

Annual Results 2003

Helvetia Patria Group

Welcome



**HELVETIA
PATRIA**



Program:

- The overall business Erich Walser
- The underwriting accounts Roland Geissmann
- The non-underwriting account
- Solvency and shareholders' equity
- The consolidated overall result
- The Swiss business Philipp Gmür
- Review and preview Erich Walser
- Questions and Answers

The overall business

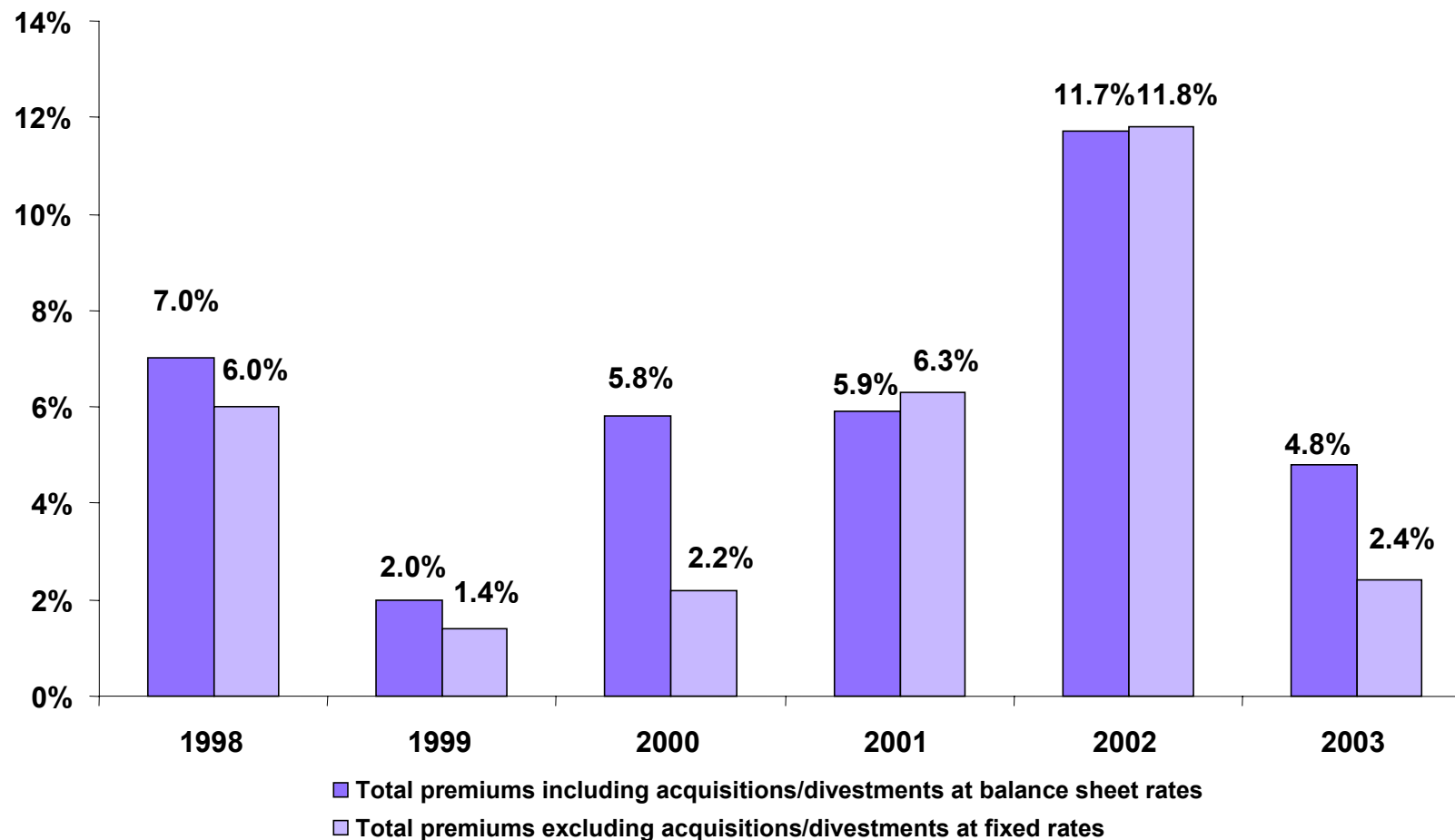
Erich Walser, CEO

Good overall result

In CHF million, unless otherwise noted

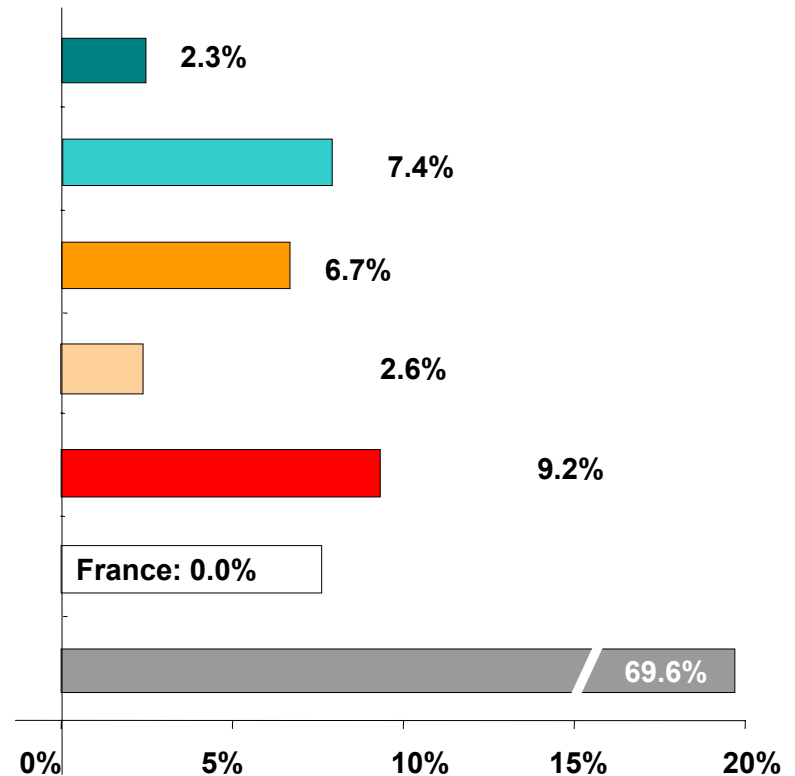
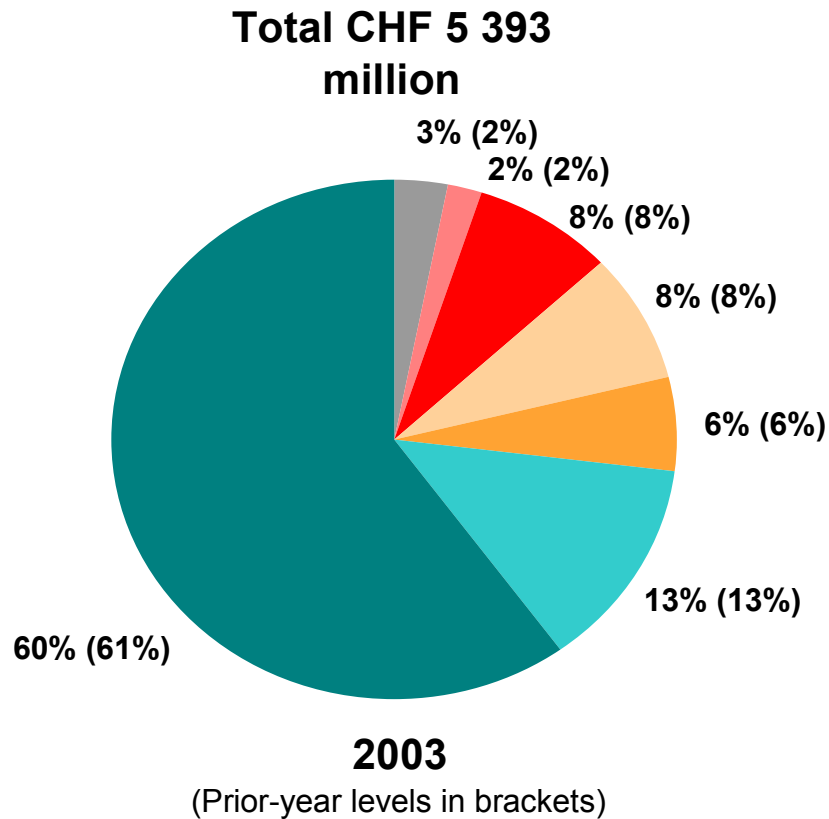
	2002	2003
Gross written premiums	5 144.9	5 392.6
Income from investments	- 67.2	1 083.6
Result before taxation	- 350.6	147.3
Result after taxation	- 362.0	92.4
Investments at market values	23 793.8	25 491.2
Net underwriting reserves	21 815.2	23 360.5
Consolidated shareholders' equity	1 046.5	1 153.0
Market capitalization	962.8	1 334.1
Result after taxes per share (in CHF)	- 60.3	15.4
Consolidated shareholders' equity per share (in CHF)	166.3	183.2
Share price (CHF)	153.0	212.0
Price/Book ratio	92%	116%
Number of shareholders	3 761	3 722

Controlled premium growth



Premium growth by country

(including indirect business)



 Switzerland	 Austria	 Spain
 Germany	 Italy	 France

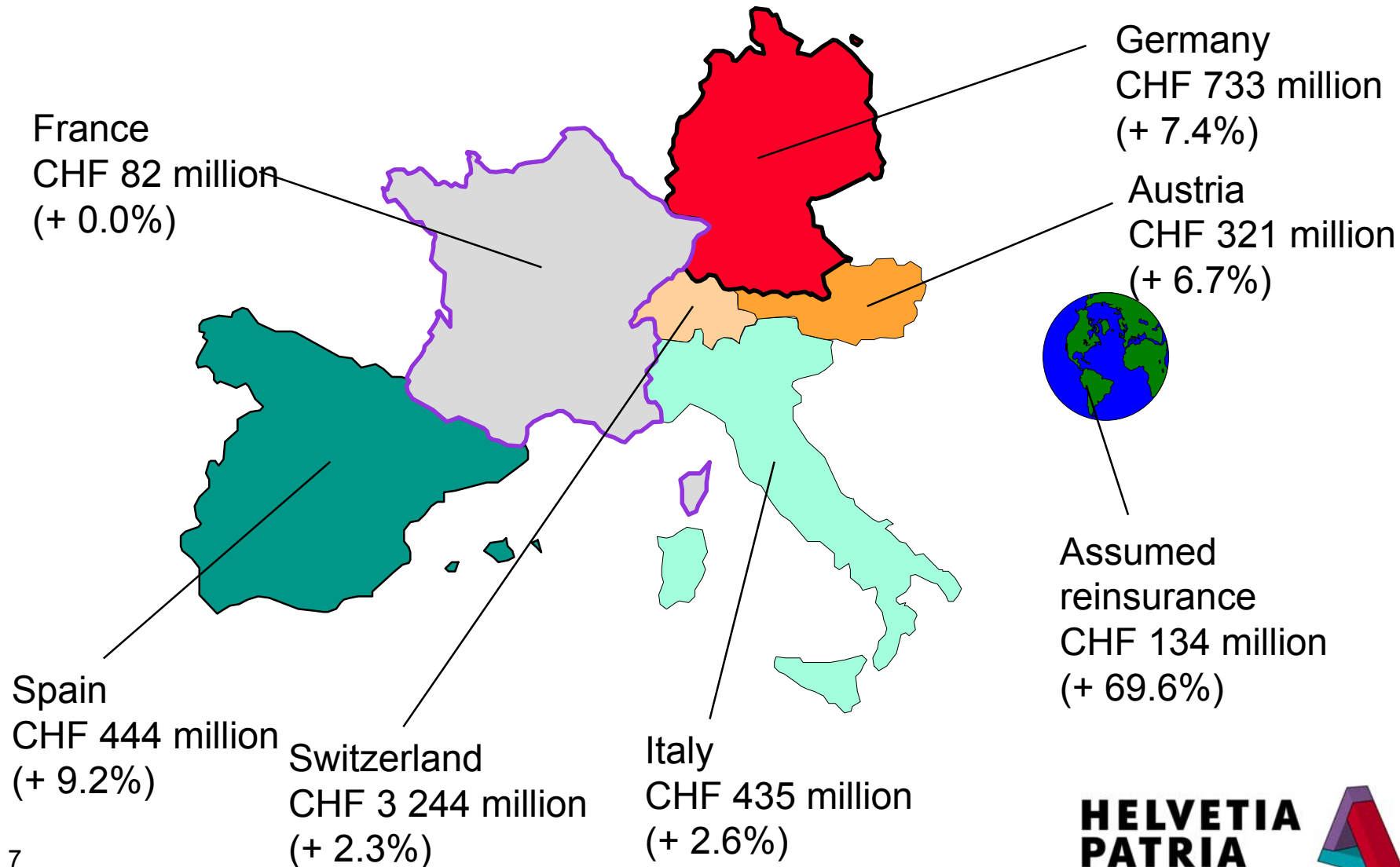
 **Indirect business**

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Premium distribution by country

Gross written premiums - Group: CHF 5 393 million



Successful business units

- **Germany:** Good claims year, slight premium growth in all sectors, product innovations, efforts to improve customer-satisfaction and loyalty
- **Austria:** Turnaround on course, high growth rates in the property and motor-vehicle business, cost reductions, efficiency gains thanks to new IT- systems
- **Italy:** Better portfolio composition thanks to declining motor-vehicle business, cautious underwriting policy, good combined ratio, strong demand for traditional life products
- **Spain:** Merger on schedule: 1 management - 1 range of products - 1 brand, satisfactory premium volume, lower claims burden
- **France:** High market share, co-operation with Azur Transport, declining premium volume due to deliberately restrictive risk selection, better combined ratio
- **Assumed reinsurance:** High premium growth, synergies between Assumed and Group (outwards) reinsurance

The underwriting accounts

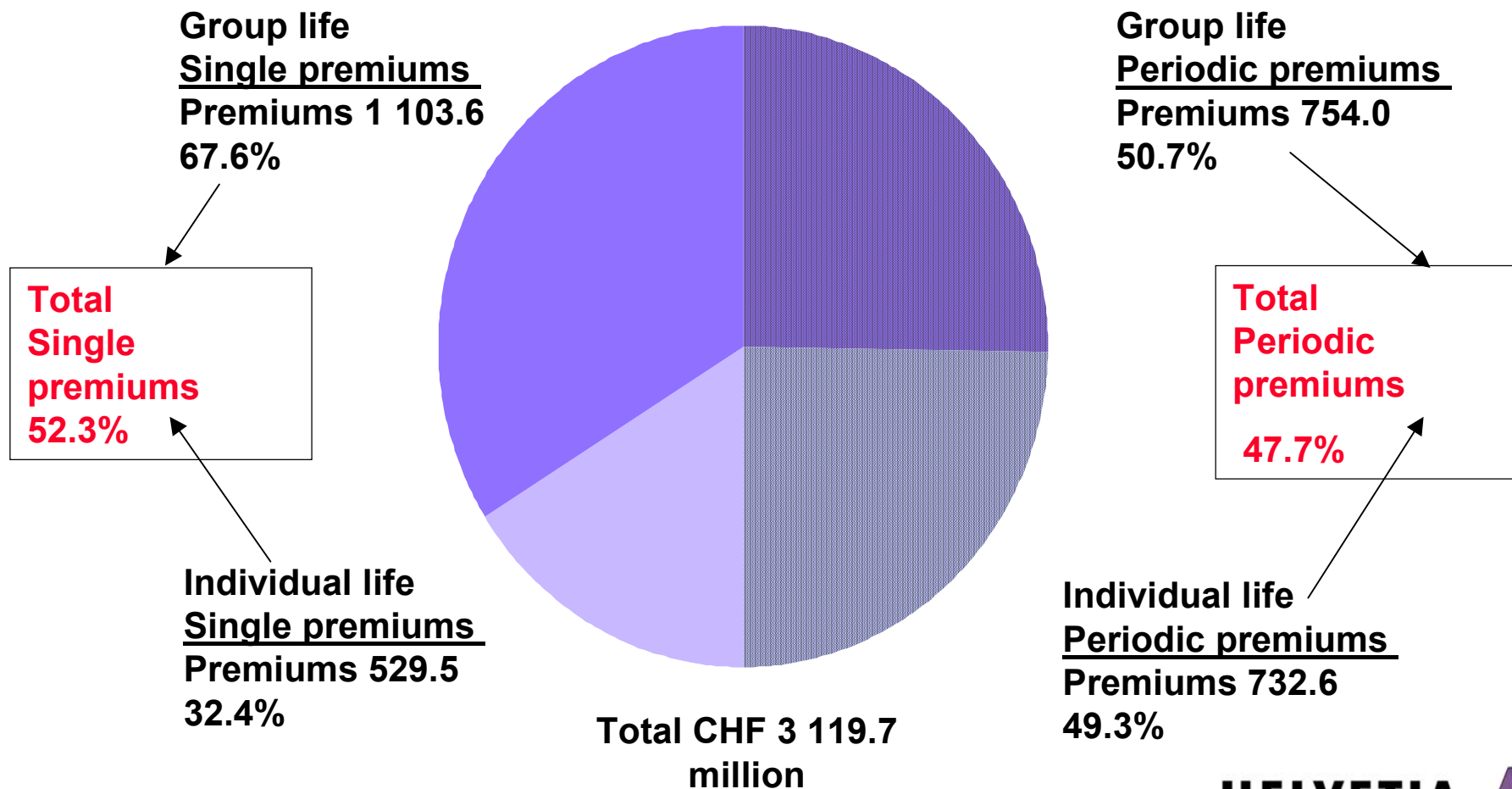
Roland Geissmann, CFO

**Life business:
Again positive
underwriting result**



Life business: Premium distribution

In CHF million



Life business: Again positive underwriting result

In CHF million	2002	2003	Change
Net written premiums	3 049.2	3 085.1	+ 1.2%
Net benefits paid	- 1 814.8	- 2 389.4	+ 31.7%
Net change in actuarial reserves	- 1 529.2	- 1 055.5	- 31.0%
Net change in other underwriting reserves	25.5	- 13.6	-
Net underwriting expenses	- 330.5	- 305.9	- 7.4%
Net expense ratio in % of net written premiums	10.8%	9.9%	-
Net expenditure on results-linked and non-results linked policyholders' dividends	- 9.9	- 103.4	+944.4%
Result from life underwriting activities	- 87.2	29.6	133.9%
Net underwriting reserves	18 836	20 120	+ 6.8%

**Non-life business:
Excellent**

Non-life business: Again significantly improved result

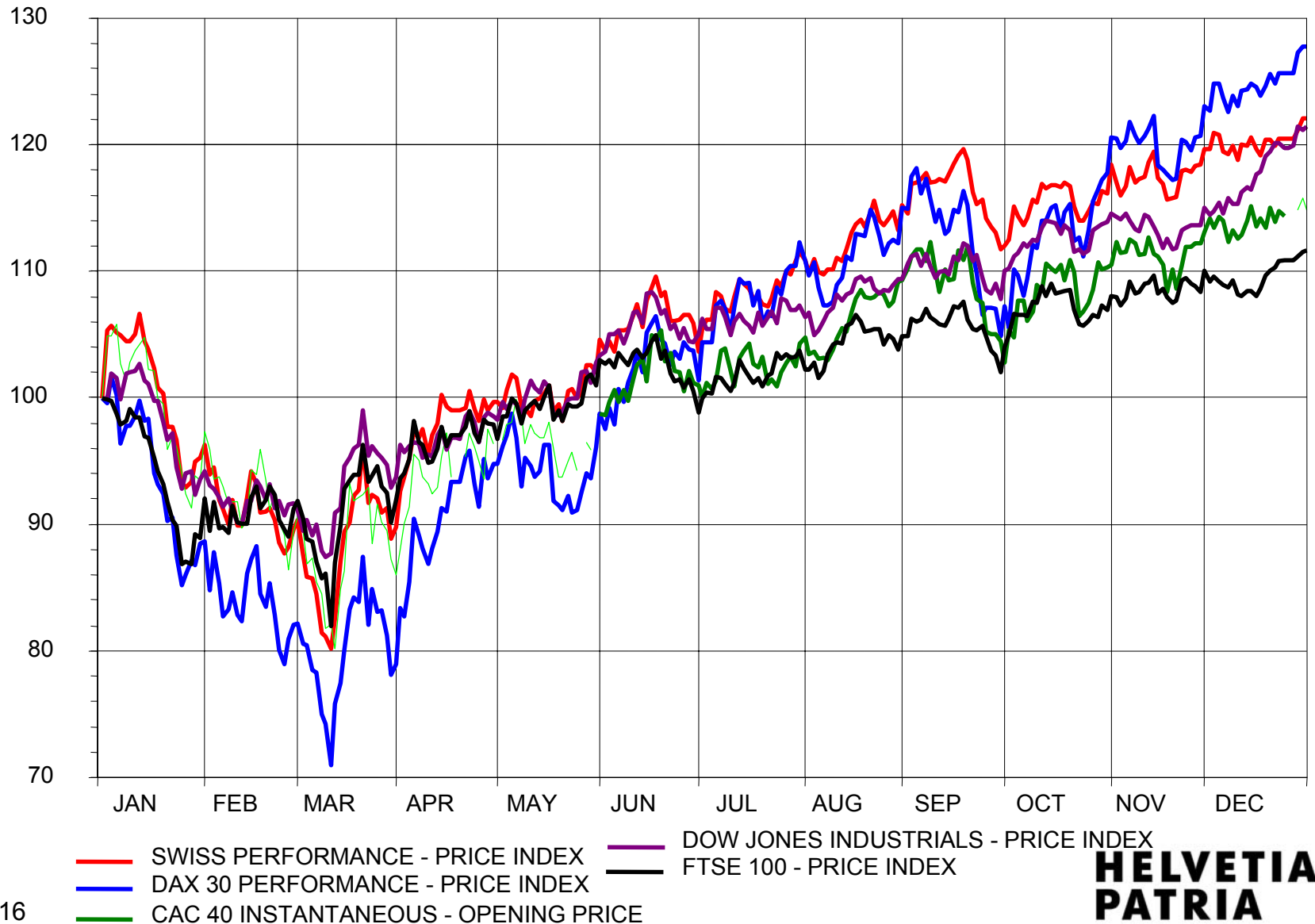
In CHF million

	2002	2003	Change
Net written premiums	1 821.8	1 985.1	+ 9.0%
Net claims paid	-1 291.6	- 1 309.0	+ 1.3%
Net change in equalisation reserve	-55.0	- 17.4	-
Claims ratio (excl. change in equalisation reserve) in % of net earned premiums	68.3%	67.4%	-
Net underwriting expenses	-576.1	615.2	+ 6.8%
Expense ratio in % of premiums written	31.6%	31.0%	-
Combined Ratio (Sum of claims ratio in % of earned premiums and exp. ratio in % of written premiums)	99.9%	98.4%	-
Result from non-life underwriting activities	95.8	132.1	+ 37.9%
Net non-life underwriting reserves	2 979.2	3 240.7	+ 8.8%
in % of earned premiums	164.6%	164.7%	-

Includes indirect business

The non-underwriting account

Development of selected stock market indices 2003



Investment result

In CHF million

1. Current income
2. Realized gains/losses
- on index- and unit-linked life insurance policies
3. De- / appreciation and value adjustments affecting the operating result
- of index- and unit-linked life insurance policies
Sum of 1.- 3. *)
(Difference between 2. and 3.)
4. Total investment income
- with index- and unit-linked life insurance policies
- without index- and unit-linked life insurance policies

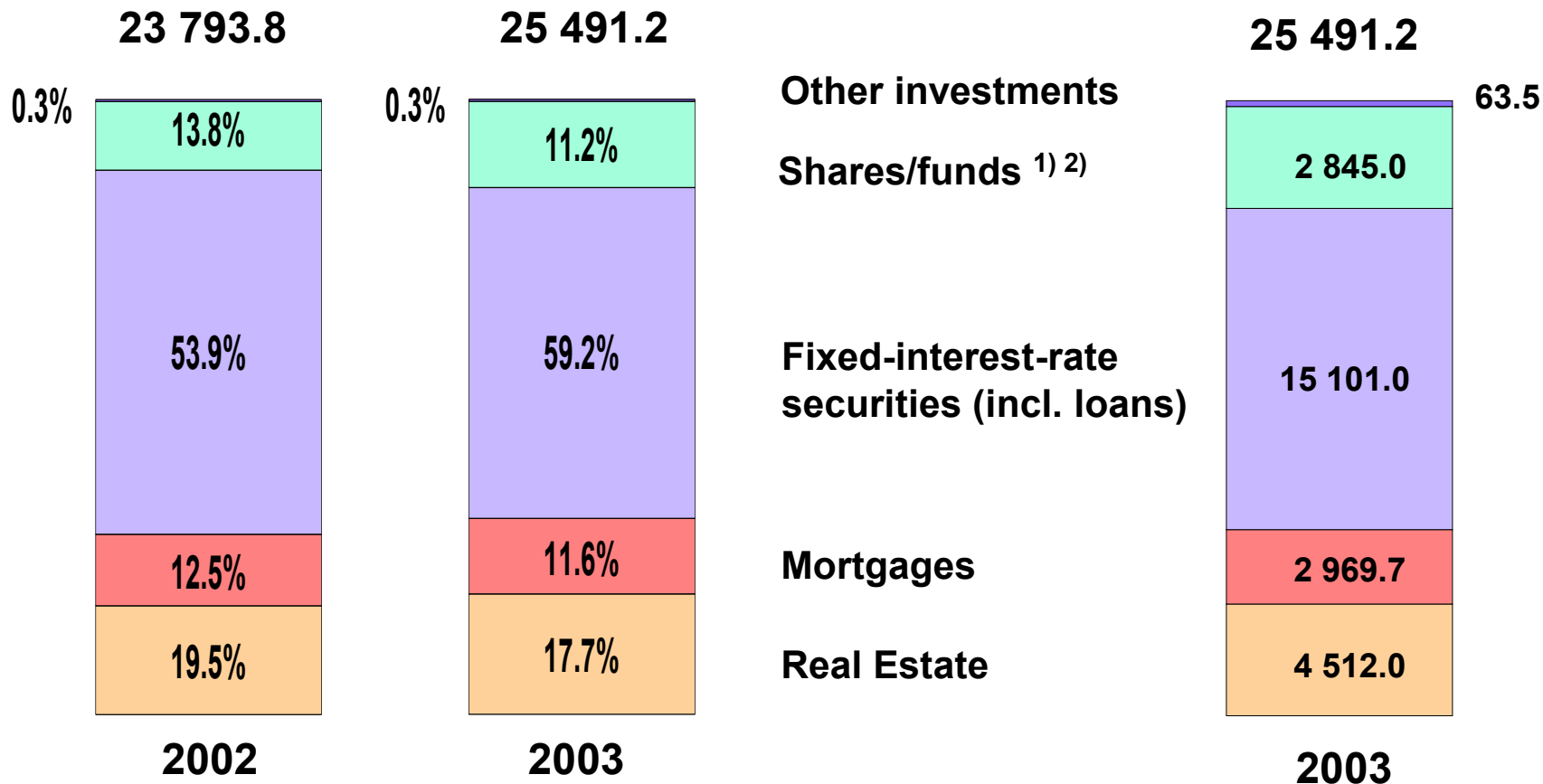
2002	2003	Change
914	933	+ 2.1%
- 46	168	-
-	-	-
- 898	- 69	- 92.3%
- 37	51	-
(- 935)	(- 18)	- 98.1%
(- 981)	(150)	-
- 67	1 083	-
- 30	1 032	-

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



Investment structure

In CHF million



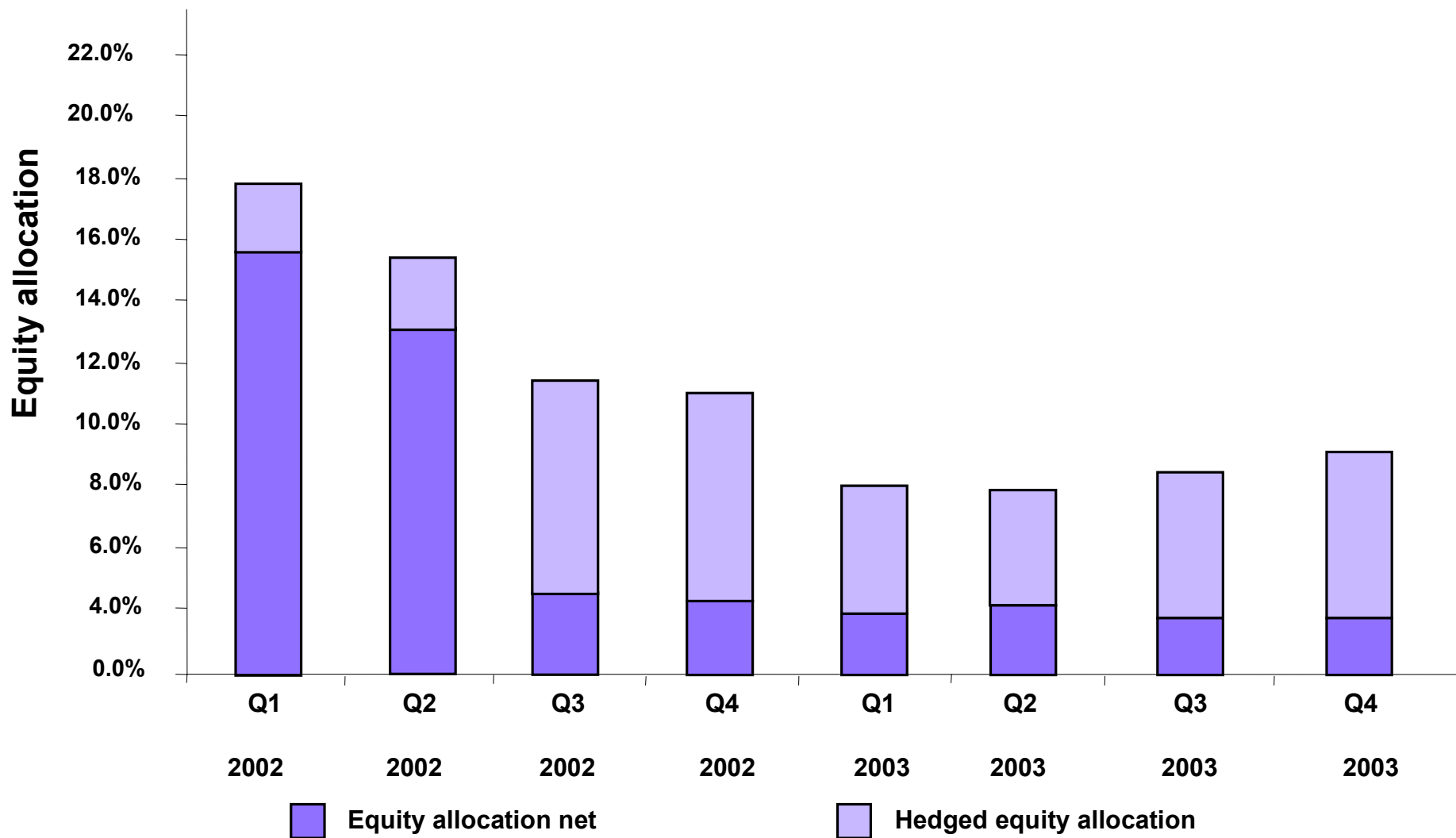
1) Shares/ share funds: CHF 2 364.6 million
 Mixed and bond funds: CHF 356.8 million
 Derivatives and options: CHF 123.6 million

2) Alternative investments : 15.6%, i.e.
 CHF 443.8 million (private equity und hedge funds)

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Hedging measures and equity exposure

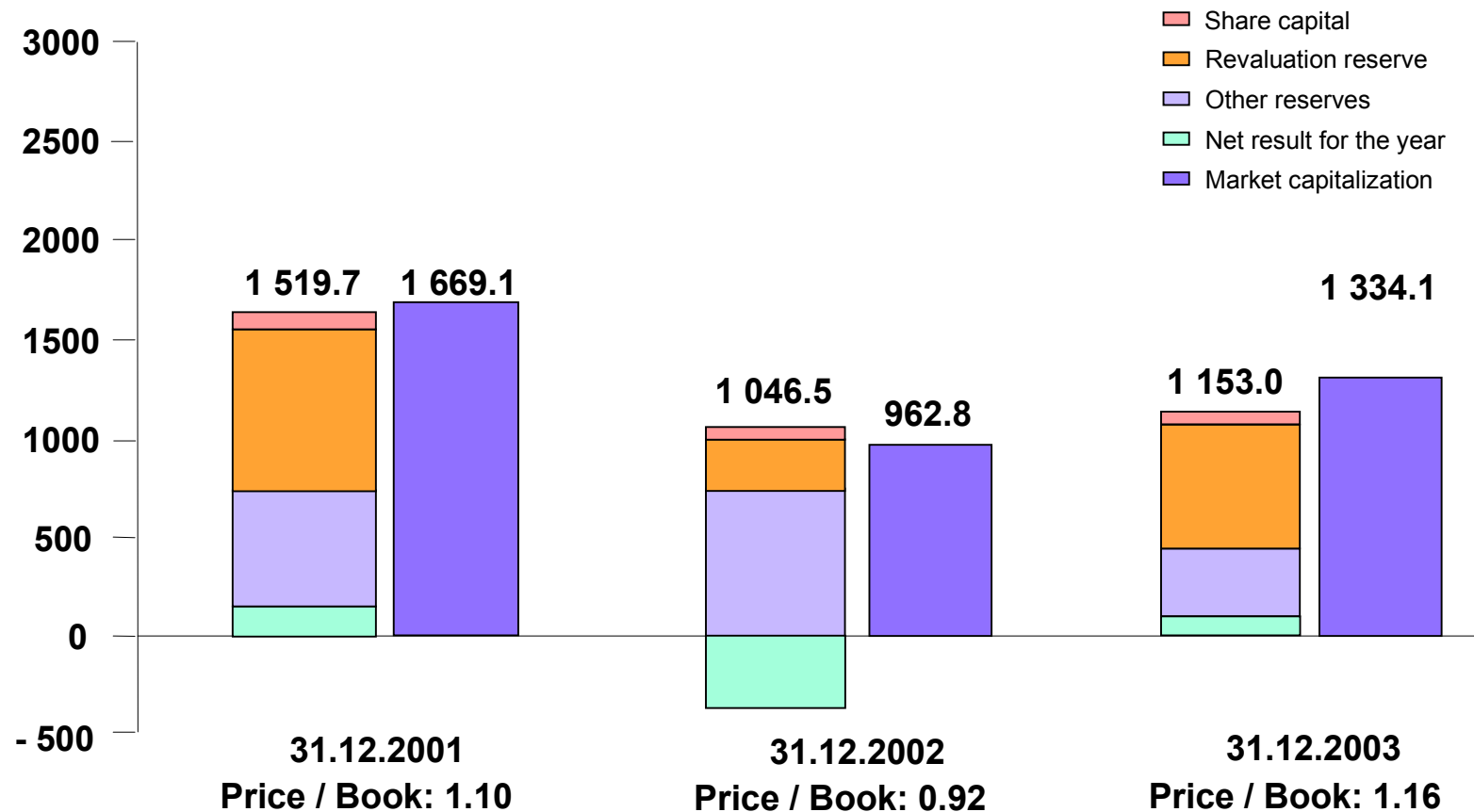


Solvency and shareholders' equity



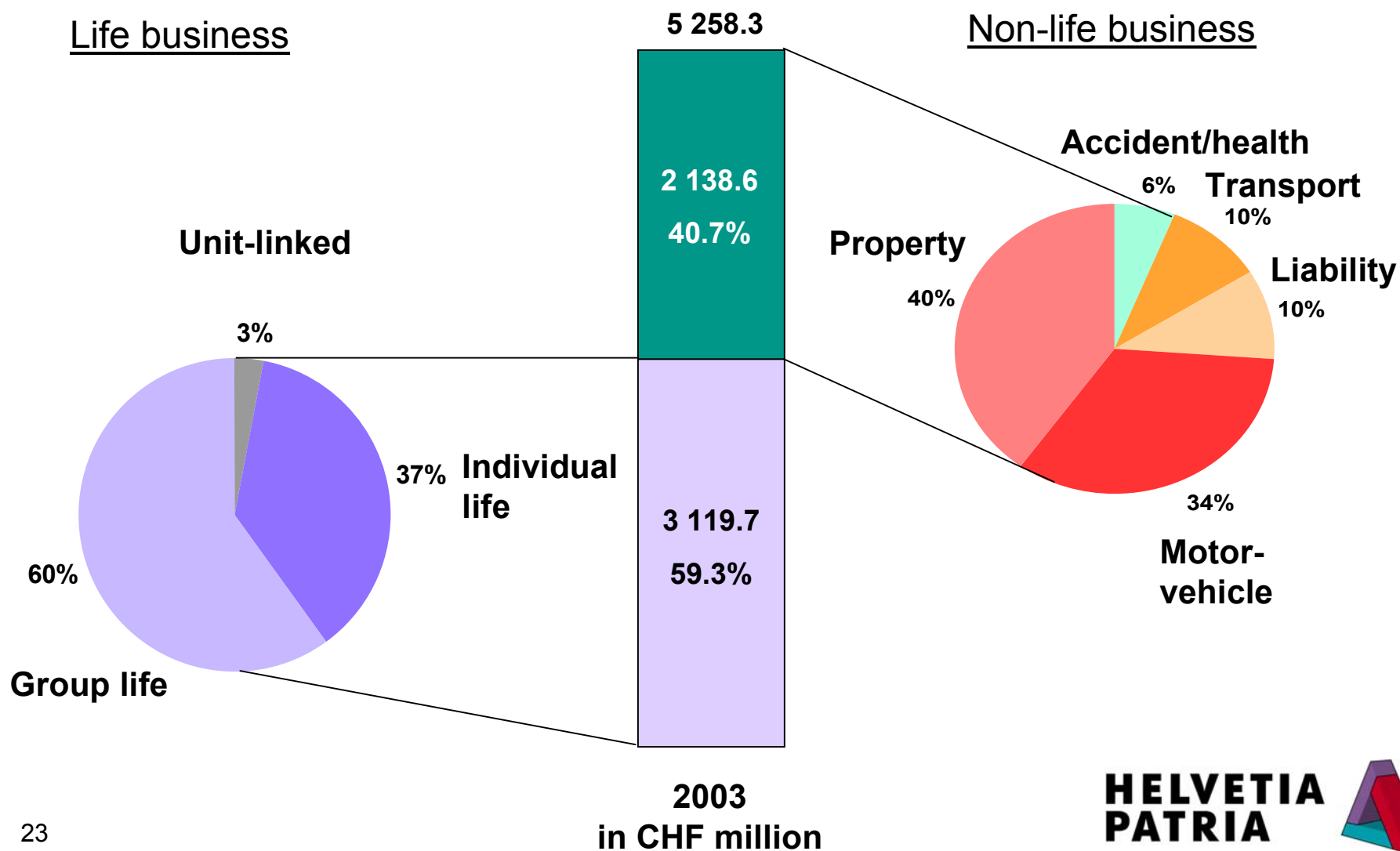
Shareholders' equity in comparison with market capitalization

In CHF million



The consolidated overall result

Direct business: Premium volume by business segment



Group result

In CHF 1'000

	2002	2003	Change
Non-life underwriting account	95 827	132 079	37.8%
Life underwriting account	- 87 168	29 562	133.9%
Non-underwriting account	- 343 135	76 410	122.3%
Subtotal 1	- 334 476	238 051	171.2%
./ Impairment goodwill (prior year: linear depreciation)	- 16 158	- 90 779	461.8%
./ Taxation	- 11 277	- 54 756	385.6%
./ Minority interests	- 91	- 120	31.9%
Result after impairment goodwill, taxation and minority interests	- 362 002	92 396	125.5%
Result per share (in CHF)	- 60.3	15.4	125.5%

The Swiss business

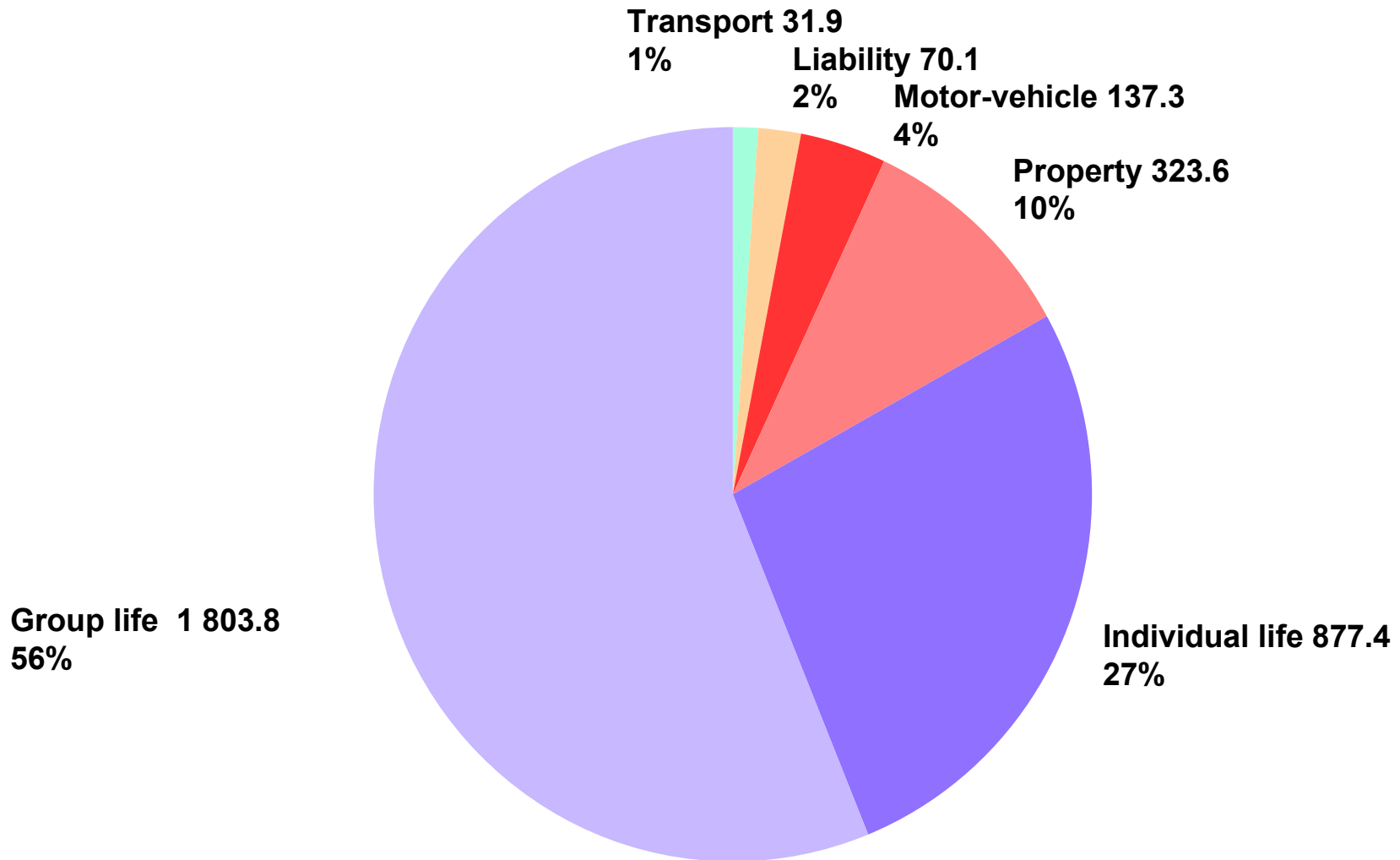
Philipp Gmür, CEO Switzerland

Switzerland: A 2003 overview

In CHF million	2002	2003	Change
Premiums Life	2 630.1	2 681.2	1.9%
Premiums Non-Life	540.8	562.9	4.1%
Total prem. Switzerland	3 170.9	3 244.1	2.3%

- Growth: of life deliberately slowed down, of non-life exceeding the expectations
- Profitable non-life business
- Continuous structural problems with the BVG * business (* occupational benefit plans)

Switzerland: Gross premiums by segment



Total: CHF 3 244.1 million

Switzerland: Premiums life business

In CHF million	2002	2003	Change
Total premiums direct life	2 630.1	2 681.2	1.9%
Periodic premiums individual	410.1	416.9	1.7%
Single premiums individual	457.1	460.5	0.7%
Total individual life	867.2	877.4	1.2%
Periodic premiums group	660.0	724.1	9.7%
Single premiums group	1 102.9	1 079.7	- 2.1%
Total group life	1 762.9	1 803.8	2.3%

Switzerland: Premiums non-life business

In CHF million

	2002	2003	Change
Total premiums non-life	540.8	562.9	4.1%
Property	315.7	323.6	2.5%
Transport	25.8	31.9	23.4%
Motor-vehicle	135.2	137.3	1.5%
Liability	64.1	70.1	9.4%

Switzerland: Key indicators non life business

	2002	2003
Gross written premiums (CHF million)	540.8	562.9
Gross claims ratio (%)	63.8	61.3
Gross expense ratio (%)	30.0	28.3
Gross combined ratio (%)	93.8	89.6
Net combined ratio (%)	99.9	97.7

BVG-business: Some progress

- Reduction of minimum interest rate from 4% to 3.25%
- Further cost reductions in sales and administration
- Decrease of policyholders' dividends
- Result of the disability sector continuously negative but stabilized thanks to premium rate increases

BVG-business: Structural problems and regulation density

- **Lack of minimum interest rate formula**
- **Pension conversion rate too high**
- **1. BVG-revision: transparency regulations**
- **Minimum distribution rate (legal quote)**

BVG-business: Reaction Helvetia Patria

- **Selective underwriting policy**
- **Adjustment of disability- and risk premiums at 1.1.2004**
- **Reduction of pension conversion rate for the part exceeding the legal requirements to 5.84 % for men (65) and 5.45 % for women (62) respectively**
- **Additional internal process optimizations**

Preview for the Swiss business









- **Group life: Adaption new legal requirements**
- **Individual life: subdued growth**
- **Non-life: concentration on profitable segments**
- **TerzAvita**
- **Quality- and service offensive: continuation**

Review and preview

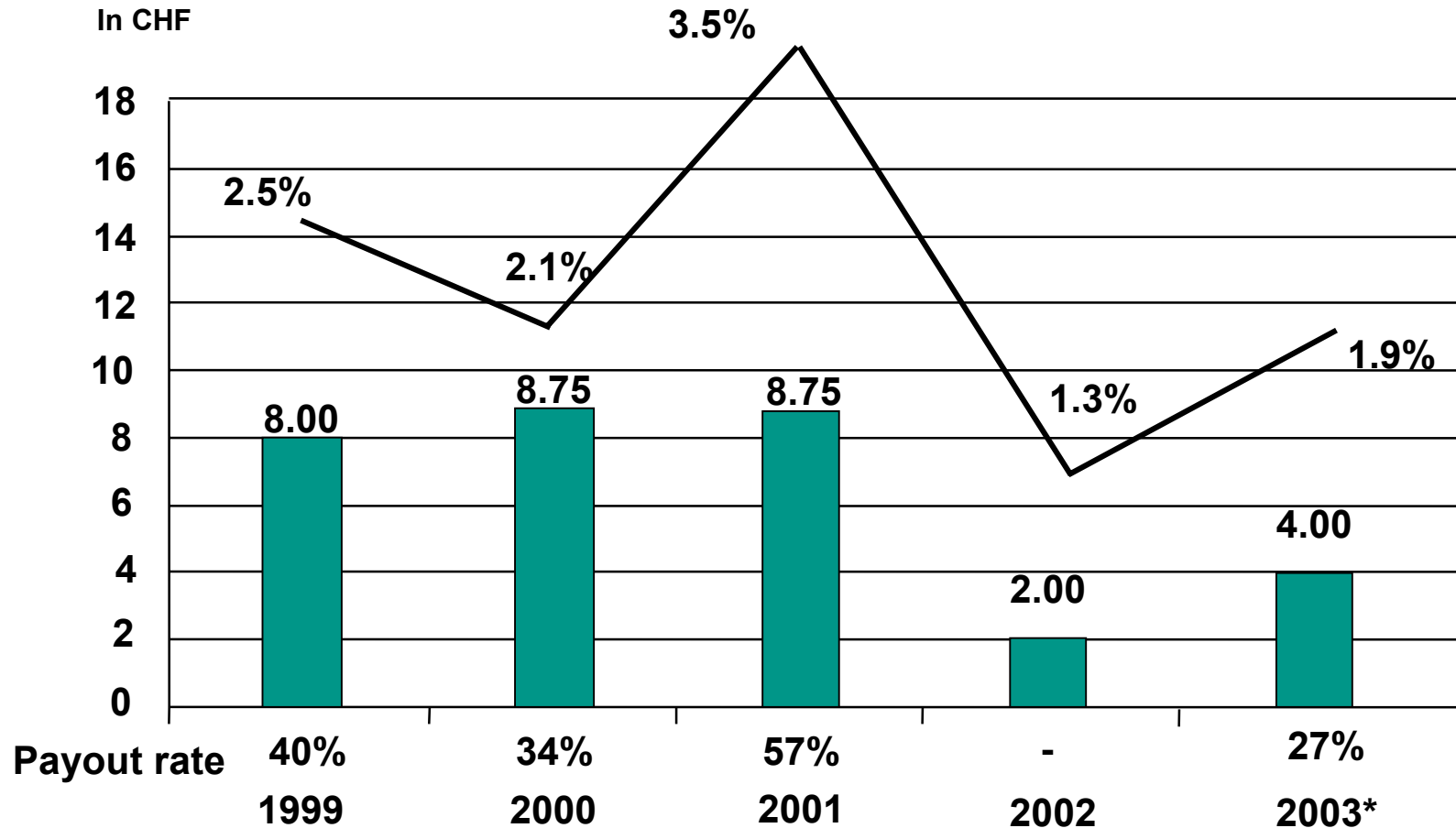
Erich Walser, CEO



Overall assessment

- Profit growth /RoE 
- Underwriting result non-life 
- Combined ratio (cost-/claims mgt.) 
- Investment result 
- Profitability improvement in BVG-business 
- Solvability of individual companies 
- Risk capacity 
- Framework group life business 

Sustained dividend policy



■ Dividend per share

— Dividend yield at year-end price

* Proposal to the Shareholders' Meeting



Objectives for the business year 2004

- **Implementation of Strategy 2004-2006:
profitability before growth!**
- **Combined ratio below 100 per cent**
- **Positive results in all country markets**
- **Positive result in the Swiss group business**
- **Continuation of cost discipline**
- **Increase of Group's risk capacity**

Current business trends and preview (Feb. 04)

■ Premium growth (Direct business aggregated)

Total: + 1.1 % (LC - 1.4%)
Life: - 6.8 % (LC - 7.4%)
Non-life: + 13.0 % (LC +7.7%)

■ Claims trends

No extraordinary events

■ Cost development

Within budget

■ Investment result

Current income within budget
Increased revaluation reserve
Continued conservative investment policy

■ Preview 2004

on track

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
- Strong country markets and brands
- Strong base for European growth
- Access to customers through multi-channel business model

Our Challenges

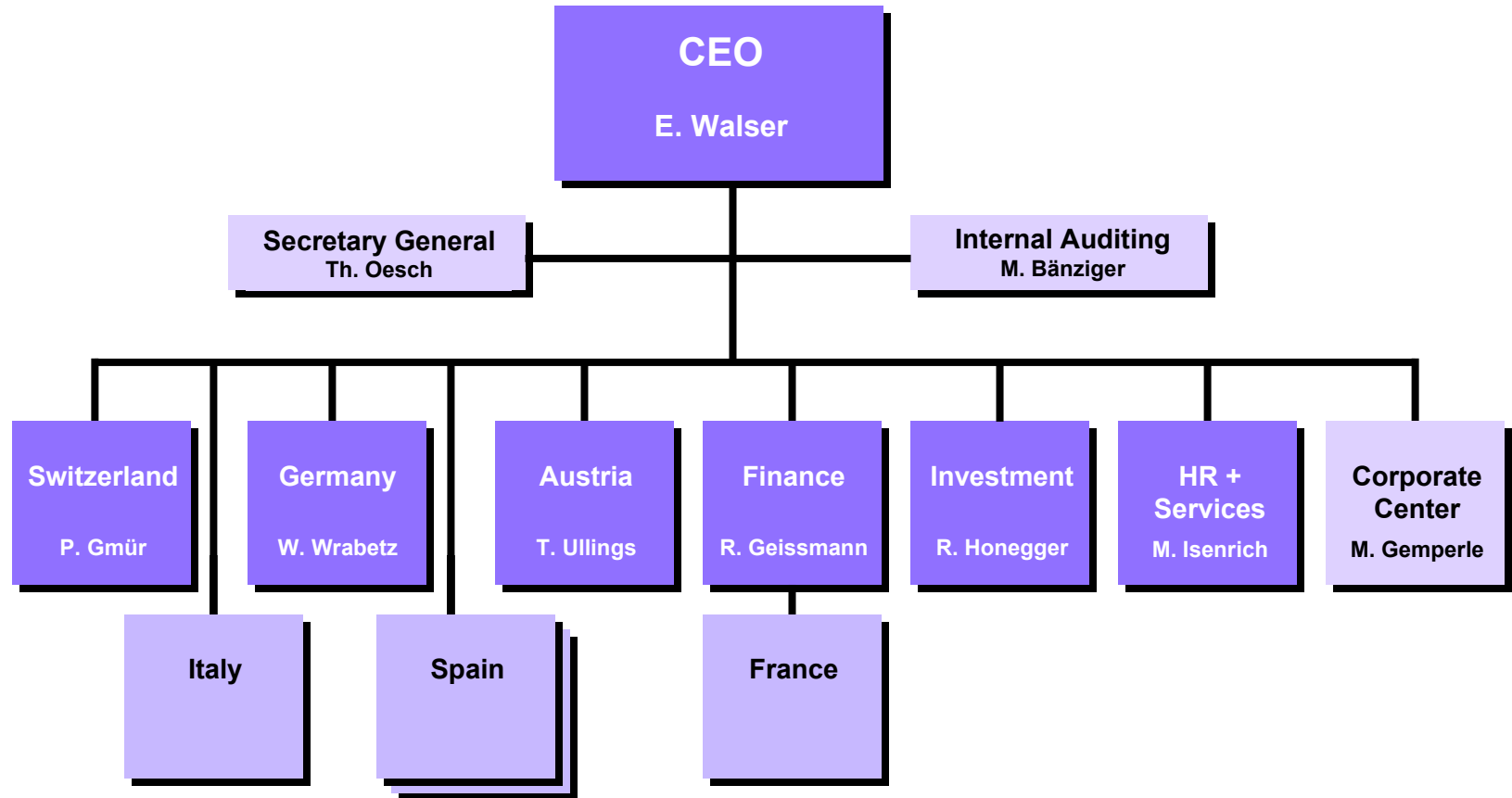
- Strengthening of risk capacity and concentration on profitable business






**Just
ask
us.**

Appendix

The Management of the Helvetia Patria Group



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

A historical overview

- 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
- 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
- 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