

Interim Results 2003 Helvetia Patria Group

Welcome



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The Group's business

Erich Walser, CEO



Return to profitability

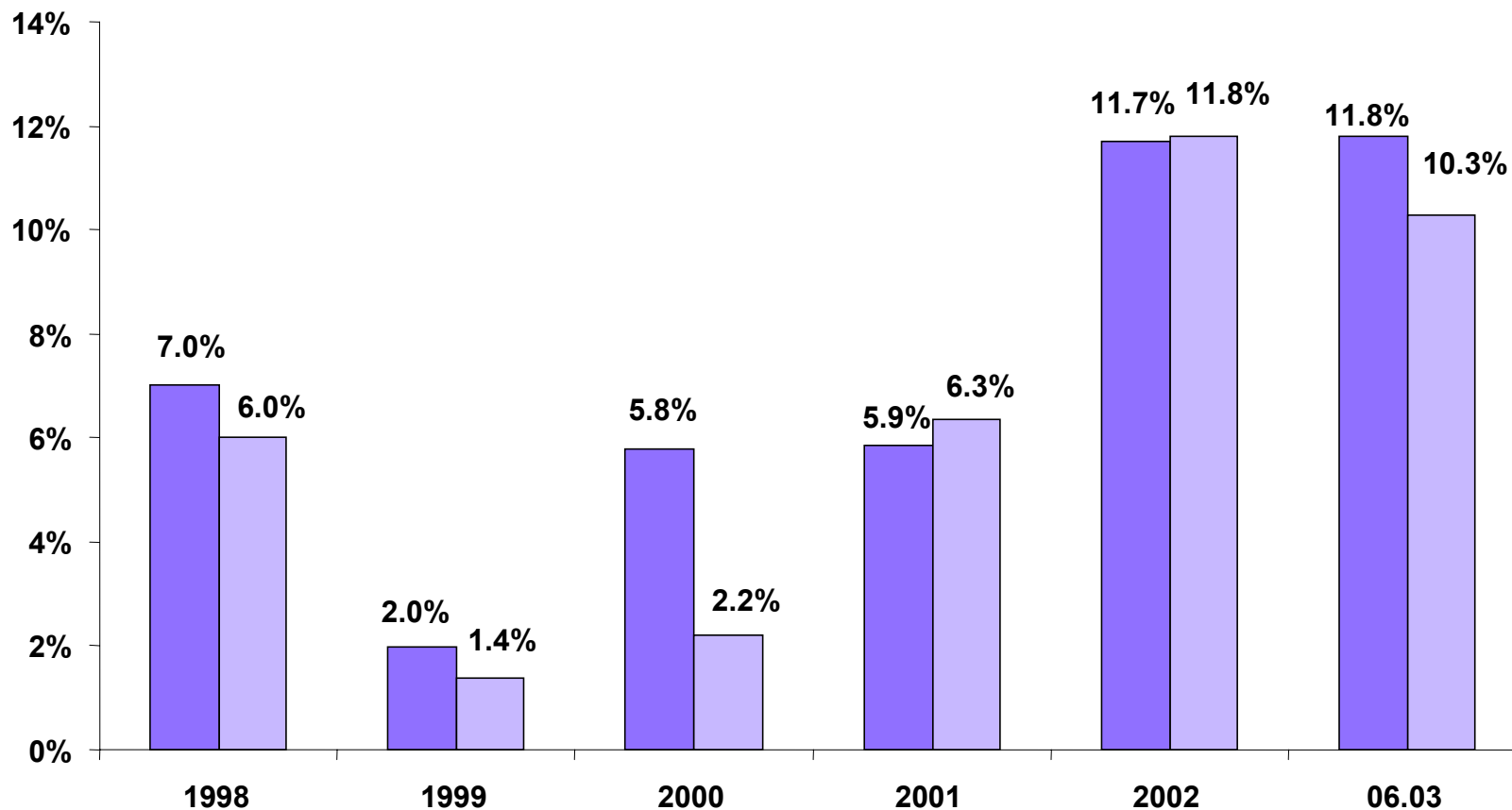
In CHF million if not otherwise noted

	HY 2002	HY 2003
Gross premiums	3 134.7	3 504.6
Income from investments, net	164.8	477.3
Result before taxation	21.6	38.1
Result after taxation	0.7	26.8
Capital investments at market values	23 824.1	25 396.1
Net underwriting reserves	21 386.7	23 252.0
Consolidated shareholders' equity	1 372.8	1 195.5
Market capitalisation ¹⁾	1 398.6	962.8
Result after taxes per share (in CHF) ²⁾	0.1	4.5
Consolidated shareholders' equity per share (in CHF) ¹⁾	208.1	190.0
Share price (CHF)	212.0	153.0
Price/Book ratio	102%	81%
Number of shareholders	3 601	3 812

¹⁾ Based on 6 597 192 (2002) and 6 293 000 (2003) Helvetia Patria Holding shares

²⁾ Based on 6 597 192 (2002) and 6 293 000 (2003) Helvetia Patria Holding shares minus own holdings

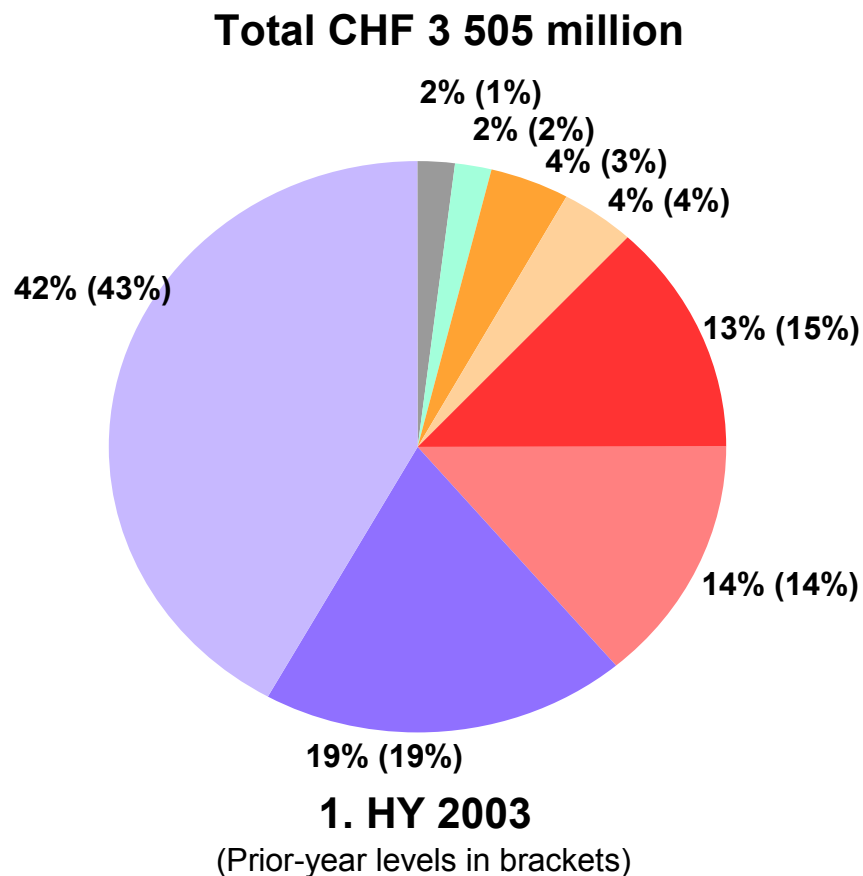
Continuously high premium growth



Total premiums including acquisitions/divestments at balance sheet rates

Total premiums excluding acquisitions/divestments at fixed

Premium development by business segment (incl. indirect business)

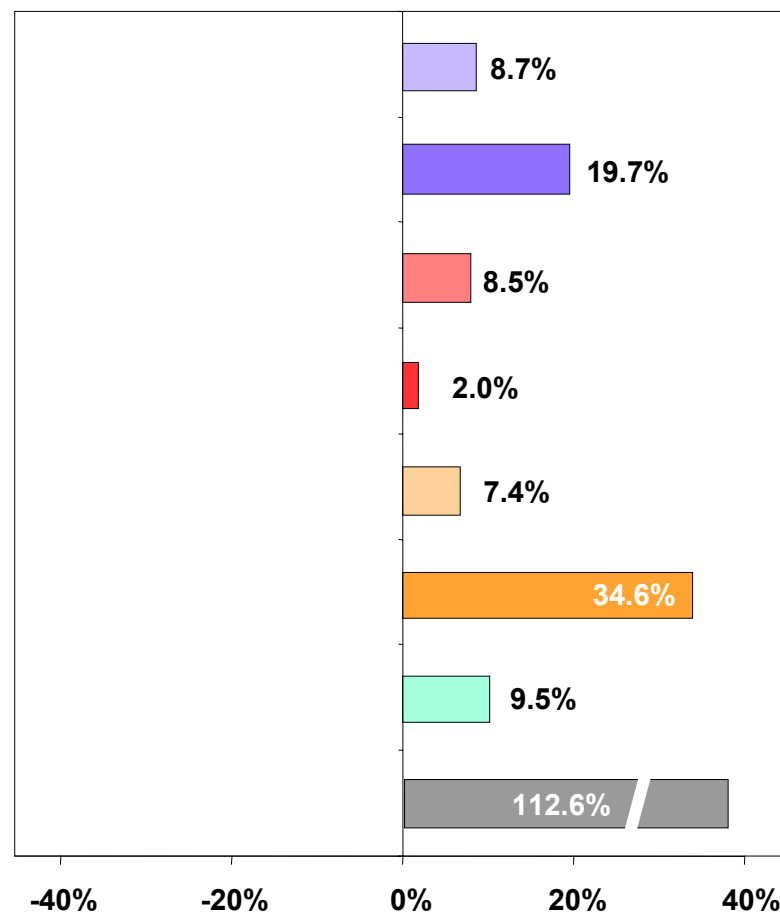


Group life
Individual life

Property
Motor vehicle

Liability
Transport

Accident/health
Indirect business

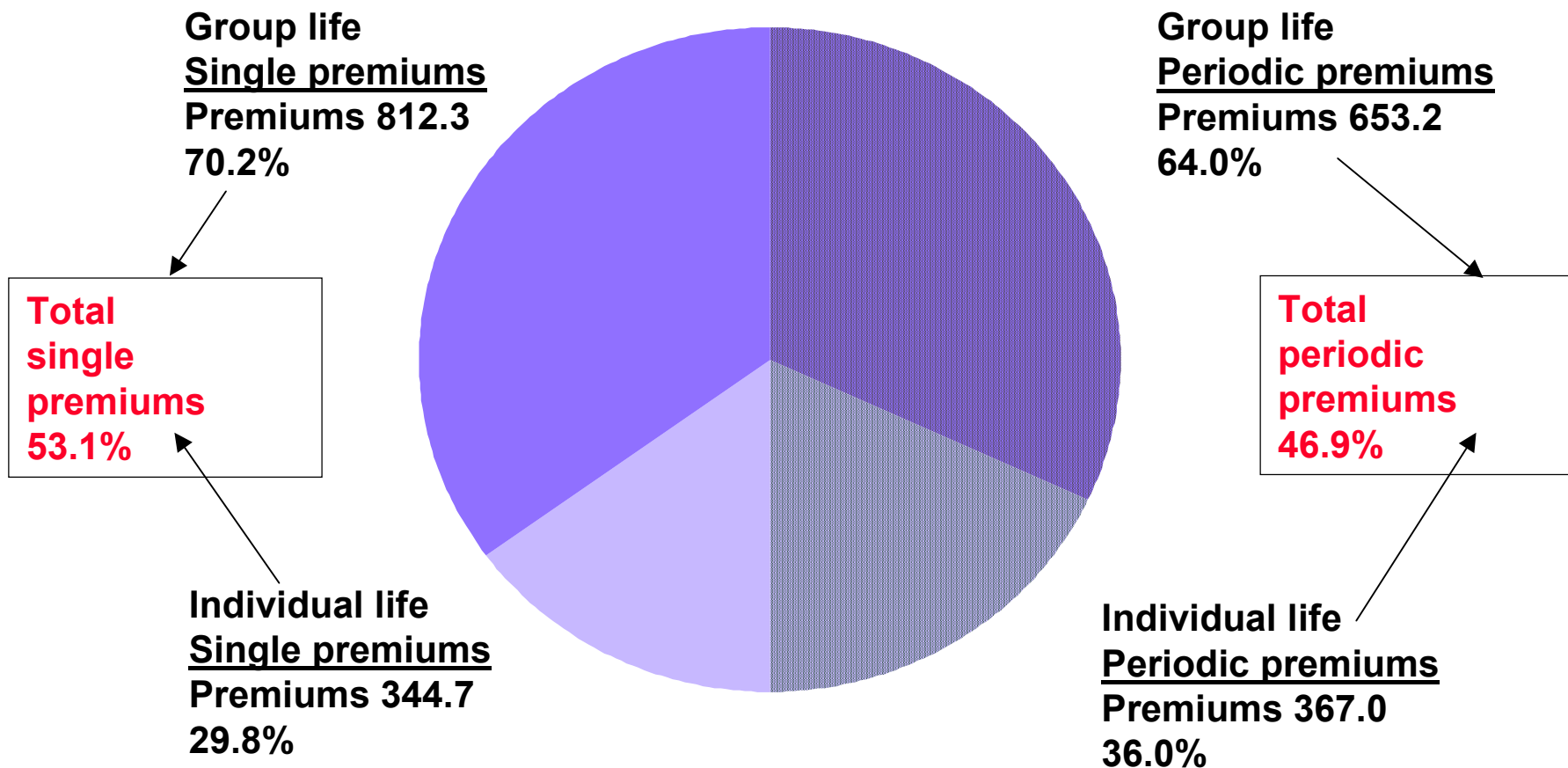


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Life business: Premium distribution

In CHF million



The Swiss business

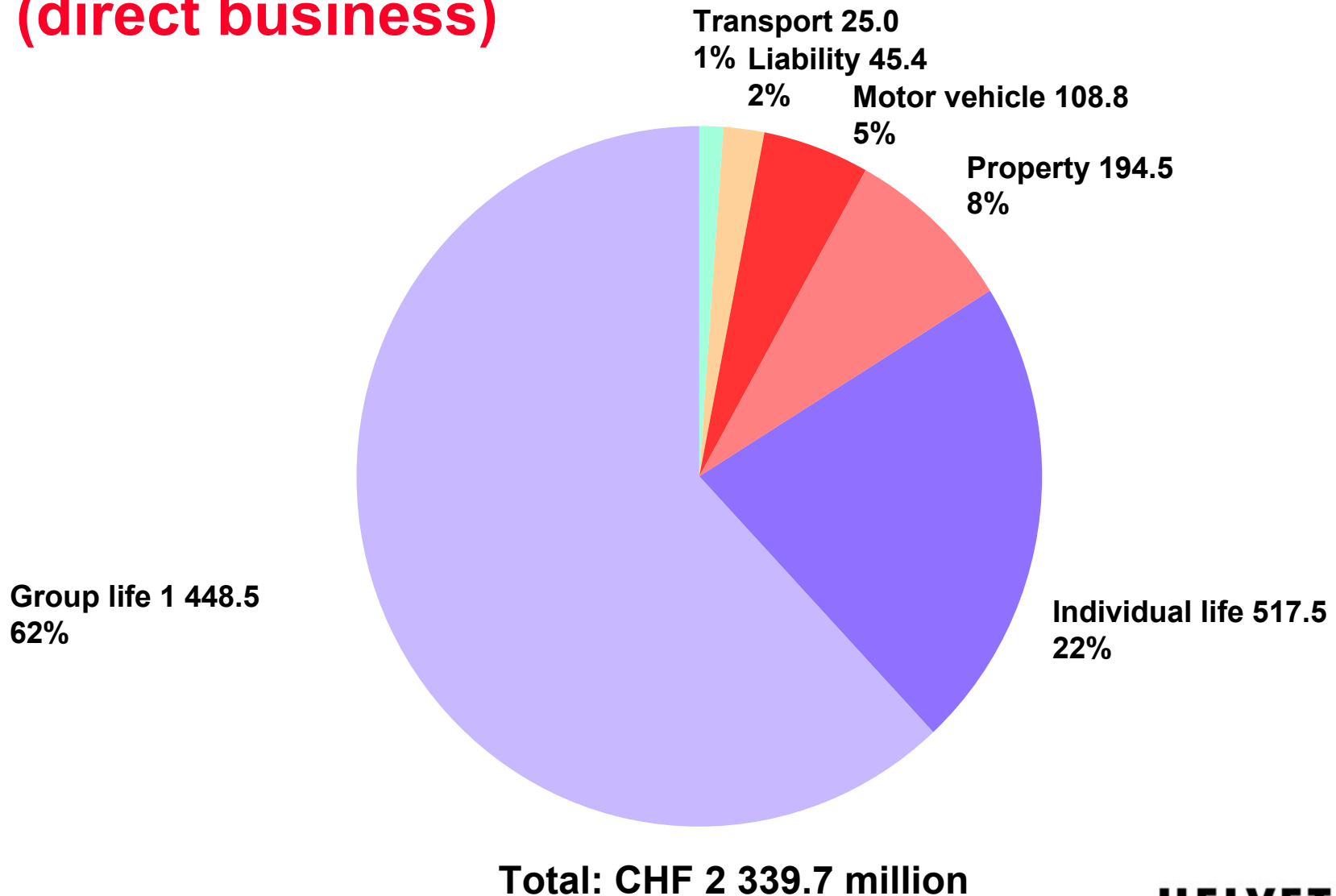
Philipp Gmür, CEO Switzerland

Switzerland: First half-year 2003

In CHF million	HY 2002	HY 2003	Change
Premiums life business	1 717.2	1 966.0	14.5%
Premiums non-life bus.	348.4	373.7	7.2%
Total premiums Switzerl.	2 065.6	2 339.7	13.3%

- Strong growth in the individual life business
- Pleasing development in the non-life business
- Deliberate restriction on group life business
- Certificate «Commitment to Excellence»

Switzerland: Gross premiums by segment (direct business)



Switzerland: Premiums in life business

In CHF million

	HY 2002	HY 2003	Change
Total premiums direct life	1 717.2	1 966.0	14.5%
Periodic premiums individual	196.4	200.0	1.8%
Single premiums individual	188.0	317.5	68.9%
Total individual life	384.4	517.5	34.6%
Periodic premiums group	557.8	639.6	14.7%
Single premiums group	775.0	808.9	4.4%
Total group life	1 332.8	1 448.5	8.7%
Total periodic premiums	754.2	839.6	11.3%
Total single premiums	963.1	1 126.4	17.0%

Switzerland: Premiums non-life business

In CHFmillion	HY2002	HY2003	Change
Total premiums non-life	348.4	373.7	7.2%
Property	186.5	194.5	4.3%
Transport	15.5	25.0	61.3%
Motor vehicle	105.2	108.8	3.5%
Liability	41.2	45.4	10.1%

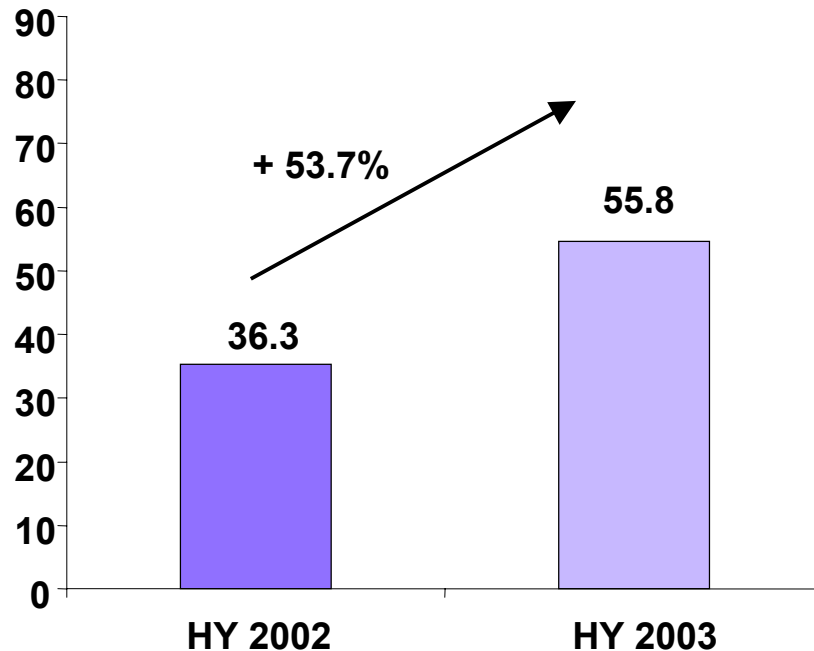
Switzerland: Non-life ratios

	HY 2002	HY 2003
Gross premiums (CHF mn)	348.4	373.7
Gross claims ratio (%)	57.0	63.9
Gross expense ratio (%)	30.3	28.4
Gross combined ratio (%)	87.3	92.3

All ratios in % of the earned premiums

Co-operation with the Raiffeisen Banks

In CHF million



■ Pleasing development exceeding expectations and last year's volume

Revenue problems in the BVG business (Mandatory Occupational Provisions)

- **New guaranteed minimum interest rate of 2.25 per cent:
Step to the right direction!**
- **BVG-conversion rate of 7.2 per cent causes losses
to the old-age pensions.**
- **The strong increase in the disability cases worsens
the risk result.**
- **The lack of an interest margin results in uncovered
expenses.**

BVG-business: Helvetia Patria's response

- **Selective underwriting policy; risk selection based on target groups**
- **Rise in the risk- and cost premiums**
- **Reduction of the pension conversion rate for the part exceeding the mandatory insurance plan to 5.835 per cent for men and 5.454 per cent for women**

Outlook

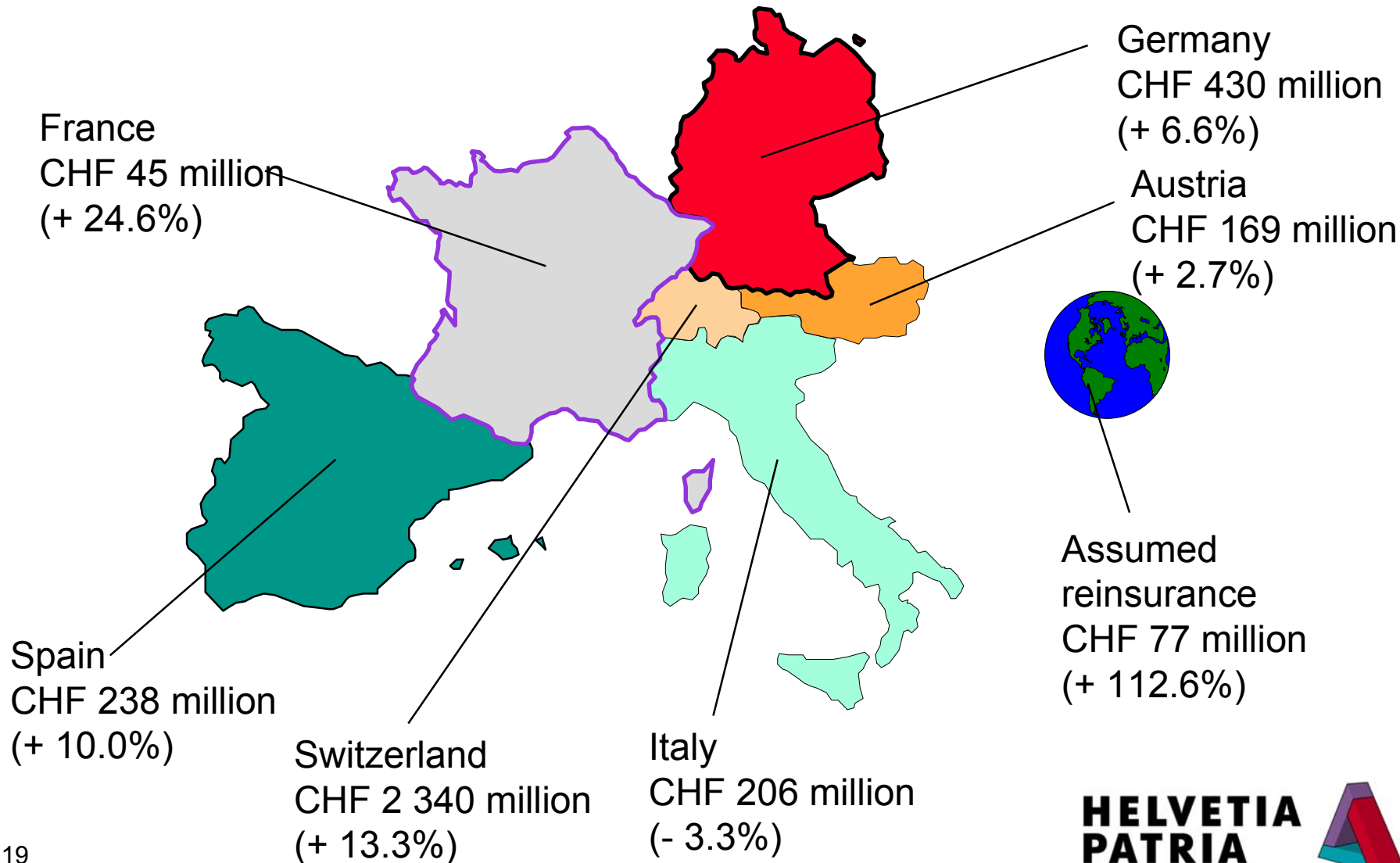
- Further limiting premium growth of group life business
- Softening growth rate in the individual life and non-life business
- Result of group life business again negative in 2003
- Result of non-life business according to plan

The other business units and the investment business

Roland Geissmann, CFO

Premium distribution by country

The Group's gross written premiums: CHF 3 505 million



The other business units

- **Germany:** Market accepted premium increases in the non-life business; premiums in the life business declining due to single premium segment; very good claims trend - thus formation of high equalisation reserves
- **Austria:** ANKER with premium growth; declining single premium segment in the life business; repositioning and turn-around initiated
- **Italy:** Pleasing profit contribution, continuous strong earning power; life business declining due to lacking sales of unit-linked products
- **Spain:** HCVN and PE with regard to premium growth and claims trend on the right path; integration proceeds according to plan
- **France:** Profit contribution and growth rate both favourable; integration of RSA portfolio completed; economies of scale
- **Reinsurance:** Positive development

The investment result in detail

In CHF million	HY2002	HY2003	Change
1. Current income	469	487	+ 3.8%
2. Realized profit/losses	125	113	- 9.6%
- on index- and unit-linked life insurance policies	-	1	+ 100.0%
3. Depreciation and value adjustments affecting the operating result	- 415	- 151	- 63.6%
- of index- and unit-linked life insurance policies	- 14	27	- 292.9%
Total to point 3 ^{*)}	(- 429)	(- 124)	
(Difference between 2. and 3.)	(- 304)	(- 10)	
4. Total investment income			
- with index- and unit-linked life insurance policies	165	477	+189.1%
- without index- and unit-linked life insurance policies	179	450	+151.4%

^{*)} Depreciations 2002 and 2003 according to ARR 14 „old“, i.e. total charged to profit and loss account (no deferred depreciation)

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Realized profits and losses in detail

In CHF million

Real estate

Shares, derivatives, funds

Fixed-interest rate securities

Other

Total

HY 2002

HY 2003

3

-

125

- 41

- 3

144

0

11

125

114



Depreciation and value adjustments

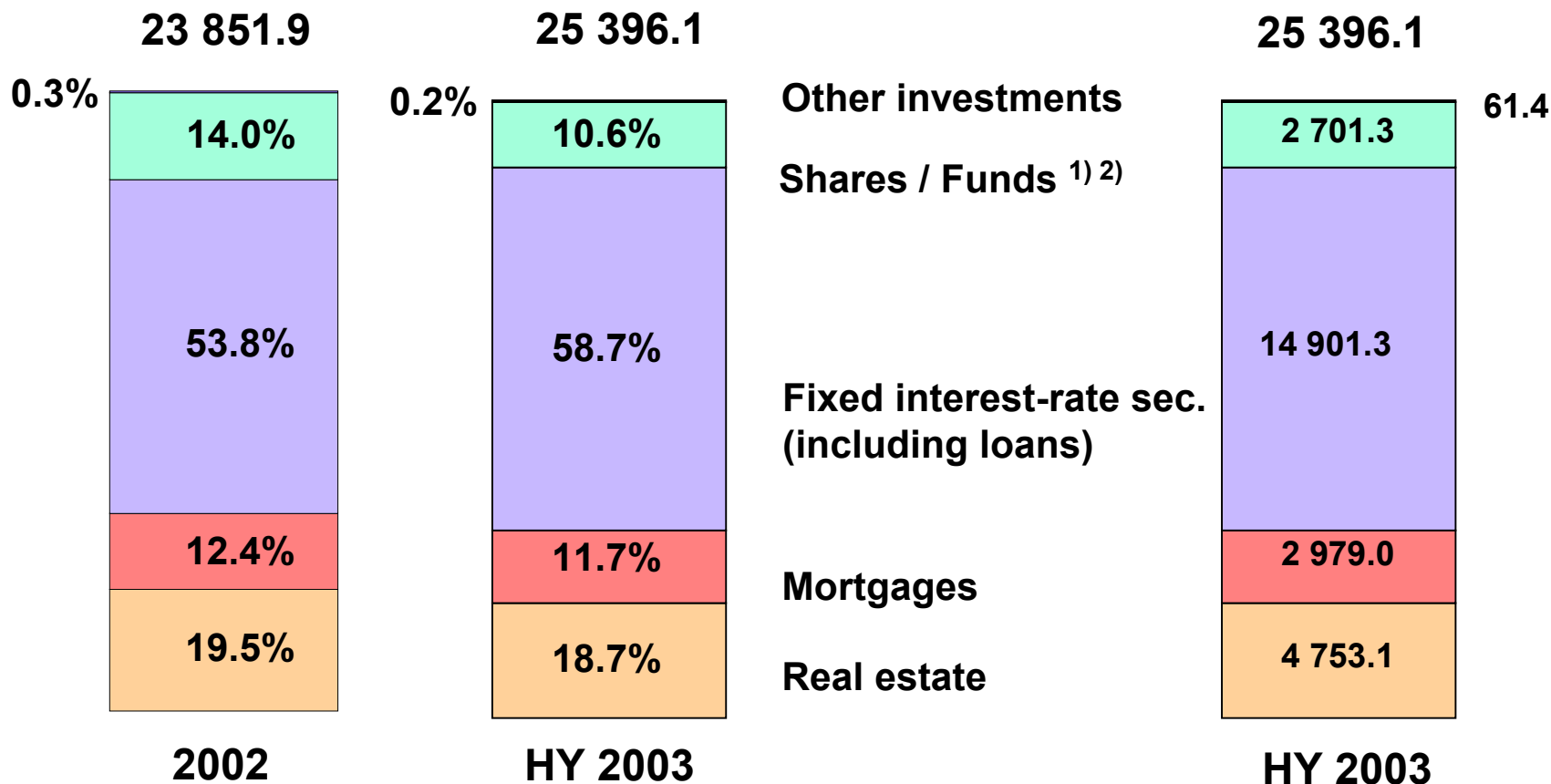
Net incl. value adjustments
in CHF million

Real estate
Mortgages
Shares and funds
Fixed-interest rate securities
Others/eliminations
Total

HY 2002	HY 2003
2	5
- 20	- 1
466	209
- 34	- 71
15	- 18
429	124

Development of investment structure

In CHF million



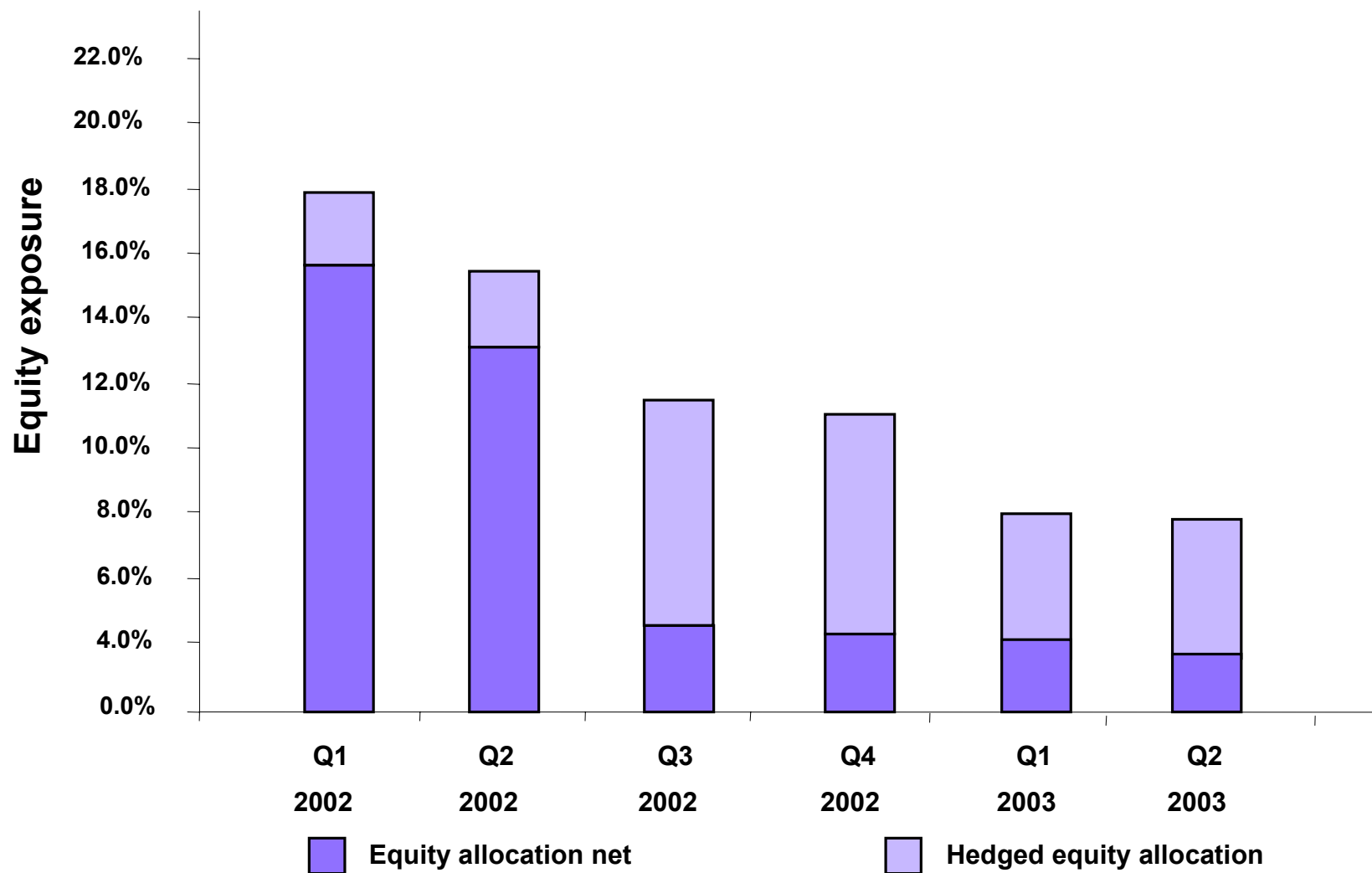
1) Shares and share funds : CHF 1 814.6 million
Mixed and bond funds : CHF 772.0 million
Derivatives and options: CHF 114.7 million

2) Portion of alternative investments: 16.8% of total shares/funds investment
CHF 453.6 million (Private equity and hedge funds)

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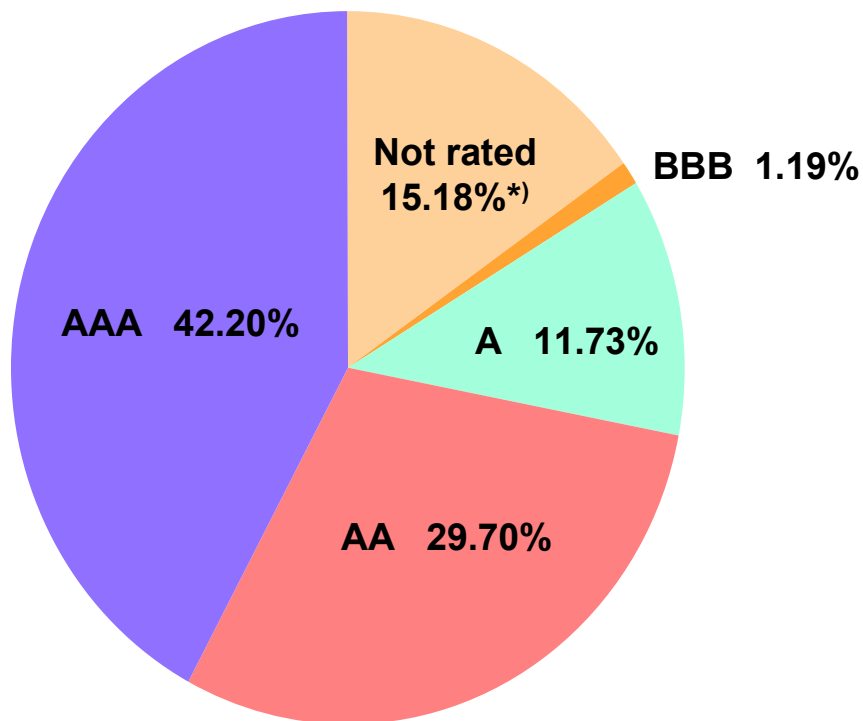


Equity exposure and hedging policy



Excellent credit standing of our bond portfolio

By credit standing



1. HY 2003

➡ **80 % 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 interim results by business segments and the Group's shareholders' equity



The underwriting result in the life business

In CHF million	HY 2002	HY 2003	Change
Net written premiums	1 928.1	2 166.2	+ 12.3%
Net earned premiums	1 661.7	1 855.0	+ 11.6%
Net benefits paid	- 1 041.8	- 1 292.1	+ 24.0%
Net change in actuarial reserves	- 776.9	- 765.6	- 1.5%
Net change in other underwriting reserves	7.4	-	- 100.0%
Net underwriting expenses	- 161.5	- 173.9	+ 7.7%
Expense ratio as % of written premiums	8.4%	8.0%	
Net expenditure on results-linked and non-results-linked policyholders' dividends	- 14.8	- 46.7	+215.5%
Result from life underwriting activities	31.1	- 28.2	- 190.7%
Net underwriting reserves	18 329.7	19 989.9	+ 9.1%



The underwriting result in the non-life business

In CHF million

Net written premiums

Net earned premiums

Net claims paid

Net change in equalisation reserve

**Claims ratio (incl. Change in equalisation reserve)
as % of earned premiums**

Net underwriting expenses

Expense ratio as % of written premiums

Combined ratio (claims ratio plus expense ratio)

Profit from non-life underwriting activities

Net underwriting reserves

in % of earned premiums

Including indirect business

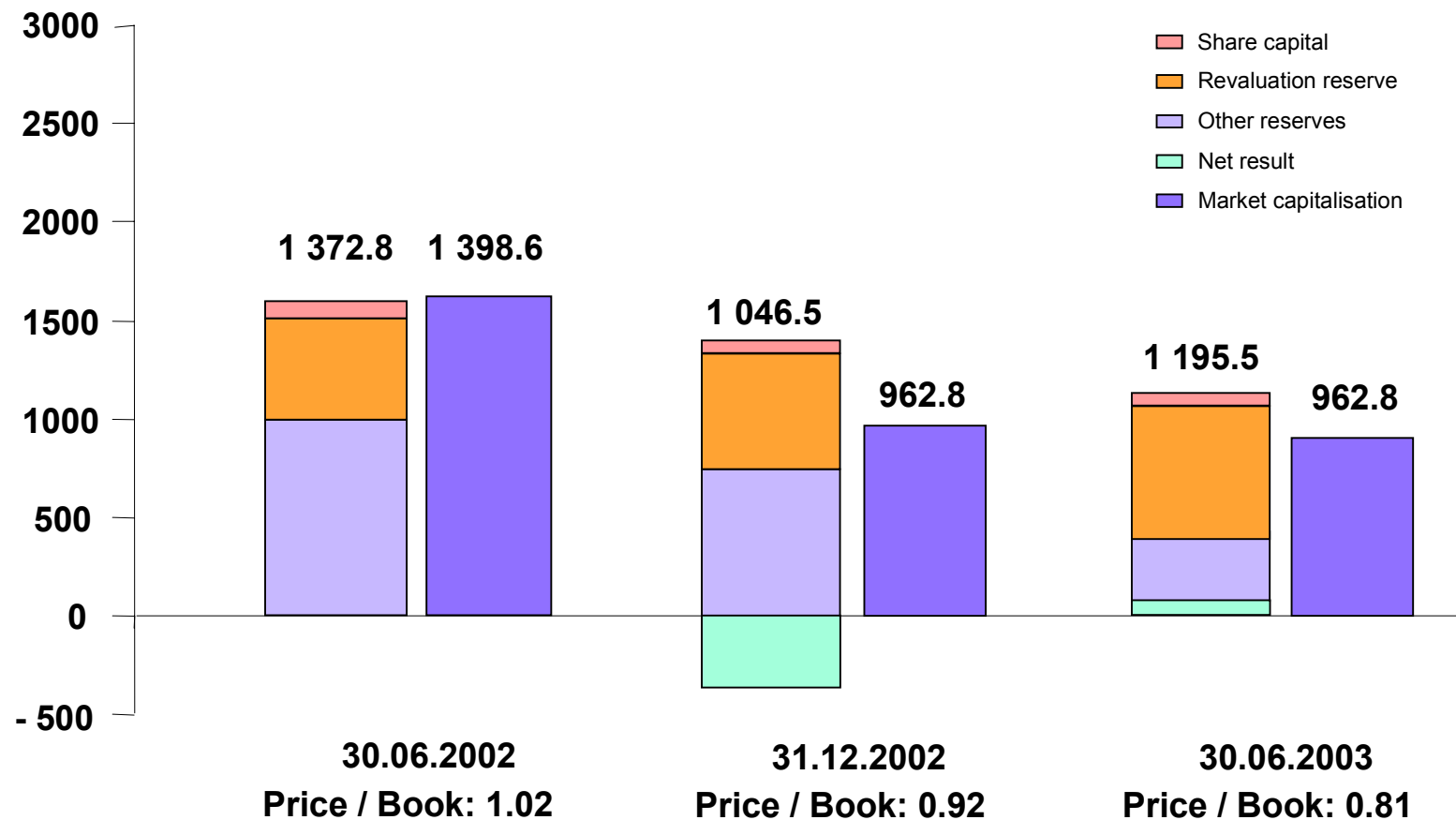
HY 2002	HY 2003	Change
1 054.1	1 162.0	+ 10.2%
879.1	971.3	+ 10.5%
- 553.3	- 642.3	+ 16.1%
- 2.8	- 23.1	+ 725.0%
63.3%	68.5%	
- 279.8	- 306.2	+ 9.4%
26.5%	26.4%	
89.8%	94.9%	
74.2	60.5	- 18.5%
3 057.0	3 262.1	+ 6.7%
347.7%	335.8%	

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Development of shareholders' equity to market capitalization

In CHF million



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Review and preview

Erich Walser, CEO



Overall assessment

- Investment result 
- Growth 
- Combined Ratio at 100 per cent 
- Underwriting result non-life 
- Actuarial reserves 
- Allocation of a capital reserve for an increased volatility of CHF 100 mio. 
- Swiss group life business 
- Underwriting result life 

Objectives for the second half of 2003

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

Current course of business and preview (July 2003)

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

Total:	+ 9.1 %
Life:	+ 10.3 %
Non-life:	+ 7.2 %
- **Claims trends**
Normal course of net claims
- **Cost developments**
Within budget
- **Financial result**
Current income within budget,
Increased valuation margin
- **Preview 2003**
Life premium growth will still soften
(Switzerland)

The corporate strategy 2004 to 2006



The identity of the Helvetia Patria Group

Vision

- We are a group of independent, strategically well-positioned and financially successful companies in strongly national-oriented insurance markets.
- We are ranking among the leading insurance companies in the domestic market and we are a highly respected and focussed insurance service provider abroad who is known for its recognisable Swiss identity as well as for its strong quality- and service orientation.

From the present to the future

- From a purely strategic portfolio of insurance companies in core and developing markets ...  ... to financially controlled business units with the tendency to fewer markets.
- From occasional niche- and focussing approaches...  ... to specifically applied niche- and focussing strategies.
- From a partially unused „Swiss brand“ abroad...  ... to a clearly recognizable identity as symbol of a high quality- and service orientation.
- From a leadership approach with some inconsistencies...  ... to a consistent and value-oriented leadership.
- From a „conservative“ style of financial reporting...  ... to more transparent and stronger value-oriented corporate communications.

Helvetia Patria: A good investment

- **An insurance portfolio of excellent quality**
- **Combined Ratio at 100 per cent**
- **Cautious and predictable accounting:
No deferred depreciation**
- **No reputation issues**
- **Small capitalised goodwill and only partial zillmering
(DAC for individual life)**
- **Stable shareholder structure permits focussing
on core business**

Conclusion: Helvetia Patria is well positioned in an attractive market

Our opportunity

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

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 focus on profitable business



Just

ask

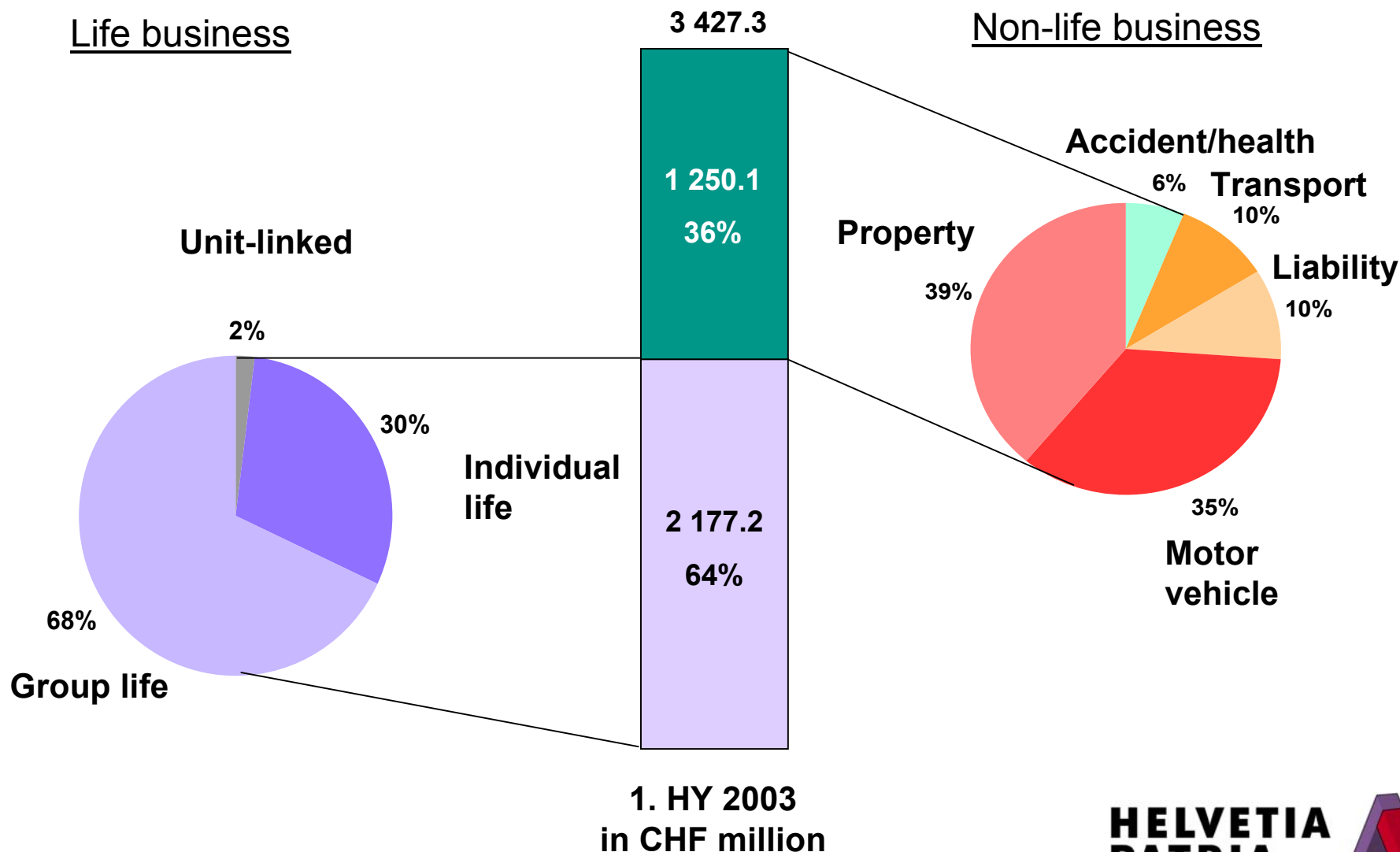
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Additional Information

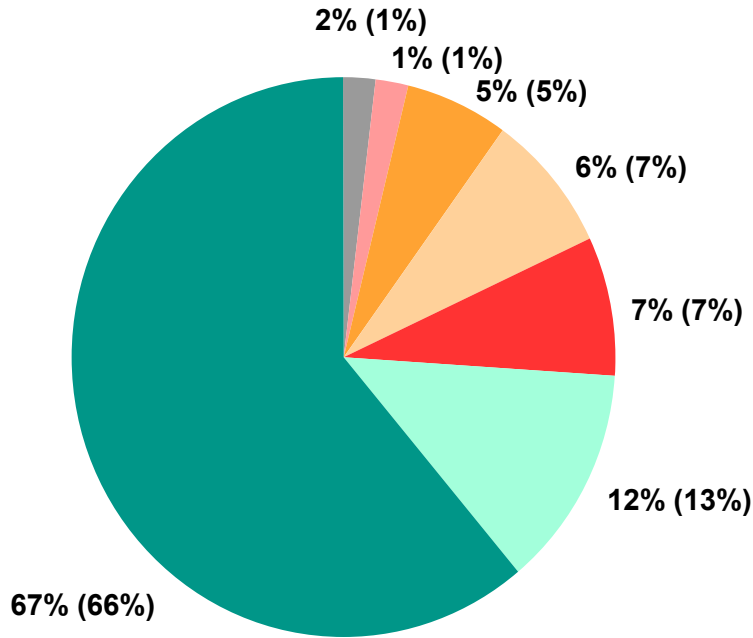
Direct business: Premiums by business segment



Premium growth by country

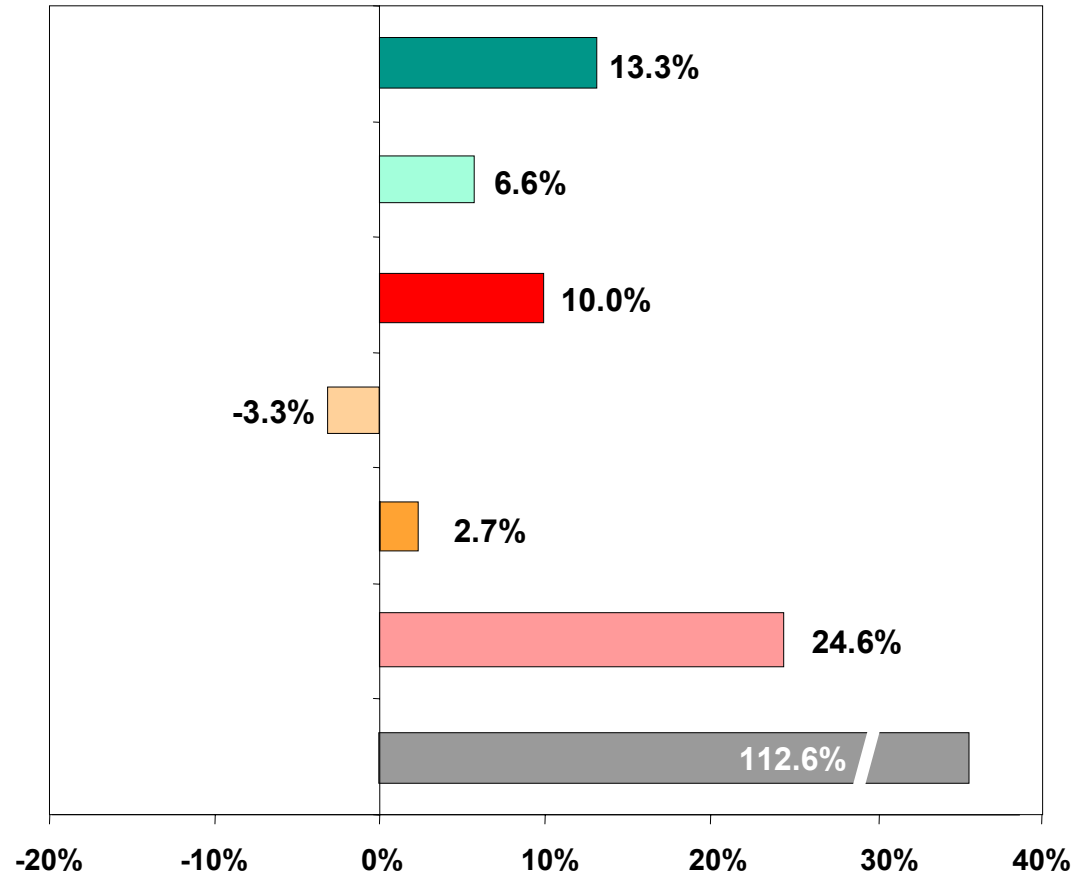
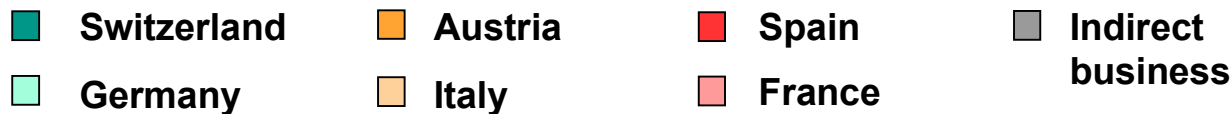
(including indirect business)

Total CHF 3 505 million



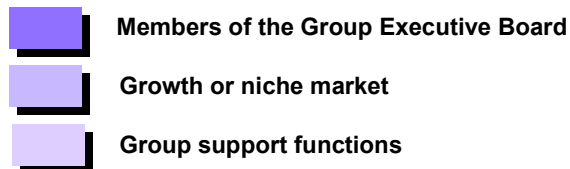
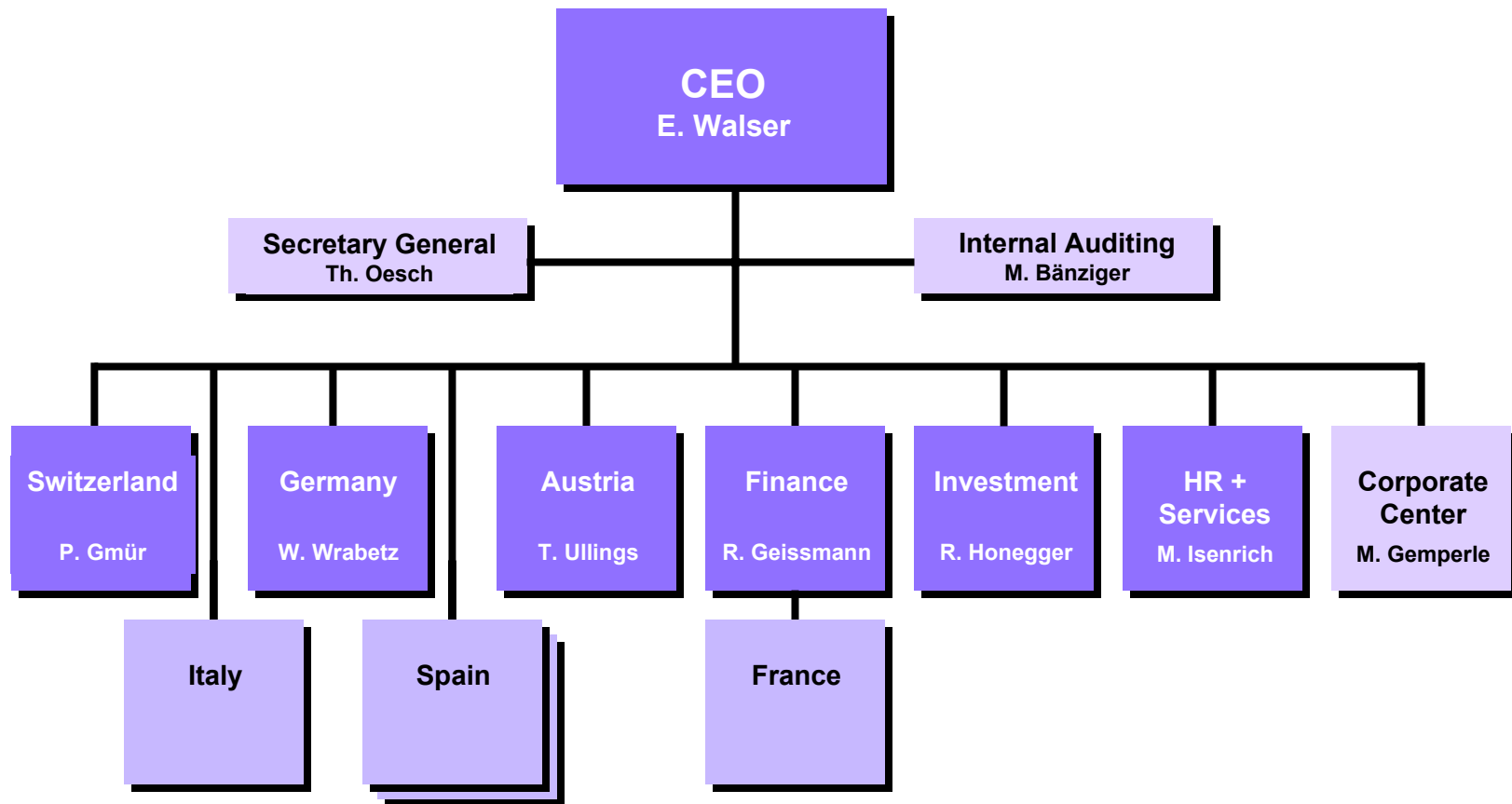
1. HY 2003

(Prior-year levels in brackets)



Appendix

The Management of the Helvetia Patria Group



Landmarks of our history

- 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

E-mail: daniel.schlaepfer@helvetiapatria.ch

Internet: www.helvetiapatria.com