Letter to Shareholders 2/04

Ladies and Gentlemen!
Helvetia Patria continues on the successful course! I am pleased to present the half-year results 2004 in this Shareholders' Letter and to give you the prospects for the whole year.

We have succeeded in the first half-year of 2004 to go back to the good results of former years after the insurance industry experienced turbulent times during the previous years. For the first six months of this year Helvetia Patria posts a significantly better overall result on the prior-year's period. The net profit increased by 175 per cent to CHF 73.7 million and reaches thus almost the amount of the entire profit for the whole year of 2003.

The underwriting result improved by 194 per cent to reach CHF 94.8 million and the profit before taxes amounts to CHF 100.6 million (+164 per cent). Life and non-life business have both contributed to this favourable outcome. Both business sectors have noticeably increased their income compared to the first six months of last year. The non-life business is the Group's most important earnings pillar with an operating profit contribution of CHF 74.7 million. The life business managed to return to a gainful course after suffering a loss in the prior-year period and now reports a profit of CHF 20.1 million. The non-underwriting result with a profit of CHF 5.8 million turned out to be lower in comparison to the first half of 2003 as a result of the difficult conditions in the financial markets. We are overall satisfied with the achieved result and have an optimistic outlook on the second half year.

Pleasing premium growth in the non-life business
The first half-year saw a premium volume of CHF 3.07 billion which implies a decrease by 12 per cent on the first half of 2003. The non-life business gained from the strong growth but was unable to compensate for the decline in the life insurance sector.

Our portfolio's composition has not much changed during the period under review. About 58 per cent are generated in the home market Switzerland and 42 per cent abroad. The life business remains with a share of 54 per cent the strongest source of revenues while the non-life activities contribute 46 per cent to the Group's premium volume.

The underwriting account of the non-life business was mainly characterized by a pleasing growth rate in the premium income (+7.5 per cent) thus reaching CHF 1.4 billion at 30.6.2004. Due to a lower claims burden and thanks to a strict cost management the combined expense-/claims ratio improved from 100.6 per cent to 99.0 per cent and thus reached an excellent level. The equalisation reserves were endowed by CHF 28.6 million following the legal requirements. This does have a negative influence on the reported result but is beneficial to the Group's strength.

The premium volume of the life business reported a decline by 24 per cent on the prior-year's period and amounted to CHF 1.7 billion. Responsible for this development was mainly the Swiss business with both sectors, the individual life insurance and the group insurance, suffering substantial losses. There are two reasons for this development: The low interest rate level which makes long-term insurance products not very attractive and our continuously cautious underwriting policy in the group life business.

Key consolidated figures of the Helvetia Patria Group in CHF million

	31.12.03	30.06.03	30.06.04
Gross written premiums	5392.6	3504.6	3074.2
Income from investments	1083.6	477.3	484.6
Result before taxation	147.3	38.1	100.6
Result after taxation and minority interests	92.4	26.8	73.7
Investments at market value	25491.2	25396.1	25654.1
Net underwriting reserves	23360.5	23252.0	23645.4
Consolidated shareholders' equity before appropriation of profit	1153.0	1195.5	1154.8
Number of employees	4788	4855	4759

The low interest rate level had also a strong impact on our investment performance. Maturing fixed-interest rate securities had to be invested in low interest-bearing bonds which contributed to the drop in the current income. Within the scope of our risk management we partially hedged the equity and the currency positions. The risk-bearing equity allocation amounted to 4.0 per cent at 30.6.2004 and barely changed during the whole first half-year. The extraordinary investment income achieved with CHF 33.5 million a positive outcome. Given the current difficult market conditions we are satisfied with our direct rate of return of 1.9 per cent on our investments and with our realised performance of 2 per cent. At mid-year we had assets under management in the amount of just under CHF 26 billion which represents a slight increase on the prior-year's period.

Unchanged shareholders' equity
Total assets increased by 0.7 per cent to reach CHF 27.9 billion at 30.6.2004. The underwriting reserves amounted to CHF 23.6 billion compared to CHF 23.4 billion at 31.12.2003.

The shareholders' equity of our insurance Group remained almost unchanged during the period under review and stood at CHF 1.15 billion at mid-year despite the fact that the own funds were charged with CHF 44.5 million as a result of a change in the Swiss accounting standard GAAP ARR. Furthermore, the bonds are carrying CHF 133 million in unrealised gains that are not included in the shareholders' equity. The annualised return on shareholders' equity (with revaluation reserves) improved from 11.7 per cent to 13.8 per cent.

During the year 2004 new legal provisions have taken effect at short notice with regard to separating the investments. Those provisions will affect the revaluation reserves in the consolidated shareholders' equity. The related separation plans are under development and the approval is expected to be given by the supervisory authorities during the fourth quarter of 2004. We are estimating the share of the revaluation reserves to be separated to reach an amount of about CHF 100 million which will be reported in the balance sheet for the first time at 31.12.2004.

An optimistic outlook for the future!
The half-year results are giving us good reasons to be optimistic for the current year. The focus on our core businesses – risk and provident insurance – gives Helvetia Patria a clear profile in markets with above-average growth rates. At the same time, our diversification level enables a long-term solid revenue basis even in times of market fluctuations. We intend to take advantage of the opportunities available: be it through internal growth or through acquisitions. Profitability and quality, however, of our insurance portfolio will always take precedence. New accounting standards are offering new opportunities as well. With the purpose of increasing the transparency for our shareholders we will change our financial reporting for the business year 2005 and thereafter to the in Europe leading IFRS-Standards (International Financial Reporting Standards, former IAS). I am convinced that this measure will enhance our share's attractiveness for investors. I thank you very much for your confidence that you are placing into Helvetia Patria.

Sincerely

Erich Walser
Chairman of the Board of Director and CEO

The Group Result

The overall result for the first half year 2004 has significantly improved compared to the corresponding prior-year period and falls only CHF 20 million short of the overall result for the whole year of 2003. Last year's result, however, was strongly influenced by a high level of amortization of the goodwill.

The investment performance is no longer the decisive factor for the improved result as it was in the first half year of 2003. One of the reasons for the ordinary income to be falling is the continuous low level of the interest rates. The noticeably higher extraordinary income from investments, however, was able to more than compensate for the latter. Overall, the non underwriting result decreased by just under CHF 10 million.

Very good insurance business
Underwriting results are significantly above prior-year's period for business sectors, life and non-life. The improvement in the life business is basically determined by the domestic market and is a result of the increase of the risk- and cost premiums as well as of the reduction of the technical interest rate in the group life sector. The strong decline in the premium volume in Switzerland (–28.5 per cent) caused the expense ratio to increase by well over a percentage point to net 10.7 per cent.

The noticeably better result of the non-life business as well – compared to the first six months in 2003 – can be attributed especially to the better loss experience and to the lower reinsurance expenses. Here, the slightly higher expense ratio had barely an impact. The expense ratio even declines if the extraordinary merger costs in Spain are excluded. The combined net claims-/expense ratio declined from 100.6 per cent during the prior-year's period to an excellent value of 99.0 per cent.

Important risk protection
The shareholders' equity has barely changed since the end of 2003. The reason for that are new accounting regulations for the treatment of own shares in the shareholders' equity. Without this change in the accounting according to Swiss GAAP ARR the shareholders' equity would have risen by about CHF 40 million – since end of 2003 – thus going hand in hand with the good half-year result. Continuous and comprehensive hedging measures were necessary in the first six months with the purpose of ensuring the protection of the own funds. Especially the Euro positions in the Swiss life portfolio as well as the equity exposure were partially hedged in accordance with our risk management program. Helvetia Patria's overall risk capacity has slightly improved in the past half year. This improvement, however, allows not much leeway given the continuously uncertain development of the financial markets as well as the unsure development of the Swiss group life business. Maintaining a strict risk management on the investment side and improving the underwriting profitability therefore continue both to demand highest priority.

Pleasing country market results
The operating results in the individual country markets are overall satisfactory. The Swiss non-life business managed to improve its result technically. The domestic life business achieved a higher result as a consequence of the better course of business and the reduced technical interest rate in the group life sector in comparison to the prior-year's period. Germany was able to substantially increase its result due to the underwriting development. The same applies to France and the assumed reinsurance and – less pronounced – to Austria and Italy. The result in Spain remains below last year's due to the merger costs but is still positive.

The Insurance Business

Growth in the Helvetia Patria Group is characterized by differing influences in the life- and non-life businesses. It amounted to –24.2 per cent (+11.5 per cent in the last year) in local currency in the life segment – following the development in Switzerland – and to +8.1 per cent (+8.2 per cent in the prior-year's period) in the non-life sector. While the strong Euro favoured the growth during the first half-year of 2003, its weakening during the period under review had a negative impact especially in the non-life business with –0.6 percentage point. The growth of the reinsurance business has strongly contributed to the increase of the premium volume in the non-life insurance. Excluding the indirect business would result in a premium growth rate of 4.4 per cent in local currency and of 3.7 percentage points in Swiss Francs.

The premium decline in the life business has two main reasons. First, it is the consequence of a strictly conservative underwriting policy. Second, the individual life sector suffered under the capital-market-related unfavourable interest rates. This applies especially to Switzerland, Austria and Spain while we managed to achieve acceptable growth rates in Germany and Italy by offering new fund products.

Improved underwriting development in the non-life business

The claims ratio substantially decreased thanks to our selective underwriting policy and to only few storm damages during the period under review. All country units saw their gross claims burden improving and all were able to reduce their net claims-/expense ratio. The underwriting results thus reached everywhere a higher level or at least the one of the prior year.

Better profitability in the life business

The life sector's profitability has increased on the first half year of 2003. Lower technical interest rates in the group life business as well as the improvement of the risk result, especially for Switzerland, were the main reasons. This development was also supported by the increase of the risk premiums. The strong decline in the premium volume caused the expense ratio to rise by a bit more than a percentage point; the actual costing of the expenses on the basis of the cost premium adjustments has slightly improved. Overall, the underwriting results in the foreign country markets fell short of the prior-year's results especially due to the additional reserves set aside in Italy and Spain as a protection against the lower interest rates.

Gross written premiums in CHF million

		01.01. – 30.06.03	01.01. – 30.06.04	Change in local currency	Change
Direct business					
Switzerland	Non-Life	373.7	390.9	4.6 %	4.6 %
	Life	1966.0	1406.1	–28.5 %	–28.5 %
Total Switzerland		2339.7	1797.0	–23.2 %	–23.2 %
German	Non-Life	367.5	381.4	4.8 %	3.8 %
	Life	62.5	66.0	6.6 %	5.6 %
Total Germany		430.0	447.4	5.0 %	4.0 %
Austria	Non-Life	99.9	98.4	–0.6 %	–1.5 %
	Life	69.1	67.5	–1.3 %	–2.3 %
Total Austria		169.0	165.9	–0.9 %	–1.8 %
Italy	Non-Life	172.5	172.5	1.0 %	0.0 %
	Life	32.8	60.5	85.9 %	84.5 %
Total Italy		205.3	233.0	14.6 %	13.5 %
France	Non-Life	45.0	56.0	25.6 %	24.4 %
Spain	Non-Life	191.5	197.0	3.9 %	2.9 %
	Life	46.7	47.0	1.6 %	0.6 %
Total Spain		238.2	244.0	3.4 %	2.4 %
Indirect business					
	Non-Life	75.2	127.9	70.2 %	70.1 %
	Life	2.2	3.0	36.4 %	36.4 %
Total Indirect business[1]		77.4	130.9	69.3 %	69.1 %
Group	Non-Life	1325.3	1424.1	8.1 %	7.5 %
	Life	2179.3	1650.1	–24.2 %	–24.3 %
Total		3504.6	3074.2	–12.0 %	–12.3 %

[1] Including indirect business of units

The Investment Business

The recovery of the world economy has made further progress in the first six months of this year with the drive coming from the stable growth in the US and especially in the East-Asian area. The growth force in Europe, however, fell short of the expectations. Structural problems and lack of reform willingness are putting a strain on the economic climate and are joined by the high social costs and the budget difficulties of the governments. Furthermore, the terror attack in Madrid, the continuous tensions in the Gulf region as well as the surge in oil prices have caused renewed uncertainties and gave rise to questions regarding the sustainability of the economic recovery.

The higher interest rate level has burdened the performance of the bond markets. The markets that are relevant for our investment portfolio reached just positive values. The equity markets moved mainly sideways and closed the first half year more or less at the same price level that they had reached at the beginning of 2004. The foreign currency sector saw the US Dollar and the British Pound slightly gaining in value to the Swiss Franc while the Euro, which is for our Group much more important, suffered some loss.

Satisfactory performance despite difficult market conditions

For the first half-year, Helvetia Patria achieved an investment performance of just under 2 per cent with the current market conditions prevalent. The ordinary investment income amounts to CHF 451 million and remains slightly below prior-year's result. The result basically reflects the sustained low interest rate level which has a continuous effect on our portfolio due to the need for reinvestment of the maturing bonds.

The extraordinary investment income is with CHF 33.5 million slightly positive. The necessary depreciation of the Euro could be compensated by realised capital gains – especially on shares. The valuation margin for shares remained constant compared to the beginning of the year.

Cautious investment policy

Protecting the shareholders' equity base required continuous and comprehensive hedging measures during the period under review. Within the scope of our risk management we have mainly hedged the Euro-positions of our Swiss life business as well as the equity exposure. Our gross equity allocation runs on the Group-level at 7.4 per cent. The net position (after the hedged price levels have been reached) stands at 4.0 percentage points.

The investment volume increased during the first six months by CHF 163.6 million and reached CHF 25.7 billion. The rather modest rise – compared to former years – is a result of the premium decline in the domestic life business.

Investment income by asset type (without value adjustments and readjustments as recorded in the books) in CHF million

	Ordinary income 01.01. – 30.06.03	Ordinary income 01.01. – 30.06.04	Change	Realized gains/losses on investments 01.01. – 30.06.03	Realized gains/losses on investments 01.01. – 30.06.04	Change
Real estate	98.4	94.5	–4.0 %	–0.1	8.2	–
Investments in affiliates and associated companies	0.4	0.0	–100.0 %	0.0	0.0	–
Shares, other non-fixed-interest-rate securities and investment funds	41.6	36.0	–13.5 %	–40.5	57.7	–
Fixed-interest-rate securities	265.1	248.4	–6.3 %	144.1	29.6	–79.5 %
Promissory loans	16.3	16.8	3.1 %	10.5	0.0	–100.0 %
Mortgages	55.9	48.5	–13.2 %	–0.1	–4.3	4200.0 %
Policy loans	3.7	3.2	–13.5 %	0.0	0.0	–
Fixed-term deposits and similar	6.2	3.7	–40.3 %	0.0	0.0	–
Total	487.6	451.1	–7.5 %	113.9	91.2	–19.9 %

Results by country

Country market Switzerland

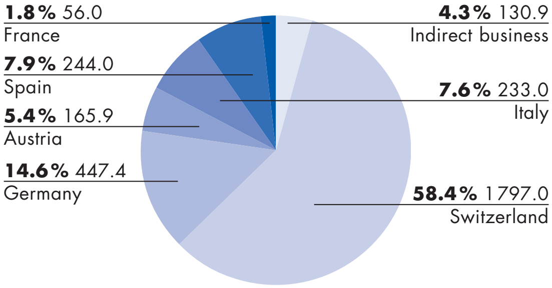
The Swiss business was determined in the first six months by a continuously weak economic growth and by low interest rates. While the non-life segment saw its demand further rising, the life sector had to accept losses. Overall, the premium income decreased by 23.2 per cent to CHF 1 797.0 million though caused exclusively by the decline of the number of single premium policies in the individual- and group life business. The life sector regained in profitability thanks to our deliberate slow-down of the growth as well as to the reorganization measures implemented.

Difficult market conditions in the life business
The decline in the single premium policies in the individual life sector affects the whole insurance industry and its cause is explained by the current unfavourable capital market situation. On the other hand, the drop in the group life insurance is a result of the selective underwriting policy and of a temporary acceptance stop. The periodic premium segment, however, is further growing since the increase of the expense- and risk premiums in the group life business, in particular, could be implemented. The efforts to reorganize the business with the group life insurance are thus bearing the first fruits: We managed to substantially reduce the deficit in the disability insurance.

Excellent non-life business
Premium income in the non-life insurance grew by 4.6 per cent to an amount of CHF 390.9 million. Contributions to this favourable growth rate came especially from the transport insurance sector as well as the motor-vehicle segment. The lack of major storms, a good portfolio mixture and a strict cost management have all helped to achieve again a good gross combined ratio of 93.9 per cent.

Steady quality improvements
The current projects to gain in efficiency and to position the company more strongly as a quality service provider are making good headway. We expect the growth rate in the non-life business to level off in the second half of this year and we see the demand for capital-forming single premium policies to remain weak. Subject to extraordinary events the results for both sectors, life and non-life, should exceed prior-year's outcome.

Gross written premiums from 01.01.to 30.06.2004 in CHF million



Country market Germany

The German non-life business achieved raising the premium income again. After the first six months of this year it stands at EUR 250.1 million and thus exceeded prior-year's result by 4.8 per cent. By the end of the year the premium growth rate will substantially surpass the forecasts. The increase results to a large part from innovative products in the commercial sector which had been successfully launched in the market two years ago. The development in the other non-life business segments took also a pleasing course and led to gains in our market shares. Following internal measures taken to improve the results we were able to implement premium increases in the industrial sector. We deliberately accepted a slight decrease in the transportation business' premiums due to the discontinuance of deficit-producing segments. We were able to reduce the expense ratio by 1.2 percentage points despite the commission expenses for new business.

Declining loss experience
The loss experience further eased compared to the previous year. We were spared large loss events and therefore are able to report a substantially lower claims ratio. The gross combined claims-/expense ratio thus significantly decreased to 95.3 per cent. The equalisation reserves were increased following legal requirements as a consequence of the good loss experience.

Innovative products
The life business' increase exceeded the market average with the increased premium income (+6.6 per cent) reflecting this development. This pleasing upturn was mainly carried by the unit-linked product family that was newly launched last year. We are expecting the pleasing development to continue during the second half of the year 2004 and the additional stimuli in the next year to take effect as a result of an already adopted amendment of the law.

Country market Austria

The Austrian market did not show anything out of the ordinary during the first six months of 2004 in comparison with the prior-year's period. «Der ANKER», our Austrian subsidiary, implemented far-reaching measures to optimize the internal value added. Focus is being put on streamlining the decentralized structures, on centralizing the claims settlement as well as on reducing costs in the administrative areas. We are seeing already a positive effect from them on the combined claims-/expense ratio in the non-life business which we are striving to reduce: Lowering the combined claims-/expense ratio to a gross value of 105.9 per cent is already a substantial improvement on the first half year of 2003. The decline of the expense ratio as well as a good loss experience in the important business segments so far have contributed to this outcome.

Profit-oriented business policy
Despite putting priority on optimizing profitability the ANKER managed to overall maintain the premium revenues in the non-life sector (+ 0.3 per cent). The growth rate in the property-, liability- and accident businesses stood at 1.6 per cent during the first six months. An increasingly profit-oriented business policy in the motor-vehicle segment had an effect on the sales and caused them to decline by 1.7 per cent. The equalisation reserves were increased following legal requirements as a consequence of the good loss experience.

The life insurance area shows a similar picture: The first half year 2004 reports a positive development in the business with periodic premium policies (growth rate on the prior-year's period of 4.7 per cent) but a further decline of the single premium policies from the already low prior-year level thus following the general market development. The premium volume in the life business declined by 1.3 per cent on the first half-year 2003.

Forecasts in good shape
The forecasts from our current point of view are in good shape for the business year 2004. Implementing the structural measures for the profitability optimisation at the ANKER will be mainly completed by the end of the year.

Helvetia Versicherungen
The core business of Helvetia Versicherungen, Direktion für Österreich, is the transportation insurance. The period under review saw continuously the attention being put on a high-quality underwriting policy and on the cooperation management. The achieved results are positive and are meeting our expectations.

Country market Italy

The world-wide stagnating course of the stock markets and thus the drop of the yield possibilities from financial products caused in the insurance industry a slight decline in the life insurance sector. Traditional products with single premium and periodic premium experienced high demand unlike the unit-linked products. As far as the non-life business is concerned the experts are expecting a slightly weakened growth for the motor-vehicle policies due to the increasing competitive situation.

Positive loss experience
Helvetia Assicurazioni, our non-life unit in Italy, managed to increase the income by 6.2 per cent (excluding motor-vehicle business) as a result of various measures taken. The motor vehicle segment, however, experienced a decline in the premium volume by 2.1 per cent. Overall, the premium income rose by 1 percentage point and reached EUR 113.1 million. The loss

experience continues to be very positive. The combined claims-/expense ratio – before deducting the expenses for the reinsurance – improved nevertheless to very good 86.5 percentage points.

High growth in the life business
The life business shows a pleasing picture as well and reports a growth rate of 85.9 per cent. This result was mainly generated by classic insurance products and by one large capitalisation contract. A positive development is also reported from the alternative distribution channel Anteprima which is a network of financial promoters from the banking group Credem.

Right on course!
The outstanding underwriting result led to a pleasing half-year result that is significantly above market average. Thanks to continuous optimizations and opening of six additional branch offices we are convinced to achieve the growth- and profitability goals set for this year.

Country market Spain

Helvetia Patria has reached its goals in the Spanish market for the first half year in 2004. The integration of its two subsidiaries, Helvetia CVN and Previsión Española, was carried out as planned. The Group strengthens its market presence with its new company Helvetia Previsión, headquartered in Seville and present with Service Centres in Madrid and Pamplona, and increases its competitiveness and service quality at the same time.

Good operating business
Helvetia Previsión has completed this half-year with a good course of business also from the operating point of view. The non-life business saw its premium volume pleasingly develop and reports an increase by 3.9 per cent on the prior-year's period. While the property segment registered a growth rate of 6.4 per cent, the motor vehicle sector had to accept a premium income decline by 6.3 per cent. Main reason for this development can be found in a widening competitive struggle leading to generally lower premium rates. The non-life business as a whole managed to achieve an excellent claims ratio. The gross claims-/expense ratio stands at good 91.7 per cent.

Interesting product range
The analysis of the premium development in the life business is distorted by the integration-caused standardisation of the entry practice for the premiums collected. If this adjustment is not considered the premium development in comparison with the reported result presents an even more pleasing outcome. The risk products in particular helped to achieve this premium growth rate.

Progress thanks to optimizations
In the following months, Helvetia Previsión will continue to optimize the newly established procedures and structures. This measure might have a slightly negative impact on the premium development in the second half year. A range of marketing measures will support the new company to become well-known in the market, thus counteracting the negative effect, and help the policy sales.

Country market France

The first half year 2004 was characterized in France by an again advancing economic growth. The economic situation in the insurance industry remained more or less the same as it was last year: The life insurance sector enjoyed a lively demand and the non-life business reported a pleasing increase by 5 per cent on the prior year.

Strong position in France
Our company in France is among the leading transport insurers and positions itself in this niche business as a high-quality service provider with a clear profile. The decentralized organizational structure enables a high-quality customer service.

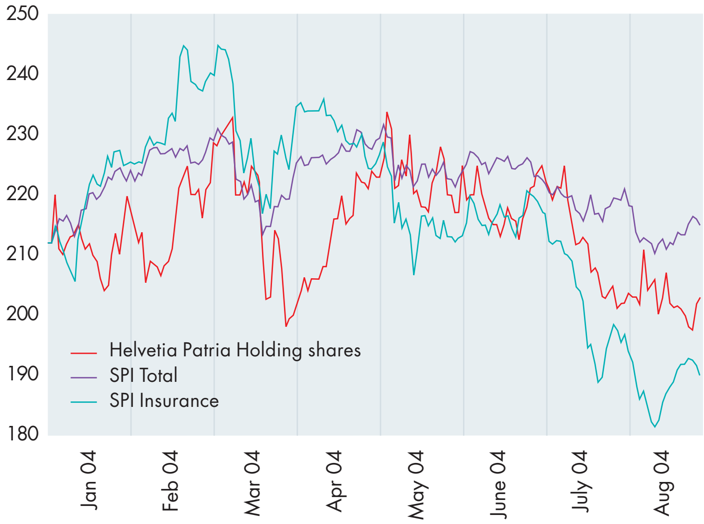
Successful half-year
Also as a consequence of two portfolio acquisitions from the British insurer «Royal & Sun Alliance» the premium income experienced a growth rate of 25.6 per cent in the first half year and reached EUR 36.7 million. Besides improving the loss experience and despite of depreciating the goodwill related to the acquisition the company managed to further reduce expenses and thus to contribute to a good combined claims-/expense ratio. The past half-year therefore reports a further improved operating result on the prior-year's result.

During the second half year 2004 Helvetia will put the integration of the acquired portfolios to the front. The goal is to consolidate the business relations arising from that operation. We will take maximum advantage of the existing partnerships and of potential opportunities which will be in the offing.

Intensifying the business relations and establishing sustainable operating improvements are in the forefront for the second half of 2004 besides developing new products for small and medium-size companies. Strengthening our market presence is another of our goals to be able to profit from the market opportunities available.

Our share

Share price trends from 01.01. to 31.08.2004 indexed in CHF



During the past six months investors could get another good dose of the fickleness of the financial markets. The first quarter was characterized by extremely good market conditions. Shortly after, however, the confidence of many stock investors started to crumble. Increasing interest rates and a deep volatility lowered the tendency at the stock markets so that the most important central stock exchanges closed on 30.06.2004 at about the same levels as when 2004 started out. The Dow Jones Industrial Index lost 0.2 per cent during this period. There is not much better news to announce from the other European indices: The German stock index DAX gained only 2.2 percentage points and the French CAC40 4.9 per cent while the British index FTSE100 closed 0.3 per cent lower. The Swiss stock market was not able to escape this lethargy either. The leading Swiss Performance Index of all shares listed lies with a performance of 5.2 per cent in the upper European mid-field.

Above-average Helvetia Patria

Considering those difficult conditions it is barely astounding that the stock prices of the Swiss insurance shares played also a waiting game. The Swiss Performance Insurance Index gained 3.6 per cent on the end of last year. Comparing the registered Helvetia Patria share with all other listed insurance shares reveals its above-average performance with a gain in value of 4.5 percentage points. This share price development is a reflection of the high profitability, the good reputation as well as the good market opportunities of our Group. Helvetia Patria keeps being suitable for the value-oriented investor and represents an interesting investment.

Stable shareholders' structure

Helvetia Patria is able to count on a stable shareholders' structure for many years. Not much has changed during the first six months of the current year either. At August 31, 2004, a total of 3 685 registered shareholders were entered in the share register.

Helvetia Patria Holding

	31.12.03	30.06.03	30.06.04
Share price (in CHF)	212.0	153.0	221.5
Market capitalisation[1] (in Mio CHF)	1334.1	962.8	1393.9
Profit after taxation per share[2] (in CHF)	15.4	4.5	12.3
Equity per share[1] (in CHF)	183.2	190.0	183.5
Ratio of market capitalisation to consolidated shareholders' equity	116 %	81 %	121 %
Number of shareholders	3722	3812	3697
Securities number/Symbol			1227 168/HEPN

[1] Based on 6 293 000 Helvetia Patria Holding shares
[2] Based on 6 293 000 Helvetia Patria Holding shares minus own holdings

The shares are currently held by the following shareholder groups:

– By private individuals	11 per cent
– By banks and insurance companies	26 per cent
– By other institutional investors	63 per cent

93 per cent of the shareholders are Swiss residents while 7 per cent of the investors are living abroad.

Attractive return

Thanks to the shareholder-friendly dividend policy as well as to the above-average payout rate the Helvetia Patria registered shares are suitable for investors with a long-term focus who value a sustainable price development. Although the shareholders' equity has decreased as a result of the bear market of the past years and of new regulatory requirements, our company has not yet procured new capital. The growth and all acquisitions and investments were independently financed so far.

A convertible bond of CHF 150 million will be retired next year. Taking advantage of the good market conditions was the reason when past May – for the purpose of a partial refinancing – a new bond in the amount of CHF 200 million with a coupon of 3 per cent and a time to maturity of 6 years was successfully placed in the market. A part of the proceeds was used for a Group-internal capital increase at Patria Leben AG which will, however, not affect the Group's financial statements.

The level of the shareholders' equity required for the Group will be increasingly also determined by the regulatory requirements, such as the legal quote in Switzerland, and by the funding needs of the internal growth and of acquisitions. The insurance industry in Switzerland as well as in Europe will have to set its own funds' requirements in accordance with risk-based criteria. This will probably lead to higher capital requirements.

Group results in CHF million

	30.06.03	30.06.04
Underwriting profit from non-life activities	60.5	74.7
Underwriting profit from life activities	–28.2	20.1
Non-underwriting profit	14.0	5.8
Result capital consolidation (amortization of goodwill)	–8.2	0.0
Profit before taxation	38.1	100.6
Taxation	–11.2	–26.9
Minority interests	–0.1	0.0
Profit after taxation and minority interests	26.8	73.7

Important Dates
- The results of the business year 2004 of Helvetia Patria Group will be published on April 7, 2005.
- The Annual Report will be available at the end of April 2005.
- The ordinary Helvetia Patria Shareholders' Meeting will take place on Friday, May 13, 2005 in St. Gallen.

Consolidated profit and loss account
Helvetia Patria Group

Non-Life underwriting in CHF thousand	31.12.03	30.06.03	30.06.04
Net earned premiums			
Net written premiums	1 985 104	1 162 045	1 288 966
Net change in reserves for unearned premiums	–16 908	–190 767	–208 195
Net earned premium	1 968 196	971 278	1 080 771
Net interest income assigned to non-life activities	130 099	65 812	63 519
Net claims paid			
Claims paid, net	–1 211 945	–592 975	–610 110
Change in reserves for claims outstanding, net	–97 047	–49 353	–70 994
Net claims paid	–1 308 992	–642 328	–681 104
Change in other underwriting reserves	–530	–1 821	–2 562
Net expenditure on results-linked and non-results-linked policyholders' dividends	–1 273	–206	–324
Net change in equalisation reserve	–17 425	–23 081	–28 613
Net underwriting expenses			
Gross underwriting expenses	–670 109	–338 038	–368 917
Commissions and profit share received from reinsurers	55 513	31 839	26 509
Net underwriting expenses	–614 596	–306 199	–342 408
Other underwriting expenditure	–23 400	–2 998	–14 538
Result from non-life underwriting activities	132 079	60 457	74 741

Life underwriting in CHF thousand	31.12.03	30.06.03	30.06.04
Net earned premiums			
Net written premiums	3 085 083	2 166 156	1 630 435
Net change in reserves for unearned premiums	–5 310	–311 149	–343 909
Net earned premium	3 079 773	1 855 007	1 286 526
Net interest income assigned to life activities	790 616	369 000	375 970
Funds transferred from policyholders' dividends reserve	27 845	26 228	1 241
Net benefits paid:			
Benefits paid, net	–2 360 779	–1 347 750	–1 594 864
Change in reserves for benefits outstanding, net	–28 656	55 689	45 373
Net benefits paid	–2 389 435	–1 292 061	–1 549 491
Net change in actuarial reserves, net	–1 055 487	–765 576	111 408
Net change in other underwriting reserves	–13 645	0	–5 000
Net underwriting expenses			
Gross underwriting expenses	–313 364	–175 342	–140 792
Commissions and profit share received from reinsurers	7 508	1 396	3 592
Net underwriting expenses	–305 856	–173 946	–137 200
Other net underwriting expenditure, net	–841	–147	–121
Result from life underwriting activities before policyholders' dividend distribution	132 970	18 505	83 333
Net expenditure on results-linked and non-results-linked policyholders' dividends	–103 408	–46 667	–63 247
Result from life underwriting activities	29 562	–28 162	20 086

Non underwriting in CHF thousand	31.12.03	30.06.03	30.06.04
Income from real estate	192 350	98 381	94 479
Income from investments in affiliates and associated companies	404	378	0
Income from other investments			
From shares, other non-fixed-interest-rate securities and investment funds	55 546	41 562	35 981
From fixed-interest-rate securities	526 156	265 146	248 407
From promissory loans	32 760	16 312	16 805
From mortgages	108 538	55 939	48 492
From policy loans	7 035	3 740	3 170
From fixed-term deposits and similar	10 377	6 178	3 697
Income from other investments	740 412	388 877	356 552
Interest on deposits	1 223	31	666
Gross realized gains on investments	358 116	239 316	172 733
Gross unrealized gains on investments	100 058	39 761	43 881
Other interest income	8 331	3 783	4 301
Expenditure on investments and interest costs			
Investment administration costs	–20 019	–9 520	–10 810
Realized losses on investments, including hedging expenses	–189 469	–125 386	–81 512
Depreciation of investments	–118 291	–163 983	–101 557
Interest payments on reinsured business and other interest cost	–62 156	–28 962	–27 871
Expenditure on investments and interest costs	–389 935	–327 851	–221 750
Interest assigned to life- and non-life underwriting activities	–920 715	–434 812	–439 489
Other income from ordinary business operations	5 804	1 627	2 475
Other expenditure on ordinary business operations	–19 638	4 542	–8 062
Result from non-underwriting activities	76 410	14 033	5 786

Combined in CHF thousand	31.12.03	30.06.03	30.06.04
Result from non-life underwriting activities	132 079	60 457	74 741
Result from life underwriting activities	29 562	–28 162	20 086
Result from non-underwriting activities	76 410	14 033	5 786
Result capital consolidation (amortization of goodwill)	–90 779	–8 250	–32
Result before taxation	147 272	38 078	100 581
Taxation	–54 756	–11 239	–26 856
Minority interests	–120	–65	–37
Result after taxation and minority interests	92 396	26 774	73 688

Consolidated balance sheet Helvetia Patria Group

Assets in CHF thousand	31.12.03	30.06.03	30.06.04
Intangible assets	22 463	108 104	23 395
Investments	25 491 181	25 396 127	25 654 150
Investments for unit-linked life insurance policies	607 930	562 705	636 555
Deposits from reinsurance assumed	73 846	69 246	71 182
Receivables from underwriting activities	530 452	555 343	628 965
Other receivables	147 379	165 623	123 065
Tangible fixed assets	46 887	49 134	43 711
Liquid assets	162 560	97 224	161 159
Other assets	2 760	7 458	6 369
Prepaid expenses	635 844	551 180	560 524
Total asset	27 721 302	27 562 144	27 909 075

Liabilities and shareholders' equity in CHF thousand	31.12.03	30.06.03	30.06.04
Shareholders' equity	1 152 996	1 195 520	1 154 815
Minority interest in shareholders' equity	2 257	1 996	2 327
Reserve for unearned premiums, gross	701 182	1 120 458	1 207 749
Actuarial reserves, net	19 005 985	18 723 769	18 779 927
Outstanding claims reserve, net	2 484 791	2 288 924	2 412 808
Net reserve for results-linked and non-results-linked policyholders' dividends	243 859	236 246	252 492
Net equalisation reserve	280 191	270 844	311 054
Reserves for unit-linked life insurance policies	592 725	558 818	621 505
Other net underwriting reserves	51 766	52 934	59 889
Other reserves	756 193	817 255	689 225
Reinsurance deposit liabilitiies	184 477	181 569	179 165
Convertible bond	150 000	150 000	350 000
Other insurance liabilities	1 851 024	1 640 232	1 587 765
Other liabilities	108 990	205 205	140 865
Accrued liabilities	154 866	118 374	159 489
Total liabilities and shareholders' equity	27 721 302	27 562 144	27 909 075

During the year 2004 new legal provisions have taken effect at short notice with regard to separating the investments. Those provisions will affect the revaluation reserves in the consolidated shareholders' equity. The related separation plans are under development and the approval is expected to be given by the supervisory authorities during the fourth quarter of 2004. We are estimating the share of the revaluation reserves to be separated to reach an amount of about CHF 100 million which will be reported in the balance sheet for the first time at 31.12.2004.

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