

Helvetia Patria Group

Zurich, 14 August 2003



Participants:

- **Erich Walser, CEO**
- **Daniel Schläpfer, Head Corporate Communications**

The Company Strategy

Erich Walser, CEO

Company Profile

We are

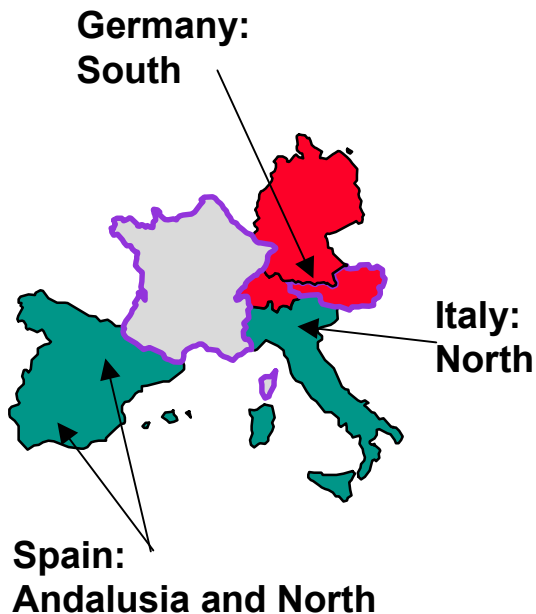
- **a leading insurance services Group based in Switzerland with core competencies in risk management (life and non-life business, reinsurance) and private pensions.**
- **active in Central and Southern Europe through our regional offices, subsidiaries and associated companies as well as worldwide through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

Helvetia Patria's strategic goals

- **Taking leadership positions in customer service and portfolio quality**
- **Enhancing cost efficiency through focussing on persistently profitable business with private clients and SME**
- **Improving distribution and strengthening our market position in core countries; continuing expansion in developing markets to enlarge our customer base**
- **Entering into strategic alliances and partnerships to broaden our range of services and to strengthen our country markets**

Shareholders' Structure (1)

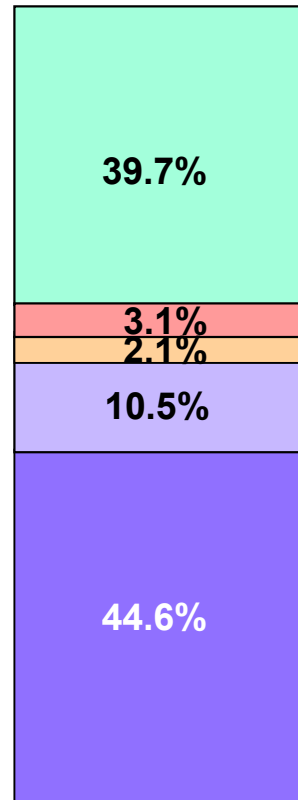
Free Float

Patria Mutual

Vontobel
Raiffeisen Banks

Munich Re

Free Float



2002

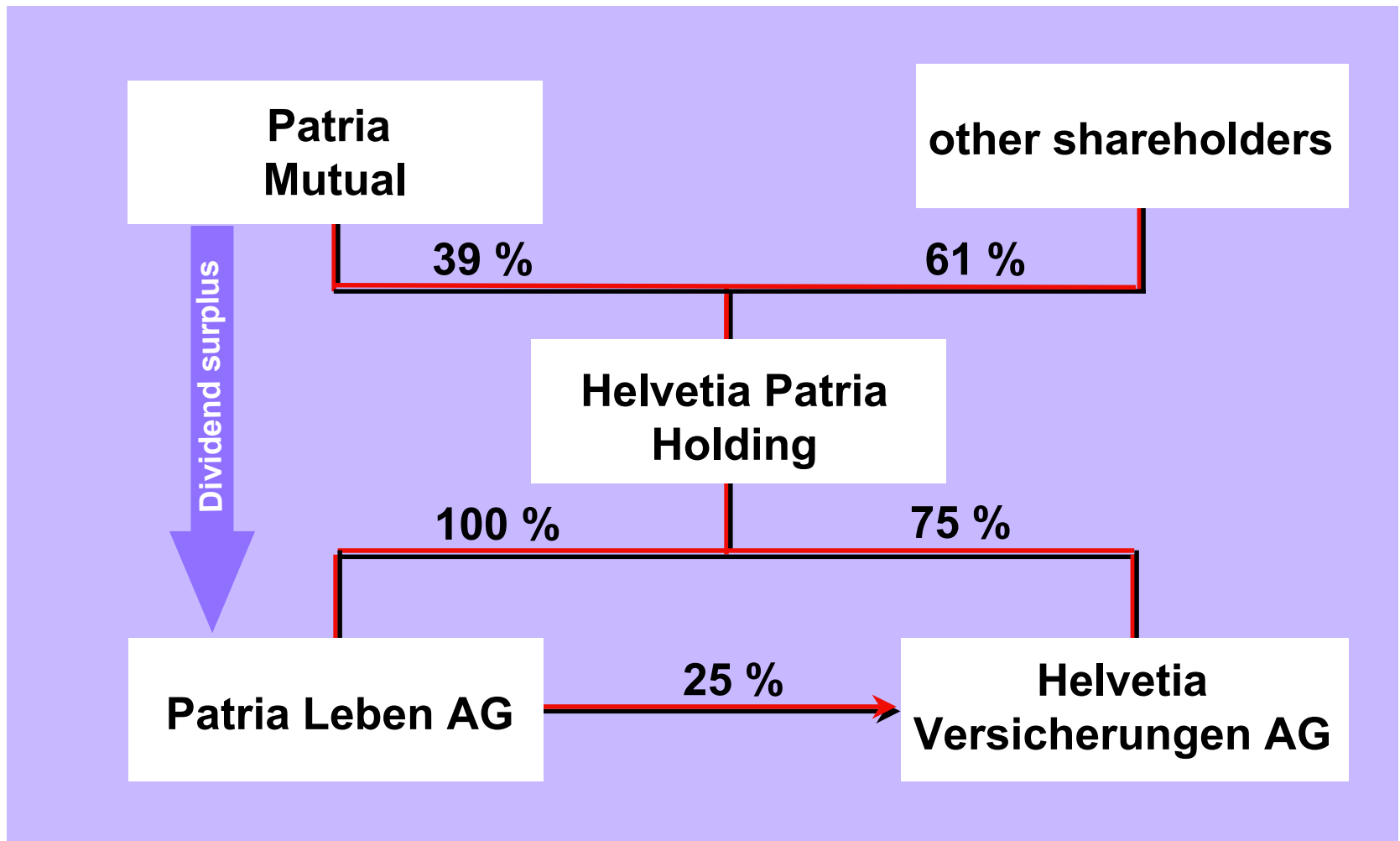
Members of shareholders' pool

Patria Mutual	39.7%
Vontobel Beteiligungen AG	3.1%
Swiss Union of Raiffeisen Banks	2.1%
➔ Total shareholders' pool	44.9%

Another major shareholder

Munich Re Group	10.5%
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Shareholders' Structure (2)



The Group's Business

2002: First negative overall result

Swiss GAAP FER 14

In CHF million if not otherwise noted

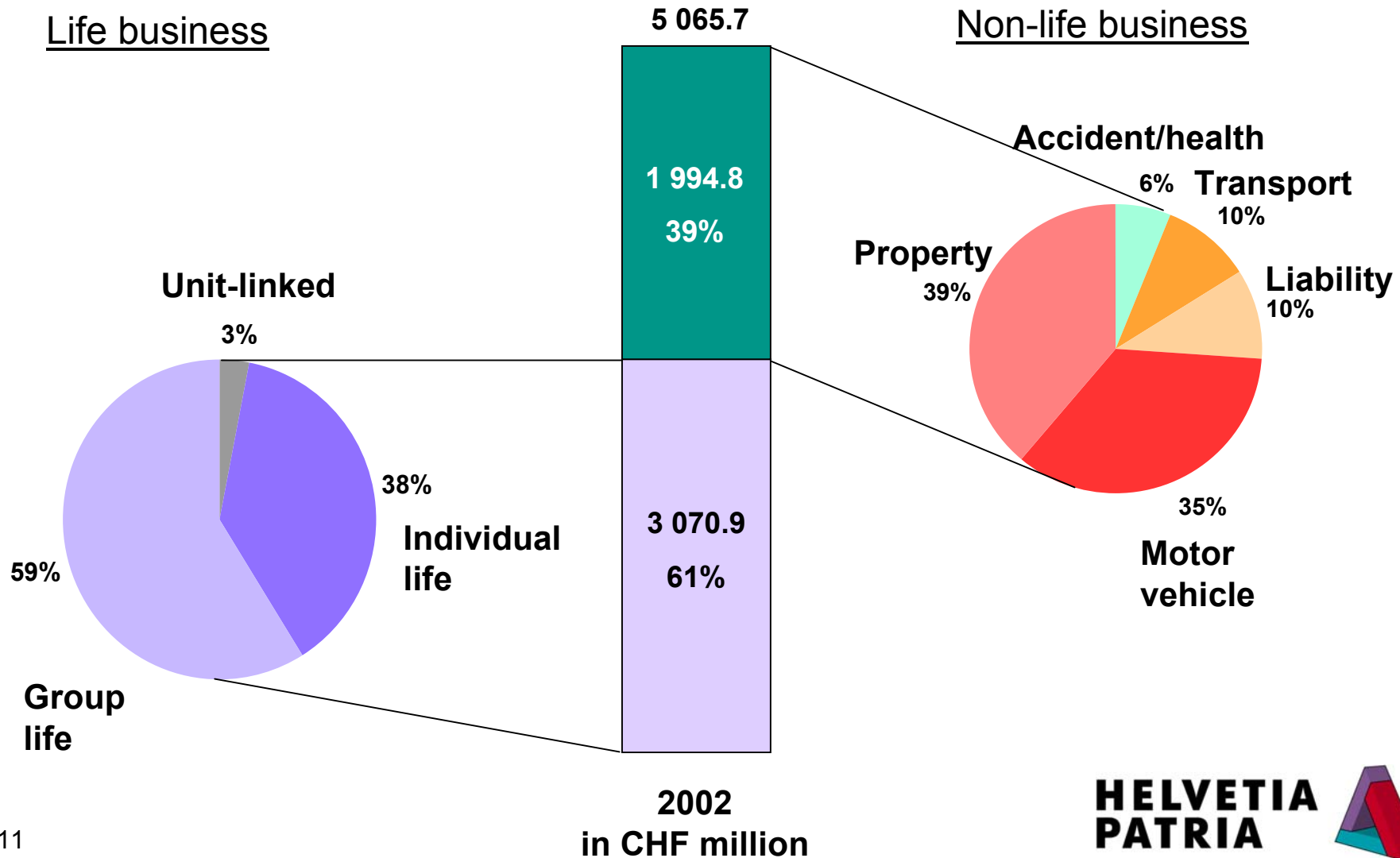
	2001	2002
Gross premiums	4 606.3	5 144.9
Income from investments net ¹⁾	736.2	- 67.2
Result before taxation	142.5	- 350.6
Result after taxation	100.6	- 362.0
Capital investments at market values	23 529.3	23 851.9
Net underwriting reserves	20 477.6	21 815.2
Consolidated shareholders' equity	1 519.7	1 046.5
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)

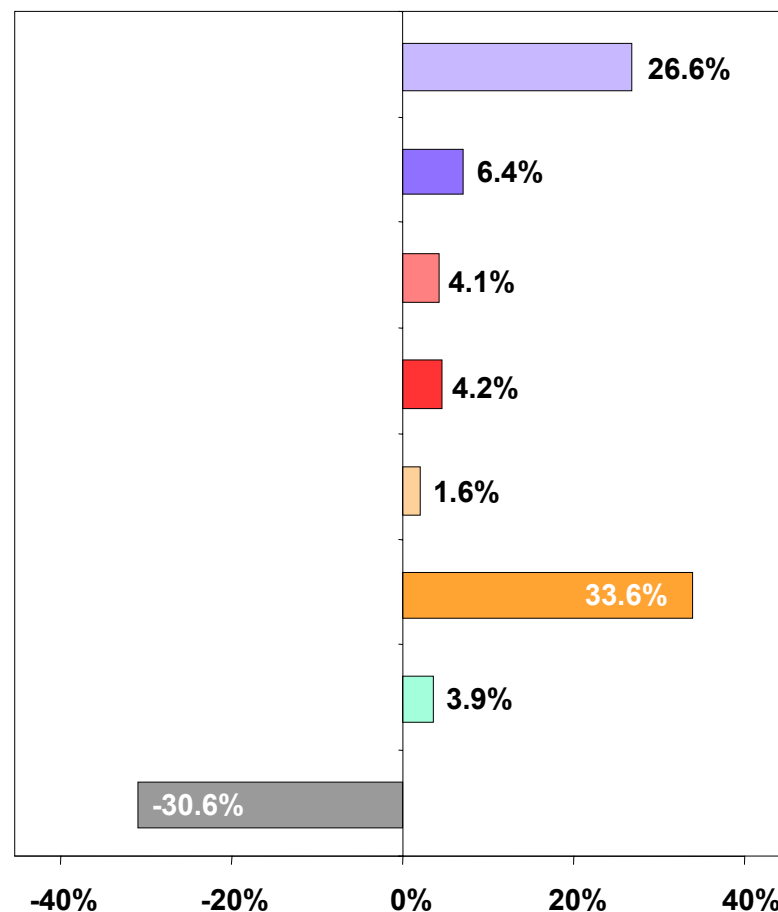
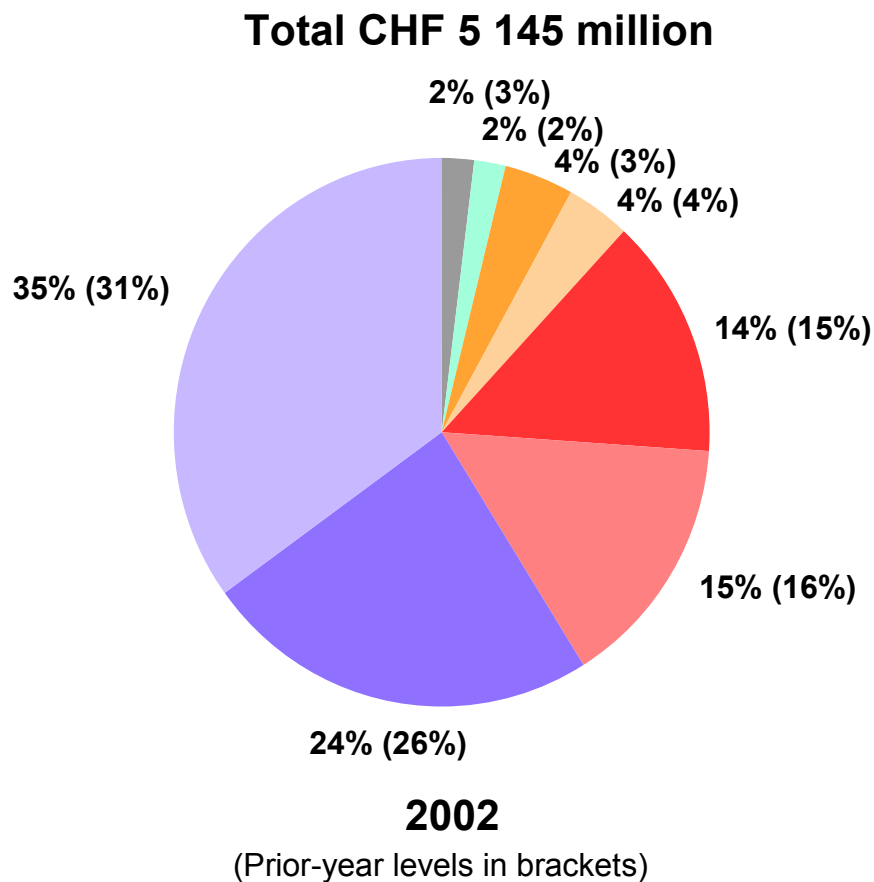
²⁾ Based on 6 597 192 (2001) and 6 293 000 (2002) Helvetia Patria Holding shares

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

Direct business: Premiums by business segment



Premium development by business segment (incl. indirect business)



Group life
Individual life

Property
Motor vehicle

Liability
Transport

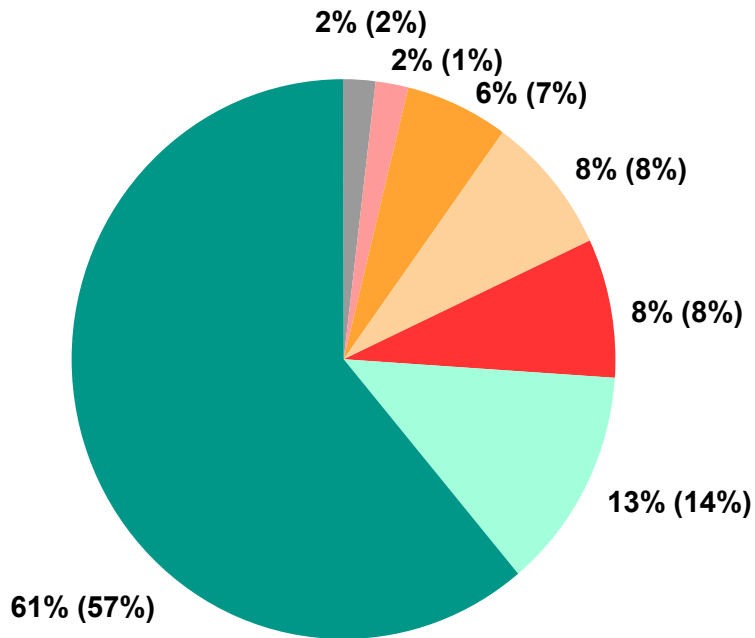
Accident/health
Indirect business

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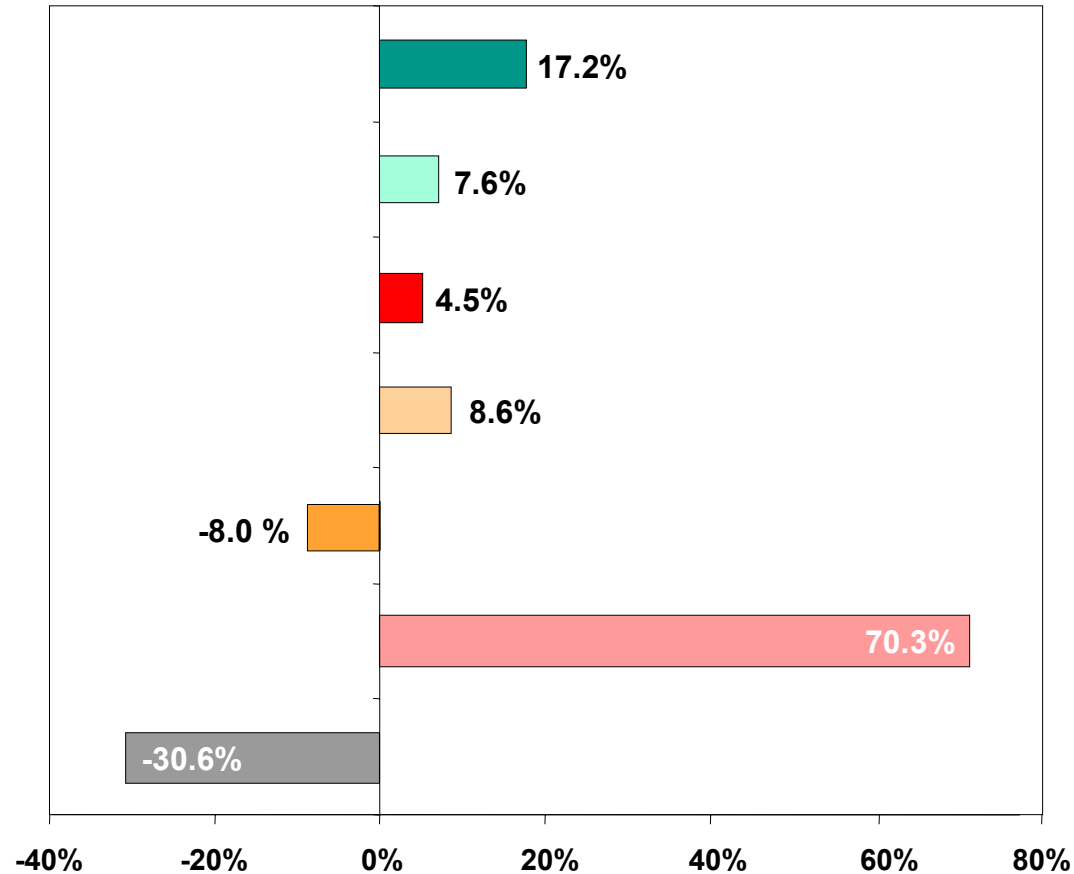
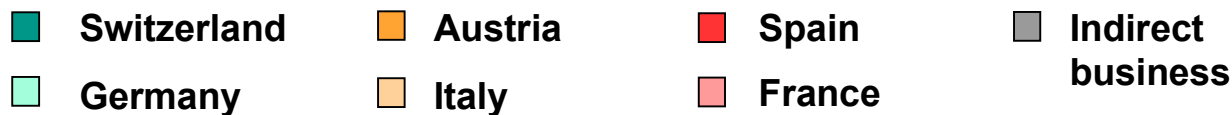
Premium growth by country

Total CHF 5 145 million



2002

(Prior-year levels in brackets)



The Swiss Business

Switzerland: Overview 2002

In CHF million	2001	2002	Change
Premiums life business	2 171.0	2 630.1	21.1%
Premiums non-life bus.	533.7	540.8	1.3%
Total Premiums	2 704.7	3 170.9	17.2%

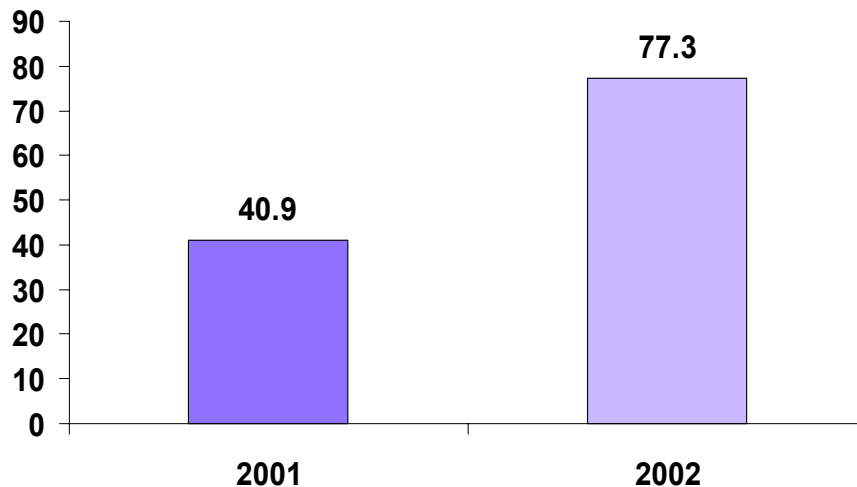
- High premium growth in the life insurance business
- Good underwriting result in the non-life business
- Structural problems in group life business

Swiss non-life ratios

	2001	2002
Gross premiums (CHF mn)	533.7	540.8
Gross claims ratio (%)	62.1	63.8
Gross expense ratio (%)	31.6	30.0
Gross combined ratio (%)	93.7	93.8

Co-operation with the Raiffeisen Banks

In CHF million



- Continuous success
- Significant growth
- Expand insurance expertise at Raiffeisen Banks

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 might be reduced by 2004.**
- **The conversion rate in mandatory business will be reduced gradually from 7.2 to 6.8% over the next 10 years. The conversion rate in extra-mandatory business will be reduced by 2004 (men: 5.835%, women: 5.454%)**
- **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 other business units and the investments



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 investment result in detail

In CHF million

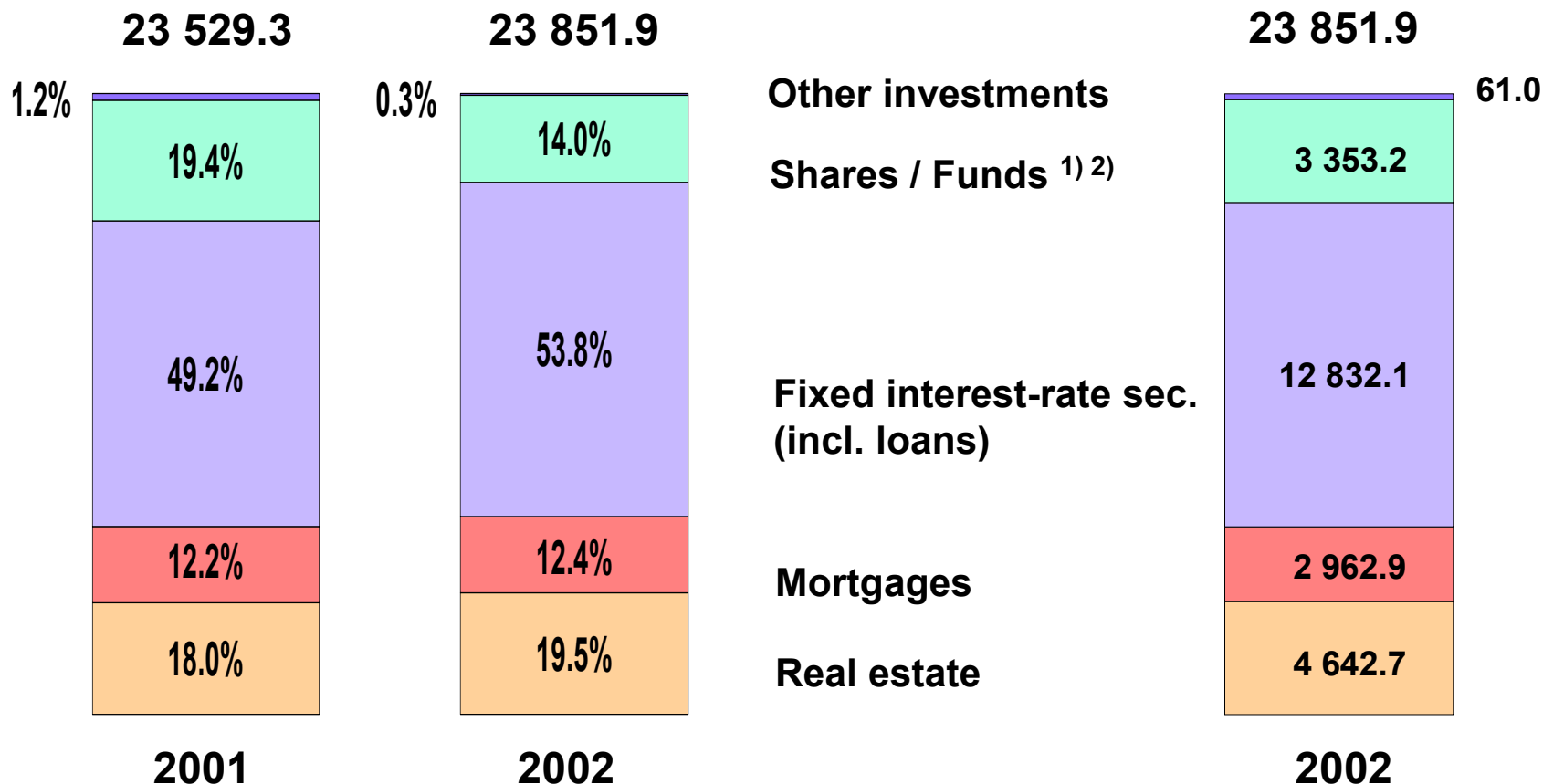
	2001	2002	Change
1. Current income	913	914	+ 0.1%
2. Realized profit/losses	606	- 46	- 107.6%
- on index- and unit-linked life insurance policies	-	-	-
3. De- / appreciation and value adjustments affecting the operating result	- 748	- 898	+ 20.0%
- of index- and unit-linked life insurance policies	- 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)



Reduced share quota

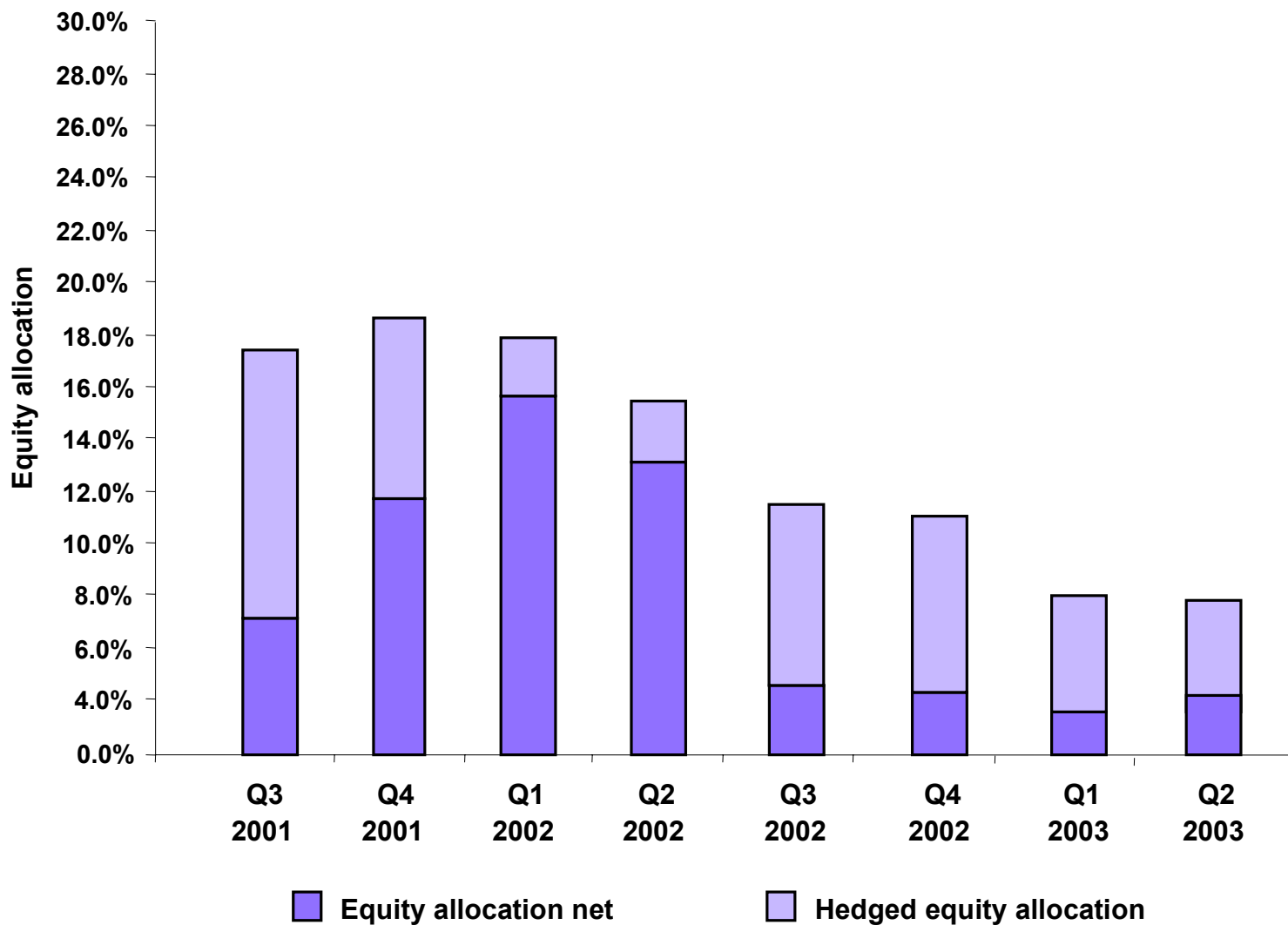
In CHF million



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

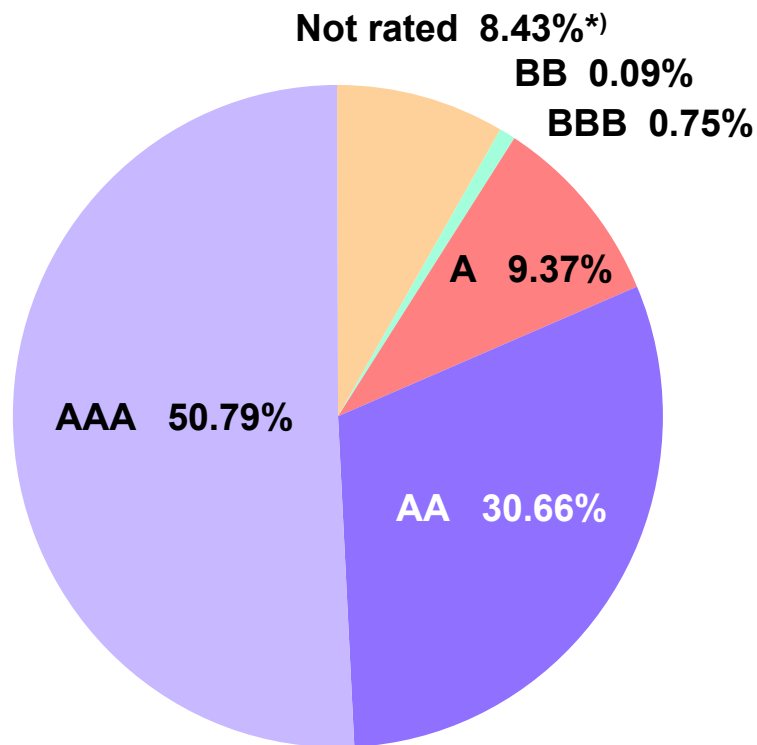
²⁾ Alternative investments: 14.9%, i.e. CHF 500.4 million
 (Private equity and hedge funds)

Equity exposure and hedging policy



Excellent credit standing of our bond portfolio

By credit standing



2002

➡ 90% of all bonds have at least an A-Rating

*) in particular. Cantonal Banks, foreign regional banks, cantons and mortgage bond centers:
debtors with first-rate credit standing

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



Life underwriting result

In CHF million

Net premiums written

Net benefits paid

Net change in actuarial reserves

Net change in other underwriting reserves

Net underwriting expenses

Net expense ratio in % of net premiums written

**Net expenditure on results-linked and non-results
linked policyholders' dividends**

Result from life underwriting activities

Net underwriting reserves

2001	2002	Change
2 592.0	3 049.2	+ 17.6%
- 1 658.8	- 1 814.8	+ 9.4%
- 1 135.2	- 1 529.2	+ 34.7%
179.9	25.5	- 85.8%
- 290.1	- 330.5	+ 13.9%
11.2%	10.8%	
- 145.8	- 9.9	- 93.2%
17.8	- 87.2	- 489.9%
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 the Group result

	2000	2001	2002
Profit after taxation (in CHF million)	161.1	100.6	- 362.0
Profit before taxation (in CHF million)	225.9	142.5	- 350.6
Profit per share (in CHF)	25.6	16.8	- 60.3

Other extraordinary income from other business activities

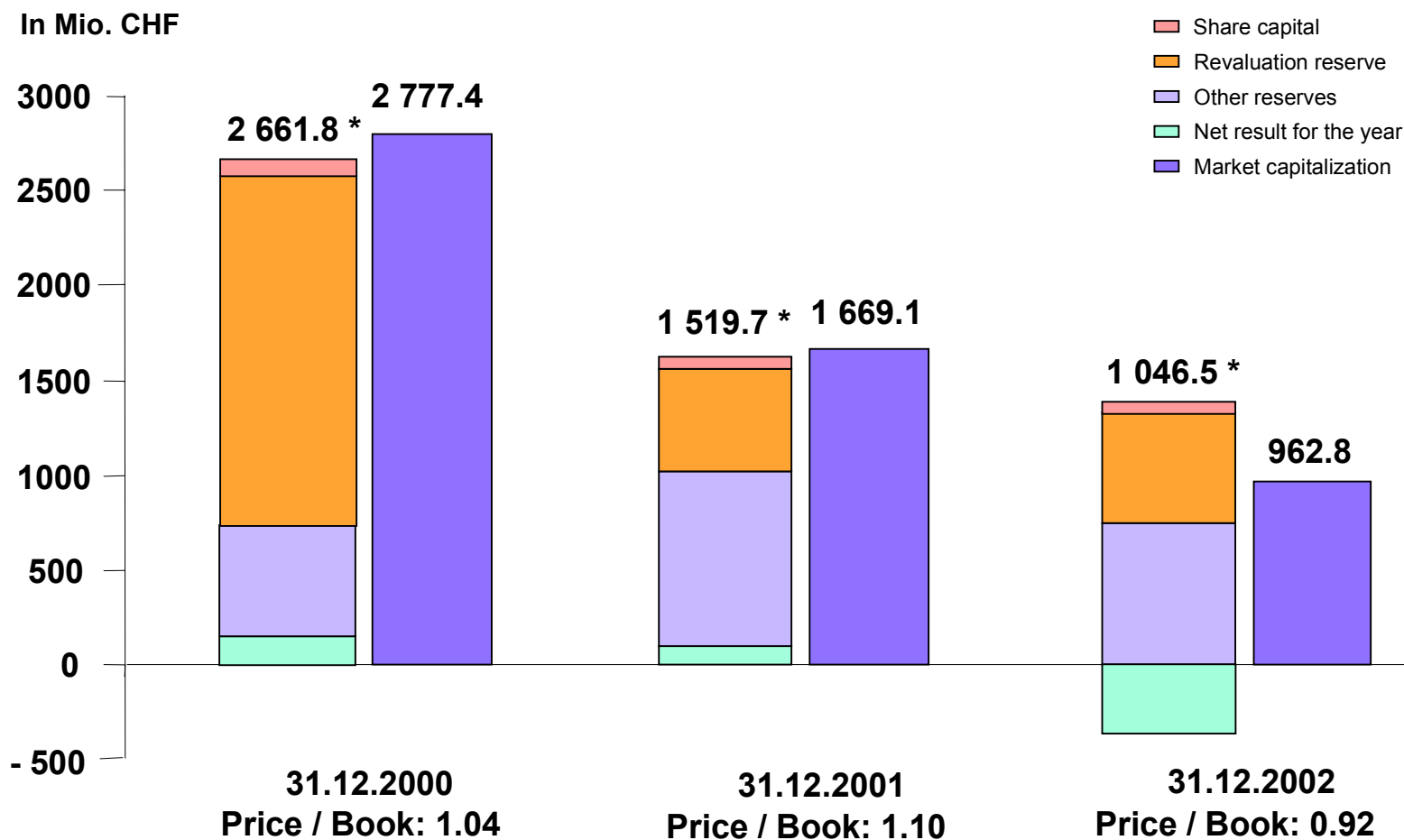
In CHF million

**Capitalized zillmering amount
(Acquisition costs of the individual life business)**

Retransfer of reserves, accrued earlier

2002
208
202

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

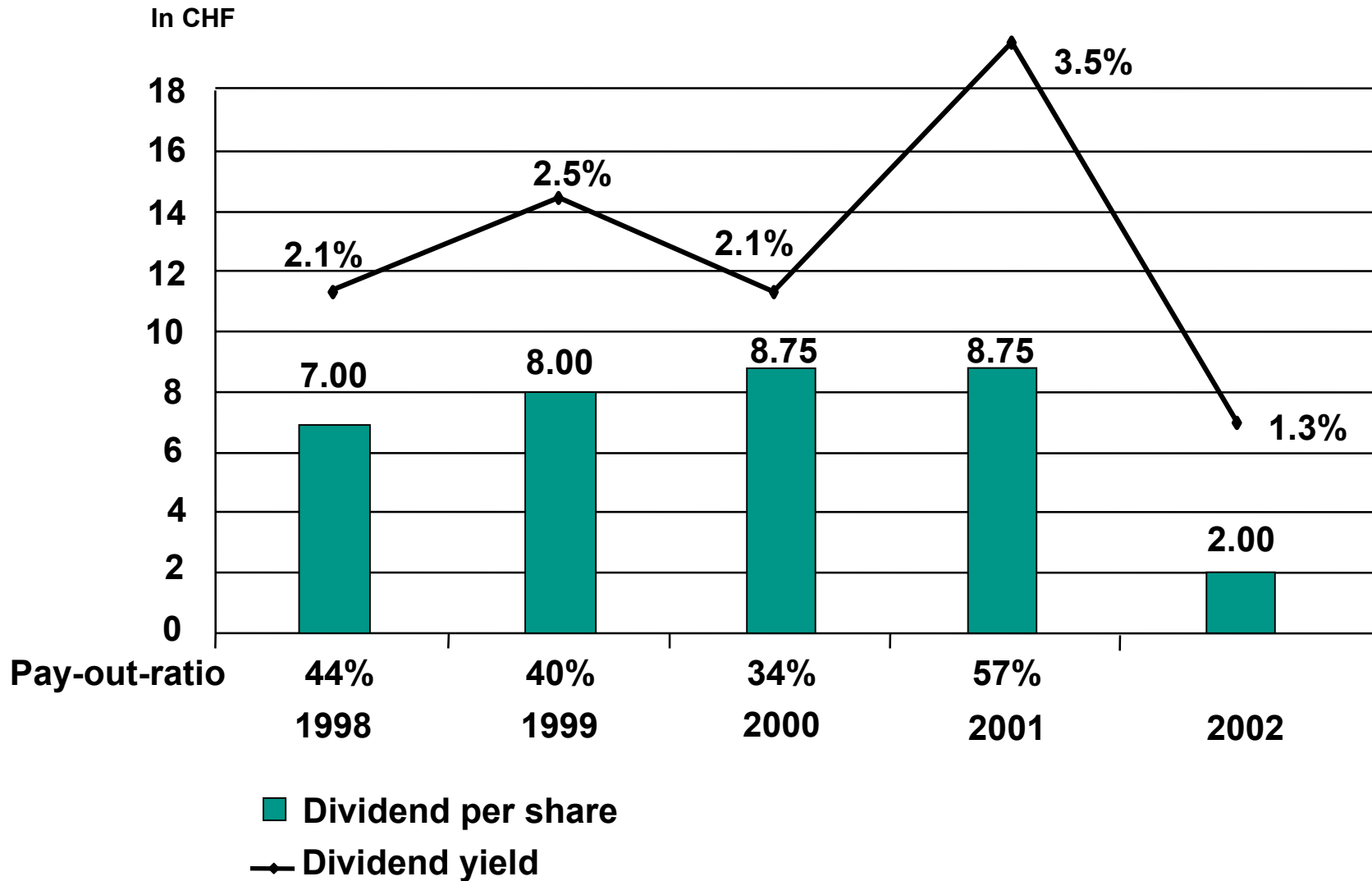
- **Approved increase in capital by a maximum of 50 per cent**
- **Maintaining the strategic scope for action:**
 - **External acquisition opportunities at home and abroad**
 - **Strong organic growth under interesting conditions**
 - **Greatest possible increase in financial flexibility**

Review and Preview

Overall appraisal

- Actuarial result non-life 
- Combined Ratio 
- Growth 
- Profits in Italy and Spain 
- Higher degrees of cover non-life 
- Actuarial reserves 
- Solvency individual companies 
- Investment result 
- Swiss group business 

Dividend payment despite difficult time



Objectives for the business year 2003

- **Achieving positive overall result
(depending on stock market development)**
- **Putting profitability before growth**
- **Taking measures in the group business**
- **Increasing the risk capacity**
- **Continuing cost control**
- **Expanding co-operations**

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

- **Premium growth**
(Direct business aggregated)

Total:	+ 10.1 %
Life:	+ 11.0 %
Non-life:	+ 8.4 %
- **Claims trends**

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

Within budget
- **Financial results**

Reduced equity exposure
Improved valuation reserve on equities
Current income within budget
- **Preview 2003**

Premium growth life will decrease considerably (Switzerland)

Helvetia Patria: A good investment

- Insurance portfolio of outstanding quality
- Extremely competitive Combined Ratio
- Very conservative accounting:
no postponed write-downs
- No reputation risk
- Practically no goodwill and DAC
- Stable shareholders' structure allows concentration
on operating activity

Conclusion: Helvetia Patria is well positioned in an attractive industry

Our Opportunity...

- Rising demand for one stop solutions in the financial and pension-scheme sectors in Europe

Our Strengths...

- Leadership position in risk protection
- Powerful country markets and brands
- Strong base for European growth
- Access to customers through multi-channel business model

Our Challenges...

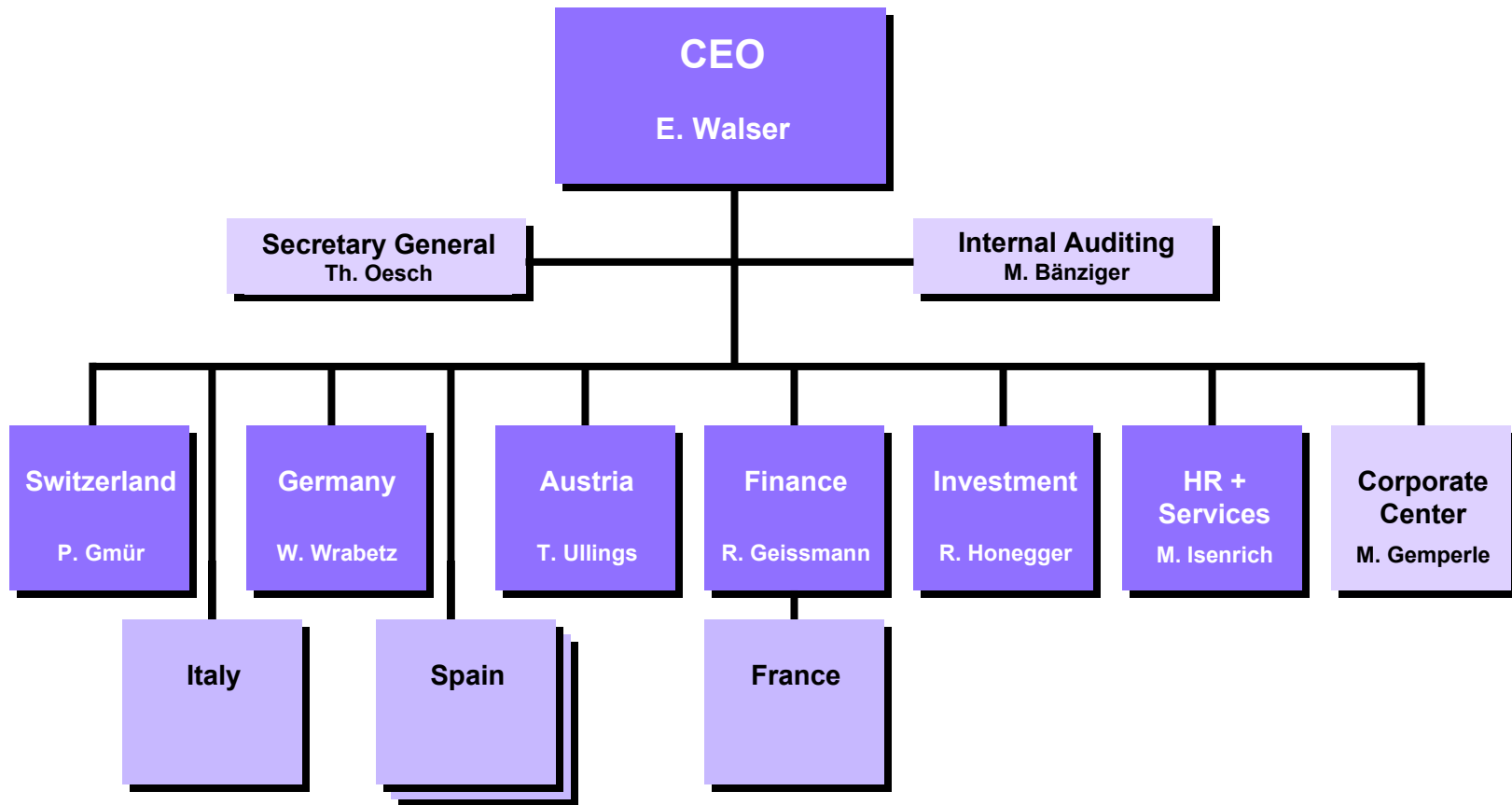
- Strengthening of risk capacity and concentration on profitable business






**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

How to contact us:

Address:

**Helvetia Patria Group
Head Office
Dufourstrasse 40
CH-9001 St.Gallen
Switzerland**

Investor Relations Office:

**Daniel Schläpfer,
Head Corporate Communications**

Telephone: +41 71 493 54 48

Telefax: +41 71 493 55 89

Email: daniel.schlaepfer@helvetiapatria.ch

Internet: www.helvetiapatria.com