in the reinsurance market. In its role as Group reinsurer, Group Reinsurance ensures that the individual primary insurance units have the appropriate treaty reinsurance protection and transfers the risks assumed, taking account of diversification, in the reinsurance market. This centralisation leads to the application of uniform Group-wide reinsurance standards, particularly in relation to the hedging level, as well as synergies in the reinsurance process. Based on the Group's risk appetite and the state of the reinsurance markets, Group reinsurance ensures efficient use of existing risk capacity at Group level and provides optimum management of the purchase of reinsurance protection.

The technical insurance risks in the non-life business are significantly affected by natural hazards. Except in very rare cases (1-in-250 year event), the reinsurance protection limits the claims remaining from a natural disaster or individual risk at Group level to a maximum of CHF 110.0 million (previous year: CHF 100.0 million). If multiple large loss events accumulate in the same year, the cumulative loss from these events over the financial year may exceed CHF 110 million. The reinsurance is incremental per risk and event by means of a proportional and non-proportional reinsurance. For more information about the quality of reinsurance and claims settlement, please see sections 16.5 "Counterparty risks" (from page 165 Financial Report) and 9 "Insurance business" (from page 82 Financial Report). In the current year, 14.7% (previous year: 13.4%) of the insurance revenue generated in the non-life business was ceded to reinsurers. 51.2% (previous year: 48.5%) was ceded to Group reinsurance and the rest directly to external reinsurance companies. 47.1% (previous year: 48.4%) of the insurance revenue generated from Group reinsurance was retroceded.

16.2.2 Life technical risks

Traditional individual life insurance and investment-linked life insurance

Helvetia offers private individuals pure risk insurance, savings insurance and endowment insurance, annuity insurance and investment-linked products. Depending on the product, premiums are paid as single or regular premiums. Most of the products include a discretionary participation feature, although some countries regulate the minimum amount of profit participation to be credited to the customer. Traditional individual life insurance accounts for 28.2% (previous year: 29.0%) of the revenue of Helvetia's life business. Investment-linked life insurance (index and unit-linked products) contributed 7.9% (previous year: 8.0%).

Most of the products include a premium guarantee, which means that the bases for mortality, disability, interest rates and costs used in the premium calculation are guaranteed. These bases are therefore carefully fixed at the time the insurance policy is concluded. If later developments are better than expected, profits accrue which are partially returned to the customer in the form of a participation feature. The following important exceptions apply to the guaranteed bases: As a rule, there are no interest guarantees for unit-linked insurances. However, there may be some products that guarantee the payment of a minimum survival benefit. In Switzerland, premiums for insurance policies for disability pensions are not guaranteed for policies underwritten since mid-1997, and may be adjusted. In Germany, the premiums can also be adjusted for the portfolio in clearly defined exceptional cases on the basis of the Insurance Contract Act. Premium adjustments for the portfolio are also possible in Spain, albeit only for risk insurance.

Group life insurance

Group life insurance accounts for 64.0% (previous year: 62.9%) of the revenue from Helvetia's life business, with most of the revenue coming from Switzerland. Group life insurance policies from Europe and from assumed reinsurance also contribute to the revenue volume to a lesser extent. In the active reinsurance segment, biometric risks, in particular, are hedged by third-party direct insurers.

In future, group life insurance will only refer to occupational pension plans in Switzerland, as the characteristics of the other group life insurance products are very similar to individual insurance. In Switzerland, under the Occupational Pensions Act (BVG) companies are obliged to insure their employees against the following risks: death, disability and age. Helvetia Switzerland offers products that cover these risks. Most of these products include a discretionary participation feature whose minimum amount is statutorily or contractually prescribed.

For the majority of the products there is no guaranteed rate for the risk premiums for death and disability or for the cost of premiums. These premiums may therefore be adjusted annually by Helvetia Switzerland. Upon the occurrence of an insured event, the resulting benefits are guaranteed up to the agreed expiry date or for life. Interest is credited annually on the savings premiums. The interest rate for the mandatory investment component is established by the Federal Council, while Helvetia itself can set the rate for the non-mandatory investment component. The mandatory interest rate has been 1.00% since 2017 and will be increased to 1.25% for the coming year. The interest rate set by Helvetia for the non-mandatory component has been 0.25% since 2017 and will remain unchanged for the coming year.

When policyholders reach retirement age they may choose to have the retirement capital paid out as a lump sum or converted into a pension. The conversion of the mandatory investment component is carried out at the government-mandated BVG conversion rate, while the conversion rate on the extra-mandatory investment component is determined by Helvetia. After conversion, the pensions and any resulting survivors' benefits are guaranteed for life.

Statutory regulations stipulate for the majority of products that a minimum of 90% of revenue must be used for the benefit of the customer. For example, a portion of the capital gains above the guaranteed minimum interest rate must be returned to the customer in the form of policyholder dividends. For most products for which this statutory provision does not apply there are similar provisions in the contractual agreements with customers.

Risk management and sensitivity analysis

Helvetia designs its business processes in accordance with the principle of commercial prudence. This assumes that the risks can be adequately assessed, evaluated, monitored and controlled. Helvetia uses a variety of actuarial methods to monitor existing and new products with regard to underwriting policy, reservations and risk-adjusted pricing. Retrospective methods compare initial expectations with actual developments. Prospective methods allow the impact of new trends to be recognised and analysed early on. For example, socioeconomic changes such as demographic change, the consequences of epidemics and pandemics and health risks, resulting from changes to lifestyle habits, are taken into account where possible. Most of those calculations integrate the analysis of parameter sensitivities in order to monitor the effects of adverse developments in investment returns, mortality, morbidity risks, cancellation rates and other parameters. Taken together, they therefore provide an effective set of instruments with which to address developments actively and in good time. If a certain risk takes a worse than expected course, the participation feature is usually the first to be reduced in most of the products. If it appears that a product no longer has a sufficient safety margin, the premiums are adjusted for new business or, if allowed, for the portfolio.

In individual life, an insurance policy which includes death or mortality risk may under normal conditions be underwritten only on the condition of good health. The application review uses a health questionnaire, and from a certain level of risk, is supplemented by a medical examination.

For the mandatory component of the insurance policy, it is forbidden to exclude someone from a company's insurance on account of ill health. However, certain benefits may be excluded in the non-mandatory part, or a premium for the increased risk may be required. However, there is no obligation to insure a company. On the basis of benefits previously claimed by the company and based on estimates of future claims potential, it is established during the underwriting process whether and under what conditions the company will be insured.

Peak risks at the level of individual policyholders are transferred to various reinsurers, with the deductible varying by country. In addition, Helvetia Switzerland, Caser and Helvetia Spain and, for some specific risks, Helvetia Italy are reinsured against catastrophic events that may concurrently cause several casualties or claim several lives.

Helvetia recognises reserves for its life insurance business in accordance with the principles of IFRS 17 in order to cover the expected disbursements. The level of these reserves is estimated on the basis of past and current circumstances as well as expected future developments and depends on the interest rates applied, actuarial parameters and other influencing factors (best estimate of cash flows). The development of these parameters is subject to uncertainties, for which an additional provision (risk adjustment) is formed for technical risks that cannot be hedged. Economic assumptions are expected values that are derived based on the conditions of the financial markets or macroeconomic parameters. These are primarily discount rates, including illiquidity premiums, economic scenarios for stochastic modelling, inflation and capital cost parameters. All known information, including historical experience and trends, are taken into account when determining the future development of non-economic assumptions, such as assumptions relating to costs, cancellation rates and biometric assumptions. They are reviewed on at least an annual basis and adjusted where necessary. An adjustment of the technical assumptions results in changes to the best estimate of cash flows and risk adjustment in the consolidated financial statements. These adjustments are reflected in the balance sheet as an increase or reduction in the contractual service margin (CSM) and are only realised upon being earned over the term of the contract.

Helvetia performs an analysis of changes in liabilities between two consecutive balance sheet dates, whereby the maturities of cash flows, the effects of the time value of money, deviations of the actually observed values from expectations and the adjustment of assumptions are presented and analysed in a structured manner.

The following sensitivity analysis examines the effects of deflections of non-economic parameters on CSM and income before taxes. Equity is not directly affected by these sensitivities. It should be noted, however, that sensitivities do not normally exhibit linear behaviour, so extrapolations are not possible. Various influencing factors and sensitivities are presented individually below and summarised in a table.

Mortality and longevity risks

The portfolio of Helvetia includes insurance contracts that are exposed to higher mortality and others that are exposed to longevity. The first group includes, for example, risk or capital life insurance, while the second group includes annuity insurance.

If, in the portfolios exposed to greater mortality, more policyholders die than expected, shareholders may suffer losses once the buffer of profit participation has been exhausted. If, in the portfolios exposed to longevity, policyholders live longer than expected, shareholders may have to bear losses. When setting up reserves, the current mortality rate as well as, in particular, expected trends of the increase in life expectancy are taken into account. These reserves of portfolios exposed to longevity are sensitive to assumed life expectancies. The table below shows the effects of an increase in mortality on the overall portfolio.

Pension options with guarantees, partially also mandatory conversion rates, included in the products represent an additional risk. In particular, the high mandatory BVG conversion rate in the group life insurance in Switzerland brought about expected losses. The proportion of policyholders who receive a pension at retirement and do not withdraw the capital as well as the conversion rates are monitored and included in the calculation of the provisions.

Invalidity risk

Losses for the shareholders may arise if more active members than expected become disabled or fewer disabled policyholders than expected are able to return to work and the participation feature is not sufficient to absorb such deviations. Here, the parameters of disability and the reactivation rate are analysed in detail.

Cost risk

Shareholders may incur losses if the costs included in the premiums and provisions are insufficient to cover the costs incurred.

Cancellation risk

Depending on the type of contract, higher or lower cancellation rates may result in losses for the shareholder. Overall, the actuarial calculations of all Helvetia life insurance units include safety margins in this respect.

Life technical sensitivities

as of 31.12.2023 in CHF million	Deflection	CSM	Income before tax
Life			
Mortality	+1%	–1.8	2.0
Disability	+5%	–3.0	–0.6
Reactivation rate	–10%	–4.6	–0.8
Costs	+5%	2.5	–0.5
Cancellation	+5%	–50.3	8.2

as of 31.12.2022 in CHF million	Deflection	CSM	Income before tax
Life			
Mortality	+1%	–2.6	1.8
Disability	+5%	–2.3	–0.5
Reactivation rate	–10%	–4.3	–0.9
Costs	+5%	0.8	–0.6
Cancellation	+5%	–47.5	8.0

Interest rate risk

Shareholders may incur losses if the guaranteed interest included in the premiums and provisions are not reached. This could happen if, for example, interest rates remain very low in the long term. To counteract such developments, both the technical interest rate for new contracts in individual insurance and the BVG minimum interest rate for new and existing contracts are adjusted to the new interest rate. At the end of 2023, the highest guaranteed interest rate in individual insurance was in Spain, where older policies still include a guaranteed minimum interest rate of up to 6%. These guarantees are partly covered by corresponding investments and the residual risk is reflected in the provisions. In the other countries the maximum guaranteed return is 4.0% in EUR and 3.5% in CHF. Rising interest rates could cause a greater number of endowment contracts to be cancelled. However, as in most countries premature contract terminations are associated with significant tax consequences and products with high interest rate sensitivity are usually subject to a deduction to take account of lower fair values of the underlying investments when the contract is terminated, this risk can be considered low.

In group life insurance, there are long-term interest rate guarantees on provisions for current benefits. The BVG minimum interest rate on the mandatory savings of policyholders is set annually by the Swiss Federal Council. Rising interest rates may also lead to increased policy cancellations in group insurance and thus to losses. Since 2004, no deductions can be made from nominally defined surrender values to take into account the fact that the fair value of the corresponding fixed-income investments may be below the (local) carrying value for contracts that have been part of Helvetia's insurance portfolio for more than five years.

Please see section 16.3.1 (from page 155 Financial Report) on the effect of a change in interest rates on equity and the income statement.

Summary

In summary, it can be stated that although there is a variety of different product-specific risks in life insurance, these risks are monitored by Helvetia using a number of actuarial methods and, where necessary, taken into account with parameter and model adjustments.

16.3 Market risks

As at 31 December 2023, Helvetia managed investments totalling CHF 51.9 billion (previous year: CHF 51.2 billion).

The most important market risks to which Helvetia is exposed are interest rate risk, share price risk and exchange rate risk. Helvetia is also exposed in the real estate market thanks to a significant proportion of real estate in its investment portfolio. The exposure to the real estate market is actively managed as part of the investment strategy, with the majority of Helvetia's real estate portfolio being located in Switzerland, particularly in the Swiss residential real estate segment.

Market risks affect the income statement and both the asset and the liability side of the balance sheet. Helvetia largely manages its real estate, mortgages and securities on its own. External providers mainly manage assets invested in convertible bonds and private debt. Savings accumulated in unit-linked policies are invested in a wide range of own and third-party funds, equities and bonds. The market risks associated with these funds lie with Helvetia's insurance customers.

Helvetia has established a process to ensure that all assets are invested in accordance with the principle of commercial prudence. This means that Helvetia only invests in assets and instruments whose risks can be adequately assessed, monitored and controlled. Market risks are controlled via the investment strategy and, if necessary, reduced by the use of derivative hedging instruments. Foreign currency risks are currently hedged in this way and the risk of losses on equity investments controlled. In Helvetia's own funds, the balance sheet currency exposure is hedged by a net investment hedge. The risk of losses on equities is kept under control by exposure limits and option hedges. The foreign currency exposure is largely hedged by forward contracts.

The risk-bearing capacity is determined via the strategic asset allocation and exposure limits. The Investment & Risk Committee monitors and manages Helvetia's investment risks. The appropriate procedures, methods and indicators have been established for this purpose. Priority is given here to the concept of asset and liability management (ALM). The investment strategy is defined annually and reviewed quarterly at Board of Directors level. Ongoing monitoring is performed via a reporting system.

16.3.1 Interest rate risk

Helvetia's earnings are impacted by changes in interest rates. Lower interest rates reduce the income from fixed-income investments in securities and mortgages. Conversely, returns increase when interest rates rise. Information on current investment returns is provided in section 7.1 (from page 68 Financial Report).

Both the amount of technical liabilities and the value of most of Helvetia's investments depend on the level of interest rates. In general, the higher the interest rate, the lower the present value of assets and liabilities. The extent of this change in values depends, among other things, on the time pattern of cash flows. To manage the volatility of the net positions (difference between assets and liabilities, i.e. "AL mismatch"), the Group compares the maturities of cash flows arising from liabilities with those arising from assets, and analyses them to ensure that the maturities are matched. The risk derived from this is managed as part of the ALM process. To this end, the risk capacity on the one hand and the ability to fund the guaranteed benefits or to generate surpluses on the other hand are brought into balance.

Maturity profile of financial assets and insurance and reinsurance contracts

as of 31.12.2023	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Without maturity	Total
in CHF million								
Financial assets at amortised cost	828.8	81.9	52.1	87.6	35.8	143.7	50.7	1 280.7
Financial assets at fair value through OCI	1 589.9	1 728.6	2 004.2	2 065.9	2 136.7	18 234.9	46.6	27 806.8
Financial assets at fair value through P&L - designnated	627.2	551.4	799.4	527.9	322.5	1 730.4	101.3	4 660.1
Financial assets mandatorily at FVTPL	339.6	206.2	142.2	157.5	122.1	399.5	9 085.8	10 453.0
Total financial assets	**3 385.5**	**2 568.1**	**2 998.0**	**2 838.9**	**2 617.2**	**20 508.5**	**9 284.4**	**44 200.7**
Net cash flows of insurance and reinsurance contracts	**–4 788.3**	**–2 302.0**	**–1 856.3**	**–1 716.2**	**–1 729.6**	**–29 768.6**	**–**	**–42 160.9**

as of 31.12.2022	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Without maturity	Total
in CHF million								
Financial assets at amortised cost	894.2	59.0	64.3	37.6	100.6	155.1	37.1	1 347.9
Financial assets at fair value through OCI	1 585.3	1 626.7	1 839.9	1 947.8	2 065.2	18 044.1	3.4	27 112.4
Financial assets at fair value through P&L - designnated	525.1	478.3	564.8	747.6	559.0	1 519.3	56.3	4 450.4
Financial assets mandatorily at FVTPL	208.9	29.5	6.9	28.3	68.9	122.2	9 852.3	10 317.0
Total financial assets	**3 213.5**	**2 193.5**	**2 475.9**	**2 761.2**	**2 793.7**	**19 840.8**	**9 949.2**	**43 227.8**
Net cash flows of insurance and reinsurance contracts	**–4 376.5**	**–2 199.2**	**–1 809.1**	**–1 585.8**	**–1 583.2**	**–29 688.0**	**–**	**–41 241.9**

Interest rate sensitivities

as of 31.12.2023	CSM		Total equity		Income before tax	
in CHF million	+50 bp	−50 bp	+50 bp	−50 bp	+50 bp	−50 bp
Insurance and reinsurance contracts	−36.2	36.6	1 072.7	−1 149.7	127.4	−135.7
Financial instruments	–	–	−1 132.6	1 210.4	−127.7	136.3
Total	**−36.2**	**36.6**	**−59.9**	**60.8**	**−0.2**	**0.6**

as of 31.12.2022	CSM		Total equity		Income before tax	
in CHF million	+50 bp	−50 bp	+50 bp	−50 bp	+50 bp	−50 bp
Insurance and reinsurance contracts	−18.6	14.7	1 048.0	−1 122.6	121.5	−128.7
Financial instruments	–	–	−1 096.9	1 170.2	−121.6	128.4
Total	**−18.6**	**14.7**	**−48.9**	**47.6**	**−0.1**	**−0.4**

The table above analyses the impact of a change in the interest rate on Helvetia's contractual service margin (CSM), equity and income before tax and assuming all other variables remain constant.

The analysis included financial assets measured at fair value through profit or loss (FVTPL) and those classified at fair value through other comprehensive income (FVOCI), derivatives and liabilities from insurance and reinsurance contracts.

A "reasonable possible change" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible interest rate changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

16.3.2 Share price risk

Investments in equities are used to generate long-term surpluses. Investments are made primarily in large-caps traded on the major stock exchanges. Helvetia has a broadly diversified portfolio (mainly equities traded on the stock exchanges in Switzerland, Europe and the US). The share of each item of the total equity portfolio (direct investment) is generally below 7.0%. The market risk of the equity portfolio is constantly monitored and, if necessary, reduced by sales or the use of hedging instruments in order to meet the strict internal requirements for risk capacity.

Market risks are mitigated by exposure limits and hedging strategies. In some portfolios, out-of-the-money put options are also used. Direct investments in equities represent 5.0% (before hedging) of financial assets. In addition, the risk of loss for underlying positions in directly participating contracts is largely borne by policyholders.

Share price risk sensitivities

as of 31.12.2023	CSM		Total equity		Income before tax	
in CHF million	+10%	–10%	+10%	–10%	+10%	–10%
Insurance and reinsurance contracts	35.1	–38.6	–476.3	442.7	–476.3	443.7
Financial instruments	–	–	541.8	–506.7	537.4	–502.3
Total	**35.1**	**–38.6**	**65.5**	**–64.0**	**61.1**	**–58.6**

as of 31.12.2022	CSM		Total equity		Income before tax	
in CHF million	+10%	–10%	+10%	–10%	+10%	–10%
Insurance and reinsurance contracts	42.5	–42.5	–396.6	346.9	–396.1	347.1
Financial instruments	–	–	467.5	–408.7	467.2	–408.3
Total	**42.5**	**–42.5**	**71.0**	**–61.7**	**71.0**	**–61.2**

The above table analyses the effects of a change in the share price on Helvetia's CSM, equity and income before taxes. The analysis included directly held equity investments, derivatives, equity funds, some of the mixed funds and liabilities from insurance and reinsurance contracts in the life business. The "look through" principle was used for significant holdings in mixed funds. Due to the contractually defined dividend participation feature, the value of technical liabilities in the life business is sensitive to changes in share prices.

A "reasonable possible change" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible share price changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

16.3.3 Exchange rate risk

Most of Helvetia's assets, including its investments, as well as most liabilities, are denominated in CHF and EUR. Except for the Swiss business, liabilities are largely hedged through investments in matching currencies. For return and liquidity reasons, investments in the Swiss business are made both in CHF-denominated and foreign-currency-denominated assets in order to cover the CHF liabilities. The resulting exchange rate risk is generally largely hedged within the internally defined limits. This is carried out via foreign exchange forward contracts for EUR, USD and GBP against the Swiss franc.

Exchange rate sensitivities

as of 31.12.2023	CSM		Total equity		Income before tax	
in CHF million	+5%	–5%	+5%	–5%	+5%	–5%
EUR / CHF						
Insurance and reinsurance contracts	58.7	–57.0	–680.2	678.4	–8.6	8.7
Financial instruments	–	–	810.2	–810.2	–3.1	3.0
Total	**58.7**	**–57.0**	**130.0**	**–131.8**	**–11.7**	**11.7**
USD / CHF						
Insurance and reinsurance contracts	4.8	–4.4	–92.6	92.2	–77.8	77.8
Financial instruments	–	–	124.9	–124.9	99.9	–99.9
Total	**4.8**	**–4.4**	**32.3**	**–32.8**	**22.1**	**–22.1**

as of 31.12.2022	CSM		Total equity		Income before tax	
in CHF million	+5%	–5%	+5%	–5%	+5%	–5%
EUR / CHF						
Insurance and reinsurance contracts	52.6	–52.6	–665.5	665.5	–6.3	6.3
Financial instruments	–	–	821.1	–821.1	–1.9	1.9
Total	**52.6**	**–52.6**	**155.5**	**–155.5**	**–8.2**	**8.2**
USD / CHF						
Insurance and reinsurance contracts	3.3	–3.2	–62.4	62.4	–65.8	65.8
Financial instruments	–	–	109.4	–109.4	96.9	–96.9
Total	**3.3**	**–3.2**	**47.0**	**–47.0**	**31.1**	**–31.1**

The preceding table analyses the effects of a change in exchange rates on the CSM, equity and income before taxes. In accordance with IFRS requirements, only the monetary financial instruments and liabilities from insurance and reinsurance contracts in non-functional currencies and derivative financial instruments were included in the evaluation.

A "reasonable possible change" in the risk factors affecting the sensitivity analysis is defined as every symmetrical bracket that covers a range of possible exchange rate changes where the probability of it occurring over a period of one year is between 10% and 90%. Sensitivities are shown for the borders of the chosen bracket that meets these conditions.

Consolidated foreign currency balance sheet 2023

as of 31.12.2023	CHF	EUR	USD	Others	Total
in CHF million					
Assets					
Goodwill and other intangible assets	922.2	648.0	0.0	–	1 570.2
Property and equipment	468.1	619.7	0.4	0.0	1 088.3
Investments in associates	27.4	62.6	–	–	90.0
Investment property	6 873.2	719.9	–	–	7 593.1
Financial assets	20 634.8	18 184.7	5 152.3	228.8	44 200.7
Insurance contract assets	1.2	13.3	–	–	14.5
Reinsurance contract assets	369.9	359.3	214.0	29.0	972.2
Current and deferred tax assets	40.5	98.3	0.3	–	139.1
Assets held-for-sale	327.0	11.6	–	–	338.6
Other assets	312.6	608.1	12.5	127.5	1 060.7
Accrued investment income	102.0	126.2	26.9	0.8	255.8
Cash and cash equivalents	1 058.1	640.2	142.7	51.9	1 892.9
Total assets	**31 137.1**	**22 091.8**	**5 549.2**	**438.0**	**59 216.1**
Liabilities					
Employee benefit obligations	102.2	261.5	–	0.6	364.3
Insurance contract liabilities	31 201.5	14 126.5	1 461.9	660.8	47 450.7
Reinsurance contract liabilities	7.9	47.8	–	–	55.7
Financial liabilities from investment contracts	557.7	726.7	–	–	1 284.4
Financial liabilities from financing activities	921.0	1 195.6	178.3	0.0	2 294.9
Other financial liabilities	781.3	244.6	80.5	13.0	1 119.4
Current and deferred tax liabilities	246.2	164.6	0.0	0.0	410.8
Other liabilities related to insurance business	874.8	44.0	2.2	0.5	921.5
Non-technical provisions	102.3	51.3	–	–	153.6
Other liabilities and accruals	711.1	423.5	–69.4	–20.5	1 044.8
Total liabilities	**35 505.9**	**17 286.2**	**1 653.5**	**654.5**	**55 100.1**

Consolidated foreign currency balance sheet 2022

as of 31.12.2022	CHF	EUR	USD	Others	Total
in CHF million					
Assets					
Goodwill and other intangible assets	975.7	658.3	0.0	–	1 633.9
Property and equipment	444.8	609.5	0.3	0.0	1 054.5
Investments in associates	26.3	60.3	–	–	86.6
Investment property	7 071.8	815.7	–	–	7 887.5
Financial assets	19 270.4	18 519.5	5 163.2	274.6	43 227.8
Insurance contract assets	–	–	–	–	–
Reinsurance contract assets	263.4	347.1	183.6	17.6	811.7
Current and deferred tax assets	44.0	75.1	0.7	–	119.7
Assets held-for-sale	318.8	–	–	–	318.8
Other assets	–9.3	544.9	7.4	104.3	647.3
Accrued investment income	99.6	126.4	25.9	0.6	252.5
Cash and cash equivalents	637.1	698.6	91.4	32.9	1 460.0
Total assets	**29 142.6**	**22 455.3**	**5 472.5**	**430.0**	**57 500.4**
Liabilities					
Employee benefit obligations	91.3	261.2	–	0.6	353.1
Insurance contract liabilities	30 437.3	13 960.8	1 281.7	590.0	46 269.9
Reinsurance contract liabilities	–	46.5	–	–	46.5
Financial liabilities from investment contracts	358.2	752.7	0.0	–	1 111.0
Financial liabilities from financing activities	954.4	1 281.6	147.9	0.0	2 384.0
Other financial liabilities	674.6	167.6	54.4	–	896.6
Current and deferred tax liabilities	236.0	150.3	0.1	0.0	386.4
Other liabilities related to insurance business	885.2	43.0	0.6	–0.8	928.1
Non-technical provisions	92.6	51.1	–	–	143.7
Other liabilities and accruals	347.6	412.6	–20.6	–10.5	729.0
Total liabilities	**34 077.2**	**17 127.5**	**1 464.1**	**579.4**	**53 248.1**

16.4 Liquidity risk

Helvetia monitors its assets and liabilities with regard to liquidity and liquidity risks. The proportion of liquid assets (cash and cash equivalents, premiums to be invested, liquid equities and interest-bearing securities) exceeds the volume of annual net cash flows many times over, meaning that even unforeseen cash outflows can be covered at any time. A portion of Helvetia's investment portfolio consists of investments that are not traded in liquidity, such as real estate or mortgages. These investments can only be realised over an extended period of time.

Maturity analysis of insurance contracts and reinsurance contracts

as of 31.12.2023	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Total
in CHF million							
Expected cash flows (net):							
of insurance contracts	–5 463.9	–2 380.7	–1 897.4	–1 734.5	–1 738.5	–29 753.2	–42 968.2
of reinsurance contracts held	675.6	78.8	41.1	18.3	8.9	–15.4	807.3
Expected cash flows (net)	**–4 788.3**	**–2 302.0**	**–1 856.3**	**–1 716.2**	**–1 729.6**	**–29 768.6**	**–42 160.9**

as of 31.12.2022	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Total
in CHF million							
Expected cash flows (net):							
of insurance contracts	–4 931.3	–2 258.1	–1 840.0	–1 604.2	–1 591.0	–29 680.7	–41 905.2
of reinsurance contracts held	554.8	58.9	30.9	18.4	7.7	–7.4	663.4
Expected cash flows (net)	**–4 376.5**	**–2 199.2**	**–1 809.1**	**–1 585.8**	**–1 583.2**	**–29 688.0**	**–41 241.8**

The above figures differ from the amounts reported in the balance sheet, as the risk adjustment and CSM are not taken into account.

Maturity profile of financial liabilities and other liabilities (excluding derivative instruments)

as of 31.12.2023	Callable at any time	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Without maturity	Total
in CHF million									
Financial liabilities from investment contracts	1 284.4	–	–	–	–	–	–	–	1 284.4
Financial liabilites from financing activities	–	302.3	204.7	298.7	508.9	26.9	901.6	302.6	2 545.7
Other liabilities from insurance business	136.6	785.0	–	–	–	–	–	–	921.5
Other financial liabilities and other liabilites	6.5	938.8	12.9	11.4	10.6	7.7	15.7	87.3	1 090.9
Total	**1 427.4**	**2 026.0**	**217.6**	**310.2**	**519.5**	**34.6**	**917.3**	**389.9**	**5 842.5**

as of 31.12.2022	Callable at any time	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	> 5 years	Without maturity	Total
in CHF million									
Financial liabilities from investment contracts	1 111.0	–	–	–	–	–	–	–	1 111.0
Financial liabilites from financing activities	–	85.0	290.3	202.1	299.1	538.4	991.6	302.6	2 709.0
Other liabilities from insurance business	161.3	766.8	–	–	–	–	–	–	928.1
Other financial liabilities and other liabilites	6.2	813.9	11.3	5.7	4.4	5.7	19.9	68.7	935.9
Total	**1 278.5**	**1 665.7**	**301.6**	**207.8**	**303.5**	**544.1**	**1 011.5**	**371.3**	**5 683.9**

The above figures may differ from the amounts reported in the balance sheet, as these represent undiscounted cash flows. The allocation of financial liabilities and other liabilities to the category "callable at any time" is based on the counterparty's contractual cancellation right. The majority of these contracts can be terminated both in life and in non-life business within one year at the latest.

Maturity schedule of derivative financial instruments

as of 31.12.2023	Fair value	Maturity of non-discounted flows of funds			
		< 3 months	3–6 months	6–12 months	> 1 year
in CHF million					
Derivative financial assets:					
Interest rate swaps	16.2				
Inflow		2.4	0.8	2.3	7.5
Outflow		–0.3	–0.2	–2.4	–4.3
Forward exchange transactions	195.1				
Inflow		3 653.9	715.9	262.7	314.1
Outflow		–3 538.1	–688.5	–262.2	–297.8
Other (excercise not planned)	267.3				
Derivatives for hedge accounting	168.5				
Inflow		103.5	267.9	63.3	902.7
Outflow		–95.2	–246.2	–58.5	–847.3
Derivative financial assets	**647.1**	**126.2**	**49.7**	**5.2**	**74.9**
Derivative financial liabilities:					
Interest rate swaps	87.1				
Inflow		16.1	16.2	34.5	520.5
Outflow		–13.2	–27.5	–33.4	–606.6
Forward exchange transactions	25.4				
Inflow		852.2	56.5	–	32.9
Outflow		–832.8	–55.8	–	–32.5
Other (excercise not planned)	166.8				
Derivatives for hedge accounting	–				
Inflow		–	–	–	–
Outflow		–	–	–	–
Derivative financial liabilities	**279.3**	**22.3**	**–10.6**	**1.2**	**–85.7**

as of 31.12.2022	Fair value	Maturity of non-discounted flows of funds			
		< 3 months	3–6 months	6–12 months	> 1 year
in CHF million					
Derivative financial assets:					
Interest rate swaps	24.1				
Inflow		8.6	2.4	15.5	69.7
Outflow		–2.8	–1.1	–18.8	–49.7
Forward exchange transactions	152.7				
Inflow		–400.8	593.9	889.8	1 124.3
Outflow		427.8	–563.9	–891.4	–1 120.2
Other (excercise not planned)	167.3				
Derivatives for hedge accounting	55.7				
Inflow		536.1	432.0	55.8	415.6
Outflow		–524.2	–426.3	–53.7	–413.8
Derivative financial assets	**399.8**	**44.7**	**37.0**	**–2.9**	**25.9**
Derivative financial liabilities:					
Interest rate swaps	75.9				
Inflow		13.2	13.4	26.9	588.4
Outflow		–8.8	–3.9	–26.1	–668.6
Forward exchange transactions	31.7				
Inflow		–217.9	–722.1	–904.1	–48.3
Outflow		231.1	734.5	927.9	49.4
Other (excercise not planned)	62.1				
Derivatives for hedge accounting	–				
Inflow		–	–	–	–
Outflow		–	–	–	–
Derivative financial liabilities	**169.7**	**17.6**	**21.9**	**24.6**	**–79.1**

16.5 Counterparty risks

Counterparty risks include default risks and risks of changes in value. The default risk refers to the possibility of the insolvency of a counterparty, while the risk of changes in value represents the possibility of a financial loss due to a change in the creditworthiness of a counterparty or a change in credit spreads in general. The risk of counterparties failing to meet their obligations is continuously monitored. To minimise counterparty risk, Helvetia defines lower limits with regard to the creditworthiness of the counterparty and limits the exposure per counterparty. Helvetia recognises expected credit losses as an impairment in its financial reporting in accordance with the principles of IFRS 9.

16.5.1 Risk exposure

Helvetia is primarily exposed to counterparty risk in the following areas:

- Counterparty risks arising from interest-bearing securities, money market instruments and net cash positions. The amount of gross counterparty risk exposure in connection with interest-bearing securities and money market instruments is shown in the tables in section 16.5.2 (page 167 Financial Report). The maximum default risk of the net cash position corresponds to "Cash and cash equivalents" in the consolidated balance sheet.
- Counterparty risks associated with loans and mortgages: The largest items in the asset class of loans form the promissory note loans (94.0%), as well as policy loans (4.9%). The policy loans are secured through life insurance policies. Since only a certain percentage of accumulated capital (<100%) is invested, this asset class can be classified "fully secured". Gross exposure (without taking account of collateral) is of relatively little significance when assessing the counterparty risks from the mortgage business: Mortgages are secured by an encumbrance, and a part of the mortgage is often additionally secured by a pledged life insurance policy, resulting in a correspondingly low loss ratio. However, it should be noted that the real estate risk may have an indirect impact on the counterparty risk of mortgages, in particular if the real estate values develop negatively and the value of the collateral in the form of mortgages falls as a result. In such cases, the expected default loss may increase due to reduced collateralisation by the property values. This risk is periodically quantified by the ECL process (section 16.5.3, page 172 Financial Report) and is immaterial in the overall context. Against this background, the counterparty risk from mortgages can be assumed to be low.
- Counterparty risk from transactions with derivative financial instruments: refer to page 166 Financial Report for the amount of gross counterparty risk exposure in connection with derivative financial instruments. A small part of the derivative instruments is traded on a stock exchange, so there are no counterparty risks. Most of the outstanding receivables from the OTC derivatives are covered by collateral. The scope of the hedging with cash collateral is CHF 477.8 million (previous year: CHF 333.8 million). Existing netting agreements are also relevant. Refer to the table for detailed information about derivative financial instruments.
- Counterparty risks from alternative investments and bond funds: The largest positions in the "alternative investments" asset class are private debt instruments (99.8%) and structured products (0.2%). There is also a credit risk from the bond and money market funds managed by external providers,. Of this, 77.2% can be attributed to infrastructure funds.
- Counterparty risks from ceded reinsurance: Helvetia transfers part of its risk exposure to other companies through ceded reinsurance. In the event of a default on the part of the reinsurer, Helvetia remains liable for the reinsured receivables. For this reason, Helvetia periodically reviews the creditworthiness of its reinsurers. In order to reduce its dependency on an individual reinsurer, Helvetia places its reinsurance contracts among several first-class companies. The credit quality of ceded reinsurance is shown in the table on page 169 Financial Report.
- Counterparty risks from the insurance business: The default of policyholders, insurance agents or insurance companies may lead to a loss of receivables from the insurance business. However, these receivables are largely of a short-term nature. In addition, the receivables from policyholders represent the largest group in this class. Since the insurance cover is linked to the fulfilment of the contractual obligations on the part of the customer, the resulting risk is low for the insurance company.
- Counterparty risks from financial guarantees and loan commitments: Detailed information on contingent liabilities can be found in section 12 (page 135 Financial Report).

The information relevant for setting the level of the counterparty risk exposure includes information on balance-sheet netting and on existing netting agreements regarding financial assets and liabilities. The relevant information is summarised in the table below. As there are no financial instruments netted on the balance sheet at Helvetia, the table shows the extent to which netting agreements for financial instruments exist, even if no netting takes place on the balance sheet. The netting agreements are ISDA and Swiss Master Agreements for OTC derivatives transactions. In the event of insolvency or if one of the parties does not fulfil its contractual obligations, there is a mutual right to close the current derivatives contracts and to offset outstanding receivables with liabilities and collateral received within the netting agreement.

Offsetting of financial instruments

	Gross amount	Offsettable, non-netted amounts		Net amount
as of 31.12.2023		Financial instruments	Cash collaterals	
in CHF million				
Derivative financial assets	647.1	−93.1	−477.8	76.2
Derivative financial liabilities	279.3	−93.1	−17.1	169.1

	Gross amount	Offsettable, non-netted amounts		Net amount
as of 31.12.2022		Financial instruments	Cash collaterals	
in CHF million				
Derivative financial assets	399.9	−53.6	−333.8	12.5
Derivative financial liabilities	169.7	−53.6	−10.1	106.0

16.5.2 Credit quality of exposures and credit risk concentrations

The following analyses show the gross exposure to interest rate instruments, loans and derivative financial instruments, excluding collateral. They do not include investments where the credit risk is borne by the holders of life insurance policies. "Alternative investments" covers private debt instruments and structured products. Investment funds with credit risk are restricted to bond and money market funds. The securities and issuer ratings of recognised rating agencies were used to show credit quality. While private debt instruments are listed as "Not rated", the underlying counterparties can mainly be rated "BB or lower". The notes held by Caser of CHF 790.6 million for the targeted cash flow transformation are also listed as "Not rated". Over 95% of the underlying counterparties have an investment grade rating. Fewer than 5% are not rated.

Credit quality of interest rate instruments, loans and derivative financial instruments

as of 31.12.2023	AAA	AA	A	BBB	BB and lower	Not rated	Total
in CHF million							
By valuation categories and classes:							
Financial assets at Amortised Cost							
Mortgages	–	–	–	–	–	393.9	393.9
Loans	–	–	–	–	–	41.0	41.0
Money market instruments	80.5	60.4	128.1	77.5	–	499.4	845.9
Financial assets at Amortised Cost	**80.5**	**60.4**	**128.1**	**77.5**	**–**	**934.2**	**1 280.7**
Financial assets FVOCI							
Bonds	10 388.5	6 399.1	4 193.5	4 572.7	196.7	1 344.6	27 095.1
Loans	210.4	339.7	97.4	–	–	20.4	667.9
Financial assets FVOCI	**10 598.9**	**6 738.8**	**4 290.8**	**4 572.7**	**196.7**	**1 365.0**	**27 762.9**
Financial assets FVTPL							
Bonds	22.6	105.8	290.0	540.7	7.1	122.1	1 088.2
Investment funds	–	–	–	–	–	358.2	358.2
Alternative investments	–	–	–	–	–	987.2	987.2
Derivative financial assets	136.1	129.7	187.2	41.8	–	83.8	578.6
Mortgages	–	–	–	–	–	3 024.0	3 024.0
Loans	–	–	–	–	–	1.6	1.6
Financial assets FVTPL	**158.7**	**235.5**	**477.2**	**582.4**	**7.1**	**4 576.9**	**6 037.8**
Total	**10 838.1**	**7 034.6**	**4 896.2**	**5 232.6**	**203.8**	**6 876.1**	**35 081.4**
By industry sector:							
Governments	4 688.8	3 184.4	929.0	2 214.4	4.1	5.5	11 026.2
Financial institutions	5 832.1	2 221.9	1 040.3	345.0	26.4	3 287.0	12 752.7
Corporates and others	317.2	1 628.3	2 926.9	2 673.2	173.4	3 583.6	11 302.5
Total	**10 838.1**	**7 034.6**	**4 896.2**	**5 232.6**	**203.8**	**6 876.1**	**35 081.4**

as of 31.12.2022 in CHF million	AAA	AA	A	BBB	BB and lower	Not rated	Total
By valuation categories and classes:							
Financial assets at Amortised Cost							
Mortgages	–	–	–	–	–	398.9	398.9
Loans	–	–	–	–	–	39.9	39.9
Money market instruments	–	140.3	398.9	37.2	–	332.8	909.1
Financial assets at Amortised Cost	**–**	**140.3**	**398.9**	**37.2**	**–**	**771.5**	**1 347.9**
Financial assets FVOCI							
Bonds	9 755.1	6 006.7	4 306.8	5 024.6	15.3	1 295.9	26 404.5
Loans	120.2	465.1	117.8	–	–	4.8	707.9
Financial assets FVOCI	**9 875.3**	**6 471.8**	**4 424.7**	**5 024.6**	**15.3**	**1 300.7**	**27 112.4**
Financial assets FVTPL							
Bonds	28.6	98.9	453.0	500.2	3.5	163.0	1 247.1
Investment funds	–	–	–	–	–	439.6	439.6
Alternative investments	–	–	2.5	–	–	981.4	983.9
Derivative financial assets	47.7	74.7	103.8	24.5	–	106.5	357.2
Mortgages	–	–	–	–	–	3 073.9	3 073.9
Loans	–	–	–	–	–	2.6	2.6
Financial assets FVTPL	**76.2**	**173.6**	**559.4**	**524.6**	**3.5**	**4 766.9**	**6 104.2**
Total	**9 951.6**	**6 785.7**	**5 382.9**	**5 586.4**	**18.8**	**6 839.2**	**34 564.6**
By industry sector:							
Governments	4 531.1	2 964.8	1 178.0	2 329.9	4.3	0.3	11 008.3
Financial institutions	5 102.8	2 328.5	1 339.3	364.7	7.9	3 189.4	12 332.7
Corporates and others	317.7	1 492.3	2 865.5	2 891.8	6.7	3 649.6	11 223.6
Total	**9 951.6**	**6 785.7**	**5 382.9**	**5 586.4**	**18.8**	**6 839.2**	**34 564.6**

Credit quality of ceded reinsurance

as of 31.12.2023	Exposure	Share in %
in CHF million		
AAA	–	–
AA	247.1	23.2
A	714.0	67.1
BBB	43.3	4.1
BB and lower	–	–
Not rated	59.2	5.6
Total	**1 063.5**	**100.0**

as of 31.12.2022	Exposure	Share in %
in CHF million		
AAA	–	–
AA	226.5	24.1
A	627.7	66.8
BBB	26.9	2.9
BB and lower	–	–
Not rated	58.6	6.2
Total	**939.8**	**100.0**

The ten largest counterparties

as of 31.12.2023	Issuer rating	Book value total	AAA
in CHF million			
Switzerland (Govt)	AAA	2 132.4	2 017.6
Mortgage Bond Bank of Swiss Mortgage Lenders plc	AAA	1 705.7	1 705.7
Central Mortgage Bond Institution of Swiss Cantonal Banks plc	AAA	1 484.5	1 484.5
Spain (Govt)	A	1 306.7	–
Italy (Govt)	BBB	1 206.1	–
France (Govt)	AA	763.9	4.7
Germany (Govt)	AAA	694.1	537.5
Zurich (Canton)[1]	AAA	599.1	487.1
Lucerne (Canton)[1]	AA	489.5	–
European Investment Bank	AAA	442.7	442.7

[1] includes exposure to the respective cantonal banks

as of 31.12.2022	Issuer rating	Book value total	AAA
in CHF million			
Switzerland (Govt)	AAA	1 821.0	1 792.3
Mortgage Bond Bank of Swiss Mortgage Lenders plc	AAA	1 558.5	1 558.5
Central Mortgage Bond Institution of Swiss Cantonal Banks plc	AAA	1 436.6	1 436.6
Spain (Govt)	A	1 356.9	–
Italy (Govt)	BBB	1 224.5	–
France (Govt)	AA	639.1	–
Germany (Govt)	AAA	507.5	495.9
European Investment Bank	AAA	477.8	477.8
European Union	AAA	457.2	434.7
United States (Govt)	AA	456.6	456.6

When showing the ten largest counterparties, the credit risk exposure for the published tables "Credit quality of debt instruments, loans and derivative financial instruments" and "Credit quality of ceded reinsurance" is used.

Caser holds collateralised notes for targeted cash flow transformation totalling CHF 790.6 million. The largest share of collateral for these notes comprises bonds from Spain at CHF 445.3 million, France at CHF 54.9 million and Italy at CHF 28.2 million. In the table above these notes are included as "Not rated" not considering any collaterals. The Bank of New York Mellon is the largest counterparty for the notes held by Caser at CHF 267.0 million. There is no counterparty risk involving Bank of New York Mellon, but instead with relation to the bonds used to secure these notes.

		Securities rating Bonds		Money market instruments	Derivative financial assets	Borrower's note loans	Other loans
AA	A	BBB and lower	Not rated				
–	37.7	–	–	77.1	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	398.4	908.3	–	–	–	–	–
–	–	1 206.1	–	–	–	–	–
682.9	47.6	28.7	–	–	–	–	–
156.1	0.5	–	–	–	–	–	–
–	–	–	–	–	112.0	–	–
477.7	–	–	–	–	–	11.8	–
–	–	–	–	–	–	–	–

		Securities rating Bonds		Money market instruments	Derivative financial assets	Borrower's note loans	Other loans
AA	A	BBB and lower	Not rated				
11.2	17.4	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	315.7	1 041.2	–	–	–	–	–
–	–	1 224.5	–	–	–	–	–
618.5	20.2	0.3	–	–	–	–	–
7.7	–	3.8	–	–	–	–	–
–	–	–	–	–	–	–	–
–	22.5	–	–	–	–	–	–
–	–	–	–	–	–	–	–

16.5.3 Expected credit losses from financial assets

In accordance with the valuation standard defined by IFRS 9, provisions are recognised on a forward-looking basis in the amount of expected losses from credit defaults on the basis of the expected credit loss (ECL) model. The credit default rate is regularly reassessed using forward-looking, current and historical information. Historical data is based on rating agencies, current data is based on market information and forward-looking scenarios are based on data from the US Federal Reserve and the European Central Bank. If the credit risk of an instrument has increased significantly since initial recognition, the lifetime ECL is calculated, otherwise the 12-month ECL is calculated.

To determine the amount of the required reserves, the model uses the so-called PD/LGD approach, which is applied in many quantitative credit risk approaches. Using this approach, the expected loss from the exposure at default (EaD), the probability of default (PD) and the loss given default (LGD) is calculated. Economic scenario forecasts are created and scenario-dependent yield curves determined for the forward-looking calculation of these values.

Helvetia does not expect any material credit losses, as it pursues a careful and prudent investment strategy and conducts constant risk monitoring by applying a rating-dependent counterparty limit concept.

Definition of a significant increase in the credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition, Helvetia takes account of both qualitative and quantitative information as well as analyses based on Helvetia's experience, the expert credit assessment and forward-looking scenarios. Helvetia primarily uses a comparison to determine whether there has been a significant increase in the credit risk associated with a receivable. The remaining lifetime PD as at the reporting date is compared with the remaining lifetime PD for this time that was estimated upon initial recognition of the receivable.

In order to ascertain whether the published ratings are still up to date and to assess whether there has been a significant increase in the level of credit risk as at the reporting date that is not reflected in the official ratings, Helvetia also reviews changes in bond yields and, where available, prices for credit default swaps (CDS), as well as available media and regulatory information on issuers.

Helvetia works on the assumption that the credit risk of a financial asset has not increased significantly since initial recognition if the financial asset exhibits a low level of credit risk as at the reporting date, i.e. a credit risk rating of at least "investment grade". While the PD is calculated at an individual debtor level before taking account of economic scenarios, the regression models are determined by segmenting the portfolio according to various sectors. A further condition is ensured in the case of the bond portfolio through the use of external data. The key characteristics according to which the bond portfolio is segmented reflect economic and credit-risk-relevant aspects. The ECL is then calculated as the probability-weighted sum of the discounted expected credit losses for each individual debtor.

When assessing whether a financial instrument is in full or partial default, various factors play a role. The significance of these factors can change over the course of time as circumstances evolve. Due to a lack of experience with credit defaults, standard market definitions of defaults are used. In the case of mortgages, the definition of a default can be based on the company's own experience. The debtor is first given notice of default. When classifying whether a debtor is in default, Helvetia takes account of the following indicators:

- qualitative indicators such as breaches of contract as well as other indicators of financial distress;
- quantitative indicators such as being past due and the non-payment of another obligation of the same issuer to Helvetia; and
- on the basis of internally developed data as well as data from external sources.

Impaired financial assets

At each reporting date, Helvetia assesses whether the financial assets measured at amortised cost and the debt instruments measured at FVOCI are subject to default. A financial asset is deemed to be impaired if one or more events have occurred that have a detrimental effect on the estimated future cash flows of the financial asset.

Evidence that a financial asset is impaired includes the following observable data:
– significant financial difficulties of the debtor or issuer
– a breach of contract, including non-fulfilment or non-compliance
– the restructuring of an amount owed by Helvetia on terms that Helvetia would not otherwise consider
– it becomes likely that the debtor will go bankrupt or undergo another financial reorganisation
– the disappearance of an active market for a security owing to financial difficulties.

Positions that meet at least one of these three criteria are defined as write-offs:
– cash flows of the past eight quarters < 1 % of initial capital
– expected recovery < 10 % of the initial capital
– expected recovery < CHF 100,000.

Financial assets such as mortgages or private debt that have been renegotiated due to a deterioration in the debtor's circumstances are generally considered to be impaired unless there are indications that the risk of default on contractually agreed cash flows has decreased significantly and there are no other indicators of impairment.

The gross carrying value of a financial asset is either partially or fully written off if there is no realistic prospect of recovery. This is generally the case if Helvetia determines that the debtor does not have assets or sources of income that would be able to generate sufficient cash flows to repay the written-off amounts.

In the case of employee loans and broker receivables, an ECL is determined on a collective basis. Policy loans are fully collateralised – an expected credit loss is therefore not calculated for these loans. The table below shows the gross carrying values of the financial assets for which an ECL is determined for each rating class. Interest-bearing securities measured as FVOCI account for the largest share of the ECL portfolio at 86 % (previous year: 89 %).

Credit quality and expected credit losses

as of 31.12. in CHF million	12-month ECL 2023	12-month ECL 2022	Lifetime ECL not credit-impaired 2023	Lifetime ECL not credit-impaired 2022	Lifetime ECL credit-impaired 2023	Lifetime ECL credit-impaired 2022	Total 2023	Total 2022
AAA	10 677.7	9 872.4	–	–	–	–	10 677.7	9 872.4
AA	6 822.5	6 612.1	–	–	–	–	6 822.5	6 612.1
A	4 423.0	4 806.2	–	–	–	–	4 423.0	4 806.2
BBB	4 662.3	5 034.9	–	–	–	–	4 662.3	5 034.9
BB and lower	175.6	–	22.0	15.3	–	–	197.6	15.3
Without Rating	2 141.4	1 929.5	9.4	2.1	1.6	3.6	2 152.3	1 935.2
Gross carrying amount	**28 902.5**	**28 255.0**	**31.4**	**17.4**	**1.6**	**3.6**	**28 935.5**	**28 276.0**
ECL allowance	–10.2	–12.6	–1.7	–2.0	–0.2	–0.0	–12.0	–14.6
Net carrying amount	**28 892.3**	**28 242.5**	**29.8**	**15.4**	**1.4**	**3.6**	**28 923.5**	**28 261.4**

Development of expected credit losses

as of 31.12. in CHF million	12-month ECL 2023	12-month ECL 2022	Lifetime ECL not credit-impaired 2023	Lifetime ECL not credit-impaired 2022	Lifetime ECL credit-impaired 2023	Lifetime ECL credit-impaired 2022	Total 2023	Total 2022
Expected credit loss (ECL)								
Balance as of 1 January	12.6	20.5	2.0	1.6	0.0	–	14.6	22.1
New financial assets aquired	46.6	22.6	–	–	0.0	–	46.6	22.6
Financial assets derecognized	–22.1	–15.1	–0.5	–0.0	–0.0	–0.0	–22.6	–15.1
Transfer to 12-month ECL	0.0	0.0	–0.0	–0.0	–	–	–	–
Transfer to lifetime ECL not credit-impaired	–0.1	–0.1	0.1	0.1	–	–	–	–
Transfer to lifetime ECL credit-impaired	–0.0	–0.0	–	–	0.0	0.0	–	–
Net remeasurement of loss allowance	–27.7	–15.0	0.2	0.3	0.2	–	–27.3	–14.7
Custody account and portfolio transfer	–0.0	0.0	–	–	–	–	–0.0	0.0
Effects of movements in exchange rates	0.8	–0.3	–0.0	0.0	–0.0	–	0.8	–0.3
Transfer of valuation class	–0.0	–0.0	–	–	–	–	–0.0	–0.0
Balance as of 31 December	**10.2**	**12.6**	**1.7**	**2.0**	**0.2**	**0.0**	**12.0**	**14.6**

16.6 Concentration risks

The definition of concentration risks used by Helvetia has two aspects:

- On the one hand, concentration risks are defined as those risk positions vis-à-vis a single counterparty whose size alone could have a significant impact on the financial and/or operational situation of a company. This form of concentration risk is known as a cluster risk.
- Secondly, the concentration risks are considered in connection with the dependency assumptions used in relation to risk factors. From this perspective, concentration risks may arise from the alignment of risk positions exposed to a common risk factor or from the alignment of risk positions exposed to different risk factors. In the first case, full dependency on the risk factor is assumed and the concentration risk is recorded by measuring and allocating the relevant exposure to the risk factor. In the second case, dependencies between risk factors are used to measure the concentration risk.

Market concentration risk can arise primarily in relation to the risk factors of interest rates, spreads, share prices and real estate and is monitored, among other things, with the help of limit concepts and asset liability management (see section 16.3, page 154 Financial Report).

Despite risk compensation through diversification, technical concentration risk may occur, for example, in the form of individual large risks or risk accumulations with regard to natural catastrophes. Such potential risks are monitored Group-wide and hedged in a coordinated manner by means of reinsurance contracts (see section 16.2, page 146 Financial Report).

Any cluster risks vis-à-vis individual counterparties in the in the area of investment and from ceded reinsurance business are taken into account as part of the credit risk analysis and management process (see section 16.5, page 165 Financial Report).

From an overall risk perspective, concentration risks are assessed and addressed as part of the overarching and dedicated risk management processes.

No concentration risks that could jeopardise Helvetia's capital base have currently been identified.

16.7 Methods for measuring capital

The measurement of capitalisation is carried out both at Group and local level, i.e. at the level of the individual legal entities. At the local level, the country-specific regulatory and commercial law requirements are key. At Group level, capital is measured on the basis of the consolidated balance sheet. The capital requirements are measured by the capital models relevant to Helvetia: Swiss Solvency Test and Standard & Poor's. When measuring the capitalisation of the Group's legal entities, the applicable solvency rules are applied (Swiss Solvency Test in Switzerland and Solvency II in the EU).

In these capital models, the IFRS equity forms the basis for establishing the available capital. Depending on the model, additional capital is added and other components, such as planned dividend payments and intangible assets, are deducted.

As is the case for Solvency II, albeit not in an identical manner, the Swiss Solvency Test involves measuring all assets and liabilities at market prices in order to calculate the available capital.

The amount of capital required is determined on a risk-based basis under Standard & Poor's, the Swiss Solvency Test and Solvency II. In the Swiss Solvency Test, the effects of risks on the available capital are determined by means of scenario simulations and statistical methods, and quantified taking into consideration dependencies and diversification effects in the form of a risk-based capital requirement.

17. Events after the reporting date

No additional important events occurred before or on 10 April 2024, the date on which these consolidated financial statements were completed, that are likely to have a material impact on the financial statements as a whole.

18. Scope of consolidation

18.1 Events in the reporting year

The following events led to a change in the scope of consolidation for Helvetia in the reporting period:

- On 29 March 2023, Aldebarán Riesgo founded Bernardino Solar Norte S.L., Madrid, in which it holds 60% of the shares.
- On 30 March 2023, the shares in the associated company Seasecure Holding SAS, Marseille, were sold.
- On 4 April 2023, Helvetia Schweizerische Versicherungsgesellschaft AG acquired Mobile Garantie Deutschland GmbH with its subsidiary Mobile Garantie Service GmbH, both of which have their registered office in Wedemark. The companies specialise in tailor-made warranty and repair cover in the vehicle and electronics sectors. Helvetia has already been working with Mobile Garantie since 2018 and is the insurer for significant parts of Mobile Garantie's business in Europe. Since July 2019, Helvetia has been invested in Mobile Garantie via its venture fund. The converted purchase price for 100% of the shares was CHF 18.6 million, of which CHF 3.3 million is attributable to shares owned by Helvetia's own venture fund. The purchase price of CHF 18.6 million includes a contingent purchase price component of CHF 12.2 million, depending on the course of business in the years 2024 to 2028. All purchase price components will be settled in cash. The net assets gained come to CHF 9.7 million. The resulting goodwill of CHF 8.8 million represents future profitable growth in the area of embedded insurance and is allocated to the cash generating unit "Switzerland non-life".
- On 21 April 2023, Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A. invested CHF 0.3 million in a 30 % stake in the newly founded Digital Finance & Insurance Services S.L., Madrid.
- On 28 April 2023, Acierta Asistencia S.A. acquired 100% of SPV Sistemas Madrid S.A., Madrid. The purchase price was CHF 4.4 million, of which CHF 4.0 million is to be transferred immediately in cash and CHF 0.4 million in the years 2024 to 2027. The acquired net assets total CHF 3.3 million. The resulting goodwill of CHF 1.1 million was written off due to lack of materiality.
- On 11 May 2023, Aldebarán Riesgo acquired 33.33% of Adepinar S.L.U., Madrid.
- On 18 May 2023, Clinicas Avetmas S.A.U acquired 100% of Gorilla Vets Company S.L., Madrid. The purchase price was CHF 4.9 million, of which CHF 4.4 million is to be transferred immediately in cash and CHF 0.5 million in 2024, depending on the course of business in 2023. The acquired net assets total CHF 3.1 million. The resulting goodwill of CHF 1.8 million was written off due to lack of materiality.
- On 18 May 2023, Caja de Seguros Reunidos founded Caser Formación S.L.U, Madrid.
- On 22 May 2023, Acierta Asistencia invested in the joint venture UTE Medicauce-Acierta La Paz, Madrid, for the purpose of providing health services in selected Madrid hospitals.
- On 18 July 2023, Aldebarán Riesgo founded Banistrato S.L., Madrid.
- On 4 October 2023, Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A acquired 100% of Funeraria Pompas Fúnebres de Padrón, S.L., based in Padrón, for CHF 2.4 million, of which CHF 2.1 million was paid out immediately in cash and CHF 0.3 million depends on the 2024 operating result. The acquired net assets total CHF 1.3 million. The resulting goodwill of CHF 1.1 million was written off due to lack of materiality.
- On 5 October 2023, Helvetia Compañía Suiza, Sociedad Anónima de Seguros y Reaseguros acquired 51.0% of Funeraria El Recuerdo, S.L., Seville. El Recuerdo is a Spanish group that provides funeral services in Madrid and Seville. The price was CHF 14.6 million, of which CHF 13.6 million was paid in cash. The remaining CHF 1.0 million was settled by the contribution of a 35% holding in Saisa 2020 Sociedad De Inversiones Andaluzas, S.A., Seville, in El Recuerdo. The net assets acquired amount to CHF 10.0 million. The resulting goodwill of CHF 4.6 million represents future profitable growth and will be allocated to the cash generating unit "Spain".

- On 16 October 2023, Banistrato S.L. acquired 100% of Inbani Design, S.L.U., based in Alicante, for CHF 13.5 million. The purchase price includes a 35% interest in Banistrato S.L. worth CHF 3.0 million, the remaining CHF 10.4 million of the purchase price will be paid in cash. The net assets acquired amount to CHF 9.3 million. The resulting goodwill of CHF 4.2 million represents future profitable growth and will be allocated to the cash-generating unit "Diversification business Caser".
- By way of gradual acquisition, the stake of Helvetia in Actiu Assegurances S.A. rose from 59.72% to 72.33% and its stake in Financera d'assegurances S.A. from 51.18% to 51.88%
- Various smaller Spanish group companies merged in 2023.
- The fund Helvetia Allegra 30 was deconsolidated in 2023.

The acquisitions listed above, both individually and as a whole, do not have any material impact on the asset and income situation of Helvetia. The details provided are provisional in nature. This is because, due to time constraints, external reports were still outstanding or not all of the information was yet available.

18.2 Events in the previous period

- Becser Assegurances S.A., Andorra, which was acquired 2021 and held temporarily as an investment, has been recorded as a subsidiary since 1 January 2022.
- On 3 January 2022, Caser Residencial Gestion acquired the business operations of Residencia Alborada de Pinilla SL, a retirement home in Laguna de Duero, Spain, for a price of CHF 0.4 million. The net assets acquired totalled CHF 0.1 million and the resulting goodwill of CHF 0.3 million was written off due to lack of materiality.
- On 29 March 2022, Medicall AG invested in Emeda AG, Brüttisellen, with a share of 50%. The join venture's purpose is to provide and supply medical and pharmaceutical products and services to nursing homes in Switzerland.
- On 18 May 2022, Aldebarán Riesgo SCR acquired an 80% share in EACI S.A., Barcelona. The purchase price was CHF 6.6 million in cash. EACI produces and markets basic materials and fire fighting products. Due to the character of the investment and as it is not material to Helvetia, the holding is carried as a financial instrument.
- On 8 June 2022, Helvetia Global Solutions established a branch office in the United Kingdom.
- On 24 June 2022, Aldebarán Riesgo acquired a 49.0% share in Gestión de estaciones de autobuses Atotxa, S.L.U., Donostia-San Sebastián, for CHF 23.0 million.
- On 27 June 2022, the share in Caja de Seguros Reunidos, Compañia Seguros y Reaseguros S.A. increased by way of a gradual acquisition from 70.53% to 80.5%.
- On 29 July 2022, the associated company Assegur Diversos S.A., Seville, was sold.
- On 12 September 2022, Helvetia I Funds Great Britain was liquidated.
- On 28 September 2022, Extremeña de Patrimonio para la Sanidad, S.L.U. acquired 100% of the private clinic Clinica Quirúrjica Cacereña, S.A., Cáceres. The purchase price was CHF 12.8 million in cash. The acquired net assets total CHF 11.8 million. The resulting goodwill of CHF 0.9 million was written off due to lack of materiality.
- On 4 October 2022, Caser Servicios de Salud S.A acquired the business operations of Dental Europa Can Llong, S.L., a dental clinic in Sabadell, Barcelona, for the price of CHF 1.4 million in cash.
- On 6 October 2022, the shares in the associated company Assistance Beteiligungs-GmbH, Vienna, were sold.
- On 10 October 2022, Clínicas Avetmas, S.A.U. acquired 100% of the veterinary clinic Arganzuela, S.L.U., Madrid, for the price of CHF 0.5 million in cash. The acquired net assets total CHF 0.3 million. The resulting goodwill of CHF 0.2 million was written off due to lack of materiality.
- On 11 November 2022, Clinicas Avetmas S.A.U. acquired the business operations of a group of four veterinary clinics in the centre of Madrid for the price of CHF 0.5 million in cash. The acquired net assets total CHF 0.3 million. The resulting goodwill of CHF 0.2 million was written off due to lack of materiality.
- On 15 November 2022, Aldebarán Riesgo SCR acquired 45% of Aquanex, Servicio domiciliario del Agua de Extremadura, S.A., Mérida-Badajoz.

- On 24 November 2022, Helvetia sold its share in the life insurance company Sa Nostra Compañía De Seguros De Vida, S.A, Palma de Mallora, which Helvetia held through Caser. Sa Nostra Vida was part of the Europe segment. The profit from the sale of CHF 87.2 million was recognised in other income. The transaction reduced the weight of the life business in the business volume of the Helvetia Group as a whole. In 2022, Sa Nostra Vida contributed CHF 20.4 million to the Group's annual result and generated insurance revenue of CHF 28.7 million.
- The stake in MoneyPark AG was increased from 84.78% to 97.70% by way of gradual acquisition in 2022.

18.3 Group companies

as of 31.12.2023	Business areas	Holding in %	Method of consolidation	Currency	Share capital in million
Switzerland					
Helvetia Holding AG, St. Gallen	Other	–	–	CHF	1.1
Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen	Non-life	100.00	full	CHF	82.6
Helvetia Schweizerische Lebensversicherungsgesellschaft AG, Basel	Life	100.00	full	CHF	50.0
Europäische Reiseversicherung, Basel[1]	Non-life	100.00	full	CHF	
Traveo Ltd, Brüttisellen[2]	Non-life	100.00	full	CHF	0.1
Medicall AG, Brüttisellen	Non-life	79.78	full	CHF	0.9
SmartLife Care AG, Brüttisellen	Non-life	100.00	full	CHF	0.2
smile.direct Versicherungen, Dübendorf[1]	Non-life	100.00	full	CHF	–
Helvetia Consulta AG, Basel	Other	100.00	full	CHF	0.1
Helvetia Consulting AG, St. Gallen	Other	100.00	full	CHF	0.1
IFANG Park AG, Schwerzenbach	Life	100.00	full	CHF	0.1
MoneyPark AG, Freienbach	Other	97.70	full	CHF	0.5
Finovo AG, Opfikon	Other	100.00	full	CHF	1.1
Helvetia Asset Management AG, Basel	Other	100.00	full	CHF	1.0
Helvetic Warranty GmbH, Dietlikon	Non-life	100.00	full	CHF	0.0
Atlanto AG, St. Gallen	Non-life	100.00	full	CHF	0.1
Helvetia I Funds North America	Other	73.15	full	USD	–
Helvetia I Funds Europe	Other	65.22	full	EUR	–
Helvetia Allegra ONE	Other	90.55	full	CHF	–
Coop Rechtsschutz AG, Aarau		42.50	equity	CHF	
Prevo-System AG, Basel		24.00	equity	CHF	
Emeda AG, Brüttisellen		50.00	equity	CHF	
Readydata AG, Winterthur		27.97	investment	CHF	
Germany					
Helvetia Schweizerische Versicherungsgesellschaft AG, Direktion für Deutschland, Frankfurt a.M.[1]	Non-life	100.00	full	EUR	
HELVETIA Schweizerische Lebensversicherungs-AG, Frankfurt a.M.	Life	100.00	full	EUR	11.5
Helvetia Versicherungs-AG, Frankfurt a.M.	Non-life	100.00	full	EUR	5.0
Der ANKER Vermögensverwaltung GmbH, Frankfurt a.M.	Other	100.00	full	EUR	0.0
Helvetia Vermögens- und Grundstücksverwaltung GmbH & Co. KG, Frankfurt a.M.	Life	100.00	full	EUR	33.6
Helvetia Grundstücksverwaltung GmbH, Frankfurt a.M.	Life	100.00	full	EUR	0.0
Hamburger Assekuranz GmbH, Frankfurt a.M.	Other	100.00	full	EUR	3.1
Helvetia Leben Maklerservice GmbH, Frankfurt a.M.	Life	100.00	full	EUR	0.0
Helvetia Versicherungs- u. Finanzdienstleistungsvermittlung GmbH, Frankfurt a.M.	Other	100.00	full	EUR	0.0
Mobile Garantie Deutschland GmbH, Wedemark	Non-life	100.00	full	EUR	0.1
Mobile Garantie Service GmbH, Wedemark	Non-life	100.00	full	EUR	0.0
INZMO GmbH, Berlin		25.10	equity	EUR	
Luckyshot GmbH, Berlin		26.48	investment	EUR	
Theftex GmbH, Geestland		44.83	investment	EUR	
TX Leasing GmbH, Geestland		44.82	investment	EUR	

as of 31.12.2023	Business area	Holding in %	Consolidation method[1]	Currency	Share capital in million
Italy					
Helvetia Compagnia Svizzera d'Assicurazioni S.A., Rappresentanza Generale e Direzione per l'Italia, Milan[1]	Non-life	100.00	full	EUR	
Helvetia Vita - Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A., Milan	Life	100.00	full	EUR	47.6
Helvetia Italia Assicurazioni S.p.A., Milan	Non-life	100.00	full	EUR	15.6
APSA s.r.L., Milan	Non-life	100.00	full	EUR	0.1
Spain					
Helvetia Holding Suizo, S.A., Madrid	Other	100.00	full	EUR	90.3
Helvetia Compañía Suiza, Sociedad Anónima de Seguros y Reaseguros, Seville	Life and non-life	98.99	full	EUR	21.4
Caja de Seguros Reunidos, Compañia de Seguros y Reaseguros S.A., Madrid	Life and non-life	80.51	full	EUR	647.7
CA Vida Assegurances, S.A., Andorra	Life and non-life	51.00	full	EUR	0.6
Becser Assegurances, S.A., Andorra	Non-life	50.10	full	EUR	0.7
Inmocaser, S.A.U., Madrid	Non-life	100.00	full	EUR	67.6
Caser Marketing Directo, S.L.U., Madrid	Non-life	100.00	full	EUR	0.0
Becser Corredoría D'Assegurances, S.A.U., Andorra	Non-life	100.00	investment	EUR	
Financera d'assegurances S.A., Andorra	Non-life	51.88	full	EUR	1.3
Linia Aseguradora S.L., Andorra	Non-life	100.00	investment	EUR	
Consell Asegurador S.A., Andorra	Non-life	80.00	investment	EUR	
Actiu Assegurances S.A., Andorra	Other	72.33	full	EUR	2.0
Jalfit Bienestar, S.A.U., Madrid	Other	70.00	full	EUR	0.1
Jalsosa, S.L., Madrid	Other	72.85	full	EUR	0.1
Banistrato S.L. Madrid	Other	65.00	full	EUR	0.9
Inbani Design, S.L.U., Alicante	Other	100.00	full	EUR	0.2
Funeraria Pompas Fúnebres de Padrón, S.L., Padrón (A Coruña)	Other	100.00	full	EUR	0.1
Aldebarán Riesgo, S.C.R., S.A.U., Madrid	Other	100.00	full	EUR	47.1
Bernardino Solar S.L.U., Madrid	Other	60.00	investment	EUR	
Bernardino Solar Norte SL, Madrid	Other	60.00	investment	EUR	
Layertex S.L., Cabrera de Mar (Barcelona)	Other	100.00	investment	EUR	
EACI S.A., Barcelona	Other	80.00	investment	EUR	
EACI Extinción, S.L., Madrid	Other	100.00	investment	EUR	
Acierta Asistencia, S.A., Madrid	Other	100.00	full	EUR	9.9
Grupo TH Mantenimiento, S.L., Madrid	Other	100.00	full	EUR	0.1
SPV Sistemas Madrid S.A., Madrid	Other	100.00	full	EUR	0.2
Clínica Parque, S.A.U, Tenerife	Other	100.00	full	EUR	10.9
Extremeña de Gestion Sanitaria y Especialidades Médicas, S.L.U., Don Benito	Other	100.00	full	EUR	0.0
Hospital Cáceres, Clinica Quirúrgica Cacereña, Cáceres	Other	100.00	full	EUR	0.4
Hospital del Llevant, S.L., Manacor	Other	100.00	full	EUR	0.4
Parque Hospitales Baleares, S.L.U., Madrid	Other	100.00	full	EUR	0.0
Residencia del Hospital del Llevant, S.L., Manacor	Other	100.00	full	EUR	0.0
Atendae Asistencia S.A., Madrid	Other	100.00	full	EUR	1.5
Caser Residencial Inmobiliaria, S.A.U., Madrid	Other	100.00	full	EUR	19.0
Caser Residencial, S.A.U., Madrid	Other	100.00	full	EUR	0.2
Caser Retiro, S.L., Madrid	Other	50.00	full	EUR	0.0
Centro Sociosanitarios de Logroño, S.L., Logroño	Other	100.00	full	EUR	0.2
Myces, S.L.U., Lleida	Other	100.00	full	EUR	1.2

as of 31.12.2023	Business area	Holding in %	Consolidation method[1]	Currency	Share capital in million
Centro Asistencial San Torcuato, S.L., Zamora	Other	100.00	full	EUR	0.1
Residencia Nueva Vida, S.A., Pontevedra	Other	100.00	full	EUR	1.3
Servicios Integrales Geriontológicos y Sanitarios, S.A., Bilbao	Other	100.00	full	EUR	3.3
Arrienda Gestión S.A.U., Madrid	Other	100.00	full	EUR	24.0
Casavi, Asistencia en Viaje, S.L.U., Madrid	Other	100.00	full	EUR	0.1
Caser Direct, Correduria de Seguros del Grupo Asegurador Caser, S.A., Madrid	Other	100.00	full	EUR	0.1
Caser Servicios de Salud, S.A.U., Madrid	Other	100.00	full	EUR	18.1
Clínicas Avetmas, S.A.U., Madrid	Other	100.00	full	EUR	10.2
Gesinca Consultora de Pensiones y Seguros, S.A., Madrid	Other	100.00	full	EUR	0.9
Premium Health Wellness, S.L.U., Alicante	Other	100.00	full	EUR	0.0
Caser Valores e Inversiones Agencia Valores, S.A.U., Madrid	Other	100.00	full	EUR	0.2
Caser Pensiones, Entidad Gestora de Fondos de Pensiones, S.A., Madrid	Other	100.00	full	EUR	5.0
Caser Formación SLU, Madrid	Other	100.00	full	EUR	0.1
Gorila Vets Company S.L., Madrid	Other	100.00	full	EUR	1.7
Funeraria El Recuerdo, S.L., Sevilla	Other	51.00	full	EUR	0.1
Prisan Ute, Madird	Other	100.00	full	EUR	0.5
El Recuerdo-Arco Ute., Madrid	Other	95.00	full	EUR	0.0
Principe 6 Servicios, S.L., Madrid	Other	100.00	full	EUR	0.0
Saisa 2020 Sociedad De Inversiones Andaluzas, S.A., Sevilla	Other	75.00	full	EUR	4.5
Gesnorte S.A., S.G.I.I.C., Madrid		29.55	equity	EUR	
Audisec, Servicios de la Informatión, S.L., Ciudad Real		35.00	equity	EUR	
Ciudad de la Justicia de Córdoba, S.A., Córdoba		48.78	equity	EUR	
Gestión de Estaciones de Autobuses Atotxa, S.L., Donostia-San Sebastián		49.00	equity	EUR	
Aquanex, Servicio domiciliario del agua de extremadura, S.A., Mérida-Badajoz		45.00	equity	EUR	
Digital Finance & Insurance Services S.L., Madrid		34.09	equity	EUR	
Adepinar S.L.U., Madrid		33.33	equity	EUR	
UTE Medicauce-Acierta La Paz, Bargas		50.00	equity	EUR	
Grupo Inversor La Vega 2015, S.L., Sevilla		50.00	equity	EUR	
Servicios Funerarios Del Aljarafe, S.L., Sevilla		50.00	equity	EUR	
Austria					
Helvetia Schweizerische Versicherungsgesellschaft AG, Direktion für Österreich, Vienna[1]	Non-life	100.00	full	EUR	
Helvetia Versicherungen AG, Vienna	Life and non-life	100.00	full	EUR	12.7
Smile Insurances & IT Solutions GmbH, Wien	Other	100.00	full	EUR	0.0
protecta.at Finanz- und Versicherungsservice GmbH, Vienna	Other	100.00	full	EUR	0.0
faircheck Schadenservice GmbH, Graz	Non-life	100.00	full	EUR	0.0
ZSG Kfz-Zulassungsservice GmbH, Wien		33.33	equity	EUR	

as of 31.12.2023	Business area	Holding in %	Consolidation method[1]	Currency	Share capital in million
France					
Helvetia Compagnie Suisse d'Assurances S.A., Direction pour la France, Le Havre[1]	Non-life	100.00	full	EUR	
Helvetia Assurances S.A., Le Havre	Non-life	100.00	full	EUR	94.4
Groupe Save, Le Havre	Non-life	100.00	full	EUR	0.1
Other countries					
Belgium					
Compagnie Européenne d'Assurance des Marchandises et des Bagages S.A., Bruxelles	Non-life	100.00	full	EUR	1.8
Liechtenstein					
Helvetia Global Solutions AG, Vaduz	Non-life	100.00	full	CHF	5.0
Luxembourg					
Helvetia Europe S.A., Luxembourg	Other	100.00	full	EUR	3.6
Luxcellence Helvetia Fund International Bonds	Other	100.00	full	EUR	–
Luxcellence Helvetia Fund European Equity	Other	100.00	full	EUR	–
Luxcellence Helvetia Fund International Equity	Other	100.00	full	EUR	–
Swiss Cap Private Debt Fund	Other	100.00	full	USD	–
Helvetia European Private Debt Fund	Other	100.00	full	EUR	–
Helvetia Venture Fund S.A., SICAR	Other	99.51	full	EUR	–
Malaysia					
Helvetia Swiss Insurance Company Ltd., Kuala Lumpur[1]	Non-life	100.00	full	USD	–
Singapore					
Helvetia Swiss Insurance Company Ltd., Singapore[1]	Non-life	100.00	full	USD	–
USA					
Helvetia Latin America LLC, Miami	Non-life	100.00	full	USD	0.1
UK					
Helvetia Global Solutions Ltd., London[1]	Non-life	100.00	full	EUR	–
Helvetia Marine Services Ltd., London	Non-life	100.00	full	GBP	0.0
Worldwide					
Helvetia Schweizerische Versicherungsgesellschaft AG, Rückversicherung, St. Gallen[1]	Non-life	100.00	full	CHF	

[1] Branches
[2] Formerly Care Travel AG

Statutory Auditor's Report

To the General Meeting of Helvetia Holding AG, St. Gallen

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Helvetia Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 20 to 183 in the Financial report) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

FIRST-TIME APPLICATION OF IFRS 17 AND IFRS 9

ACCOUNTING FOR INSURANCE CONTRACTS IN THE LIFE BUSINESS

ACCOUNTING FOR INSURANCE CONTRACTS IN THE NON-LIFE BUSINESS

RECOVERABILITY OF GOODWILL

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FIRST-TIME APPLICATION OF IFRS 17 AND IFRS 9

Key Audit Matter

Helvetia is applying IFRS 17 and IFRS 9 for the first time for their 2023 financial year. Regarding first-time application, IFRS regulates the necessity and scope of retrospective application, i.e. the adjustment of the comparative period.

In the opening balance sheet as of 1 January 2022 under IFRS 17, Helvetia applied the "modified retrospective approach" and "fair value approach" methods in the life business. For the non-life business, the "full retrospective approach" and "modified retrospective approach" methods were applied. For IFRS 9, Helvetia has already applied the classification and measurement requirements for the comparative period in accordance with the "classification overlay approach".

In principle, the "full retrospective approach" provided by IFRS 17 foresees a full retrospective application of the recognition and measurement requirements for insurance contracts. The modified retrospective approach represents a retrospective application based on information that is available without undue cost and effort. It is the closest possible approach to the full retrospective application, taking into account narrowly defined modifications. Under the fair value approach, the fair value of the related insurance portfolios is to be determined at the transition date of 1 January 2022.

The initial application of IFRS 17 involves judgement. In particular, there is scope for judgement when processing historical information in the modified retrospective application, as well as when choosing methods and assumptions in the fair value approach at the time of transition.

Helvetia has largely adapted or newly implemented existing IT systems and processes to reflect IFRS 17 in particular.

In the course of the first-time application of IFRS 9, the entire investment portfolio had to be reassessed with regard to classification. The classification determines whether the investment is measured at fair value or at amortized cost and whether the subsequent measurement is recognized in the income statement or in the other comprehensive income. In addition to product and business model-specific criteria, choices are also relevant for classification in accordance with IFRS 9. A key aspect in the classification of debt instruments is the implementation of the SPPI test, which identifies financial assets for which the contractual cash flows serve mainly to compensate for the credit risk.

Our response

For the first-time application of IFRS 17 and IFRS 9, amongst others we performed the following audit procedures:

- Involvement of component auditors as well as KPMG actuaries as part of the audit team
- Assessment of the appropriateness of Helvetia’s internal technical concepts as well as the group instructions for the accounting under IFRS 17 and IFRS 9
- Assessment of the appropriateness of the applied transition approaches
- Reperformance of the determination of the balances in the opening balance sheet, in particular of the CSM, considering the requirements of IFRS 17 for the respective transition approach; Assessment of the selection of assumptions and appropriateness of the information situation for the retrospective application
- Reperformance of the IFRS 17 related posting schemes implemented in IT systems based on use cases and test documentation
- Reperformance of the classification of investments in accordance with IFRS 9 considering the product respectively business model specific criteria, in particular the SPPI test, as well as the valuation in the opening balance sheet in accordance with the defined classification
- Reperformance of the opening balance sheet as of 1 January 2022 under IFRS 17 and IFRS 9 based on the derecognition and recognition carried out as well as on the analysis by Helvetia

For further information on the first-time application of IFRS 17 and IFRS 9 refer to the following:

— Chapter 2.3.1

— Chapter 2.3.2

ACCOUNTING FOR INSURANCE CONTRACTS IN THE LIFE BUSINESS

Key Audit Matter

IFRS 17, which is applied by Helvetia for their insurance contracts, foresees several valuation and accounting models. For life business, Helvetia applies both, the General Measurement Model and the Variable Fee Approach.

In either model, expected future cash flows within the balance sheet item "Insurance contract liabilities" are modeled, determined and discounted for the liability for remaining coverage (LRC). Finally, the contractual service margin (CSM), which represents the expected future profits of the insurance company is derived from this. The projection of future cash flows includes judgements and minor changes in the assumptions can have a significant impact on the valuation of insurance contract liabilities. Furthermore, when determining the discount curve and the recognition of the CSM over the coverage period on the basis of the underlying contract, there exists discretion.

Our response

For the accounting for insurance contracts in the life business, amongst others we have performed the following audit procedures:

- Involvement of component auditors as well as KPMG actuaries as part of the audit team
- Testing of design and implementation of selected key controls for the determination of the liability for remaining coverage in the balance sheet item "Insurance contract liabilities" as well as for ensuring the quality of data inputs
- Audit and assessment of the General IT Controls for relevant IT systems with the involvement of KPMG specialists
- Assessment of the correct application of the General Measurement Model and the Variable Fee Approach in accordance with the requirements in the standard
- Assessment of the assumptions used to derive the future cash flows estimated by actuary for the liability for remaining coverage
- Assessment of the derivation of the key assumption for determining the discount curves as well as reperformance of the proper application of the discounting of cash flows
- Reperformance of the determination of the CSM as well as its development and recognition during the financial year
- Reperformance of the underlying items and the appropriate consideration of their changes in fair value as part of the development of the CSM

For further information on the accounting for insurance contracts in the life business refer to the following:

— Chapter 2.13

— Chapter 9

ACCOUNTING FOR INSURANCE CONTRACTS IN THE NON-LIFE BUSINESS

Key Audit Matter

IFRS 17, which is applied by Helvetia for their insurance contracts, foresees several valuation and accounting models. For non-life business, Helvetia applies the Premium Allocation Approach exclusively.

Under the premium allocation approach, future premiums are recognized without the formation of a CSM and released over time as insurance revenue. The liability

Our response

For the accounting for insurance contracts in the non-life business, amongst others we have performed the following audit procedures:

- Involvement of component auditors as well as KPMG actuaries as part of the audit team for incurred claims (LIC) within the balance sheet item "Insurance contract liabilities" is calculated for reported and unreported claims by primarily using actuarial methods and assumptions. Deriving the assumptions includes judgement and minor changes in the assumptions can have a significant impact on the valuation of the liability. In addition, the actual claim payments made, may differ from the estimates.

- Testing of design and implementation of selected key controls for the determination of the liability for incurred claims in the balance sheet item “Insurance contract liabilities” as well as for ensuring the quality of data inputs
- Audit and assessment of the General IT Controls for relevant IT systems with the involvement of KPMG specialists
- Assessment of application of the Premium Allocation Approach
- Assessment of the derivation of the key assumptions for determining the liability for incurred claims in the non-life business as well as comparing the booked values with an independent recalculation of the most important lines of business
- Assessment of the selection of assumptions for determining the discount curves as well as reperformance of the proper application of the discounting of cash flows

For further information on the accounting for insurance contracts in the non-life business refer to the following:

— Chapter 2.13

— Chapter 9

RECOVERABILITY OF GOODWILL

Key Audit Matter

The goodwill position is subject to an at least annual goodwill impairment test. The impairment test determines the recoverable amount by calculating the value in use, comparing it to the carrying value of the cash-generating unit (incl. goodwill). If the recoverable amount exceeds the carrying value, no impairment is required.

The value in use is calculated using the discounted cash flow (DCF) method, which is in particular influenced by expected future cash flows, the applied discount rates as well as the growth rates. Therefore, the calculation of the value in use involves elements of uncertainty and is subject to management’s judgments.

As of 30 June 2023, Helvetia has tested the cash-generating unit “Intermediation and advisory business” for goodwill impairment after identifying a triggering event. Der impairment test led to an impairment of CHF 26.9m.

Our response

For the recoverability of goodwill, amongst others we have performed the following audit procedures:

- Testing of the design and implementation of selected key controls in connection with Goodwill Impairment Test
- Retrospective Review of budget values from previous years and comparison with actual values of the last three years
- Assessing sensitivity analyses concerning budget achievement, discount rates as well as growth rates
- Reconciling the cash flows used in the goodwill impairment test with the budgets approved by the Board of Directors
- Recalculating the DCF model

- Critical assessment of the applied parameters in particular the applied cash flows based on inspections and recalculation of the underlying business plans as well as inquiry of the management
- Independently calculating the discount rates under involvement of a valuation specialist.

For further information on the recoverability of goodwill refer to the following:

— Chapter 5

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Christoph Hörl
Licensed Audit Expert

Zurich, 10 April 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zürich

Financial statements of Helvetia Holding AG

Balance sheet

in CHF million	2023	2022	Change
Assets			
Cash and cash equivalents	0.0	0.0	
Other current receivables			
– from participants	66.5	55.7	
Active deferred income	702.4	312.9	
Current assets	768.9	368.7	108.6%
Financial assets	68.8	68.8	
Participations	1 890.4	1 890.4	
Non-current assets	1 959.3	1 959.3	0.0%
Total assets	**2 728.2**	**2 327.9**	**17.2%**
Liabilities and equity			
Trade payables	3.6	3.7	
Current provisions	1.2	1.5	
Current interest-bearing liabilities			
Current liabilities	4.8	5.2	
Non-current interest-bearing liabilities			
Total liabilities	4.8	5.2	–6.4%
Share capital	1.1	1.1	
Legal capital reserves			
– Reserve from capital contributions	296.9	296.9	
Legal retained earnings			
– General legal retained earnings	86.1	86.1	
– Reserve for treasury shares	21.4	13.2	
Voluntary retained earnings	1 500.8	1 508.4	
Retained profit			
– Profit carried forward	104.2	103.4	
– Annual profit/loss	712.9	313.7	
Treasury shares Helvetia Holding AG	0.0	–0.0	
Total equity	2 723.3	2 322.8	17.2%
Total liabilities and equity	**2 728.2**	**2 327.9**	**17.2%**

Income statement

in CHF million	2023	2022	Change
Dividend income	710.8	313.9	
Interest income	2.7	0.7	
Total operating income	713.4	314.6	
Other operating expenses	0.0	0.0	
Total operating expenses	0.0	0.0	
Extraordinary expenses	0.0	0.0	
Earnings before tax	713.4	314.6	126.8 %
Income tax	–0.6	–0.9	
Annual profit/loss	**712.9**	**313.7**	**127.3 %**

Proposed appropriation of profit

in CHF million	2023	2022
2023 net profit	712.9	313.7
Retained earnings carried forward	104.2	103.4
At the disposal of the Annual General Meeting	817.1	417.1
Proposed dividend[1]	334.1	312.9
Allocation to free reserves	400.0	0.0
Retained earnings to be carried forward	**83.0**	**104.2**

[1] 2023: CHF 6.30 per registered share
2022: CHF 5.90 per registered share

Notes to the financial statements Helvetia Holding AG

1. Principles

1.1 General

The 2023 financial statements of Helvetia Holding AG were prepared in accordance with the provisions of Swiss accounting law (chapter 32 of the Swiss Code of Obligations). The applied valuation principles comply with the law. The material valuation principles that are not prescribed by law are discussed below.

Rounding can mean that the summation of individual values does not correspond to the reported total.

1.2 Valuation principles

Measurement is carried out in accordance with uniform criteria. Assets and liabilities are measured on an individual basis. Subsequent to initial recognition, assets are measured at amortised cost. Liabilities are stated at par value.

- Investments in other companies are recognised at purchase cost less impairment.
- Loans are reported at par value less impairment.
- Treasury shares are charged to equity in the balance sheet at purchase cost as of the acquisition date. In case of a sale at a later date, the gain or loss is recognised without affecting profit or loss.

1.3 No need to include additional information in the Notes to the financial statements, cash flow statement and management report

As the Helvetia Group prepares consolidated financial statements in accordance with a recognised accounting standard (IFRS), in accordance with the statutory provisions it therefore does not have to include additional information in the Notes to the financial statements, a management report and statement of cash flow in these financial statements.

2. Notes on balance sheet and income statement items

2.1 Prepaid expenses and deferred charges

The dividend of the subsidiary Helvetia Schweizerische Versicherungsgesellschaft AG distributed from its net profits for 2023 is paid simultaneously to Helvetia Holding AG and thus recognised on a transitory basis under "Prepaid expenses and deferred charges". The item in the amount of CHF 702.4 million exists vis-à-vis Group companies (previous year: CHF 312.9 million).

2.2 Financial assets

The loan to Helvetia Schweizerische Versicherungsgesellschaft AG totals CHF 68.8 million and earned interest at 2.00 %.

2.3 Shareholdings

On the reporting date, Helvetia Holding AG owned the following direct investments:

	Reported company capital	Holding as of	Reported company capital	Holding as of
	31.12.2023	31.12.2023	31.12.2022	31.12.2022
in CHF million				
Helvetia Schweizerische Versicherungsgesellschaft AG, St. Gallen	82.6	100.00 %	82.6	100.00 %
Helvetia Asset Management AG, Basel	1.0	100.00 %	1.0	100.00 %

2.4 Share capital and authorised capital

The share capital of CHF 1,060,513.70 consists of 53,025,685 registered shares with a par value of CHF 0.02 (previous year: 53,025,685 registered shares with a par value of CHF 0.02).

At the reporting date, the capital contribution reserves totalled CHF 296,943,558 (previous year: CHF 296,943,558).

2.5 Treasury shares

	Low in CHF	High in CHF	Average price in CHF	Number
As at 1.1.2022				164 885
Purchases	92.05	131.30	119.97	75 275
Sales	103.10	127.00	125.00	– 123 090
As at 31.12.2022				117 070
Purchases	110.40	138.50	116.84	200 081
Sales	119.30	138.20	131.53	– 135 585
As at 31.12.2023				181 566

2.6 Dividend income

The dividend income of Helvetia Holding AG corresponds, on the one hand, to the simultaneously recognised dividend of Helvetia Schweizerische Versicherungsgesellschaft AG (CHF 696.5 million) and, on the other, to the deferred dividend of Helvetia Asset Management AG (CHF 8.4 million) and the first-time simultaneously recognised dividend of Helvetia Asset Management AG (CHF 5.9 million). In this regard, please also see the comment on "2.1 Prepaid expenses and deferred charges".

3. Other information

3.1 Full-time equivalents

Helvetia Holding AG does not have any employees.

3.2 Guarantee and contingent liabilities

Helvetia Holding AG belongs to the Helvetia VAT group and is therefore jointly and severally liable for VAT debts.

Helvetia Holding AG has issued subordinate and unsecured guarantees of CHF 1.9 billion (previous year: CHF 1.9 billion) vis-à-vis the bond creditors of Helvetia Schweizerische Versicherungsgesellschaft AG. This is associated with (i) two bonds issued in October 2014 in the total amount of CHF 375.0 million (an unsecured senior bond at CHF 150.0 million and an unsecured subordinated bond at CHF 225.0 million), (ii) a subordinated bond issued in April 2017 in the amount of EUR 500.0 million (CHF 518.1 million), (iii) two subordinated bonds issued in February 2020 in the amount of CHF 400.0 million (one of CHF 275.0 million and one of CHF 125.0 million), (iv) a subordinated green bond issued in November 2020 in the amount of CHF 200.0 million and (v) two unsecured senior bonds issued in June 2022 in the total amount of CHF 400.0 million (one of CHF 250.0 million and one of CHF 150.0 million).

3.3 Material events after the reporting date

There were no material events after the reporting date that would have an impact on the carrying values of the reported assets or liabilities or that would need to be disclosed here.

Statutory Auditor's Report

To the General Meeting of Helvetia Holding AG, St. Gallen

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Helvetia Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 191 – 195 in the Financial report) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the audited part of the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material mis-

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Rainer Pfaffenzeller Licensed Audit Expert Auditor in Charge	Christoph Hörl Licensed Audit Expert

Zurich, 10 April 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zürich

Alternative performance measures

Introduction

Helvetia uses, throughout its financial and business publications, alternative performance measures (APM) in addition to the figures which are prepared in accordance with the IFRS ® Accounting Standards (IFRS). We believe that these measures provide useful information to investors and enhance the understanding of our results. These financial measures are designed to measure performance, growth, capital efficiency, cash generation and dividend capacity.

The APM should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Helvetia Group uses the following main alternative performance measures:
- Business volume
- FX-adjusted growth
- Fee result
- Underlying earnings
  - Operating insurance service result
  - Operating finance result (incl. operating investment result and operating insurance finance result)
- Non-life: combined ratio / claims ratio / cost ratio
- Group investments / average Group investments
- Direct yield
- Group investment result
- Return on equity
- New business margin
- Operating cash remittance
- Net economic dividend capacity / free deployable funds

Investors should consider that similarly titled APM reported by other companies may be calculated differently. For that reason, the comparability of APM across companies might be limited.

In accordance with the Directive on the Use of Alternative Performance Measures of SIX Swiss Exchange this report gives the following information in regard to the above mentioned alternative performance measures:
- Definition of the APM and its use.
- Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the IFRS financial statements, where possible. In certain cases, a reconciliation is not possible or practicable since the APM concerned is based on fundamentally different principles.

Helvetia Group's most recent financial publications at any time are available online at www.helvetia.com/publications.

Business volume

Definition

Business volume is a measure of the amount of business generated in the reporting period and thus indicates the success of the distribution and sales organisation. Total business volume of Helvetia Group comprises of premiums written (including active reinsurance) and deposits received from investment contracts.

Business volume = Premiums written non-life + premiums written life + deposits life

Reconciliation

Business volume is not directly comparable to any figure under IFRS. Compared to insurance revenue in accordance with IFRS 17, business volume also takes into account deposits for investment contracts and reflects the entire business generated rather than just the portion earned in the reporting period. A direct reconciliation with the IFRS financial statements is therefore not possible.

2023	Premiums written	Deposits	Business volume
in CHF million			
Business areas			
Non-life	7 117.1	–	7 117.1
Life	3 926.2	279.1	4 205.3
Total	**11 032.2**	**279.1**	**11 311.3**
Segments			
Switzerland	4 622.2	195.0	4 817.2
Europe	4 445.4	84.1	4 529.5
Specialty Markets	1 972.3	–	1 972.3
Total	**11 032.2**	**279.1**	**11 311.3**

2022	Premiums written	Deposits	Business volume
in CHF million			
Business areas			
Non-life	6 553.2	–	6 553.2
Life	3 997.3	178.7	4 176.1
Total	**10 550.6**	**178.7**	**10 729.3**
Segments			
Switzerland	4 558.2	93.5	4 651.7
Europe	4 340.0	85.3	4 425.2
Specialty Markets	1 652.4	–	1 652.4
Total	**10 550.6**	**178.7**	**10 729.3**

FX-adjusted growth

Definition

FX-adjusted growth represents the percentage of change in total business volume, insurance revenue or income from fee and commission business against the prior year period adjusted for foreign currency translation effects.

Helvetia Group's consolidated financial statements are presented in Swiss francs. As a significant portion of our revenues results from outside Switzerland, the comparability between different periods is affected when exchange rates fluctuate. Growth in business volume, insurance revenue or income from fee and commission business is therefore determined by correcting nominal growth for the effects of foreign currency translation.

Foreign currency translation effects are calculated as

$$\textbf{FX effect} = \frac{\textbf{Revenue at CY FX rate-revenue at PY FX rate}}{\textbf{PY revenue at PY FX rate}}$$

Reconciliation

As the business volume is not a performance figure in accordance with IFRS, it is not possible to reconcile the corresponding currency-adjusted growth to the IFRS financial statements. In the case of insurance revenue and income from fee and commission business, the nominal growth in the following table is derived directly from the corresponding figures in the IFRS income statement.

2023	FX-adjusted growth	FX effect	Nominal growth
Business volume by business area			
Non-life	10.8%	−2.2%	8.6%
Life	1.7%	−1.0%	0.7%
Business volume by segment			
Switzerland	3.7%	−0.2%	3.6%
Europe	5.7%	−3.4%	2.4%
Specialty Markets	21.1%	−1.7%	19.4%
Total business volume	**7.2%**	**−1.7%**	**5.4%**
Income from fee and commission business	**14.0%**	**−2.7%**	**11.3%**
Insurance revenue by business area			
Non-life	9.3%	−2.2%	7.1%
Life	1.5%	−0.9%	0.6%
Insurance revenue by segment			
Switzerland	6.7%	−0.2%	6.5%
Europe	4.9%	−3.5%	1.3%
Specialty Markets	15.8%	−1.7%	14.1%
Total insurance revenue	**7.6%**	**−1.9%**	**5.7%**

CY = current year period (reporting period), PY = prior year period, FX = foreign exchange

Fee result

Definition

The fee result is a profitability indicator for the fee business. It shows the income generated in the fee business after deducting the associated costs before taxes.

Reconciliation

in CHF million	2023	2022
Income from fee and commission business	390.5	350.9
Costs from fee and commission business	–357.9	–323.4
Fee result	**32.6**	**27.5**

Underlying earnings

Definition

Underlying earnings is an alternative performance measure that shows the underlying operating performance of the Group by excluding the impact of financial market volatility and other non-operating effects. The indicator thus provides a comprehensive view of the development of the Group's core business and improves the comparability of its operating performance over time.

Underlying earnings is made up of the following sub-results and items:

in CHF million	2023	2022
Operating insurance service result	534.4	731.9
Operating investment result	*282.4*	*221.0*
Operating insurance finance result	*–64.2*	*3.8*
Operating finance result	218.2	224.8
Operating other result	–295.6	–332.8
Underlying earnings before tax	457.0	623.9
Normalised taxes on underlying earnings	–84.5	–131.0
Underlying earnings	**372.5**	**492.9**

Descriptions of the operating insurance service result, the operating finance result and the operating other result follow on the next pages.

Normalised taxes on underlying earnings correspond to the tax expense on underlying earnings excluding special tax effects.

Reconciliation

in CHF million	2023	2022
Underlying Earnings	372.5	492.9
Market fluctuations[1]	–30.8	–110.0
Restructuring and integration costs	1.2	0.0
Impairments on PPE and intangibles	–31.2	–14.0
Interest expense on external debt	–53.0	–51.2
Other non-operating items[2]	0.0	87.2
Tax	42.6	75.3
IFRS net income	**301.3**	**480.2**

[1] Includes gains and losses on investments of non-participating business and exchange rate effects
[2] 2022: One-off gain from the sale of Sa Nostra Vida

At the level of the non-life, life and other activities business areas, management fees paid by the market units to the Group are also excluded from their underlying earnings. At Group level, these internal transactions balance each other out.

Operating insurance service result

Definition
The operating insurance service result provides a comprehensive and complete view of the technical profitability of the Group.

Compared to the insurance service result according to IFRS, the operating insurance service result in the non-life business also takes into account technical non-fulfilment expenses. These are costs that Helvetia had also recognised in the technical result before the introduction of IFRS 17. IFRS shows non-fulfilment expenses outside of the insurance service result. Helvetia considers a broader definition of the costs necessary for the operation of the insurance business to be more meaningful. The operating insurance service result in non-life is the basis for calculating the combined ratio.

In life business, in contrast to the definition under IFRS, the risk and cost results of participating business under the VFA approach are fully recognised in the operating insurance service result. Under IFRS, these effects are partially recognised in the insurance finance result. Helvetia considers recognition in the insurance service result to be more appropriate.

Reconciliation
A reconciliation of the operating insurance service result to the insurance service result in accordance with IFRS can be found in the following table "Reconciliation of individual items of underlying earnings".

Operating finance result

(including operating investment result and operating inscurance finance result)

Definition

The operating finance result provides a view of the sustainable part of the investment result and the insurance finance result, excluding volatile gains and losses from market fluctuations. In comparison to the finance result in accordance with IFRS, gains and losses on investments of non-participating business, exchange rate effects and the consolidation effects of own funds are excluded.

The operating finance result consists of the operating investment result and the operating insurance finance result.

Reconciliation

A reconciliation of the operating finance result and its components to the finance result in accordance with IFRS can be found in the following table "Reconciliation of individual items of underlying earnings".

Reconciliation of individual items of underlying earnings

2023

Position according to IFRS	Consolidated income statement according to IFRS	Reclassification of technical non-fulfilment expenses non-life	Reclassification of VFA business and investment contracts	Reclassification of market fluctuations and interest expense on external debt	Reclassification of restructuring and integration costs, impairments and other items	Underlying earnings	Position based on underlying earnings
in CHF million							
Insurance service result	865.5	−231.6	−99.5	–	–	534.4	Operating insurance service result
Investment result	1 489.4	–	−1 302.4	198.2	–	282.4	Operating investment result
Income attributable to deposits for investment contracts	−102.8						
Insurance finance result	−1 249.6	–	1 361.3	−175.9	–	−64.2	Operating insurance finance result
Finance result	137.0	–	58.9	22.3	–	218.2	Operating finance result
Other income and expenses	−507.2	231.6	14.8	61.5	30.0	−295.6	Operating other result
Financing costs	−126.4						
IFRS result for the period before tax	**368.9**	**–**	**−25.7**	**83.8**	**30.0**	**457.0**	**Underlying earnings before tax**

2022

Position according to IFRS	Consolidated income statement according to IFRS	Reclassification of technical non-fulfilment expenses non-life	Reclassification of VFA business and investment contracts	Reclassification of market fluctuations and interest expense on external debt	Reclassification of restructuring and integration costs, impairments and other items	Underlying earnings	Position based on underlying earnings
in CHF million							
Insurance service result	1 044.8	–231.3	–81.7	–	–	731.9	Operating insurance service result
Investment result	–730.2	–	536.5	268.6	–	221.0	Operating investment result
Income attributable to deposits for investment contracts	146.1						
Insurance finance result	541.6	–	–499.7	–38.1	–	3.8	Operating insurance finance result
Finance result	–42.6	–	36.8	230.5	–	224.8	Operating finance result
Other income and expenses	–448.0	231.3	18.2	–69.4	–73.2	–332.8	Operating other result
Financing costs	8.3						
IFRS result for the period before tax	**562.6**	**–**	**–26.7**	**161.1**	**–73.2**	**623.9**	**Underlying earnings before tax**

Non-life: combined ratio / claims ratio / cost ratio

Definition
Helvetia uses the combined ratio as a measure of technical profitability in the non-life business. The combined ratio represents the operating insurance service expenses divided by insurance revenue.

The combined ratio is typically expressed as a percentage. A ratio of below 100% indicates that the operating insurance service result is profitable, whereas a ratio of above 100% indicates a loss from insurance operations. The combined ratio does not capture the finance result or other non-technical expenses and income. Even in case of a ratio of above 100%, underlying earnings, income from operating activities and/or IFRS net income can still be positive due to a positive finance result and/or a positive result from other non-technical expenses and income.

$$\textbf{Combined ratio} = \frac{\textbf{Insurance revenue} - \textbf{operating insurance service result}}{\textbf{Insurance revenue}}$$

The combined ratio can be further broken down into the claims ratio and the cost ratio. The claims ratio represents benefits to policyholders and claims (including claims handling costs) including the net income from reinsurance, divided by insurance revenue, and thus expresses the percentage of insurance revenue used to settle claims.

$$\textbf{Claims ratio} = \frac{\textbf{Benefits to policyholders and claims} + \textbf{net income from reinsurance}}{\textbf{Insurance revenue}}$$

The expense ratio represents acquisition costs and technical administrative costs including technical non-fulfilment expenses divided by insurance revenue. It expresses the percentage of insurance revenue used to cover technical expenses for the acquisition of new or renewal business and for administrative expenses.

$$\textbf{Cost ratio} = \frac{\textbf{Acquisition costs} + \textbf{technical administrative costs}}{\textbf{Insurance revenue}}$$

Reconciliation

in CHF million, non-life business only	2023	2022
1 Insurance revenue according to IFRS	**6 809.7**	**6 356.6**
Insurance service expenses according to IFRS	**–6 508.2**	**–5 562.0**
2 thereof benefits to policyholders and claims	–4 865.4	–4 046.8
3 thereof acquisition costs	–1 389.8	–1 289.7
4 thereof technical administrative costs	–253.1	–225.5
5 Net income from reinsurance according to IFRS	**108.9**	**–203.2**
Insurance service result according to IFRS	**410.3**	**591.4**
Operating and administrative expenses according to IFRS	–424.1	–404.6
6 thereof technical non-fulfilment expenses	**–231.6**	**–231.3**
7 Operating insurance service result	**178.7**	**360.2**
Claims ratio (2+5)/1	**69.9 %**	**66.9 %**
Cost ratio (3+4+6)/1	**27.5 %**	**27.5 %**
Combined ratio (1–7)/1	**97.4 %**	**94.3 %**

Group investments / average Group investments

Definition
Group investments represent investments according to IFRS and property and equipment at fair value less investments with market risk for the policyholder.

Average Group investments represent the average of Group investments at the beginning of the period and Group investments at the end of the period net of short derivatives.

$$\textbf{Average Group investments} = \frac{\textbf{Investments at beginning of period} + \textbf{Investments at end of period}}{\textbf{2}}$$

Reconciliation

in CHF million	2023	2022
Investments according to IFRS at beginning of period	51 201.9	60 745.1
Property and equipment at fair value at beginning of period	39.6	40.9
Assets held for sale at beginning of period	318.8	–
– Investments with market risk for the policyholder at beginning of period	–4 837.4	–5 560.2
Group investments at beginning of period	46 723.0	55 225.8
– Short derivatives at beginning of period	–138.6	–181.6
– Investments in associates at beginning of period	–86.6	–64.1
Investments at beginning of period	**46 497.7**	**54 980.0**
Investments according to IFRS at end of period	51 883.8	51 201.9
Property and equipment at fair value at end of period	37.2	39.6
Assets held for sale at end of period	336.3	318.8
– Investments with market risk for the policyholder at end of period	–5 687.5	–4 837.4
Group investments at end of period	46 569.7	46 723.0
– Short derivatives at end of period	–241.6	–138.6
– Investments in associates at end of period[1]	–90.4	–86.6
Investments at end of period	**46 237.7**	**46 497.7**
Average Group investments	**46 367.7**	**50 738.9**

[1] Including associated company Audisec S.L. held for sale as of 31.12.2023 with a book value of CHF 0.4 million.

Direct yield

Definition

The direct yield represents the ratio of the current income from Group investments to the average Group investments expressed as a percentage. Net current income consists of interest and dividend income and rental income from investment property less the investment management expenses.

$$\textbf{Direct yield (in \%)} = \frac{\textbf{Current income from Group investments}}{\textbf{Average Group investments}} \times 100$$

Reconciliation

	2023	2022
in CHF million		
Current income from investments according to IFRS	961.5	927.7
– Current income from investments with market risk for the policyholder	–42.8	–19.4
Current income from Group investment	918.7	908.3
Average Group investments	46 367.7	50 738.9
Direct yield	**2.0%**	**1.8%**

Group investment result

Definition

The Group investment result shows the income and expenses from Group investments recognised in the income statement. These include current income as well as realised and book gains and losses on financial assets and investment property. Income and expenses from investments with market risk for the policyholder are not taken into account.

Reconciliation

in CHF million	2023	2022
Current income from investments according to IFRS	961.5	927.7
– Current income from investments with market risk for the policyholder	−42.8	−19.4
+ Gains and losses on investments according to IFRS	525.0	−1 663.1
– Gains and losses on investments with market risk for the policyholder	−459.1	871.4
Group investment result	**984.7**	**116.6**

Return on equity

Definition

Return on equity (RoE) represents the earnings attributable to shareholders after interest on preferred securities and income attributable to non-controlling interests for the period divided by average equity excluding preferred securities, non-controlling interests, the fair value reserve and the insurance finance reserve.

RoE reflects the relationship between business profitability and available capital. Therefore, management uses RoE as a key performance indicator in the steering the business of Helvetia Group.

$$\textbf{Return on equity (in \%)} = \frac{\textbf{Earnings for shareholders without non-controlling interests}}{\textbf{Average shareholders' equity (excl. preferred securities, non-controlling interests, fair value reserve and insurance finance reserve)}} \times 100$$

Reconciliation

		2023	2022
in CHF million			
Equity (excluding preferred securities and non-controlling interests)	1.1.	3 458.9	3 656.8
Fair value reserve	1.1.	2 514.2	– 1 929.0
Insurance finance reserve	1.1.	– 2 177.2	1 841.0
Shareholders' equity without fair value reserve and insurance finance reserve	1.1.	**3 795.9**	**3 568.7**
Equity (excluding preferred securities and non-controlling interests)	30.6.	3 373.5	3 425.9
Fair value reserve	30.6.	1 882.8	1 621.8
Insurance finance reserve	30.6.	– 1 560.2	– 1 463.8
Shareholders' equity without fair value reserve and insurance finance reserve	30.6.	**3 696.0**	**3 583.9**
Equity (excluding preferred securities and non-controlling interests)	31.12.	3 337.5	3 458.9
Fair value reserve	31.12.	1 026.5	2 514.2
Insurance finance reserve	31.12.	–783.3	– 2 177.2
Shareholders' equity without fair value reserve and insurance finance reserve	31.12.	**3 580.6**	**3 795.9**
Shareholders' equity without fair value reserve and insurance finance reserve	on average	**3 690.8**	**3 649.5**
IFRS net income		301.3	480.2
Interest on preferred securities		– 6.5	– 14.0
Income attributable to non-controlling interests		– 18.1	– 41.4
Earnings for shareholders without non-controlling interests		**276.7**	**424.8**
Return on equity		**7.5 %**	**11.6 %**

New business margin (NBM)

Definition
The new business margin (NBM) is a key performance indicator to measure the profitability of new life business. The NBM (in % PVNBP) is calculated as the value of new business divided by the present value of new business premiums (PVNBP) expressed in %.

$$\textbf{New business margin (in \% PVNBP)} = \frac{\textbf{Value of new business}}{\textbf{Present value of new business premiums}} \times \textbf{100}$$

The value of new business is the additional value to the shareholder, which is created through the activity of writing new business in the reporting period. Compared to the new business CSM, the value of new business also takes into account the loss component, investment contracts (adjustment of scope), the impact of reinsurance and non-fulfilment expenses.

The PVNBP is the present value of expected cash inflows (premiums and fee income) from new business in the reporting period.

Reconciliation

in CHF million, only life business	2023	2022
New business CSM	203.4	225.6
Loss component	–2.3	–5.5
Ceded reinsurance	–14.3	–22.8
Non-fulfilment expenses	–51.7	–63.8
Adjustments of scope	4.9	1.3
Value new business	139.9	134.8
Present value of future cash inflows from insurance contracts	2 465.5	2 769.5
Adjustments of scope and other adjustments	259.9	216.5
Present value of new business premiums	2 725.4	2 986.0
New business margin	**5.1 %**	**4.5 %**

Operating cash remittance

Definition
The operating cash remittance represents the amount of cash Helvetia's legal entities have remitted to the Group in the reporting period. It includes regular dividends from operations, contributions of branches and paid interest and fees on internal capital instruments.

Reconciliation
There is no comparable IFRS financial measure to operating cash remittance. Therefore, a reconciliation is not possible.

Net economic dividend capacity (NEDC) / free deployable funds

Definition
Net economic dividend capacity (NEDC) reflects potentially free available capital at the balance sheet date that can be used for additional dividends or growth purposes. Free deployable funds (FDF) show the amount of available, liquid assets of Helvetia Holding AG. FDF are part of NEDC.

The Group's NEDC is calculated by adding up the capacities to pay a dividend of all of Helvetia's operating legal entities and the FDF of Helvetia Holding. The determination of each legal entity's dividend capacity takes the following considerations into account:

– the available free local equity based on local statutory – not IFRS – accounting,
– available free assets over insurance technical liabilities (including a security buffer), in legal entities where such tied asset requirements still exist or are required by the prudent person principle,
– surpluses defined by local solvency requirements (i.e. SST, Solvency II) at each individual legal entity level

whereby the most restricting of these measures defines an entity's dividend capacity.

Capital and additional buffers on top of regulatory SST and Solvency II are taken into account in order to balance prospective volatility of own funds or required capital, to fund growth or to reflect restrictions in transferability of free funds. Additionally, Group considerations (such as SST or S&P capital adequacy) are taken into account.

Reconciliation
NEDC is based on local statutory accounting, solvency and tied asset measures which vary from country to country and are not comparable to IFRS. FDF are based on local statutory accounting. There is therefore no comparable IFRS financial measure to NEDC and FDF, and a reconciliation is not possible.

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Important dates

24 May 2024	Ordinary Annual General Meeting in St. Gallen
5 September 2024	Publication of half-year financial results for 2024
6 March 2025	Publication of financial results 2024

Profile

Helvetia Versicherungen, with its headquarters in St.Gallen, has grown since 1858 to become a successful international insurance group with over 13,800 employees and more than 7.2 million customers. We want to enable our fellow human beings to seize opportunities and minimise risks in all life situations. Regardless of whether you're about to start a family, embark on a long trip or build a home: Helvetia is there for its customers when it matters. To live up to this aspiration, we want to be the best partner and to be present everywhere that protection needs arise – with insurance, pension and investment solutions from a single source as well as simple products and processes. Our shareholders invest in a profitably growing core business in the non-life and life segments and benefit from an attractive distribution policy with sustainably increasing dividends.

Helvetia knows the business, from mobile phone insurance and insurance provision for the Gotthard Base Tunnel to the long-term investment of customer assets. We use this expertise to develop our pension and insurance solutions as well as in our dialogue with society.

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, we offer tailored special insurance and reinsurance cover worldwide.

Helvetia also has a balanced business mix with respect to the life and non-life business. The focus is placed on retail customers as well as small and medium-sized companies. In selected sectors, large companies are also insured. 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. Helvetia develops business models and taps into growth and value potential with enthusiasm and drives forward its own business in a powerful and future-oriented manner. Our diversification in terms of markets, business mix, customers and sources of revenue allows us to weather economic and market fluctuations. The business model and revenue streams of Helvetia are resilient thanks to its balanced risk position and strong capital base.

Solid technical results, coupled with a proven asset-liability approach to steer our about CHF 60 billion balance sheet – guarantee sustainable profit development. Helvetia acts with foresight and responsibility in everything it does: for the benefit of our shareholders, customers and employees as well as our partners, society and the environment.

The shares of Helvetia Holding are traded on the SIX Swiss Exchange under the symbol HELN.

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Images
The images by Damian Poffet, Berne, in this Report are from Helvetia's new "Campus" building in Basel, which was moved into at the start of this year. This building meets the highest standards in terms of sustainable construction.

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