Capital Markets Day

Company Participants

- Achim Baumstark, Chief Technology Officer
- Adrian Kollegger, Head of Non-Life Switzerland
- Andre Keller, Chief Investment Officer
- Annelis Luscher Hammerli, Group CFO
- Beat Muller, Head of Actuarial Services
- Daniel Signer, Head of Partnerships and B2B2C
- David Ribeaud, Chief Executive Officer, Specialty Markets
- Doris Russi Schurter, Chairman
- Hedwig Ulmer, Head of the Pension and Life Business
- Ignacio Eyries, Chief Executive Officer
- Inigo Soto, Chief Executive Officer. Helvetia Seguros
- Markus Gemperle, Chief Executive Officer, Europe
- Martin Jara, Chief Executive Officer Switzerland
- Martin Tschopp, Chief Customer Officer, Helvetia Switzerland
- Miguel Azpeitia, Health Business Manager
- Pascal Barbato, Global Head, Marine, Aviation & Art
- Philipp Gmur, Chief Executive Officer
- Pierangelo Campopiano, Chief Executive Officer, Smile
- Reto Keller, Chief Executive Office, Active Reinsurance
- Roland Bentele, Head-Corporate Center organization
- Stefan Heitmann, Founder and Chief Executive Officer
- Susanne Tengler, Head of Investor Relations
- Thomas Neusiedler, Chief Executive Officer, Helvetia Austria
- Torbjorn Magnusson, Group Chief Executive Officer
- Unidentified Speaker
- Vincent Letac, Chief Executive Officer of Helvetia, France.
- Volker Steck, Chief Executive Officer, Germany

Other Participants

- Anne-Chantal Risold, Analyst
- Fabrizio Cattaneo, Analyst
- Matthias Niklowitz, Analyst
- Peter Eliot, Analyst
- Simon Fossmeier, Analyst
- Thomas Bateman, Analyst
- Unidentified Participant
- William Fraser Hardcastle, Analyst

Presentation

Philipp Gmur

Ladies and gentlemen, we are very glad to welcome you all to our Helvetia Capital Markets Day. According to COVID-19, this pandemic produced many new words and/or meanings such as hybrid. According to the dictionary, hybrid stands for two different meanings. Thus, a hybrid business is a company which has both an Internet front-end and its physical bricks and premises. Hence, Helvetia is holding its Capital Markets Day in a hybrid format. I say hello to all those being physically present in the Samsung Hall in Zurich, as well as to all those people joining us via video conference.

Right at the beginning, I would like to present you our management team, sitting here in the front rows. Since the last Capital Markets Day, there are three new colleagues who were joining Helvetia. Our new Chief Financial Officer, Annelis Luscher Hammerli, who joined Helvetia back in October 2020. Martin Jara, our new CEO, Switzerland, who joined Helvetia back in May 2020. And last but not least, our new Chief Investment Officer, Andre Keller, who joined Helvetia in 2019 on April 1.

Now let me turn to the program. After an introduction and a first view on Helvetia 2025 by our Chairwoman, we would like to present you our new acquisition in Spain Caser. We then want to elaborate our strategy Helvetia 2025 along five different blocks. Namely, along the strategic priorities, the business segment strategies, the pre-requisites for a successful accomplishment of our goals, we want to talk with you about corporate responsibility initiatives and last but not least, of course, about our financials. At the end and in between, we are ready to answer your questions in two Q&A sessions. Now before diving into the program, let me just make three organizational remarks. The first one for all those people being present in this room, please make sure that your mobile phones are put on silent. For all those people joining us via the means of video conference, please make sure that your microphones are put on mute. And last but not least, I would like to remind you that this conference is being streamed.

Now I would like to hand over to our Chairwomen, Doris Russi Schurter. Doris unfortunately cannot be present today for personal reasons. However, she would like to share her thoughts with all of you with a video message. Please.

Doris Russi Schurter {BIO 16433078 <GO>}

Ladies and gentlemen, in the next few minutes, I would like to share with you my thoughts on our new Helvetia 2025 strategy. With this strategy, we are pursuing a clear and ambitious goal. Helvetia wants to be the best partner for financial security. We want to set standards in customer convenience and customer access. I'd like to compare this ambitious goal with a mountaineering tour. Since I grew up in the mountains, this comparison is obvious to me. In fact, it takes staying power to reach a summit. The well-known successful Alpine Mountaineer, Reinhold Messner, once said, when climbing a mountain, I never took two steps at once. If you want to shift boundaries, you have to do it slowly, steadily and calmly, step by step.

If you skip steps, you will stumble sooner or later. This also applies to our Strategy Helvetia 2025. We have defined clear priorities for the path to the Summit. First of all, we want to be present where insurance needs arise. We will continue to focus on the right offer and profitable growth. Finally, we want to seize the opportunities for new business models. For our three market units Switzerland, Europe and Specialty markets, this means that we want to consolidate our position as the leading Swiss all line insurer in Switzerland. The Swiss market is and remains very important to us.

However, with the integration of the Spanish Insurer Caser, we succeeded in massively expanding our European business and making Europe a second pillar in our Group. Helvetia will become as a result in even more European oriented financial service provider. This Europeanization makes me personally very proud. You will meet the CEO of Caser in person today and can therefore also gain direct impressions of what is a very valuable acquisition for Helvetia.

Finally, in specialty markets, we are aiming for further profitable growth in international specialty insurance business and in active reinsurance. Our new strategy therefore is based on even broader diversification and thus sustainably increases Helvetia's success for investors, customers, employees and all other stakeholders. A strategy always involves financial goals too. We have set these goals just as ambitiously focusing on profitability, operational efficiency and the sustainable ability to pay dividends. This will ensure that we remain a reliable partner for our shareholders in the future.

We are aware that our mountain tour requires a lot of stamina and endurance. And we want to move forward step by step, steadily and quietly as Reinhold Messner defined it. Thanks to a deep breadth and the appropriate patients. I am sure that we will reach our goal, The Summit. I would be very pleased if you would join us on this climb. I would like to thank you very much for your interest in Helvetia.

Philipp Gmur

Ladies and gentlemen, allow me a short view back on Helvetia 2020. We are glad to conclude that we were keeping our promise in terms of growth, profitability, capital strength and dividends. And Of course, that's our aim for 2025 as well. We want to stick to our goals. Now with our new Strategy Helvetia 2025, Helvetia is entering into a new era, from a Swiss insurance group with a couple of operations abroad to a financial services provider anchored in Switzerland with a strong footprint in selected European markets, global access through specialty markets and tremendous opportunities around asset management and ecosystem.

Our Group's profile changed within the last few years. Specialty markets and our European branches increased and thus also changed our Group's profile. Talking about our Group's profile, as you saw on this chart, the European segment increased from 32% to 38% in terms of volume within the last few years. And what could better illustrate this enormous development then the acquisition of a 70% stake of Caser in Spain. Back in January 2020, just before the outbreak of COVID-19, we were announcing this transaction. And despite many challenges but thanks to the trust of our investors, we could finance the deal and conclude the transaction by the end of June 2020.

Caser did to many and to a great extent even exceed our expectations. And already for the first six months of the consolidation of this company, it paid off very well. Who could better present this pearl in our Group than our Caser CEO, Ignacio Eyries Garcia de Vinuesa. Please Ignacio (Foreign Language) welcome on stage.

Ignacio Eyries

Thank you very much, Philipp. For me it's a real pleasure to introduce Caser and myself to all of you. Caser is definitely in the Spanish market, a first-tier leading actor with a well diversified product structure as well as distribution centers. It does brings to Helvetia its strength on non-life together with bancassurance as well as a long-standing experience on handling services related to the insurance ecosystems as well a very well known recognized positively brand name to whether we can long-lasting experienced team. You can see in the chart that bancassurance, sorry that the non-life accounts for 66% of the portfolio. And even non-life, the breakdown by private is a quite attractive one. Both for multi-risk within a stake of more than 32% is well above the average market but as well the balancing presence of motor on a small and medium enterprise, what we call corporate, health and other lines brings a diversified and balanced portfolio.

As well in life, as you may see 21% of risk premiums. But in services, I would like to highlight how Caser in the last 15 years, has developed its presence on handling first-hand services related to the insurance ecosystem, that means homeowners, mobility, lifecycle, health and self. If we get into distribution, not only bancassurance but as well our presence in agents and brokers, more focus on agents than in brokers as well as with the special designed up to customer agreement with large accounts brings as well a good diversification.

If we get into the bancassurance itself, bancassurance accounts for one something like 50% of our portfolio in terms of premiums as well in profitability. It can be said without any doubt that we are one of the leading players in bancassurance, may be among the three, first one, or the second one. That has been built with a network of more than three branches, which in exclusivity distribute Caser products with a history of more than 30 years and 40 agreements where Caser has been able to adapt our business system to the specific needs of those different banks, both in terms of product, systems, remuneration, training and more recently through the signing of exclusivity agreement which permitted Caser not only to warranty relevant volumes of premiums but as well sales under a much more profitable circumstance.

That drove us as well to the co-creation of private that agreed development of marketing campaigns and remuneration of the sales force elements. In parallel to that bancassurance strength and non-life big and diversified presence, Caser has been able in the last years to diversify our portfolio through the building within those ecosystems I already mentioned to the building of product-oriented or client-oriented products, such as the one I am introducing here. Let me explain some of the examples, which are shown. Caser home insurance amayores, it is a typical multi-risk product where it is a mix, the coverage of a homeowner multi-risk with the increasing needs of aged people for services and dependency help at home, within, once more, the life cycle of the person. Together with reverse mortgage when those people owning a home but lacking of the day to day cash can cash little by little their home and subsequently have a better pension scheme or auto insurance Coche x Coche, where the typical old car with very, very marginal end value in the case of total loss, the indemnity is not paid as an amount, but as well as similar car that the one that person is utilizing for whatever service he may need.

All that diversification together with the initial strengths, I already mentioned, non-life, bancassurance has permitted Caser even in a year complicated as the year 2020 with the COVID slowdown of the market to almost multiply by 3, the growth of the market showing that those strength permit us having as I already mentioned that first year leading position. Thank you very much.

Philipp Gmur

Thank you, Ignacio. I would like to mention again in a nutshell what are the three elements which make Caser a unique position in our Helvetia's Group portfolio. There is the first reason it's a very profitable Insurance Company, with a high, highly profitable non-life portfolio. It is, second, an insurance company, which has unique market access, especially through the bancassurance channels and above that through new co-operations and also new agents networks. And it is three model company for integrating a whole bunch of different ecosystems initiatives into its business model and thus scaling the insurance activities and improving and increasing the profitability. Thanks a lot, Ignacio. You have a very well managed company.

Now, let us turn to Helvetia 2025 and the current trends and opportunities. The world is changing and so is the insurance industry, which mirrors all those developments around us. The first one is the changing of the customer behavior. We want to even better focus on customer convenience within the next strategy period. A next trend we have to face is the question do we have the right offerings in a low interest environment for all our customers and given the many challenges our customers have, do we have the right answers in our product portfolio? And we'd like to talk about that as well.

A third challenge is the pressure on margins. Of course, our answer is we want to even improve our technical excellence in order to ensure a profitable growth in our insurance portfolio, be it in life, be it in non-life. And last but not least, of course, insurance products, insurance policies might to a certain extent be or become a commodity. However, we are sure that our counseling of customers, our approaching the real customer needs is paying off in profitability, in also more closeness to our clients. And it's worth to invest in all those different developments.

Of course all what we do shall make sense, that's why we are really thrilled by our purpose. Life has its risks and opportunities, and we are there when it matters. To do so, we want to make sure that we are not only living our purpose but on a day-to-daily basis pursuing our vision, which means to be the best partner for our clients, the best partner in financial security setting standards in customer convenience and accessibility. Of course, by the end of the day, all what we do, shall also pay off in terms of financials for our investors and for our clients, because they are trusting in having their insurance policies with a company which is rock solid. Clear financial objectives, and financial targets, means that we want to make sure that the quality of earnings and growth is kept on a traditionally high level. We are achieving a net combined ratio between 92% and 94% and a new business margin in life between 2% and 3%. We want to increase our fee volume to as much as at least CHF350 million by the end of 2025. And the fee volume shall contribute to our overall group profit by at least 5%, thus, helping our -- to make our balance sheet even more resilient and mitigating our interest rate exposure in our balance sheet in the mid and long term.

Furthermore, we want to realize operational efficiency gains into some of at least CHF100 million. And of course capital strength and dividends remain decisive in our industry and with Helvetia. Of course, we want to grow the business. Of course, we want to make sure that our life clients get their share, but nevertheless, we want to make sure that we keep our single A rating notwithstanding our growth. We want to make sure that we can pay out at least CHF1.5 billion to our shareholders over the next five years and all that with a return on equity of between 8% and 11%. Making Helvetia 2025 a success story means living our purpose, pursuing our vision, sticking to our financial goals of course, and making sure that overall, we are not only making happy our clients, but also our investors by ensuring the profitability of our insurance group.

Now I would like to dive into our strategic priorities. The first one is dealing with customer convenience. As I've said before, the customer needs are changing over time of course and there is not that customer and that customer need, the customers and their needs are and remain hybrid. And it is our duty to make sure that we are coping with as many needs as possible in a reasonable way. We want to be best partner in financial security setting standards in convenience and accessibility. What does that mean? We want to be present at all those different points of sale when insurance needs might arise.

We would like to present you now at the beginning of this section two videos. The first one dealing with Smile, that number one insurer in Switzerland. And the second one dealing with very efficient tool for our clients in the Marine Insurance called PuMarSpeed. Please have a look.

Pierangelo Campopiano

Hi. My name is Pierangelo. I'm the CEO of Smile. Today, I'm going to show you why Smile is significantly contributing to Helvetia's strategic priority customer convenience. Smile is a leading online insurer in Switzerland, the oldest insure tech and the only insurance to be perceived by the Harvest brand predictor study as a digital brand. From the financial point of view, we look back on a strong development over the past years and a record breaking year in 2020, where we exceeded the top line of CHF100 million and 150,000 customers in our portfolio, without compromising on profitability, which is reflected in a strong combined ratio.

Through this we significantly contributed to Helvetia's non-life business, especially in the motor business. We have been named and awarded several times as the Netflix of Insurance. We truly believe that the only way to successfully compete in a digital environment is to reach a day to day relevance just like other consumer brands as Netflix, Amazon, or Spotify. Let me now explain how we do that. First of all, and very important, customer centricities are driver enabled by technology and not the other way around. We redefined the user experience with the mobile phone in focus and harvest the mobile potential by being a service champion and following rigorously customer centricity like addressing consumers' by first name, introducing a subscription model or gamification elements like Smile Drive Coach.

We facilitate radical automation and turn data to value with a serverless technology and architecture in scope. We have ambitious plans, and by 2025, we aim to double our customer base, without compromising on profitability. Based on our success from the past, we know we're going to deliver. Simplicity, scalability and customer centricity are the foundations of Smile and will drive us also in the future to harvest a pure digital potential. With a unique complementary business model to Helvetia and a differentiating value proposition, Smile does not only significantly contribute to Helvetia's strategic priority, customer convenience but also ensures new sources of growth and income for Helvetia. And finally, thanks being part of the Helvetia. We can share our experiences across all parts of Helvetia, so that we can bring innovative approaches of Smile to scale in our core business.

Pascal Barbato

My name is Pascal Barbato. And I'm responsible for the Global Marine business at Helvetia. Helvetia is by far the largest marine insurer in Switzerland with a range of transport insurance products tailored to the respective needs. And thanks to our international network, we offer worldwide solutions. Our customers are logistic or transport companies as well as manufacturers and traders with the need to ensure their own or third party goods during transportations worldwide against loss of damage.

To increase the customer convenience, satisfaction and loyalty, according to our strategic priorities, we have developed together with our customers and more than online solution. In less than 120 seconds, our customers can insure their shipments online. Whenever they want, the system is available 24 hours, 7 days a week and worldwide. With one simple click, also an insurance certificate is produced if required. The user interface is so simple that no training at all is needed. We have integrated a speedy calculator for costs including taxes so that our customers have an immediate information about their insurance premium.

It is a cloud-based and future oriented technology compatible with tablets. Large data volumes are no problem at all. And also international insurance programs can be displayed. We have integrated compliance checks and the simple and secure login. The system can be adapted individually to all customer needs or country requirements, even an interface can be created to other systems to avoid double entry. Hundreds of satisfied users are already insuring thousands of transport with PuMarSpeed at Helvetia. For the future, we will further develop the system with new features and integrate new business lines like art insurance.

PuMarSpeed is a unique solution and boost customer convenience and therefore increases customer retention. Apart from all those easy access tools, which should make the life of our customers more convenient. We are also developing more and more Tailor-made insurance products with added value here is an example of Helvetia France, a geolocation tool in yacht insurance. What is all that for, it first helps all our clients prevent their damages because they know where their yachts are right at the thunderstorms and at the same time, it helps Helvetia mitigate their risks and better monitor the risks we have out there on the high sea.

Now let me wrap up but we want to do around customer convenience is we want to reduce complexity and at the same time we are sure that we are enhancing customer experience and by increasing efficiency not only helping our clients to have a more convenient access to Helvetia but for Helvetia to lower its costs.

By the end of the day, we want to leave our brand promise. Simple, clear Helvetia and all that of-course pay off in terms of financials, happy clients our clients who stay with Helvetia, happy clients are clients who we can benefit from in terms of cross-selling and happy clients are usually clients who help us keep a high profitability by becoming more and more efficient, we are lowering our cost base and thus helping ensure our profitability and at the same time giving our customers the good feeling that their insured with a good solid company and by the end of the day. We want to make sure that all this profitability helps to pay our dividends and to keep Helvetia at rock solid company with a single A rating of course.

Now let me turn to the second strategic priority to that right offering. As I said before, fit for purpose offering is key in order to make sure that our clients have the feeling and the security that they are insured with that right company.

In a low interest rate environment, it is a challenge to have this fit for purpose offerings of course. We want to make sure that our products and services are part of a comprehensive, comprehensive offering for our clients that they come from a single source and that this solution pays off not only for the clients, but also for the company.

Now talking about life business. I would like now to hand over to our Head of the Pension and Life Business in Switzerland, Hedwig Ulmer and to Andre Keller our Chief Investment Officer, they are interviewed by Susanne Tengler, our Head of Investor Relations.

Susanne Tengler {BIO 18673192 <GO>}

Hello, Hedwig and Andre, it's a pleasure to have you here. I would like to take the opportunity to talk with you about the life business in light of the low interest environment. I have prepared a few questions and I'm curious what's your strategy going forward. And what is our value proposition. My first question is for Andre and the low interest environment is putting pressure on life insurance and therefore also on Helvetia. How is Helvetia responding to the low interest rate environment on the investment side?

Andre Keller {BIO 18667591 <GO>}

It is true, the low interest rate environment, makes it difficult to generate attractive investment returns by historical standards. For this reason, we started to diversify the investment portfolio more broadly in recent years and to increase the share of private market investments, mainly investments in real estates, infrastructure and private debt. Even in the low interest rate environment, these asset classes still offer attractive return opportunities, especially compared to traditional investments.

Susanne Tengler {BIO 18673192 <GO>}

Hedwig, what are the consequences of the low interest environment in terms of products and offerings?

Hedwig Ulmer

On the offering side, we initiated the shift away from classic guarantees to investment-linked products, years ago both in private pension and in occupational pension. In the occupational pension benefit scheme around half of the insured persons are already in so-called semi-autonomous solutions. This Development will continue we have also adjusted the occupational pension scheme as far as possible to the economic reality with low interest rates and increasing life expectancy and for example, lowered conversion rates. Helvetia is first mover here the other insurance companies are now following.

Susanne Tengler {BIO 18673192 <GO>}

What are the opportunities of the situation.

Andre Keller {BIO 18667591 <GO>}

The trend towards semi-autonomous solutions mentioned by Hedwig gives us the opportunity to make our investment expertise available to third parties. Whether for

Our own offers at Helvetia or collective and investment foundations or for other collective foundations.

Hedwig Ulmer

And the state pension provision is perceived as insecure, the benefits of the occupational benefit scheme are increasing as a consequence, the importance of private pension solutions is increasing.

We feel this gap with savings and risk solutions I see enormous opportunities for us here.

Susanne Tengler {BIO 18673192 <GO>}

So what specific positioning does Helvetia want to pursue in this environment then?

Hedwig Ulmer

We offer life and pension solutions that enable our customers to protect the ones they love and the very free and independent live from the financial prospective. They offer products and solutions that give customers the necessary leeway to adapt them very flexibly according to their life situation. In doing so, we will increasingly combined Asset Management offers with classic insurance policies.

Andre Keller {BIO 18667591 <GO>}

Naturally, we support the developments towards integrated investment and pension solutions with our Allegra funds. We have developed the first solution for different risk profiles. With the Helvetia Swiss Property Fund, we also launched our own real estate fund in 2020 which we will continue to expand in the coming years.

The focus on investment solutions and services for pension and third party customers will open up a new source of income for Helvetia and the fee business. These fee streams offer an attractive complement to insurance business due to their relative stability and high capital efficiency.

Susanne Tengler {BIO 18673192 <GO>}

Another trend is sustainability, what is Helvetia doing here?

Andre Keller {BIO 18667591 <GO>}

Helvetia. We have increased our focus on integrating sustainability aspect into our investment activities both in our own investment portfolios. And in the product range in the area of pensions.

For example, we launched FairFuture Lane in Austria a unit-linked life insurance policy that invests exclusively in sustainable Securities.

Susanne Tengler {BIO 18673192 <GO>}

My last question is for you Hedwig, are you sticking to full insurance in the occupational benefit scheme?

Hedwig Ulmer

We are convinced of the benefits of the comprehensive security of full insurance for a small and medium enterprise but the price for the security is currently high in the low interest rate environment and the legal framework conditions. We therefore also see the advantages of semi-autonomous solutions these offer clients with a good risk profile. The opportunity to benefit from rising capital markets. Our customers have the choice between semi-autonomous solutions and full insurance which is very much appreciated.

Susanne Tengler {BIO 18673192 <GO>}

Hidwig, Andre. Thank you very much for your time and your answer.

Philipp Gmur

Hedwig just mentioned it. Small and medium-sized enterprises are key for Helvetia, why do we think that this target group is of a big value for us. We think that the SMEs are more and more in a sandwich position between the retail customers and the big corporates and that's where our value proposition shall jump in.

We have for you three different use cases. From Switzerland, Austria and from the third one, you will see it, it's like a surprise, where you see. But our SME offerings, specifically, at as a value for our customers have a look.

Adrian Kollegger {BIO 20981454 <GO>}

My name is Adrian Kollegger, I'm the Head of Non-life Switzerland more than 90% of the reduced companies in Switzerland have less than 10 employees. SME customers have other priorities than insurance they are not experts and insurance is a low interest product for them. Therefore they rely on their advisor and convenience is key with more than 160,000 SME customers. The commercial non-life business is attractive for Helvetia, we are a strong partner for SMEs, we have a growing market share. See a high customer royalty and then Chief good profitability. And there is further potential for profitable growth.

To achieve this, we deliver on our strong proposition roadmap, we have launched new SME service product that addresses customer needs much more precisely. With the service product we are able to increase average premium per customer and differentiate ourselves in the market. In January we start at the strategic partnership with the IFJ the Institute for new entrepreneurs. This partnership is unique in the industry and further strengthens our position in the SME segment as expert partners. And in late summer, we are going to launch our SME ecosystem Atlanto.

Atlanto offer an integrated platform and marketplace for Suisse SMEs with this offering we allow SME to reduce administrative for cloud and to have access to value adding services, Atlanto is a unique value proposition in the Swiss financial sector and we are very keen to its launch will provide you with more information as soon as Atlanto has started.

Thomas Neusiedler

Hello from Vienna. My name is Thomas Neusiedler and I am the CEO of Helvetia, Austria. Within our strategic target to deliver the right offering for our customers, we in Austria, are focusing on small commercial business. This is based on our good positioning with our distribution partner which we have built-up over the last few years, with the best partner approach, we are now further enhancing this market access to expand our SME business.

The focus is on small businesses in almost all sectors, but also on larger commercial enterprises with a turnover of EUR1 million and more. SMEs with special insurance needs such as cyber or special segments such as marine companies and SMEs with the need for transport Insurance. Therefore we have developed new products and services, we in addition our building on our existing strengths, close relationships, thanks to our decentralized structure building up SME knowledge among our sales partners. Top service and simple process. In addition, we are increasingly relying on digitalization and automatization. This is how we differentiate ourselves in the market, shaping our profile in the commercial Insurance segment will help us to deliver the Helvetia 2025 strategic ambition.

Vincent Letac

Hello. I'm Vincent Letac, CEO of Helvetia France. Until 2015 Helvetia, France was position as a pure marine and transport Insurer known to be the number three in France and with the wider scope of offer. Helvetia considers the SME market as a profitable growth market with the 20% market share and the best technical results among our peers. Helvetia was in good starting position to widen our offer outside of marine and transport to be able to promote our sales as a multi-specialist insurer for medium-sized companies. Between 2016 and 2021 we have therefore continuously extended our product range in order to best serve our customers and distribution community of 3,000 brokers. We aim to be preferred by the customers and the distribution partners for excellent service based on knowledgeable and dedicated staff.

We will also improve our position as a provider of International programs. Our efforts have paid off and our business volume has increased from CHF235 million in 2018 to CHF337 in 2020. While our combined ratio has declined below 93% showing that our technical results are excellent and at our cost ratios have remained well under control. We project that by 2025, our business volume will increase significantly, that our new business lines will constitute 50% of our business. And that we will be transacting with more than 4,000 brokers.

Philipp Gmur

Ladies and gentlemen. You see that our SME initiatives throughout the group are amazingly underway and especially the last one we brought you as a surprise from France. Now of course, all those initiatives shall be paying off in terms of financials. We are sure that the capital-light products help us to mitigate our risks in the balance sheet we have regarding the interest rate exposure.

And at the same time, it helps our clients to benefit from new of course value propositions. For the SME business. We are sure that this profitable customer segment is very promising for Helvetia, because it is a segment where the personal council, be it by brokers, be it by agents, is still of a great value, there are not robots yet counseling our clients.

Now let me turn to the next strategic priority. It deals with the profitable growth, of course, if we want to develop our group, then it is decisive to profitably grow our business. We want to benefit from our number three position in Switzerland as an all line insurance company, we want to benefit from our strong footprint in the European countries, in order to make the European segment at the second strong pillar in our group. And we're going to benefit from the global access in specialty markets in order to make sure that we benefit in active reinsurance and in many specialty lines such as engineering, marine and art. I now ask my three colleagues Markus Gemperle, CEO Europe; Martin Jara, CEO Switzerland and David Ribeaud, CEO Specialty Markets to present their respective strategic plans please go ahead.

Martin Jara {BIO 21420256 <GO>}

In Switzerland. We pursue the strategic priority of profitable growth by increasing customer value and by actively managing our margins and product and in portfolios. How do we increase customer value by getting more customers for Helvetia and by getting more Helvetia per customer. It all starts with the value proposition and the differentiation by customer intimacy and per customer convenience. Based on this, we can go and exploit the full potential of the omni-channel approach we got in Switzerland. This means simple sales processes and simple cross-selling process.

Based on and steered by advanced analytics that tell us exactly when it's best and how it's best to address our customers with our value proposition. To get the full potential of the growth and after the increase of the customer value. We also have to expand in our customer access to new customers by partnerships, you will hear more about this in the B2B to C-section afterwards. How do we optimize our margins this had one hand means a clear focus and also a rigidity on cost management overall on administrative costs at the other hand, we have to stay on top of the market regarding our technical capabilities in pricing, portfolio management and in claims handling.

Martin Tschopp, our Chief Customer Officer in Switzerland and Adrian Kollegger, Head of Non-life Switzerland will go into these topics now that have a look.

Martin Tschopp {BIO 20060539 <GO>}

Hi. My name is Martin. I'm the CCO Helvetia Switzerland and a Member of its Executive Committee. Profitable growth in our core insurance businesses. Life and Non-Life is a key strategic priority, topline increase stems from three main sources. Pushing cross-selling and upselling to existing customers, achieving higher retention by superior customer satisfaction and attracting new customers of course. Rigorous outside in thinking, combined with a data driven approach and our distribution power in particular our strong tied agent network are the foundation of our growth agenda.

We aspire to differentiate ourselves through customer intimacy and convenience. Intimacy results from personalized customer address and customized solutions, convenience from seamless end-to-end customer journey's and intuitive interactions at every touch point. I would like to illustrate the described approach with two specific example, Helvetia for instance, we launched a marketing campaign, focused on pension planning, which was built on both our capabilities in data analytics and our tight agent sales force, leads were sourced and pre-qualified by our data analytics team while segment specific go-to-market was designed by the marketing folks. The final results we're convincing, we were able to increase conversion rates from leads to closing by an impressive 30%.

As part of our mobile first strategy at Smile, a lifestyle app was introduced. In addition to pure insurance functionalities, the app enables payment and mobility services. Drive Coach, for example, is an add-on service which analyzes drive style of a user, i.e. speed acceleration and braking. Collect data is processed real time and an algorithm scores the driving and give specific feedback on drive behavior. Good driving is rewarded with Smile points, which can be exchanged to cash, or donated to charity. As a result, the customer considers the interaction with the app as meaningful. Which increases loyalty of existing customers and hopefully attract new ones. Both examples illustrate nicely that analytics is neither intuition nor gut feel it is the result of consistent data gathering and rigorous number crunching. Consequent scaling of gained insights in all distribution channels is a key contribution to profitable growth.

Adrian Kollegger {BIO 20981454 <GO>}

My name is Adrian Kollegger, I'm the Head of Non-life Switzerland. The Swiss insurance market is quite saturated increasing competition puts further pressure on our margins. The digital transformation changes our business model. Cost discipline is of utmost importance and the use of data will be more important than ever. With our non-life technical excellence program we exploit the potential of data, stabilize and selectively improve our margins and assure competitiveness. The program is based on two pillars, pricing underwriting portfolio management as well as advanced claims management. Our technical pricing already integrates internal and external risk customer and market data. To stabilize or selectively increase our margins, we are building new pricing mechanisms using analytical capabilities.

This strategy has been jointly developed with Smile, we are able to benefit from Smile's specific experience in this area and can scale it in our core business across all distribution channels. Advanced claims management includes our efforts in digitization, automation and straight through processing, combined with the growing use of data analytics. A good example for this is the automated processing of cost estimates submitted by the body shops in case of a motor claim. Cost estimates are processed automatically and analytic service has been implemented to make the triage between straight through processing and individual reviews by an expert. Through machine learning we trained the service and achieve best results in detecting irregularities. We are more efficient and achieve a significant contribution to margin improvement.

Next focus areas to further strengthen our excellent market position our fraud and the claims partner management. To summarize thanks to our technical excellence program we address all potentials to stabilize and strengthen our margins in the Swiss portfolio and fast enable profitable growth over the strategy period.

Markus Gemperle {BIO 16433084 <GO>}

(Video presentation)

Since deregulation of our industry, we have learned that, of course, innovation in products and services they are needed but they are not enough sustainably differentiated in the market. So therefore Helvetia has implemented a kind of a change program, which we call the best partner approach. With the aim to create a specific proximity also loyalty to our sales partners. This means a lot in the organization overcoming silos, a lot of commitments a lot of accessibility also especially in areas, which are not used to work like this.

So if you are a successful sales partner at Helvetia, you're not just talking with some regional deputy sales manager, let's say, in Auto Bavaria, you are talking with the responsible manager in the German management team or even to CEO, because you are important. In addition to these let's say cultural elements we of course are also delivering hard facts like digital platforms, technical knowledge, local support or specific offerings let's say for SMEs and their owners. All of this with the aim to create a alignment of interest together with our sales partners and the alignment of objectives on profitability of the portfolios.

Targeted segments or growth to sustainably develop our core business. So we have implemented that best partner approach in all our country markets. And I would now like to share with you a couple of examples out of different markets and different channels. First, starting with Germany and Austria.

Volker Steck

My name is Volker Steck. Since January 2015, I have been the CEO of Helvetia Germany. I'm delighted to be with you today and to have the opportunity to share our ideas on how to sustain and accelerate profitable growth. In addition to our tide agents. who are part of our Helvetia family, we also were closely together with progress, who are our main system. Today I am focusing on our independent France and then new brokers with our best partner concept. All of our sales partners benefit from this.

Those who work more intensely to give with us benefit even more depending on the size and quality of the business volume, best partners gain more industrialized services and comprehensive support. Brokers expect quick and high quality responses to inquiries. This will be raised by key accounts in sales, fast policy issuing, quick claims settlement and direct access to our team of underwriting specialists. Highly digitalized processes allow us to serve a growing number of brokers without losing personal contact. Individually personalized service and digitization complement each other perfectly.

In summary, fast response times, our personalized service and the best fitting offer combined with competitive pricing an important argument for being a best partner with Helvetia Germany. We measure of the success of the best partner approach by clear goals. We want to be ranked among the top five insurance partners for our target brokers based on sales volume. Thanks to our approach, the aim to expand our business in the next five years sustainably. Thank you for your attention and your interest in Helvetia, Germany.

Thomas Neusiedler

My name is Thomas Neusiedler, CEO of Helvetia, Austria. Regarding our strategic target profitable growth, Helvetia 2025, I'm pleased to present to you how we apply the best partner approach and what contribution we are making to the strategic initiative of profitable growth. Helvetia Austria offers independent agents various benefits. We stand out due to our short decision-making powers. Thanks to our size, we are very agile and can respond to agent needs. This is particularly interesting for those agents who want a great deal of freedom to make decisions when advising customers so that they can play to their own strength.

This best partner approach convinces many agents. In recent years, we have noticed a great willingness to transfer entire P&C portfolios to Helvetia. We have developed a structured approach to ensure the quality of the transferred portfolios and at the same time increase the loyalty of the agents. This approach has been very successful. Helvetia Austria, has been able to grow significantly above the market in each of the past years while steadily improving the combined ratio. For this strategic period, we have set ourselves the goal of growing again while maintaining the same profitability. This is our contribution to the strategic priority of profitable growth.

Markus Gemperle {BIO 16433084 <GO>}

And of course we have also implemented the best partner approach in Spain. With excellent results at Helvetia Seguros within their agents channel, always a clearly best-in-class approach for bancassurance at Caser. But on top of this, we are now approaching the Spanish market with two entities. The two CEOs Inigo Soto and Ignacio Eyries will now explain a bit more in detail how this works especially also in the field of digitization, product offering and a bit specific, but for us, very important because very profitable, the burial insurance business. Both companies already today are very well positioned.

Inigo Soto {BIO 20779479 <GO>}

Good afternoon. My name is Inigo Soto, and I am the CEO of Helvetia Seguros Espana, which is a company that has among other values, a large and very loyal network of agents and brokers that has been consolidated over the years. The strong and close relationship that the company has with its employees and that network is our best competitive advantage. And it is also our base for the ambitious targets of profitable growth that we have in the coming years.

Ignacio Eyries

My name is Ignacio Eyries. I am the Managing Director of Caser Seguros. Caser grow together with the Spanish former saving bank, becoming a leader on the non-life bancassurance distribution. Nowadays Caser has developed altogether agents, broker, lost accounts and any type of distribution having partners or around the different alternatives of our industry. In parallel, Caser has developed its presence in large account of related to insurance services together with their life cycle. In other words, heritage homes, hospitals, dental clinics and the service and maintenance of buildings and any other value related to the different ecosystems where insurance is present.

Inigo Soto {BIO 20779479 <GO>}

Bill, mainly in our network of agents and brokers. Helvetia Seguros has a strong competitive position in the burial insurance business. We also have significant volume of premiums though competitive, innovative, and very profitable product, we have managed to reach a wide and diverse target in our market.

Ignacio Eyries

As well Caser's presence in burial has a longer story. Coming from an historic areas network from a Company Caser did by in the recently years we as well build up our presence on telemarketing and bancassurance and agreement with large accounts. So that means that all together we can profit from the critical mass of having a relevant enough size of market presence in burial insurance.

Inigo Soto {BIO 20779479 <GO>}

Yes, the combinations of the volume of Helvetia and Caser will make the cost of the burial services more efficient. I am convinced that, thanks to this cooperation. The burial business will bring steady and profitable growth far above our competitors in the coming years.

Ignacio Eyries

Caser has developed a unique expertise in anything it has to do with employee benefits, working compensation and as well pension. Most recently with the evolution of the market and the habit of the consumers, we did introduce our Caser Asesores Financieros addressed to give information and to associate our clients on how to build the best offer.

Inigo Soto {BIO 20779479 <GO>}

In Helvetia Seguros of the years we have developed plans to train our agents in the fields of saving life business also trying to give to our customer, our personalized advice. Now we are working together to transfer Caser pension capacities also to Helvetia network, what will bring us better offer, insurance offer in this kind of product.

Ignacio Eyries

For the future, we have clear that altogether we can develop both niche strategies for given segments of products and P&L as well as putting altogether our strengths, having a much more growth presence on the highly attractive, high-income individuals savings management.

Inigo Soto {BIO 20779479 <GO>}

Additionally, in the area of e-business, both Caser and Helvetia have developed their digital channels, offering an interesting variety of products. We are aware that the change in customer behaviors requires us to develop multi-channel strategy, given the customer the users, the possibility to freely from one digital channel to physical one, maintaining the features of the products and the price offers and also giving priorities to our existing network of broker agents and bancassurance.

Ignacio Eyries

Our shared willingness to develop and investigate new opportunities of developing our presence based on digitalization, drives Caser to investigate tied-ups with insurtechs with online brokers and new actors presence through the digital channel. That is fully compatible with our presence on traditional insurance commercialization as well as with our will, on keeping on developing the related services industry.

Philipp Gmur

In specialty markets we contribute to profitable growth by further developing existing business on the one hand and by underwriting new risks in selected niches on the other hand. Leveraging our existing infrastructure and experience we are selectively expanding our product offering. This lead to a diversified growth and improvement market positioning, as well as a greater cross selling potential. A few examples, the introduction an ongoing development of aviation, space, cyber as well as dedicated coverages for renewable energies.

We are developing our niches internationally, which we champion with the dedicated presence in London, in Singapore for Asia and in Miami for Latin America. These offices put us closer to the relevant customers and risks and enable us to capture the significant growth potential available globally. The businesses acquired in close collaboration with our business units here in Switzerland. Hence, allowing us to deploy the full expertise and technical excellence of our Group in all regions. Our longstanding lines of business also offer a great potential in particular in a currently very favorable market environment.

We can indeed increase our shares on existing policies, write business we previously turned down because of unsatisfactory rates and conditions. All nearly see, thanks to our much better profile as an international player. Reto Keller, Head of Active Reinsurance will now give you in his video statement an overview of how we are growing profitably in our insurance. Other examples pertaining to engineering and aviation can be found in the Capital Markets Day section of our website.

Reto Keller {BIO 20114027 <GO>}

Hello and welcome. My name is Reto Keller, I'm the CEO of Active Reinsurance Department at Helvetia. I joined Helvetia in October 2019. But before that, I worked for more than 25 years in the reinsurance industry in various roles and functions on the buying and selling side of reinsurance. I have the pleasure in the next couple of minutes to talk to you about our contribution to the Group's overall 2025 strategy. And the focus lies on the topic of growth.

But before doing that, I would like to answer the question, why is Helvetia active in the assumed reinsurance business at all. Well, on one side it gives us access to international risks which are complementary to Helvetia's auto activities and on the other side, we are able to contribute to the sustainable profitability of the Group. Active reinsurance writes the business volume of around CHF730 million per year. And with that we are responsible for 50% of the business originated within specialty markets. That's a clear demonstration of our importance to the overall international footprint of Helvetia.

So let's move on to the 2025 strategy and how do we fit into that. Well, we have started to being a following line reinsurer. And we will continue doing that. And we have also been on expansion strategy for the last couple of years and we will also continue doing that. But the key focus for the next five years lies on the diversification of our portfolio. So how do we do that? We have specifically specified five initiatives, which help us to achieve that overall goal. Those five activities can be clustered in two categories.

One is the geographic dimension. And the other one is the product dimension. On the geographic dimension, we have the leverage aspect in mind when it comes to the diversification of our footprint in emerging markets, that's Latin America and Asia. And there we are leveraging existing platforms we have there in Singapore and Miami. On the other side, we have intensified our activities in the European areas where we are underrepresented in certain areas like the Central and Eastern Europe part as well as the Nordics.

On the product side, we have clear enhanced our activities and capabilities in the NatCat side but we also have enhanced our capabilities in the biometric Life Re segment and we would like to benefit from the attractive opportunities in the specialty lines. So with all that, we are able to produce a very consolidated business approach and we are able to continue with the risk portfolio diversification and which helps us to continue with our profitability. So what's our ambition for the future and how can we succeed? Well, we aim to execute on our 2025 strategy by living up to our vision of being a long-term value oriented technical competent reinsurer.

We are supported by that by the Helvetia's strong balance sheet and also by the experience and expertise of our employees. Together with that, and our product dimensions, we feel that we have a convincing story line to tell to our clients. And therefore, we are able to succeed there. We also are currently benefiting from the favorable conditions in the reinsurance market globally. That is in particular on the rate side but also on the terms and conditions side. And with all of that, we are convinced that we will succeed in the future.

Philipp Gmur

Thanks to all of you. We are sure and I mentioned it before that profitably growing our insurance business is the backbone of our group of course and we have to question ourselves what is the profit contribution of all those different initiatives? The contribution lies in first, the quality of earnings. It is decisive to even better manage our insurance portfolios in all the different countries, be it in non-life or life by for instance facing margin pressure by new means of technical excellence as we saw before. It is decisive to make sure that our portfolio, be it life, be it non-life or be it the whole portfolio is and remains well balanced. And it is key of course to improve our operational efficiency in order to make sure that our backbone, the insurance portfolios remain in best shape.

Now, let us turn to the fourth strategic priority. It deals with the new opportunities, of course you seldom see in a balance sheet of an insurance company align which reads research and development. But we at Helvetia, we are sure that the recipes of today might not be the recipes of tomorrow. That is why we want to explore new business opportunities, anchored in a profitable insurance business with a resilient balance sheet, we have to make sure that we are facing the future and its tremendous opportunities around for instance ecosystems and asset management.

What does that mean? We want in different pillars go forward in trying new business models, in looking for new opportunities and of course in integrating all those new models into our core business. The first example, we would like to share with you is the Ecosystem Home and its anchor Money Park in Switzerland. You will see in this video clip, Martin Tschopp, our Chief Customer Officer and the Chairman Of Money Park together with Stefan Heitman, Money Park's CEO and Founder.

Martin Tschopp {BIO 20060539 <GO>}

Hi, my name is Martin. I'm the chief customer officer at Helvetia Switzerland, and the chairman of the Board of Directors at MoneyPark. The key strategic thrust of Helvetia is to tap into new revenue sources, adjacent to its core insurance businesses in life and non-life. As a spearhead to develop a corporate ecosystem around customer needs related to privately owned property, Helvetia acquired a majority stake in MoneyPark back in 2016. I would like to hand over now to Stefan, who will give you more background to our joint strategic business.

Stefan Heitmann

Hello. My name is Stefan. And I'm the Founder and CEO of MoneyPark. And I have the pleasure to briefly share with you the very strong development of the last year as well as our vision for the future. As Martin just mentioned, since 2016, Helvetia is a majority owner of MoneyPark and MoneyPark is the anchor of the Helvetia Ecosystem Home. We fit together very well which benefits our customers, Helvetia's and MoneyPark's. We are closely interlinked in our core areas of expertise, mortgage advice, mortgage related pension planning and real estate. The year 2020 has shown that the ecosystem with MoneyPark as a strong anchor is already starting to prove itself very well.

Despite COVID, it was MoneyPark's best business year yet. Last year, we brokered well over 3 billion mortgages from our over 150 different banking and mortgage providers, out of our 20 branches and together with our 300 plus colleagues. The fact, the demand for homeownership and the desire for house is such high, especially in the current situation has certainly helped us here. In 2020, we also took the next big step in our short history. We got directly into the business of supporting our clients in buying and selling real estate. Why?

First, because the same values that guide us are still lacking in today's real estate market, transparency, independents convenience. And also because we have thousands of customers looking to buy and tens of thousands that we finance over the time, some of them will eventually want to sell as well. Therefore, we have created Switzerland's first big data platform currently unique in its kind. Compared to other offerings and platforms in the market, ours is by far the most developing comprehensive and we are constantly expanding it.

We're currently unique in this market and our offer provides completely new type of real estate and mortgage brokerage services, helping customers from buying to owning into selling and price assessment of value development from searching to financing. Going forward, we want to become the number one choice for any customer in Switzerland, dreaming of their own house and we want to be the number one choice for our customers in terms of getting all the information and all the data, he or she may need to make his or her decisions. We want MoneyPark to become the information powerhouse in the Swiss real estate and banking market. And in doing so, we connect previously separated world to break down silos and the property owners' customer journey.

Helvetia is a key partner for us in this journey. We see great potential going forward in this partnership. Many Helvetia customers deal with real estate, many of them have ownership issues and at some point have questions concerning their homes. And thanks to the cooperation between MoneyPark and Helvetia. They will soon receive independent advice also in this regard. This is what MoneyPark is all about.

Philipp Gmur

New opportunities apart from orchestrating an ecosystem home in Switzerland. Caser, as we've heard several times this afternoon is orchestrating its own ecosystem around health and care in Spain, thus, addressing new customer needs of an ageing population, combining their needs with traditional insurance solutions and making a difference in the market. Have a look at the next video clip how our people in Spain are orchestrating their specific ecosystem health and care.

Miguel Azpeitia

Good afternoon. My name is Miguel Azpeitia. I'm the Health Business Manager at Caser. My responsibility comprises the Health Insurance, our main activity in the field. But also all those other that complement and enhance it, what we call the health ecosystem. Let's start with the opportunity we foresee. Aging population and medical innovation will make us more relevant for the future. This context providing complete services to our clients forces us to go beyond insurance, but this more customer-centric approach makes a difference in our value proposal.

Health insurance complement the public system in two principle ways, faster access and personalized attention. Only one-fifth of the Spanish population have a private health insurance. To give access to more people, we have a product for every need. Balanced omnichannel distribution through banks, agents, brokers, direct sales and affinities is a company's strength. It also allows us to get to all the different types of clients.

Focusing on families and SMAs requires an efficient communication with clients, help products both more than 20 times more frequent contacts than other insurances. Our Caser health app is in the epicenter of this servicing strategy. In telemedicine, medicine comes first and actual medical center has an integrated team under the supervision of a competent medical management, the access to patient's medical records, coordinated care, including medication prescription and control, a complete virtual hospital. Tele consultation, video consultation and medical chat are all different modalities of connection but always supported by the same medical staff. A powerful tool, all along the current cycle from prevention to long-term care.

Health insurance marketing has two implications both to consider. Firstly, is you and your family who will receive the current quarter. Secondly, it has plenty of very important details to explain, specialization is crucial. By deploying our own sales network, Caser has been able to focus on selected markets, looking for growth potential and profitability. It also permits us concentrated effort in a specific product segments and campaigns. The network is integrated by more than 250 tied agents working from both branches, contributing 25% of our sales. There's a great opportunity for insurance companies in dental care not being covered by the public system.

Private market is a large one, more than EUR8,000 million and expanding, thanks to the medical innovation, the longevity, increasing interest for our health and anesthetics. Seven years ago we started deploying our own dental clinics chain, now integrated between two of them, to help develop dental insurance. More than 60,000 clients benefit from the best dental treatment to-date. Not everything can be easily included in non-insurance. Caser with also their health interests, attrition, wellness, physical activity, genetics and many of them. The membership advantages club pushes to main goals, increasing loyalty of our health clients being more present in the life and making easier the cross selling, permitting motor, home or life clients approach to our health services.

To make possible the use of private health with no Insurance, more than 80 hospitals partner with us for a real service, coordinating the previous checks, operations theater and esthetics hospital and post-surgical recovery, always with.

Unidentified Speaker

(Video presentation)

Ladies and gentlemen, new business opportunities. Managing an insurance company also means thinking about what the future could look like what new customer needs could look like. But our industry could look like. And that why we were investing and setting up Venture Fund, a couple of years ago. The Venture Fund at Helvetia gives us access to new business ideas new people a new future.

Have a look at the video clip of Michael our Managing Partner for the Helvetia Venture.

(Video presentation)

The Helvetia Venture Fund is performing well within good venture capital benchmarks. In the years ahead, we will continue to focus on insurtech and proptech, and we will increase our sourcing activities in Spain. In this way, we take advantage of new opportunities.

Philipp Gmur

Life is actually full of risks and opportunities and we want to be there when it's matters, when new insurance needs might arise. It might be at the point of sale of the mortgage of the car or of the consumer goods. That's why we were investing quite a lot in our B2B2C initiatives. Daniel Signer, the Head of Partnerships and B2B2C in Switzerland is sharing in the next video clips. A couple of his thoughts also talking about a Pioneer cooperation with the car of the year. Polestar.

Daniel Signer {BIO 21325932 <GO>}

My name is Daniel Signer, And I'm responsible for the B2B2C business of Helvetia where we integrate our offering into the customer journeys of partners such as MediaMarkt, Polestar or furniture retailers. Let me briefly, show you how Helvetia is exploiting new opportunities in the B2B2C market and make sure that we are there when it comes to insurance. Consequently thought from a customer perspective. How does this market actually work, B2B2C models make tailor-made insurance products available to end consumers at the point of sale. Helvetia is therefore cooperating with partners like vendors or manufacturers and does present whilst the need to protect a good is greatest. This market is becoming increasingly important on the one hand because allows vendors to offer additional service components to the customer on the other hand digitalization simplifies the sale of products by a third party.

Helvetia offers innovative and tailor-made insurance product for goods and services in different industries as for example for electronic goods, all sports equipment amongst many others. In April, we entered into a cooperation with the Swedish electric car manufacturer Polestar in the Swiss market. Helvetia motor vehicle insurance can now be concluded directly via Polestar's digital sales platform with these cooperation Helvetia is also successfully positioning itself in the area of motor vehicle a market that will change accordingly in the coming years as a result of changing mobility needs. Thanks to Helvetia Liechtenstein it is our USP in the markets that we can offer our partners tailormade insurance products for their product across Europe and in Switzerland as well. Until the end of the strategic period, our ambition is to continue to grow profitably and to benefit from the increasing attractiveness and relevance of the market.

A lean organization with minimal staff requirements allows us to ensure great economies of scale and the very capital-light portfolio delivers positive results regarding return on risk capital. We will continue to expand data analysis skills and technical excellence to ensure that we deliver sustainable profitable growth in this very promising part of Helvetia's business.

As you can see, this market is gaining importance and is very attractive. Helvetia is ideally positioned to take advantage of this new opportunity.

Philipp Gmur

Ladies and gentlemen, of course, you could, you could challenge all that and ask us, what's the burn rate of all that of all those initiatives you're undertaking? We are not talking about burn rates. We are talking about profit contribution around all those different initiatives, starting with Smile which is another start-up burning any money, but a number one insurance solution in Switzerland with a combined ratio below 90%, and thus contributing to our overall profit.

Talking about new business ideas, of course, it also pays off in getting new ideas and getting new business models. However, we want to make sure that all those initiatives are earning as much as at least CHF350 until the end of 2025 and that the profit contribution is at least 5% to the overall Group's profit.

Now let me quickly summarize. We were starting with the presentation of Caser, our new pearl in Spain, which is a very profitable insurance company and furthermore having tremendous opportunities around its ecosystems, health and care. And down there as well in Spain, this ecosystem is not coming out of any fantasy, it is working, and generating profits. We then moved on in exploring our four strategic priorities, customer convenience, profitable growth, the right offering and new business opportunities. And before having we would now like to open for your questions. And for that, I hand over to Susanne Tengler.

Susanne Tengler {BIO 18673192 <GO>}

Thank you, Philip. Ladies and gentlemen, you will now have the opportunity to ask questions on our strategic priorities. We have scheduled about 10 minutes for this session. I kindly ask everyone who is going to ask a question to introduce themselves by Name. In order to give as many participants as possible the opportunity to ask questions. We kindly ask you only to ask one question at the time. We will start here in the room and then post the Q&A session to the live stream. In the live stream, I ask everybody who wants to ask a question to raise his or her hand and please turn your camera on. So we will start here with the questions in the room and I would like to open the Q&A session to use. So who is going to ask the first question.

Anne-Chantal, please.

Questions And Answers

Q - Anne-Chantal Risold {BIO 20331057 <GO>}

Thank you. Anne-Chantal Risold from Octavian. We have seen the two Spanish CEO just before on screen. See that there is the beginning of the synergy between the Helvetia Spain and Caser with the product exchange or information exchange, would be interesting to hear more about what's the next milestone about the integration of Caser in the group.

A - Philipp Gmur

I would like. Markus, our CEO for Europe and then Ignacio to answer this question.

A - Markus Gemperle {BIO 16433084 <GO>}

Yes, thanks for the questions. Obviously not the first time that question on the table. So, it is clear for the time being, we do have a 70% stake at Caser. So we are not the only owner of Caser. So we do have our most important bank partners as shareholders, still in the shareholding. So therefore we will approach the market with two separate entities. But we do have of course a specific plan to take synergies, of course, but not just cost synergies we see a lot of opportunities to deal with the markets for the time being, we do approach with two entities in that market.

A - Philipp Gmur

While Ignacio is coming on stage, I can tell you that on a Group level we already could leverage Of course some synergies for instance, in terms of internal financing which is already concluded we could finance at better conditions, couple of obligations Caser had within our Group. Second, we are exploiting our Group reinsurance policies together with Caser. Caser gives us with its very profitable portfolio, new opportunities in better tailoring our reinsurance position as a reinsurance buyer for the direct insurance activities in Spain and there are couple of other synergies on the Group level.

But now back to the market.

A - Ignacio Eyries

Thank you very much Phil and Markus. I think that with the adding of Caser and Helvetia Seguros, the position of Helvetia Spain changed dramatically, not only on some products to whether development but as well anything which has to do with the market position.

Bargaining power in front of providers, networks, actors, partners gives us Caser the strong position of being part of Helvetia having a solid partner, but as well, improve our cost and bargaining and market position.

We are playing like if first year number seven in non-life factor that changes totally the they work for both of us.

A - Susanne Tengler {BIO 18673192 <GO>}

Any further question? Yes, over there, please.

Q - Matthias Niklowitz

Yes, good afternoon. Matthias Niklowitz with Handelszeitung Do we have some more M&A plans like Caser in other markets around Switzerland? And if yes, in which areas would you go which typical size would be a similar-sized object? Could you please give us some ideas on that? Thanks.

A - Markus Gemperle {BIO 16433084 <GO>}

Thank you for this question. Of course for the time being it's about consolidating what we just acquired last year. If looking at M&A targets, then we are focusing on those markets, we are already in. So there are no plans to go beyond, for instance, our European countries.

If there are interesting specialty lines portfolios, of course, there are more on a global basis. But basically we are looking for M&A targets within our European boundaries.

A - Susanne Tengler {BIO 18673192 <GO>}

Any further questions from the room? Otherwise I would switch to the live stream. Here, I have one question from Will Hardcastle. So Will, please turn on your camera and go ahead.

Q - William Fraser Hardcastle {BIO 16346311 <GO>}

Yeah. Hi, everyone. Hopefully, you can hear me. Just really touching on the question on the comments really made on the investment side, just trying to sustain the perhaps the liquidity premium currently being achieved on the private debt. And how this has changed over the past 18 months. So how does the credit rating work on the private debt here is internal or is it based on an average rating.

A - Philipp Gmur

I would ask Andre Keller, our Chief Investment Officer, to answer this question.

A - Andre Keller {BIO 18667591 <GO>}

Thank you for the questions. So the liquidity premium obviously with expensive monetary policy has decreased over time, and as all financial markets are highly valued also the illiquidity premium has decreased in private markets are more expensive as well. We still believe considering valuations that it's compared to traditional markets attractive, but obviously expensive as well.

So the second part as regards to internal rating. So we were Caser together with different advisors that support us in creating a rating and internal light-weighting, but it's a non-rated in the disclosure.

A - Susanne Tengler {BIO 18673192 <GO>}

If you have a further question, will you have to unmute again, and we can't hear you.

Q - William Fraser Hardcastle {BIO 16346311 <GO>}

Okay. I think on them. There we go can we, -- can you just clarify how it's treated on SST? Is it given a blanket corporate rating.

A - Philipp Gmur

In SST, it's mapped into similar category like a BB.

Q - William Fraser Hardcastle {BIO 16346311 <GO>}

Thank you.

A - Susanne Tengler {BIO 18673192 <GO>}

From the live stream I have no further questions at the moment. So again, in the room. Fabrizio Cattaneo, please.

Q - Fabrizio Cattaneo {BIO 2517123 <GO>}

Thank you from Pictet Asset Management. Maybe on the reinsurance business. The strategic priorities, maybe a bit of color on the relationship with Caser, since they seem, there will be underwriting some of the business there and the metrics that they used to be selective on the underwriting front?

A - Philipp Gmur

There are no plans. If you are talking about the Active Reinsurance, there are no plans that Caser is underwriting Active Reinsurance, we are really sticking to a very rigid governance, so to say in Active Reinsurance underwriting every contract out of Switzerland and it's only the reinsurance that Active Reinsurance Department which is underwriting reinsurance policies, of course, there are so to say a couple of front men positioned in Miami or Singapore who do not have underwriting competencies but they should have better access to the market, but there are no plans that any of our business units or segments or countries, markets whatsoever are underwriting Active Reinsurance. Not at all.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay. So I take a final question.

A - Philipp Gmur

It's more about the synergies sorry of the group reinsurance as a buyer of reinsurance coverage. That's where we see synergies.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay, I'll take a final question from the live stream for that first Q&A session, we will have another at the end. And the next question comes from Rene Locher. So Rene please turn on your camera and go ahead. We can see you, but we can't hear you at the moment.

A - Philipp Gmur

Okay. That might be time for a break.

A - Susanne Tengler {BIO 18673192 <GO>}

So Rene we take your question. I am sorry, in the next round. Sorry for that.

A - Philipp Gmur

Okay. Ladies and gentlemen. Now it's time for a break and we suggest that we are coming back into this room at five minutes past four, ten minutes past four.

A - Susanne Tengler {BIO 18673192 <GO>}

I would say.

A - Philipp Gmur

Sorry.

A - Susanne Tengler {BIO 18673192 <GO>}

15 to 20 minutes.

A - Philipp Gmur

Ten minutes past four and I would ask all those people joining us on the video stream that they are coming back maybe at nine past four so that we can start at 10 past. Thanks a lot and enjoy the break. Ladies and gentlemen, welcome back to our second part of Helvetia Capital Markets Day, here in the Samsung hall in Zurich. Welcome to all those being physically present as well as to all those joining us via video conference. As we told you in our first section of this afternoon, we are glad to report and to conclude that Helvetia looking back on 2020 was achieving all what we promised in term of growth, profitability, capital strengths and dividends. Now we are looking forward to Helvetia 2025, Helvetia is entering into a new era from a Swiss insurance group with a couple of operations abroad to a financial services provider anchored in Switzerland with a selected strong country markets giving a good footprint in Europe, global access through specialty markets. And last but not least, tremendous opportunities around asset management and ecosystems. We were presenting to you our newly acquired pearl in Spain Caser which was already paying off in a great amount which exceeded our expectations. We were presenting to you our four strategic priorities around customer convenience, profitable growth, the right offering and new business model. And now in the next section. We want to present you our business segments. Helvetia is reporting its result the part from the corporate segment along three different segments. Namely, Switzerland, Europe and Specialty markets and our organizational setup looks like, that's why I'm happy now that Martin, David and Markus joined me on stage in order to present to you their respective strategies. Of course all those strategic priorities shall now be operationalized in the different business segments. I'm glad to hand over to you. Martin.

A - Martin Jara {BIO 21420256 <GO>}

Thank you, Phil. Switzerland is the region and Switzerland is the backbone of Helvetia Group. It's our home market. And as our home market. It will be important also in the next strategic period. We set ambitious targets for the Swiss operations for the strategic period, to cope with these ambitious target, we can build on the successes and the excellent progress we made during the last strategic period, we strengthened our core business.

We grew in non-life up to a level of more than CHF1.5 billion premium on a very profitable portfolio and we shifted consequently, the new business mix in life toward capital-light product. This strengthening of the core business will give us sustainable and strong profits also in the next strategic periods. In addition, to the strengthening of the core business, we build up successful new business models you saw already Smile, the number one direct insurer in Switzerland, you saw MoneyPark and you heard about B2B2C business where Helvetic Warranty is one strong anchor in.

These new business models are ready to be scaled up in the next strategic period and these new business models and the services of these new businesses, we can integrate into our value proposition at Helvetia to differentiate from our competitors.

The strengthening of the core business and the new business model will allow us to master the challenges of the current environment and to take our chances in the opportunities. We have to adapt to a more and more hybrid customer behavior that has been accelerated during the COVID-19 crisis. We have to phase out new competitors by our value proposition for our customers and we have to compensate the effect we see from the low interest environment and from the pressure on margins in non-life in the Swiss market due to the competition we are facing.

To consolidate, our top three position in this environment we set three strategic focuses: One is to differentiate by customer intimacy and convenience; Second, to exploit the potential of our new business models and of our strong customer basis by more Helvetia per customer; And third, by working hard on our cost position and on our productivity to strengthen the cost position. You already heard from my colleagues in Switzerland in the different videos that we have a powerful range of measures in place to do so.

These measures we can cluster in four clusters, and they contribute to the strategic focus areas. First, we are further developing our value proposition and our omni-channel access for our customers. Recent example for this are the new products in SME Adrian Kollegger presented before or the relaunch of our motor product and its presentation in the direct business just yesterday, Monday in the Swiss market.

More, more is to come with the services in Atlanta for the SME business and with the enhanced services in our ecosystem home with a strong anchor in MoneyPark. The second cluster of important measures is focusing on scaling up our technical excellence by portfolio measures, pricing measures and in default and the claims handling processes, especially in the fraud detection part. To grow our business. We are not only focusing on the value proposition and the omni-channel approach in our traditional businesses. We are also executing initiative for our new businesses and to go into new partnerships. As you saw in the B2B2C section; Fourth, it is important for us to keep an eye and to be clearly rigid on the productivity improvement by seamless processes to realize the cost reduction we integrated in our strategic plan.

In a nutshell, we are convinced that we have the right measures in place we are pushing forward their implementation in Switzerland and by doing so, Switzerland will also in the next strategic period deliver on its promises in Helvetia '25. Thank you for your attention.

A - Markus Gemperle {BIO 16433084 <GO>}

Momentum. Not exactly the word that we have top of mine thinking about Europe and Switzerland. But it should at least Helvetia. Some of you might remember last Capital Markets Day, when it just came out of a integration serious in all our country markets in the starting blocks to implement a new strategy and most of all, a common culture. And the results, I have to say I'm quite a bit about what we altogether have reached growing above market in non-life and capital-light Life business and that's the same time improving year-by-year, the technical margins ending up with an increase of the profit after tax of more than 50%, up CHF175 million.

So you see we have quite a momentum in our European country markets, it is extremely cool, extremely motivating to work for a successful unveiling company. Now how do we see the current environment. First of all, let me say that our retail and SME-based portfolios. Our relationships to the sales partners have also in the crisis, especially in the crisis proven to be very stable even more thanks to our best partner approach we could still keep the growth path and at the same time reduce the lapse ratios. And thanks to efficiency measures, thanks to technical excellence, we also in 2020 could improve the technical margins.

So a excellent starting position to profit best out of the upcoming growth environment. European and country recovery plans will boost economy investments and also private consumption. Sensitized clients are asking for a more comprehensive protection, individual as well as corporates.

And the COVID driven pace that we see in innovation and digitization is offering new marketplaces for our products and services. So where do we see our strategic focus in that environment?

First of all, let me say it is all about relevance still or probably even more. Relevant for the independent sales partner, relevant for the individual client at the very concrete moment of truth could be a claim or sales decision.

So it is not enough just to be somewhere among top 10 position in a market.You have to be at the very top of a very short list top three, probably top five depending on the business but in the very concrete situation.

And we have learned innovation in products and services important a prerequisite, Yes, but not enough to differentiate, but personal relationships being there when it matters trust, common objectives so in other words, our best partner approach.

This is really what makes the difference. And yes, we do believe that our SME and retail businesses, are local ones still but they are built on the same business strategy, with the same business model, with the same underlying operational model to cash in synergies of course to establish common methods extremely important and to exchange best practices in the European segment.

We don't see four main fields for strategic measures. First, ongoing digitization initiatives to satisfy clients and partners needs full speed transparency connectivity and at the same time of course internally always improving efficiency.

Second, integrated in our best partner approach we will set an additional focus on SME and pronounce and entrepreneur to leverage our excellent market proximity into that segment. Third we use our ability to connect to individuals partners and ecosystems to develop new business models for Insurance and Services.

And last but not least let me say it is quite a challenge to grow above market year-by-year especially with regard to profitability. So therefore, we are doing a lot investing a lot and keep on striving for technical excellence to safeguard our margins. So, in an upturn. Profitable well positioned growing retail and SME portfolios a broad and performing market access.

Omni-channel proven ability to connect and a best partner approach as the differentiating factor that's Europe activate. Thank you.

In the last strategic period Specialty Markets double its business volume, while always delivering positive technical result this was achieved, thanks to targeted growth initiatives. Coupled with a disciplined underwriting approach had we not been disciplined, by the way where would have grown much, much more. Key enablers for this successful development where the introduction of new products, the recruitment of bespoke professionals in underwriting and as a result thereof an improved profile of Helvetia as an international niche player.

This significant growth was met with the reinforcement of various technical and finance functions to further ensure technical excellence as well as an appropriate governance is safeguarding our margins. As previously mentioned, the currently positive market environment still offers growth opportunities we therefore intend to expand our product offering and international footprint further. In addition, we will increase our effectiveness and make use of new technology to serve our business partners and customers better than we do today. Specialty markets accordingly aims at growing further leveraging its technical excellence and maintaining a clear strategic focus you have already heard from rate color and attack how active reinsurance and Helvetia France to develop the positions as competent unreliable business partners in their respective markets.

They have great teams and I am fully convinced that they will achieve the ambitious objectives the third business unit and specialty markets Specialty Lines Switzerland and international is to strengthen its number one position in Switzerland as a specialty lines insurer and pursue the international development of its business for this, we can rely on an agile team of dedicated professionals excellent relationships with our brokers and customers globally as well as the strong brand of Helvetia and that's a USP we combined the strength of a big company.

The financial strength of a big company with the agility of SME. And this is what has allowed us to growth and outperformed the market. In a nutshell.

The overall focus looking at 2025. We rely on the improvement of business processes and customer experience. The extension of our product offering. Selective international growth always safeguarding our margin, as well as the controlled increase of our risk appetite thank you very much to Marcus and David ladies and gentlemen. In order to make Helvetia 20.25 a success story we need some pre-requisite it's about people partner and performance in the next two videos. We would like to share with you the thought of our Head of Human Resources, Roland painfully and of our Chief Technology Officer inbound stock first, we would like to answer the question, what does it take for our employees to really contribute to the success of Helvetia 20.25 and second what does it take in terms of digitalization for instance to make Helvetia a best partner. Have a look.

A - Roland Bentele {BIO 16118164 <GO>}

My name is Roland Bentele and I'm heading the Corporate Center organization of the Helvetia Group. It's a pleasure to talk about our most important asset we have at Helvetia, our people.

To enable the successful group-wide execution of our corporate strategy Helvetia 2025, we invest into the following two key priorities. First, we invest into our culture. We promote our entrepreneurial primary and performance-driven corporate culture and align it across our Group.

These group-wise cultural identity is inspired by our three shared values, trust, thrive and enthusiasm. These values shape how we lead collaborate and organize value creation at Helvetia. We call it The Helvetia Way.

Second, we strongly invest into new skills that our employees we lead in the future. Such as working a child,[ph] digital, networked and in a customer focused way. All of them are pre-conditional to get closer to our group-wide region, offsetting standards in customer convenience.

Furthermore, we continuously develop our leaders and employees and use our more and more international setup to share the experiences of our over 11,000 employees across our markets. Overall, as a recognized top employer, we expect a lot and we offer a lot.

We are proud of our effective organization and attractive workplace. With us everyone can mobilize her or his full potential in contributing to our strategy, Helvetia 2025.

A - Achim Baumstark {BIO 20013671 <GO>}

Hello. My name is Achim Baumstark, I am the CTO at Helvetia and as such I am accountable for technology and IT. When we talk about our new business strategy at Helvetia, we talk a lot about customer intimacy, customer convenience, efficiency and ecosystems.

Whilst we have already a number of innovative business model in place that fit that context. We do acknowledge, we have to modernize our core businesses in order to live up to these strategic imperatives.

A - Unidentified Speaker

Let me give you a couple of examples. But hopefully demonstrate how we deploy technology to achieve exactly that. Firstly, and at the core of our technology strategy we push very hard towards the cloud at this moment.

We've already moved 40% of our corporate and Swiss application landscape into the plan the first wave of this push focuses on what we call the front domain applications that R&D interface to our customers and to our sales force. These applications are being rebuilt into the cloud to provide superior user experience.

And as an example for this the new offering solutions for motor and private customers are scheduled to go live just now at the end of June. Our second focus areas analytics as most of our strategic goals heavily depend on better utilization of data consequently, we've already started to invest in a new analytics platform that brings along state of the art analytics and AI tools and it is built in a way it helps us to deliver data more quickly to the analyst and deploy new inside easily back into our processes this new platform has proven itself in a large number of use cases already in the areas of analytics churn value customer value models and others.

For the new strategy, we've now started to rebuild our data warehouse landscape into a cloud native data management solution. Which will help greatly with data integrity and data quality together with the analytics platform both will Portugal leads in a much better position to utilize data as required by our strategy thirdly, and to make it all work as a whole, we put a lot of emphasis on integration for example, we have already deployed modern data streaming technologies two technically decouple our applications, while still being able integrate our processes seamlessly across main for the new strategy, we will now extend these integration solutions to stretch beyond the borders of the enterprise.

In order to offer better connectivity to partners and ecosystems.

I am convinced that this will be a key capability of Helvetia in the future. So in summary, alongside the new business strategy. There is a significant modernization effort with the aim to benefit from state-of-the-art technologies and I mentioned three examples cloud analytics and integration thank you very much.

A - Roland Bentele {BIO 16118164 <GO>}

I was mentioning three prerequisites in order to make Helvetia 2025 a success story, it's about people, Partners and of course about performance. we have been setting for four strategic priorities. We have been setting for three business segment strategies, we have been selling for ambitious financial targets we have been setting great purpose challenging ambition a big vision being best partner being ready when it matters setting standards in terms of convenience and accessibility.

And in order to cope with all the we need to improve our own performance culture at Helvetia, we want to be measured by the results we want to be measured by but we deliver on a daily basis. And let me add this we are underway of implementing a new compensation policy which should get into force within the next one to two years in order to make sure that all that we do is in accordance with, but our strategic goals look like.

It's not only about Of course doing business in a reasonable way it's about technical excellence it's about recruiting the best people, it's about developing our talents, it's about living and not only talking about a performance culture and Of course, it's also about a long-time perspective in all what we do and that brings me to the next chapter this afternoon.

It's about corporate responsibility. Overarching all those strategies all those plans. All those initiatives is Of course the corporate rental responsibility ESG environmental social governance shall not only be buzzword we are Helvetia are convinced that as an insurance company. We have to take a long time perspective in underwriting in asset management in developing our business in general. If not we can not survive we are convinced that specifically foreign insurance industry specifically for Helvetia it is decisive to leave this long time perspective now we are proud that we did not start with all those initiatives yesterday, only because it's in every day today. All those ESG criteria we were implementing those criteria.

Again, and again within the last few years. And let me just talk about two accomplishments of the last few years. The first one deals with our reduction of the CO2 emissions with our carbon neutrality the second one deals with our MSCI ESG A rating I hope for Andre, much more complicated to pronounce then to live those two examples are based showing that we are not starting right away, but that we have been undertaking a long journey. In this respect.

A - Philipp Gmur

For a deep dive. I would now like to hand over to our Chief Investment Officer, Andre Keller who will explain his thoughts and his view on ESG and corporate responsibility and specifically on responsible investments please Andre.

A - Andre Keller {BIO 18667591 <GO>}

Thank you, Philip it is a pleasure to introduce you to help Atos responsible investment strategy. Over the past years Helvetia has made great strides in adopting responsible investing and ES&G criteria in the investment process as we enter now Helvetia strategy 20.25. We have set two main strategic responsible investment goals.

The first is an overarching goal to manage the yes investment portfolio with few considerations for sustainability risks and opportunities the second is a specific goal transition the investment portfolio towards a net zero emissions target by 2015. So how are we going to reach these goals. The responsible investment strategy relies on pillars first it will be the comprehensive integration of ESG criteria in the investment process with the aim to improve the long-term financial and non-financial outcomes second stewardship. So, we will actively engage with companies and stakeholders on sustainable business practices and ESG issues exclusions, which we will apply in specific areas. This is a strict measure, which we will apply in areas where we see clear downside risks or violations of international conventions and fourth.

It is managing towards sustainability outcomes with the aim to create financial values while having a positive impact on people and the environment so for the coming years. We have an exciting path ahead of us and our focus will be on carrying out set of actions that are directly linked to reaching these two strategic goals.

Let's start with governance and expertise comprehensively integrating ES&G criteria requires a clear governance structure across the company and from the Board of Directors level to selecting individual securities because this governance structure provides the framework and the boundaries to make USG consider it investment decisions. As I already mentioned.

A - Unidentified Speaker

Yes, she will be comprehensively integrated into our daily investment activities and this means also across the whole investment process. It means from setting strategic asset allocation over manager and fund selection through portfolio management and reporting as an active owner. We will also engage with companies and interest groups on material sustainability issues this especially relates to climate change, which is one of the greatest challenges facing the world today.

And very important climate related action will be the transition off the investment portfolio towards the net zero emissions goals and for that purpose. We will define specific decarbonization pathways, which will guide the execution of asset class specific measures and actions recognizing the harmful impact of on the climate or thermal coal and on conventional oil and gas activities, we have developed a very structured approach, which uses screening and exclusions in order to align the portfolio with our goals and requirements.

So let me summarize as a responsible investor we believe that considering ESG criteria will lead to better informed investment decisions and thereby enhance the value creation of the investment portfolio. In carrying out these set of actions and these strategy, we will achieve another important milestone on the Helvetia responsible investment journey thank you.

A - Philipp Gmur

Thank you, Andre. So as you see ESG is not a project, which has a specific starting point and specific end, it's like a long journey and we are undertaking it with and taking the challenge Of course now during the last sections. We were talking about many initiatives, many strategies, many new ideas and we were always linking those different initiatives to our financials in the next section. We would now like to go a step further in order to make you more familiar with our financial targets, and for that, I ask on the Annelis Luscher Hammerli, our CFO to come on stage and to present you our financial targets in a in that way.

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Thank you Philip. A warm welcome also from my side. As mentioned Of course, I will try to shed some light on the strategy with the financial eye and so the aim of this last section -- session is to give you specific key insights from the financial perspective. I will do that by explaining you one important aspects of each of the three financial objectives before our center of attention. It was on the strategic priorities and how each of the business segments and market units is on the way of implementing them. Now I will focus in my session on how the implementation will result in ambitious financial targets. In summary, I will focus on three key insights.

The first one is that in setting an ambitious combined ratio range and for the first time setting goals for fee business we ensure not only to focus on profitable growth, but also to diversify our income streams towards fee business. This is keeping us not only profitable, but also more resilient for the future.

The second insight is that an important part of Helvetia 2025 is to leverage on operational efficiency. And we will do that by realizing recurring cost efficiencies of 100 million Swiss francs by 2025. This will strengthen our competitive position. The third and important last insight is that we will increase the dividend by 50% compared to the last strategy period or in absolute terms, we will pay out at least 1.5 billion Swiss francs in these five years.

This of course will be based on the strong capitalization on the S&P, as well as under assets.[ph] By that, you see that our shareholders will benefit from the successful implementation of the strategy in the form of very reliable and attractive dividend.

Now let's dive in to these three key insights. Let us first look at the first key insight concerning the combined ratio range and the fee business targets. We want to achieve a combined ratio, which is attractive to our investors. All business segments, Switzerland, Europe and specialty markets are contributing to this goal.

To write profitable business is key in our strategies at the various initiatives you have seen mentioned by my colleagues, sitting here or mentioned in the videos will contribute to this goal. In addition, of course, also our cost efficiency program is beneficial to the combined ratio goal.

Going forward, the result in Switzerland is important for Helvetia as a group of course. However, the other segments, Europe and specialty markets also contribute to the combined ratio goal. To ensure an attractive combined ratio in Switzerland, we have introduced two effective measures for the strategy period.

We have launched strategic initiatives in the area of technical excellence and on the growth side and as already mentioned, we have introduced cost efficiency program which raise[ph] cost efficiencies OF 60 million Swiss francs in Switzerland.

Note here that these initiatives with recurring impact will to a certain extent be offset by temporary effects, namely two of them with the acquisition of Alba, Phenix and [ph], we have benefited from positive reserves effects in the Swiss business out of synergies with Helvetia.

These special effects will expire in the strategy period. In addition, positive effects from the settlement of the HW asset the whiplash preserves are also expiring. Now let's turn to the[ph] of this first key insight.

In the Strategy 2025, we are, for the first time setting forth a fee volume goal. The diversification towards fee business combines today's customer needs beautifully with our capabilities and out our offerings. I think this was demonstrated really nicely by Caser.

Our fee business does not come from one source but from four different sources as you may have seen in our full year results. These four sources are the fee business comes out of asset management through our thirrd party offering, it comes out of Harrison's Italy curve as shown by Caser, it comes from distribution services for example from Money Park and uncertainties[ph] comes from assistance services in insurance related fields.

So by strategically focusing on fee goals, we leverage and expand our core business and as a result we ensure to be more diversified in our income streams and hence also less dependent on capital market developments. So this was some more insight on the first key insight. Now let's turn to the second one. By 2025, we aim to raise recurring cost efficiencies of CHF100 million this is illustrated here on the right side, on the graph where you see that we will raise this cost efficiencies in the way that our top line growth is growing at a much faster rate than our costs are increasing. So that is what we mean by raising cost efficiencies.

And it's very important to note here that we do not carry out general cost reductions, but rather visual cues costs in a very targeted manner and thus we enable ourselves to become more efficient, but still be able to fund growth opportunities where we see profitable business. We expect efficiency gains of around one-third being related to personnel costs and about around two-third being related to non-personnel costs.

The main measures to achieve our cost targets and cost efficiencies is the optimization of processes in our core insurance a operations. Second, we will review our IT landscape, which will lead to decommissioning off some systems. And third we expect some efficiency gains out of optimizations in the area of procurement.

So to sum up on the second insight by realizing recurring cost efficiencies of 100 million by 2025. We will strengthen our future competitive position. So now let's turn to the third and last insight on capital and dividends.

Helvetia has been and will be a very reliable and attractive dividend payer. So for this strategy period, we have set the cumulative dividend for the fiscal year until the fiscal year 2025 to at least CHF1.5 billion or 50% more than in the last strategy period. Our ability to generate distributable cash is demonstrated by the solid and sustainable operating cash production, you'll see here on the right side, in the last few years.

Each year, Helvetia was able to fully coverage it's external dividend by its internal operating cash production. Our dividend policy has been and still is and will be to steadily increase the dividend year-by-year or in exceptional years to at least keep it stable on absolute terms. And let me note here that for 2020 Caser has already contributed CHF26 million to our operating cash production. Our sustainable external dividend is also backed by Helvetia's resilient net economic dividend capacity. Our net economic dividend capacity has been very stable even during COVID-19 and it covers our external dividend, 2 to 3 times. It's on the right side in the graph on the bottom that the line.

We are fully committed to the seamless continuation of our successful dividend policy. And of course, we are also fully committed to our ambitious targets of paying out the cumulative dividend of at least CHF1.5 billion for the next five years. Now our ability to be a reliable and committed dividend payer is backed by a very solid capital position and strength. Helvetia solid capitalization and disciplined balance sheet management is absolutely key.

This is reflected in our financial target for the strategy period where we want to have a standard impulse rating of at least single. As the asset ratio can be subject to temporary large fluctuations. We have to decided not to communicate a target range anymore.

However, a solid capitalization also under SST is absolutely key and in the next few minutes I will show you how we manage the balance sheet anti-SST Ratio. And please note here that the lower limit of 130% remained completely on unchanged, so nothing changed there. We safeguard and manage our solid capitalization by our asset liability management approach where we are most importantly a liability driven investor with the goal to maximize the economic value.

Second, we of course optimize capital efficiency of different asset classes. And third, we have to optimize on the given boundary conditions such as tide asset coverage or other local statutory or regulatory constraints. This means that the SST, the balance sheet management is a continuous process where we continuously develop measures to improve the ratio should this become necessary. And we also anticipate regulatory trends or new risks. Allow me at this point, short side note. On the graph on the left in the picture. Be aware that SST ratios and Solvency II cannot be directly compared or it's SST interpretation is difficult, why is that?

For example, for our Helvetia European entities, the difference between for the same entity between the SST solvency ratio and the SST solvency ratio is around 90 percentage points. That means that at least for Helvetia it makes no sense to compare SST ratio with that of Solvency II ratio of European peers.

The main driver of this difference is how the two solvency regimes are treating European government bonds. In Solvency II, the European government bonds state do not get the risk charge independent of their credit rating and on the SST European government bonds are treated as every other bond.

So if, you have for example, a Greek government bond, it gets a high risk charge and the German bond gets a low risk charge. So that's the reason that the main reason of this difference.

Now let me come back shortly to our asset liability management approach. As a liability driven investor, as we said we structure our asset portfolio to meet our Life and Non-Life insurance obligations when they come due and at the same time we want to maximize the economic value.

For that we have three main tools. So, we aim to keep the duration gap narrow this fits very well with our long-term nature of our cash flows. Second, we have a really close eye on the direct yield and on the interest margin on our life book. And third, as I said we optimize the asset allocation according to capital efficiency.

Using this approach, we then also take into account all the constraints there are local statutory on regulatory areas or for example we also optimized for Solvency II for our European entities. And as you have just heard from our Group CEO. We also include responsibly investment consideration. This allows us not only to manage physical and transition risks out of climate change, but also to adhere to our social responsibility which is inherent in the long-term nature of the insurance business.

So what are my three take-home messages for you. The implementation of our Helvetia 2025 strategy by our business segment, Switzerland, Europe and Specialty markets will be measured and tightly tracked via our financial target. And this will ensure that first we are profitable and resilient for the future through the focus on profitable growth and diversification into fee business.

Second, we strengthen our future competitive position by ensuring operational and cost efficiencies. And third, we ensure an attractive and reliable dividend income by increasing the cumulative dividend by at least 50% compared to the last strategy period.

With that, I hand back to our Group CEO.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

Thank you. Annelis for this insight into our financial targets. We would now like to open for a second Q&A session and for the technical details, again I ask Susan for her explanations.

A - Susanne Tengler {BIO 18673192 <GO>}

Exactly. So, we will now have our final Q&A round Q&A session. And we will proceed similarly to the first one, that means that we start here in the room and then hand over to the live stream and the first question in the live stream will then be from Rene Locher who sent me his question by email. Because he has bad internet connection, but I would like to start here in the room. Simon Fossmeier?

Q - Simon Fossmeier

It's Simon from Vontobel. Question for the CFO the financial targets by 2025, you will be put in the IFRS-17 and it is terribly hard for us to see if you actually secret target or not, because everything will be different. I fully understand that you cannot set targets under the new accounting regime that is not fully clear yet, but I was just, I mean what's your thoughts on. And question 1b, since I see that the chief Actuary I might as well ask a question in life insurance do you any long-term impact on mortality as a result from COVID-19 or is it too early to say. Thank you.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

Okay, let's start with the I would say the easy question IFRS-17.

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Yeah, sure, easy go to one. And now, it's clear that some of our financial targets will be impacted by the new accounting standard, however, not all of them, for example, the standard -- standard and Poor's rating not also not the cumulative dividend as we pay dividend out of the local results, not IFRS this is always important to note and we are at the moment of course in high times with our IFRS-17 project like everybody else, and there will, in my opinion, probably be a sort of translation at some point of the financial targets.

There is no other way I mean we are at the moment. Not able to exactly say what the difference will be, but the definition of the combined ratio will slightly change that's clear. And in a life a lot will change.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

But the goal of profitably grow our business remains the same. Now our Chief Actuarial, Beat Muller, please come on stage, so that everybody can see you.

A - Beat Muller

Thank you and answer to the question 1B is easy, no. No maybe you have also read in newspaper or hurting in television or radio, for example, in Switzerland. We had little bit more mortality last hearing in March, April, but these had not be more than I think they are in the year 2018 something like that where we had a lot of vaccination. A lot of all the other things in the winter and we had a little bit more mortality. At the end of the year from I think November end to December. But I think had been a one-off effect, and B, we have not seen because of COVID now a long time or long time effect on mortality therefore no.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay. Any further questions. Yes, Mr. Niklowitz please.

Q - Matthias Niklowitz

Yes, thank you. Coming back to the IFRS-17 stuff, I've just one follow-up question in three parts. One is about the costs, second about external expertise and third question, do you feel comfortable to meet or to finish that project on time or do you expect probably extension by one year or so?

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Let me start with the third question. Yes. I feel comfortable with finishing on time. And also on scope and it will be, it will be hard. We will not have, let's say, parallel runs covering several, several time frames but we will, I am very confident that we will manage it. Yes.

On costs. I have to look to Suzanne if we do, comment on costs or not.

A - Susanne Tengler {BIO 18673192 <GO>}

We have disclosed we will come back to you. We have disclosed the costs. I think last year, but in general, they are part of our project portfolio.

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Yes, they are part of our project portfolio and our project portfolio is after policyholders and shareholders' split and after tax it's around CHF50 to CHF70 million per year. And what was your question on expertise?

Q - Matthias Niklowitz

Hiring people or it's about external expertise if you have for instance, external whatever big four support and so and so forth. What I would assume giving this cost base of double-digit millions.

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Yes. So this cost base is not only the IFRS-17 project, it's the whole project portfolio for Helvetia Group. Just to be clear, of course as for every program we have external expertise hired, be it really on the, on the subject side, but also of course on the project support and so on. This is no different to any other large project.

A - Susanne Tengler {BIO 18673192 <GO>}

Yes. Mr. (inaudible)?

Q - Unidentified Participant

Only one. I'll queue for the next one. To change from IFRS-17 capital allocation policy and you dividend policy, great. I appreciate it and we'll absorb hopefully a good part of your remittance. So if you were to make acquisitions. Again, I think the model of Caser is the model that we have to understand for the future. The type of financing that you had or would you put aside some of the remittance for let's say a bolt-on acquisition strategy?

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Well it depends a bit on the size of the acquisition, smaller size of-course, we are able to pay out of the pocket, but larger size we would for sure look for an optimized financing, such as it was for Caser.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay. Any -- yes, Anne-Chantal, and then I move to the live stream.

Q - Anne-Chantal Risold {BIO 20331057 <GO>}

I have a question more for the segment strategy and basically we have heard a lot about your product and each I read in your corporate brochure, you mentioned several times the cyber tailor-made product. So my question is what's your risk appetite in this domain. And also if you can give us a bit. What is also your risk assessment expertise in this domain because we have seen also in the US one hacker or a group of hacker can just dry out the whole East Coast. And I guess the cost is probably a difficult to estimate. So what is your expected your appetite and expertise in evaluating this domain?

A - Philipp Gmur

I ask David Ribeaud our CEO Specialty Markets to answer this question and maybe our Chief Actuary has then throughout a comment, who knows.

A - David Ribeaud {BIO 17625648 <GO>}

Thanks. Yes. Cyber is a new lines of business and many questions remain to be answered. So what is a war exclusion in cyber what is an event those questions have not been answered and this is why we are very cautious when it comes to cyber.

Nevertheless our customers have a need and we need to find the right balance between covering those needs. And on the other hand, not exposing our balance sheet to inconsiderate risks. So what have we done so far. And in all the countries where we are present, we have developed cyber coverages for SMEs and for personnel customers with very limited coverage is however they cover the need of standard customers.

We are now also entering the space of more complex cyber coverages. In Switzerland, we have a few large customers, but we're doing this very cautiously and gradually and insist on certain exclusions because otherwise as I mentioned previously, it would expose us to very high exposures. So we need to be in that space, but we need to do it very carefully.

A - Beat Muller

Maybe only one additional remark. Also, we control the exposure to cyber very closely on Group level that will say every quarter, we collect data of every country and there we have it really under control.

A - Philipp Gmur

We were specifically also looking at so-called sleeping cyber coverages in different contracts. So we are carefully looking at that.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay, then I would like to close the Q&A session into the live stream and that just to remind you, please raise your hand and switch on your camera but before I have two questions already on my screen. I would like to read the one that Rene Locher sent me. He has a question on the Swiss market for Martin Jara and his question is exactly like that. As Martin as spent many years in the Swiss insurance market. I was wondering if you could give us some insight on how the Swiss non-life market has developed over the past years? And what we should expect in the next five to ten years, especially with regard to the combined ratio?

Meaning, is a combined ratio that we saw in the past still sustainable for the future?

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Yeah. Maybe I can start and give you some aspect about the combined ratio. As I mentioned in my speech, of course, we are focusing in Switzerland, very much on an attractive combined ratio for our investors.

This is achieved via various measures on the technical excellence side, on the growth side and as you heard also, a large part of our cost efficiency program will affect Switzerland and also note as I said, and it's important to repeat it here we have temporary effects on the reserves running out, which will not be beneficial anymore in the future.

So they are beneficial now but they're running out in the strategy period and these effects they all they are all important and reach and in total on group level. We are very confident that our 92% to 94% range is a very attractive range for Helvetia group for our business.

A - Martin Jara {BIO 21420256 <GO>}

Thank you Annelis. For the channel development in the Swiss market, we see that competition is much higher than it was, some years ago when I have no experience first, the competition is the Swiss market is comes from one side for a much higher competition for example. So between brokers, because also there the market is now federated and we see there in the SME business that the broker market is in a much higher competition or much more intense competition than it was before.

And we see new competitors that are entering the high margin market in Switzerland there. I think we have very good position to Helvetia as we are the number one direct insurer and we have all

Capabilities for omni-channel approach in Switzerland, together with the technical experience and the data -- the data analytics capabilities we have, I think we are very, very good prepared for this much more intense and also diverse a competition we see in the Swiss market compared to just some years ago.

This is my short in a nutshell conclusion on the Swiss market. Thank you.

A - Susanne Tengler {BIO 18673192 <GO>}

Good. Then the next question comes from IOT out of the live stream. So, Peter, please switch on your camera and go ahead.

Q - Peter Eliot {BIO 7556214 <GO>}

Thank you very much. So my question actually was on the expense savings the efficiency savings thank you very much for the additional detail Annelis. I guess there is a lot of helpful information there. I guess the one thing that will still be helpful for me to understand is the extent to which we should expect the savings to be split between shareholders and policyholders so perhaps what, how much of it is falling in line for non-life. And I guess you also mentioned the review of the IT landscape.

Obviously, we had some start disappointing update there at the half year results. I was wondering if you could give us any sort of update on developments whether you're sort of sorting third-party platforms et cetera. Yeah there's some update there. Thank you.

A - Annelis Luscher Hammerli {BIO 21606790 <GO>}

Yeah, for sure, I can start with the third part, first part of your question about the allocation of the cost efficiencies to different segment, we have just started the cost efficiency program. And one of the points I mentioned where we see potential is for example in the optimization of procurement. However, the analysis. There is just starting. And before we know which parts of the procurement deliver to savings we only then we know how much is allocated to non-life and life and group and so on.

So at this point in time, it's too early to say what is affected and by how much. However, it's clear that non-life will be affected or will benefit life will benefit, but some efficiencies will also concern group costs, for example.

A - Philipp Gmur

So the question dealing with IT, I would ask our Chief Technology Officer Achim to very quickly answer this question with regard to the IT landscape, where we are standing now and maybe the core of the question, how we dealt with what you were calling a bad surprise.

A - Achim Baumstark {BIO 20013671 <GO>}

Bad surprise and a mishap last year. Yes, we have refocused our efforts to modernize the Non-Life landscape in Switzerland and currently we follow a two-way approach to achieve that. First, we consolidate our back office on to just one contract management system and one claim system. And second we free up some we freed up some resources to invest more on the front end. And I mentioned front-end investments earlier. So at the moment we have heavy investments in improving our ability to live up to the ambition of customer convenience and better front ends to customers and sales force.

The consolidation in the back office is centered around the idea to reduce complexity first and then potentially modernize on a more consolidated landscape. We have started to look at the potential the replacement of the non-life claims solution, but that is just ongoing and it's not yet decided.

A - Susanne Tengler {BIO 18673192 <GO>}

Okay. The next question comes from Thomas Bateman from Berenberg. So, Thomas. Please turn on your camera and go ahead.

Q - Thomas Bateman {BIO 21707516 <GO>}

Thanks for taking the question. And can you give any more details on the reserve releases, I'm just thinking how much they work and contributing to combined ratio I showed beforehand and following on from that, can you just talk about what the margin improvement is above loss cost inflation. On the Specialty Markets and reinsurance business.

So the question about reserve is prior year development. Prior year development. Maybe Annaly's and then some explanations on the specialty market given by David yes. So in prior year development. We have on a you can simplify it and say you have three main effects in there.

One is from the growing of the active reinsurance and the a different accounting logic there. So to the underwriting year accounting please starts somehow this number here. In on this slide, you see our prior year development. Including active reinsurance is the gray area and without asking insurance, that's the green area if you would then deep-dive in the green area, then there is, there is the positive effect from the normal runoff.

And what I mentioned in addition to other additional special effects we have from the synergies out of the past transaction of all Phoenix and not Suisse. They are also in there and they are expiring. So these are 2-3 parts. But the prior year development. Without these special effect result actively Insurance will still be beneficial Of course for combined ratio now, maybe, David. Please.

A - Unidentified Speaker

Yes. So in the past year, we have seen significant rate increases. Generally speaking, they vary a lot by business line and by region. We haven't quantified them exactly what I can tell you is they arrange on average probably be between, let's say 10 and 15 and we will earn through this rate changes over the next few years. Now if you look at the combined ratio it's impacted by different things, first of all, you have claims and the volatile but other than that, we also have new business and as Helvetia and we are cautious company we tend to reserve new business carefully. So you have, let's say, a negative impact of the new business, you're right, because you're reserving conservatively and then you have the positive right effect of rate increases which you are earning through, which will help us to maintain our attractive combined ratio even lower it slightly but don't expect any large swings because as I said, Johan [ph]reserve new business conservatively.

Thank you, David.

Are there any further questions from the live stream? because currently. I do not see any hand raised. If not, I'll give back to the room and we have one question here from Mr. Nicolas[ph]

Yes, my very last one for tonight. today. Coming back to your SME business, I couldn't read my handwriting anymore something with Atlantic or so,Could you please elaborate that a little bit more? what would you like to do? what would you like to offer?

It's a question, which is addressing an initiative we are undertaking in Switzerland, that's why I ask Martin to answer.

Yeah. So we entered into a cooperation with the IFyard[ph], which is the Institute for Young onto Neiman[ph] where we developed a range of services we are offering to SMEs now for example the business case service. With Atlanta, we are going to enter in a more back office servicing for SMEs, but we give them the possibility to do out of their account[ph] all the deliveries for example for the, for the, for the salary declarations or the CRM, the CRM support for smaller for smaller entities to execute for example.

On our platform direct marketing campaigns with a tool that we provide them for a monthly fee. So it is basically enabling smaller SME businesses in their back office from the beginning and there by making the links to our systems also that we ease that, we ease the administration of the of the insurance business with us.

But we give also the interfaces to other providers like CRM providers so that they can easily access their services too.

So of the words, you're starting to some extent is some sort of CRM hosting for SMEs and so on and so forth?

It is, it is more an enabling, it is an enabling on the back office services at typical smaller enterprise needs and Switzerland CRM is one part of it and we'll be one of the first services. We are launching on it, but there will come other services like the declaration for [ph]insurance folks.

Okay. We have another question yes. On specialty market again. Following up on the commercial side on what was asked before, and due to claims inflation. I mean they understand correctly that you expect this positive development on the underwriting side of the new business to be kind of neutral on the combined ratio. But what about the existing business in some inflation that could actually potentially create a raise on the reserves.

If you could include that and maybe one [ph]since the queue is not too long. On the reinsurance side you presented by saying, you want to diversified on your underwriting strategy. Can you say where and how diversified.

David again. Our CEO, specialty market.

A - David Ribeaud {BIO 17625648 <GO>}

Yes. So the second question. Diversification. We saw that there are different initiatives five the aim developing specialties. Within reinsurance nat cat business and biometric risks in line reinsurance. That's something we didn't do. In addition, we want to increase our business volume in Asia through our Singapore office as well as in the Latin America to Miami and in certain countries where we are under-represented in Europe.

We also make want to make a step forward, Nordics and some countries in Eastern Europe. And with that we would diversify geographically as well as in terms of product line also something I should mention is that in the past, we have grown fairly significantly in US liability this due to different acquisitions and the restructuring reinsurance programs of large groups and we said okay. This, this is too much US liability business in terms of what we consider ideal and we have now started to reduce that exposure so we have now renewed 60 million less of US liability business and we nevertheless achieved a growth.

But that's what I said hadn't we've been disciplined in terms of our underwriting, we'd be looking at much more than 1.5 billion today as SPM so the rest is the. The second question, what was the first question again.

Q - Unidentified Participant

Maybe just on a follow our claims inflation. Yes. But since you were kind enough on the US the ability, do you see there are risk because now COVID is finished and the court in the US will start again to work. So is there a risk. Do you see a risk in US liability well, on the reserve side, it's just follow up on the risks. I mean, it sounds a bit mundane, but risks assuring our risk is our business so do I see an extreme risk or risks that I wouldn't want to take. No, I think the exposure is under control.

However, I think we want to well diversified portfolio, be in terms of lines of business and geography and that wasn't exactly the case with the US liability business, that's why we are reducing the exposure, but not because we think it's going to develop negatively in the future. Now.

A - Philipp Gmur

Yeah. The first question is related to claims inflation as of today, we're not seeing any particular claims inflation, it's true that in. I mean timber has the price September have increase concrete, the prices have increased, as well as a sudden shortage, but that's something that's not unusual in the construction industry and so far we have not seen any, any inflation materializing.

A - Torbjorn Magnusson {BIO 1863476 <GO>}

So we're fairly relaxed about that aspect for the time being, but we're looking at it. On a weekly basis and we would react with price increases. Should we, should we see that claims inflation is rising and of course, we are very carefully. Looking at a reasonable business mix in the free insurance not only in terms of business lines, but also in terms of geographies. So we do not want to have the same exposures we have in our direct insurance business.

That's why, for instance, we are adding some Nordics where we are not active into in the direct business and the shares we are usually underwriting there between 1% to 5% maybe per risk in a and it's too like it's like 80% is proportional exposure. So it's well under control. Okay. Then we have a follow-up question from Peter Eliot out of the life three Peter. Please thanks a lot of the other opportunity.

And I just wanted to come back on actually in it's probably very obvious question, but you mentioned that it exceeded your expectations, so I'm just wondering if you could, yes, but not for us the main areas. But it has exceeded your expectations from before the deal maybe it's me to answer this question rather than Ignacio who buys himself.

A - David Ribeaud {BIO 17625648 <GO>}

Exceeding the expectations, it exceeded our expectations in different ways. First, we were positively surprised by the growth rates this company could accomplish even in the midst of the COVID-19 crisis last year, the growth rates, they were able to bring is proof for very sound business access, be it through their banks, be it through many other cooperation partners. Then the second one. The second expectation which was exceeded Of course, but in terms of profitability and also the cash production mentioned, we know about you know the earnings power.

But within the first six months before we could really have a look at every each and every single detail. It was very astonishing the earnings power OF Caser. And the 3rd point is what we saw about integrating systems into the core business benefiting one from the other it's just I have to say that. Great. We can learn a lot. We've not seen any kind of this in, for instance, other markets we are active in, it's really great what they accomplished that's.

A - Andre Keller {BIO 18667591 <GO>}

Great. I cannot be cheeky and have a similar thing I CapEx mix, it gives you the opportunity to up on that cash number we've seen grades. The 26 million. Just to be clear that that's for the second half of the year, only and I'm just wondering how that compares because I mean that's sort of suggests remittance ratio, but we run 100% or even higher.

Are those the right numbers, how we think about no. Not exactly. So the 26 million is really the dividend that has been paid out in 2024-hour 70% share okay. We have no further questions from the live stream. So we have room for one final question out of the room. If there is one less if not my colleague from the IR department and myself will always be at your disposal if you have further questions. And with that, I would like to hand back to Philip thank you, Susan. And thank you for all those interesting questions which are a great value for ourselves in order to know what your interests could look like now.

Now ladies and gentlemen, let me quickly summarize this afternoon. At Helvetia we are looking back at a, we think a convincing track record concerning sticking to our promises. We were delivering again and again what we promised in terms of growth, in terms of profitability capital strength and dividends.

We are second proud of successfully integrating many different companies in different countries. Within the last few years. And again we think that our portfolio our Helvetia Group changed a lot within the last five years. We are underway from a Swiss insurance group with a couple of operations abroad to a financial services advisor who is of course anchored in Switzerland with a strong backbone here in the home market but with a strong footprint in selected European countries.

With global access through specialty markets and with tremendous opportunities around asset management and ecosystem. And we hope that, we could give you some insight this afternoon in what our plans look like and we are sure that making Helvetia 2025 a success story means first living, our purpose i.e. being there for our customers when it matters.

Second improving our vision which means being best partner setting standards in convenience and in accessibility. Third, pursuing our strategy which means focusing and sticking to our goals and of course most important for all our investors keeping our promise, which means deliver, but we are promising again and again.

I like to repeat it being a reliable dividend player and reliable dividend payer, being a company which is rather under-promising and over-performing than the opposite. I thank you very much for your attention. I thank all my colleagues for participating in this Capital Markets Day. I thank all those people who joining us on the video stream and of course, all those people helping us with the technique and all those different tools here in this room. And I would now like to invite all those who are still sitting in the room to join us for an operative outside and for all those who were joining us on the video stream, please next time be physically present again here in Switzerland.

We would like to share our thoughts with you in person. Stay healthy, and goodbye.