Helvetia Group

helvetia.com

# 2023 interim report.

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Your Swiss Insurer

| in CHF million | 30.6.2023 | 30.6.2022 |
|---|---|---|
| **Insurance revenue** | | |
| Insurance revenue life | 921.4 | 897.9 |
| Insurance revenue non-life | 3 378.0 | 3 154.1 |
| Insurance revenue | 4 293.6 | 4 047.3 |
| **Business volume** | | |
| Premiums written life | 2 368.0 | 2 537.8 |
| Deposits life | 118.7 | 85.7 |
| Premiums written non-life | 4 200.3 | 3 795.2 |
| Business volume | 6 687.0 | 6 418.7 |
| **Fee and commission business** | | |
| Income from fee and commission business | 194.4 | 181.1 |
| Fee result (pre-tax) | 16.2 | 19.6 |
| **Key performance figures** | | |
| Result life | 137.0 | 140.4 |
| Result non-life | 215.9 | 71.4 |
| Result other activities | –95.1 | –20.2 |
| Group profit for the period | 257.8 | 191.4 |
| **Key balance sheet figures** | | |
| Shareholders' equity | 3 373.5 | 3 425.9 |
| Insurance contract liabilities (net of insurance contract assets) | 47 466.0 | 48 919.3 |
| thereof contractual service margin (gross of tax) | 4 278.8 | 4 253.5 |
| Investments | 52 197.0 | 54 203.7 |
| thereof Group financial assets and investment property | 46 767.8 | 49 286.6 |
| **Ratios** | | |
| Return on equity annualised | 13.1 % | 10.0 % |
| Combined ratio | 94.0 % | 92.8 % |
| New business margin | 5.6 % | 4.2 % |
| Direct yield annualised | 2.0 % | 1.8 % |
| **Key share data Helvetia Holding AG** | | |
| Group profit for the period per share in CHF | 4.6 | 3.4 |
| Shareholders' equity per share in CHF | 63.8 | 64.7 |
| Price of Helvetia registered shares at the reporting date in CHF | 121.0 | 111.7 |
| Market capitalisation at the reporting date in CHF million | 6 416.1 | 5 923.0 |
| Number of shares issued | 53 025 685 | 53 025 685 |
| **Employees** | | |
| Helvetia Group | 13 276 | 12 360 |
| of which Switzerland and Corporate | 3 929 | 3 757 |

## Contents

**Dr Thomas Schmuckli**
Chair of the Board of Directors

**Dr Philipp Gmür**
Chief Executive Officer

# Dear Madam, dear Sir

Helvetia continued on its successful path in a systematic fashion during the first half of 2023: on the basis of profitable growth and solid results in all business areas, we once again generated value for our shareholders.

The business volume increased during the first half of the year on a currency-adjusted basis by 6.0% to CHF 6,687.0 million. This increase was driven by strong growth in the core business of the non-life segment, which grew on a currency-adjusted basis by 13.2% in all segments, doing so in a broad-based manner across various business lines. The growth recorded by Helvetia's three largest country markets, namely Switzerland, Spain and Germany, outstripped the market, with this also being true in Austria. The business volume in the non-life business of the Specialty Markets segment also developed very positively, a performance that can primarily be attributed to growth in new business. Beneficial price effects also boosted the growth in this segment and accounted for around a third of the increase.

The Group's IFRS result after tax rose by almost 35% to CHF 257.8 million. Both the non-life and life business areas recorded a solid technical performance. Against the backdrop of an environment that continues to be characterised by inflation and volatility on the capital markets, Helvetia thus achieved an extremely pleasing result. This resilience was once again underpinned by the Helvetia Group's broad diversification and robust financial strength. The result was also supported by the improved performance of the capital markets compared to the first half of 2022. A one-off value adjustment of CHF 26.9 million on the IFRS goodwill of MoneyPark, as already communicated at the start of September, had the opposite effect.

Helvetia's resilience is also demonstrated by its capitalisation, which remains excellent: Helvetia has been awarded an "A+" rating by the S&P Global Ratings (S&P) rating agency. The SST ratio was estimated to be 300% as at 30 June 2023.

With our *helvetia 20.25* strategy, we successfully seized growth opportunities in the first half of 2023. This included, for example, the targeted development of the fee business. During the first half of 2023, the Group increased its fee income by 10.2% on a currency-adjusted basis. This growth can chiefly be attributed to the expansion of the non-insurance business in connection with the "Health & Care" ecosystem of Caser in Spain. Furthermore, the capital increase of our Helvetia (CH) Swiss Property Fund contributed to the commission income from asset management services for third parties. Overall, the fee business accounted for just under 5% of Helvetia's result.

Alongside the fee business, we also took advantage of growth opportunities with the expansion of new business areas such as embedded insurance. With its embedded insurance business, Helvetia is opening up new means of customer access and thus laying the foundation for further profitable growth. We have further developed this business, for example, with the acquisition of Mobile Garantie in Germany. Mobile Garantie is a provider of tailored insurance solutions and services for supplementary car insurance, specifically warranty extension and repair cover.

Profitable growth is also at the heart of the internationalisation of Smile, Switzerland's leading online insurer. Following the successful launch of Smile in Austria last year, Smile has expanded its product range there in 2023 with motor vehicle insurance. A further focus area of the *helvetia 20.25* strategy is to tailor Helvetia's offering to customer needs. Helvetia is integrating the sales network of MoneyPark, the market-leading mortgage and real estate consultant and broker, into its own sales structure, enabling it to offer all services relating to the purchase of a property from a single source as part of its offering for the safeguarding of residential property.

Our purpose "Life is full of risks and opportunities. We are there when it matters." guides us in the actions we take and also serves as a commitment to all of our stakeholders. It will therefore also form the basis for the successful further development of Helvetia. We would like to thank you most sincerely for supporting us during this process and for the trust you place in us.

Yours sincerely

**Dr Thomas Schmuckli**
Chair of the Board of Directors

**Dr Philipp Gmür**
Chief Executive Officer

**Fabian Rupprecht to be new Group CEO from October 2023**

On 1 October 2023, Fabian Rupprecht will join Helvetia as Chief Executive Officer and Group CEO. The German-Swiss dual national has extensive insurance experience in Helvetia's key markets. Up until the end of June 2023, Fabian Rupprecht was also CEO of International Insurance and a member of the Group Executive Management of the Dutch NN Group. The 53-year-old had previously held various international management roles at AXA Group, including as CEO of the MEA Region (Middle East and Africa) and CFO for Emerging Markets and the Mediterranean Region. During his 28-year career in the insurance sector, he has also worked in the life and non-life insurance businesses. "With Fabian Rupprecht, we are delighted to have gained an outstanding management figure with extensive experience in the insurance business for the Helvetia Group. In recent years, Fabian Rupprecht has successfully led and further developed the international division of NN Group. His past experience means he is also familiar with the Spain and Switzerland markets, which are important for Helvetia", explains Thomas Schmuckli, Chair of the Board of Directors of Helvetia. Fabian Rupprecht will succeed Philipp Gmür, who announced his departure from the Helvetia Group after 30 years at the end of 2022. Thomas Schmuckli: "I would like to take this opportunity to thank Philip Gmür for his great contribution and the enormous dedication he has shown. Under his many years of leadership as CEO Switzerland, Helvetia has developed into a leading all-line insurer in its domestic market. In the position of Group CEO, he has driven forward the internationalisation of the Group, the expansion of additional lines of business and the introduction of new business models in a targeted manner."

# Business performance

*In its 2023 interim financial statements, Helvetia is reporting for the first time in accordance with the new accounting principles as prescribed under IFRS 17 and IFRS 9. All information in this chapter relating to the prior-year period has been adjusted in keeping with the new definitions and requirements. Information on the alternative performance measures used is available from page 53.*

- In the first half of 2023, Helvetia once again posted profitable growth and increased its business volume on a currency-adjusted basis by 6.0% to CHF 6,687.0 million. This increase was driven by strong growth in the non-life business.
- The Group's IFRS result after tax rose by almost 35% to CHF 257.8 million. Both the non-life and life business areas recorded a solid technical performance. Against the backdrop of a persistently inflationary environment, the war in Ukraine and other geopolitical uncertainties as well as volatility on the capital markets, Helvetia thus achieved a very good result. This resilience was once again underpinned by the Helvetia Group's broad diversification and robust financial strength.
- With the performance posted in the fee business and the expansion of new business fields such as embedded insurance, Helvetia succeeded in taking advantage of profitable new growth opportunities. During the first half of 2023, the Group increased its fee income by 10.2% on a currency-adjusted basis, with the fee business contributing around 5% of Helvetia's result.

## Helvetia Group's business volume

Helvetia Group successfully continued on its growth path with a focus on profitable and capital-efficient business areas during the first half of 2023. The business volume amounted to CHF 6,687.0 million (first half of 2022: CHF 6,418.7 million). At constant exchange rates, this represents an increase of 6.0%. Measured in Swiss francs, growth was impacted by exchange rate developments and stood at 4.2%. Insurance revenue stood at CHF 4,293.6 million (first half of 2022: CHF 4,047.3 million), which corresponds to a currency-adjusted increase of 8.4%.

Overall, the Group's non-life business proved a strong growth driver with currency-adjusted business volume growth of 13.2% to CHF 4,200.3 million. In this business area, Helvetia posted gains in all segments on a broad basis across various business lines. The growth recorded by Helvetia's three largest country markets, namely Switzerland, Spain and Germany, was above market level, with this also being true in Austria. Helvetia 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 10.0% to CHF 1,354.2 million. This success was driven by broad-based growth across all lines of the traditional non-life business. The business with embedded insurance solutions and the online insurer Smile (+9.9%) also contributed to the increase. Helvetia is thus continuing to strengthen its position in promising business areas and seizing attractive growth opportunities. In the non-life business of the Europe segment (+7.6% to CHF 1,818.7 million), Helvetia recorded growth in all country markets and in all business lines overall. With currency-adjusted growth rates in most cases above 7%, Helvetia outperformed the market in the non-life business in most countries, strengthening its market positions in the process. The business volume in the non-life business of the Specialty Markets segment (+30.5% to CHF 1,027.3 million on a currency-adjusted basis) also developed very positively, a performance that can primarily be attributed to growth in new business. Beneficial price effects also boosted the growth in this segment and accounted for around a third of the increase.

In line with the development of the business volume, insurance revenue in the non-life area also rose. This totalled CHF 3,378.0 million in the first half of 2023, which corresponds to an increase of 9.7% relative to the prior-year period on a currency-adjusted basis.

In life insurance, the business volume amounted to CHF 2,486.7 million (currency-adjusted: −4.3%). Here, Helvetia continues to pursue a strategy that focusses on the investment-linked business and pure risk products. For example, business volume growth was recorded with deposits received from investment contracts in the individual life business and with the reinsurance of biometric risks in the area of active reinsurance, while Helvetia, in line with its strategy, has been cautious in selling traditional guarantee products in all country markets in recent years. In the Swiss group life business, the continuing market-wide trend away from full insurance towards semi-autonomous solutions and the associated decline in savings premiums became apparent. 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 almost 8% to around 215,000.

Insurance revenue, which reflects the share of business earned during the reporting period, increased in the life business to CHF 921.4 million. At constant exchange rates, this represents an increase of 3.8%.

## Group result for the period

In the first half of 2023, Helvetia generated an IFRS result after tax of CHF 257.8 million. The result was thus considerably higher than that posted in the prior-year period (first half of 2022: CHF 191.4 million). This good result was underpinned by the robust technical performance of the core business. Both the non-life and life business areas proved to be profitable and resilient. Despite an above-average frequency of mid-sized claims and a persistently inflationary environment, the non-life business generated a solid operating insurance service result that fell just short of the figure recorded for the prior-year period. This result can be attributed to the good portfolio quality, broad diversification and profitable growth in the non-life business. In life insurance, the CSM release remained stable relative to the first half of 2022. Overall, in addition to the solid technical performance, it was primarily the improved performance of the financial markets compared to the first half of 2022 that had a positive impact on the Group's investment result and thus also its IFRS result.

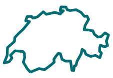
## Fee and commission business

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 the first half of 2023. Income from fee and commission business was 10.2% up over the prior-year period on a currency-adjusted basis at CHF 194.4 million (first half of 2022: CHF 181.1 million). This growth can mainly be attributed to the expansion of the non-insurance business around the "Health & Care" ecosystem of Caser in Spain.

The fee result shows the income generated in the fee business after the deduction of costs and before tax. It was CHF 16.2 million in the reporting period, which underlines the attractiveness and profitability of the relevant business fields. The fee business thus once again contributed around 5% of the Group's result.

# Result for the period by segment

## Switzerland



In Switzerland, Helvetia posted an IFRS result after tax for the first half of 2023 of CHF 173.7 million (first half of 2022: CHF 136.7 million). The clear increase in the result relative to the prior-year period was driven by the non-life business (CHF 113.1 million compared to CHF 39.9 million in the first half of 2022). Here, the operating insurance service result remained stable relative to the first half of 2022 and was thus able to compensate for an above-average frequency of mid-sized claims and greater inflationary pressure. The basis for this was formed by the continued focussed growth in attractive business lines and the unchanged high quality of the portfolio. The combined ratio was at a very attractive level at 89.9% (first half of 2022: 88.6%). The increase over the prior-year period can be attributed to a rise in the cost ratio owing to shifts in the business mix as a result of strong growth with embedded insurance solutions. Economies of scale due to profitable growth had a partially offsetting effect. Overall, in addition to the solid technical performance, it was primarily the improved performance of the capital markets compared to the first half of 2022 that had a positive impact on the investment result and thus also the IFRS result of the Swiss non-life business.

In the Swiss life business, the IFRS result after tax of CHF 87.3 million remained almost at the level of the prior-year period (first half of 2022: CHF 94.0 million). Helvetia also posted a positive technical performance in this business area. As the main component of the result, the CSM release was slightly higher than in the first half of 2022. The slight decline in the IFRS result can be attributed to the influence of the market movements of investments that are not held to cover business measured according to the variable fee approach.

**Result for the period Switzerland**

| in CHF million | 30 June 2023 | 30 June 2022 |
|---|---|---|
| Non-life | 113.1 | 39.9 |
| Life | 87.3 | 94.0 |
| Switzerland total [1] | 173.7 | 136.7 |

[1] Incl. result other activities

## Europe

In the Europe segment, Helvetia posted an IFRS result after tax for the first half of 2023 of CHF 107.5 million (first half of 2022: CHF 61.0 million). Each of the Germany, Italy, Spain and Austria country markets increased their results. The Spanish company Caser also once again made a pleasing earnings contribution of CHF 45.6 million. The segment's result was supported by a resilient technical performance despite a challenging market environment. In the non-life business, the IFRS result after tax was CHF 52.2 million (first half of 2022: CHF 7.9 million). Here, the operating insurance service result was slightly below that of the previous year. The net combined ratio increased relative to the prior year to 96.1 % (first half of 2022: 94.2 %). The technical performance thus remained at a good level in view of an above-average frequency of mid-sized claims and the persistently inflationary environment. Individual large claims also impacted the claims ratio. Overall, it was primarily the improved performance of the capital markets compared to the first half of 2022 that had a positive impact on the investment result and thus also the IFRS result of the Europe segment.

In the life business of the Europe segment, the IFRS result after tax of CHF 51.4 million increased relative to the prior-year period (first half of 2022: CHF 48.3 million). The CSM release was lower than in the first half of 2022. This was primarily due to the fact that, unlike in the previous year, the contribution from the life insurance company Sa Nostra Vida, which was sold at the end of 2022, was no longer included. Compared to the prior-year period, the more beneficial market movements of investments that are not held to cover business with participation features had a positive impact on the IFRS result. Furthermore, a one-off tax effect in Italy in the previous year did not recur.

**Result for the period Europe**

| | 30 June 2023 | 30 June 2022 |
|---|---|---|
| in CHF million | | |
| Non-life | 52.2 | 7.9 |
| Life | 51.4 | 48.3 |
| **Europe total [2]** | **107.5** | **61.0** |
| | | |
| Germany | 12.2 | 6.1 |
| Italy | 9.1 | 0.1 |
| Spain | 68.7 | 43.3 |
| Austria | 17.5 | 11.5 |

[2] Incl. result other activities

### Specialty Markets

In the Specialty Markets segment, the IFRS result after tax amounted to CHF 49.1 million (first half of 2022: CHF 21.8 million). The Specialty Lines CH / International, France and Active Reinsurance market units posted a higher result than in the first half of 2022. The continued profitable growth of recent years is reflected in the segment's increased operating insurance service result relative to the prior-year period. The combined ratio also developed beneficially and improved to 94.6 % (half-year 2022: 94.9 %). The well-diversified portfolio thus proved to be resilient in view of the persistently inflationary environment. In addition to the positive influence of price increases in recent years, the higher discounting of new claims reserves due to increased interest rates had a favourable effect. On the cost side, the segment's result benefited from economies of scale due to focussed growth. Compared to the previous year, a much improved capital market performance also had a positive impact on the segment's investment result.

### Corporate

In addition to the financing companies and the holding company, the Corporate segment includes the Corporate Centre, the centrally managed investments (funds) and Group reinsurance.

The IFRS result after tax of the Corporate segment was CHF –72.5 million. Despite an increase in the insurance service result of Group-internal reinsurance, the result was lower than in the first half of 2022 (CHF –28.0 million). The main reason for the decline was the usual accounting effects relating to the consolidation of the own investment funds, which had a negative effect on the Corporate segment's result in the first half of 2023.

## Result for the period by business area

### Non-life business

The IFRS result after tax of the non-life business of CHF 215.9 million was significantly higher than in the prior-year period (first half of 2022: CHF 71.4 million). The technical performance proved robust in view of the persistently inflationary environment, individual large claims in the Europe segment and an above-average frequency of medium-sized claims. The operating insurance service result in the non-life business was CHF 202.2 million (first half of 2022: CHF 225.7 million). This resilient result once again benefited from profitable growth in this business area as well as from the broad diversification and the high quality of the portfolio. On the cost side, economies of scale owing to the profitable growth also had an effect. In addition to the solid technical performance, it was primarily the much improved capital market performance that had a beneficial impact on the gains and losses on investments.

The combined ratio of the Group was 94.0 % (first half of 2022: 92.8 %) and was thus at the upper end of the target range stated under the *helvetia 20.25* strategy of 92 % to 94 %.

### Life business

The IFRS result after tax of the life business was CHF 137.0 million in the first half of 2023 and was thus at the level of the result posted in the prior-year period (first half of 2022: CHF 140.4 million). The solid result provided confirmation of the strategy pursued by Helvetia in recent years with a focus on capital-efficient investment-linked insurance products and risk life insurance. Helvetia thus recorded a stable CSM release of CHF 188.5 million (first half of 2022: CHF 193.4 million) despite the fact that the contribution of the life insurance company Sa Nostra Vida, which was sold at the end of 2022, was no longer included. The market movements of investments that are not held to cover business measured according to the variable fee approach had an offsetting effect on the IFRS result.

New business in the life business also developed profitably. The new business margin rose to 5.6% (first half of 2022: 4.2%). The reason for this was the growth with profitable new business in the area of active reinsurance and positive effects from higher interest rates on new business in the Europe segment.

The contractual service margin (CSM) increased relative to the end of 2022 to CHF 4,278.8 million as at 30 June 2023 (31 December 2022: CHF 3,942.4 million). In addition to the profitable new business written in the reporting period, the main contribution to this increase came from positive economic variances.

## Other activities

In addition to the Corporate segment [financing companies, Corporate Centre, centrally managed investments (funds) and Group reinsurance], the Other activities business area includes the non-insurance business of Caser, activities in the areas of asset management for third-party investors, the intermediary and advisory business and various smaller service companies that cannot be allocated to the non-life or life business areas.

At CHF –95.1 million, the IFRS result after tax in the Other activities business area was significantly below the IFRS result after tax in the first half of 2022 (CHF –20.2 million). The successful development of new business fields in the fee business and a higher insurance service result from Group reinsurance made a positive contribution. For example, the non-insurance business in connection with the "Health & Care" ecosystem of Caser in Spain contributed positively to the business area's result. Helvetia also further expanded its business with asset management services for third parties, for example with the second capital increase of the *Helvetia (CH) Swiss Property Fund* in March 2023. With a market value of more than CHF 1 billion, the fund is now one of the largest non-listed real estate funds in Switzerland. The success of these fee businesses was outweighed by the usual accounting effects relating to the consolidation of the own investment funds. Furthermore, an impairment in connection with the intermediary and advisory business in the amount of CHF 26.9 million was recognised in this area due to the challenging environment.

# The share

| Helvetia share | |
|---|---|
| Ticker symbol | HELN |
| Nominal value | CHF 0.02 |
| Security number | 46,664,220 |
| Listed on | SIX |

The Helvetia share posted a strong performance in the first half of 2023. Following a difficult 2022, the equity markets have recorded significant gains on the whole since the turn of the year. The markets have been supported by surprisingly resilient economic growth, declining rates of inflation and the expected end of the interest rate hike cycle. The concerns about the banking sector that arose during March only temporarily dampened market sentiment. The Swiss Market Mid Cap Index (SMIM) generated a total return of + 11.7 % in the first half of 2023. In comparison, the Swiss insurance sector fared worse with a gain of + 5.5 %. In contrast, the Helvetia share clearly outperformed both indices, closing the first half of 2023 with a total return of + 17.5 %.

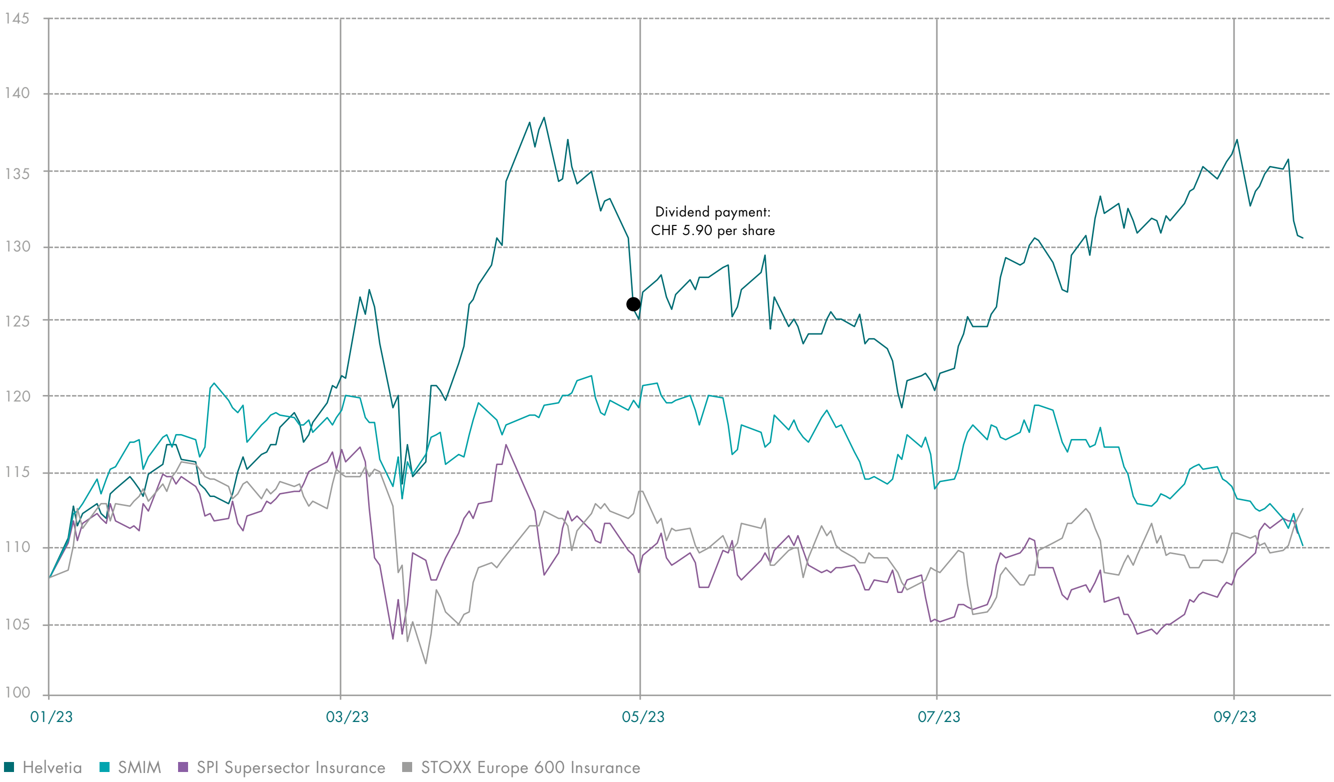
## Patria Genossenschaft as core shareholder

Compared with the end of 2022, there were no changes in the composition of the core shareholder base. As at 30 June 2023, Patria Genossenschaft still held the most significant stake in Helvetia Holding, at 34.1 %. The free float was thus unchanged at 65.9 %.

The number of shareholders increased slightly relative to the end of 2022 to 29,647 as of 30 June 2023. Compared to the end of 2022, the composition of the investor groups has slightly shifted from

**Share price development 1.1.2023 – 22.9.2023**

in CHF



private individuals (45.4% of the share register free float) to financial institutions (7.2%). Other institutional investors (excluding the core shareholder) still held 47.4% of the share register free float. The majority of the registered shareholders are based in Switzerland. On 30 June 2023, measured by the registered free float, 79.6% of the shares were held by investors who have their registered office in Switzerland (31 December 2022: 80.1%). A total of 20.4% (31 December 2022: 19.9%) were held by foreign investors. Shares pending registration declined slightly compared to the end of 2022 to 24.8% as at the end of June 2023 (31 December 2022: 25.4%).

## Higher trading volume due to index inclusion

The number of traded shares and the trading volume increased during the first half of 2023 relative to the prior-year period. 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 the first half of 2023 as a whole, an average of 107,276 Helvetia shares were traded every day, which is around 9% more than in the same period last year. Thanks to the positive share price development, the average daily trading volume even increased by approximately 17% to CHF 13.4 million (first half of 2022: CHF 11.4 million).

**Key share data Helvetia Holding AG**

| in CHF million | 30.6.2023 | 31.12.2022 |
|---|---|---|
| Group profit for the period per share in CHF (as per 30.6.) | 4.6 | 3.4 |
| Shareholders' equity per share in CHF | 63.8 | 64.7 |
| Price of Helvetia registered shares in CHF | 121.0 | 111.7 |
| Market capitalisation | 6416.1 | 5923.0 |
| Number of shares issued | 53025685 | 53025685 |

# Consolidated interim financial statements

## Consolidated income statement (unaudited)

| Six months ending on | 30.6.2023 | 30.6.2022 |
|---|---|---|
| in CHF million | | adjusted[1] |
| Insurance revenue | 4 293.6 | 4 047.3 |
| Insurance service expenses | –3 699.9 | –3 337.4 |
| Net income (expenses) from reinsurance contracts held | 24.6 | –114.0 |
| Insurance service result | 618.4 | 595.9 |
| Current income from investments | 480.8 | 476.6 |
| Gains and losses on investments | 445.5 | –1 562.2 |
| Share of profit or loss of associates | 2.6 | 2.5 |
| Investment result | 928.8 | –1 083.2 |
| Finance result from insurance contracts | –812.9 | 814.0 |
| Finance result from reinsurance contracts held | –4.6 | 5.3 |
| Insurance finance result | –817.6 | 819.2 |
| Income attributable to deposits for investment contracts | –40.7 | 128.4 |
| Finance result | 70.6 | –135.6 |
| Income from fee and commission business | 194.4 | 181.1 |
| Other income | 50.7 | 34.5 |
| Operating and administrative expenses | –444.2 | –432.4 |
| Interest payable | –10.0 | –8.0 |
| Other expenses | –63.9 | –13.5 |
| Profit or loss from operating activities | 415.9 | 222.0 |
| Financing costs | –79.7 | 44.3 |
| Profit or loss before tax | 336.3 | 266.3 |
| Income taxes | –78.5 | –74.9 |
| **Profit or loss for the period** | **257.8** | **191.4** |
| Attributable to: | | |
| Shareholders of Helvetia Holding AG | 247.4 | 181.7 |
| Non-controlling interests | 10.4 | 9.8 |
| Earnings per share: | | |
| Basic earnings per share (in CHF) | 4.63 | 3.38 |
| Diluted earnings per share (in CHF) | 4.63 | 3.38 |

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 3.

## Consolidated statement of comprehensive income (unaudited)

| Six months ending on<br>in CHF million | 30.6.2023 | 30.6.2022<br>adjusted[1] |
|---|---|---|
| **Profit or loss for the period** | **257.8** | **191.4** |
| **Other comprehensive income** | | |
| **May be reclassified to income** | | |
| Finance result from insurance contracts issued | –779.7 | 4 337.9 |
| Finance result from reinsurance contracts held | –0.3 | –5.5 |
| Change in fair value of debt investments at FVOCI | 768.0 | –4 551.2 |
| Realised gains and losses from debt investments FVOCI reclassified to profit and loss | 22.3 | –19.7 |
| Change from net investment hedge | 39.7 | –36.6 |
| Net investment hedge reclassified to profit and loss | –10.6 | – |
| Foreign currency translation differences | –83.7 | –72.2 |
| Foreign currency translation differences reclassified to profit and loss | 20.5 | – |
| Deferred taxes | –1.0 | 46.5 |
| Total that may be reclassified to income | –24.9 | –300.9 |
| **Will not be reclassified to income** | | |
| Revaluation from reclassification of property and equipment | 2.3 | –0.6 |
| Revaluation of benefit obligations | –0.1 | 140.8 |
| Deferred taxes | –0.4 | –33.4 |
| Total that will not be reclassified to income | 1.8 | 106.8 |
| Other comprehensive income, after tax | –23.0 | –194.1 |
| **Comprehensive income** | **234.8** | **–2.6** |
| Attributable to: | | |
| Shareholders of Helvetia Holding AG | 231.0 | –54.6 |
| Non-controlling interests | 3.8 | 52.0 |

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 3.

## Consolidated balance sheet (unaudited)

| in CHF million | 30.6.2023 | 31.12.2022 adjusted[1] | 1.1.2022 adjusted[1] |
|---|---|---|---|
| **Assets** | | | |
| Goodwill and other intangible assets | 1 592.6 | 1 633.9 | 1 827.1 |
| Property and equipment | 1 096.5 | 1 054.5 | 1 055.9 |
| Investments in associates | 84.4 | 86.6 | 64.1 |
| Investment property | 7 671.9 | 7 887.5 | 7 673.0 |
| Financial assets | 44 074.1 | 43 227.8 | 52 664.8 |
| Insurance contract assets | 4.1 | – | 52.3 |
| Reinsurance contract assets | 889.1 | 811.7 | 900.5 |
| Current and deferred tax assets | 171.1 | 119.7 | 320.6 |
| Assets held-for-sale | 373.3 | 318.8 | 343.2 |
| Other assets | 998.6 | 647.3 | 723.7 |
| Accrued investment income | 216.9 | 252.5 | 286.2 |
| Cash and cash equivalents | 1 236.7 | 1 460.0 | 1 858.8 |
| **Total assets** | **58 409.3** | **57 500.4** | **67 770.2** |
| **Liabilities and equity** | | | |
| Share capital | 1.1 | 1.1 | 1.1 |
| Capital reserves | 971.9 | 969.2 | 959.7 |
| Treasury shares | –19.6 | –13.3 | –10.2 |
| Fair Value reserve | –1 882.8 | –2 514.2 | 1 929.0 |
| Insurance finance reserve | 1 560.2 | 2 177.2 | –1 841.0 |
| Foreign currency translation differences | –737.5 | –706.7 | –568.6 |
| Retained earnings | 3 480.2 | 3 545.6 | 3 186.8 |
| Equity of Helvetia Holding AG shareholders | 3 373.5 | 3 458.9 | 3 656.8 |
| Non-controlling interests | 302.1 | 318.3 | 457.5 |
| Equity (without preferred securities) | 3 675.5 | 3 777.3 | 4 114.3 |
| Preferred securities | 475.0 | 475.0 | 775.0 |
| Total equity | 4 150.5 | 4 252.3 | 4 889.3 |
| Employee benefit obligations | 325.7 | 353.1 | 554.0 |
| Insurance contract liabilities | 47 470.1 | 46 269.9 | 55 141.4 |
| Reinsurance contract liabilities | 45.2 | 46.5 | 11.6 |
| Financial liabilities from investment contracts | 1 195.0 | 1 111.0 | 1 265.6 |
| Financial liabilities from financing activities | 2 412.0 | 2 384.0 | 2 105.6 |
| Other financial liabilities | 887.5 | 896.6 | 1 220.2 |
| Current and deferred tax liabilities | 467.2 | 386.4 | 693.5 |
| Other liabilities related to insurance business | 389.7 | 928.1 | 968.7 |
| Non-technical provisions | 98.1 | 143.7 | 136.7 |
| Other liabilities and accruals | 968.4 | 729.0 | 783.5 |
| Total liabilities | 54 258.8 | 53 248.1 | 62 880.9 |
| **Total liabilities and equity** | **58 409.3** | **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 3.

## Consolidated equity (unaudited)

| in CHF million | Share capital | Capital reserves | Treasury shares | Fair value reserve | Insurance finance reserve | Foreign currency translation differences | Retained earnings | Valuation reserves for contracts with participation features | Equity of Helvetia Holding AG shareholders | Non-controlling interests | Equity (without preferred securities) | Preferred securities | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance as of 1 January 2022 | 1.1 | 959.7 | –10.2 | 360.6 | – | –568.6 | 3369.7 | 1814.2 | 5926.5 | 487.9 | 6414.5 | 775.0 | 7189.5 |
| Effects of changes in IFRS 9[1] | – | – | – | 77.6 | – | – | 541.1 | – | 618.7 | 2.0 | 620.7 | – | 620.7 |
| Effects of changes in IFRS 17[1] | – | – | – | 1490.8 | –1841.0 | – | –724.0 | –1814.2 | –2888.4 | –32.4 | –2920.9 | – | –2920.9 |
| Balance as of 1 January 2022 restated | 1.1 | 959.7 | –10.2 | 1929.0 | –1841.0 | –568.6 | 3186.8 | – | 3656.8 | 457.5 | 4114.3 | 775.0 | 4889.3 |
| Profit or loss for the period | – | – | – | – | – | – | 181.7 | – | 181.7 | 9.8 | 191.4 | – | 191.4 |
| Income and expense that may be reclassified to income | – | – | – | –3552.1 | 3304.9 | –95.6 | 0.0 | – | –342.9 | 42.0 | –300.9 | – | –300.9 |
| Income and expense that will not be reclassified to income | – | – | – | –0.4 | – | – | 107.0 | – | 106.6 | 0.2 | 106.8 | – | 106.8 |
| Other comprehensive income, after tax | – | – | – | –3552.6 | 3304.9 | –95.6 | 107.0 | – | –236.3 | 42.2 | –194.1 | – | –194.1 |
| Comprehensive income | – | – | – | –3552.6 | 3304.9 | –95.6 | 288.7 | – | –54.6 | 52.0 | –2.6 | – | –2.6 |
| Transfer from / to retained earnings | – | – | – | –0.1 | 0.0 | – | –2.9 | – | –3.0 | 0.0 | –3.0 | 3.0 | 0.0 |
| Change in non-controlling interests | – | – | – | 1.8 | –0.1 | –6.4 | 119.4 | – | 114.7 | –124.7 | –9.9 | – | –9.9 |
| Purchase of treasury shares | – | – | –8.2 | – | – | – | – | – | –8.2 | – | –8.2 | – | –8.2 |
| Sale of treasury shares | – | 8.2 | 5.9 | – | – | – | – | – | 14.2 | – | 14.2 | – | 14.2 |
| Share-based payment | – | 1.2 | – | – | – | – | – | – | 1.2 | – | 1.2 | – | 1.2 |
| Dividends | – | – | – | – | – | – | –295.2 | – | –295.2 | –8.8 | –304.0 | –3.0 | –307.0 |
| Shareholders' contributions | – | 45.0 | – | – | – | – | – | – | 45.0 | – | 45.0 | – | 45.0 |
| Allocation of shareholders' contributions | – | –45.0 | – | – | – | – | – | – | –45.0 | – | –45.0 | – | –45.0 |
| **Balance as of 30 June 2022 adjusted[1]** | **1.1** | **969.2** | **–12.4** | **–1621.8** | **1463.8** | **–670.7** | **3296.8** | **–** | **3425.9** | **376.1** | **3802.0** | **775.0** | **4577.0** |
| Balance as of 1 January 2023 | 1.1 | 969.2 | –13.3 | –2514.2 | 2177.2 | –706.7 | 3545.6 | – | 3458.9 | 318.3 | 3777.3 | 475.0 | 4252.3 |
| Profit or loss for the period | – | – | – | – | – | – | 247.4 | – | 247.4 | 10.4 | 257.8 | – | 257.8 |
| Income and expense that may be reclassified to income | – | – | – | 629.7 | –617.0 | –30.8 | 0.0 | – | –18.1 | –6.8 | –24.9 | – | –24.9 |
| Income and expense that will not be reclassified to income | – | – | – | 1.7 | – | – | 0.0 | – | 1.6 | 0.2 | 1.8 | – | 1.8 |
| Other comprehensive income, after tax | – | – | – | 631.4 | –617.0 | –30.8 | 0.0 | – | –16.4 | –6.6 | –23.0 | – | –23.0 |
| Comprehensive income | – | – | – | 631.4 | –617.0 | –30.8 | 247.4 | – | 231.0 | 3.8 | 234.8 | – | 234.8 |
| Transfer from / to retained earnings | – | – | – | – | – | – | –3.0 | – | –3.0 | 0.0 | –3.0 | 3.0 | 0.0 |
| Change in non-controlling interests | – | – | – | 0.0 | – | –0.1 | 2.9 | – | 2.8 | –0.8 | 2.0 | – | 2.0 |
| Purchase of treasury shares | – | – | –28.4 | – | – | – | – | – | –28.4 | – | –28.4 | – | –28.4 |
| Sale of treasury shares | – | 1.6 | 22.1 | – | – | – | 0.0 | – | 23.8 | – | 23.8 | – | 23.8 |
| Share-based payment | – | 1.1 | – | – | – | – | – | – | 1.1 | – | 1.1 | – | 1.1 |
| Dividends | – | – | – | – | – | – | –312.1 | – | –312.1 | –19.2 | –331.4 | –3.0 | –334.3 |
| Costs of share capital increase | – | – | – | – | – | – | –0.6 | – | –0.6 | – | –0.6 | – | –0.6 |
| Shareholders' contributions | – | 45.0 | – | – | – | – | – | – | 45.0 | – | 45.0 | – | 45.0 |
| Allocation of shareholders' contributions | – | –45.0 | – | – | – | – | – | – | –45.0 | – | –45.0 | – | –45.0 |
| **Balance as of 30 June 2023** | **1.1** | **971.9** | **–19.6** | **–1882.8** | **1560.2** | **–737.5** | **3480.2** | **–** | **3373.5** | **302.1** | **3675.5** | **475.0** | **4150.5** |

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 3.

## Consolidated cash flow statement (unaudited)

| Six months ending on | 30.6.2023 | 30.6.2022 |
|---|---|---|
| in CHF million | | adjusted[1] |
| **Cash flow from operating activities** | | |
| Profit before tax | 336.3 | 266.3 |
| | | |
| **Reclassifications to investing and financing activities (affecting cash)** | | |
| Realised gains and losses on property, equipment and intangible assets | –2.8 | 0.2 |
| Realised gains and losses on sale of subsidiaries and associated companies | –0.2 | – |
| Dividends from associates | –3.0 | –2.9 |
| | | |
| **Adjustments** | | |
| Depreciation / amortisation of property, equipment and intangible assets | 102.4 | 72.8 |
| Realised gains and losses on financial instruments and investment property | 65.0 | 68.4 |
| Unrealised gains and losses on investments in associates | 0.6 | 0.4 |
| Unrealised gains and losses on investment property | –54.1 | –121.4 |
| Unrealised gains and losses on financial instruments | –507.9 | 1 646.5 |
| Insurance finance result | 864.7 | –849.2 |
| Share-based payments for employees | 1.1 | 1.2 |
| Foreign currency gains and losses | 91.8 | –55.0 |
| Other income and expenses not affecting cash | –19.9 | –81.3 |
| | | |
| **Change in operating assets and liabilities** | | |
| Insurance contract assets and liabilities | –218.0 | –432.6 |
| Reinsurance contract assets and liablities | –86.6 | 1.6 |
| Other liabilities related to insurance business | 61.3 | 7.1 |
| Changes in other operating assets and liabilities | –721.1 | –461.7 |
| | | |
| **Cash flow from investments and investment property** | | |
| Purchase of investment property | –55.2 | –136.3 |
| Sale of investment property | 239.1 | 304.4 |
| Purchase of interest-bearing securities | –2 348.2 | –2 402.8 |
| Repayment / sale of interest-bearing securities | 2 178.3 | 2 301.4 |
| Purchase of shares, investment funds and alternative investments | –895.2 | –1 619.1 |
| Sale of shares, investment funds and alternative investments | 956.4 | 1 064.4 |
| Purchase / Sale of derivatives | 7.2 | –63.6 |
| Origination of mortgages and loans | –72.1 | –62.5 |
| Repayment of mortages and loans | 204.3 | 344.7 |
| Purchase of money market instruments | –12 329.8 | –2 064.6 |
| Repayment of money market instruments | 12 424.2 | 2 118.3 |
| Cash flow from operating activities (gross) | 218.7 | –155.2 |
| | | |
| Income taxes paid | –53.2 | –58.7 |
| Cash flow from operating activities (net) | 165.5 | –214.0 |

| Six months ending on | 30.6.2023 | 30.6.2022 |
|---|---|---|
| in CHF million | | adjusted[1] |
| **Cash flow from investing activities** | | |
| Purchase of property and equipment | –35.7 | –42.6 |
| Sale of property and equipment | 0.6 | 0.3 |
| Purchase of intangible assets | –15.2 | –13.6 |
| Sale of intangible assets | 4.5 | –0.2 |
| Purchase of investments in asscociates | 0.0 | –23.7 |
| Sale of investments in associates | 1.1 | – |
| Purchase of investments in subsidiaries, net of cash and cash equivalents | –15.6 | – |
| Dividends from associates | 3.0 | 2.9 |
| Cash flow from investing activities (net) | –57.4 | –76.9 |
| | | |
| **Cash flow from financing activities** | | |
| Increase of share capital | –0.6 | – |
| Sale of treasury shares | 23.8 | 14.2 |
| Purchase of treasury shares | –28.4 | –8.2 |
| Shareholders’ contributions | 45.0 | 45.0 |
| Purchase of investments in subsidiaries | –1.1 | –180.5 |
| Issuance of debt instruments | 9.4 | 416.2 |
| Repayment of debt | –21.1 | –9.9 |
| Dividends paid | –334.9 | –307.5 |
| Repayment of lease liabilites | –15.2 | –17.3 |
| Cash flow from financing activities (net) | –323.1 | –48.0 |
| | | |
| Effect of exchange rate differences on cash and cash equivalents | –8.3 | –30.6 |
| | | |
| **Total change in cash and cash equivalents** | **–223.3** | **–369.4** |

| | | |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash and cash equivalents as of 1 January | 1 460.0 | 1 858.8 |
| Change in cash and cash equivalents | –223.3 | –369.4 |
| | | |
| **Cash and cash equivalents as of 31 December** | **1 236.7** | **1 489.4** |

[1] With the first time application of IFRS 9 (financial instruments) and IFRS 17 (insurance contracts) the previous-year figures were adjusted, see note 3.

## Condensed notes (unaudited)

### 1. General information

The Board of Directors approved the condensed consolidated interim financial statements and released them for publication at its meeting on 26 September 2023.

### 2. Summary of accounting policies

The consolidated interim financial statements were prepared in accordance with IAS 34 – Interim Financial Reporting. With the exception of the following changes, the accounting policies used in preparing the interim financial statements correspond to the policies applied to the 2022 consolidated financial statements. The consolidated interim financial statements should therefore be read in conjunction with the 2022 consolidated financial statements.

### 3. Changes in accounting policies

The following published industry-relevant changes to standards (IAS / IFRS) are applied by Helvetia for the first time starting 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

Helvetia applies the temporary exception rule under IAS 12 allowing no deferred taxes to be recognised in connection with the OECD Pillar 2 model rules.

The effects of IFRS 9 "Financial Instruments" and IFRS 17 "Insurance Contracts" are explained in more detail below. The adoption of the other amendments did not have any material impact on the Helvetia consolidated interim financial statements.

#### Standards not yet applied

The new or amended industry-relevant standards and interpretations listed in the table below have not yet been applied in preparing the consolidated interim financial statements due to their effective date.

| **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 |

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.

### 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 asset is based, on the one hand, on Helvetia's respective corresponding business model, and on the characteristic properties of the contractual cash flows of the financial asset, on the other. Only instruments whose contractual cash flows solely comprise nominal and interest payments are classified at amortised cost (AC) and 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 fixed-income investments at FVOCI. The majority of unrealised gains and losses therefore continue to be recognised in the consolidated statement of comprehensive income.
- Shares are now primarily classified at FVTPL under IFRS 9. More than half of the shares had already been held at FVTPL before.
- Items that have to date been reported at AC / HTM are now largely reported at FVOCI (especially promissory note loans) and FVTPL (especially mortgages) under IFRS 9. A small proportion continue 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 has no plans to apply the fair value option (valuation differences on its own financial liabilities arising from changes in the company's creditworthiness are recognised not affecting the income statement) to 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.

Apart from the aforementioned changes, the accounting policies for financial instruments have not changed significantly.

#### 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 made use of this option in disclosing the figures for the prior year and adjusted them accordingly.

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 |
| | 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 |
| 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 |
| 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 |
| 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 |
| **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 (designated) | 2 005.7 | –945.5 | 316.4 | 1 376.6 | FVTPL |
| | FVTPL (trading) | 1 844.6 | –1 844.6 | 0.0 | 0.0 | Mandatorily at FVTPL |
| | 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 |
| Loans | LAR | 829.7 | –789.8 | – | 39.9 | AC |
| | | | 787.2 | –79.3 | 707.9 | FVOCI |
| | | | 2.6 | – | 2.6 | Mandatorily at FVTPL |
| 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 | 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 | 2003.3 | – | 2003.3 | AC |
| Liabilites from lease | AC | 74.2 | – | 74.2 | AC |
| Minority interests in own funds | FVTPL | 306.5 | – | 306.5 | FVTPL |
| Financial liabilities from financing activities | | 2384.0 | – | 2384.0 | |
| **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 |
| 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 | 1794.5 | –683.5 | 1111.0 | FVTPL |
| **Total financial liabilities** | | **5556.5** | **–1164.9** | **4391.6** | |

[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 | 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 | 3.2 | –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** | **–3.7** | **1.2** | |

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 |
| – Group financial assets | 46368.5 | | |
| – Investments with market risk for the policyholder | 5560.3 | | |
| | | | |
| | | | |
| **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 |
| – Gains and losses on Group investments (net) | –97.0 | | |
| – Income investments with market risk for the policyholder | –852.2 | | |

**IFRS 17 Insurance Contracts**

IFRS 17 governs the principles of recognition, measurement, presentation and disclosure for insurance contracts. IFRS 17 replaces 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 value. 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 under 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 an integral component 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 assets and liabilities from insurance contracts has led to a shift from equity positions to insurance liabilities, with a corresponding reduction in the IFRS equity reported.

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 sectors.

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 current accounting. The income is distributed differently over the coverage period as a whole, however.

Insurance revenue of the life business now no longer includes savings components. This requires a fundamental change of thinking relative to the previously reported revenue, which included the total premiums. 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), as Helvetia does for its entire non-life business, the revenue recognition does not differ significantly from the previously used approach, where the premiums 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.

The significant accounting policies that have applied since 1 January 2023 are summarised below.

### Significant accounting policies for the insurance business

#### 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, insurance contracts are measured and accounted for according to the "premium allocation approach" (PAA) if the requirements are met.

Reinsurance contracts in the life business are measured according to the GMM. In the non-life business, the PAA is applied if the requirements are met. The VFA is not available to reinsurance contracts.

#### 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, the policyholder participates in a share of a clearly identifiable pool of underlying items.
– The insurer expects the policyholder to participate significantly in the changes in the fair value of the underlying items and
– the future obligatory payments fluctuate depending on how the fair value of the underlying items develops.

The underlying items primarily comprise portfolios of assets but can also include the risk and cost result.

The assessment as to whether the amounts expected to be paid to the policyholder equate to a material part 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.

#### Aggregation of insurance contracts

Insurance contracts are grouped together for measurement purposes. These contract groups 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 respective 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 loss-making at the time of initial recognition,
– contracts for which there is no significant likelihood of loss at the time of initial recognition and
– other contracts in the annual cohort.

Generally, each reinsurance contract forms a separate measurement group.

### Initial recognition of 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 and
- if facts and circumstances indicate that the contract is loss-making.

Investment contracts with discretionary participation features are recognised when Helvetia becomes a contracting party.

### Contract boundaries

For the measurement of a contract group, 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.

### Pre-coverage acquisition cash flows

If acquisition costs are paid before an associated group of insurance 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 contract group.

For contracts that are measured according to the GMM or VFA, there are currently no assets for pre-coverage acquisition cash flows.

## 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 contract group as the sum of the fulfilment values of the contracts included in the group. The fulfilment value 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 with respect to the amount and timing of a payment and
- a contractual service margin (CSM) representing expected future profits.

## Subsequent measurement of insurance contracts

### Changes in the fulfilment values

The carrying value of a contract group 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 values relating to the services to be rendered in future periods as well as the remaining CSM.

The liability for incurred claims includes the fulfilment values for incurred claims and expenses for settling these claims that have not yet been paid, including claims incurred but not reported.

The fulfilment values of groups of insurance contracts are measured as 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 contract group 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 contract group 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 values relating to future services,
- the impact of exchange rate differences on the CSM and
- the amount recognised as technical income 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:
- the 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 contractual 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.

### Measurement – contracts 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):
- the 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.

Helvetia currently applies the PAA to all non-life contracts.

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 write-down 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 contract group, 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.

**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 technical result.

**Onerous contracts**

Contracts that are measured according to the GMM or VFA

If at initial recognition the fulfilment value for a contract group shows 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 values of future services as well as – for contracts with direct participation features – Helvetia's share of the change in the fair value of the underlying items are exclusively assigned to the loss component and reported in the income statement under technical expenses. If the loss component is reduced to zero, a CSM is established for the contract group in the event of positive changes in the fulfilment values.

Contracts measured according to the PAA

In the case of potentially loss-making groups of insurance contracts, an onerous contract test is carried out on each reporting date to check whether, taking into consideration expected future cash flows, the 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 costs 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 loss-making contract group and reduces the insurance service expenses.

**Disclosure in the balance sheet and income statement**

Insurance service result – contracts that are measured according to the GMM or VFA

Helvetia recognises technical income and expenses in accordance with the fulfilment of its service obligations arising from the corresponding contract groups. In the case of contracts that are measured according to the GMM or VFA, the inusrance service result comprises the following items:
- a release of the CSM, measured on the basis of the coverage units provided,
- changes in the risk adjustment for non-financial risks relating to insurance services rendered,
- insurance service expenses expected for 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 contract group 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 direct participation features – 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 claim 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 individual 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 savings components and comprise the following items:

- Incurred claims and expenses relating to the fulfilment of contractual obligations;
- Amortisation of insurance acquisiton 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 the liabilities 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 contract group, caused by:

- the effect of the time value of money and its changes and
- the effect of the financial risk and its changes.

Helvetia splits the insurance finance result between the income statement and other comprehensive income. Accrued interest on fulfilment values 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, on the other hand, 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 finance result for the period is allocated to other comprehensive income.

Helvetia splits changes in the risk adjustment for non-financial risks between the insurance service result and the insurance finance result.

### 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 will not disclose the impact of the introduction of IFRS 17 on the individual balance sheet items and on the earnings per share for the period. The transition impact of IFRS 17 is shown in the changes in the consolidated statement of equity.

Helvetia has made all reasonable efforts to acquire the necessary historical information. In doing so, Helvetia found that such information was not available for certain groups of contracts or was not available without undue cost or effort. The full retrospective approach could not be applied for these groups of contracts.

In the non-life business, the modified retrospective approach was therefore 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 contract group 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 or reinsurance contracts on the basis of one or more of the following circumstances:

#### Data

The effects of 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 contract groups, 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 the 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 contract groups, such assumptions include:

- Expectations about the profitability of a contract and its risk of becoming loss-making, which is a requirement for identifying a contract group 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

The assumed loss reserves from 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 to be impractical due to one or more of the following circumstances, for certain contract groups:

– the historical acquisition costs were not available at a sufficient granularity and
– assumptions about expectations regarding the allocation of costs to the new contract groups and amortisation periods at the time of payment of the acquisition costs could only be made at an approximate level without applying hindsight.

**Financial impact of IFRS 9 and IFRS 17**

The reconciliation of the balance sheet published as at 31 December 2021 to the opening balance sheet as at 1 January 2022 in accordance with IFRS 9 and IFRS 17 is summarised below.

**Balance sheet reconciliation (condensed)**

| in CHF million | 31.12.2021 (reported) | 1.1.2022 (adjusted) | Adjustments |
|---|---|---|---|
| **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 | 16 099.4 | 14 077.1 | –2 022.3 |
| Deferred tax assets | 10.5 | 75.5 | 65.0 |
| **Total assets** | **69 743.6** | **67 770.2** | **–1 973.4** |
| **Liabilities and equity** | | | |
| Equity of Helvetia Holding AG shareholders | 5 926.5 | 3 656.8 | –2 269.7 |
| Non-controlling 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 | 9 421.6 | 7 266.9 | –2 154.7 |
| Deferred tax liabilities | 884.2 | 461.0 | –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 due to the offsetting of assets and liabilities in various instances. 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 liabilities from insurance contracts.

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 in accordance with IFRS 17. At the same time, under IFRS 17, expected future profits called contractual service margin (CSM) are recognised in the 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 changes in equity on pages 16 and 17.

**CSM by transition method**

| as of 1. January 2022 | Insurance contracts issued | Reinsurance contracts held |
|---|---|---|
| in CHF million | | |
| Modified retrospective approach | 4700.1 | –96.2 |
| Fair value approach | 49.7 | – |
| | | |
| **Total** | **4749.8** | **–96.2** |

Please refer to section 5 for further information on the insurance business.

**Reconciliation of 2022 result for the period**

| 2022 | Reported | Adjusted | Adjustments |
|---|---|---|---|
| in CHF million | | | |
| | **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 period result is mainly due to a different accounting treatment of unrealised gains and losses on financial investment under IFRS 9.

**4. Segment information**

The operating segments of Helvetia are "Switzerland", "Europe", "Specialty Markets" and "Corporate".

The "Switzerland" segment comprises the Swiss market units. The market units Germany, Italy and Spain, together with Austria, have been consolidated into the "Europe" segment. 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 financing companies, Group reinsurance and Helvetia Holding AG.

### 4.1 Segment information

| | Switzerland | | Europe | | Specialty Markets | | Corporate | | Elimination | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Six months ending on | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
| in CHF million | | | | | | | | | | | | |
| Insurance revenue | 1 527.3 | 1 434.1 | 1 863.4 | 1 845.0 | 906.6 | 771.4 | 277.9 | 210.6 | –281.6 | –213.8 | 4 293.6 | 4 047.3 |
| Insurance service expense | –1 142.8 | –1 027.9 | –1 738.7 | –1 593.0 | –818.6 | –716.7 | –260.7 | –175.4 | 260.9 | 175.5 | –3 699.9 | –3 337.4 |
| Net income (expenses) from reinsurance contracts held | –14.3 | –76.8 | 52.9 | –38.3 | –30.1 | –8.7 | –4.6 | –28.5 | 20.7 | 38.3 | 24.6 | –114.0 |
| Insurance service result | 370.2 | 329.4 | 177.6 | 213.7 | 57.9 | 46.0 | 12.6 | 6.8 | 0.0 | 0.0 | 618.4 | 595.9 |
| Current income from investments | 365.9 | 383.5 | 118.7 | 98.2 | 26.1 | 20.3 | –4.2 | –12.4 | –25.7 | –13.0 | 480.8 | 476.6 |
| Gains and losses on investments | 197.5 | –908.9 | 210.9 | –622.9 | –19.9 | 20.0 | 56.9 | –50.4 | 0.0 | 0.0 | 445.5 | –1 562.2 |
| Share of profit or loss of associates | 0.8 | 0.4 | 1.6 | 2.1 | 0.2 | – | – | – | 0.0 | – | 2.6 | 2.5 |
| Investment result | 564.3 | –525.0 | 331.2 | –522.5 | 6.4 | 40.2 | 52.7 | –62.8 | –25.7 | –13.0 | 928.8 | –1 083.2 |
| Finance result from insurance contracts | –616.4 | 415.9 | –242.5 | 444.4 | 37.0 | –54.0 | 7.1 | 10.4 | 1.8 | –2.8 | –812.9 | 814.0 |
| Finance result from reinsurance contracts | 4.7 | –1.9 | 0.9 | –1.0 | –3.3 | 8.2 | –5.1 | –2.9 | –1.8 | 2.8 | –4.6 | 5.3 |
| Insurance finance result | –611.7 | 414.1 | –241.6 | 443.5 | 33.8 | –45.9 | 2.0 | 7.5 | 0.0 | 0.0 | –817.6 | 819.2 |
| Income attributable to deposits for investment contracts | –11.9 | 48.7 | –28.8 | 79.7 | – | – | – | – | 0.0 | – | –40.7 | 128.4 |
| Finance result | –59.3 | –62.2 | 60.8 | 0.6 | 40.1 | –5.6 | 54.7 | –55.3 | –25.7 | –13.0 | 70.6 | –135.6 |
| Income from fee and commission business | 58.0 | 59.2 | 135.8 | 121.2 | – | – | 2.9 | 2.3 | –2.3 | –1.6 | 194.4 | 181.1 |
| Other income | 23.2 | 6.6 | 13.5 | 6.3 | 12.5 | 16.3 | 1.5 | 5.3 | – | 0.0 | 50.7 | 34.5 |
| Operating and administrative expenses | –140.7 | –137.5 | –222.6 | –216.4 | –23.3 | –16.4 | –59.8 | –63.8 | 2.2 | 1.6 | –444.2 | –432.4 |
| Interest payable | –12.1 | –6.3 | –3.0 | –4.8 | 0.2 | 0.1 | –13.3 | –2.4 | 18.3 | 5.4 | –10.0 | –8.0 |
| Other expenses | –35.8 | –15.1 | –14.3 | –17.5 | –21.3 | –14.1 | 7.5 | 33.2 | 0.0 | 0.0 | –63.9 | –13.5 |
| Profit or loss from operating activities | 203.4 | 174.2 | 147.9 | 103.1 | 66.1 | 26.3 | 6.0 | –73.9 | –7.4 | –7.7 | 415.9 | 222.0 |
| Financing costs | –5.6 | –5.7 | –2.7 | –2.7 | –0.1 | –0.1 | –78.8 | 45.2 | 7.4 | 7.6 | –79.7 | 44.3 |
| Profit or loss before tax | 197.9 | 168.5 | 145.2 | 100.4 | 66.0 | 26.2 | –72.8 | –28.7 | 0.0 | 0.0 | 336.3 | 266.3 |
| Income taxes | –24.2 | –31.7 | –37.7 | –39.4 | –16.9 | –4.4 | 0.3 | 0.6 | 0.0 | 0.0 | –78.5 | –74.9 |
| **Profit or loss for the period** | **173.7** | **136.7** | **107.5** | **61.0** | **49.1** | **21.8** | **–72.5** | **–28.1** | **0.0** | **0.0** | **257.8** | **191.4** |

**Details on Europe segment**

| Six months ending on<br>in CHF million | Germany 30.6.2023 | Germany 30.6.2022 | Italy 30.6.2023 | Italy 30.6.2022 | Spain 30.6.2023 | Spain 30.6.2022 | Austria 30.6.2023 | Austria 30.6.2022 | Elimination 30.6.2023 | Elimination 30.6.2022 | Total Europe 30.6.2023 | Total Europe 30.6.2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Insurance revenue | 400.9 | 383.1 | 299.9 | 295.8 | 930.9 | 946.7 | 233.8 | 220.8 | –2.1 | –1.5 | 1 863.4 | 1 845.0 |
| Insurance service expense | –409.7 | –313.1 | –250.1 | –235.2 | –878.9 | –839.5 | –200.9 | –206.6 | 0.9 | 1.4 | –1 738.7 | –1 593.0 |
| Net income (expenses) from reinsurance contracts held | 37.7 | –19.2 | –21.0 | –7.8 | 43.1 | –15.2 | –8.1 | 3.8 | 1.2 | 0.1 | 52.9 | –38.3 |
| Insurance service result | 28.9 | 50.8 | 28.8 | 52.9 | 95.1 | 92.0 | 24.8 | 18.0 | 0.0 | – | 177.6 | 213.7 |
| Current income from investments | 24.7 | 23.1 | 38.8 | 33.4 | 39.2 | 26.1 | 16.1 | 15.6 | – | – | 118.7 | 98.2 |
| Gains and losses on investments | 85.9 | –218.8 | 39.5 | –157.2 | 26.0 | –75.6 | 59.6 | –171.3 | 0.0 | – | 210.9 | –622.9 |
| Share of profit or loss of associates | – | – | – | – | 1.6 | 2.1 | – | – | – | – | 1.6 | 2.1 |
| Investment result | 110.6 | –195.7 | 78.2 | –123.8 | 66.7 | –47.4 | 75.7 | –155.7 | 0.0 | – | 331.2 | –522.5 |
| Finance result from insurance contracts | –106.6 | 181.7 | –53.6 | 70.9 | –15.8 | 32.3 | –66.5 | 159.5 | 0.0 | 0.0 | –242.5 | 444.4 |
| Finance result from reinsurance contracts | 0.5 | 0.5 | –0.1 | –7.2 | 0.4 | 5.6 | 0.0 | 0.2 | 0.0 | 0.0 | 0.9 | –1.0 |
| Insurance finance result | –106.1 | 182.2 | –53.6 | 63.8 | –15.4 | 37.8 | –66.5 | 159.7 | – | – | –241.6 | 443.5 |
| Income attributable to deposits for investment contracts | – | – | –19.6 | 50.3 | –9.2 | 29.3 | – | – | – | 0.0 | –28.8 | 79.7 |
| Finance result | 4.5 | –13.5 | 5.0 | –9.7 | 42.2 | 19.8 | 9.2 | 4.0 | 0.0 | 0.0 | 60.8 | 0.6 |
| Income from fee and commission business | 1.6 | 2.4 | 2.9 | 3.3 | 128.4 | 112.8 | 2.9 | 2.7 | 0.0 | – | 135.8 | 121.2 |
| Other income | 1.7 | 0.6 | 3.6 | 0.9 | 5.5 | 4.7 | 2.7 | 0.1 | – | – | 13.5 | 6.3 |
| Operating and administrative expenses | –15.9 | –24.4 | –23.2 | –21.8 | –167.7 | –156.3 | –15.8 | –13.9 | 0.0 | 0.0 | –222.6 | –216.4 |
| Interest payable | –0.2 | –0.5 | –0.2 | –0.1 | –2.4 | –3.7 | –0.3 | –0.5 | – | – | –3.0 | –4.8 |
| Other expenses | –1.6 | –1.7 | –2.0 | –4.1 | –9.0 | –10.9 | –1.7 | –0.8 | 0.0 | 0.0 | –14.3 | –17.5 |
| Profit or loss from operating activities | 19.0 | 13.6 | 15.0 | 21.4 | 92.1 | 58.5 | 21.8 | 9.6 | 0.0 | 0.0 | 147.9 | 103.1 |
| Financing costs | –0.1 | –0.1 | –1.9 | –1.9 | –0.7 | –0.7 | 0.0 | 0.0 | 0.0 | 0.0 | –2.7 | –2.7 |
| Profit or loss before tax | 18.9 | 13.5 | 13.1 | 19.5 | 91.4 | 57.9 | 21.8 | 9.6 | 0.0 | 0.0 | 145.2 | 100.4 |
| Income taxes | –6.7 | –7.3 | –4.0 | –19.4 | –22.7 | –14.6 | –4.3 | 2.0 | 0.0 | 0.0 | –37.7 | –39.4 |
| **Profit or loss for the period** | **12.2** | **6.1** | **9.1** | **0.1** | **68.7** | **43.3** | **17.5** | **11.5** | **0.0** | **0.0** | **107.5** | **61.0** |

## 4.2 Information by business area

| Six months ending on<br>in CHF million | Life 30.6.2023 | Life 30.6.2022 | Non-life 30.6.2023 | Non-life 30.6.2022 | Other activities 30.6.2023 | Other activities 30.6.2022 | Elimination 30.6.2023 | Elimination 30.6.2022 | Total 30.6.2023 | Total 30.6.2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Insurance revenue | 921.4 | 897.9 | 3378.0 | 3154.1 | 277.9 | 210.6 | –283.6 | –215.3 | 4293.6 | 4047.3 |
| Insurance service expense | –616.1 | –640.8 | –3085.0 | –2698.2 | –260.7 | –175.4 | 261.9 | 177.0 | –3699.9 | –3337.4 |
| Net income (expenses) from reinsurance contracts held | –8.3 | –7.2 | 15.5 | –116.6 | –4.6 | –28.5 | 22.0 | 38.3 | 24.6 | –114.0 |
| Insurance service result | 297.0 | 249.9 | 308.5 | 339.3 | 12.6 | 6.8 | 0.3 | 0.0 | 618.4 | 595.9 |
| Current income from investments | 404.1 | 419.6 | 119.2 | 84.3 | –3.2 | –11.6 | –39.3 | –15.7 | 480.8 | 476.6 |
| Gains and losses on investments | 388.4 | –1392.5 | –0.1 | –119.1 | 57.2 | –50.6 | 0.0 | – | 445.5 | –1562.2 |
| Share of profit or loss of associates | 0.0 | 0.0 | 1.2 | 0.7 | 1.4 | 1.8 | – | – | 2.6 | 2.5 |
| Investment result | 792.5 | –973.0 | 120.2 | –34.1 | 55.4 | –60.5 | –39.3 | –15.7 | 928.8 | –1083.2 |
| Finance result from insurance contracts | –834.2 | 858.5 | 12.3 | –52.2 | 7.1 | 10.4 | 1.8 | –2.8 | –812.9 | 814.0 |
| Finance result from reinsurance contracts | –0.7 | –1.4 | 3.0 | 6.8 | –5.1 | –2.9 | –1.8 | 2.8 | –4.6 | 5.3 |
| Insurance finance result | –834.9 | 857.1 | 15.4 | –45.4 | 2.0 | 7.5 | 0.0 | 0.0 | –817.6 | 819.2 |
| Income attributable to deposits for investment contracts | –40.7 | 128.4 | – | – | – | – | – | – | –40.7 | 128.4 |
| Finance result | –83.1 | 12.4 | 135.6 | –79.4 | 57.4 | –52.9 | –39.3 | –15.7 | 70.6 | –135.6 |
| Income from fee and commission business | 15.4 | 13.6 | 36.6 | 38.5 | 164.8 | 152.1 | –22.5 | –23.1 | 194.4 | 181.1 |
| Other income | 21.0 | 5.7 | 28.4 | 24.7 | 2.6 | 5.4 | –1.4 | –1.3 | 50.7 | 34.5 |
| Operating and administrative expenses | –57.5 | –54.0 | –199.8 | –201.8 | –209.1 | –199.7 | 22.2 | 23.1 | –444.2 | –432.4 |
| Interest payable | –11.6 | –5.4 | –13.5 | –6.0 | –15.8 | –4.6 | 30.9 | 8.0 | –10.0 | –8.0 |
| Other expenses | –2.1 | –16.6 | –37.4 | –27.1 | –25.9 | 29.1 | 1.5 | 1.1 | –63.9 | –13.5 |
| Profit or loss from operating activities | 179.2 | 205.6 | 258.4 | 88.1 | –13.4 | –63.8 | –8.3 | –7.8 | 415.9 | 222.0 |
| Financing costs | –7.4 | –6.6 | –1.7 | –1.7 | –78.9 | 45.1 | 8.3 | 7.6 | –79.7 | 44.3 |
| Profit or loss before tax | 171.9 | 198.9 | 256.7 | 86.3 | –92.3 | –18.7 | 0.0 | –0.2 | 336.3 | 266.3 |
| Income taxes | –34.8 | –58.6 | –40.8 | –14.9 | –2.8 | –1.5 | 0.0 | 0.1 | –78.5 | –74.9 |
| **Profit or loss for the period** | **137.0** | **140.4** | **215.9** | **71.4** | **–95.1** | **–20.2** | **0.0** | **–0.1** | **257.8** | **191.4** |

**5. Insurance business**

The development of the net carrying amounts of the insurance contracts of Helvetia that are measured according to the PAA are listed in the following tables.

| | Liability for remaining coverage | | Liability for incurred claims | | | |
|---|---|---|---|---|---|---|
| in CHF million | Excl. Loss component | Loss component | Present value of future cash flows | Risk adjustment | Asset for insurance acquisition cash flows | Total |
| 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 |
| **Insurance service result** | | | | | | |
| Insurance revenue | –3372.2 | – | – | – | – | –3372.2 |
| Insurance service expenses | 693.7 | –9.4 | 2389.3 | 10.2 | – | 3083.8 |
| *Incurred claims and other expenses* | *–* | *–32.1* | *2450.3* | *77.8* | *–* | *2496.0* |
| *Amortisation of insurance acquisition cash flows* | *693.7* | *–* | *–* | *–* | *–* | *693.7* |
| *Adjustments to liabilities for incurred claims related to past services* | *–* | *–* | *–61.0* | *–67.6* | *–* | *–128.6* |
| *Losses and reversal of losses on onerous contracts* | *–* | *22.7* | *–* | *–* | *–* | *22.7* |
| Insurance service result | –2678.5 | –9.4 | 2389.3 | 10.2 | – | –288.4 |
| Investment components | –14.3 | – | 14.3 | – | – | – |
| Insurance finance result | – | – | 29.9 | 1.6 | – | 31.5 |
| Foreign currency translation differences | 7.0 | –0.4 | –48.9 | –3.5 | – | –45.8 |
| Changes recognized in OCI | –10.7 | –0.9 | 19.2 | 0.3 | 0.0 | 7.9 |
| Cash flows | 3311.9 | – | –2189.4 | – | –16.9 | 1105.6 |
| *Premiums received* | *4072.7* | *–* | *–* | *–* | *–* | *4072.7* |
| *Claims and other insurance service expenses paid* | *–* | *–* | *–2175.1* | *–* | *–* | *–2175.1* |
| *Savings components paid* | *–* | *–* | *–14.3* | *–* | *–* | *–14.3* |
| *Insurance acquisition cash flows paid* | *–760.8* | *–* | *–* | *–* | *–16.9* | *–777.7* |
| Allocation from assets for insurance acquisition cash flows to group of contracts | –32.5 | – | – | – | 32.5 | – |
| Other changes | 0.0 | 0.0 | 0.0 | 0.0 | – | 0.0 |
| **Closing balance as of 30 June 2023** | **1449.0** | **93.6** | **6160.9** | **304.9** | **–33.0** | **7975.4** |
| Insurance contract assets as of 30 June 2023 | –5.4 | – | 1.2 | 0.0 | – | –4.1 |
| Insurance contract liabilities as of 30 June 2023 | 1454.4 | 93.6 | 6159.7 | 304.8 | –33.0 | 7979.5 |

| in CHF million | Liability for remaining coverage: Excl. Loss component | Liability for remaining coverage: Loss component | Liability for incurred claims: Present value of future cash flows | Liability for incurred claims: Risk adjustment | Asset for insurance acquisition cash flows | Total |
|---|---|---|---|---|---|---|
| Opening balance as of 1 January 2022 | –5.2 | – | 2.4 | 0.2 | 0.0 | –2.6 |
| Opening balance as of 1 January 2022 | 877.3 | 118.9 | 6107.0 | 290.5 | –49.1 | 7344.7 |
| Opening balance as of 1 January 2022 | 872.1 | 118.9 | 6109.4 | 290.6 | –49.1 | 7342.0 |
| **Insurance service result** | | | | | | |
| Insurance revenue | –6347.0 | – | – | – | – | –6347.0 |
| Insurance service expenses | 1289.9 | –10.2 | 4255.4 | 29.0 | – | 5564.1 |
| *Incurred claims and other expenses* | – | *–53.1* | *4524.4* | *113.3* | – | *4584.5* |
| *Amortisation of insurance acquisition cash flows* | *1289.9* | – | – | – | – | *1289.9* |
| *Adjustments to liabilities 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 | –5057.1 | –10.2 | 4255.4 | 29.0 | – | –782.9 |
| Investment components | –23.0 | – | 23.0 | – | – | – |
| Insurance finance result | – | – | 27.8 | 1.3 | – | 29.1 |
| Foreign currency translation 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 | 5151.1 | – | –4001.1 | – | –32.5 | 1117.5 |
| *Premiums received* | *6469.2* | – | – | – | – | *6469.2* |
| *Claims and other insurance service expenses paid* | – | – | *–3978.1* | – | – | *–3978.1* |
| *Savings components paid* | – | – | *–23.0* | – | – | *–23.0* |
| *Insurance acquisition cash flows paid* | *–1318.1* | – | – | – | *–32.5* | *–1350.5* |
| Allocation from assets for insurance acquisition cash flows to group of contracts | –32.9 | – | – | – | 32.9 | – |
| Other changes | 0.3 | – | 2.1 | 0.0 | – | 2.5 |
| **Closing balance as of 31 December 2022** | **866.0** | **104.4** | **5946.6** | **296.2** | **–48.6** | **7164.6** |
| Insurance contract assets as of 31 December 2022 | – | – | – | – | – | – |
| Insurance contract liabilities as of 31 December 2022 | 866.0 | 104.4 | 5946.6 | 296.2 | –48.6 | 7164.6 |

**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 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 the liabilities.

The measurement of the liabilities from a group of insurance 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)

Reserves are set aside for all claims incurred by the end of the reporting period. The reserves also include provisions for claims incurred but not yet reported. The reserves are determined using actuarial methods taking account of uncertainties, whereby consistent principles are applied throughout Helvetia. 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). Liability estimates and the assumptions on which they are based are reviewed continuously.

Valuation changes are recognised in the income statement at the time of the change. Using appropriate payment patterns, an expected cash flow is modelled, which is then discounted. The default risk of cash flows from reinsurance contracts 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 reservation models by estimating the statistical uncertainty (standard deviation) in each reservation 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 individual market units and between the life and non-life businesses are taken into account.

The statistical distribution of the reserves 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 reserves.

Helvetia uses a confidence level (quantile) of 70% for the risk adjustment.

The development of the net carrying amounts of the insurance contracts of Helvetia that are measured according to the GMM or VFA is listed in the following tables. There was no asset for insurance acquisition cash flows during the reporting period.

| 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 | –131.7 | –7.1 | –188.5 | –327.3 |
| *CSM recognised for services provided* | *–* | *–* | *–188.5* | *–188.5* |
| *Change in risk adjustment* | *–* | *–7.1* | *–* | *–7.1* |
| *Experience adjustments* | *–131.7* | *–* | *–* | *–131.7* |
| Changes that relate to future service | –2.3 | –2.9 | 6.6 | 1.3 |
| *Contracts initially recognised in the period* | *–126.9* | *5.3* | *122.8* | *1.1* |
| *Changes in the estimates reflected in the contractual service margin* | *119.8* | *–3.5* | *–116.2* | *0.0* |
| *Changes in estimates that do not adjust CSM* | *4.8* | *–4.7* | *–* | *0.2* |
| Changes that relate to past service | 19.4 | 1.3 | – | 20.7 |
| *Changes in fulfilment cash flows relating to incurred claims* | *19.4* | *1.3* | *–* | *20.7* |
| Insurance service result | –114.6 | –8.7 | –182.0 | –305.3 |
| Insurance finance income or expenses | 613.9 | –2.8 | 224.1 | 835.2 |
| Effects from currency exchange rate differences | –0.7 | –0.2 | –0.1 | –1.0 |
| Changes recognized in OCI | 267.8 | 24.0 | 294.4 | 586.2 |
| Cash flows | –729.8 | – | – | –729.8 |
| *Premiums received* | *2 085.6* | *–* | *–* | *2 085.6* |
| *Claims and other insurance service expenses paid* | *–531.7* | *–* | *–* | *–531.7* |
| *Savings components paid* | *–2 182.3* | *–* | *–* | *–2 182.3* |
| *Insurance acquisition cash flows paid* | *–151.3* | *–* | *–* | *–151.3* |
| *Other cash flows* | *49.9* | *–* | *–* | *49.9* |
| Other changes | 0.0 | 0.0 | – | 0.0 |
| **Closing balance as of 30 June 2023** | **35 073.5** | **138.3** | **4 278.8** | **39 490.6** |
| Insurance contract assets as of 30 June 2023 | – | – | – | – |
| Insurance contract liabilities as of 30 June 2023 | 35 073.5 | 138.3 | 4 278.8 | 39 490.6 |

| 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 | 43131.0 | 176.3 | 4489.4 | 47796.7 |
| Opening balance as of 1 January 2022 | 42800.4 | 196.9 | 4749.8 | 47747.1 |
| Change in the scope of consolidation | –997.7 | –2.2 | –24.2 | –1024.0 |
| **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* |
| *Change 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 |
| Insurance finance income or expenses | –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 | –4835.0 | –63.3 | –601.4 | –5499.8 |
| Cash flows | –1127.8 | – | – | –1127.8 |
| *Premiums received* | *4041.4* | – | – | *4041.4* |
| *Claims and other insurance service expenses paid* | *–1190.5* | – | – | *–1190.5* |
| *Savings components paid* | *–3746.6* | – | – | *–3746.6* |
| *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** | **35036.8** | **126.1** | **3942.4** | **39105.3** |
| Insurance contract assets as of 31 December 2022 | – | – | – | – |
| Insurance contract liabilities as of 31 December 2022 | 35036.8 | 126.1 | 3942.4 | 39105.3 |

**Expected CSM recognition**

| in CHF million | Insurance contracts | Reinsurance contracts held | Insurance contracts net of reinsurance |
|---|---|---|---|
| Closing balance CSM as of 31. December 2022 | 3 984.0 | –75.5 | 3 908.5 |
| Expected changes recognised in profit or loss in | | | |
| Year 1 | 318.3 | –9.9 | 308.4 |
| Year 2 | 301.2 | –9.4 | 291.8 |
| Year 3 | 282.9 | –7.7 | 275.2 |
| Year 4 | 266.8 | –6.7 | 260.1 |
| Year 5 | 249.7 | –5.7 | 244.0 |
| Years 6-10 | 1 003.5 | –18.2 | 985.3 |
| Years 11-15 | 650.6 | –7.8 | 642.8 |
| Years 16-20 | 414.1 | –4.1 | 410.0 |
| Years 21 and subsequent | 496.9 | –6.0 | 490.9 |

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.

**Significant assumptions and estimates for contracts that are measured according to the GMM or VFA**

Various assumptions and estimates are associated with the measurement of assets and liabilities from insurance contracts measured according to the general measurement model (GMM) or the variable fee approach (VFA). Helvetia currently applies GMM or VFA only in 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 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 the liabilities.

In groups of insurance 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.

The measurement of the liabilities from a group of insurance 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, deemed material for the measurement of the insurance contracts liabilities, are considered below.

### Non-economic assumptions

Non-economic assumptions are determined at a local level by the respective group companies. 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. The companies also take account of the specific characteristics of the respective insurance portfolio. The following non-economic assumptions are reviewed at least annually and adjusted where necessary:

- Expenses
- Biometric assumptions (mortality, longevity, disability and reactivation)
- Lapse behaviour
- Exercise of the lump-sum option for policies with a savings component where the policyholder can choose at the end of the term between a single maturity payment or an annuity.

### Economic assumptions

Economic assumptions are expected values that are derived based on the conditions of the financial markets or macroeconomic parameters. These are discount rates, including illiquidity premiums, 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 contract group. The basis is formed by a currency-specific risk-free yield curve. 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, applying a discount for the credit risk of 10 bp. In addition to the risk-free yield curve, an illiquidity premium is added in the life business (see page 48).
- 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 the 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 respective 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 the average expectations with respect to the timing of the cash flows and their amount. However, the actual realisation of the expectation is uncertain and is based on statistical distributions, meaning there is a certain expiry risk. To be able to economically bear this statistical uncertainty, there is, alongside the best estimate liabilities, a risk adjustment for non-financial risks as an additional liability component.

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. Helvetia uses a confidence level (quantile) of 70% for the risk adjustment.

### Recognition of the contractual service margin (CSM)

The recognition of the CSM to the income statement is based on the contractual services rendered in the period. The quantity of services rendered is determined by coverage units.

With respect to the 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 insurance contracts, coverage units are weighted.

### Savings components

The savings 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 savings component is determined anew 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 yield curves of the most important currencies are presented below:

| Currency | | CHF | | | EUR | |
|---|---|---|---|---|---|---|
| Maturity | 30.6.2023 | 31.12.2022 | 1.1.2022 | 30.6.2023 | 31.12.2022 | 1.1.2022 |
| 1 year | 1.9% | 1.5% | –0.7% | 4.0% | 3.2% | –0.6% |
| 2 years | 2.0% | 1.6% | –0.5% | 3.8% | 3.3% | –0.4% |
| 3 years | 1.9% | 1.7% | –0.4% | 3.5% | 3.2% | –0.3% |
| 5 years | 1.8% | 1.9% | –0.2% | 3.1% | 3.1% | –0.1% |
| 7 years | 1.8% | 2.0% | –0.1% | 3.0% | 3.1% | 0.0% |
| 10 years | 1.8% | 2.1% | 0.1% | 2.9% | 3.1% | 0.2% |
| 15 years | 1.8% | 2.2% | 0.2% | 2.8% | 3.0% | 0.4% |
| 20 years | 1.8% | 2.2% | 0.5% | 2.7% | 2.8% | 0.5% |
| 25 years | 1.9% | 2.2% | 0.7% | 2.6% | 2.7% | 0.7% |
| 30 years | 2.0% | 2.3% | 0.9% | 2.6% | 2.7% | 1.0% |
| **Illiquidity premiums** | | | | | | |
| Range in basis points | 0 – 77 | 0 – 64 | 0 – 62 | 0 – 65 | 0 – 78 | 0 – 60 |

**6. Goodwill and other intangible assets**

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 (see page 52).

The goodwill impairment test was based on the following growth and discount rates, assuming a perpetuity:

| | Goodwill | Growth rate | Applied discounting interest rate |
|---|---|---|---|
| | in CHF million | in % | in % |
| Intermediation and advisory business | 102.4 | 1.5% | 7.68% |
| Intermediation and advisory business | 129.3 | 1.5% | 7.92% |

The growth rate represents the expected long-term industry growth. The applied discount rates are pre-tax rates.

Following the value adjustment, the recoverable amount of the cash-generating “intermediary and advisory business” unit corresponds to the carrying value.

Other cash-generating units were not subjected to an impairment test, as there were no indications of a possible impairment.

### 7. Financial instruments at fair value

Fair value is the price at which an asset could be exchanged in an active market between knowledgeable, willing parties in an arm's length transaction.

If a market value on an active market is available, the asset is allocated to the "Level 1" valuation category. Otherwise the fair value is determined using measurement 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 of valuation methods includes comparisons with current market transactions, references to transactions with similar instruments, and option pricing models. In particular, interest-bearing securities without an active market, derivatives and financial liabilities belong in the "Level 2" category.

The fair value of interest-bearing securities in the "Level 2" category is based on rates set by brokers or banks, which are validated through comparison with current market transactions and with reference to transactions with similar instruments, or determined by means of the discounted cash flow method.

The fair value of equity, interest-rate and currency options is determined using option pricing 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. The fair value of non-controlling interests in own funds and deposits for investment contracts is derived from the fair value of the underlying assets.

If the valuation assumptions are not based on observable market data, the asset falls into the "Level 3" valuation category. This applies in particular to alternative investments. At Helvetia, the alternative investments primarily comprise private debt. Helvetia invests in private debt via fund companies. The credit assessment is conducted by the fund operator.

Helvetia recognises transfers between the valuation category levels at the end of the reporting period in which the changes occurred.

#### Transfers between the valuation category levels

| in CHF million | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 | 30.6.2023 | 30.6.2022 |
|---|---|---|---|---|---|---|
| from / to | Level 1 | | Level 2 | | Level 3 | |
| Level 1 | – | – | 1 178.1 | 4 301.6 | – | – |
| Level 2 | 3 652.4 | 888.7 | – | – | 47.7 | – |
| Level 3 | – | – | 287.5 | – | – | – |

From the previous year's CHF 1,399.8 million of "Level 3" investments at fair value as at 31 December 2022,

– disposals in the amount of CHF –158.3 million (previous period: CHF –158.3 million) were recorded.
– Additions in the amount of CHF 170.5 million (previous period: CHF 213.0 million) were recorded.
– Investments in the amount of CHF 239.8 million net (previous period: CHF 5.5 million) were transferred from "Level 3".
– Gains of CHF 32.9 million (previous period: CHF 34.7 million) were reported under "Gains and losses on financial instruments" in the income statement and non-realised gains and losses of CHF 0.2 million (previous period: CHF 0.0 million) were reported in the statement of comprehensive income.
– The valuation effects on the "Level 3" investments held on the reporting date was CHF 33.1 million (previous period: CHF 33.7 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 31.3 million.

## Financial instruments at fair value by valuation method

| | Fair value | | Quoted market prices | | Based on market data | | Not based on market data | |
|---|---|---|---|---|---|---|---|---|
| as of 31.12. | 30.6.2023 | 31.12.2022 | 30.6.2023 | 31.12.2022 | 30.6.2023 | 31.12.2022 | 30.6.2023 | 31.12.2022 |
| in CHF million | | | Level 1 | | Level 2 | | Level 3 | |
| **At fair value:** | | | | | | | | |
| **At fair value through OCI** | | | | | | | | |
| Interest-bearing securities | 27 004.6 | 26 404.5 | 9 286.5 | 6 307.2 | 17 704.6 | 20 086.5 | 13.5 | 10.7 |
| Loans | 696.0 | 707.9 | | – | 696.0 | 707.9 | | – |
| Financial assets at fair value through OCI | 27 700.6 | 27 112.4 | 9 286.5 | 6 307.2 | 18 400.5 | 20 794.4 | 13.5 | 10.7 |
| **At fair value through P&L – designated** | | | | | | | | |
| Interest-bearing securities | 1 448.0 | 1 376.6 | 376.3 | 396.2 | 1 071.8 | 980.4 | – | – |
| Mortgages | 2 984.0 | 3 073.9 | | – | 2 984.0 | 3 073.9 | – | – |
| Financial assets at fair value through P&L – designnated | 4 432.0 | 4 450.4 | 376.3 | 396.2 | 4 055.8 | 4 054.3 | – | – |
| **Mandatorily at fair value through P&L** | | | | | | | | |
| Interest-bearing securities | 905.3 | 872.0 | 100.9 | 10.3 | 780.1 | 835.4 | 24.4 | 26.3 |
| Shares | 2 310.6 | 2 306.5 | 2 166.9 | 2 219.4 | 5.0 | 4.7 | 138.6 | 82.3 |
| Investment funds | 5 899.9 | 5 595.2 | 4 830.0 | 4 502.8 | 1 018.7 | 795.8 | 51.2 | 296.6 |
| Alternative investments | 1 121.8 | 1 126.3 | 41.1 | 45.5 | 103.0 | 96.9 | 977.7 | 983.8 |
| Derivative financial assets | 374.3 | 344.2 | 65.6 | 46.7 | 308.7 | 297.4 | – | – |
| Derivative financial assets for hedge accounting | 62.8 | 55.7 | – | – | 62.8 | 55.7 | – | – |
| Loans | 2.6 | 2.6 | – | – | 2.6 | 2.6 | – | – |
| Money market instruments | 9.1 | 14.5 | 9.1 | 14.5 | 0.0 | – | – | – |
| Financial assets mandatorily at FVTPL | 10 686.4 | 10 317.0 | 7 213.7 | 6 839.2 | 2 280.8 | 2 088.5 | 1 191.9 | 1 389.1 |
| **Total financial assets at fair value** | **42 819.0** | **41 879.9** | **16 876.5** | **13 542.7** | **24 737.1** | **26 937.3** | **1 205.4** | **1 399.8** |
| **Financial liabilities at fair value** | | | | | | | | |
| Financial liabilities from investment contracts | 1 195.0 | 1 111.0 | – | – | 1 195.0 | 1 111.0 | – | – |
| Minority interests in own funds | 342.2 | 306.5 | – | – | 342.2 | 306.5 | – | – |
| Derivative financial liabilities | 274.3 | 169.7 | – | – | 274.3 | 169.7 | – | – |
| Other financial liabilities | 45.4 | 64.5 | – | – | 45.4 | 64.5 | – | – |
| **Total financial liabilities at fair value** | **1 856.9** | **1 651.7** | **–** | **–** | **1 856.9** | **1 651.7** | **–** | **–** |

## Financial instruments

| | Book value | | Fair value | |
|---|---|---|---|---|
| | 30.6.2023 | 31.12.2022 | 30.6.2023 | 31.12.2022 |
| in CHF million | | | | |
| Total financial assets at amortised cost | 1 255.0 | 1 347.9 | 1 231.9 | 1 321.4 |
| Total financial assets at fair value | 42 819.0 | 41 879.9 | 42 819.0 | 41 879.9 |
| **Total financial assets** | **44 074.1** | **43 227.8** | **44 050.9** | **43 201.2** |
| **Financial liabilities at amortised cost** | | | | |
| Financial liabilities from financing activities | 2 069.8 | 2 077.5 | 1 898.9 | 1 949.3 |
| Other financial liabilities | 298.8 | 390.3 | 298.8 | 390.3 |
| Total financial liablities at amortised cost | 2 368.6 | 2 467.7 | 2 197.7 | 2 339.6 |
| **Finacial liabilities at fair value** | | | | |
| Financial liabilities from financing activities | 342.2 | 306.5 | 342.2 | 306.5 |
| Financial liabilities from investment contracts | 1 195.0 | 1 111.0 | 1 195.0 | 1 111.0 |
| Other financial liabilities | 319.8 | 234.2 | 319.8 | 234.2 |
| Total financial liabiliies at fair value | 1 856.9 | 1 651.7 | 1 856.9 | 1 651.7 |
| **Total financial liabilities, not booked directly against equity** | **4 225.5** | **4 119.4** | **4 054.6** | **3 991.3** |

### 8. Assets held for sale

In connection with planned sales, property and equipment to the value of CHF 6.8 million and investment properties to the value of CHF 366.5 million are classified as held for sale in the Switzerland segment.

The classification of the investment properties as "held for sale" was associated with a value adjustment of CHF +43.2 million.

On 31 December 2022, investment properties in the Switzerland segment to the value of CHF 318.8 million were classified as "held for sale". Of these, properties to the value of CHF 229.0 million were sold in the first half of 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.

### 9. Equity

In the period under review, Patria Genossenschaft paid a contribution of CHF 45.0 million into the bonus reserves of Helvetia Schweizerische Lebensversicherungsgesellschaft AG. This was credited to equity without affecting profit or loss and allocated to insurance contract assets and liabilities in line with its purpose.

### 10. Contingent liabilities, contingent receivables and capital commitments

Since the last reporting date, Group management has not become aware of any facts that could lead to any significant changes to the contingent liabilities, contingent receivables and capital commitments of Helvetia or that could have a material impact on the Group's financial position or financial performance.

### 11. Seasonal effects

Income and expenses must be recognised immediately when they are incurred. In the consolidated interim financial statements, income and expenses are accrued or deferred only if this would also be appropriate at the end of the financial year.

**12. Scope of consolidation**

In the interim reporting period, the following events led to a change in the scope of consolidation for Helvetia:

- 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 company specialises in tailor-made warranty and repair cover in the vehicle and electronics sector. 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 8.9 million represents future profitable growth in the area of embedded insurance and is allocated to the cash generating unit "Switzerland non-life".
- 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, for CHF 1.0 thousand.
- 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.
- By way of gradual acquisition, the stake of Helvetia in Actiu Assegurances S.A. rose from 59.72% to 68.16% and its stake in Financera d'assegurances S.A. from 51.18% to 51.88%.

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.

**13. Events after the reporting date**

Helvetia, as the leading insurer, was affected by the the major fire of 6 July in Vetroz, Switzerland. In terms of the net claim amount, Helvetia anticipates a lower double-digit million amount.

Owing to several weather-related losses in Italy and Switzerland in July 2023, Helvetia expects a net claim amount in the mid double-digit millions.

On 5 September 2023, Helvetia announced the integration of the MoneyPark mortgage and real estate brokerage sales network into the Helvetia sales organisation. Through the bundling of resources, it will be possible to realise cost synergies of CHF 6 to 8 million before tax from 2024. Helvetia estimates the restructuring costs at CHF 10 million before tax, with most of these incurring in 2023.

In the period up to 26 September 2023 when these consolidated interim financial statements were prepared, no further events became known which would have a material impact on the interim financial statements as a whole.

# Alternative performance measures

## Introduction

Helvetia uses, throughout its financial and business publications, alternative performance measures (APMs) in addition to the figures which are prepared in accordance with the International Financial Reporting 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 APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Helvetia Group uses the following major alternative performance measures:

- Business volume
- FX-adjusted growth
- Fee result
- Non-Life: Operating insurance service result / Combined ratio / Claims ratio / Cost ratio
- Average Group investments
- Direct yield
- Group investment result
- Group investment performance
- Return on equity
- New business margin
- Operating cash production
- Net economic dividend capacity

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs 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 regards 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 indicates the success of the distribution and sales organisation. Total business volume of Helvetia Group comprises of premiums written in the reporting period and deposits received from investment contracts.

**Business volume = Premiums written non-life + premiums written life + deposits life**

### Reconciliation

| Half-year 2023 | Premiums written | Deposits | Consolidation and other | Business volume |
|---|---|---|---|---|
| in CHF million | | | | |
| Business areas | | | | |
| Non-life | 4 200.3 | – | – | 4 200.3 |
| Life | 2 368.0 | 118.7 | – | 2 486.7 |
| Consolidation and other | – | – | – | – |
| **Total** | **6 568.3** | **118.7** | **–** | **6 687.0** |
| Segments | | | | |
| Switzerland | 3 145.7 | 76.0 | – | 3 221.7 |
| Europe | 2 360.5 | 42.7 | – | 2 403.2 |
| Specialty Markets | 1 062.1 | – | – | 1 062.1 |
| Consolidation and other | – | – | – | – |
| **Total** | **6 568.3** | **118.7** | **–** | **6 687.0** |

| Half-year 2022 | Premiums written | Deposits | Consolidation and other | Business volume |
|---|---|---|---|---|
| in CHF million | | | | |
| Business areas | | | | |
| Non-life | 3 795.2 | – | – | 3 795.2 |
| Life | 2 537.8 | 85.7 | – | 2 623.5 |
| Consolidation and other | – | – | – | – |
| **Total** | **6 333.1** | **85.7** | **–** | **6 418.7** |
| Segments | | | | |
| Switzerland | 3 103.0 | 39.0 | – | 3 142.0 |
| Europe | 2 415.0 | 46.7 | – | 2 461.7 |
| Specialty Markets | 815.0 | – | – | 815.0 |
| Consolidation and other | – | – | – | – |
| **Total** | **6 333.1** | **85.7** | **–** | **6 418.7** |

# FX-adjusted growth

### Definition

FX-adjusted growth represents the percentage of change of total business volume and its components adjusted for foreign currency translation effects.

Helvetia Group's consolidated financial statements are presented in CHF. As a significant portion of our revenues results from outside Switzerland, the comparability between different periods is affected when exchange rates fluctuate. Change in business volume and its components are therefore determined by correcting nominal business volume growth for the effects of foreign currency translation.

Foreign currency translation effects are calculated as

$$\textbf{FX effect} = \frac{\textbf{Business volume at CY FX rate} - \textbf{Business volume at PY FX rate}}{\textbf{PY business volume at PY FX rate}}$$

### Reconciliation

| Half-year 2023 | FX-adjusted business volume growth | FX effect | Nominal business volume growth |
|---|---|---|---|
| Business areas | | | |
| Non-life | 13.2 % | –2.5 % | 10.7 % |
| Life | –4.3 % | –0.9 % | –5.2 % |
| Segments | | | |
| Switzerland | 2.7 % | –0.2 % | 2.5 % |
| Europe | 1.5 % | –3.9 % | –2.4 % |
| Specialty Markets | 32.7 % | –2.4 % | 30.3 % |
| **Total** | **6.0 %** | **–1.8 %** | **4.2 %** |

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 | Half-year 2023 | Half-year 2022 |
|---|---|---|
| Income from fee and commission business | 194.4 | 181.1 |
| Costs from fee and commission business | –178.2 | –161.5 |
| **Fee result** | **16.2** | **19.6** |

## Non-life: Operating insurance service result / Combined Ratio / Claims ratio / Cost ratio

**Definition**
The operating insurance service result provides a comprehensive and complete view of the technical profitability of the Group's non-life business. Compared to the insurance service result according to IFRS, the operating insurance service result also takes into account the technical non-fulfilment expenses in the non-life business. The operating insurance service result in non-life is the basis for calculating the combined ratio.

Helvetia uses the combined ratio as a measure of technical profitability in the non-life business. The combined ratio represents the operating insurance service result divided by insurance revenue.

The combined ratio is typically expressed as a percentage. A ratio of below 100% indicates that the technical result is profitable, whereas a ratio of above 100% indicates a technical loss. It does not capture investment income or other non-technical expenses and income. Even in case of a ratio of above 100%, there can still result a profit from operating activities and / or a profit from the period due to a positive investment income 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 net benefits to policyholders and claims (including claims handling costs) including the net income (expenses) 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 expenses 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 | Half-year 2023 | Half-year 2022 |
| --- | --- | --- |
| ① **Insurance revenue** | **3 378.0** | **3 154.1** |
| **Insurance service expenses** | **–3 085.0** | **–2 698.2** |
| ② thereof benefits to policyholders and claims | –2 264.7 | –1 951.6 |
| ③ thereof acquisition costs | –693.8 | –637.6 |
| ④ thereof technical administrative costs | –126.5 | –108.9 |
| ⑤ **Net income (expenses) from reinsurance** | **15.5** | **–116.6** |
| **Insurance service result** | **308.5** | **339.3** |
| Operating and administrative expenses | –199.8 | –201.8 |
| ⑥ **thereof technical non-fulfilment expenses** | **–106.3** | **–113.6** |
| ⑦ **Operating insurance service result non-life** | **202.2** | **225.7** |

| | | |
| --- | --- | --- |
| **Claims ratio (②+⑤)/①** | **66.6** | **65.6** |
| **Cost ratio (③+④+⑥)/①** | **27.4** | **27.3** |
| **Combined (①–⑦)/①** | **94.0** | **92.8** |

## Average Group investments

### Definition

Average Group investments represent the average of Group investments at the beginning of the period and the Group investments at the end of the period net of short derivatives. Group investments correspond to the investments according to IFRS plus property and equipment at fair value less investments with market risk for the policyholder.

$$\textbf{Average Group investments} = \frac{\textbf{Group investments at beginning of period + Group investments at end of period}}{\textbf{2}}$$

### Reconciliation

| in CHF million | Half-year 2023 | Half-year 2022 |
|---|---|---|
| Investments at beginning of period according to IFRS | 51 520.7 | 60 745.1 |
| Property and equipment at fair value at beginning of period | 39.6 | 40.9 |
| – Short derivatives at beginning of period | –169.7 | –268.7 |
| – Investments in associates at beginning of period | –86.6 | –64.1 |
| – Investments with market risk for the policyholder at beginning of period (net of short derivatives) | –4 806.3 | –5 473.1 |
| **Group investments at beginning of period** | **46 497.7** | **54 980.0** |
| Investments at end of period according to IFRS | 52 197.0 | 54 203.7 |
| Property and equipment at fair value at end of period | 39.2 | 39.5 |
| – Short derivatives at end of period | –274.3 | –294.5 |
| – Investments in associates at end of period | –84.4 | –85.7 |
| – Investments with market risk for the policyholder at end of period (net of short derivatives) | –5 299.8 | –4 789.5 |
| **Group investments at end of period** | **46 577.5** | **49 073.6** |
| **Average Group investments** | **46 537.6** | **52 026.8** |

# Direct yield

### Definition

The direct yield represents the ratio of the current income from Group investments (net) to the average Group investments expressed as a percentage. Net current income consists of interest, dividend and rental income from investment property less the investment management expenses.

$$\textbf{Direct yield (in \%)} = \frac{\textbf{Current income from Group investments (net)}}{\textbf{Average Group investments}} \times 100$$

### Reconciliation

| in CHF million | Half-year 2023 | Half-year 2022 |
| --- | --- | --- |
| Current income from investments according to IFRS (net) | 480.8 | 476.6 |
| – Current income from investments with market risk for the policyholder | –15.1 | –7.1 |
| **Current income from Group investments (net)** | **465.7** | **469.5** |
| **Average Group investments** | **46 537.6** | **52 026.8** |
| **Direct yield** | **1.0%** | **0.9%** |

# 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 | Half-year 2023 | Half-year 2022 |
|---|---|---|
| Current income from investments according to IFRS (net) | 480.8 | 476.6 |
| – Current income from investments with market risk for the policyholder | –15.1 | –7.1 |
| + Gains and losses on investments according to IFRS | 445.5 | –1 562.2 |
| – Gains and losses on investments with market risk for the policyholder | –244.7 | 807.4 |
| **Group investment result** | **666.5** | **–285.3** |

# Investment performance

### Definition

Investment performance is the ratio of the Group's total net investment income to the adjusted average Group investments expressed as a percentage. Investments at the end of the period are calculated by adjusting for gains and losses in the period. In addition to current income, total income includes realised and book gains and losses on financial assets and on investment property as well as changes in unrealised gains and losses in equity. The investments with market risk for the policyholder are not taken into account.

$$\textbf{Investment performance (in \%)} = \frac{\textbf{Total income on Group investments (net)}}{\textbf{Adjusted average Group investments}} \times 100$$

### Reconciliation

| in CHF million | Half-year 2023 | Half-year 2022 |
|---|---|---|
| Current income from investments according to IFRS (net) | 480.8 | 476.6 |
| – Current income from investments with market risk for the policyholder | –15.1 | –7.1 |
| Current income from Group investments (net) | 465.7 | 469.5 |
| + Gains and losses on financial assets according to IFRS | 390.8 | –1 683.4 |
| – Gains and losses on financial assets with market risk for the policyholder | –244.7 | 807.4 |
| + Gains and losses on Group financial assets | 146.2 | –876.0 |
| + Gains and losses on investment property | 54.7 | 121.2 |
| + Change in unrealised gains and losses in equity | 792.6 | –4 570.2 |
| **Total income from Group investments (net)** | **1 459.2** | **–4 855.5** |
| Group investments at beginning of period (net of short derivatives) | 46 497.7 | 54 980.0 |
| Group investments at end of period (net of short derivatives) | 46 577.5 | 49 073.6 |
| + Adjustment of gains and losses in the period | –993.5 | 5 325.0 |
| Adjusted Group investments at end of period (net of short derivatives) | 45 584.0 | 54 398.6 |
| **Adjusted average Group investments** | **46 040.9** | **54 689.3** |
| **Investment performance** | **3.2%** | **–8.9%** |

# Return on equity

### Definition

Return on equity (RoE) represents the earnings attributed 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

| in CHF million | | Half-year 2023 | Half-year 2022 |
|---|---|---|---|
| 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 |
| **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 | | –1 560.2 | –1 463.8 |
| **Equity without fair value reserve and insurance finance reserve** | 30.6. | **3 696.0** | **3 583.9** |
| **Equity without fair value reserve and insurance finance reserve** | On average | **3 746.0** | **3 576.3** |
| Profit or loss for the period | | 257.8 | 191.4 |
| Interest on preferred securities | | –3.0 | –3.0 |
| Income attributable to non-controlling interests | | –10.4 | –9.8 |
| **Earnings for shareholders without non-controlling interests** | | **244.4** | **178.7** |
| **Return on equity** | | **13.1 %** | **10.0 %** |

## 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 %.

$$\textbf{New business margin (in \% PVNBP)} = \frac{\textbf{Value of new business}}{\textbf{Present value of new business premiums}} \times 100$$

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 | Half-year 2023 | Half-year 2022 |
|---|---|---|
| New business CSM | 122.8 | 139.1 |
| Loss component | –1.1 | –3.8 |
| Ceded reinsurance | –12.0 | –20.6 |
| Non-fulfilment expenses | –27.9 | –36.5 |
| Adjustments of scope | 1.5 | 0.1 |
| **Value new business** | **83.3** | **78.4** |
| Present value of future cash inflows from insurance contracts | 1360.0 | 1727.0 |
| Adjustments of scope and other adjustments | 124.2 | 119.2 |
| **Present value of new business premiums** | **1484.1** | **1846.2** |
| **New business margin** | **5.6%** | **4.2%** |

# Operating cash production

**Definition**
The operating cash production represents the amount of cash Helvetia's legal entities have generated in the reporting period and which is available for the Helvetia Group. It includes dividends (that will be remitted within the following year), contributions of branches and paid interest and fees on internal financial instruments.

**Reconciliation**
There is no comparable IFRS financial measure to operating cash production. Therefore, a reconciliation is not possible.

# Net economic dividend capacity (NEDC)

**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.

The Group's NEDC is calculated by adding up the capacities to pay a dividend of all main Helvetia legal entities. 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 also taking into account Group considerations (such as SST and S&P)

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.

**Reconciliation**
NEDC is based on statutory accounting, solvency and tied asset measures which vary from country to country and are not comparable to IFRS. There is therefore no comparable IFRS financial measure to NEDC and a reconciliation is not possible.

**Important dates**

| | |
|---|---|
| 11 April 2024 | Publication of financial results for 2023 |
| 24 May 2024 | Ordinary Shareholders' Meeting in St. Gallen |



St. Gallen, 27. September 2023

Helvetia is committed to the use of non-discriminatory language. Due to regulatory requirements and in the interests of readability, genders are either listed alternately or the male and female forms are given in this document.

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