

Helvetia Patria Group

Erich Walser, CEO



**HELVETIA
PATRIA**



The Company Strategy

Company Profile

We are

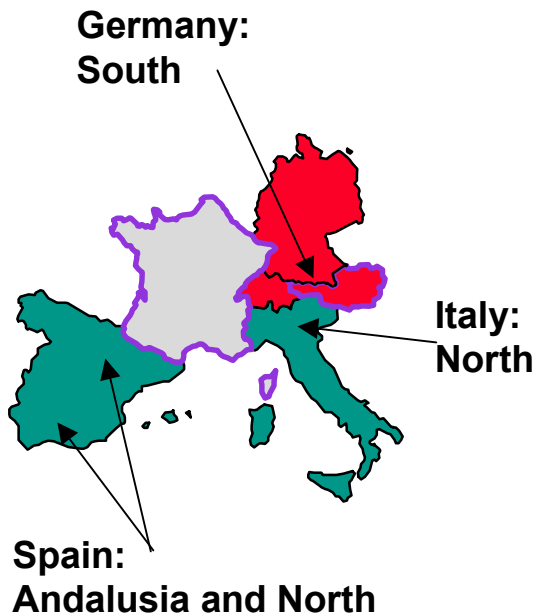
- **a leading insurance services Group based in Switzerland with core competencies in risk management (life and non-life business, reinsurance) and private pensions.**
- **active in Central and Southern Europe through our regional offices, subsidiaries and associated companies as well as worldwide through our network partners.**

Strongly focussed

**Focussed in
the markets**

**Focussed by
client segments**

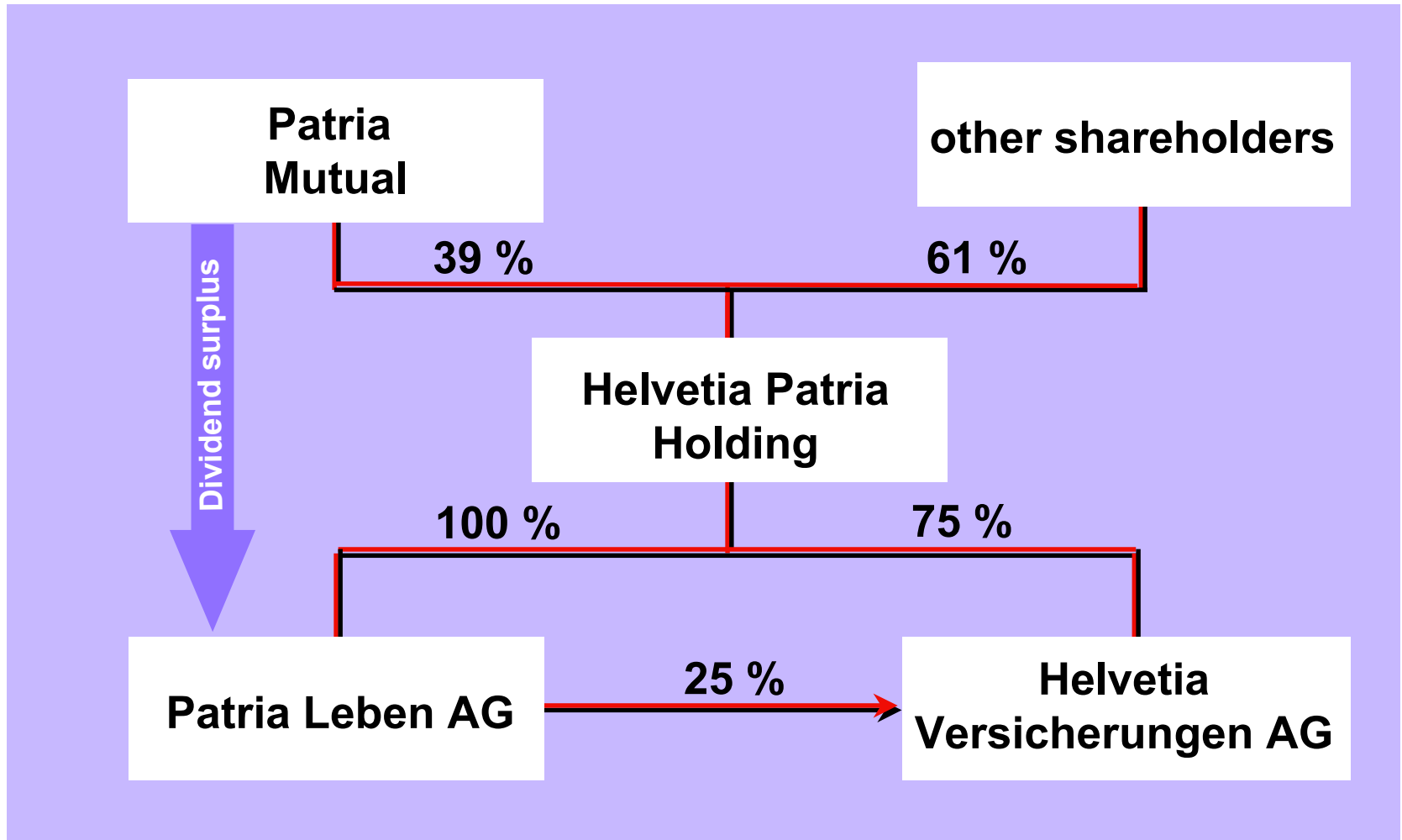
**Focussed by
business line**



private clients;
small business
(SME)

no health insurance;
very limited
commercial liability

Shareholders' Structure



The Group's Business

2002: First negative overall result

Swiss GAAP FER 14

In CHF million if not otherwise noted

	2001	2002
Gross premiums	4 606.3	5 144.9
Income from investments net ¹⁾	736.2	- 67.2
Result before taxation	142.5	- 350.6
Result after taxation	100.6	- 362.0
Capital investments at market values	23 529.3	23 851.9
Net underwriting reserves	20 477.6	21 815.2
Consolidated shareholders' equity	1 519.7	1 046.5
Market capitalization ²⁾	1 669.1	962.8
Result after taxes per share (in CHF) ³⁾	16.8	- 60.3
Consolidated shareholders' equity per share (in CHF) ²⁾	230.3	166.3
Share price (in CHF)	253.0	153.0
Price/Book ratio	110%	92%
Number of shareholders	3 248	3 761

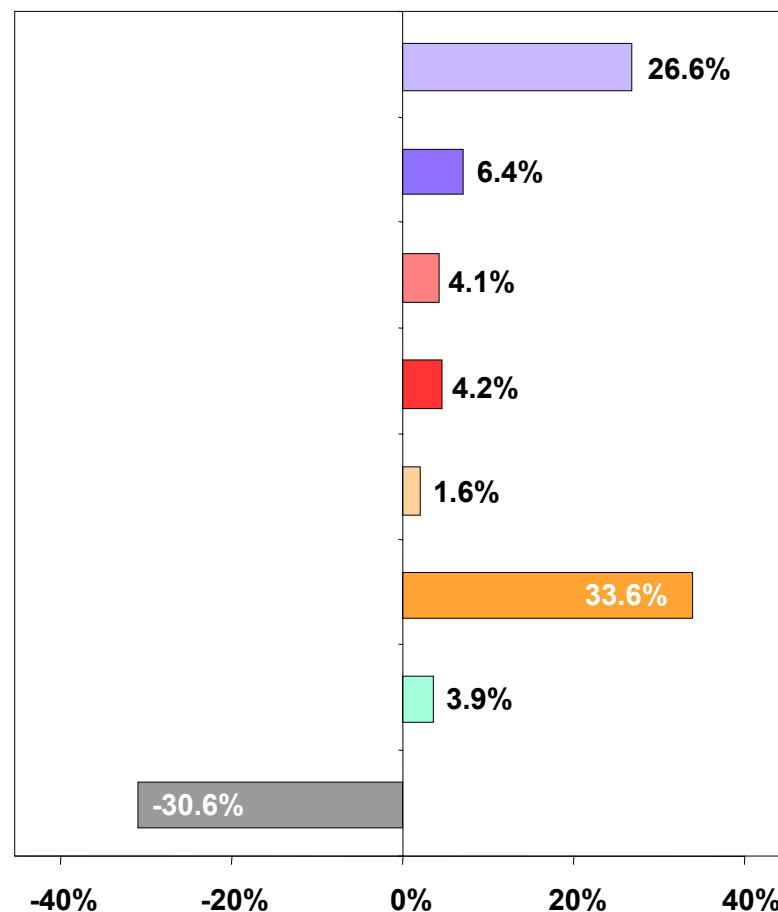
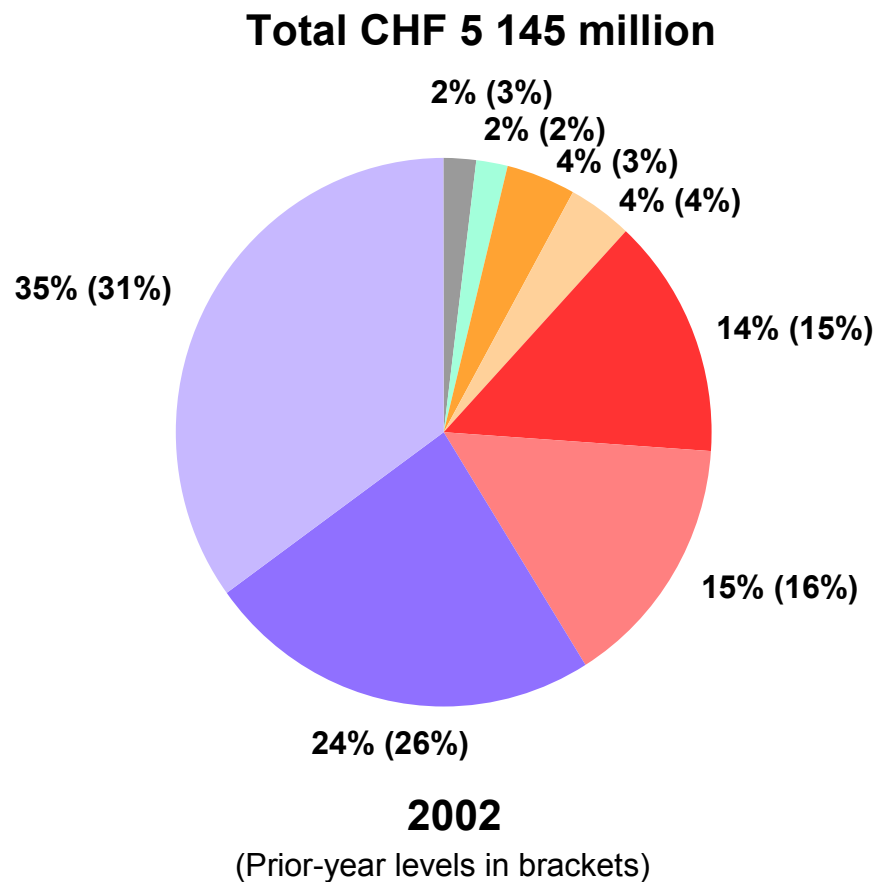
¹⁾ After full depreciation of shares (no use of impairment)

²⁾ Based on 6 597 192 (2001) and 6 293 000 (2002) Helvetia Patria Holding shares

³⁾ Based on 6 597 192 (2001) and 6 293 000 (2002) Helvetia Patria Holding shares minus own holdings



Premium development by business segment (incl. indirect business)



Group life
Individual life

Property
Motor vehicle

Liability
Transport

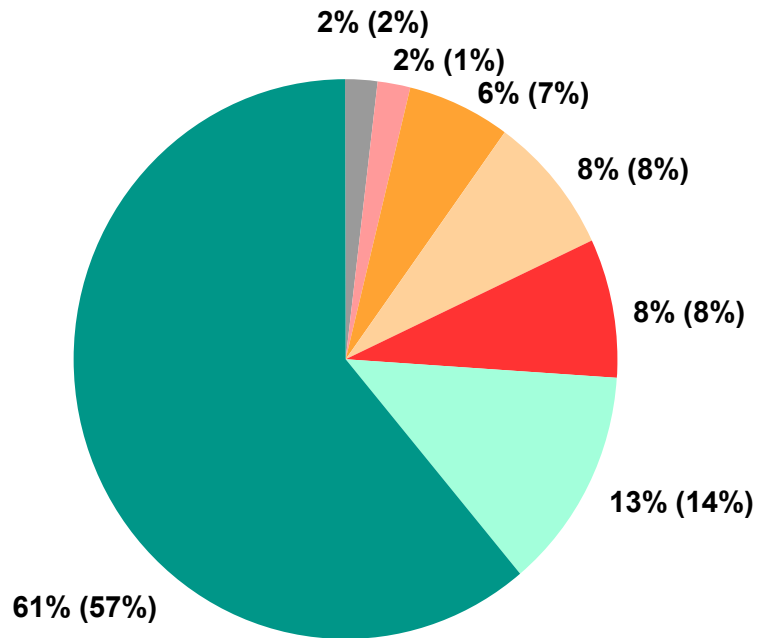
Accident/health
Indirect business

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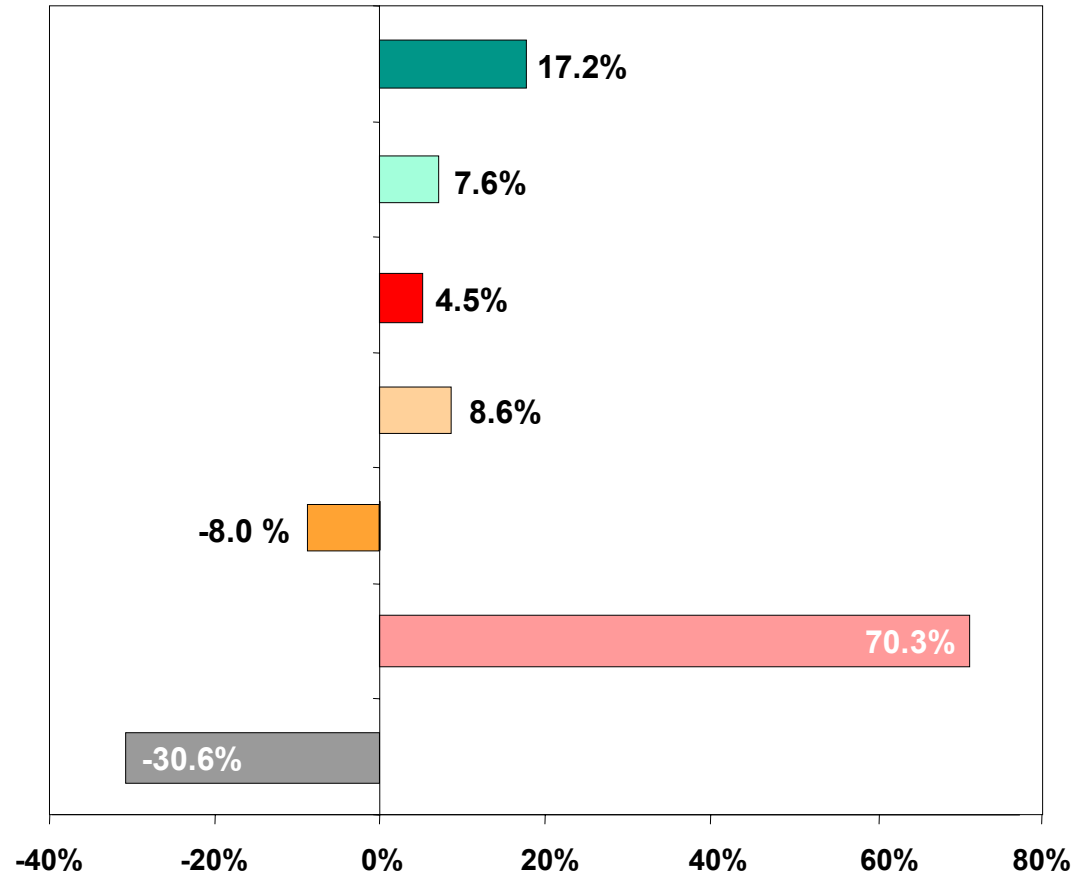
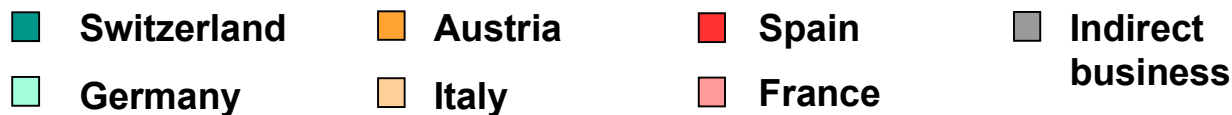
Premium growth by country

Total CHF 5 145 million



2002

(Prior-year levels in brackets)



Swiss Group life business: Earnings problems

- **Minimum interest rate of 3.25 per cent is unattainable at the financial markets. Annual rate of return of defensive investments is currently about 2 per cent.**
- **Conversion rate of 7.2 per cent leads to losses in the old-age pensions.**
- **Substantial increase of disability cases aggravates the risk result.**
- **The lack of interest rate margin causes uncovered costs.**

Helvetia Patria's response

- **Minimum interest rate will be reduced by 2004. The conversion rate will be swiftly adjusted to the demographic realities by Parliament.**
- **Risk selection by target groups**
- **Premium increases for disability risks, streamlining of policies with a very high claims ratio.**
- **Efficient administration through cost control. Adjusting cost surcharges by 1.1.2004.**
- **2003: clear reduction of loss
2004: break even**

The investment business and the other business units

The investment result in detail

In CHF million

	2001	2002	Change
1. Current income	913	914	+ 0.1%
2. Realized profit/losses	606	- 46	- 107.6%
- on index- and unit-linked life insurance policies	-	-	-
3. De- / appreciation and value adjustments affecting the operating result	- 748	- 898	+ 20.0%
- of index- and unit-linked life insurance policies	- 35	- 37	+ 5.7%
Sum of 3. *)	(- 783)	(- 935)	
(Difference between 2. and 3.)	(- 177)	(- 981)	
4. Total investment income			
- with index- and unit-linked life insurance policies	736	- 67	- 109.1%
- without index- and unit-linked life insurance policies	771	- 30	- 103.9%

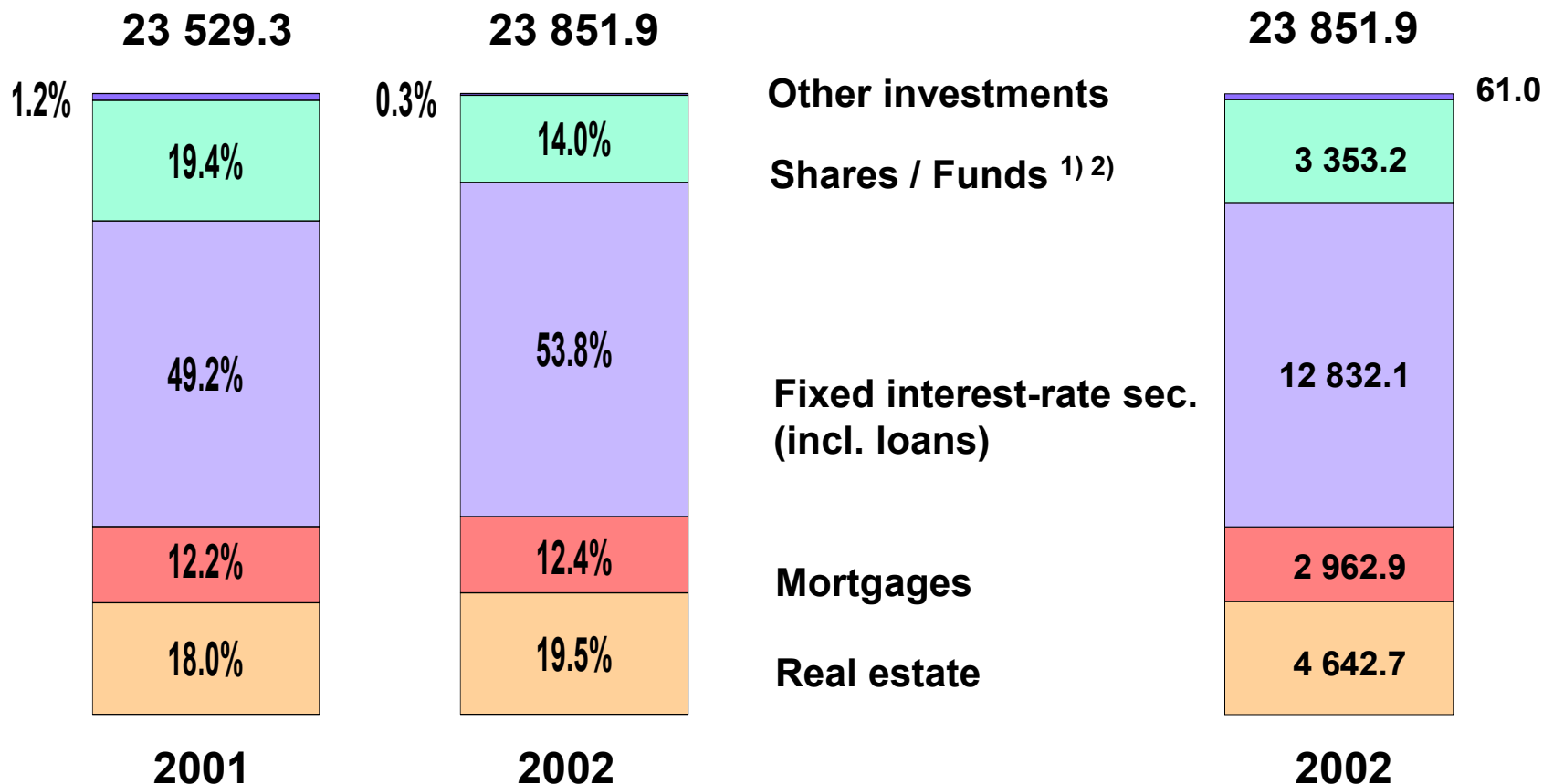
*) Depreciations according to FER 14 „old“, i.e. total charged to profit and loss account (no deferred depreciations)

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Reduced share quota

In CHF million



¹⁾ Shares/Share funds: CHF 2 310.3 Mio.
 Fixed income funds: CHF 765.7 Mio.
 Derivatives/Options: CHF 277.2 Mio.

²⁾ Alternative investments: 14.9%, i.e. CHF 500.4 million
 (Private equity and hedge funds)

The other Business Units

- **Germany:**
 - High growth
 - Floods lead to a profit slump despite the unchanged high portfolio quality
- **Austria:**
 - ANKER still making a loss
 - Streamlining and turnaround initiated
- **Italy:**
 - Growth and profit very good
- **Spain:**
 - HCVN break even, PE very good
 - Merger initiated
- **France:**
 - Growth and profit very good
- **Re-insurance:**
 - Good development

The consolidated financial statements and the Group's shareholders' equity



Life underwriting result

In CHF million

	2001	2002	Change
Net premiums written	2 592.0	3 049.2	+ 17.6%
Net benefits paid	- 1 658.8	- 1 814.8	+ 9.4%
Net change in actuarial reserves	- 1 135.2	- 1 529.2	+ 34.7%
Net change in other underwriting reserves	179.9	25.5	- 85.8%
Net underwriting expenses	- 290.1	- 330.5	+ 13.9%
Net expense ratio in % of net premiums written	11.2%	10.8%	
Net expenditure on results-linked and non-results linked policyholders' dividends	- 145.8	- 9.9	- 93.2%
Result from life underwriting activities	17.8	- 87.2	- 489.9%
Net underwriting reserves	17 596	18 836	+ 7.0%

Significantly improved result in the non-life business

In CHF million

Net premiums written

Net claims paid

Net change in equalisation reserves

**Claims ratio (excl. change in equalisation reserve) in
% of net premiums earned**

Net underwriting expenses

Expense ratio in % of premiums written

**Combined Ratio (Sum of claims ratio in % of prem.
earned and exp. ratio in % of prem. written)**

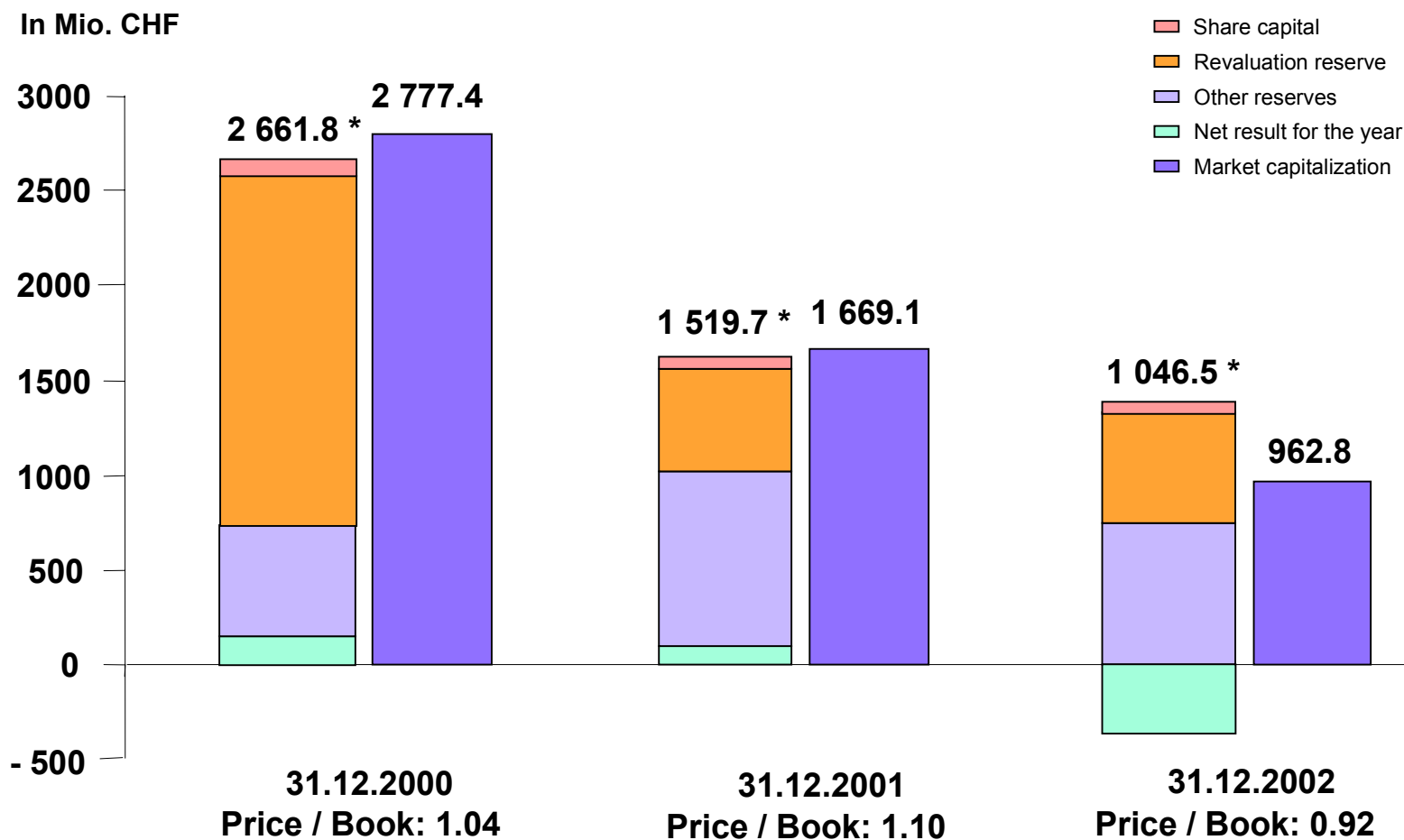
Result from non-life underwriting activities

**Net non-life underwriting reserves
in % of premiums earned**

2001	2002	Change
1 748.6	1 821.8	+ 4.2%
- 1 229.5	- 1 291.6	+ 5.1%
21.0	55.0	+ 161.9%
70.5%	71.3%	
- 561.3	- 576.1	+ 2.6%
32.1%	31.6%	
101.4%	99.9%	
81.4	95.8	+ 17.7%
2 881.2	2 979.2	+ 3.4%
165.1%	164.6%	

Includes indirect business

Development of shareholders' equity according Swiss GAAP FER 14 compared with market capitalization



* Revaluation reserves of bonds not included

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Approved equity capital

- **Approved increase in capital by a maximum of 50 per cent**
- **Maintaining the strategic scope for action:**
 - **External acquisition opportunities at home and abroad**
 - **Strong organic growth under interesting conditions**
 - **Greatest possible increase in financial flexibility**

Review and Preview

Current business trends and preview (as of end of April 2003)

■ Premium growth (Direct business aggregated)

Total: + 13.8 %
Life: + 17.5 %
Non-life: + 7.9 %

■ Claims trends

Normal course of net claims:
No specific incidents/striking features
Insignificantly better than the year before

■ Cost developments

Within budget

■ Financial results

Hedging rate on shares increased
Reduced equity exposure
Current income within budget

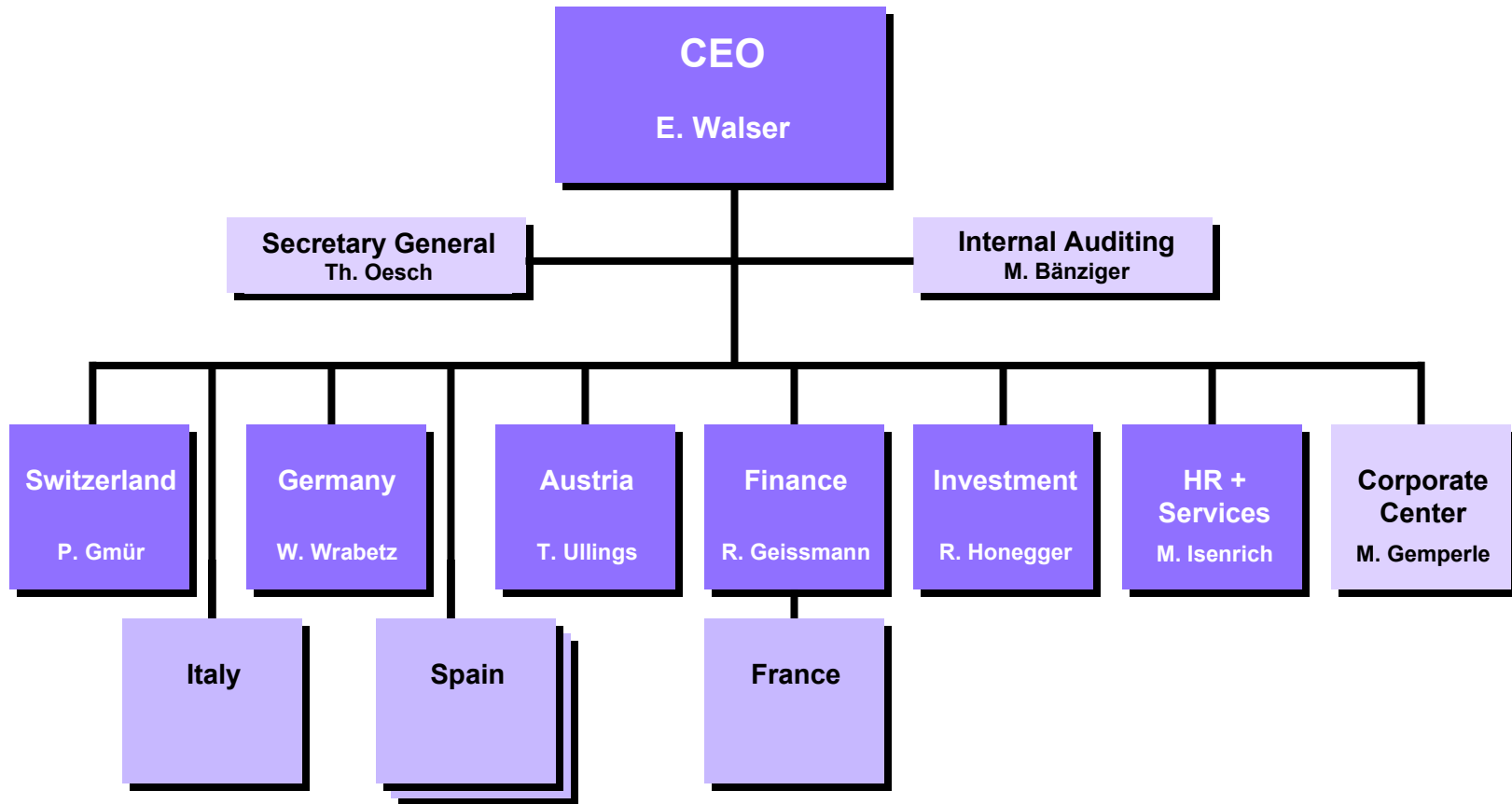
■ Preview 2003




Premium growth life will decrease
(Switzerland)

**Just
Ask
us.**

Appendix

The Management of the Helvetia Patria Group



-  Members of the Group Executive Board
-  Growth or niche market
-  Group support functions

Extensive Experience and Expertise

- 1858 Founding of Allgemeine Versicherungs-Gesellschaft Helvetia
- 1861 Founding of Helvetia Schweiz. Feuerversicherungsgesellschaft
- 1862 Establishment of branch offices in Germany
- 1878 Founding of the Mutual „Patria, Schweizerische Lebensversicherungsgesellschaft“, in Basel, as „Basler Sterbe- und Alterskasse“
- 1920-1962 Founding of branch offices and subsidiaries of the Helvetia in France, Italy, Austria, Greece (sold 1997), the Netherlands (sold 1995) and Canada (sold 1999)
- 1974 Merger of Helvetia Feuer and Helvetia Allgemeine, St.Gallen
- 1986-1988 Further Helvetia subsidiaries established in Spain, Italy and Germany
- 1992 Begin of partnership between Helvetia and Patria
- 1996 Founding of Helvetia Patria Holding in St.Gallen/Switzerland
- 1998 Acquisition of La Vasco Navarra (Spain);
Acquisition of the portfolio of NCD (Italy)
- 1999 Merger between the companies La Vasco Navarra and Cervantes Helvetia to Helvetia CVN, Madrid/Pamplona
- 2000 Acquisition of the Spanish insurer Previsión Española, Seville
- 2001 Acquisition of Norwich Union Vita, Milan; renamed in Helvetia Life
- 2002 Acquisition of Royal & Sun Alliance's transport portfolio in France
- 2003 Merger of subsidiaries Previsión Española and Helvetia CVN in Spain

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