HELVETIA PATRIA

Offering of 2,359,875 Shares of Helvetia Patria Holding Offer Price: CHF 125 per Share

This offering circular and listing prospectus (the **"Prospectus"**) relates to an offering (the **"Offering"**) of 2,359,875 newly issued registered shares with a nominal value of CHF 10 each (the **"Offered Shares"**) of Helvetia Patria Holding, a company incorporated under the laws of Switzerland with registered office in St.Gallen, Switzerland (**"Helvetia Patria"** or the **"Company"** and, together with its subsidiaries, the **"Helvetia Patria Group"** or the **"Group"**). The Offered Shares are fully fungible and rank pari passu in all respects with each other and with all other issued and existing registered shares with a nominal value of CHF 10 each of the Company (the **"Existing Shares"** and, together with the Offered Shares, the **"Shares"**).

The Offering consists of: (i) a rights offering (the **"Rights Offering"**) in which the holders of Existing Shares will receive tradable pre-emptive rights (the **"Rights"**) over the Offered Shares, and (ii) a sale of Entitlements (as defined below) (the **"Entitlement Sale"**) in which Entitlements allotted to the Lead Manager (as defined below) on behalf of the Managers (as defined below) in respect of Offered Shares for which Rights have not been exercised are sold by the Lead Manager in certain jurisdictions outside the United States, in each of these cases in reliance on Regulation S (**"Regulation S"**) under the United States Securities Act of 1933, as amended (the **"Securities Act"**), and in accordance with other applicable securities laws, rules and regulations.

An underwriting syndicate led by Credit Suisse First Boston (the **"Lead Manager"** and, together with Bank Vontobel AG (the **"Co-Lead Manager"**) and the other member of such underwriting syndicate, the **"Managers"**) has agreed to subscribe for any Offered Shares not taken up in the Rights Offering and not sold in the Entitlement Sale, subject to the satisfaction of certain conditions as set forth in the Underwriting Agreement (as defined below).

Each holder of Existing Shares holding Shares after close of trading on November 29, 2004 (the **"Record Date"**) will be allotted one Right per Existing Share held. The Rights are subject to the Offering taking place, see "Offering – Underwriting". The exercise of eight Rights will entitle the exercising holder to subscribe for three Offered Shares against payment in cash of the offer price of CHF 125 per Offered Share (the **"Offer Price"**), subject to the terms and conditions set out in this Prospectus. Upon their exercise eight Rights become three Entitlements (as defined below). The Rights must be exercised between November 30, 2004 and 12.00 noon (CET) on December 8, 2004 (the **"Rights Exercise Period"**). The Rights are expected to be admitted to trading on the SWX Swiss Exchange (**"SWX"**) from November 30, 2004 until December 7, 2004 (the **"Rights Trading Period"**). Prior to the Offered Shares being issued and traded on the SWX, the exercising holders will obtain rights to be delivered Offered Shares "if and when issued" (the **"Entitlements"**), whereby one Entitlement will entitle its holder to receive one Offered Share. If and to the extent Rights will not have been exercised by their holders by the end of the Rights Exercise Period, the respective Entitlements will be allotted to the Lead Manager on behalf of the Managers who will sell the Entitlements in the Entitlement Sale. The Entitlements are expected to be admitted to trading on SWX on a second trading line and such trading to commence on December 9, 2004 and to end on December 13, 2004. Entitlements are expected to be converted into Offered Shares before start of trading on SWX on December 14, 2004.

The Existing Shares are listed on the main board of the SWX under the symbol "HEPN". The Company has applied for the Offered Shares to be listed and admitted to trading on the main board of the SWX. It is expected that listing of the Offered Shares will become effective, and trading in these Offered Shares will commence on or about December 14, 2004.

Neither the Rights nor the Entitlements nor the Offered Shares have been or will be registered under the Securities Act and may not, unless so registered, be offered, sold, resold, delivered, taken up, transferred or renounced, directly or indirectly, in the United States or to U.S. persons as defined in Regulation S, except pursuant to an exemption from the registration requirements of the Securities Act and in accordance with other applicable securities laws, rules and regulations. Subject to certain exceptions, this Prospectus may not be sent to any person in the United States, Canada, Australia or Japan or any other jurisdiction in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares nor should this Prospectus be forwarded to any such person. **For a description of certain restrictions regarding the Offering see the section entitled "Offering Restrictions".**

Investing in the Rights, the Entitlements or the Offered Shares involves risks. See the section entitled "Risk Factors" beginning on page 10 to read about material factors that should be considered before investing in Rights, Entitlements or Offered Shares.

The Rights, the Entitlements and the Offered Shares are expected to be accepted for settlement and clearance through SIS SegaInterSettle AG, Olten, Switzerland (**"SIS"**), Clearstream Banking S.A., Luxembourg (**"Clearstream"**), and Euroclear Bank S.A./N.V., Luxembourg, as operator of the Euroclear system (**"Euroclear"**).

Lead Manager

Credit Suisse First Boston

Co-Lead Manager

Bank Vontobel AG

Co-Manager

Schweizer Verband der Raiffeisenbanken

The date of this Prospectus is November 29, 2004.

No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained in this Prospectus in connection with the Offering described herein. If given or made, such information or representations must not be relied upon as having been authorized by Helvetia Patria or the Managers. Neither the delivery of this Prospectus nor any purchase or sale made hereunder shall, under any circumstances, create any implication that there has not been any change in the facts set forth in this Prospectus or in our affairs since the date hereof.

In addition to their own examination of the Company and its subsidiaries as well as the terms and conditions of the Offering, including the merits and risks involved, investors should rely only on the information contained in this Prospectus and notices required under the listing rules of the SWX (the **"Listing Rules"**) that are published by the Company and expressly amend this Prospectus (the **"Notices"**).

Any purchase of Rights, Entitlements or Offered Shares in the Offering must be made solely on the basis of the information contained in this Prospectus as expressly amended and supplemented by Notices published by the Company, which may contain different information from that contained in this Prospectus. Recipients must not distribute this Prospectus into jurisdictions where such distribution would be unlawful.

IN CONNECTION WITH THE OFFERING, THE LEAD MANAGER OR ITS AFFILIATES OR AGENTS MAY, ON BEHALF OF THE MANAGERS, EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AND THE RIGHTS AND ENTITLEMENTS AT LEVELS THAT MIGHT NOT OTHERWISE PREVAIL IN THE OPEN MARKET FOR A LIMITED PERIOD AFTER CLOSING. SUCH TRANSACTIONS MAY BE EFFECTED ON THE SWX, THE OVER-THE-COUNTER MARKET OR OTHERWISE. THERE IS NO OBLIGATION OF THE LEAD MANAGER OR ANY SUCH AGENT TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Managers to subscribe for or purchase the Rights, Entitlements or Offered Shares in any circumstances or in any jurisdictions where such offer or invitation is unlawful. No action has been taken by the Company or the Managers that would permit an offer of Rights, Entitlements or Offered Shares or possession or distribution of this Prospectus or any other offering or publicity material or documentation recording an entitlement to Rights, Entitlements or Offered Shares in any jurisdiction where action for that purpose is required, other than in Switzerland. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction.

For further restrictions on the offer and sale of Rights, Entitlements and Offered Shares, please see the restrictions set out under the sections entitled "Offering Restrictions", "Transfer Restrictions" and "Description of the Shares".

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

This Prospectus should not be forwarded or transmitted in or into the United States or forwarded or transmitted to any U.S. person.

The Rights, the Entitlements and the Offered Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and may not be offered, sold, resold, taken up, delivered or transferred, directly or indirectly, in or into the United States or to or for the account of any U.S. person (as defined in Regulation S), except to certain persons in offshore transactions in reliance on Regulation S.

Accordingly, this Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Managers to subscribe for or purchase the Rights, the Entitlements or Offered Shares in the United States and no copies of this Prospectus will be sent to, and no Rights may be exercised by persons with registered address in the United States or who are U.S. resident persons and must not be transferred to any such person.

Notice to New Hampshire residents

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-B of the New Hampshire revised statutes ("RSA") with the state of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the state of New Hampshire constitutes a finding by the secretary of state of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is directed only at persons who: (i) are outside the United Kingdom; or (ii) have professional experience in matters relating to investments who falls within Article 19 (l) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order"); or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (all such persons together being referred to as "Relevant Persons"). This Prospectus must not be acted on or relied upon by a person who is not a Relevant Person. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

The Rights and Entitlements may be offered or delivered and the Offered Shares may be offered or sold in the United Kingdom only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995.

NOTICE TO PROSPECTIVE INVESTORS IN GERMANY

The Offering is limited to the existing shareholders of the Company and is being made in accordance with Swiss corporate law and other rules applicable to the Company. The Rights, the Entitlements and the Offered Shares may not be offered or sold into, in or from within Germany except to existing shareholders of the Company or to individuals and legal entities who on a professional or commercial basis purchase or sell securities for their own account or for the account of a third party within the meaning of the German Act on the Prospectus for Securities Offered for Sale – Prospectus Act *(Verkaufsprospektgesetz*) of September 9, 1998 as amended, and its implementing regulations, which include banks, brokers, securities institutions and other institutional investors ("Permitted Subscribers") or otherwise in conformity with the Prospectus Act. The Permitted Subscribers have not been mandated or authorized by the Company to sell or offer the Rights, the Entitlements or the Offered Shares. This Prospectus does not constitute an offer to buy or a solicitation of an offer to sell the Rights, the Entitlements or the Offered Shares by the Permitted Subscribers.

NOTICE TO PROSPECTIVE INVESTORS IN BELGIUM

The Rights, the Entitlements and the Offered Shares may not be offered or sold, directly or indirectly, to any individual or legal entity in Belgium other than to institutional and professional investors referred to in Article 3,2, of the Belgian Royal Decree of July 7, 1999 on the public character of transactions which aim to solicit public savings. This Prospectus is for confidential use of the intended recipient only, and may not be reproduced, sent or used for another purpose. Any action contrary to this restriction will cause the recipient and the Company to be in violation of the Belgian securities laws.

NOTICE TO PROSPECTIVE INVESTORS IN FRANCE

This Prospectus has not been prepared in the context of a public offering of securities in France within the meaning of Article L.411-1 of the French *Code Monétaire et Financier* and Regulations no. 98-01 and 98-08 of the *Commission des opérations de bourse* ("COB") and has therefore not been submitted to the *Autorité des Marchés Financiers* ("AMF") for prior approval. It is made available only to qualified investors ("*investisseurs qualifiés*") (as defined in Article L.411-2 of the French *Code Monétaire et Financier* and in the Decree no. 98-880 dated October 1, 1998), on the condition that it shall not be passed on to any person nor reproduced (in whole or in part) and that the qualified investors act for their own account in accordance with the terms set out by the said Article L.411-2 and Decree and undertake not to retransfer, directly or indirectly, the securities in France, other than in compliance with applicable laws and regulations (articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French *Code Monétaire et Financier*).

La présente note d'opération n'a pas été préparée dans le cadre d'un appel public à l'épargne en France au sens de l'article L. 411-1 du Code monétaire et financier et des règlements n° 98-01 et 98-08 de la Commission des opérations de bourse ("COB") et n'a donc pas fait l'objet d'un visa de l' *Autorité des Marchés Financiers* ("AMF"). Elle n'est mise à la disposition d'investisseurs qualifiés (tels que définis à l'article L. 411-2 du Code monétaire et financier et par le décret n° 98-880 du 1er octobre 1998) qu' à la condition que ceux-ci ne la diffusent pas et ne la reproduisent pas (en tout ou partie), qu'ils agissent pour leur compte propre, conformément aux dispositions de l'article L. 411-2 et du décret susvisé et s'engagent à n'offrir, directement ou indirectement, les instruments financiers en France que conformément aux lois et aux règlements applicables (articles L. 411-1, L. 411-2, L. 412-1 et L. 621-8 du Code monétaire et financier).

NOTICE TO PROSPECTIVE INVESTORS IN SPAIN

This Prospectus has not been registered with the Comisión Nacional del Mercado de Valores. The Rights, the Entitlements and the Offered Shares may only be offered in Spain in accordance with Spanish Law 24/1988 of July 28, 1988 on Securities Markets, as amended by Royal Decree 291/1992 of March 27, 1992 on issues and public offerings of securities, as amended.

NOTICE TO PROSPECTIVE INVESTORS IN THE NETHERLANDS

The Rights, the Entitlements and the Offered Shares issued pursuant to the Offering are not, may not and will not be offered, distributed, sold, transferred or delivered in or from within the Netherlands, directly or indirectly, other than to individuals or legal entities who or which trade or invest in securities in the conduct of a profession or business within the meaning of the Netherlands Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*) and its implementing regulations (which includes banks, brokers, securities institutions, insurance companies, pension funds, investment institutions, other institutional investors and other parties including treasury departments of commercial enterprises and finance companies of groups which are regularly active in the financial markets in a professional manner).

Individuals and legal entities that do not trade or invest in the Rights, the Entitlements or the Offered Shares in the conduct of their profession or business may not participate in the Offering in the Netherlands and this Prospectus may not be considered an offer or the prospect of an offer to any such individual or entity to sell or exchange the Right or the Offered Shares.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

The Rights, the Entitlements and the Offered Shares have not been and will not be registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA

No action has been taken to authorize or cause the issue or distribution in the Commonwealth of Australia, any of its states, territories or possessions or any political subdivision thereof (**"Australia"**), or to any resident of Australia, of this Prospectus or any other document inviting applications or offers to subscribe for or buy the Rights, the Entitlements or the Offered Shares and accordingly, neither this Prospectus (whether in draft or definitive form) nor any such other document may be issued or distributed in Australia or to any resident of Australia except to persons to whom an offer of Rights or Entitlements or Offered Shares would not require disclosure to investors under sections 708(8) or 708(11) of the Corporations Act 2001 (**"Corporations Act"**).

Any offer of Rights, Entitlements or Offered Shares in Australia is only made to sophisticated or professional investors to whom an offer of Rights, Entitlements or Offered Shares does not require disclosure to investors under section 708(8) or section 708(11) of the Corporations Act.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

Neither the Rights nor the Entitlements nor the Offered Shares have been or will be qualified by a prospectus for sale to the public in Canada under applicable Canadian securities laws and accordingly, any offer or sale of the Rights, the Entitlements or Offered Shares in Canada must be made pursuant to an exemption from the applicable filing requirements, and otherwise in compliance with applicable Canadian laws.

NOTICE TO PROSPECTIVE INVESTORS IN ITALY

The Rights, the Entitlements and the Offered Shares may be offered or sold, directly or indirectly, in Italy exclusively to professional investors, in accordance with Article 100(1)(a) of Legislative Decree no. 58 of February 24, 1998 ("Italian Financial Act"), referring to Article 30(2) of the Italian Financial Act, as implemented by Article 31(2) of Regulation No. 11522 approved by Consob on July 1, 1998 ("Professional Investors"), provided that the Professional Investors shall act for their own account only. Under no circumstances should this Prospectus circulate among, or be distributed in Italy to any member of the general public or to individuals or entities falling outside the categories of Professional Investors. Without prejudice to the limitations above, any offer or sale of the Rights, the Entitlements or the Offered Shares, any distribution of this Prospectus in Italy must be carried out by investment firms or banks authorized to place securities in Italy.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRIA

The Rights, the Entitlements and the Offered Shares may not be offered in Austria except to a limited number of professional investors as defined in § 3/1/11 of the Austrian Capital Markets Act (*Kapitalmarktgesetz*, "KMG") (whether presently or in the future) or otherwise in conformity with the KMG. In particular, no offering or marketing materials relating to the Rights, the Entitlements and the Offered Shares may be made publicly available or distributed in any way which could constitute a public offer pursuant to or otherwise in violation of the KMG. Furthermore, no public advertisements relating to the Rights, the Entitlements and the Offered Shares may be made.

NOTICE TO PROSPECTIVE INVESTORS IN LUXEMBOURG

The Rights, the Entitlements and the Offered Shares may only be offered to a limited number of sophisticated investors in Luxembourg, in all cases under circumstances designed to preclude a distribution which would be other than a private offering in Luxembourg. This Prospectus may not be reproduced or used for any other purpose in Luxembourg, nor be furnished to any other person in Luxembourg other than those sophisticated investors to whom copies have been sent.

FOR EXISTING SHAREHOLDERS

The Offering is being made in accordance with Swiss law and the Rights are being made available only to existing Shareholders of the Company as described in the section entitled "Offering". Shareholders who are unable to exercise their Rights may be able to arrange for the sale of their Rights on their behalf.

Depository banks, custodians and other financial intermediaries (*Depotbanken*) holding Existing Shares for persons unable to exercise Rights are advised subject to their arrangements with Shareholders and applicable law, to make arrangements for the sale of such persons' Rights. The Rights of the Shareholders that are not exercised or sold will lapse and the Shareholder concerned will not be entitled to any compensation under the terms of the Rights Offering.

NO LEGAL, FINANCIAL OR TAX ADVICE

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor or shareholder should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

AVAILABILITY OF DOCUMENTS

Copies of this Prospectus are available free of charge in Switzerland at the office of Credit Suisse First Boston, ZADE Transaction Advisory Group, P.O. Box 900, CH-8070 Zurich, Switzerland, or can be ordered by telephone (number +41 1 333 43 85), facsimile (number +41 1 333 23 88) or email (equity.prospectus@csfb.com).

PRESENTATION OF INFORMATION

The Company prepares its financial statements in accordance with the Swiss Code of Obligations and the Group has prepared its consolidated financial statements in accordance with the Swiss GAAP ARR reporting standards for insurance companies (**"Swiss GAAP ARR"**). Currently, Swiss GAAP ARR has no insurance industry guidelines for technical areas. The Group has based the accounting for the insurance (technical) areas in compliance with the rules and requirements of local regulatory authorities in the countries in which the Group operates.

References to employees and employee numbers are to full-time equivalent employees (**"FTE"**).

In this Prospectus, references to "CHF" are to Swiss francs and references to "€", "EUR" or "Euro" are to the lawful currency of the member states of the European Union which adopted the single currency in accordance with the Treaty Establishing the European Community (signed in Rome on March 25, 1957) as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992). References to the "EU" are to the European Union and references to the "U.S." or the "United States" are to the United States of America.

Certain figures in this Prospectus have been rounded. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them.

Market information or other statements presented in this Prospectus regarding the position of the Group relative to its competitors reflect the management's best estimates. These estimates are based upon information obtained from customers, from trade or business organizations and associations, from other contacts within the industries in which the Group competes and, in some cases, upon published statistical data or information from independent third parties. Except as otherwise stated, market share data, as well as the Company's assessment of the Group's comparative competitive position have been derived by comparing the Group's gross written premiums for the financial year ended December 31, 2003 with the Company's estimates of the Group's competitors' gross written premiums for such same period, as well as upon published statistical data and information from competitors and independent third parties. Consequently, holders of Rights, Entitlements or Shares or other prospective investors should not rely on the approximate market share and other market information presented herein as precise measures of market share or of other actual market conditions.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements regarding future financial performance and results and other statements that are not historical facts. The words "believe", "anticipate", "plan", "expect", "project", "estimate", "predict", "intend", "target", "assume", "may", "could", "will" and similar expressions are intended to identify such forward-looking statements. Such statements are made on the basis of assumptions and expectations that the Company believes to be reasonable at this time, but may prove to be erroneous. Such forward-looking statements involve known and unknown risks and uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, the Group or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, those more fully described in the section entitled "Risk Factors" and elsewhere in this Prospectus. The risks and uncertainties facing the Group going forward which could affect the accuracy of these forward-looking statements include, but are not limited to:

- The Group's future financial position;
- The Group's ability to meet its stated business targets for 2004;
- Mortality and morbidity experience;
- Policy renewal and lapse rate;
- Changes in frequency of claims and losses;
- General economic conditions;
- Changes to regulatory, fiscal, operating conditions in the markets in which the Group operates;
- Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" with respect to trends in results, prices, volumes, operations, margins, overall market trends, risk management and exchange rates;
- The ability of the Group to hedge successfully against market risk; and
- Other statements in the Prospectus that are not historical fact.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements. Helvetia Patria assumes no obligation to update such forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in such forward-looking statements unless required to do so by any applicable regulatory regime.

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TABLE OF CONTENTS

RESPONSIBILITY STATEMENT

The Company assumes responsibility pursuant to Section 4 of Scheme A to the Listing Rules for the completeness and accuracy of this Prospectus. The Company confirms that, to the best of its actual knowledge and after having made all reasonable inquiries, the information in this Prospectus is in all material respects in accordance with the facts and does not omit anything likely to affect the import of such information in any material respect and that the opinions and intentions of the Company herein are honestly held.

St.Gallen, November 29, 2004 Helvetia Patria Holding

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information (including the information set out under the section entitled "Risk Factors") and the financial information, including the notes thereto, appearing elsewhere in this Prospectus.

Overview of the Helvetia Patria Group

Helvetia Patria is a listed Swiss insurer formed in 1996 from the combination of two Swiss insurance companies, namely Helvetia Versicherungen and Patria, Schweizerische Lebensversicherungs-Gesellschaft auf Gegenseitigkeit. Helvetia Patria Group ranks among the top 5 insurance groups in Switzerland in terms of gross written premiums. Outside of Switzerland, Helvetia Patria Group is a respected insurance service provider in niche markets leveraging its recognizable Swiss identity, the "Swissness". The Group focuses on providing insurance services to individuals and small and medium-sized enterprises.

The Group offers its customers both life and non-life insurance products. Life insurance services include a comprehensive range of risk protection and long-term savings products. Non-life insurance services include property, transport and motor vehicle and, to a smaller extent, liability, accident and health insurance products. In addition, Helvetia Patria Group acts as a niche player in the reinsurance market. Other activities, such as asset management, are a supporting element of the insurance business.

In 2003, the Group's total gross written premiums were CHF 5,392.6 million of which CHF 3,123.3 million were attributable to the life sector and CHF 2,269.3 million to the non-life sector. The underwriting result from non-life activities contributed CHF 132.1 million, the underwriting life activities CHF 29.6 million and the non-underwriting result CHF 76.4 million to the Group's net profit. The net profit after taxes and minority interests in 2003 reached CHF 92.4 million. Assets under management amounted to CHF 25,491.2 million as at December 31, 2003 and CHF 25,654.1 million as at June 30, 2004.

Strategy

The Group's strategy is to focus consistently on its core competencies and, by applying a strict cost management, to strengthen sustainable profitability. The key elements of the business strategy are the following:

- An emphasis on being an insurance group with a geographically well-balanced portfolio of semi-autonomous and performance oriented business units that focus on retail and SME clients, in particular in rural areas, and on cetrain business line segments;
- A clear and consistent financial management being provided by the Group to the decentralized business units with targets and benchmarks;
- An increased market visibility facilitating profitable growth;
- A conservative and centralized investment policy; and
- Maintaining a good corporate governance and a reputation as a sound and reliable insurance partner.

Summary of Selected Consolidated Financial Information

The following tables present a summary of the consolidated financial information of Helvetia Patria Group and should be read in conjunction with the Group's consolidated financial statements as well as the information under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations". The summary consolidated financial information as at and for the years ended December 31, 2001, 2002 and 2003 has been extracted without material adjustment from the Group's consolidated financial statements[1)], which have been audited by Ernst & Young AG. The unaudited 2004 consolidated interim financial statements together with

[1)] The 2002 financial statements included in the F-Pages include the 2001 comparative figures.

the comparative figures for the unaudited 2003 consolidated interim financial statements have been extracted without material adjustment from the published Letter to Shareholders[2].

[2] Letter to Shareholders Nr. 2/04 dated September 16, 2004.

CHF million	Year ended December 31,			Six months ended June 30,	
	2001	2002	2003	2003	2004
Income statement data	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Gross written premiums	4,606.4	5,144.9	5,392.6	3,504.6	3,074.2
Income from investments	736.2	–67.2	1,083.6	477.3	484.6
Underwriting result from non-life business	81.4	95.8	132.1	60.5	74.7
Underwriting result from life business	17.8	–87.2	29.6	–28.2	20.1
Non-underwriting result [3]	59.7	–343.1	76.4	14.0	5.8
Amortization of goodwill [3]	–16.4	–16.1	–90.8	–8.2	0.0
Profit (loss) before taxes	142.5	–350.6	147.3	38.1	100.6
Taxation	–42.1	–11.3	–54.8	–11.2	–26.9
Minority interests	0.2	–0.1	–0.1	–0.1	0.0
Profit (loss) after taxes and minority interests	100.6	–362.0	92.4	26.8	73.7

CHF million	As at December 31,			As at June 30,	
	2001	2002	2003	2003	2004
Balance sheet data	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Balance sheet total	25,407.6	26,063.6	27,721.3	27,562.1	27,909.1
Investments	23,529.3	23,793.8	25,491.2	25,396.1	25,654.1
Investments in % of assets	92.6%	91.3%	92.0%	92.1%	91.9%
Net underwriting reserves	20,477.6	21,815.2	23,360.5	23,252.0	23,645.4
Net underwriting reserves in % of liabilities	80.6%	83.7%	84.3%	84.4%	84.7%
Consolidated shareholders equity	1,519.7	1,046.5	1,153.0	1,195.5	1,154.8
Equity per share (in CHF) [4]	230.3	166.3	183.2	190.0	192.4
Return on Equity [5] [6]	4.8%	–28.2%	8.4%		6.5%

[3] The amortization of goodwill reported under the combined result for 2003, 2002, 2001 was reported as part of the non-underwriting result in the 2001 Group consolidated financial statements.

[4] June 30, 2004, based on 6,293,000 Helvetia Patria Holding shares net of own shares of 291,136.

[5] Return on Equity for 2001, 2002, 2003 calculated by dividing "Profit (loss) after taxes and minority interests" by the average of the opening and closing consolidated shareholders equity for the year concerned.

[6] Return on Equity for the half year 2004 calculated by dividing "Profit (loss) after taxes and minority interests" by the average of the opening and closing consolidated shareholders equity for the period concerned, after deducting the amount for own shares from the opening consolidated shareholders equity, see sub-section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – section Accounting policies and changes in accounting policies – 2004 Change in accounting policy for own shares".

The Offering

The information set out below is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used below.

Offering	The Offering consists of 2,359,875 Offered Shares and comprises the Rights Offering and the Entitlement Sale. Neither the Rights nor the Entitlements nor the Offered Shares have been or will be registered under the Securities Act and may not be offered, sold, resold, delivered, taken up, transferred or renounced, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from the registration requirements of the Securities Act, and in accordance with other applicable securities laws and regulations. See "Offering Restrictions".
The Rights Offering	In the Rights Offering, the holders of Existing Shares will be allocated one Right for each Existing Share they hold as at the Record Date. The exercise of eight Rights entitles the exercising holder to subscribe for three Offered Shares against payment of the Offer Price in cash. Upon their exercise, eight Rights become three Entitlements. The Rights are tradable on SWX. For further information, see "Offering". Subscriptions will be accepted for whole Offered Shares only during the Rights Exercise Period.
Subscription Ratio	Each Existing Share entitles its holder to one Right. Subject to applicable securities laws, rules and regulations, holders or acquirers of Rights will be entitled to subscribe for Offered Shares. For further information, see "Offering".
The Entitlement Sale	Entitlements in respect of Offered Shares for which the Rights have not been exercised in the Rights Offering, if any, will be allotted to the Lead Manager on behalf of the Managers. Such Entitlements shall be sold by the Lead Manager on behalf of the Managers at its discretion. The Entitlement Sale will take place only if less than all Rights are exercised during the Rights Exercise Period. For further information, see "Treatment of Offered Shares for which Rights have not been duly exercised".
Shares	The Shares are in registered form (*Namenaktien*), with a nominal value of CHF 10 each. The Existing Shares are, and the Offered Shares will be, fully paid in. The Offered Shares will be fully fungible and will rank *pari passu* with each other and with all Existing Shares.
Offered Shares	The 2,359,875 Offered Shares which are being offered by the Company will be registered shares of the Company with a nominal value of CHF 10 each newly issued by way of a capital increase based on the existing authorized capital of the Company expected to be registered with the Commercial Register of the Canton of St. Gallen on December 13, 2004 (the **"Capital Increase"**). The respective authorized capital was resolved by the shareholders' meeting on May 9, 2003 and incorporated into the articles of incorporation of the Company (the **"Articles of Incorporation"**) as article 3^{bis}. The Offered Shares will represent 27,27% of the total issued share capital of the Company immediately after completion of the Capital Increase.
Share capital of the Company after the Offering	After the Capital Increase, i.e. upon registration of the Offered Shares in the Commercial Register of the Canton of St. Gallen, which is expected to take place on December 13, 2004, the issued and outstanding share capital of the Company is expected to be CHF 86,528,750, divided into 8,652,875 Shares. Furthermore, the Company will have an authorized capital of CHF 7,866,250 pursuant to which the Company's board of directors is authorized to issue up to 786,625 Shares. The Company has no conditional capital.

Allocation of Rights	Subject to the Offering taking place (see "Offering – Underwriting"), each holder of Existing Shares will be allocated one Right for each Existing Share held on the Record Date. The Existing Shares will be traded "ex Rights" from November 30, 2004, which means that persons acquiring Existing Shares on or after November 30, 2004 will not be allocated any Rights. Shareholders who keep their shares in certificated form at home (*Heimverwahrer*) or who hold their Existing Shares in custody with the company's share register (employees of the Group) will be allotted Rights, represented by certificates (the **"Rights Certificates"**), through, and will be informed by, the Company's share register. In certain jurisdictions, holders of Rights may not be able to exercise Rights due to applicable securities laws.
Offer Price in the Rights Offering	CHF 125 per Offered Share. The Offer Price equals the issue price (*Ausgabebetrag*).
Offer price in the Entitlement Sale	The offer price in the Entitlement Sale will be determined by the Lead Manager at its discretion.
Rights Trading Period	The Rights are expected to be eligible for trading on SWX from November 30, 2004 to the close of trading on December 7, 2004. Holders of Rights may sell their Rights on the market at any time prior to the end of the Rights Trading Period, subject to the restrictions set out under "Transfer Restrictions".
Exercise of Rights	Subject to applicable securities laws, rules and regulations, a holder of Rights may exercise his Rights between November 30, 2004 and 12.00 noon (CET) on December 8, 2004 (the **"Rights Exercise Period"**). **Rights not exercised within such time period will be allotted to the Managers for exercise. The exercise of Rights is irrevocable and may not be withdrawn, modified or cancelled.** In order to subscribe to Offered Shares, a holder of Rights must exercise eight Rights or multiples thereof. Subject to applicable securities laws, rules and regulations, a holder of excess Rights can attempt to acquire additional Rights on the market in order to acquire Offered Shares or sell these excess Rights on the market, subject to the restrictions set out in the section entitled "Transfer Restrictions". Rights are exercised as follows: • Holders of Existing Shares who hold their Existing Shares in custody through a depository bank must subscribe for Offered Shares according to the instructions of such depository bank; • Holders of Existing Shares who hold their Existing Shares in custody with the Company's share register (employees of the Group) must subscribe for Offered Shares according to the instructions of the share register; and • Holders of Existing Shares who keep their Existing Shares in certificated form at home (*Heimverwahrer*) must present the Rights Certificate to any bank in Switzerland to subscribe for Offered Shares. For further details, see "Offering – Exercise of Rights".
Trading of Entitlements	The Entitlements are expected to be eligible for trading on SWX from December 9, 2004 to the close of trading on December 13, 2004.

Commitments of existing Shareholders	The pension fund of Helvetia Patria Versicherungen and the members of the Shareholders' Pool, consisting of Patria Genossenschaft, Vontobel Beteiligungen AG and Schweizer Verband der Raiffeisenbanken, holding 4.4% and 45%, respectively, of the Company's share capital as of the date of this Prospectus, have undertaken to subscribe for 738,183 shares. The Shareholders' Pool is described under "Description of the Shares – Major Shareholders" below. See also "Offering – Lock-up".
Existing Shares held in Treasury	As of the date of this Prospectus, the Company held a total of 291,136 Existing Shares, directly and indirectly through subsidiaries. The Company has undertaken to exercise the Rights allocated to these Existing Shares in accordance with the offering conditions set forth in this Prospectus.
Treatment of Offered Shares for which Rights have not been duly exercised	Offered Shares for which Rights have not been duly exercised during the Rights Exercise Period may be sold by the Lead Manager, on behalf of the Managers, in the Entitlement Sale in such manner as the Lead Manager in its sole discretion deems to be appropriate, subject to the restrictions set out in "Transfer Restrictions". Any proceeds from such sales in excess of the Offer Price, after deduction of the Swiss federal stamp tax on the transfer of securities (*Umsatzabgabe*), if any, the applicable underwriting commission and certain costs and expenses, will be for the benefit of the Company.
Payment and Settlement	Delivery of the Offered Shares against payment is expected to take place on or about December 13, 2004, or on such other date as the Company and the Lead Manager may determine.
Listing and Trading of Shares	The Existing Shares are listed and traded on the main board of the SWX. Application has been made for the Offered Shares to be listed and traded on the main board of the SWX. It is expected that the Offered Shares will be listed, and trading in them will commence, on or about December 14, 2004. It is expected that the Rights, the Entitlements and the Offered Shares will clear through SIS, Euroclear and Clearstream.
Form of Shares	The Offered Shares will not be issued in certificated form and will be delivered in book-entry form only into collective custody at SIS. A Shareholder may, however, at any time request the Company to print and deliver share certificates (*aufgeschobener Titeldruck*).
Voting rights	Each Offered Share, duly registered in the Company's share register, carries one vote at a shareholders' meeting of the Company. Voting rights can only be exercised following registration of a shareholder in the Company's share register as a shareholder with voting rights, which is subject to certain qualifications. See "Description of the Shares".
Dividends	Holders of Offered Shares will be entitled to dividends, if declared, for the financial year ending 2004 and for all subsequent financial years (see "Dividends and Dividend Policy"). Any dividends will be subject to Swiss withholding tax (see "Taxation – Taxation of dividends – Withholding tax on dividends").
Lock-up	The Company has agreed with the Managers in the Underwriting Agreement that, save in connection with the Offering, and save with the written consent of the Lead Manager, for a period of 180 days from the first day of trading of the Offered Shares on the SWX, it will not and it will procure that its subsidiaries do not, amongst other things, issue or announce their intention to issue any shares or securities convertible into or exercisable or exchangeable for shares issued by the Company, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of such shares, save in certain limited circumstances (see "Offering – Lock-up").

The Management has agreed, that, for a period of 180 days following the first day of trading of the Offered Shares on SWX, it will not, without the prior written consent of the Lead Manager, sell any shares of the Company or securities convertible into such shares, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of the ownership of such shares or announce its intention to do any of the foregoing, subject to certain exceptions. For further information regarding the lock-up, see "Offering – Lock-up".

The members of the Shareholders' Pool have entered into an agreement (*Zeichnungs- und Marktschutzvereinbarung*) with the Managers whereby each of the members has agreed that, for a period of 180 days following the first day of trading of the Offered Shares on the SWX, they will not, without the prior written consent of the Lead Manager, dispose of any Shares, enter into any transactions which, economically, would constitute a disposal of any Shares, encumber any Shares, or announce their intention to do any of the foregoing, subject to certain exceptions. Furthermore, the pension fund Pensionskasse Helvetia Patria Versicherungen has entered into a similar agreement (*Zeichnungs- und Marktschutzvereinbarung*) with the Managers imposing such restrictions for a period of 180 days. See "Offering – Lock-up".

Security numbers, codes and ticker symbols

	Rights	Entitlements	Registered Shares
Swiss security number (*Valorennummer*):	1 993 285	2 001 748	1 227 168
International securities identification number (ISIN)	CH 001 993 285 1	CH 002 001 748 6	CH 001 227 168 7
Common code:	020706279	020710756	13517274
Ticker symbol:	HEPN1	HEPNE	HEPN

Offering and transfer restrictions

Prospective investors in the Rights, the Entitlements and the Offered Shares must familiarize themselves and comply with all applicable laws and regulations relating to the exercise of Rights and the offer, sale and transfer of the Rights, the Entitlements and Offered Shares. See certain restrictions set out on the frontpage of this Prospectus and the sections entitled "Offering Restrictions" and "Transfer Restrictions".

Amendments

Amendments to the terms of the Offering, if any, will be published in German and French in the *Neue Zürcher Zeitung* and in *l'Agefi*, respectively. Changes so notified will be deemed an amendment of this Prospectus.

Taxes

The Company will pay the Swiss Federal issuance stamp tax (*Emissionsabgabe*) of 1% on the net proceeds received for the issuance of the Offered Shares.

Use of proceeds

The net proceeds of the Offering are expected to be approximately CHF 283 million after deduction of commissions, fees, taxes and estimated expenses. Helvetia Patria Holding will use the net cash proceeds of the Offering to support organic growth and to provide strategic flexibility for the potential acquisition of insurance portfolios or add-on acquisitions. In addition, the net proceeds will allow the Group to enhance its risk-taking capacity and to continue to accommodate a diversified asset allocation to offer attractive investment returns to policyholders and shareholders. The net proceeds received will improve the Group's solvency.

Expected Timetable for the Offering

Record Date for Allocation of Rights (Record Date)	November 29, 2004
First Trading Date ex-Rights	November 30, 2004
Commencement of Rights Trading Period	November 30, 2004
Commencement of Rights Exercise Period	November 30, 2004
End of Rights Trading Period	December 7, 2004
End of Rights Exercise Period	12:00 noon December 8, 2004
Trading of Entitlements on SWX	From December 9, 2004 to December 13, 2004
Payment and settlement of Entitlements delivered in relation to the Rights Offering (i.e., for exercising holders of Rights)	December 13, 2004
Creation of Offered Shares	December 13, 2004
Conversion of Entitlements into Offered Shares	December 14, 2004
Payment and settlement of Entitlements/Offered Shares delivered in relation to the Entitlement Sale (i.e., for investors who are allotted Entitlements in the Entitlement Sale)	At the earliest on December 13, 2004 and no later than December 14, 2004. If settlement occurs on December 13, 2004, Entitlements will be delivered; otherwise, Offered Shares will be delivered
Listing and first day of trading of Offered Shares	December 14, 2004

RISK FACTORS

Prospective investors should be aware that an investment in the Shares involves a high degree of risk and should be made only by those with the necessary expertise to appraise the investment. In addition to the other information in this document, the following risk factors should be considered carefully before making an investment decision.

Risks relating to the Group

The Group's results are subject to fluctuations in the financial markets and changes in general economic conditions

Investment returns are an important part of the Group's overall profitability, and fluctuations in the financial markets, primarily the equity and fixed income markets, could have a material adverse effect on the Group's consolidated financial condition, results of operations or cash flows. In particular, the default of a major market participant or a significant act of terrorism could disrupt the securities markets or clearance and settlement systems in major markets which could in turn cause market declines or increased volatility. A failure of a major market participant could lead to a chain of defaults that could adversely affect the Group. In the first half of 2004, the investment income (ordinary income and realized/unrealized gains/losses) accounted for CHF 484.6 million. In 2003 and 2002, the investment income was CHF 1,083.6 million and CHF –67.2 million, respectively. For a discussion of the specific factors affecting net investment results of the Group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Fluctuations in interest rates and returns from equity markets also impact customer demand for a number of products offered by the Group, in particular for single premium products and also for unit-linked as well as periodic life insurance products. Fluctuations in the securities markets could result in investors decreasing their rate of investment or surrendering life insurance policies, any of which could adversely affect sales of life insurance products. In particular, a continued low interest rate environment as it has existed since 2002 could cause the demand for the Group's life insurance products, especially for single premium savings products in the individual life insurance segment, to further decline.

The Group's investment results are also susceptible to changes in general economic conditions. In particular, a period of deflation would have a severe negative effect on the Group and its investment result.

The Group is exposed to interest rate, equity price and liquidity risks in its portfolio

Fluctuations in interest rates affect income recognition on fixed income investments, as well as the market values of, and corresponding levels of capital gains or losses on, the fixed income securities in the Group's investment portfolio. Generally, interest income will be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature or are sold and the proceeds reinvested at lower rates. During periods of rising interest rates, prices of fixed income securities tend to fall and realized gains upon their sale are reduced.

Equity securities are typically subject to significantly higher price volatilities, and corresponding higher expected returns over long time periods than fixed income securities which are normally considered to be less volatile; however, in the past there have been sudden changes in interest rates generally, which have led to significant changes in the prices of fixed income securities.

Although the Group has reduced its sensitivity to changes in equity markets through reductions in its equity portfolio, which stood at 10.5% (shares 6.5%, derivatives 0.6%, share investment funds 0.9%, bond investment funds 0.7%, mixed investment funds 0.9%, private equity 0.9%) of investments (before hedging) as at June 30, 2004, a decline in the world equity markets as seen in 2001 and 2002 may lead to a reduction of the Group's realized and unrealized capital gains, which may also negatively affect the Group's earnings and financial condition.

A portion of the Group's investment portfolio consists of investments in funds that hold securities issued by non-public companies (e.g. private equity investments, hedge funds). These investments may be illiquid or may only be disposed of over time or at a loss, and they may not produce adequate returns or capital gains. If the Group were required to liquidate some or all of the investments in its private equity portfolio, the proceeds of such liquidation may be significantly less than the amount paid for, or the book value of, such investments.

Real estate investments are also relatively illiquid and property prices are subject to fluctuations in interest rates, general economic conditions and other factors. The Group's real estate portfolio is concentrated in Switzerland. The Group's ability to vary its portfolio of properties in response to changes in economic and other conditions is limited. If the Group wants to sell property, there is no assurance that the Group will be able to dispose of it in the desired time period or that the sale price of such property will exceed the book value of the investment. According to existing Swiss law, rents for residential buildings are to a certain degree tied to mortgage interest rates. Therefore, rental income from residential properties as well as income from the Group's investment in Swiss mortgages is exposed to shifts in mortgage interest rates in Switzerland. Also, there are currently considerable overcapacities in the market for commercial property in Switzerland. This may affect the Group's income from Swiss commercial properties and may limit the Group's ability to dispose of such investments.

The Group's investment portfolios are larger than its shareholders' equity, and policyholder liabilities have a priority claim over shareholders' equity. Therefore, while there are other protections in the Group's balance sheet that can absorb to a certain degree changes in the value of investment assets, shareholders are disproportionately exposed to any changes in asset values due to investment performance.

The cyclical nature of the general insurance industry may cause fluctuations in the results of the Group's non-life insurance segment

Historically, the general insurance industry has been cyclical and operating results of insurers have fluctuated significantly because of volatile and sometimes unpredictable developments, many of which are beyond the direct control of any insurer. The Group expects to experience the effects of this cyclical nature, including changes in premium levels, which could have a material adverse effect on the Group's results of operations. Historically, the unpredictability and competitive nature of the general insurance business has contributed to significant quarter-to-quarter and year-to-year fluctuations in underwriting results and net earnings in the general insurance industry. In addition, unanticipated underwriting losses and claims reserve adjustments suffered by the non-life insurance segment could have an adverse impact on the Group's financial condition and results of operations.

Exposure to losses from natural and man-made catastrophes that may adversely affect the Group's non-life insurance business

Non-life insurance companies frequently experience losses from catastrophes. Catastrophes may have a material adverse effect on the Group's consolidated financial condition, results of operations and cash flows. Natural catastrophes are primarily windstorms, floods and earthquakes. Catastrophes can also be man-made, such as terrorist attacks, explosions, fires, oil spills and lethal epidemics. The incidence and severity of these catastrophes in any given period are inherently unpredictable. The extent of the Group's losses from catastrophes is a function of the total insured amount of losses the Group's customers incur, the number of Group customers affected, the frequency of the events and the severity of the particular catastrophe. The Group's efforts to protect itself against catastrophe losses, such as the use of selective underwriting practices, the purchasing of reinsurance and the monitoring of risk accumulations, may not prevent such occurrences from adversely affecting the Group's profitability.

The Group's Austrian subsidiary ANKER could sustain losses in case of repeatedly poor financial market conditions

The Group's Austrian subsidiary ANKER had distributed in the years 1999 to 2001 life insurance products which, caused by the inferior financial markets after 2001, had negatively influenced the results of ANKER. Without any adaptions in the asset management-strategy of these products the company could – in a worst case scenario of repeatedly poor financial market conditions – potentially sustain further losses. ANKER is currently on the way to implement a product-specific optimized portfolio management strategy and thereby avoid future losses. The plan to restructure these products will – after getting a second opinion upon the already taken or planed measure – be also submitted for approval to the respective authorities, so that some adaptions in the restructuring plan cannot be completely excluded. In the event that the Group could not successfully complete the implementation of the new structure for these products or the redesign in the foreseen way, ANKER could – in a financial worst case scenario – be faced with additional losses. The restructuring plan is considered to be consistent with the terms and conditions of these products. Nevertheless, a risk of future litigation remains.

While the Group's business generally benefits from its decentralized organization, it may at times find it difficult to effectively monitor its business units

The decentralized organization of the Group makes it generally more difficult to identify risks and to effectively remedy problems identified as the management of the Group is more dependent on the local management than in a centralized organization. If this general potential for delays in identifying risks materializes, it may adversely affect the results and financial position of the Group.

The profitability of the Swiss BVG group life insurance business depends on the statutory guaranteed interest rates and the statutory guaranteed annuity conversion rates being set at acceptable levels and the process for setting such rates is unpredictable

Patria Schweizerische Lebensversicherungs-Gesellschaft's (**"Patria Leben"**) BVG group life insurance business is subject to guaranteed minimum interest and annuity conversion rates. The process for setting these rates is unpredictable and the rates may from time to time diverge from rates of return the Group is able to achieve on its assets backing such business.

While the Group believes the legal quote (see below) reduces the sensitivity of the Group's results (after policyholder participation) to changes in the BVG guaranteed minimum interest rate and the mandatory conversion rate, if there is change in either of these rates, or a change in economic, market or other conditions without a corresponding change to these rates, the profitability of Patria Leben's BVG group life insurance business, and Patria Leben's ability to maintain and grow its premium volume and market share, could be materially adversely affected.

In addition, while Patria Leben has some flexibility to reprice or restructure its products in response to such conditions or changes, the ability to implement a revised product offering is subject to a number of uncertainties and may not have immediate effect. For example, the current Swiss regulatory regime requires that approval must be sought from the regulator for new tariffs. Furthermore, the ability to implement a revised product offering is subject to customers' acceptance of the new terms.

While the current BVG guaranteed minimum interest rate of 2.25% is below current yields on available long term fixed income investments and Patria Leben has taken the change into account in the pricing and structuring of its life insurance products in Switzerland, the extent to which the Group is able to implement a revised product offering is subject to a number of uncertainties including existing customers' acceptance of the revised offering. Also, it is not certain that future statutory guaranteed rates will be set at a level compatible with achievable returns in the future. For instance, as of January 1, 2005, the BVG guaranteed minimum interest rate will be at 2.5%. As long as Swiss legislation does not provide for a predictable and transparent process to set the statutory guaranteed rate, a considerable part of Patria Leben's business will be exposed to uncertainty.

In addition, the statutory guaranteed annuity conversion rate for the Patria Leben's mandatory BVG life insurance business is presently set at the rate of 7.2%. Under current BVG legislation this rate has been and will be reduced in steps to 6.8% over the next 10 years and Patria Leben has taken the change into account in its plans to amend the pricing and structure of its life insurance products in Switzerland (including the reduction of the conversion rate on its non-mandatory BVG business to 5.835% for men at retirement age of 65, and to 5.454% for women at retirement age of 62 as of January 1, 2004), the extent to which Patria Leben is able to benefit from the reduction is subject to a number of uncertainties including customers' acceptance of the revised conditions. Also, because the new legislation does not allow insurance companies to continuously take into account changing economic and other conditions, and in particular increased life expectancy figures and the calculation of technical interest rates, there can be no assurance that the current rate or any future rate will permit insurance companies in Switzerland to conduct a profitable mandatory BVG business. In addition, there is a risk that changes in guaranteed minimum interest and annuity conversion rates will result in a loss of market share or prevent Patria Leben from increasing its market share and may harm Patria Leben's ability to maintain or increase its profitability.

The failure by Patria Leben to achieve a return on its investments in excess of the statutory guaranteed interest rate, increases in life expectancy or changes in technical interest rates not provided for in the statutory guaranteed annuity conversion rate and any adverse change in the statutory guaranteed interest or annuity conversion rates, could adversely affect the Group's financial condition and results of operations. At the extreme, in the event of market deterioration and/or the setting of the statutory guaranteed interest rate or the statutory guaranteed annuity conversion rate at uneconomic levels, Patria Leben may be unable to write group life insurance business in Switzerland.

The introduction of a "legal quote" for the group life business in Switzerland will adversely affect the flexibility of the Group to allocate surplus between shareholders and policyholders

In Switzerland, effective as of April 1, 2004, a "legal quote" has been introduced for the division of surplus resulting from group life insurance business between policyholders and shareholders that affects Patria Leben's group life insurance business in Switzerland. The introduction of such a legal quote limits Patria Leben's flexibility to allocate surplus between policyholders and shareholders. With respect to Patria Leben's BVG group life insurance business, a legal quote will apply to the current financial year with effect from January 1, 2004. Under this legal quote, for so long as the "gross" principle applies, a maximum of 10% of gross cost and risk premiums together with 10% of investment return on Patria Leben's BVG group life insurance business will be available for the benefit of shareholders. Under certain interest rate scenarios, which the Group believes are unlikely to apply, the amount of surplus available to shareholders can be further reduced. While Patria Leben has in the past allocated surplus between policyholders and shareholders on a basis which it believes is as or less favorable to shareholders, the imposition of the legal quote limits Patria Leben's flexibility in a way which could have a negative impact on Patria Leben's and the Group's profitability, and could limit the availability of funds for distribution to its parent company, the Company. As a consequence of the introduction of a legal quote, insurance companies in Switzerland have to separate their group life business from the rest of their insurance business. See "Regulation – Switzerland". Management estimates that this separation may have a negative impact on the shareholders' equity as at December 31, 2004 of approximately CHF 100 million.

The precise basis on which the legal quote will apply also remains uncertain in some respects and the basis of calculating policyholders' share may change in a way which will be adverse to shareholders if interest rates increase significantly. There can be no assurance that the introduction of the legal quote, the finalization of details on how it will apply and any future change, including as a result of an increase in interest rates will not have a negative effect on the Group's financial condition or results of operations.

The Group's life insurance reserves depend on statutory interest rates, regulatory requirements regarding disability and other liabilities, as well as other factors.

The Group maintains reserves for its life insurance business to cover its estimated ultimate liabilities. Changes in statutory interest rates impact the discounted, booked value of reserves, and hence shareholders' equity. While the Group believes its economic risk is reduced by efforts to more closely match the durations of assets and liabilities, statutory interest rates may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Loss reserves also do not represent an exact calculation of liability, but rather are estimates of the expected cost. Furthermore, disability and other reserves depend on regulatory requirements as well as subjective factors, which may cause actual liabilities to differ from estimates. Likewise, annuity reserves may change significantly due to regulatory changes and other factors. Any insufficiencies in loss reserves for future claims could adversely affect the extent to which new business may be written and may reduce the earnings or capital of the Group.

The Group's loss reserves may not adequately cover future losses and obligations

The Group maintains loss reserves for its non-life and life insurance and reinsurance businesses to cover its reported and unreported estimated ultimate liability for losses and loss adjustment expenses incurred during each accounting period. To the extent loss reserves are insufficient to cover actual losses, loss adjustment expenses or future life benefits, the Group would have to add to these loss reserves and incur a charge to its earning which could have a material adverse effect on its financial condition, results of operations or cash flows.

Loss reserves do not represent an exact calculation of liabilities, but rather are estimates of the expected cost of the ultimate settlement of losses. All of the Group's loss reserve estimates are based on actuarial and statistical projections at a given time, facts and circumstances known at that time and estimates of trends in loss severity and other variable factors, including new concepts of liability or other changes in legal precedents, inflation, policyholder behavior and general economic conditions. Changes in these trends or other variable factors could result in claims in excess of loss reserves or in a need to increase the loss reserves. Any insufficiencies in loss reserves for future claims could adversely affect the extent to which new business may be written and may reduce the earnings or capital of the Group.

Unforeseen losses, the type or magnitude of which the Group cannot predict, may emerge in the future. These additional losses could arise from newly acquired business, changes in legal environment, or extraordinary events affecting the Group's customers such as reorganizations and liquidations or changes in general economic conditions.

In addition, the reinsurance business written by the reinsurance unit does not separately evaluate each of the individual risks assumed under reinsurance treaties. Therefore, the performance of the reinsurance policy is largely dependent on the original underwriting decisions made by the leading reinsurer. The reinsurance business unit is subject to the risk that the leading reinsurer may not have adequately evaluated the risks to be reinsured and that the premiums ceded to it may not adequately compensate it for the risks assumed.

Changes to, or an increase in, regulation of the Group's operations may adversely affect its business

The Group is subject to detailed and comprehensive regulation and supervision in all the jurisdictions in which it transacts business. Its insurance operations are subject to insurance laws and regulations, which are generally intended to protect policyholders (including through solvency measures) rather than shareholders or other creditors. Such laws and regulations give regulatory agencies control over many aspects of the Group's insurance business, including tariffs and premiums, marketing and selling practices, solvency and capital adequacy requirements and permitted investments. Changes in existing insurance regulations may materially affect the way in which the Group conducts its insurance business and the products it may offer, and may have a material adverse effect on the financial condition or results of operations of the Group as a whole.

For example, one change in the BVG legislation will result in higher costs for Patria Leben in relation to policyholders terminating their contracts, because the new legislation will no longer permit interest risk to be taken into account when calculating the repurchase cost for contracts with a duration of more than five years. This change could adversely affect Patria Leben's and, as a consequence, the Group's financial condition and results of operations.

The Group may require additional capital in the future, which may not be available or may only be available on unfavorable terms

The Group's future capital requirements depend on many factors, including pending regulatory changes to capital requirements (e.g. introduction of capital requirements on the Group level) and other regulatory developments, the Group's ability to write new business successfully and its ability to establish premium rates and reserves at levels sufficient to match future policy liabilities. The transaction described in this Prospectus is expected to provide capital benefits to the Group's businesses. These and other factors may however limit the extent to which the Group is able to take advantage of these benefits. A more detailed explanation of the regulatory environment in which the Group operates and, in particular, the regulatory changes being proposed to regulatory capital requirements is set out in the section entitled "Regulation". To the extent that the Company were to seek to raise additional capital, it would be subject to market conditions at the time and may, in particular, be constrained by having conducted the Offering.

The Group is exposed to mismatching risks and the action taken to mitigate these risks – particularly, the lengthening of the maturity of the bond portfolio – may result in the Group having to report losses

In order to reduce the volatility of the Group's net asset value, the Group seeks to match long term fixed liabilities arising from the conduct of life insurance business with long term assets with similar durations and cash flow characteristics. The market prices of assets are subject to volatility, and the duration of such assets can be substantially shorter than the average duration of the liabilities. This can give rise to a mismatch between the duration of the Group's liabilities and its assets. While the Group is in the process of introducing an asset and liability management process that is designed to mitigate these risks, there exist currently, and there will remain in the future, mismatching risks which could have a negative impact on the Group's net income and net asset value and eventually impact on its ability to meet its liabilities as they fall due.

A possible risk mitigation strategy of the Group is the use of derivatives to lengthen the maturity of its bond portfolio. However, an increase of the interest rate level could lead to a decrease in the value of such derivatives and consequently could lead to a reported loss even though the Group could benefit from such a move in economic terms.

The Group is exposed to credit risks

The Group's investment returns are also susceptible to changes that impact the general creditworthiness of the issuers of debt securities or the value of equity investments. In particular, the value of fixed income securities may be affected by changes in the issuer's credit rating. The Group is also exposed to counterparty default risk through its mortgage portfolio. In addition, the Group is exposed to credit risks arising out of its hedging activities, such as derivatives and ceded reinsurance. Even though the respective risks are controlled, the default of one or more counterparties may adversely affect the Groups results.

Decreases in the Group's capital base could adversely affect the Group's business, its results of operations and its funding costs and financial flexibility

Helvetia Versicherungen and Patria Leben in Switzerland as well as certain other entities in the Group are subject to capital regulations (solvency rules) in their respective countries. If, as a result of declines in the value of investment portfolios, future earnings shortfalls or for any other reason, the Group or any affiliate of the Group were not able to maintain adequate levels of shareholders' equity, regulatory capital, other capital components or operating earnings, this could lead to a number of potentially negative consequences. The regulated entities of the Group could face restrictions imposed by the regulators if solvency rules are not met. A reduction of the Group's insurance entities' financial strength could reduce the attractiveness of the Group's products to customers and distributors as well as increase the cost of borrowing, which in turn would reduce revenues and profitability.

The Group's reliance on a dedicated sales force, a network of tied agents, brokers and strategic alliances for the marketing of its life insurance and non-life insurance products subjects it to certain risks

The Group is dependent on the retention and motivation of its sales team and network of agents and brokers in maintaining and growing its market share. Sales commission for life insurance products is to a significant extent attributable to the initial sale of the product. Any failure to retain and motivate sales personnel and tied agents and brokers could have a materially adverse impact on the Group's ability to maintain and grow its premium volume and market share and may therefore adversely affect its financial performance.

Also, a certain part of the Group's insurance business in Switzerland depends on strategic co-operations (see "Business – Material Contracts") and a certain part of the German insurance business depends on a few large brokers. While the Group carefully manages these relationships, strategic re-orientations of these partners or other changes may lead to a loss of certain of these distribution channels which would have an adverse effect on the financial condition and results of operation of the Group.

Additionally, the Group continually reviews the basis of the co-operation agreements. Failure to successfully renegotiate the co-operation agreements could have a materially adverse impact on the Group's ability to maintain profitability and may therefore adversely affect its financial performance.

The Group faces strong competition and may fail to attain the growth rate required in order to maintain and develop its position as a significant competitor in its respective markets

In its markets, the Group competes with global and national insurance companies, as well as with non-insurance financial services companies, such as banks, asset management companies and mutual funds. Many of these non-insurance competitors are regulated differently from the Group. Some of these competitors may have greater financial, technical or operating resources, a more competitive cost structure, a different level of employees' skills or offer alternative products or more competitive pricing. Consolidation in the global financial services industry has also enhanced and is expected to continue to enhance the competitive position of some of the Group's competitors by broadening the range of their products and services, and increasing their distribution channels and their access to capital. In addition, the development of alternative distribution channels for certain types of insurance and securities products and the increasing transparency in certain markets for insurance products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. These competitive pressures could result in increased pricing pressures on a number of the Group's products and services, particularly where competitors seek to win market share, and may harm the Group's ability and strategy to maintain or increase its profitability and market share. These competitive pressures may be particularly harmful if the Group is forced to reprice its products due to changes in the regulatory environment in

Switzerland, a loss of premium volume or a mixture of both. In particular, the Group's business units outside Switzerland may lack the critical size to achieve the cost levels required in the future to successfully face competitive pricing challenges.

The Group depends on the efficient and uninterrupted operation of its information technology systems

The Group's ability to maintain its financial controls as well as its risk management processes to comply with legal requirements and to pursue its business depends, in part, on the efficient, adequate and uninterrupted operation of its information technology systems, including its management information systems. The Group's information technology systems could be damaged or interrupted by floods, fires, power loss, telecommunications, hardware and software failures and similar events, and the Group's business contingency and continuity measures, data safety and information technology security and document retention procedures may prove to be insufficient.

Due to its decentralized organization, the Group (particularly its foreign business units) operates a number of different IT platforms. Also, the Group initiated several projects to improve its information technology systems, the completion of which may require significantly more capital expenditures going forward. These projects, together with the use of different IT platforms, may prove to be more difficult and expensive to implement and to integrate than expected and may require that the information technology workforce and the management dedicate unexpected time and resources to these projects. In the event that the Group is not able to complete these projects as intended, the Group may not realise the anticipated improvement in its information technology systems and, therefore, may fail to achieve the required competitive cost structure and/or the targeted level of business support. In addition, the use of a number of different IT platforms and the initiated IT projects may, particularly during their testing and implementation phase, cause failures and errors in the Group's information technology systems which may adversely affect the Group's business and operations and absorb its controlling resources.

A certain part of the Group's information technology needs are outsourced and it may prove to be difficult to re-insource these IT requirements and the data thereto or to outsource them to other more competitive third party service and software providers. While the Group has not experienced significant problems with its IT outsourcing partners, it may find itself in the future to be overly dependent on the continued performance of certain third party service and software providers.

The exercising of shareholders' rights may prove to be ineffective because the Company is controlled by a pool of shareholders

The shareholders' meeting of the Company and the Board of Directors are controlled by a pool of shareholders, the Shareholders' Pool, who jointly exercises control over ca. 45% of all voting rights in the Company. The pool shareholders some of which have strategic co-operations with the Group (see "Business – Material contracts" and "Description of the Shares – Major Shareholders") agreed to join forces to protect the Group from unsolicited offers. As a rule, shareholders holding more than one third of the shares of a Swiss listed company may block important decisions over such company. See "Description of the Shares – Articles of Incorporation and Swiss Laws – Shareholders' Meetings". In addition, experience shows that shareholders' holding more than 40% of a Swiss listed company effectively exercise control over such company. Therefore, the exercising of shareholders' rights by the other shareholders may be of limited effect and the Board of Directors and the Group Executive Management are only monitored and controlled to the extent the Shareholders' Pool is willing and able to perform the monitoring and to exercise control. This structure puts a considerable responsibility on the directors who are independent from the pool shareholders and the executive management to monitor the Group's business with its pool shareholders. In addition, due to the Shareholders' Pool and the opting up provision in the Articles of Incorporation, it is unlikely that a shareholder will realize a premium in a takeover situation in the future. At the same time, there exists the possibility that the pool shareholders may sell a large part of their shareholdings in the Company to a third party for a control premium without sharing this control premium with the other shareholders.

The Group's results may be impacted by the inability of its reinsurers to meet their obligations

The Group transfers its exposure to certain risks to others through reinsurance arrangements. Under these arrangements, reinsurers assume a portion of the Group's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. To the extent the Group obtains reinsurance, it is still liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of the Group's reinsurers to meet their financial obligations could materially affect the Group's operations. Although the Group conducts periodic reviews of the financial statements and reputation of its reinsurers, its reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years. In addition, reinsurance may prove inadequate to protect against losses or may become unavailable in the future at commercially reasonable rates.

Elimination of tax benefits for the Group's products may adversely affect sales of the Group's insurance products

Changes to tax laws may affect the attractiveness of certain of the Group's products, which currently benefit from favorable tax treatment. From time to time, governments in the jurisdictions in which the Group does business have considered proposals for tax law changes that could adversely affect the Group's products and result in a loss of competitive advantage for insurance products generally. The enactment of any such tax legislation, in relation to insurance products, could result in a significant reduction in sales of the Group's currently tax favored products as consumers shift their savings into products such as those offered by banking rather than insurance organizations.

Fluctuations in currency exchange rates may affect the Group's earnings and the Group's hedging structure may not protect it from market risks

Most of the Group's assets, including its investment assets, and its liabilities are denominated in CHF and Euro, the value of which is subject to exchange rate fluctuations.

Although the Group actively engages in currency management to reduce the effect of exchange rate fluctuations on its assets and liabilities, particularly by hedging against the risk of such movements in relation to part of its investments denominated in Euro, significant movements in exchange rates could adversely affect the Group's earnings and financial position including the value of its investment portfolio. The Group's hedging arrangements are directed at covering its exposures from an economic as well as an accounting perspective. Nevertheless, hedging arrangements may not necessarily assure that the financial statements and reporting of the Group are insulated from the impact of market movements, and such movements may therefore still result in changes in reported earnings or capital or both. The volatility of reported earnings may indeed be increased by the Group's hedging activities. The instruments which the Group uses to hedge exposures may not be perfectly correlated to the related asset. The Group may still be exposed to losses if the value of the hedge and the value of the underlying asset or liability do not correspond appropriately. In addition, the Group is required to bear further expenses and costs in establishing such hedging arrangements, and counterparties to the hedging arrangements may also fail to honor their obligations.

The Group faces the risk of litigation or other proceedings in relation to its business

The Group faces the risk of litigation and other proceedings in relation to its business. While the Group believes it has appropriately provided for the financial effects of the outcome of litigation and other proceedings, the outcome may differ from management expectation, exposing the Group to unexpected costs and losses, and reputational and other non-financial consequences and diverting management attention.

For example the outcome of litigation and other proceedings may not correspond to the way it is perceived by the market and the Group's reputation may suffer in a way which adversely effects its financial performance and prospects. In addition, the consequences of such proceedings in the Group's regulated businesses may be to expose it to increased regulatory scrutiny and to accept constraints which involve additional costs or otherwise put it at a competitive disadvantage.

Substantial legal liability arising in relation to such litigation or other proceedings could have a material adverse effect on the Group's business, reputation, results of operations and/or financial condition.

Risks relating to the Rights Offering

The price of the Shares may be volatile

The market price of the Shares may be subject to wide fluctuations in response to numerous factors, many of which are beyond the Group's control. These factors include, but are not limited to, the following:

- Actual or anticipated fluctuations in the revenues, operating results or other key indicators of the Group's financial performance;
- Market expectations for the Group's financial performance;
- Changes in financial estimates by securities analysts;
- Potential or actual sale of large blocks of the Company's shares in the market;
- Investor perception of the impact of the Offering on the Group and shareholders;
- Announcements by the Group or its competitors, including announcements of new product offerings or pricing, which may impact on the actual or perceived performance or market position of the Group;
- The entrance of new competitors and their relative positions in the market;
- The general state of the insurance industry in Europe; and
- The factors mentioned under "Risk Factors" above.

The impact of any of these factors may adversely affect the market price of the Shares regardless of the Company's actual financial and operational performance.

The sale of Rights on behalf of shareholders who are not able to, or otherwise do not, take up their Rights, may result in a reduction in the price of the Rights and of the Shares and increased volatility in the Shares

Certain Shareholders, such as those in the United States, and those who are retail investors in certain other jurisdictions, will be unable to take up and exercise their Rights as a matter of applicable law. Other Shareholders may choose not to take up and exercise their Rights, and certain institutional shareholders may be prevented from doing so by the terms of their constitutive documents. Such Rights not taken up may be sold in the market during the Rights Trading Period.

The combination of sales of Rights by such investors, and the sale of the Entitlements, if any, could cause significant downward pressure on, and may result in a substantial reduction in, the price of the Rights, the Entitlements and of the Shares.

Failure to exercise Rights by 12:00 noon CET on December 8, 2004 will result in Rights becoming null and void, and Shareholders will suffer dilution of their percentage ownership of the Shares

If a Shareholder does not exercise its Rights by 12:00 noon CET on December 8, 2004, its Rights will become null and void, and the Offered Shares in respect of such Rights may be sold by the Managers on the open market. To the extent that a Shareholder does not exercise his Rights to subscribe for Offered Shares, its proportionate ownership and voting interest in the Company and its outstanding share capital will, accordingly, be diluted, and the percentage that its original Shares represent of the Company's increased share capital after the Offering will accordingly be reduced. The Company will receive the proceeds of any sale of Shares in respect of which any Shareholder does not exercise his rights, including any premium over the Offer Price. Shareholders, not exercising their Rights, will not be entitled to any payment under the terms of the Rights Offering.

There can be no assurance that a trading market will develop for the Rights or the Entitlements and, if a market does develop, the Rights may be subject to greater volatility than the Shares

The Rights are expected to be traded from November 30, 2004 until December 7, 2004 and the Entitlements from December 9, 2004 until December 13, 2004 on the SWX. The Company does not intend to apply for the Rights to be traded on any other exchange. There can be no assurance that an active trading market in the Rights or the Entitlements will develop on the SWX during that period. In addition, because the trading price of the Rights depends on the trading price of the Shares, any volatility in the price of the Shares may cause even greater volatility in the price of the Rights.

The Offering may not proceed after the Rights have commenced trading on the SWX

As is market practice for offerings of this type, the Offering is subject to the fulfillment of certain conditions and making of certain representations by the Company as contained in the Underwriting Agreement. If one or more of the conditions were not to be fulfilled, or there were to be a breach of any such representations, the Offering may be terminated by the Lead Manager. In such event, holders of Rights who have acquired such Rights through trading activity might not be able to unwind such transactions or otherwise receive compensation for their loss.

The Share price may decline substantially in the event that a substantial number of Rights are sold

If a substantial number of holders of Existing Shares do not take up their Rights but instead sell them in the market, the market price of the Rights and of the Shares may decline substantially.

It is not certain that the capital increase in connection with the Offering will occur when anticipated, which may mean that investors will not be able to trade the Offered Shares commencing on or about December 14, 2004

Although the resolution of the Board of Directors to increase the share capital of the Company is scheduled to be timely registered with the Commercial Register of St. Gallen, Switzerland, such registration may, despite the Group's efforts and for reasons beyond its control, not take place in time to enable the Offered Shares to be traded commencing on or about December 14, 2004.

USE OF PROCEEDS

The net proceeds of the Offering are expected to be approximately CHF 283 million after deduction of commissions, fees, taxes and estimated expenses. Helvetia Patria Holding will use the net cash proceeds of the Offering to support organic growth and to provide strategic flexibility for the potential acquisition of insurance portfolios or add-on acquisitions. In addition, the net proceeds will allow the Group to enhance its risk-taking capacity and to continue to accommodate a diversified asset allocation to offer attractive investment returns to policyholders and shareholders. The net proceeds received will improve the Group's solvency.

CAPITALIZATION POST-OFFERING OF THE GROUP

The following table sets forth, as at June 30, 2004, on a consolidated basis the Group's actual capitalization and the Group's capitalization on a pro forma basis giving effect to the completion of the Offering. Investors should read this table in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Group's consolidated financial statements.

Capitalization post-offering of the Group

CHF millions	Actual 30.06.2004	Adjustments for the Offering	Pro forma of the adjustments
	(unaudited)		
Liquid assets	**161.2**	**282.8**	**443.9**
Debt: Convertible and straight bond	**350.0**		**350.0**
Shareholders' equity:			
Share capital	62.9	23.6	86.5
Capital reserve	353.2	259.2	612.4
Deduction for own shares	–44.5		–44.5
Revaluation reserve	617.1		617.1
Retained earnings	166.1		166.1
Total shareholders' equity	**1'154.8**	**282.8**	**1437.6**
Minority interest in shareholders' equity	2.3		2.3

The table above assumes that the Company will increase its share capital on December 13, 2004 by CHF 23,598,750, representing 2,359,875 shares with a nominal value of CHF 10 per share. The Company estimates that it will raise approximately CHF 283 million in cash proceeds net of issuance costs as a result of the Offering. See "Use of Proceeds".

DIVIDENDS AND DIVIDEND POLICY

General

Payment of dividends is subject to general business conditions, the Company's current and expected financial condition and performance and other relevant factors including growth opportunities.

Dividends may be paid only if the Company has sufficient distributable profits from previous fiscal years or sufficient free reserves to allow the distribution of a dividend. In addition, at least 5% of the Company's annual net profits must be retained and booked as general legal reserves, unless these reserves already amount to 20% of the Company's nominal share capital. The legal reserves of the Company exceed that threshold. As a holding company, the Company's main sources of income are dividends and debt service from its subsidiaries. Certain of the Company's subsidiaries are regulated insurance companies and, therefore, any dividend payments they make are subject to relevant regulatory requirements relating to policyholders' protection.

The declaration of any dividend proposed by the Board of Directors must be approved at a general meeting of shareholders. In addition, the statutory auditors must confirm that the dividend proposal of the Board of Directors complies with statutory law and the Articles of Incorporation. In the past, the Company's shareholders' meeting did usually approve the distribution of dividends as proposed by the Board of Directors whenever such proposal had been confirmed by the statutory auditors.

Dividends are usually due and payable no earlier than three trading days after the shareholders' resolution. Dividends for which no payment has been requested within five years after the due date accrue to the Company and are allocated to its free reserves. For information about the deduction of withholding taxes from dividend payments, see the section entitled "Taxation – Taxation of dividends".

The Offered Shares are entitled to dividends as from January 1, 2004 for the financial year 2004 and for all subsequent financial years (see "Description of the Shares").

Dividend Policy

Dividends are paid annually. The shareholders' meeting of the Company held on May 7, 2004 approved the payment of a gross dividend for the financial year ended December 31, 2003 of CHF 25,172,000 (CHF 4 per Share) and December 31, 2002 of CHF 12,586,000 (CHF 2 per Share), respectively.

The Company intends to pay dividends in relation to profits generated and income received from its underlying businesses when operational conditions so permit and intends, on the basis of current estimates, to adopt a dividend payout ratio of between 30 and 50% of net profit for the applicable year. The Company may make payments to shareholders by way of a return of capital in the future.

Dividend History

The following table sets forth the dividends the Company has paid per Share in the past five years:

Financial Year	Dividend per Share[1] (CHF)	Total dividend amount (CHF million)
1998	7.00	46.180
1999	8.00	52.778
2000	8.75	57.725
2001	8.75	57.725
2002	2.00	12.586
2003	4.00	25.172

Note:
[1] Adjusted for a 4-for-1 share split in 2001.

Dividends for each financial year were paid out in the following year. For information the consolidated earnings per share in CHF (net of share buy back in 2001 and own shares) was 16.8 (2001), –60.3 (2002) and 15.4 (2003). On the same basis the Company earnings per share was 11.5 (2001), 0.0 (2002) and 4.0 (2003).

MARKET INFORMATION

General

The Shares are listed and traded on the main board of the SWX. The Company is subject to the Listing Rules and other regulations of the SWX.

The Shares are included in the SPI®, a free-float market capitalization index adjusted for dividends, which includes all equity securities of companies domiciled in Switzerland or the Principality of Liechtenstein that are listed and traded on the SWX.

Market price information

The following table sets forth, for the periods indicated, the reported high, low and closing price for one Share on the SWX:

	Price per Share (in CHF) [(1)]		
Year	**High**	**Low**	**Closing**[(2)]
1999:	347.75	282.50	315
2000:	420	262.50	420
2001:	426	212	253
2002:	272	110	153
2003:	212	113.25	212
2004:	234	170	185

Notes:

(1) Adjusted for a 4-for-1 share split in 2001.

(2) For 1999 to 2003, the closing price is the price on December 31. For 2004, the closing price is the price on November 26, 2004, the latest practicable date prior to the date of publication of this Prospectus.

Source: Bloomberg

EXCHANGE RATE INFORMATION

The following table sets out, for the periods and dates indicated, certain information concerning the exchange rates for Swiss francs, expressed in CHF per EUR 1. These rates may differ from the actual rates used in the preparation of the Group's consolidated financial statements and other financial information of the Group appearing in this Prospectus. Fluctuations in the exchange rate between the CHF and the Euro may affect the Euro equivalent of the CHF price of the Shares on the SWX. No representation is made that the Euro or the CHF amounts referred to in this Prospectus have been or could be converted into CHF or Euro, as the case may be, at any particular rate at all.

	Year ended December 31,			
	2001	**2002**	**2003**	**2004**[(1)]
	(CHF per Euro 1)			
High (daily closing)	1.5460	1.4839	1.5735	1.5841
Low (daily closing)	1.4453	1.4461	1.4510	1.5072
Average	1.5105	1.4667	1.5207	1.5447
Close	1.4775	1.4508	1.5599	1.5142

[(1)] Up to and including November 26, 2004.

Source: Bloomberg

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected financial data in this section has been derived from the Group's consolidated financial statements as at and for the three years ended December 31, 2003, 2002 and 2001[1], which are prepared in accordance with Swiss GAAP ARR reporting standards for Insurance Companies, and the Group's unaudited consolidated interim financial statements for the half year period ended June 30, 2004 and 2003, which are prepared in accordance with Swiss GAAP ARR 12[2][3]. The annual consolidated financial statements have been audited by Ernst & Young AG as indicated in their audit reports included elsewhere in this Prospectus. The unaudited 2004 consolidated interim financial statements have been reviewed in accordance with the International Standard on Review Engagements ("ISRE 2400") by Ernst & Young AG. No review has been performed on the unaudited 2003 interim consolidated financial statements.

The following selected financial data should be read in conjunction with the information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements included elsewhere in this Prospectus.

1) The 2002 consolidated financial statements included in the F-Pages include the 2001 comparative figures.

2) Except for the application of the Swiss GAAP ARR 23 which has not been applied in the preparation of the unaudited 2004 consolidated interim financial statements, as further described in the sub-section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – section Accounting policies and changes in accounting policies – 2004 Change in accounting policy for accruals and provisions".

3) Except for the provision for foreign currency fluctuations recorded in the unaudited 2003 consolidated interim financial statements, as further described in sub-section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Consolidated financial statements – Results of operations – Half-Year ended June 30, 2004 compared to Half-Year ended June 30, 2003 – Non-underwriting result".

	Year ended December 31,			**Six months ended June 30,**	
CHF million	**2001**	**2002**	**2003**	**2003**	**2004**
Income statement data	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Gross written premiums	4,606.4	5,144.9	5,392.6	3,504.6	3,074.2
Income from investments	736.2	–67.2	1,083.6	477.3	484.6
Underwriting result from non-life business	81.4	95.8	132.1	60.5	74.7
Underwriting result from life business	17.8	–87.2	29.6	–28.2	20.1
Non-underwriting result [4]	59.7	–343.1	76.4	14.0	5.8
Amortization of goodwill [4]	–16.4	–16.1	–90.8	–8.2	0.0
Profit (loss) before taxes	142.5	–350.6	147.3	38.1	100.6
Taxation	–42.1	–11.3	–54.8	–11.2	–26.9
Minority interests	0.2	–0.1	–0.1	–0.1	0.0
Profit (loss) after taxes and minority interests	100.6	–362.0	92.4	26.8	73.7

	As at December 31,			**As at June 30,**	
CHF million	**2001**	**2002**	**2003**	**2003**	**2004**
Balance sheet data	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Balance sheet total	25,407.6	26,063.6	27,721.3	27,562.1	27,909.1
Investments	23,529.3	23,793.8	25,491.2	25,396.1	25,654.1
Investments in % of assets	92.6%	91.3%	92.0%	92.1%	91.9%
Net underwriting reserves	20,477.6	21,815.2	23,360.5	23,252.0	23,645.4
Net underwriting reserves in % of liabilities	80.6%	83.7%	84.3%	84.4%	84.7%
Consolidated shareholders equity	1,519.7	1,046.5	1,153.0	1,195.5	1,154.8
Equity per share (in CHF) [5]	230.3	166.3	183.2	190.0	192.4
Return on Equity [6] [7]	4.8%	–28.2%	8.4%		6.5%

4) The amortization of goodwill reported under the combined result for 2003, 2002, 2001 was reported as part of the non-underwriting result in the 2001 Group consolidated financial statements.

5) June 30, 2004, based on 6,293,000 Helvetia Patria Holding shares net of own shares of 291,136.

6) Return on Equity for 2001, 2002, 2003 calculated by dividing "Profit (loss) after taxes and minority interests" by the average of the opening and closing consolidated shareholders equity for the year concerned.

7) Return on Equity for the half year 2004 calculated by dividing "Profit (loss) after taxes and minority interests" by the average of the opening and closing consolidated shareholders equity for the period concerned, after deducting the amount for own shares from the opening, see sub-section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – section Accounting policies and changes in accounting policies – 2004 Change in accounting policy for own shares".

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Group's financial condition and results of operations has been prepared on the basis of and should be read in conjunction with the Group's historical audited consolidated financial statements as at and for the years ended December 31, 2003 and 2002 (including the comparative figures for 2001) and the unaudited consolidated interim financial statements as at and for the half-years ended June 30, 2004 and 2003, included in the section entitled "Financial Information".

The opinions of Ernst & Young AG with respect to the audited financial statements are also included in the section entitled "Financial Information" and reported that these audited consolidated financial statements gave a true and fair view of the Group's financial position, results of operations and cash flows in accordance with Swiss GAAP ARR. The unaudited 2004 consolidated interim financial statements have been reviewed, in accordance with the International Standard on Review Engagements ("ISRE 2400") by Ernst & Young AG. No review has been performed on the unaudited 2003 consolidated interim financial statements.

Market share and percentages of the Group's business are measured in terms of gross written premiums unless otherwise stated. Amounts and percentages included in this Prospectus have been rounded, and accordingly, may not in the aggregate conform to the figures rendered as "total". See "Presentation of Information".

Overview

Introduction

With a Swiss market share of about 7% in life and more than 10% in non-life business, the Group is a medium-sized insurance group in Switzerland ranking fifth in life and sixth in non-life insurance business. Abroad, the Group is active in Germany, Italy, Spain, Austria, and France. Assumed reinsurance is offered world-wide, but mainly within the countries of the OECD. The life business is concentrated in Switzerland with 85.8% of the Group's life business being written by Patria Leben in 2003. The non-life business in Switzerland accounted for only 24.8% of the Group's non-life business in 2003 and assumed reinsurance accounted for 2.5% of the Group's total gross written premiums.

Life insurance operations offer a comprehensive range of risk protection and long-term savings products aimed at both individuals as well as small and medium-sized enterprises. The principal non-life products are property, transport and motor vehicle insurance, and – to a lesser degree – liability and health/accident insurance (for more details see the section entitled "Business").

The Group management sets, within the strategy approved by the Board of Directors, strict financial targets for all business units. Otherwise, the Group management enjoys a high degree of autonomy, in particular when determining the units' organization and market activities.

Factors affecting results of operations

The Group derives its revenues principally from:

- Premiums from its life and non-life businesses; and
- Investment income and investment gains from its portfolio of investment assets.

Benefits and claims paid by the Group and expenses incurred principally consist of:

- Life insurance benefits paid and reserves created to cover future benefits, bonuses and profit participations owed to policyholders;
- Non-life insurance claims paid and reserves created to cover future claims;
- Policy acquisition expenses, including marketing expenses and commissions to sales representatives;

- Operating and administrative expenses (including, personnel and IT costs); and
- Income taxes.

The Group has certain characteristics that affect its reporting of results. The most significant ones are set out below.

Gross written premiums life and non-life

Management regards gross written premiums as a leading indicator of the Group's volume growth. Gross written premiums include:

- Reported gross written premiums for traditional life and non-life products; and
- Reported gross written premiums for contracts that are principally of investment nature.

Investment income and investment gains from its portfolio of investment assets

Investment income is generated from the Group's investment assets and is primarily a function of the risk adjusted asset allocation, the interest level and the development of the financial markets.

Life insurance benefits and changes in reserves for benefits outstanding; net change in actuarial reserves

Reserves for future benefits to life insurance policyholders are based on actuarial assumptions such as mortality, persistency, expenses and investment returns. Management reviews and updates these assumptions on a regular basis for new investment-linked insurance business and updates them for existing traditional business when a deficiency occurs. Participating life insurance policies entitle the policyholders to participate in the profits attributable to these policies in the form of bonuses. Consequently, the Group allocates a significant portion of its earnings on investments to these policyholders in accordance with the terms of the policies, market practice and regulatory requirements that may change over time.

Non-life insurance claims paid and reserves created to cover future claims

The Group is required by applicable insurance laws and regulations to establish reserves for payment of claims and changes in claims reserves that arise from its non-life insurance business. Reserves are based on estimates of future payments to settle such claims, including legal and other expenses. Such estimates are made on the basis of the facts available at the time the reserve is created thereby using established actuarial methodologies. The calculation of reserves is subject to assumptions reflecting, among other things, economic factors such as inflation rates, as well as legal and regulatory developments, which may change over time. The Group reviews and updates the methods and assumptions used to determine such estimates on a continuing basis and, based on these reviews, establishes the relevant reserves.

Acquisition and administrative expenses

Acquisition and administrative expenses are important drivers for the competitive position and the pricing flexibility of the Group. Commissions to sales representatives account for a significant portion of policy acquisition expenses. Depending upon the structure of a business unit's distribution channels and sales force, the acquisition expenses usually vary more or less in accordance with changes of premium income. Administrative expenses generally do not vary as a function of changes in premium volumes.

Industry conditions

A variety of factors continue to affect the results and outlook for the life and non-life business.

Pricing conditions

The pricing of insurance policies in the life business is considerably different from the pricing in the non-life segment.

Pricing in the life segment is dictated in part by government regulations which may require minimum returns or minimum allocations of profits to policyholders, and in part by a changing economic environment and other conditions, in particular life expectancy. It is also influenced by interest rate levels, with lower interest rates creating a more competitive pricing environment. Additionally, a core factor in the calculation of a life insurer's pricing policy is the level of bonuses it pays to its policyholders. Bonus levels are often set at higher rates than those mandated by governmental regulation (including the legal quote in Switzerland) in order to attract and retain customers. The Group is increasingly applying stricter economic principles to the pricing of its life products so that the premium covers the full cost of all the components including the cost of capital, guarantees, risk, investment and other elements.

Pricing in the non-life segment has historically been cyclical, characterized by periods of price competition due to excess underwriting capacity in the market, and periods where shortages of underwriting capacity resulted in higher pricing. In recent years, significant underwriting and investment losses have considerably reduced the capital available in the industry, which has only partially been compensated by the improvements in retained earnings and new capital infusions. As a consequence of this and other factors, pricing conditions have generally improved. However, the cyclical nature of the industry suggests these conditions may change.

Changes in demographics

Demographic studies suggest that many of the Group's life insurance markets will continue to grow over the next decade. The Management expects that an increase in the segment of the population approaching retirement age in developed markets and the increasing pressure on state-sponsored "pay as you go" systems will lead to increased demand for individually funded or employer-sponsored retirement oriented life insurance and similar products. The Management believes that the Group's focus on these products, its distribution capabilities, the quality and diversity of its products and the expertise of its employees in the various business units position the Group to benefit from these demographic developments.

Regulatory environment

The Group is subject to regulation and supervision in all jurisdictions in which it conducts business. Such laws and regulations give regulatory agencies control over the scope of many aspects of the Group's insurance business, including tariffs and premiums levels, marketing and selling practices, solvency and capital adequacy requirements and the definition of permitted investments.

For further details of these and other regulatory developments relevant to the Group, see "Regulation".

Impact of financial market/price fluctuations on the Group's financial results

Interest rate fluctuations

The results of the Group are potentially influenced by changes in interest rates. A sustained continuation of low, or even lower interest rates, will further reduce the ordinary income on fixed income investments such as bonds and mortgages; conversely, income will increase with rising interest rates. Any effect will take a period of time as changes in interest income primarily occur on refinancings or when making new investments. The market value of the Group's fixed income portfolio will change with fluctuations in interest rates, however, the financial statements are not affected by such valuation changes under the current accounting policies for such instruments.

The Group's bond portfolio is of high quality, with a large share of OECD sovereign issuers. On June 30, 2004, 81.9% of the holdings were rated AAA (51.8%), AA (21.3%), A (8.0%) or BBB (0.8%). Non rated holdings (18.1%) consist mainly of cantonal banks, foreign regional banks, cantonal and mortgage institutions (i.e. non rated, but first-rate credit standing). The Group's internal rules require a minimum rating of A or equivalent. Investments in bonds are almost exclusively made in CHF and EUR, which are the domestic currencies of the

Group's business units. The Euro bond market provides access to broader and more liquid markets than the more restricted Swiss Franc bond market.

Equity market fluctuations

Investments in equities are used to generate long term excess returns. Investments are made predominantly in highly capitalized companies that are listed on the major stock exchanges. The portfolio is widely diversified, with no single investment exceeding 6% of the overall equity exposure as at June 30, 2004 (shares, derivatives, other non-fixed interest rate securities). Nevertheless the equity portfolio is subject to market fluctuations and did suffer from the decline in value of global stocks since 2000. All losses have been fully accounted for. The proportion of the Group's investments in equities has been reduced as a result of the Group's reduced consolidated equity in line with the Group's reduced risk capacity.

Market risks are mitigated by hedging strategies, mostly through the use of 'stop loss' structures achieved by purchasing out-of-money put options if internal loss limits are threatened to be breached. As at June 30, 2004, equities (including private equity) represented approximately 10.5% (before hedging) of the Group's investments, a substantial portion of which is protected against significant downside risk. Given the use of out-of-money put options, the delta adjusted hedge ratio is relatively modest, but the degree of protection will increase with large market moves.

Exchange rate fluctuations

Group assets and liabilities are mainly denominated in CHF and EUR, the value of which are subject to exchange rate fluctuations. Although currency risks are being managed by the use of options and forwards thereby decreasing the above mentioned percentage, significant movements in exchange rates can affect the Group's earnings and financial position, including the value of its investment portfolio. Exchange rate changes are fully accounted in the Group's results. See "Exchange Rate Information".

Overview of the Group's results

Life insurance business

The life insurance business accounted for CHF 3,123 million, or 57.9% of gross written premiums, for the year ended December 31, 2003 and CHF 1,650 million, or 53.7% of gross written premiums, for the half-year ended June 30, 2004. In the year 2003, 85.8% (85.2% for the half-year 2004) of the gross written premiums in the life business were written in the Swiss market. Other markets for the life insurance business of the Group are Germany, Austria, Italy and Spain.

Switzerland

In Switzerland, the Group offers life insurance products through its subsidiary Patria Leben.

In Switzerland, the premium volume for 2003 was CHF 2,681 million, up from CHF 2,630 million in 2002. For the first half-year 2004 the premium volume was CHF 1,406 million, down from CHF 1,966 million in the first half-year 2003. This decrease, the result of reduced demand for such products, is mainly due to the low interest rate environment and the strict profitability goals for new business and it was most marked in the individual life single premium business, which decreased by 61.4% compared to the first half-year 2003. The strict profitability goals called for stricter pricing of the Group's products, including increased prices to compensate for a rising number of disability claims and to compensate the high administration costs for these products. This new pricing model had the effect of increasing the profitability of the product portfolio.

As at December 31, 2003, direct reserves for future life policyholder benefits amounted to CHF 7.7 billion for the individual life insurance business in Switzerland, and CHF 9.0 billion for the group life insurance business in Switzerland. Due to the low volume of new business in the first half-year 2004, there was only a small increase in the reserves, taking the individual life reserves to CHF 7.8 billion and the group life reserves to CHF 9.1 billion.

Individual life insurance products featuring a savings element contain a minimum guaranteed rate of return. For non-guaranteed unit-linked products, the policyholders' return is determined solely by reference to the performance of the underlying portfolio. A small portion of the unit-linked funds have guarantees from 0 % up to 2.5 %. These are single premium products for which the savings element is invested in special funds whereby the asset allocation of the funds is determined by the guarantee level. For index-linked products, the policyholders' return is linked to an external index, the returns of which are hedged by the Group.

In 2003, individual policies represented approximately 33% of the Swiss life portfolio, with group policies accounting for the remaining 67% of premium volume.

In Switzerland, the Group offers BVG products to cover either the mandatory part or the non-mandatory part or, as an integrated solution, to cover both parts. Due to certain regulatory requirements, mandatory BVG products are subject to a guaranteed minimum interest rate (2.25% effective as of January 1, 2004, 2.50% effective as of January 1, 2005) and an annuity conversion rate of 7.2%. In April 2004, new legislation came into force that provides for a gradual reduction of the statutory annuity conversion rate over the next ten years to 6.8%. See "Regulation – Switzerland".

In addition to the amended mandatory BVG pricing policy and in line with its strategy for economic pricing, Patria Leben obtained regulatory approval for premium increases for its BVG business to increase cost and disability risk premiums on both its mandatory BVG and its non-mandatory business. These increases took effect on January 1, 2004 for both existing and new business.

In the past, Patria Leben had offered the same minimum interest and annuity conversion rates for the non-mandatory BVG products as it did to mandatory BVG products. Patria Leben decided in 2003 to set different annuity conversion rates for its mandatory BVG business and its non-mandatory business by adjusting the annuity conversion rate for non-mandatory business with effect from 2004. Conversions made since January 2004 apply a lower conversion rate (5.835% for men at retirement age of 65, 5.454% for women at retirement age of 62). The mandatory BVG products represent about 56% of the total BVG business or 37% of the total Swiss life business.

Both mandatory and non-mandatory BVG products are usually contracted with an initial fixed term of five years with a notice period of six months to the end of each calendar year. The risk and cost elements of tariffs are based on one year's term premium and may be amended every year.

Non-Swiss markets

The Group also writes life business in Germany, Austria, Italy and Spain. Overall written premiums for the year ended 2003 in these markets were CHF 438 million, a small decrease from CHF 441 million in the prior year. In the first half-year 2004, premium volume increased from CHF 211 million in the first half-year 2003 to CHF 241 million. Products include traditional life products and unit- or index-linked policies. Non-life insurance is however of more importance in these markets.

Non-life insurance business

The non-life business accounted for CHF 2,269.3 million of gross written premiums in 2003 of which CHF 2,138.6 million or 94.2% was direct business. The proportion of gross written premiums for direct business by line of business was as follows: 39.7% property, 10.5% transport, 34.0% motor vehicle, 10.0% liability, and 5.9% accident/health insurance. In addition, assumed reinsurance accounted for CHF 130.7 million or 5.8% of total gross written premiums in the non-life business.

In 2003, 75.2% of the non-life business was generated outside of Switzerland. The proportion of gross written premiums by business unit was as follows: Switzerland 24.8%, Germany 26.2%, Italy 15.2%, Spain 16.1%, Austria 8.4%, France 3.6% and assumed reinsurance 5.8%. Between 2001 and 2003, Switzerland and Austria decreased their proportion slightly and the other business units including assumed reinsurance increased in percentage terms. Due to the different seasonality-profiles of the various business units, the proportion of premiums by business unit as at June 30, 2004 may not be indicative of the proportion for the full year.

Key factors influencing the financial condition of the Group's non-life insurance business are claims paid and operating expenses, which are measured by the combined ratio. As the net interest income assigned to the non-life activities is calculated by applying the direct yield on the reserve balance, changes in this income are driven by the growth in the business rather than by varying investment returns. The combined ratio 'all in' reported comprises the claims ratio 'all in' and the expense ratio 'all in' (claims paid including changes in reserves for claims outstanding gross or net plus net change in other underwriting reserves plus net expenditure on policyholders' dividends plus net change in equalization reserve plus underwriting expenses gross or net plus other net underwriting expenditure) as a percentage of gross or net earned premiums).

Since 2001, the combined ratio, gross as well as net, has been decreasing mainly due to the improvement in underwriting and in the management of expenses, but also due to the limited occurrence of natural catastrophes in the principal markets in which the Group operates with the exception of the floods in Germany and Austria in 2002. This has resulted in lower claims by the Group on its reinsurers.

Group Combined ratios non-life 'all in'	Year ended December 31,			Six months ended June 30,	
	2001	2002	2003	2003	2004
Gross	101.7%	100.6%	96.1%	95.6%	95.9%
Net	102.7%	101.5%	99.9%	100.6%	99.0%

Investment management

The Group principally manages proprietary assets with only limited management of third-party assets. Proprietary real estate, mortgages, bonds and equities listed on major securities exchanges are managed in-house, whereas more complex instruments such as investments in hedge funds, private equity or convertible bonds are managed by external asset managers. Unit-linked assets are invested in balanced funds and are managed by third party asset managers.

The overall value of investment assets has increased every year since 2001, up to a level of CHF 25.7 billion as at June 30, 2004. During this period, the Group has re-allocated a significant portion of investments from equities into fixed income instruments.

Accounting policies and changes in accounting policies

Accounting policies

The consolidated financial statements of the Group have been prepared in compliance with the Swiss GAAP ARR. The Swiss GAAP ARR 14 specifically addresses the consolidated financial statements of insurance companies, regulating the presentation and format of the consolidated financial statements, valuation rules and funds flow statements.

The accounting policies that are applied by the Group are disclosed in detail in the financial statements included in the section entitled "Financial Information". The accounts are generally prepared under the historical cost convention with exceptions for certain asset categories. The basis for recording technical reserves is also included in the financial statements. The Group applies a set of key valuation principles, which can be summarized as follows:

Real estate and equities are recorded at current value (real estate) and market value (equities) with increases in value being allocated to the revaluation reserve. Decreases in value below historical cost are charged to the profit and loss account. Realized gains and losses are recognized in the profit and loss account.

Fixed interest rate securities are recorded applying the amortized cost value method. The difference between the acquisition cost and the redemption value being systematically allocated to the profit and loss account over the residual term. The market value for fixed interest rate securities is disclosed in the notes to the annual accounts. Realized gains and losses on sales of fixed-income investments are recognized in the profit and loss account.

Technical reserves such as reserves for unearned premiums, life insurance reserves, reserves for claims outstanding or reserves for profit sharing (reserve for credited policyholder dividends) are calculated by applying actuarial methods in compliance with local supervisory regulations. In accordance with the Swiss insurance law, Swiss insurance companies are permitted to create reserves for insurance risk that are not economically required. As Swiss GAAP ARR allows the reporting of technical provisions that are in compliance with local law, this practice is also permitted under Swiss GAAP ARR.

Changes in accounting policies and application of policies

Since 2001, significant changes in the accounting policies or application of accounting policies have occurred that had an impact on the consolidated financial statements of the Group for the years ended December 31, 2003, 2002, and 2001 or that will have an impact on the consolidated financial statements as at December 31, 2004. These changes are summarized below and are recorded under the year in which they first occurred:

2004

Introduction of legal quote for Swiss group life business

During the year 2004, the Swiss government introduced new legislation concerning the legal quote for the treatment of the pension funds. See "Regulation – Switzerland". All life insurance companies in Switzerland have to separate their group life business from the rest of their insurance business. The principle of separation also applies to the revaluation reserves; this means that increases in value of assets allocated to the group life business are allocated to the group life business and reclassified from equity to other liabilities.

At the time of preparation of the unaudited 2004 consolidated interim financial statements, the Swiss regulator had not approved the basis on which the assets were to be separated. In the meantime, the FOPI has approved the separation on October 25, 2004. The separation will therefore be made for the first time in the consolidated financial statements for the year ending December 31, 2004. As disclosed in the unaudited 2004 consolidated interim financial statements, management estimates that the separation will have a negative impact on the shareholders' equity of approximately CHF 100 million.

Change in accounting policy for own shares

In 2004, the new Swiss GAAP ARR 24 for the disclosure and presentation of own shares has been introduced. Until 2003, own shares were recorded at the lower of cost and market under "assets". With the application of the new standard, treasury shares are stated as a deduction to shareholders' equity at historical cost.

This change in policy has been reflected in the unaudited 2004 consolidated interim financial statements and resulted in a reduction of shareholders' equity as at June 30, 2004 of CHF 44.5 million, representing the amount that was recorded as an asset in the 2003 consolidated financial statements.

Change in accounting policy for accruals and provisions

In 2004, the new Swiss GAAP ARR 23 came into force. This new standard defines stricter requirements for the creation of non-technical provisions. The Group will apply this new standard for the first time in the consolidated financial statements for the year ending December 31, 2004.

Change in accounting policy for assumed reinsurance

As the final version of the accounts of direct insurers are only forwarded to the reinsurers after the closure of the respective business year, the assumed reinsurance has generally only recorded the previous year's business. At the end of 2004, the Group intends to alter the policy to one of estimation of the current year results. The 2004 result will therefore combine the 2003 actual results and the 2004 estimated results. In future years the Group will report the results on an estimated basis with adjustments required, if any, being made in the following year.

2003

Impairment of Goodwill

In 2003, following an impairment review, the Group took an additional charge of CHF 74.5 million on the goodwill of Previsión Española Sociedad Anónima de Seguros y Reaseguros, Seville and Helvetia Life S.p.A., Milan.

2002

First time capitalization of Deferred Acquisition Cost ("DAC")

In 2002, acquisition costs totaling CHF 207.8 million for the Swiss Individual life business were capitalized for the first time with the approval of the FOPI. In subsequent periods, the change in the DAC has been recorded depending on the development in the Swiss individual life business.

2001

Decision of the Group in respect to permitted alternative treatments of investment losses following a revision to the Swiss GAAP ARR 14

Effective December 31, 2001, the Swiss GAAP ARR 14 for insurance companies was amended to permit companies to record unrealized losses to the extent that they related to losses below historical cost on investments directly as an adjustment in equity.

The Group's policy has been to record unrealized losses, to the extent that they related to losses below historical cost, as a direct charge in the profit and loss account in the period in which the loss incurred. This policy was consistently applied for the years ended December 31, 2002 and 2003.

Information regarding the statutory financial statements of Patria Leben in the years 2002 and 2003

In the statutory financial statements of Patria Leben for the business year 2002, the real estate investment portfolio of the Cantons of Zurich and Ticino were reclassified from fixed to current assets. This resulted in a change in the basis of valuation from acquisition costs in the fixed assets to fair market value in the current assets in the amount of CHF 226.6 million. At the request and with the approval of the FOPI, the real estate investment portfolio was rebooked into the fixed assets in the statutory financial statements of the business year 2003. Again, this led to a change in the basis of valuation analogous to the statutory financial statements of the business year 2002. The change in the valuation resulted in a net depreciation of CHF 226.6 million. Accordingly, in the statutory financial statements of the business year 2003 for Patria Leben, revaluations of shares and participations were made in the corresponding amount.

These reclassifications as well as the changes in the valuation principles in the statutory financial statements of Patria Leben had no effect on either the consolidated annual financial statements of the Group prepared in accordance with Swiss GAAP ARR nor on the Company's statutory financial statements prepared in accordance with Swiss law and the Company's articles of incorporation.

Acquisitions and disposals

In the period from 2001 until the date of this Prospectus, the Group made only a few minor acquisitions as follows:

- 2001: Acquisition of Norwich Union Vita S.p.A., Italy, subsequently renamed into Helvetia Life S.p.A., accounting for approximately CHF 37 million or less than 0.9% of total gross premiums written in 2001;
- 2002: Acquisition of a French transport portfolio from Royal & Sun Alliance accounting for approximately CHF 11 million or less than 0.3% of total gross premiums written in 2002; and
- 2004: Acquisition of two additional French transport portfolios from Royal & Sun Alliance accounting for approximately CHF 7 million or less than 0.3% of total gross premiums written in the first half year of 2004. On July 1, 2004, the Group acquired a 7.5% interest in the Swiss legal protection insurer Coop Rechtsschutz.

No major acquisitions or disposals have been made since the beginning of 2001.

Consolidated financial statements
Overview of the Group's Results

The table below presents an overview of the Group's results for the years ended December 31, 2001, 2002 and 2003 and the half years ended June 30, 2003 and 2004.

Overview of the Group's results	**Year ended December 31,**			**Six months ended June 30,**	
(CHF million)	**2001**	**2002**	**2003**	**2003**	**2004**
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Total gross written premiums	**4,606.4**	**5,144.9**	**5,392.6**	**3,504.6**	**3,074.2**
Underwriting result non-life					
Gross written premiums non-life	1,982.3	2,066.7	2,269.3	1,325.3	1,424.1
Net earned premiums	1,744.9	1,810.4	1,968.2	971.3	1,080.8
Net interest income assigned to non-life activities	127.9	122.6	130.1	65.8	63.5
Net claims paid, changes in technical reserves and policy dividends	–1,212.2	–1,237.6	–1,328.2	–667.4	–712.6
Net underwriting costs and other expenditures	–579.2	–599.6	–638.0	–309.2	–356.9
Underwriting result non-life	**81.4**	**95.8**	**132.1**	**60.5**	**74.7**
Underwriting result life					
Gross written premiums life	2,624.0	3,078.3	3,123.3	2,179.3	1,650.1
Net earned premiums	2,588.9	3,044.6	3,079.8	1,855.0	1,286.5
Net interest income assigned to life activities	452.5	500.9	790.6	369.0	376.0
Funds transferred from policyholders' dividend reserve	31.3	27.2	27.8	26.2	1.2
Net benefits paid	–1,658.8	–1,814.8	–2,389.4	–1,292.1	–1,549.5
Net change in actuarial and other reserves	–955.3	–1,503.8	–1,069.1	–765.6	106.4
Net underwriting costs and other expenditures	–295.0	–331.3	–306.7	–174.1	–137.3
Net expenditure on policy holders' dividends	–145.8	–9.9	–103.4	–46.7	–63.2
Underwriting result life	**17.8**	**–87.2**	**29.6**	**–28.2**	**20.1**
Non-underwriting result[1]					
Ordinary investment income	913.3	914.3	933.2	487.6	451.0
Realized gains/losses net	606.0	–46.5	168.6	113.9	91.2
Unrealized gains/losses net	–783.2	–934.9	–18.2	–124.2	–57.7
Investment result	**736.2**	**–67.2**	**1,083.6**	**477.3**	**484.6**
Investment administration costs	–29.3	–15.4	–20.0	–9.5	–10.8
Other interest income and payments	–71.0	–64.0	–52.6	–25.1	–22.9
Interest assigned to life and non-life activities	–580.4	–623.5	–920.7	–434.8	–439.5
Other income / (expenditure) from ordinary business operations net	4.1	16.7	–13.8	6.2	–5.6
Other extraordinary income from other business operations	0.0	410.2	0.0	0.0	0.0
Non-underwriting result	**59.7**	**–343.1**	**76.4**	**14.0**	**5.8**
Combined result[1]					
Result from non-life underwriting activities	81.4	95.8	132.1	60.5	74.7
Result from life underwriting activities	17.8	–87.2	29.6	–28.2	20.1
Result from non-underwriting activities	59.7	–343.1	76.4	14.0	5.8
Amortization of goodwill [1]	–16.4	–16.1	–90.8	–8.2	0.0
Result before taxation	**142.5**	**–350.6**	**147.3**	**38.1**	**100.6**
Taxation	–42.1	–11.3	–54.8	–11.2	–26.9
Minority interests	0.2	–0.1	–0.1	–0.1	0.0
Result after taxation and minority interests	**100.6**	**–362.0**	**92.4**	**26.8**	**73.7**
Technical ratios					
Group gross combined ratio non-life 'all in'	101.7%	100.6%	96.1%	95.6%	95.9%
Group net combined ratio non-life 'all in'	102.7%	101.5%	99.9%	100.6%	99.0%
Group net claims ratio non-life (incl. change in equalization reserves)	69.3%	68.3%	67.4%	68.5%	65.7%
Group net expense ratio non-life	32.2%	31.8%	31.2%	31.5%	31.7%
Group net expense ratio life	11.2%	10.9%	9.9%	9.4%	10.7%

[1] The amortization of goodwill reported under the combined result for 2003, 2002 and 2001 was reported as part of the non-underwriting result in the 2001 and 2002 Group consolidated financial statements.

Results of operations

Half-Year ended June 30, 2004 compared to Half-Year ended June 30, 2003

Gross written premiums: Total gross written premiums decreased by 12.3% CHF 3,074.2 million mainly due to a 24.3% decrease in life business to CHF 1,650.1 million. Life business was heavily influenced by decreased demand following a more conservative underwriting policy and a lower demand for individual life products caused by persistently low interest rates. Non-life business grew by 7.5% and reached gross written premiums of CHF 1,424.1 million which is mainly due to assumed reinsurance. The acquisition of an insurance portfolio in France contributed 0.6% points growth to the non-life business.

Foreign exchange rate changes diminished the premium development in life by 0.1% points and in non-life by 0.6% points reflecting the higher impact of the Euro on the non-life portfolio.

Net earned premiums: Net earned premiums are derived from the gross written premiums after deduction of the premiums ceded to reinsurers and correction for the net change in reserves for unearned premiums. As a consequence of the development in gross written premiums, net earned premiums decreased by 16.2% to CHF 2,367.3 million. In life business, net earned premiums decreased 30.6% to CHF 1,286.5 million while non-life net earned premiums increased 11.3% to CHF 1,080.8 million.

Underwriting result non-life: The non-life net underwriting result is the combination of the development of the insurance business together with the investment income assigned to this segment, i.e. the direct yield on the assets covering non-life reserves. The underwriting result non-life improved from CHF 60.5 million to CHF 74.7 million. This was due to the improved net combined ratio that was reduced from 100.6% to 99.0%.

Underwriting result life: The life net underwriting result is the combination of the development of the insurance business together with the investment return assigned to life activities, i.e. the direct yield and realized/unrealized gains and losses on the assets covering life reserves. The life underwriting result improved from a loss of CHF 28.2 million to a profit of CHF 20.1 million. This improved result was due to the lower guaranteed interest rate for the group life business in Switzerland and to a more favourable development of the invalidity risk result. As a consequence of the decrease in premiums, the net expense ratio increased from 9.4% to 10.7%.

Non-underwriting result: The non-underwriting result decreased from CHF 14.0 million to CHF 5.8 million. The investment result, i.e. ordinary investment income, net realized and unrealized gains/losses on investments and net of provisions for currency fluctuations, increased slightly from CHF 477.3 million to CHF 484.6 million. This increase, however, was offset by higher allocation to the life and non-life activities and other net income and expenditures from ordinary business operations. The 2003 interim investment result included a provision for foreign currency fluctuations of CHF 100 million which was dissolved in the second half of 2003. There is no such provision in the interim investment result 2004.

Combined result: As a consequence of the above factors, the result before taxation increased from CHF 38.1 million to CHF 100.6 million. All business units reported positive results (in the case of the business unit Austria break-even) before taxation and, with the exception of Spain that incurred significant merger-related expenses, reported better results compared to the prior period.

Taxation: As a consequence of the improved result, taxation increased from CHF 11.2 million to CHF 26.9 million.

Net result after taxation and minority interest: After deduction of minority interests and taxation, the net result increased from CHF 26.8 million to CHF 73.7 million.

Year ended December 31, 2003 compared to year ended December 31, 2002

Gross written premiums: Total gross written premiums increased by 4.8% to CHF 5,392.6 million mainly due to a 9.8% increase in non-life business with gross written premiums of CHF 2,269.3 million. This increase was partially due to favourable foreign exchange rate developments; in local currency the increase was 5.2%. Gross written premiums in life grew 1.5% to CHF 3,123.3 million. In local currency the growth was 0.6%. The absence of growth in the life portfolio was the result of an increasingly conservative underwriting policy especially in group business in Switzerland and a decline in the sale of unit-linked products in Italy.

Net earned premiums: Net earned premiums are derived from the gross written premiums after deduction of the premiums ceded to reinsurers and correction for the net change in reserves for unearned premiums. As a consequence of the development in gross written premiums, net earned premiums increased by 4.0% to CHF 5,048.0 million. In life business, net earned premiums increased 1.2% to CHF 3,079.8 million and non-life business net earned premiums increased 8.7% to CHF 1,968.2 million.

Underwriting result non-life: The non-life net underwriting result is the combination of the development of the insurance business together with the investment income assigned to this segment, i.e. the direct yield on the assets covering non-life reserves. The underwriting result in non-life improved from CHF 95.8 million to CHF 132.1 million. This was due to the improved net combined ratio that was reduced from 101.5% to 99.9%. The positive result is due to absence of natural disasters affecting the Group and the continuous process of improving underwriting in all business units.

Underwriting result life: The life net underwriting result is the combination of the development of the insurance business together with the investment return assigned to life activities, i.e. the direct yield and realized/unrealized gains and losses on the assets covering life reserves. The life underwriting result improved significantly from a loss of CHF 87.2 million to a profit of CHF 29.6 million. As a result, policyholders' dividends were increased from CHF 9.9 million to CHF 103.4 million in 2003. This positive development was the result of investment income returning to normalized levels with an increase in the interest income assigned to life activities from CHF 500.9 million to CHF 790.6 million, tight cost management resulting in a decrease in the net expense ratio from 10.9% to 9.9%, and improvements in underwriting.

Non-underwriting result: The investment business made a significant contribution to the overall result benefiting from the improved capital markets and the development of the Euro. The non-underwriting result improved from a loss of CHF 343.1 million (after extraordinary income of CHF 410.2 million) to a profit of CHF 76.4 million. As part of this non-underwriting result, the investment result (ordinary investment income, net realized and unrealized gains and losses on investments) increased from a loss of CHF 67.2 million to a profit of CHF 1,083.6 million.

Combined result: The combination of improvements in both life and non-life business supported by a strong recovery in investment returns permitted the Group to report a significantly improved combined result both before and after the impairment of goodwill of CHF 74.5 million. The result before tax developed from a loss of CHF 350.6 to a profit of CHF 147.3 million.

Taxation: As a consequence of the improved result, taxation increased from CHF 11.3 million to CHF 54.8 million.

Net result after taxation and minority interest: After deduction of minority interests and taxation, the net result improved from a loss of CHF 362.0 million to a profit of CHF 92.4 million.

Year ended December 31, 2002 compared to year ended December 31, 2001

Gross written premiums: Total gross written premiums increased by 11.7% to CHF 5,144.9 million. This was mainly due to an increase in life business by 17.3% to CHF 3,078.3 million. In Switzerland the life business increased by 21.1% principally in group life business. Non-life business grew by 4.2% primarily in the foreign business units. The acquisition of an insurance portfolio in France contributed 0.6% points to this increase.

Foreign exchange rate changes diminished the premium development in life by 0.2% points and in non-life by 0.6% points.

Net earned premiums: Net earned premiums are derived from the gross written premiums after deduction of the premiums ceded to reinsurers and correction for the net change in reserves for unearned premiums. As a consequence of the development in gross written premiums net earned premiums increased by 12.0% to CHF 4,855.0 million. In life business, net earned premiums increased 17.6% to CHF 3,044.6 million while non-life net earned premiums increased 3.8% to CHF 1,810.4 million.

Underwriting result non-life: The non-life net underwriting result is the combination of the development of the insurance business together with the investment income assigned to this segment, i.e. the direct yield on the assets covering non-life reserves. The underwriting result non-life improved from CHF 81.4 million to CHF 95.8 million. This was due to the improved net combined ratio that was reduced from 102.7% to 101.5%. This positive development, in a period of high claims from flood damage in Germany and Austria was the result of the partial release of equalization reserves and reinsurance recoveries as well as improved expense ratios in most foreign business units.

Underwriting result life: The life net underwriting result is the combination of the development of the insurance business life together with the investment return assigned to life activities, i.e. the direct yield and realized/unrealized gains & losses on the assets covering life reserves. The poor financial returns and the unfavourable trend in disability insurance resulted in a negative development in the life underwriting result from a profit of CHF 17.8 million to a loss of CHF 87.2 million despite a reduction in policyholders' surplus allocation from CHF 145.8 million to CHF 9.9 million. Most of the policyholder dividends paid out were financed from reserves.

Non-underwriting result: The adverse developments in the equity capital markets resulted in a significant deterioration in the investment result, i.e. ordinary investment income, net realized and unrealized gains and losses on investments, from a profit of CHF 736.2 million to a loss of CHF 67.2 million. In view of the investment results in 2002 and with the approval of the FOPI, the Group capitalized acquisition costs totaling CHF 207.8 million on the Swiss individual life business for the first time. In addition, reserves in the amount of CHF 202.4 million were released. The non-underwriting result developed from a profit of CHF 59.7 million to a loss of CHF 343.1 million in 2002.

Combined result: As a consequence of the negative life underwriting result and the non-underwriting result, the combined result before taxation resulted in an overall loss of CHF 350.6 million compared to a profit of CHF 142.5 million in 2001.

Taxation: As a result of the losses reported, taxation decreased from CHF 42.1 million to CHF 11.3 million.

Net result after taxation and minority interest: After deduction of minority interests and taxation, the net result was a loss of CHF 362.0 million compared to a profit of CHF 100.6 million in 2001.

Consolidated equity

The table below presents consolidated equity as at December 31, 2001, 2002 and 2003 and June 30, 2003 and 2004.

Consolidated equity (CHF million)	**December 31, 2001**	**2002[1]**	**2003**		**June 30, 2003**	**2004**
Share capital	66.0	62.9	62.9		62.9	62.9
Capital reserve	274.4	269.5	269.5		269.5	353.2
Reserves for own shares	188.2	83.7	83.7		83.7	0.0
Deduction for own shares[2]	0.0	0.0	0.0		0.0	–44.5
Revaluation reserve	538.3	594.4	621.1		730.9	617.1
Retained earnings	452.8	36.0	115.8		48.5	166.1
Total consolidated equity	**1,519.7**	**1,046.5**	**1,153.0**		**1,195.5**	**1,154.8**

[1] Certain figures in the 2002 statement of consolidated equity have been restated, as reported in the 2002 comparative figures in the 2003 statement of consolidated equity.

[2] See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Accounting policies and changes in accounting policies – 2004 – Change in accounting policy for own shares".

Consolidated equity as at June 30, 2004 compared to December 31, 2003

Total equity remained almost unchanged at CHF 1,154.8 million as at June 30, 2004 because the profits for the period were partially offset by the impact of the change in accounting treatment for own shares in 2004.

Consolidated equity as at December 31, 2003 compared to December 31, 2002

Total equity increased by CHF 106.5 million, or 10.2%, from CHF 1,046.5 million as at December 31, 2002 to CHF 1,153.0 million as at December 31, 2003. The main reason for this increase was the net profit in 2003 of CHF 92.4 million.

Consolidated equity as at December 31, 2002 compared to December 31, 2001

Total equity decreased by 31.1%, or CHF 473.2 million, from CHF 1,519.7 million as at December 31, 2001 to CHF 1,046.5 million as at December 31, 2002. The main reasons for this decline was the net loss of CHF 362.0 million in 2002 and the change in reserve for own shares resulting from the cancellation of 304,192 Shares, that had been subject to a share buy-back program.

Investment assets

The allocation of the investment portfolio since December 31, 2001 until June 30, 2004 is shown in the two tables below:

Investments (CHF million)	**Year ended December 31,**			**6 months ended June 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
Real estate	4,242.5	4,642.7	4,512.0	4,753.1	4,534.5
Investments in affiliates	14.5	14.4	14.7	14.7	14.6
Non-consolidated holdings	75.2	2.0	4.3	2.1	3.9
Own shares	188.2	44.5	44.5	44.5	0.0
Shares, derivatives, other non-fixed-interest-rate securities	4,554.7	3,295.1	2,844.9	2,701.3	2,681.3
Fixed-interest-rate securities	9,745.1	11,128.6	13,216.5	12,534.6	13,470.5
Promissory loans	618.6	671.3	737.1	676.8	774.7
Mortgages	2,880.7	2,962.9	2,969.7	2,979.0	2,947.9
Policy loans	184.9	173.5	157.3	161.1	152.8
Fixed term deposits	1,024.8	858.6	990.1	1,528.8	1,073.9
Total Investments	**23,529.3**	**23,793.8**	**25,491.2**	**25,396.1**	**25,654.1**
Investments for unit-linked life insurance policies	469.2	514.2	607.9	562.7	636.6

Investments in %	**Year ended December 31,**			**6 months ended June 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
Real estate	18.0%	19.5%	17.7%	18.7%	17.7%
Investments in affiliates	0.1%	0.1%	0.1%	0.1%	0.1%
Non-consolidated holdings	0.3%	0.0%	0.0%	0.0%	0.0%
Own shares	0.8%	0.2%	0.2%	0.2%	0.0%
Shares, derivatives, other non-fixed-interest-rate securities	19.4%	13.8%	11.2%	10.6%	10.4%
Fixed-interest-rate securities	41.4%	46.8%	51.8%	49.4%	52.5%
Promissory loans	2.6%	2.8%	2.9%	2.7%	3.0%
Mortgages	12.2%	12.5%	11.6%	11.7%	11.5%
Policy loans	0.8%	0.7%	0.6%	0.6%	0.6%
Fixed term deposits	4.4%	3.6%	3.9%	6.0%	4.2%
Total Investments	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The changes in the allocation of the investment portfolio 2001 reflect the development of the business as described in the subsection entitled "Results of Operations".

In 2002, shares, derivatives and other non-fixed-interest-rate securities in % of total investments fell from 19.4% 2001 to 13.8% as a result of the stock market downturn and the reduction of exposure to this investment category. The exposure to equities was further reduced by hedging. At the same time, the allocation of fixed-interest-rate securities increased from 41.4% 2001 to 46.8%. The decrease in non-consolidated holdings reflects mainly provisions for impairment in private equity investments. The positive impact of premium growth on investments was negatively compensated by market value reductions, as a result the investment growth was 1% in 2002.

In 2003, given the limited risk capacity of the Group and volatile stock markets in the first quarter, the 2002 year end asset allocation strategy remained largely unchanged throughout the year. Hedging activities were maintained in order to keep net exposure to equities at a continued low level. The allocation of funds to fixed-interest-rate securities was further increased. Total investments increased by approximately 7% in the year.

In the first half of 2004, the asset allocation remained largely unchanged from the end of 2003. Equity exposures continued to be reduced through hedging. The total investments increased by approximately 6.4% the result of the stock market development and the premium decline in the domestic life business.

The Group manages the net foreign currency exposure in the Swiss business unit by the use of options and forwards. Assets of business units outside of Switzerland are denominated almost exclusively in Euro and therefore give limited currency mismatches.

As at June 30, 2004, the Group held private equity investments of CHF 221.5 million. In connection with these investments, the Group has made capital commitments amounting to CHF 137.2 million (December 31, 2003: CHF 153.1 million).

Goodwill and other intangible assets

Acquisitions of companies are accounted for under the purchase method. The Group's policy is to amortize goodwill on a linear basis for up to 10 years. Following an impairment review in 2003, the Group took an additional charge of CHF 74.5 million on the goodwill of Previsión Española Sociedad Anónima de Seguros y Reaseguros, Seville and Helvetia Life S.p.A., Milan. The goodwill paid for the acquisition of Previsión Española Sociedad Anónima de Seguros y Reaseguros, Seville, in 2000 was CHF 149.7 million and the goodwill paid for the acquisition of Helvetia Life S.p.A., Milan (former Norwich Union Vita S.p.A.) in 2001 was CHF 10.5 million.

Goodwill for software, trademarks, licenses, patents, copyrights and brand names are charged directly to the profit and loss statements.

The following table summarizes the goodwill, ordinary amortization of goodwill and the goodwill impairment as at December 31, 2001, 2002 and 2003 and June 30, 2003 and 2004:

Goodwill	**Year ended December 31,**				**Six months ended June 30,**	
(CHF million)	**2001**	**2002**	**2003**		**2003**	**2004**
Balance brought forward	**134.8**	**132.3**	**112.9**		**112.9**	**22.5**
New Goodwill [1]	13.9	–3.3	0.3		0.3	2.8
Amortization (straight-line method) [2]	–16.4	–16.1	–16.3		–8.2	–1.9
	132.3	**112.9**	**96.9**		**104.9**	**23.4**
Impairment losses			**–74.5**			**0.0**
Net Goodwill	**132.3**	**112.9**	**22.5**		**104.9**	**23.4**

[1] The acquisition of Helvetia Life S.p.A., Milan in 2001.

[2] The amortization of goodwill reported under the combined result for 2003, 2002, 2001 was reported as part of the non-underwriting result in the 2001 Group consolidated financial statements.

Liquidity and capital resources

Introduction

The principal sources of funds for the Group's insurance operations are insurance premiums, ordinary investment income and net realized gains/losses. See "Results of Operations". Funds are mainly used to pay for benefits to the insured, claims incurred and bonuses to policyholders and related expenses and other operating costs. The Group generates cash flow as a result of the receipt of premiums in advance of the time when benefits or claims are paid. Operating cash flow, together with other available sources of liquidity, has enabled the Group to meet its short-term and long-term liquidity requirements in the past and it is expected to do so in the future.

Technical reserves are established to cover future obligations for benefits and estimates of claims that will be incurred. In the 2004 consolidated interim financial statements, the technical reserves amounted to CHF 23,645.4 million, or 84.7% of total liabilities.

Technical reserves

The table below provides detailed information on technical reserves as at December 31, 2001, 2002 and 2003 and June 30, 2003 and 2004:

Technical reserves	**December 31,**				**June 30,**		
(CHF million)	**2001**	**2002**	**2003**	**2003%**	**2003**	**2004**	**2004%**
Reserve for unearned premiums net	605.9	628.4	701.2	3.0%	1,120.5	1,207.7	5.1%
Actuarial reserves net	16,374.7	17,858.9	19,006.0	81.4%	18,723.8	18,779.9	79.4%
Claims reserve net	2,130.9	2,276.7	2,484.8	10.6%	2,288.9	2,412.8	10.2%
Net reserves for result-linked and non result-linked policyholders' dividends	459.5	249.2	243.9	1.0%	236.2	252.5	1.1%
Net equalization reserve	381.6	242.7	280.2	1.2%	270.8	311.1	1.3%
Reserve for unit-linked life insurance policies	464.8	510.2	592.7	2.5%	558.8	621.5	2.6%
Other net underwriting reserves	60.2	49.1	51.8	0.2%	52.9	59.9	0.3%
Total technical reserves	**20,477.6**	**21,815.2**	**23,360.5**	**100.0%**	**23,252.0**	**23,645.4**	**100.0%**
Total liabilities	**25,407.6**	**26,063.6**	**27,721.3**		**27,562.1**	**27,909.1**	
Technical reserves in % of total liabilities	80.6%	83.7%	84.3%		84.4%	84.7%	

Actuarial reserves: The most significant reserve balance is the actuarial reserves that are mainly for long duration liabilities resulting from traditional participating life products with mortality and morbidity risks.

Claims reserves: These reserves are primarily for short duration liabilities from non-life business.

The equalization reserves: This reserve is used to compensate negative results mainly caused by natural catastrophes in non-life business and the volatility of investment income in life business.

Reserves for result-linked and non result-linked policyholders' dividends: These reserves are used to fund surplus allocations to policyholders and may be used to increase the surplus allocated in periods with low life technical returns and as such their function in life business is comparable to the equalization reserve for non-life business.

Reserve for unit-linked life policies: This reserve is the dedicated reserve for this line of business.

Other net underwriting reserves: These reserves are to cover other contingencies.

The reserves for unearned premiums, the actuarial reserves, the claims reserves, the reserves for unit-linked life insurance policies and the other underwriting reserves are calculated by the Group's actuaries according to actuarial principles (e.g. mortality, invalidity, guaranteed interest rates in life and mathematical-statistical best estimates of claims reserves in non-life).

The development of non-actuarial provisions from December 31, 2001 to June 30, 2004

Net reserves for result-linked and non result-linked policyholders' dividends: The decline in this reserve in 2002 is principally the result of direct financing of surplus allocation to policyholders from the reserve, the contribution from the operating results being only CHF 9.9 million. In 2003, the net expenditure on policyholders' surpluses in the profit and loss account increased to CHF 103.4 million, the policyholders' surpluses were in addition financed by the reserve which decreased as a result by CHF 5.3 million. In the first half of 2004, the reserve was increased, the result of the net expenditure to policyholders' surplus in the profit and loss account exceeding the surpluses allocated to policyholders.

Net equalization reserve: In 2002, this was reduced by the release of equalization reserves in non-life to compensate for the claims resulting from the floods damage in Germany and Austria and interest duration reserves in life were released (see "Results of Operations – Year ended December 31, 2002 compared to year ended December 31, 2001"). In 2003 and the first half of 2004 the favourable claims development in non-life business permitted the equalization reserve to be increased.

Indebtedness

The Group has issued two bonds.

Bonds	December 31,				June 30,	
(CHF million)	2001	2002	2003		2003	2004
Convertible bond	150.0	150.0	150.0		150.0	150.0
Straight Bond	0.0	0.0	0.0		0.0	200.0
Total borrowings	**150.0**	**150.0**	**150.0**		**150.0**	**350.0**

Helvetia Patria Group has a convertible bond outstanding, issued by Helvetia Finance Ltd., Jersey, and guaranteed by the Company. It is convertible at the option of the holders into Shares. In the year 2003, the conversion price was reduced from CHF 381.00 to CHF 331.30 (reset function). As a result of this Offering, the conversion price will be adjusted in accordance with the terms and conditions of the convertible bond. The convertible bond was issued in 2000 and will mature on June 16, 2005. The coupon is 2% per annum.

In 2004, the Company issued a bond of CHF 200.0 million with an interest rate of 3.0% per annum. The bond matures on May 5, 2010.

Cash flows

The following table summarizes the Group's cash flows from operating activities, cash used in/provided by investing activities and cash provided by/used in financing activities as at December 31, 2001, 2002 and 2003 and June 30, 2003 and 2004:

Cash flow	Year ended December 31,		
(CHF million)	2001	2002	2003
Consolidated annual profit (loss)	100.6	–362.0	92.4
Total cash flow from operations	2,005.9	1,650.9	1,609.8
Total cash flow from investments	–2,024.1	–1,365.5	–1,688.9
Total cash flow from financing activities	–64.1	–173.1	–0.8
Net Cash flow	**–82.3**	**112.3**	**–79.9**
Cash and cash equivalents as of 1 January	212.5	130.2	242.5
Cash and cash equivalents as of 31 December	130.2	242.5	162.6
Total changes in cash an cash equivalents	–82.3	112.3	–79.9

The Group does not publish a cash flow statement for the 2003 and 2004 interim financial statements.

Total cash flow from operating activities was CHF 1,609.8 million in 2003, a decline of CHF 41.1 million, or 2.5% in comparison to the year 2002. Total cash flow from operating activities was CHF 1,650.9 million in 2002, a decline of CHF 355.0 million, or 17.7% compared to 2001. In 2002, the decrease was primarily driven by the negative impact of value adjustments and the change in prepaid expenses.

Total cash flow from investments was CHF –1,688.9 million in 2003 and CHF –1,365.5 million in 2002. Total cash flow from investments decreased from CHF –2,024.1 million in 2001 to CHF –1,365.5 million in 2002. The increase in 2003 and the decrease in 2002 were mainly due to the different levels of investment activities.

Total cash flow for financing activities was CHF –0.8 million in 2003 and CHF –173.1 million in 2002 as a result of repurchases of own shares in 2002. The figure of CHF –64.1 million in 2001 results from the reduction of the nominal value of the shares.

The Group's balance of cash and cash equivalents was CHF 162.6 million as at December 31, 2003, a decrease from CHF 242.5 million as at December 31, 2002. The Group's balance of cash and cash equivalents as at December 31, 2001 was CHF 130.2 million.

Disclosures about market risk, liquidity risk and risk management activities

Interest rate fluctuations

As the Group invests internationally, it is exposed to fluctuations in interest rates, equity prices and foreign currency exchange rates. The Group is not directly exposed to commodity price risk. The Group uses various investment strategies and derivatives to mitigate these risks and optimize its investment performance.

Asset liability risk

The value of the Group's liabilities as well as most of its assets depends on the level of interest rates. Generally, the higher the interest rates, the lower the net present value of its assets and the lower the value of its liabilities. The size of the change in value depends on the duration of the assets and liabilities.

Equity risk

The Group invests to the greatest possible extent into well-diversified portfolios (mainly CHF and EUR markets as well as the USD-market).

Foreign currency risk

Most of the Group's assets, including its investment assets, are denominated in CHF and EUR, the value of which are subject to exchange rate fluctuations. Although the Group actively engages in currency management to reduce the effect of exchange rate fluctuations on its assets and obligations, significant movements in exchange rates could adversely affect the Group's earnings and financial position, including the value of its investment portfolio.

The Group mainly utilizes the method of matching assets and liabilities to hedge the foreign currency risk associated with insurance liabilities denominated in foreign currencies. To the extent this is not practicable, forward exchange and option contracts are used to hedge foreign currency denominated insurance liabilities and other foreign currency risks.

Liquidity risk

The Group has formal asset/liability matching practices and monitors liquidity on a regular basis. There are no individual policyholder contracts that could have the potential to influence the withdrawal of a significant amount of liabilities.

Credit risk

The Group principally operates throughout Europe, with a large percentage of business transacted in Switzerland. However, credit risk is well spread over a diversity of individual and commercial customers. As an active participant in the international capital markets, the Group has a significant concentration of credit risk with financial institutions. The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Group deals with a diverse group of counterparties with good credit standing and, when appropriate, obtains collateral.

Reinsurance

The Group limits its exposure to loss within its insurance operations through participation in reinsurance agreements. Ceded reinsurance arrangements do not relieve the Group from its direct obligations to its insureds and policyholders. Thus, a credit exposure exists with respect to both non-life and life reinsurance ceded to the extent that any reinsurer is unable to meet the obligations assumed under the reinsurance agreements. In addition, the Group holds substantial collateral as security under related reinsurance agreements in the form of deposited funds, securities and/or letters of credit. No single reinsurer is a material reinsurer to the Group, nor is the Group's business substantially dependent upon any reinsurance contract. Retention limits vary by territory. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for the underlying policy benefits and are presented as a component of reinsurance assets.

Recent Developments

Revision of Insurance Supervision Law (VAG)

The legislation on the supervision of private insurance companies is currently under review. The legislative procedure is still ongoing. See "Regulation – Switzerland". It is foreseen, that several matters which have an influence on the Swiss legal entities of the Group will change. One important matter is the introduction of the so-called "Swiss Solvency Test". The Swiss Solvency Test introduces, in addition to the current solvency capital requirements, a so-called target capital. The target capital will be measured on an economic basis and will reflect all financial risks the entity is exposed to. In a first phase, this target capital, based on the Swiss Solvency Test, will only be a qualitative information to the supervisory authority. A risk-based solvency capital requirement will be introduced in a second phase, most likely together with the introduction of similar legislation in the countries of the European Union.

Legal quote in Switzerland

In Switzerland, effective as of April 1, 2004, a "legal quote" has been introduced that affects Patria Leben's BVG group life insurance business in Switzerland. The introduction of such a legal quote limits Patria Leben's flexibility to allocate surplus between policyholders and shareholders. With respect to Patria Leben's BVG group life insurance business, a legal quote will apply to the current financial year with effect from January 1, 2004. Under this legal quote, for so long as the "gross" principle applies, a maximum of 10% of gross cost and risk premiums together with 10% of investment return on Patria Leben's BVG group life insurance business will be available for the benefit of shareholders. See "Risk Factors – Risks relating to the Group". The BVG life insurance business accounts for about 67% of the Group's gross written premiums in life insurance business in Switzerland.

Business outlook

The first half of 2004 was marked by a sluggish economy, historically low interest rates and relatively stable financial markets. The Group continues to focus on the implementation of its strategy set out in 2003 and the implementation of associated operational measures.

For the years to come, the Group is confident that the measures undertaken as part of the implementation of the strategy will help to strengthen profits further and to maintain its market position in Switzerland as well as in the countries where the Group is active.

The Group announced that it will report under International Financial Reporting Standards for the first time for the business year ended December 31, 2005. The International Accounting Standards Board (IASB) had originally intended to develop a fair value type standard, but conceded that it would be too complex to implement by 2005. Consequently, the IASB introduced a "two-phased" approach and released IFRS 4 for insurance contracts for reporting in Phase I. The expected timetable for Phase II is for a standard to be adopted in 2006 for implementation by approximately 2008. IFRS 4 and the other relevant IFRS standards will bring substantial changes to the way the Group reports its results both in presentation, classification and valuation. This may have a positive or negative impact on the results and/or the equity of the Group and may affect the way in which the Group manages its business.

Despite the considerable uncertainty, particularly regarding the regulatory development in the Swiss life insurance market and difficult market conditions, the Group continues to believe that targets can be met over the strategy period.

BUSINESS

Overview

Helvetia Patria is a listed Swiss insurer formed in 1996 from the combination of two Swiss insurance companies, namely Helvetia Versicherungen and Patria, Schweizerische Lebensversicherungs-Gesellschaft auf Gegenseitigkeit (**"Patria Genossenschaft"**). Helvetia Patria Group ranks among the top 5 insurance groups in Switzerland in terms of gross written premiums. Outside of Switzerland, Helvetia Patria Group is a respected insurance service provider in niche markets leveraging its recognizable Swiss identity, the "Swissness". The Group is focused on providing insurance services to individuals and small and medium-sized enterprises.

The Group believes that its competitive advantages include:

- A balanced portfolio of semi-autonomous, profit-oriented business units;
- A business strategy focused on retail and SME clients in certain geographic regions and on certain business line segments;
- A reputation for quality and client oriented service;
- A valued reputation as a reliable and conservative insurance partner;
- The capability to quickly adjust to changing customer needs due to its presence in, and knowledge of, local markets;
- Established distribution channels, including independent and tied agents as well as branches, and the expansion of distribution reach and customer access through strategic alliances; and
- A diversified investment and conservative financial policy combined with a disciplined process for capital allocation, risk management and performance measurement that is centrally controlled and monitored.

The Group offers its customers both life and non-life insurance products. Life insurance services include a comprehensive range of risk protection and long-term savings products. Non-life insurance services include property, transport, motor vehicles as well as, to a smaller extent, third-party liability and accident/health insurance products. In addition, Helvetia Patria Group acts as a niche player in the reinsurance market. Other activities, such as asset management, are supporting elements of the insurance business.

The Group targets individuals and small and medium-sized corporate customers. In order to meet its customers' needs, the Group employs a multi-channel distribution approach. The distribution network includes independent agents, brokers and its own sales force. The Group further expands its distribution reach and customer access through strategic alliances.

In terms of gross written premiums in 2003, the Group is the fifth largest life insurer in Switzerland with a market share of about 7% in the segment of group life business and 9% in the segment of individual life business. In the Swiss non-life market, Helvetia Patria Group is the sixth largest insurer in terms of gross written premiums. In its foreign markets, the Group targets particular geographic regions within each market.

Helvetia Patria Group is represented in six European countries as a life or non-life insurer. In Switzerland, Germany, Austria, Italy and Spain, the Group is active in life and non-life business. In France, the Group is active in transport insurance. In 2003, 60% of the gross written premiums were generated in Switzerland and 40% abroad. The share of the non-life activities amounted in 2003 to 42% while the life sector contributed 58% to the gross written premiums. The foreign business units are mainly non-life insurers while in Switzerland the life sector contributed 83% to the domestic gross written premiums.

The following table features the key financial figures of Helvetia Patria Group:

CHF in million	**Year ended December 31,**			**Six months ended June 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
	(audited)	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Gross written premiums	4,606.4	5,144.9	5,392.6	3,504.6	3,074.2
Income from Investments	736.2	–67.2	1,083.6	477.3	484.6
Underwriting result from non-life business	81.4	95.8	132.1	60.5	74.7
Underwriting result from life business	17.8	–87.2	29.6	–28.2	20.1
Non-underwriting result	59.7	–343.1	76.4	14	5.8
Amortization of goodwill [1]	–16.4	–16.1	–90.8	–8.2	0.0
Profit (loss) before taxes	142.5	–350.6	147.3	38.1	100.6
Profit (loss) after taxes and minority interests	100.6	–362.0	92.4	26.8	73.7
Investments	23,529.3	23,793.8	25,491.2	25,396.1	25,654.1
Net underwriting reserves	20,477.6	21,815.2	23,360.5	23,252.0	23,645.6
Consolidated shareholders equity	1,519.7	1,046.5	1,153.0	1,195.5	1,154.8

[1] The amortization of goodwill reported under the combined result for 2003, 2002, 2001 was reported as part of the non-underwriting result in the 2001 Group consolidated financial statements.

In 2003, the Group's gross written premiums were CHF 5,392.6 million of which CHF 3,123.3 million were attributable to the life sector and CHF 2,269.3 million to the non-life sector. The underwriting result from non-life business contributed CHF 132.1 million, the underwriting result from life business CHF 29.6 million and the non-underwriting result CHF 76.4 million to the Group's net profit in 2003. The net profit after taxes and minority interests in 2003 reached CHF 92.4 million. Assets under management amounted to CHF 25,491.2 million as at December 31, 2003 and to CHF 25,654.1 million as at June 30, 2004.

Strategy

The Group's strategy is to focus consistently on its core competencies and, by applying strict cost management, to strengthen sustainable profitability.

The key elements of the business strategy are the following:

- An emphasis on being an insurance group with a geographically well-balanced portfolio of semi-autonomous and performance oriented business units that focus on retail and SME clients, in particular in rural areas, and on certain business line segments: Local units will retain their autonomy in the future. The local independence guarantees broad flexibility and ability to rapidly respond to local market changes and the needs of local customers. Delegating the responsibility to the managers of the business units further enhances the Group's ability to be close to the market and the customer. The Group believes that focussing on retail and SME clients, in particular in rural areas, facilitates a higher portfolio quality and hence a more favourable combined ratio.

- A clear and consistent financial management framework provided by the Group to the decentralized business units with targets and performance benchmarks: The independence of the business units is balanced by consistent group-wide financial management. Strict requirements on the rate of return on the allocated capital and key performance levels ensure the alignment of all business units to the objective to increasing the earnings power in the insurance business. As a consequence, the Group applies a quality-oriented selective underwriting policy which aims at achieving net combined ratios below 100%. A comprehensive risk management process ensures sustainable profitability through the avoidance or the transfer of unnecessary or excessive risks.

- An increased market visibility facilitating profitable growth: Helvetia Patria Group pursues profitability over growth in its target market of individual private clients and small and medium-sized enterprises and is prepared to accept a decrease in its market share in specific business segments to enhance profitability. The Company will only expand into new segments if there is a clear potential for adequate profitability. As a result, the Group only aims to operate a comprehensive insurance model in Switzerland where it has broad scale and reach. In its international markets, Helvetia Patria Group targets segments where it can achieve adequate returns in respect of the risks taken.

- A conservative and centralized investment policy: For purposes of ensuring a consistent approach to investment management, to profit from synergies and to implement group-wide standards of performance and risk management, Helvetia Patria Group manages its investment activities centrally. With a view on its risk-bearing capabilities, the Group's coordinated investment policy is geared to increase investment returns, to reduce the risks incurred from volatility in the capital markets at local and Group level and to support the strengthening of the Group's capital base.

- Maintaining good corporate governance and a reputation as a sound and reliable insurance partner: Helvetia Patria Group focuses on the long-term benefits of its business development. The Group aims to build the trust of important stakeholders in the Group through the continued enhancement of corporate governance, transparency of business, financial reporting and corporate communication. This will enhance Helvetia Patria Group's reputation as a solid, reliable and trusted insurance company. Under a group-wide effort to promote Swissness, it is the Group's vision that all business units commit to and live up to the fundamental values that are derived from the Swiss origins of the Group – trust, security and quality – to the benefit of all stakeholders involved.

Product lines and services

The products and services offered by Helvetia Patria Group are as follows:

Life

In the life businesses, the Group offers a comprehensive range of risk protection and long-term savings products to both individuals and small and medium-sized enterprises. Products for individuals include traditional life insurance, unit-linked, protection, and disability products. For small and medium-sized enterprises, Helvetia Patria Group offers primarily pension products for retirement, mortality and disability.

In terms of gross written premiums, Switzerland accounts for about 86% and group life for about two thirds of all life business within the Group. More than 95% of group life premiums are written in Switzerland. In the first half of 2004, group life single premiums accounted for 23.4% (end 2003 35.3%, first half 2003 37.3%, end 2002 36.2%, end 2001 30.4%), individual life single premiums for 10.4% (end 2003 17.0%, first half 2003 15.8%, end 2002 18.0%, end 2001 18.4%), group life periodic premiums for 43.8% (end 2003 24.2%, first half 2003 30.0%, end 2002 22.4%, end 2001 24.3%) and individual life periodic premiums for 22.4% (end 2003 23.5%, first half 2003 16,9%, end of 2002 23.4%, end 2001 26.9%) of the gross written premiums in life direct business. The volume of life business written in the foreign units is small in absolute terms. However, in Austria it represented an important part of the business.

Non-life

In the non-life businesses, the Group offers a wide range of products. The focus of the activity is in property, transport, and motor vehicle insurance. Motor vehicle insurance is primarily contracted with individual private clients. Within transport insurance, only a small part pertains to vessel insurance. Premium volumes in third-party liability, accident/health insurance are of minor importance. No business is written for product liability in the U.S. and in connection with directors' and officers' liability. Only limited business is written for professional liability. In 2003, 75.2% of the Group's non-life premiums were written by the foreign business units.

Assumed reinsurance

The Group traditionally underwrites a niche business in assumed reinsurance. The current portfolio is diversified, both geographically and by lines of business. In 2003, 97.3% of the premium volume in assumed reinsurance pertained to non-life reinsurance.

The table below shows gross written premiums in life and non-life by lines of business.

Gross written premiums in business sections (CHF in million)	**Year ended December 31,**				**6 months ended June 30,**		
	2001	**2002**	**2003**	**2003 in %**	**2003**	**2004**	**2004 in %**
Individual	1,077.8	1,154.6	1,167.2	37.4%	654.7	490.1	29.8%
Group	1,431.3	1,811.7	1,857.3	59.5%	1,473.2	1,106.9	67.2%
Unit-Linked	105.2	104.7	95.2	3.1%	49.2	50.0	3.0%
Life insurance (direct business)	**2,614.3**	**3,071.0**	**3,119.7**	**100%**	**2,177.1**	**1,647.1**	**100%**
Property (incl. Fire)	756.5	787.6	848.3	39.7%	483.5	495.5	38.2%
Transport (incl. marine)	149.5	199.7	224.0	10.5%	130.5	142.4	11.0%
Motor liability	667.6	695.7	727.2	34.0%	442.8	453.3	35.0%
Third party liability	194.8	197.9	213.1	10.0%	124.8	131.8	10.2%
Accident and Health	109.6	113.9	126.0	5.9%	68.6	73.1	5.6%
Non-life insurance (direct business)	**1,878.0**	**1,994.8**	**2,138.6**	**100%**	**1,250.1**	**1,296.2**	**100%**
Life	9.6	7.3	3.6	2.7%	2.2	3.0	2.3%
Non-life	104.5	71.9	130.7	97.3%	75.2	127.9	97.7%
Assumed reinsurance (indirect business)	**114.1**	**79.2**	**134.3**	**100%**	**77.4**	**130.9**	**100%**
Total	***4,606.4***	***5,144.9***	***5,392.6***		***3,504.6***	***3,074.2***	

Claims management

The quality of the Group's claims management and claims liquidation – in addition to the underwriting standards – is traditionally of high importance within the Group and in line with the goal to provide customers with a high level of service and quality set out in the strategy.

Business units

Helvetia Patria Group operates in Switzerland, Germany, Austria, Italy, Spain and France. Assumed reinsurance is offered world-wide, but mainly within the OECD-countries. Helvetia Patria Group consists of the following seven business units: Switzerland, Germany, Austria, Italy, Spain, France and Assumed Reinsurance. A business unit may comprise more than one legal entity.

The table below shows the gross written premiums in the segments life and non-life insurance by business unit:

Gross written premiums in country markets (CHF in million)	Year ended December 31,				6 months ended June 30,		
	2001	2002	2003	2003 in %	2003	2004	2004 in %
Total	**4,606.4**	**5,144.9**	**5,392.6**	**100%**	**3,504.6**	**3,074.2**	**100%**
Group Non-life total	1,982.3	2,066.7	2,269.3	100%	1,325.3	1,424.1	100%
Group Life total	2,624.0	3,078.3	3,123.3	100%	2,179.3	1,650.1	100%
Switzerland	**2,704.7**	**3,170.9**	**3,244.1**	**60.2%**	**2,339.7**	**1,797.0**	**58.5%**
Non-life	533.7	540.8	562.9	24.8%	373.7	390.9	27.4%
Life	2,171.0	2,630.2	2,681.2	85.8%	1,966.0	1,406.1	85.2%
Germany	**633.6**	**682.0**	**732.6**	**13.6%**	**430.0**	**447.4**	**14.6%**
Non-life	508.3	553.1	594.5	26.2%	367.5	381.4	26.8%
Life	125.4	128.9	138.1	4.4%	62.5	66.0	4.0%
Austria	**327.0**	**301.0**	**321.2**	**6.0%**	**169.0**	**165.9**	**5.4%**
Non-life	181.8	172.8	190.1	8.4%	99.9	98.4	6.9%
Life	145.2	128.2	131.2	4.2%	69.1	67.5	4.1%
Italy	**389.8**	**423.5**	**434.5**	**8.1%**	**205.3**	**233.0**	**7.6%**
Non-life	290.4	318.5	343.9	15.2%	172.5	172.5	12.1%
Life	99.4	104.9	90.6	2.9%	32.8	60.5	3.7%
France (Non-life)	**48.4**	**82.4**	**82.4**	**3.6%**	**45.0**	**56.0**	**3.9%**
Spain	**388.6**	**406.0**	**443.4**	**8.2%**	**238.2**	**244.0**	**7.9%**
Non-life	315.4	327.2	364.8	16.1%	191.5	197.0	13.8%
Life	73.2	78.8	78.6	2.5%	46.7	47.0	2.8%
Assumed reinsurance	**114.1**	**79.2**	**134.3**	**2.5%**	**77.4**	**130.9**	**4.3%**
Non-life	104.5	71.9	130.7	5.8%	75.2	127.9	9.0%
Life	9.6	7.3	3.6	0.1%	2.2	3.0	0.2%

Decentralized Organization

Helvetia Patria Group is managed centrally from Switzerland, but grants its local business units a high degree of independence. Within the framework of the Group's strategy, the business units independently conduct their operations and adapt their products and the structure of their business operations to address local requirements and select appropriate distribution channels. As a consequence, the set-up of the distribution may differ from one unit to the other.

The following key functions are centralized:

- Ceded reinsurance; and

- Asset and liability management, including asset management.

In addition, the Group maintains overall responsibility in other support and governance functions, such as the Corporate Center (supporting the country units in achieving their targets), human resources development, Group accounting, Group risk management, Group controlling, Group internal audit, Group actuarial and Group corporate communications.

Switzerland

The business unit Switzerland offers a wide range of life insurance and long-term savings products with risk elements through Patria Leben. The non-life insurance is offered by Helvetia Versicherungen. As at June 30, 2004, the Swiss business unit employed 2,130 FTEs (this number includes Group head office and assumed reinsurance).

Lines of business and market position

Life

Patria Leben is active in individual and group life business. In the individual life business, Patria Leben offers a full range of products. Individual life products consist of products covering mortality and disability risks. Such products are often combined with savings elements. Premiums can take the form of periodic or single premiums; benefits typically are paid as regular annuities, a lump sum or a combination thereof.

There are four types of products: *Classic products* – premiums are invested in the investment portfolio of Patria Leben and usually a minimum rate of return is guaranteed; *Unit-linked products without guarantee* – the policyholders' return on the savings is determined by reference to the performance of an underlying portfolio; *Unit-linked products with guarantee* – the policyholders' return on the savings, that are invested in special funds, is guaranteed; and *Index-linked products* – the policyholders' return on the savings is determined by reference to the performance of an external index.

In group life, Patria Leben offers insurance coverage for pension funds. The Swiss law on pension funds (BVG) provides for a mandatory insurance for employees of all companies through a pension fund. The employer is required to arrange for a pension institution to provide this service. This coverage may include all or only a part of the risks of the pension plan. BVG products which cover all risks may be offered to cover either the mandatory component or the non-mandatory component of the BVG or, as an integrated solution, both components. Due to certain regulatory requirements, mandatory BVG products are subject to a guaranteed minimum interest rate on savings (2.25% as of January 1, 2004, 2.50% as of January 1, 2005) and an annuity conversion rate of 7.2%. In April 2004, new legislation came into force providing for a gradual reduction of the statutory annuity conversion rate over the next ten years to 6.8%. BVG products which do not cover all risks typically are offered to semi-autonomous and autonomous pension funds. Servisa, a joint venture between Patria Leben and the Swiss Cantonal Banks, is such a pension fund insured with Patria Leben. Under the terms of this joint venture, Patria Leben is responsible for the administration of the contracts and the reinsurance of mortality, longevity and disability risks, and the Swiss Cantonal Banks organize the distribution of the products and manage the assets.

Non-life

Helvetia Versicherungen, the Swiss company operating the non-life business, offers the following products:

- For private customers, the Group offers insurance for household and personal effects, personal liability and buildings as well as insurance for valuables. Based on 2003 gross written premiums in Switzerland, business with private customers accounted for a third of the non-life portfolio, and the Swiss market share was more than 10%.

- Commercial customers account for 41% of the non-life portfolio. The majority of the insurance contracted with commercial customers is property insurance. The volume of liability insurance is low. The Group is pursuing a niche policy in technical, transport and guarantee insurance. Based on 2003 gross written premiums, the non-life portfolio accounts for a market share of more than 10% in Switzerland.

- Motor vehicle insurance, in which the Group focuses on vehicles of private individuals, accounts for approximately a quarter of the non-life portfolio.

At the end of 2003, the proportion of non-life gross written premiums by line of business was as follows: 57.5% property, 5.7% transport, 24.4% motor vehicle and 12.4% third-party liability. In the first half of 2004 (2003), the respective figures were 49.6% (52.1%), 7.8% (6.7%), 30.0% (29.1%) and 12.6% (12.1%).

In the past years, the non-life business benefited from a favorable portfolio structure and a cautious underwriting policy. The gross combined ratio 'all in' has positively developed from 95.7% in 2001, to 95.0% in 2002, to 90.6% in 2003 and to 93.9% in the first half of 2004.

Strategy and customer segmentation

The business unit Switzerland focuses on the following objectives:

- Sustainable restoration of profitability in group life;

- Increased growth in periodic premiums in individual life; and

- Securing the current profitability in non-life.

The business is focused on private customers and small and medium-sized enterprises. On the Swiss market, Helvetia Patria Group aims to be a leading provider of insurance services to persons aged 50 and above. Furthermore, the business unit Switzerland aims to increase the performance and efficiency of its sales channels and to optimize the capital allocation.

Distribution

The Swiss unit mainly distributes its products through its own sales department with 650 salesmen/tied agents in 28 general agencies. In addition, there is a cooperation with leading brokers, especially for commercial clients. Furthermore, the Swiss unit has established several strategic co-operations (see "Business – Material contracts").

Germany

The business unit Germany consists of the *Direktion für Deutschland* (individual and commercial non-life business), which is a branch of Helvetia Versicherungen, and two subsidiaries, Helvetia Leben (life business) and Helvetia International (industrial non-life business). As at June 30, 2004, the German business unit employed 819 FTEs.

Lines of business and market position

Germany is the largest foreign business unit of the Group with gross written premiums of CHF 733 million in 2003. 81% of premiums (2003: CHF 595 million) are non-life. The business unit Germany is active throughout Germany with a particular focus on southern and western Germany and ranks among the top third of the non-life companies by gross written premiums in these latter regions.

In 2003, the proportion of non-life gross written premiums by line of business was as follows: 41.9% property, 13.9% transport, 25.9% motor vehicle, 11.8% third-party liability and 6.5% accident/health insurance. In the first half of 2004 (2003), the respective figures were 42.0% (41.7%), 10.7% (12.2%), 30.9% (28.7%), 10.6% (11.3%) and 5.8% (6.1%). Since 2002 the gross combined ratio 'all in' decreased and reached on June 30, 2004 95.3%.

Life business is in its majority (2003: 85% of gross written premiums) individual life. The whole range of products – risk protection and long-term savings products, insurance policies with cover for mortality and disability, and unit-linked products – is offered.

Strategy and customer segmentation

The unit is active as an insurer and service provider with know-how for demanding and service-oriented clients. Focusing on the segment of individuals and small and medium-sized enterprises, the unit aims to achieve the following objectives:

- Ensuring sufficient profit levels in non-life business;
- Concentration on personal lines business in wealthy areas of southern and western Germany;
- In the industrial insurance business, focusing on particular accounts with adequate premium levels;
- Pursuing a growth strategy in the life business through the development of products, services, processes, systems; and
- Increasing efficiency of traditional sales channels and establishing new channels.

Distribution

The unit works with 340 professional tied agents and with brokers. It concentrates on leading brokers because of their professional risk engineering and claims management. 40% of the gross written premiums are generated by tied agents and 60% by brokers/general agents. About 15% of the staff is engaged in sales services.

Italy

The business unit Italy consists of the *Direktion für Italien* (individual and commercial non-life business), a branch of Helvetia Versicherungen, and two subsidiaries Helvetia Vita and Helvetia Life S.p.A. (life business). As at June 30, 2004, the Italian business unit employed 228 FTEs.

Lines of business and market position

In 2003, the Italian unit wrote CHF 435 million premiums. In terms of gross written premiums, Italy is (together with Spain) the third largest unit. In 2003, the major part of the business written in Italy was non-life with gross written premiums of CHF 344 million. The unit is predominantly active in northern and central Italy.

In 2003, the proportion of non-life gross written premiums by line of business was as follows: 18.7% property, 1% transport, 60.4% motor vehicle, 7.8% liability and 12.1% accident/health insurance. In the first half of 2004 (2003), the respective figures were 17.4% (16.9%), 1.1% (1.0%), 61.0% (62.9%), 7.9% (7.2%) and 12.6% (12.0%). Since 2002 the gross combined ratio 'all in' decreased and reached on June 30, 2004 86.5%. By applying a strict underwriting policy, claims ratio for the motor vehicle business was above market average.

The two life companies offer a full range of products from risk protection long-term savings products, insurance policies with cover for mortality and disability to index- and unit-linked products. In 2003, individual life products represented 89% of life gross written premiums.

Strategy and customer segmentation

The unit is active as an insurer and service provider with know-how for demanding and service-oriented clients and agents or brokers, mainly in the private and commercial market segment. The unit seeks to accomplish the following objectives:

- Ensuring sustainable profitability;
- Concentrating on profitable business from mid-sized provincial towns in northern and central Italy;
- Improving sales power in the life business by exploring new distribution channels such as banks;
- Focusing on individual and small type industrial clients; and
- Balancing the portfolio mix in non-life between motor and non-motor.

Distribution

Three main distribution channels are used: independent agents accounting for 88% of the gross written premiums, brokers accounting for 8%, and financial promoters specialized in life and a bank channel (Banca Woolwich) accounting for 4% (in 2003). In Italy, the marketing department assists the sales department by analyzing the portfolio, proposing insurance solutions and assisting intermediaries in their local initiatives.

Spain

The business unit Spain is the result of a merger between Helvetia CVN and Grupo Previsión to form today's Helvetia Previsión. The merger was effective as of January 1, 2004. As at June 30, 2004, the Spanish business unit employed 669 FTEs.

Lines of business and market position

With CHF 443 million gross written premiums in 2003, the unit is similar in size to the Italian business unit. In 2003, 82% of gross written premiums (CHF 365 million) were generated in the non-life business.

In 2003, the proportion of non-life gross written premiums by line of business was as follows: 40.1% property, 4.8% transport, 42.3% motor vehicle, 5.7% liability, and 7.1% accident/health insurance. In the first half of 2004 (2003), the respective figures were 38.8% (37.9%), 5.4% (5.3%), 38.3% (42.5%), 7.6% (6.2%) and 9.9% (8.1%). Since 2002 the gross combined ratio 'all in' decreased and reached on June 30, 2004 91.7%.

In its majority, the life business is individual life (2003: 71% of gross written premiums). The whole range of products from risk protection and long-term savings products and insurance policies with cover for mortality and disability to unit linked products is offered.

Helvetia Previsión, whilst it is active across the whole Spanish market, focuses on the provinces of Andalusia and Navarra.

Strategy and customer segmentation

The unit is active as an insurer and service provider with know-how for demanding and service-oriented customers and agents/brokers, in particular in the segment of private and commercial market. The unit has the following objectives:

- Achieving the profitability targets set by the Group;
- Securing its position as a multi-line insurer with a particular geographical focus on the provinces of Andalusia and Navarra;
- Targeting middle-class individuals and small and medium-sized enterprises;
- Fully integrating Helvetia Previsión following the merger; and
- Leveraging the reputation of the "Previsión"-brand in conjunction with elements of "Swissness" under the new branding of Helvetia Previsión.

Distribution

The products of Helvetia Previsión are, to a large extent, distributed by tied agents and, to a lesser extent, by small brokers. This sales network is supported by commercial advisers located in the most important cities in Spain. In addition to this local support, the unit provides other types of assistance to the sales force including training, business-to-business tools and sponsorship.

Austria

The business unit Austria consists of the *Direktion für Österreich* (a small niche player with transport as single business line), a branch of Helvetia Versicherungen, and the subsidiary ANKER (life and non-life business). As at June 30, 2004, the Austrian business unit employed 638 FTEs.

Lines of business and market position

The business unit wrote CHF 321 million gross premiums in 2003. 59% of these gross written premiums (CHF 190 million) were generated through non-life business. The unit is active in the entire Austrian market.

In 2003, the proportion of non-life gross written premiums by line of business was as follows: 34.2% property, 3.0% transport, 39.0% motor vehicle, 13.5% liability, and 10.3% accident/health insurance. In the first half of 2004 (2003), the respective figures were 35.5% (34.2%), 2.8% (3.6%), 38.3% (38.7%), 13.6% (13.6%) and 9.8% (9.9%). Since 2002 the gross combined ratio 'all in' came down and reached in June 30, 2004 104.8%.

The life business only consists of individual life, and the whole range of products from risk protection and long-term savings products and insurance policies with cover for mortality and disability to unit-linked products is offered.

Strategy and customer segmentation

The unit operates as an insurer and service provider with know-how for demanding and service-oriented customers and agents/brokers, in particular in the segment of private and commercial market. Following difficult market conditions and a change in the management, the ANKER has achieved break-even in the half year ended June 30, 2004. Notwithstanding these positive results, the management continues to focus on improving profitability, in particular by:

- Increasing profitability and growth (adjustments in underwriting structures, streamlining sales structures and channels as well as claims processes);
- Reducing administrative expenses and enhancing IT systems;
- Focusing on private customers and small enterprises; and
- Communicating ANKER's central values "quality, trust & security" with a touch of "Swissness".

The *Direktion für Österreich* (gross written premiums of CHF 5.7 million in 2003) continues to confirm its niche position as a professional and profitable transport insurer.

Distribution

The unit distributes its products through tied agents and brokers. Its own distribution channel generates 60% of the gross written premiums.

France

The *Direktion für Frankreich* is a branch of Helvetia Versicherungen. As at June 30, 2004, the business unit France employed 85 FTEs.

Line of business and market position

The French business unit is only active in the transport business with gross written premiums in the amount of CHF 82 million in 2003. The business consists of 57% cargo and 43% forwarders liability. The business unit has a minimal portfolio of vessel insurance which is in run-off. At the end of 2003, the gross combined ratio 'all in' was at 98.5%.

The branch has approximately a 6% market share in terms of gross written premiums in the French transport market and 10% market share in the cargo market and is among the top five insurers in this sector. In 2004, the branch expanded its portfolio with the acquisition of two transport portfolios from Royal Sun Alliance.

Strategy and customer segmentation

The business unit's objectives are:

- Focusing on profitable small and medium customers (industrial and commercial companies); and
- Maintaining the high standards in quality and service.

Distribution

The branch's decentralized distribution provides a close relationship with its partners and customers. In 2003, the network of agents generated 34% of the premiums while brokers accounted for another 57%. The remaining premiums were generated by the branch directly and through a cooperation agreement with AZUR Assurance I.A.R.D., Société Anonyme, an insurance company which is not operative in the business. The branch has four distribution and administrative offices which support the distribution network.

Assumed reinsurance

Lines of business

Traditionally, the Group has been underwriting a small reinsurance portfolio. The carrier used is Helvetia Versicherungen. Until the mid-nineties property reinsurance dominated the business; in recent years, the portfolio has become more diversified.

All classes and types of treaty business, life and non-life, are reinsured. Facultative risks are not accepted. As a risk-containing measure and independent of profitability, the volume of assumed reinsurance is limited. The following table shows the gross written premiums in percentage by lines of business:

Gross written premiums by lines of business:

Lines of Business	Premiums written in 2003
Property	44.5%
Motor vehicle	16.0%
Aviation	10.8%
Transport	7.4%
Liability	9.1%
Other	12.2%

Strategy and customer segmentation

The assumed reinsurance unit provides technical, accounting and actuarial expertise. The unit focuses on those markets and lines of business where the best profit opportunities are expected. This opportunistic approach facilitates rapid response to changes in market conditions. A strict risk and exposure control and limitation is observed. Geographically our account emanates predominantly from the OECD countries.

Distribution

Reinsurance business is carried out directly and through brokers. The marketing executives are responsible for fostering good client relationships, thereby contributing to the quality of the portfolio. Pricing and reserving is performed by a specialized actuarial unit.

Generally, Helvetia Versicherungen acts as a following reinsurer. With regards to major claims, a management information system has been established.

Risk management and investment policy

Helvetia Patria Group is exposed to different types of risks. The Group has established a risk management organization with the purpose of efficiently managing financial and other risks.

Risk management organisation

Board Level

The Board of Directors is responsible for the establishment and supervision of suitable internal control and risk management systems. In particular, the Board of Directors carries out the following duties:

- Evaluating and approving decisions with strategic impact (it is responsible for strategic risks);
- Ensuring appropriate supervision of the Group Executive Management's and the Group's internal control systems;
- Ensuring the implementation of a comprehensive financial risk management for purposes of an effective allocation of risk capital and systematic supervision by the Group Executive Management of risks; and
- Monitoring the Group's risk map and specifying of adequate upper limits of selected and defined risk categories. In doing so, the Board of Directors determines both risk capacity and risk appetite.

For purposes of an efficient management of these responsibilities, the Board of Directors is required to meet with the Group Executive Management on a regular basis and to overview the effectiveness of internal control measures and the results of risk management. The analysis of internal control systems by the Group Executive Management, by the internal and external auditors and by the regulatory authorities is examined by the Board of Directors.

The Audit Committee (AC) supports the Board of Directors in the assessment of internal controls and the set-up of risk management. The Board of Directors delegates the operative elements of risk management to the Investment- and Risk Committee (ARA), which must act within the framework of defined risk categories.

The Group Executive Management assumes responsibility for the implementation of strategies, business principles and the observance of the risk management limits as defined by the Board of Directors. It is principally responsible for:

- Designing an effective system of risk management and developing suitable processes for identification, measurement, monitoring and control of risks entered into by Helvetia Patria Group;
- Supervising and documenting an organizational structure, which clearly specifies responsibilities, competencies, and reporting structures;
- Ensuring the realization of those tasks delegated by the Board of Directors or one of its committees; and
- Ensuring a complete, consistent and timely reporting of information.

The responsibility/competence matrix is defined as follows:

	BoD	ARA	AC	CM/CEO	GEB
Risk Map, Total Risk, Limit Specification	**D**	A	C		R
Structural Aspects	I	C	**D**	R	C
Financial Risks, Operational Aspects*	I	**D**	I		R
Other Risks	**D**	C	C		R

*within the Board of Directors' authorized limits

BoD: Board of Directors
ARA: Investment- and Risk Committee
AC: Audit Committee
CM/CEO: Chairman/Chief Executive Officer
GEB: Group Executive Management, “D”, “C”, “A”, “R” and “I” stand for “Decision”, “Cooperation”, “Advisory”, “Request “ and “Information”.

Operational Level

On an operational level, the Group Executive Management delegates the recommendation, coordination and monitoring of implementing risk decisions to the Risk Committee. The Risk Committee combines all functions that are related to the management of financial risks. It is chaired by the CFO of the Group. Its members are the head of Corporate Finance & Risk Management, the Group Life Actuary, the Group Non-Life Actuary, the head of Ceded Reinsurance and the head of Investment Management. The Risk Committee meets at least twice a year and handles issues such as hedging strategy, financing and other risk management matters. The aim of the Risk Committee is to support the business strategy and to provide the Group Executive Management and the Board of Directors with recommendations related to risk management activities.

Within the Group's Finance division, the department Corporate Finance & Risk Management reports on financial risks by setting up a risk map and a risk report. The risk report supports the Risk Committee, the Investment- and Risk Committee and the Group Executive Management by providing the necessary basis for decisions. The risk map informs the Board of Directors of the main risks the Group is exposed to, as well as of changes in these risks and of measures implemented to mitigate and manage these risks.

Risk management processes

Financial risk management

A group-wide risk reporting which is in the process of being enhanced will further improve the transparency of risks faced by the Group. Risk is defined to be an adverse divergence from the anticipated development and is considered in relation to its potential impact on the Group's equity base. To quantify risks, where possible, the risk measure "Expected Shortfall" is used. This risk measure is similar to the "Value at Risk"-model (VaR) used in the banking industry, but is adapted to the needs of the insurance industry.

Helvetia Patria Group differentiates between financial risks, strategic risks and other risks (such as operational risks and risks relating to reputation, the regulatory environment or legal issues). Financial risks comprise financial market risks (including asset-liability mismatch risks), non-life insurance risks (such as natural catastrophes or man-made catastrophes) and life-insurance risks (such as mortality and longevity risks).

The insurance industry has been confronted with many challenges in recent years with the emergence of new risks. Furthermore, competitive pressure in combination with unfavourable stock market trends has weakened the equity capital basis of many market participants that has resulted in a reduction in risk capacity.

Helvetia Patria Group responds to market developments by adapting its risk concept. The past volume-governed strategy is being replaced by a consistent emphasis on profit in relation to the economic risk capital committed by the business. This alignment is aiming to provide qualitative growth (risk as opportunity), to prevent pressure on the Group's capital base and to ensure the continued prosperity of Helvetia Patria Group.

In principle a risk adverse investment strategy is being followed. Within the scope of surplus risk capital allocated to the investment function and strict volume and loss limits, additional risk bearing investments can be acquired and managed.

Actuarial processes

The Group applies different actuarial processes to quantify and control its liability risks and to monitor existing and new products with respect to underwriting, pricing and reserving. The Group Life Actuary monitors all new life products and has the right to veto any new product considered to have excessive actuarial risks. The Group Life Actuary also monitors existing products on their actuarial risks and is responsible for issuing guidelines on principles of valuation and reserving, reinsurance or product-stop for products with a heightened risk.

In the course of this process, different methodologies are used, such as profit testing, analysis of profit, claim statistics, liability adequacy tests, embedded value and scenario technologies. The analysis of profit and the statistics on claims are retrospective methods comparing the evolution with the underlying expectation. The other methods are forward looking methods aimed at recognizing trends at an early stage so that their impact on the business may be quantified and appropriate measures may be taken in response. Most of these calculations are incorporating the analysis of sensitivities to monitor the impact of adverse evolutions of investment returns, mortality rates and other parameters which have an impact on the results.

Ceded reinsurance

Since 2000, the central unit Group Reinsurance (**"GRV"**), which is part of the reinsurance department, acts as the sole reinsurer to our business units and underwrites the group retention. In addition, it co-ordinates the procurement of reinsurance for the whole Group. GRV is an integral part of the risk management process of the Group.

Each business unit benefits from an individual reinsurance program. As a consequence, each line of business is covered by one or several separate reinsurance treaties. For risks in excess of acceptable exposure levels, GRV purchases excess coverage on a group basis. Risks not covered by such compulsory reinsurance treaties may be reinsured on a facultative basis by each business unit.

It is the Group's goal to split the reinsurance treaties among a number of first class reinsurers in order to avoid dependence on any single reinsurer. 85% of the ceded premiums in 2004 are placed with reinsurers with a rating A or better.

Asset and Liability Management (ALM) – Process & methodologies

The ALM process forms the basis for the strategic asset allocation. It aims to achieve two objectives: Firstly, to ensure coverage of statutory liabilities at any point in time, and secondly, to efficiently use surplus risk capital allocated to the investment function. Given the focus on statutory requirements of coverage, the nature of the ALM process is essentially 'bottom up', that is, the asset-liability relation and the strategic asset allocation are considered at business unit level. Accordingly, the Group's strategic asset allocation is a consequence of the aggregation of individual allocations. The allocation of economic risk capital, however, is also monitored from a Group perspective, i.e. economic risk capital is allocated for its most efficient use in terms of profitability or support of underlying insurance business, in particular the future bonus policy in the life business.

In the ALM process, the relation of assets to liabilities, and their mismatch risks are assessed from a mark-to-market as well as from a statutory balance sheet perspective. ALM aims at optimizing the use of the allocated economic risk capital while adhering to statutory constraints. Actuarial information used in the ALM process consists of data on liabilities and cash flows arising from in-force business and a projection of future business for life and non-life units.

Investment policy and strategic asset allocation

On the basis of ALM models, the strategic asset allocation is determined at two levels. The allocation of 'low risk assets', which comprise all fixed income instruments (bonds and mortgages), and 'higher risk assets', such as real estate, stocks and alternative investments. The quota of higher risk assets is determined by the surplus risk capital allocated to the investments of the business unit and through considerations on whether it is efficient to allocate this capital for potential investment risks. The allocation of the various classes of higher risk assets per se is evaluated by optimization models. The allocation within the 'low risk assets' is determined by the term structure of liabilities.

The strategic asset allocation is implemented by the Investment Division within tactical investment limits defined by the Investment- and Risk Committee of the Board of Directors. Objectives, limits and responsibilities of the Investment Division units (Securities, Real Estate and Mortgage) are laid down in internal investment guidelines.

The strategic asset allocation is set on a medium term (rolling two to three year time horizon) perspective. For purposes of ensuring short term control of economic losses, annual limits for the loss of economic capital as well as for the accounted profit and loss are implemented. These limits may at times overrun the limits of the asset allocation, i.e. may enforce a reduction of 'risky assets' below their strategic limits. Further, safeguarding the limits may call for the use of derivative instruments. The Group uses derivatives within the strict limits set by the insurance legislation and by internal guidelines. Their main use is to protect the Group's balance sheet against exposure related to equities and foreign exchange markets. The main instruments are index options for equity markets and currency options and forwards for foreign exchange risk. Bond or interest rate derivatives may increasingly be used in order to manage duration. In a limited way, restricted by the investment guidelines, derivatives are also used to enhance returns on the existing portfolio.

Solvency

The insurance business is a regulated activity in each of the jurisdictions in which the Group operates. Helvetia Patria Group, which writes business in Switzerland, and, through its branches, in Germany, Austria, Italy and France, is subject to regulatory review by the Swiss regulator, the FOPI. In addition, Helvetia Patria Group's subsidiaries and their branches, which write insurance business in Germany, Austria, Italy, Spain and France, are regulated by the corresponding regulator in the country in which they write business. The lead regulator under EU legislation is the ISVAP in Italy.

In each jurisdiction in which the Group operates, the regulator seeks to ensure that insurers meet their obligations by, amongst other duties, reviewing the financial condition of the insurance companies. In the European Union, the common framework for assessing the financial condition of insurance companies, including solvency, is outlined in the European Union Directive concerning life assurance (2002/83/EC) and concerning non-life assurance (2002/13/EC). In Switzerland, the framework for assessing the financial condition of insurance companies is similar to these European Union Directives.

The rules for calculating solvency in the European Union and Switzerland provide that an insurance company must maintain an eligible equity which is higher than the required solvency margin (**"RSM"**). For life insurance companies in the European Union, the RSM is generally calculated as the sum of 4% of insurance reserves plus 1% of separate account reserves plus 0.3% of the sum at risk under insurance policies. The RSM for non-life insurers in the European Union is the greater of 16% of gross written premiums for the year or 23% of a three-year average of claims. Similar minimum capital requirements are applicable for life and non-life insurance companies operating in Switzerland.

In most European countries and in Switzerland, the eligible equity consists in essence of the sum of the paid-up share capital, the free and statutory reserves, the profit and loss brought forward and additional valuation surpluses arising from the difference in valuation practices permitted by the regulators and those applied in the application of local and group accounting policies. All items are consistent with article 27 of the European Union Directives 2002/83/EC and 2002/13/EC. All components of the eligible equity are calculated on a national basis. There are some differences between European countries regarding the type of assets from which the hidden reserves are allowed to count as part of the eligible equity. The regulator also specifies the valuation basis for the liabilities, typically applying a conservative assessment of potential liabilities. The ratio of the eligible equity to the RSM is commonly referred to as the statutory solvency ratio (**"SSR"**).

In the European Union, insurers are expected to maintain a SSR of at least of 100%. Most companies report ratios significantly above 100%. If an insurer's SSR falls below 100%, the regulator is expected to work with the company in determining corrective action that can result in prohibition of the writing of new business or other remedial action to ensure the protection of existing policyholders. The Group monitors the solvency of all subsidiaries to ensure that the appropriate financial structures are in place to support the solvency of its subsidiaries and branches to the extent necessary to meet national regulatory requirements.

In Switzerland, the FOPI takes a similar approach to the regulators in the European Union. In addition to considering statutory equity and reserves, the Swiss regulator allows other elements permitted by the European Union Directive 2002/83/EC to be considered as eligible equity. Such elements include hybrid capital and subordinated loans and unrealized capital gains of the equity, bond and real estate portfolios resulting from the difference between the market value and their statutory book value (referred to as hidden reserves) as well as an approved part of the provisions for future policyholder profit participation. The deferral of acquisition costs must also be approved by the regulator. Intangible assets accounted for on a statutory basis are deducted from the statutory equity. As reported from December 31, 2004, new rules will require Swiss insurers to maintain eligible equity of at least 50% of the required solvency.

In the 2003 solvency report to the FOPI prepared as at December 31, 2003, Helvetia Versicherungen (which includes the Helvetia insurance business in Switzerland and the insurance business of its German, Italian, Austrian and French branches and the reinsurance business) reported total eligible equity of CHF 642 million compared to a RSM of CHF 260 million representing an excess of CHF 382 million of the eligible equity over the RSM, resulting in a solvency ratio of 247%. Helvetia Versicherungen would satisfy the new rules to maintain eligible equity of at least 50% of the required solvency if applied at June 30, 2004.

In the 2003 solvency report to the FOPI prepared as at December 31, 2003, Patria Leben reported total eligible equity of CHF 990 million compared to a RSM of CHF 704.1 million representing an excess of CHF 286 million of the eligible equity over the RSM, giving a solvency ratio of 141%. Patria Leben would satisfy the new rules to maintain eligible equity of at least 50% of the required solvency if applied at June 30, 2004, following the capital increase made in May 2004.

As of December 31, 2003, all subsidiaries in the other jurisdictions where the Group operated its insurance business reported statutory solvency margins in excess of minimum solvency requirements.

Helvetia Patria has estimated Group solvency in accordance with Application Decree 239/2001 of Italy based on European Union Directive 98/78. Helvetia Patria estimates that as at December 31, 2003, total eligible equity was CHF 1,393.2 million compared to a RSM of CHF 1,192.0 million, representing an excess of CHF 201.2 million over the RSM, giving a solvency ratio of 117%.

Employees

At the end of 2003, the Group had 4,603 FTEs. With the exceptions of Switzerland and Austria, the Group's sales forces are largely not employed by Group companies and thus not included in the above-stated number of employees.

Full time equivalents – (FTEs)	**As at December 31,**			**As at June 30,**
	2001	**2002**	**2003**	**2004**
COUNTRY				
Switzerland[1]	2,091	2,130	2,106	2,130
Germany	801	816	818	819
Austria	694	676	656	638
Spain	753	733	719	669
Italy	213	214	223	228
France	72	76	81	85
Group total	*4,624*	*4,645*	*4,603*	*4,569*

[1] Numbers include Group head office and assumed reinsurance FTEs.

Information technology

The Group's IT activities are largely decentralized, i.e. each country operates its own, independent and locally managed IT-department. In order to improve efficiency and quality, a central body referred to as ITC (IT-Coordination) has been established for purposes of coordinating the IT activities of the different countries. The aim is to increase internal transparency and to identify potential synergies through a group-wide notification of planned intentions and activities on the one hand and to realize a higher degree of standardization (including standardization of risk management) on the other hand. In addition, the countries shall have the opportunity to participate in solutions and systems which they would not be able to realize on their own. In view of supporting the development of the ITC, annual CIO-meetings and periodical ITC-meetings are held.

For purposes of promoting e-Business activities within the Group, a central project focused on B2B (Business to Business) was initiated on Group level. Under the central coordination of the e-Center, a central architecture, development environment and infrastructure were deployed, local know-how established and shared applications developed and integrated with the subsidiaries. Currently, the e-Center is servicing and enhancing the running B2B applications and the infrastructure and supporting the business units in developing further applications on the common platform.

Intellectual Property

Except for its protected trademarks as e.g. "Helvetia" and "Patria" as well as for special names of products as e.g. "Saphir" or "Claro" which the Group strives to protect in markets where the Group is active, Helvetia Patria Group owns no significant intellectual property which is material for the conduct of its business. Each of the material trademarks or product names are filed in Switzerland and in the European Union.

Material contracts

Helvetia Versicherungen and Patria Leben cooperate with certain companies mainly in respect of product distribution and development (see below). These cooperations are periodically reviewed and, if value may be created, the Group aims at deepening the respective business relation. In particular, the cooperations with Schweizer Verband der Raiffeisenbanken, Servisa and the Vontobel-Group have been, or are in the process of being, expanded. Helvetia Patria Group is also assessing the benefits of additional distribution channels through strategic alliances with other financial service providers. Therefore, the Group does not exclude the announcement of new cooperations in the near future.

As at the date of this Prospectus, other than in the ordinary course of business or save as disclosed elsewhere in the Prospectus (see, e.g., "Description of the Shares – Major Shareholders"), members of the Group have entered into the following contracts that are, or may be, material in the context of the Group as a whole:

- In January 1996, Bank Vontobel AG and Helvetia Versicherungen entered into a strategic partnership with the objective of covering specific areas in the growing bank assurance market (see "Description of the Shares – Major Shareholders – Shareholder Pool"). This partnership led to the development of unit-linked products which have been marketed by the Group. Furthermore, both partners exploit synergies in selected financial fields, particularly in asset management, brokerage and custody with the aim of further deepening their business cooperation.

- In 1999, Helvetia Versicherungen entered into a strategic partnership with the Schweizer Verband der Raiffeisenbanken (Raiffeisen). See "Description of the Shares – Major Shareholders – Shareholders' Pool". The parties have recently renewed their cooperation. Approximately 450 Raiffeisen banks with 1,230 subsidiaries offer life insurance products of Helvetia Patria Group to their private customers. According to Raiffeisen sources, Raiffeisen has a market share of 13% in the segment of savings and 16.8% in the segment of mortgage and is one of the banks with the best market penetration, in particular, in private and small business lines. Raiffeisen contributed about 14% of the Group's new business of the individual life segment in 2003.

- In Switzerland, Helvetia Patria does not underwrite health- and accident insurances for its own account. In 1989, for purposes of being able to offer the entire spectrum of insurance products, Helvetia Patria Group has entered into a partnership with Helsana Insurances (Helsana). Helsana, the largest health insurance company in Switzerland, is the Group's provider for health- and accident insurance products. The Helvetia Patria sales force offers such products primarily for corporate clients.

- Servisa-Group is the result of a partnership formed between Patria Leben and the Cantonal Banks in 1973 in which insurance know-how on the one hand and focused distribution of BVG products as well as a professional asset management on the other hand are combined. See "Business – Business units – Switzerland – Lines of business and market position". The partnership agreements are in the process of being renewed.

- As at July 1, 2004, Helvetia Versicherungen acquired a share of 7.5% in the Swiss legal protection insurer Coop Rechtsschutz. Other major shareholders are National (42%), trade unions (41%) and Helsana (7.5%). The participation in Coop Rechtsschutz supports and strengthens a long term cooperation for the distribution of legal protection products by Helvetia Patria Group.

- In October 2004, Zürcher Kantonalbank (ZKB), Swiss Re, Helvetia Versicherungen and the shareholders of the Tertianum-Group have entered into a framework agreement which foresees the contribution of the parties' retirement residences into a new joint real estate investment company focused on retirement residences and the acquisition of the operating company Tertianum Management AG. The framework agreement will be implemented through the conclusion of specific agreements. The core activities of the new venture will be the management of own and third party retirement residences.

- The project PAKT (*Personen Applikation Kollektiv*) is a joint project of Baloise insurance company, Helvetia Patria, and the software company "msg" based in Munich. The idea behind PAKT is to establish a standardized software solution for group life in the Swiss market. For the purpose of realizing the project, the three partners used the company "prevo" in 1999 which is owned by the two insurance companies (26% each) and by msg (48%). In addition, both insurance companies created a project named IMPAKT in order to integrate and migrate PAKT into Baloise and Helvetia Patria. The investments made by the two companies with regard to PAKT and IMPAKT amount to CHF 50 million each. The capacity of PAKT covers the administration of contracts in the group life business, the actuarial practice (tariff system) as well as central components such as business transaction controlling.

- In 2001, Helvetia Patria Group has acquired Norwich Union Vita S.p.A., which was accordingly renamed into Helvetia Life S.p.A. Helvetia Life S.p.A. is in cooperation with Banca Woolwich, a bank engaged in the mortgage business. In the early phase, the cooperation was limited to life insurances for purposes of protecting mortgages. In a later phase, the cooperation was extended to the business in non-life products. In 2002, Banca Woolwich's portfolio was transferred to Helvetia Vita.

Legal disputes

Within the context of ordinary business operations – in their capacity as insurers, employers, investors and taxpayers – the companies of the Helvetia Patria Group are and will be involved as claimants or defendants in a number of court, administrative and other proceedings in Switzerland and abroad. While the ultimate outcome of these proceedings cannot be predicted with certainty, the Company does not believe that any such proceeding in which it is currently involved will have a material adverse effect on the results of the operations or the financial position or reputation of the Helvetia Patria Group.

Main locations of the Group

The Group's headquarters are in St. Gallen at Dufourstrasse 40.

As at September 30, 2004, the principal operating properties and offices of Helvetia Patria Group, all owned by the Group, were as follows:

Location	**Type of facility/use**	**Leased/ owned**	**Approximate area (m^2)**
St. Gallen, Dufourstrasse 40	Offices	Owned	**12'061**
St. Gallen, Haus Washington	Offices	Owned	**3'470**
Basel, St. Alban-Anlage 26	Offices	Owned	**24'025**
Frankfurt, Berliner Strasse 55–56	Offices	Owned	**5'530**
Frankfurt, Weissadlergasse/Kl. Hirschgraben 10	Offices	Owned	**4'482**
Wien, Hoher Markt 10	Offices	Owned	**6'360**
Wien, Hoher Markt 12	Offices	Owned	**1'297**
Milan, Italia, Via G.B. Cassinis 21	Offices	Owned	**7'486**
Milan, Italia, Via G.B. Cassinis 21 ed.1–3	Offices	Owned	**4'674**
Milan, Italia, Via Boncompagni 62, pal 4	Offices	Owned	**1'841**
Madrid, Spain, Paseo Recoletos 6	Offices	Owned	**4'175**
Pamplona, Spain, Avd.San Ignacio 7	Office/Residential	Owned	**3'733**
Pamplona, Spain, Fuente del Hierro 2	Offices	Owned	**154**
Seville, Spain, Paseo de Colón 26–28	Offices	Owned	**6'959**
Courbevoie/Paris, France, rue Sainte Marie 2	Offices	Owned	**1'800**

Interruption of business activities

Low exposure to political, technological, geographical or natural catastrophe hazards has resulted in the Company and its branches or subsidiaries having avoided any material interruptions of their business activities to date.

Nevertheless, the Company and all its business units have adopted precautionary measures, such as geographically separated duplicate systems, in the event of the interruption of vital business functions due to natural disasters, catastrophic events and other events over which it has no control such as fire, earthquake, terrorist attacks, war, floods and epidemics. Should a material disruption occur, the Group has set up disaster recovery plans that should minimize business interruption and IT systems failure. These plans are regularly evaluated. The Strategy- and Governance Committee of the Board of Directors is empowered to take strategic decisions in time of crises should it not be possible to convene the full Board of Directors. Additionally, should key individuals be in any way indisposed, a comprehensive plan of deputizing has been developed with clear lines of communication to ensure adequate, consistent and reliable information internally and externally.

All of the measures taken are aimed to ensure minimal disruption to the business and service delivery in the event of a major threat to the Group's operations.

REGULATION

Switzerland

Insurance

General

The private insurance business in Switzerland is regulated by several federal acts, the most important being the VAG (Federal Act on the Supervision of Private Insurance Companies of 1978), as amended, the SchVG (Federal Act on Non-Life Insurance of 1992), as amended, and the LeVG (Federal Act on Life Insurance of 1993).

The FOPI (Federal Office of Private Insurance) (*Bundesamt für Privatversicherungen*), an administrative unit of the FDF (Swiss Federal Department of Finance) (*Eidgenössisches Finanzdepartement*), is the regulatory agency supervising private insurance business in Switzerland.

The legislation on the supervision of private insurance companies is currently under review. On June 10, 2003 the Swiss government published its proposal from May 9, 2003 for a comprehensive revision of insurance supervision (the Revised VAG) and the official explanation regarding the proposed legislation (*Botschaft*). In December 2003 and March 2004, the Swiss parliament debated on the proposed amendments, but the legislative procedure is still ongoing. After its completion the Revised VAG will become subject to the facultative referendum. However, it is planned to enact the new law at the earliest as of July 1, 2005. The VVG (Federal Act on Insurance Contract of 1908), as amended, is under review as well. The review's primary goal is the improvement of the consumer's protection, one of the measures being the determination of the insurer's pre-contractual information duties. It is planned to enact the VVG revision as of January 1, 2005. Further, a statute on integrated capital market supervision (FINMAG) is being prepared, which may lead to changes regarding the supervision of insurance companies. A first explanatory partial report was published in July 2003 and was subject to comments (*Vernehmlassungsverfahren*) until January 2004. This report was drafted by an experts' commission led by Prof. Ulrich Zimmerli. In its first part of the report of July 2003, the commission deals with the organization of a federal capital market supervision as well as with the interdisciplinary supervision. A second part dated August 2004 deals with the catalog of sanctions. Finally, there will be a third part to deal with an enlargement of the capital market supervision. It will take some time until the new law will come into force. It is proposed to establish a federal authority, the FINMA (Federal Capital Market Supervisory), in which the FOPI and the FBC shall be brought together on an organizational level. However, these endeavours have not resulted in any changes to the regulatory environment to date. The Company is currently not subject to consolidated supervision. However, the Revised VAG and its implementing ordinance, once it will have been enacted at the earliest in July 2005, is likely to include provisions on the supervision of insurance groups.

Occupational pensions are regulated by the BVG (Federal Act on Pension Plan, Surviving and Disability of 1982, as amended). The BVG is also in the process of being significantly revised (the "First BVG Revision").

The so-called "transparency rules" that are part of the first BVG revision have been enacted as per April 1, 2004 by the Federal Council with resolution of March 24, 2004. These transparency rules contain, among others, specific provisions for life insurance companies engaged in occupational pensions business. Further in this context, article 6a (special provisions regarding occupational pensions) has been inserted in the LeVG. This article in particular (i) enjoins the funding of a special security fund (*Sicherungsfonds)* for the occupational pensions business and (ii) establishes the payment by life insurance companies of a "legal quote" (i.e. a statutory payment ratio) in favor of the group life policyholders with regard to the bonus/surplus resulting from BVG business. It is currently expected that the Revised VAG will take up, with some amendments, the provisions regarding "legal quote" newly inserted in the LeVG and in its implementing ordinance (the "LeVV").

Authorization to carry on insurance business

With certain exceptions, all private insurance companies in Switzerland which transact direct insurance or reinsurance business in Switzerland or abroad are subject to the VAG, and must apply for a business license with the FDF prior to carrying on insurance business. The FOPI requires each insurance company to submit its business license application with a business plan. The business plan must provide details about all financial and technical aspects of the insurer's business activities, the insurer's solvency, the calculation of its technical reserves and its reinsurance policies. The FDF grants a business license if the insurance company complies with all legal requirements and the FOPI approves the business plan. The business licenses granted by the FDF are limited to specific classes of insurance. Any subsequent material amendment to the insurer's business plan is subject to the approval of the FOPI.

Swiss insurance companies are subject to minimal capital requirements which are dependent upon the specific classes of insurance to be conducted. The fully paid-up capital of a life insurance company must at least be between CHF 5 million and CHF 10 million, whilst the minimum capital requirement for a non-life insurance company is between CHF 600,000 and CHF 10 million. The Revised VAG sets forth a minimum capital requirement between CHF 3 million and CHF 20 million. The implementing ordinance to the Revised VAG will set forth further details as to the minimum capital requirement.

Insurance companies must also maintain an organization fund (*Organisationsfonds*) of an amount equal to between 20% and 50% of the minimum capital requirements.

Restrictions on business activities

Swiss insurance companies are limited in the scope of their business activities. Under current Swiss insurance regulation, insurance companies are prohibited from, directly or indirectly, engaging in any non-insurance business, such as banking and collecting deposits, or from operating investment companies and investment funds.

Acquisitions of equity interests above a certain threshold in non-insurance businesses by insurance companies require prior governmental approval.

Furthermore, life insurance companies may not engage in any non-life insurance business and vice-versa. However, different companies in the same group may each engage in life insurance business and non-life insurance business.

Solvency

Depending on the classes of insurance conducted, the solvency margin for life insurers is calculated in relation to the technical reserves, the sum at risk, and part of the premium income, adjusted by reinsurance. The solvency margin for non-life insurers is calculated on the basis of either the aggregate annual insurance premiums or the average claims paid over the past three years, whichever is higher.

The eligible equity requirements of life and non-life insurers alike may only be covered by the insurer's own funds, such as paid-up capital and/or additional elements as specified in the relevant statutes. The same holds for the guarantee fund (*Garantiefonds*) of an amount equal to one third of the solvency margin but not less than CHF 3.2 million for non-life insurers and CHF 4.8 million for life insurers depending on the classes of insurances conducted.

According to the proposal of the Revised VAG, the solvency margin shall be calculated according to a system based on the specific risks of an insurer, taking into account the risks both regarding the assets and the liabilities. The eligible equity requirements will undergo changes too.

Security fund and tied assets

Swiss life insurers must maintain a security fund (*Sicherungsfonds*) and Swiss non-life insurers tied assets (*gebundenes Vermögen*) to secure the actual and contingent liabilities arising out of insurance policies.

The amount required for the tied assets must correspond to the premiums carried forward, provisions for actual and contingent liabilities and certain other components. The security fund essentially mirrors the mathematical reserves (*Deckungskapital*) for the life insurance contracts. The calculation of the security fund and the tied assets must be submitted to the FOPI within five months and three months, respectively, following the end of each business year. Insolvency procedures for insurance companies differ from those normally applied to companies in Switzerland. In particular, bankruptcy may only be adjudicated with the approval of the FDF which must, above all, ensure that the security fund or the tied assets are used exclusively for the benefit of policyholders.

The life insurance companies are by virtue of article 6a LeVG, which came into effect on April 1, 2004, obliged to prepare for the occupational pensions business conducted by them, which accounts for the preponderant part of the group life insurance contracts in Switzerland, a separate/specific profit and loss account. Thereby a life insurer separates its group life insurance contracts from the rest of its insurance business in accounting terms. Simultaneously the life insurer has to establish a special security fund for this business.

Surplus (bonus) and "legal quote" (statutory payout ratio)

The portfolio – defined by the above-mentioned separate/specific profit loss account – serves also to determine the bonus, to which group life policyholders are entitled. The determination of the bonus for each group life policyholder begins with the calculation of the group life policyholders' entitlement as a whole which pursuant to the applicable law represents a 90% statutory payout ratio. This is known as "legal quote". The second step is to apportion the calculated sum among the various group life policyholders in the form of so-called policyholder bonus.

Calculation and apportionment between group life policyholders and insurance company is done as follows: The result for the year of the above-mentioned portfolio is calculated separately for the three premium components consisting of savings, risks and costs. The apportionment of the result between group life policyholders and life insurance company can be made on a gross or net basis. Departures from these apportionment methods are only permissible in cases specifically defined by law. The gross method is generally to be used. The net method, on the other hand, is always applied if the revenue on the savings funds maintained by the life insurance company for the benefit of the group life policyholders varies too widely from the minimum interest rate in accordance with the BVG. Specifically: The net calculation method is used whenever revenue from the savings process (savings revenue) amounts to 6 percent or more of the mathematical reserve and the minimum BVG interest rate set by the Federal Council comes to two-thirds or less of the savings revenue.

Gross calculation method: In order to determine the aggregate share available to all group life policyholders taken together, their share of the revenue per component ("legal quote") is set aside first. In a second step, this is applied to covering the benefits and expenses for group life policyholders. Amounts for provisions, particularly insurance and claim reserves, as well as for costs which have been specially approved by the FOPI, are then deducted from any positive balance which remains. The sum left over is allocated to the reserve for policyholders' bonuses and is meant to be available to group life policyholders as bonus.

Net calculation method: The primary difference in the net method is that benefits and expenses for group life policyholders, together with the necessary provisions, are subtracted from the result for the year before the "legal quote" is deducted in favor of the group life policyholders. In this calculation, the life insurance company is also allocated the so-called "solvency revenue", i.e. revenue determined by the solvency margin. This takes account of the fact that the life insurance company has to commit risk capital.

Allocation to the group life policyholders is done along the following rules: The surplus built up in the reserve for policyholder bonuses is allocated to each group life policyholder in line with actuarial principles. Under the new stipulations of the law, however, no more than two-thirds of the reserve for group life policyholders' bonuses may be distributed per year.

Investment guidelines

Under Swiss law, insurance companies must comply with investment rules pertaining to the assets allocated to the security fund and the tied assets. They are subject to statutory investment guidelines, and the insurers are required to submit annual reports to the FOPI.

Supervision of management and control

Swiss insurance regulations do not contain any specific approval requirements with respect to the appointment of directors or officers of insurance companies, or any notification or approval requirements with respect to significant insurance company shareholders. However, the proposal for the Revised VAG includes such notification or approval requirements as well as legal requirements for insurance companies to appoint an actuary responsible towards the FOPI. It also sets forth the minimum requirements as to his professional qualifications. Furthermore, the individuals responsible for the executive management, the supervision and control of an insurance company must benefit from, and guaranty, good professional skills and reputation *(Gewähr für eine einwandfreie Geschäftstätigkeit)*.

Tariff approval

Insurance companies must submit tariffs for life insurance policies, health insurance and insurance against damage due to natural hazards (*Elementarschadenversicherung*) to the FOPI for prior approval. Other tariffs for the non-life insurance business have been deregulated and are not, therefore, subject to the approval of the FOPI.

Insurance companies must submit tariffs for life insurance policies, health insurance and insurance against damage due to natural hazards (*Elementarschadenversicherung*) to the FOPI for prior approval. Other tariffs for the non-life insurance business have been deregulated and are not, therefore, subject to the approval of the FOPI. Under the Revised VAG, it is generally planned to abandon preventive tariff approvals by the FOPI except for tariffs regarding health insurance and insurance against damages due to natural hazards.

Reporting and intervention

Insurance companies are obliged to submit to the FOPI any information it requires to exercise its supervisory authority including an annual business report that contains information about all aspects of their business activities. Under the Revised VAG, the reporting obligations are specified and enhanced.

The FOPI has extensive power to intervene in an insurer's business, including the power to impose fines, to withdraw an insurer's business license and to carry out an annual review and periodic inspections of the security fund and tied assets. Under the Revised VAG, extensive means of intervention will be at FOPI's disposal.

BVG — Regulation

General

The Swiss social security system is based on a "Three-Pillar System" which is aimed at ensuring protection or security for retirement, mortality and disability on the basis of: (i) state benefits under the Swiss Federal Social Security system by way of AHV (retirement and mortality insurance), IV (disability insurance) and ELG (supplementary retirement insurance) which are funded by state taxes and social security contributions of both the employer and the employee on a pay-as-you-go basis for providing a minimum standard of living (first pillar); (ii) mandatory occupational retirement, mortality and disability benefits under the BVG for protecting a certain standard of living (second pillar); and (iii) individual arrangements on an optional basis (third pillar).

The BVG sets out the minimum benefits in relation to the mandatory part of the second pillar and organizational rules applicable to pension institutions establishing occupational pension plans for the mandatory and the non-mandatory part of the BVG. The FZG (Federal Act on Vesting in Occupational Pension Plans of 1993) provides for the vesting of benefits, by setting the minimum requirements for the transfer of the savings capital which has been accumulated under a former employer's pension plan, for example, when transferring to a new employer's pension plan.

The First BVG Revision will become effective in three steps: The requirements for transparency came already into effect on April 1, 2004. The two other steps will enter into effect at a later stage.

Organization of pension plans

Pursuant to the BVG, all employers are obliged to provide pension benefits to their employees. Under the law, pension institutions must be independent entities, incorporated separately from the employer, typically in the form of a foundation. Employers must therefore either establish their own pension institution or join an existing collective pension institutions which are also open to other employers.

Pension funds may carry risks (mortality, disability and retirement) themselves or seek partial or full cover with a life insurance company by way of a group life insurance contract. As customers of life insurance companies, pension institutions are typically: (i) collective pension institutions, where the institution is an entity founded and managed by a life insurance company, such as Patria Leben, and in which employers hold insured administrative units; (ii) half-autonomous pension institutions, as is usually the case for medium sized to large corporations, where the institution covers certain risks itself and the remainder of the risks are insured by a life insurance company; and (iii) autonomous pension institutions, as is usually the case for large corporations, where the institution provides insurance cover with a life insurance company acting as an insurer of a small part of the risk (e.g. stop-loss insurance).

Contributions

Occupational pension plans are based on a fully funded system. Contributions are paid by both employees and employers. Under the BVG, employers are required to contribute at least 50% of the total contributions.

Mandatory and non-mandatory occupational pension plans

Pension legislation stipulates that the coordinated salary, the part of the annual salary exceeding CHF 25,320 (maximum social security single pension) up to a ceiling of CHF 75,960 (three times the maximum social security single pension), is covered on a mandatory basis. If the employer agrees, amounts in excess of this statutory limit may be insured on a supplementary or non-mandatory basis. Pension plans can also be established for self-employed persons on a non-mandatory basis. The deduction for coordinating the salary (*Koordinationsabzug*) will drop to CHF 22,155 as of effectiveness of the first BVG revision (January 1, 2005). Additionally, employees with a salary exceeding CHF 18,990 will be subject to mandatory coverage based on a minimum coordinated salary of CHF 3,165.

The retirement savings for mandatory pension plans define the retirement pension and serve as the basis and as a reference for survivors' benefits and disability benefits. They consist of the accumulated annual retirement credits based on the coordinated salary plus interests for the period during which the employee has participated in an occupational pension plan, and, if an employee participated in more than one pension plan, of any vested benefits plus interests from previous occupational pension institutions.

The retirement pensions for mandatory occupational pension plans are calculated by multiplying the retirement savings accumulated on attainment of the retirement age by the statutory minimum annuity conversion rate of 7.2% which is subject to a possible decrease referred to below.

Pension institutions are obliged to pay the statutory minimum guaranteed interest rate which, subject to the risk of change referred to below, is currently 2.25% (2.5% as of January 1, 2005) per year, on retirement credits and vested benefits (if any). For supplementary or non-mandatory occupational pension plans there is no statutory requirement to provide a minimum guaranteed interests rate or conversion rate. However, with respect to the FZG minimum requirements, which comprise the mandatory and non-mandatory part of the BVG, the minimum guaranteed interest rate is to be taken into account when computing the vested benefits.

Minimum interest rate and minimum conversion rate

The Swiss legislator defined the following statutory criteria for the determination of the minimum interest rate and the minimum conversion rate, that are fixed by the Swiss government: the minimum interest rate is linked to the investment potential while the conversion rate is linked to the recognized life expectancy tables. Per January 1, 2005 the Federal Council has, regarding the determination of the minimum interest rate, to consider the development of the return on investment of the marketable assets, in particular of the Federal bonds, as well additionally of the shares, the bond issues and the real estate. The minimum interest rate has to be reviewed at least every two years and, in case necessary, to be adapted. The (possible) yearly re-setting of the minimum interest rate leads to an uncertainty when projecting the liabilities for ALM purposes. The First BVG Revision provides for a new minimum conversion rate of 6.8%. Simultaneously, a graduated reduction for a transitional generation of insured persons born between 1940 and 1949 is mandatory by law. The current conversion rate fixed by the Swiss government is 7.2%. The actual and the new conversion rate does not reflect reality and leads to an annual subsequent reserving.

Investment guidelines

Pension institutions must comply with detailed guidelines in the BVG and its related implementing ordinances with respect to permitted investments of pension fund assets. Certain guidelines produced by cantonal supervisory authorities and the Federal Office for Social Security *(Bundesamt für Sozialversicherungen)* explain these investment guidelines in further detail.

Supervision of pension institutions

Pension institutions wishing to execute mandatory employee benefit plans must be listed in the register of occupational pension plans. In general, cantonal authorities supervise pension institutions. If the activities of a pension institution extends to different cantons, supervisory control may be exercised by federal authorities. Pension institutions are required to submit regular reports to the supervisory authority regarding their business activities.

Regulation in certain other jurisdictions

Across the European Union, there are a number of single market directives that provide for similar treatment of insurance companies, credit institutions and investment firms in the various member states. The intention of these various directives is to harmonize the approach of each state's regulation of these business sectors. The provisions of these directives are then introduced into the domestic law of the member state. It is possible to "over-implement" a directive as, in many cases, the directives are merely a minimum level that must be applied. In particular, two EU directives were adopted in February 2002 which will amend, as from 2004, the solvency margin requirements for both life and non-life insurers by increasing the minimum guarantee fund (the minimum capital required) and increasing the thresholds beneath which a higher margin of solvency is required.

Authorization must be obtained from the relevant regulatory body in the relevant state before a company may carry on insurance, deposit taking or investment services business in that state.

These directives also address and provide the basis of the framework in relation to regulatory capital. The distribution of capital by the Group's branches or subsidiaries to their parent undertakings may be restricted by the regulatory capital regime which is designed to protect policyholders' interests.

MANAGEMENT

Board of Directors and Committees

The board of directors of the Company (the "**Board of Directors**") is ultimately responsible for the management of the Company and for the supervision of the persons entrusted with the executive management of the Company. The Board of Directors establishes the strategic, financial and organizational policies and appoints and removes the members of the Group Executive Management upon proposal by its Nomination- and Compensation Committee. Furthermore, the Board of Directors is also responsible for preparing the annual reports and the shareholders' meeting and for carrying out the shareholders' resolutions. Subject to the matters formally reserved to the Board of Directors, the CEO has been given responsibility for the executive management of the Company in accordance with the Articles of Incorporation. Pursuant to the Organization Regulations, the Board of Directors has established the following committees: (i) the Strategy- and Governance Committee, (ii) the Nomination- and Compensation Committee, (iii) the Investment- and Risk Committee, and (iv) the Audit Committee. The Board of Directors can establish additional special committees for specific duties.

The entire Board of Directors meets as often as business requires but generally at least five times per year. The majority of the half-day meetings takes place at the Group headquarters in St. Gallen, one meeting is held at the headquarters of Helvetia Patria Switzerland in Basel, a mainly two-day retreat takes place somewhere in Switzerland and – at irregular intervals – one meeting is organized at a subsidiary abroad. The Board of Directors and its committees constitute a quorum if the majority of the members is present. The resolutions are adopted by a majority vote of the attending members. Decisions may also be made by written vote. In general, all members of the Board of Directors and, in an advisory capacity, all members of the Group Executive Management are present at the meetings. Specialists are invited to attend a meeting if specific topics are being deliberated.

Swiss law does not provide for a general provision regarding conflicts of interest. However, the Swiss Code of Obligations requires the Board of Directors and senior management to safeguard the Company's interests and imposes a duty of care and of loyalty on the members of the Board of Directors and senior officers. This rule is generally understood as disqualifying members of the Board of Directors and senior officers from participating in decisions that directly affect them. Members of the Board of Directors and senior officers are personally liable to the Company, its shareholders and its creditors for damages caused by willful or negligent violation of their duties. In addition, Swiss statutory law contains a provision under which payments made to a shareholder or a member of the Board of Directors or any person associated with them, other than at arm's length, must be repaid to the Company if the recipient of such payments was acting in bad faith.

The Articles of Incorporation provide that the Board of Directors must consist of at least seven, but not more than thirteen members. The Board of Directors currently consists of eight members, CEO Erich Walser being the sole executive member. The members of the Board of Directors, their ages, positions and terms of office (following election at the annual general meeting) are as follows:

Name	Age	Position	Elected until
Erich Walser	57	Chairman, CEO	2007
Ueli Forster	65	Deputy Chairman, Lead Director	2005
Silvio Borner	63	Deputy Chairman	2005
Marguerite Florio	60	Member	2006
John Martin Manser	57	Member	2006
Pierin Vincenz	48	Member	2006
Olivier Vodoz	61	Member	2005
Peter Wagner	58	Member	2007

Biographies (Milestones)

Erich Walser (lic. oec. HSG, lic. iur.), a Swiss national born in 1947, currently serves as CEO and was elected to serve as chairman of the Board of Directors. As member of the Board of Directors he is elected until 2007. Within the Board, he chairs the Strategy- and Governance Committee and is also a member of the Investment- and Risk Committee. Mr. Walser graduated from the University of St. Gallen in 1972. Three years later, he graduated from the University of Bern School of Law. From 1969 to 1970, Erich Walser worked for the Union Bank of Switzerland in Geneva and from 1975 to 1978 for the legal department of the Schweizerische Volksbank in Bern. He subsequently joined Helvetia Versicherungen in 1979 where he occupied various managing positions. In

1991, he became chief executive officer of Helvetia Versicherungen and in 1994 he assumed the same position in the newly merged Helvetia Patria Group. In 2001, he was elected as member of the Board of Directors and took the function of a delegate of the Board of Directors until he was elected as chairman of the Board of Directors in December 2003. In addition, Erich Walser is head of the country markets Italy and Spain (and after retirement from Management of Tjarko Ullings in April 2005 also of Austria) and president of various personnel welfare institutions of Helvetia Patria Versicherungen. Other functions of Mr. Walser include being member of the board of the Swiss Insurance Association (Zurich), president of the Non-profit Developer Association of the Institute of Insurance Economics at the University of St. Gallen, deputy board chairman of Allreal Holding AG (Baar) and member of the board of Nouvelle Compagnie de Réassurances (Geneva) as well as of Huber + Suhner AG (Pfäffikon).

Ueli Forster (lic. oec. HSG), a Swiss national born in 1939, was elected to serve as deputy chairman of the Board of Directors until 2005. He has been a member of the Board for 20 years. He serves as member of the Strategy- and Governance Committee, of the Nomination- and Compensation Committee and of the Audit Committee. In respect of the twofold function of Erich Walser as chairman and CEO and with the purpose of avoiding potential conflicts of interest, the Board of Directors elected Ueli Forster as lead director holding a special supervisory position as a leading and non-executive member of the Board. Other functions occupied by Mr. Forster include being chairman of the board of directors of Forster Rohner AG (St. Gallen), president of economiesuisse (Zurich), member of the advisory council of the Swiss National Bank (Berne), member of the board of the Chamber of Industry and Commerce for St. Gallen - Appenzell and member of the board of the Swiss Textiles Federation.

Silvio Borner (Prof. Dr. oec.), a Swiss national born in 1941, was elected to serve as a deputy chairman of the Board of Directors until 2005. He serves as chairman of the Nomination- and Compensation Committee and is member of the Strategy- and Governance Committee and of the Investment- and Risk Committee. In 1966, Silvio Borner graduated from the University of St. Gallen. After he obtained a doctorate in economics in 1969, he was visiting the Research Fellow at Yale University (USA). Afterwards he was appointed professor for economics at the University of St. Gallen in 1973. From 1976 until 1978 he was professor of economics at the Hochschule in St. Gallen and since 1978 professor of economics at the University of Basel. Since then, he has been a lecturer at various academic institutions in Switzerland and overseas and he has published a significant number of books and articles. He is currently head of the Department for Applied Economic Research at the Wirtschafts-wissenschaftliches Zentrum (WWZ, Basel). Another function of Mr. Borner is being board chairman of Patria Genossenschaft (Basel) (see "Description of the Shares – Major Shareholders").

Marguerite Florio (Dr. iur.), a Swiss national born in 1944, was elected to serve as member of the Board of Directors until 2006. She also serves as member of the Audit Committee. Ms. Florio, who joined the Board in 2001, is also board deputy chairperson of the Patria Genossenschaft (Basel) (see "Description of the Shares – Major Shareholders"), and she was member of the Swiss Parliament from 1998 until 1999.

John Martin Manser (MBA), a Swiss national born in 1947, was elected to serve as member of the Board of Directors until 2006. He serves as chairman of the Investment- and Risk Committee and is also member of the Nomination- and Compensation Committee. He has been on the Board since 1993. Mr. Manser is also treasurer at Novartis International AG (Basel), board chairman of Ciba-Vision AG (Embrach ZH) and member of the board of trustees CS-Anlagestiftung (Investment Fond).

Pierin Vincenz (Dr. oec. HSG), a Swiss national born in 1956, was elected to serve as member of the Board of Directors until 2006. He serves as member of the Strategy- and Governance Committee and of the Investment- and Risk Committee. He became member of the Board in 2000. Pierin Vincenz is a graduate of the University of St. Gallen (1986). He received a doctorate from the same institution in 1989. Mr. Vincenz worked for the Schweizerische Treuhandgesellschaft from 1979 to 1982, and he occupied different managing positions in Swiss Bank Corporation Global Treasury (Zurich), Swiss Bank Corporation O'Conner Services L.P. (Chicago), Hunter Douglas (Lucerne) and Schweizer Verband der Raiffeisenbanken (St.Gallen). Mr. Vincenz is also chairman of the Schweizer Verband der Raiffeisenbanken (St.Gallen) (see "Description of the Shares – Major Shareholders"), member of the board committee of the Swiss Bankers' Association (Basel), board chairman of VISECA Card Services SA (Glattbrugg), deputy board chairman of cosba private banking ag (Zurich), member of the board of Pfandbriefbank Schweizerischer Hypothekarinstitute (Zurich), member of the board of Plozza SA and member of the board of Telekurs Holding AG (Zurich).

Olivier Vodoz (lic. iur.), a Swiss national born in 1943, was elected to serve as member of the Board of Directors until 2005. He also serves as member of the Nomination- and Compensation Committee and of the Audit Committee. His first appointment to the Board dates from 2001. From 1989 to 1997, Mr. Vodoz was member of the Governing Council of the Canton of Geneva, and he presided the Council from 1994 to 1995. He currently fulfills various responsibilities as member of the board and president of the delegate conference of Patria Genossenschaft (Basel) (see "Description of the Shares – Major Shareholders"), as member of the International Committee of the Red Cross (Geneva), as member of the board of the Union Bancaire Privée UBP (Geneva) and as member of the board of the Heritage Finance & Trust Company (Geneva).

Peter Wagner (certified accountant, certified controller), a Swiss national born in 1946, was elected to serve as member of the Board of Directors until 2007. In addition, he serves as chairman of the Audit Committee. He joined the Board in 2002. Mr. Wagner was previously chief executive officer of Danzas Holding AG and member of the managing board of Deutsche Post AG (until 2001). He is currently chairman of the board of directors of Vontobel Holding AG and Bank Vontobel AG (see "Description of the Shares – Major Shareholders"), member of the board of trustees Vontobel-Stiftung (Foundation) and member of the board of the Association of Swiss Commercial and Investment Banks.

Elections and Terms of Office

Each member of the Board of Directors is elected for a term of maximum 3 years and may be re-elected for successive terms. The term of office of a member of the Board of Directors is fixed in such a way that the terms of office of approximately one third of the members of the Board of Directors expire in every year. A member who resigns during his or her term of office is replaced by a successor for the rest of the term. Members of the Board of Directors are appointed or removed exclusively by a shareholders' resolution.

Lead Director

Erich Walser has been the Company's CEO and chairman of the Board of Directors since the former chairman of the Board of Directors, Hans Rudolf Merz, resigned on December 12, 2003, to take office as a member of the Executive Federal Council of Switzerland. Erich Walser carries out both functions until a new CEO will be appointed. With the purpose of avoiding potential conflicts of interest, the Board of Directors elected Ueli Forster as lead director. He holds a special supervisory position as a leading and non-executive member of the Board of Directors.

Committees

The Board of Directors has set up the following committees which consist solely of members of the Board of Directors:

Strategy- and Governance Committee

The Strategy- and Governance Committee prepares the Board's resolutions to be made if the strategy is either newly set or changed; deals with mergers, acquisitions and sales of companies or important portfolio matters and prepares the Board's resolutions to be made related to those activities; ensures good corporate governance within the Helvetia Patria Group; assumes duties and authorities delegated to it by the Board of Directors and deals with other issues submitted by the chairman/CEO which are not reserved to the Board of Directors by law, the Articles of Incorporation or the Organization Regulations and also discusses important matters of urgency. Specialists are invited to attend a meeting if specific topics are being deliberated. The Committee meets as often as business requires. In 2004, the Committee held two regular meetings until the date of this Prospectus. All members of the Strategy- and Governance Committee were in attendance at all meetings.

The members of the Strategy- and Governance Committee are:

Erich Walser	Chairman
Ueli Forster	Member
Silvio Borner	Member
Pierin Vincenz	Member

Nomination- and Compensation Committee

The Nomination- and Compensation Committee's duties include: preparing the resolutions to be brought before the shareholders' meeting with regard to electing and dismissing members of the Board, preparing the personnel decisions to be made by the Board of Directors, nominating and dismissing the chairpersons and the other members of the management in all country markets, proposing adjustments in the compensation structure for the Board of Directors and determining fixed and variable compensations and remuneration for the members of the Executive Management. In 2004, the Committee held until the date of this Prospectus three regular meetings. All members of the Nomination- and Compensation Committee were in attendance at all meetings. The chairman/ CEO cannot become a member of this committee.

The members of the Nomination- and Compensation Committee

Silvio Borner	Chairman
Ueli Forster	Member
John Martin Manser	Member
Olivier Vodoz	Member

Investment- and Risk Committee

The duties and competences of the Investment- and Risk Committee include: preparation of the investment concept, the fundamental guidelines and the investment strategy, proposition of the strategic ranges for the asset allocation, approval of the investment tactics and supervision of the investment activities of the Helvetia Patria Group; decision on specific investments in the investment sector to the extent as delegated by the Board of Directors; supervision of the operating aspects of the financial risks (risk management) including reporting.

The Committee meets as often as business requires. In 2004, the Committee held two regular meetings until the date of this Prospectus. All members of the Investment- and Risk Committee were in attendance at all meetings.

The members of the Investment- and Risk Committee are:

John Martin Manser	Chairman
Erich Walser	Member
Silvio Borner	Member
Pierin Vincenz	Member

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibilities with regard to the oversight and financial control and, thus, assesses the completeness, integrity and transparency of the financial statements, their compliance with accepted accounting principles as well as the correct reporting to the public; it supervises the functioning and the effectiveness of the external and internal control systems in place, including risk management and compliance, to the extent that certain duties and authorities have not been delegated to another body of the Company and it monitors the independence and quality of the internal and external auditing. It ensures an optimal co-operation between the two latter, the Audit Committee, the chairman/CEO, the lead director and the Management. The Audit Committee approves the auditing program for the internal auditing and helps setting up programs for the external auditing, examines the audit results and brings its comments to the attention of the Board of Directors and may order special audits if deemed necessary. It prepares the election of the statutory and Group auditors and proposes the corresponding motions to the Board of Directors. In addition, the Audit Committee examines whether the auditing work is compatible with possible consulting mandates and reviews the overall compensation.

The Committee meets as often as business requires. In 2004, the Committee held two regular meetings until the date of this Prospectus. In every meeting, one member of the Committee was not able to attend the session.

The members of the Audit Committee are:

Peter Wagner	Chairman
Ueli Forster	Member
Marguerite Florio	Member
Olivier Vodoz	Member

Compensation of the Board of Directors

The amounts of fixed annual remuneration, meeting attendance fees and expenses for the directors are part of the remuneration directives. The Nomination- and Compensation Committee proposes the remunerations for the members of the Board of Directors which need to be approved by the entire Board. The same committee determines the remunerations for the Executive Management. Since the end of 2002, there are no more stock option plans in place.

The members of the Board of Directors receive a fixed remuneration in respect to their function on the Board (e.g. chairman, deputy chairman, lead director, chairman of a committee or member of the Board). Except for the chairman/CEO, an additional fee is payed for the attendance of every meeting including the traveling expenses. The current chairman/CEO is remunerated for his position as chairman of the Board and for his function as CEO according to the terms provided for in his employment contract. He does not receive any additional remuneration for chairing the Board Committees. In 2003, however, he did not receive any remuneration or compensation for being a member of the Board, but only for his function as CEO. Those directors who held office in the years 2000 and 2001 were granted the possibility to receive a bonus in addition to their fixed remuneration on the basis of the good financial performance of the Helvetia Patria Group. Retiring directors receive the fixed remuneration *pro rata* until the end of the month during which they retire. Severance payments are generally not granted.

In 2003, the non-executive members of the Board of Directors received compensation amounting to CHF 972,167 in aggregate.

In 2003, the delegate of the Board (currently chairman/CEO) received, on the basis of his employment contract, fixed and variable remunerations in the total amount of CHF 793,382, which constitutes the highest compensation of all members of the Board of Directors. In addition to the remunerations, the Company made contributions to pension plans in the total amount of CHF 113,961. Shares or options were not allocated. In 2004, the chairman of the Board of Directors will receive a total remuneration in the amount of CHF 200,000.

Compensation of former members of the Board of Directors

No compensation was or has yet to be paid to former members of the Board of Directors.

Shares and options held by the Board of Directors

At the date of this Prospectus, 1,240 shares and no options were held by the non-executive members of the Board of Directors (excluding the chairman/CEO) and by persons close to them.

Group Executive Management

The Board of Directors has, in accordance with the Articles of Incorporation and pursuant to the Organization Regulations (*Organisationsreglement),* delegated the conduct of business operations to a group executive management (the **"Group Executive Management"**), which remains under its control and supervision. The Group Executive Management, which is led by Erich Walser, also implements the strategy decided by the Board of Directors.

The organizational structure of the Management aligns itself with both the value creation chain and the management of the operating business units which are responsible for the underwriting results. Important functions, such as the control of the financial operations, the investment activities and the reinsurance, are centralized and facilitate the joint use of know-how and resources. Such a management structure with functional and international responsibilities enhances the transparency and avoids overlapping. Besides the Group functions "Finances", "Investments", "Human Resources and Services" as well as "Reinsurance", the local managements of the country markets Switzerland, Germany, Austria, Italy, Spain and France are responsible for achieving the underwriting results. The Company's Corporate Center supports the CEO in areas such as strategy implementation, corporate development, project control and management of the country markets Spain and Italy.

The control retained by the Board of Directors over the Group Executive Management regarding the delegated responsibilities is exercised through different means. Pursuant to the Company's Organization Regulations, the chairman/CEO is required to report regularly to the Board of Directors on the course of business. A complementary tool in the hands of the board members is their right to ask – individually or collectively – the executive management for additional information, as well as the right of the lead director to inspect all books and documents at any time. The members of the Group Executive Management take part in the meetings of the Board of Directors. The Board of Directors is responsible for the appointment and dismissal of the members of the Group Executive Management and has the sole authority to determine the division of competencies between itself and the Group Executive Management.

The members of the Group Executive Management, their ages and positions are as follows:

Name	Age	Position
Erich Walser	57	Chairman, CEO
Roland Geissmann	56	Deputy CEO of Helvetia Patria Group, chief financial officer (CFO), head of country market France and the Reinsurance business
Philipp Gmür	41	CEO of Helvetia Patria Switzerland
Ralph-Thomas Honegger	45	Head of the Investment Division (CIO), chairman of the board of trustees of Patria Investment Foundation
Markus Isenrich	51	Head of Human Resources and Services Division
Tjarko Ullings[1)]	60	CEO Austria, chairman of the board of Der ANKER Allgemeine Versicherungen Österreich (Vienna), in charge of Helvetia Versicherungen Österreich (Vienna)
Wolfram Wrabetz	54	CEO Germany

[1)] Until April 2005.

Biographies (Milestones)

Erich Walser see sub-section entitled "Board of Directors and Committees"

Roland Geissmann (Business Economist FH, certified accountant), a Swiss national born in 1948, currently serves as deputy CEO of Helvetia Patria Group, as its chief financial officer (CFO) and as head of country market France and the Reinsurance business. Further, he is member of the board of various personnel welfare institutions of Helvetia Patria Versicherungen. He holds/held various functions at an investment management company and at Credit Suisse and various managing positions at KPMG (former Fides) as certified accountant and consultant. In 1983, he joined Patria where he assumed various managing positions such as head of staff division of the executive board, member of the managing committee, head of finance and investments, member of and, later on, deputy president of the executive board of Patria Leben. In 1994, he became member and deputy president of the joint executive board Helvetia and Patria and head of finance and investments until, in 2002, a separate investment division was set up and the function was restructured. Additional significant activities of Mr. Geissmann include his positions as member of the board of the foundation of personnel welfare institutions of the Servisa Group, as member of the board of Servisa Verwaltungs-AG (Basel) and as member of the Committee "Economy and Finances" of the Swiss Insurance Association (Zurich).

Philipp Gmür (Dr. iur. LL.M.), a Swiss national born in 1963, currently serves as CEO of Helvetia Patria Switzerland. After joining Helvetia in 1993 as a general agent in Lucerne, he became member of the Management Switzerland and head of sales management in 2000. He was appointed to his current function as member of the Group Executive Management in 2003. Mr. Gmür is a qualified lawyer. He obtained his law degree (1988) and his doctorate (1994) from the University of Fribourg. He also earned an LL.M. at Duke Law School, U.S.A. in 1991. Before joining the Company, he worked for two and a half years at the Supreme Court of Lucerne. Other professional responsibilities of Mr. Gmür include mandates as member of the board of trustees of various personnel welfare institutions of the Servisa Group and as member of the board of Servisa Verwaltungs-AG.

Ralph-Thomas Honegger (Dr. rer. pol.), a Swiss national born in 1959, is head of the Investment Division (CIO) and chairman of the board of trustees of Patria Investment Foundation. He studied at the University of Basel from which he graduated in 1983 and from which he received his doctorate in 1988. Mr. Honegger joined Patria in 1987 and has since been working in various managing positions such as head of the portfolio-strategy and -management. In 1997, he became member of the Management Switzerland, first as head of "Investment Clients" and then as head of the "Private Pension" Division. Since 2002, he has been member of the Group Executive Management. Mr. Honegger is also honorary consul general for Austria in Basel.

Markus Isenrich (lic. oec. HSG, lic. iur.), a Swiss national born in 1953, is head of the Human Resources and Services Division. He is also a member of the board of trustees of various personnel welfare institutions of Helvetia Patria. Mr. Isenrich graduated from the University of St. Gallen in 1978 and obtained his law degree from the University of Zurich in 1981. Before joining the Company in 1985, he worked for five years in the legal department of the civil engineering, road management and construction office of the Canton of St. Gallen. His career in the Company started in 1985. After fifteen years in various managing positions such as head of the "Real Estate" Department, chief of staff and secretary general, he was appointed member of the Executive Management of the Group in 2000. Mr. Isenrich is also board chairman of swissregiobank (Wil SG).

Tjarko Ullings (Dr. iur.), a Dutch national born in 1944, is since 2002 CEO Austria, chairman of the executive management of Der ANKER Allgemeine Versicherungs AG (Vienna) and in charge of Helvetia Versicherungen Österreich (Vienna). Mr. Ullings studied law at the legal faculty of the University of Leiden from which he graduated in 1974. He occupied various managing positions at ING Holland, Elvia Versicherungen Holland and Elvia Versicherungs-Gruppe Switzerland before he joined Helvetia Patria Group in 1995 as member of its Group Executive Management. He was in charge of the country markets Austria, Italy, Spain, France and Canada. In addition, Mr. Ullings serves as member of the board of the Association of Austrian Insurance Companies and is a member of the management council of the Chamber of Commerce for Switzerland, Austria and Liechtenstein. Tjarko Ullings will retire from Management and become a Member of the ANKER's Supervisory Board in April 2005.

Wolfram Wrabetz (Prof. Dr. iur., Dipl. Betriebswirt), a German national born in 1950, is CEO Germany. He graduated in 1972 in economics and obtained a law degree in 1977 and a doctorate in 1979. Two years later, he was admitted to the German bar, and since 1989 he has been an honorary professor. After occupying various positions in the Gerling Group, Wolfram Wrabetz joined 1981 Helvetia Germany and worked in various managing functions. In 1995, he was appointed principal representative for Germany and chairman of the managing board of Helvetia Leben und Helvetia International (Frankfurt/Main). He has been a member of the executive board since 1998. Mr. Wrabetz is also member of the advisory council of the "*Bundesanstalt für Finanzdienstleistungen*" (D-Bonn), member of the chairman and professional committee of the "German Insurance Association" (D-Berlin) and honorary consul of the Republic of Ecuador in D-Frankfurt/Main.

Management contracts

There are no management contracts between the company and members of the Management.

Compensation of the Group Executive Management

Each member of the Management receives a fixed remuneration determined by the Nomination- and Compensation Committee and a variable compensation which, in the years 2000–2002, could be either drawn in cash or in stock options or as a combination of both, according to the member's choice. The terms of the stock options are also set by the directives issued by the management governing employee participation. The stock option-program was stopped at the end of 2002. The amount of the variable compensation depends on both, the Group's financial performance and the executive officer's achievement of personal objectives agreed upon between the Board of Directors and the executive officer. Severance payments are generally not provided. The Nomination- and Compensation Committee also sets the remuneration and compensation of Erich Walser.

In 2003, the members of the Group Executive Management (including the delegate of the Board/current chairman and CEO) received a total in fixed remunerations (including reimbursement of expenses, children's-/education allowances and anniversary bonus) of CHF 2,890,248 and variable compensation of CHF 1,200,152. The Company has also paid contributions into pension funds in the total amount of CHF 463,882.

Mortgage loans were given to seven members of the Group Executive Management (including the chairman/CEO) in a total amount of CHF 8,317,540. During the year under review, the loans, which have been granted as fixed or variable mortgages at regular interest rate conditions, bore interest at rates ranging from 2.2 to 4.65%.

Compensation of former members of the Group Executive Management

No compensation was paid to former members of the Group Executive Management.

Shares and options held by Group Executive Management

At the date of this Prospectus, 1,557 shares were held by the members of the Group Executive Management (including the chairman/CEO) and by persons close to them. There are 1,810 stock options outstanding with maturities of three years, issued in 2002, with an exercise ratio of 1:1 and an exercise price of CHF 165, blocked until June 15, 2005. The option program was stopped at the end of 2002.

Transactions with members of the Board of Directors or the Group Executive Management

There are no material interests of members of the Board of Directors or the Group Executive Management in transactions effected by the Company or any other member of the Group that are or were unusual in their nature or conditions. In addition, no member of the Board of Directors or the Group Executive Management has any significant personal business relationship with the Company or any other member of the Group.

Signatory authority

Three members of the Board of Directors and each member of the Group Executive Management may represent the Company jointly with another authorized signatory *(Kollektivunterschrift zu Zweien)*.

DESCRIPTION OF THE SHARES

Set forth below is a summary of certain provisions of the Articles of Incorporation (Statuten) and the Swiss federal statutory law as contained in the Swiss Code of Obligations (Schweizerisches Obligationenrecht) and other Swiss statutes. This summary contains material information in relation to, among others, the share capital of the Company, but does not purport to be a complete description of, and is qualified in its entirety by reference to, the Articles of Incorporation, as amended, and the laws of Switzerland in effect on the date of this Prospectus.

The Shares

The Shares are registered shares (*Namenaktien*) with a nominal value of CHF 10 each. The Shares are fully paid-in and non-assessable.

Share capital structure

Registered issued share capital

The share capital of the Company amounts to CHF 62,930,000. In 2001, the Company's capital was reduced by CHF 16,492,980 to CHF 65,971,920 by decreasing the nominal value per Share from CHF 50 to CHF 40 with a subsequent stock split in a ratio of 1:4 resulting in a nominal value of CHF 10 per Share. In 2002, the share capital was decreased by 4.61% by repurchasing and destroying Shares with an aggregate nominal value of CHF 3,041,920 to reach the current amount of CHF 62,930,000.

As at the date of the Prospectus, the Company's issued share capital of CHF 62,930,000, reflected in the Articles of Incorporation and registered with the Commercial Register, consists of 6,293,000 fully paid-in registered Shares with a nominal value of CHF 10 each entitled to dividends and eligible to vote. Preferential rights and participating certificates do not exist.

Conditional share capital (bedingtes Kapital)

The Company has no conditional share capital.

Authorized share capital (genehmigtes Kapital)

On May 9, 2003, the ordinary shareholders' meeting of the Company resolved that the Board of Directors be authorized to increase the share capital until May 9, 2005 at the latest by a maximum amount of CHF 31,465,000 through the issuance of a maximum of 3,146,500 fully paid-in registered shares with a nominal value of CHF 10 each (authorized capital increase). Pursuant to article 3bis of the Articles of Incorporation, the Board of Directors is authorized to determine the date of issue of new Shares, the number of new Shares to be issued, their issue price, the terms and conditions for the exercise of the pre-emptive rights as well as the date of the right to dividends. The Board of Directors is entitled to exclude the shareholders' pre-emptive rights and to convey these rights to third parties, provided the new shares were to be used (1) for a takeover of enterprises, parts of a business or participations or (2) for the financing (including refinancing) of such transactions. Shares subject to unexercised pre-emptive rights should be used in the best interest of the Company. Increases by underwriting and/or partial increases are permissible.

Capital increase

On November 24, 2004, the Board of Directors has resolved that the capital of the Company shall be increased by CHF 23,598,750 by issuing 2,359,875 Offered Shares from the authorized capital for the Offer Price of CHF 125 per Offered Share and that Rights shall be allotted to the existing Shareholders in proportion to their holding as of the Record Date. The Rights are expected to be traded on the SWX during the Rights Trading Period. It is expected that the Offered Shares will be recorded with the Commercial Register on or about December 13, 2004 and that the listing of the Offered Shares on SWX will become effective and the trading of these Offered Shares will commence on or about December 14, 2004.

Own equity securities

As of the date of this Prospectus, Helvetia Beteiligungen, St. Gallen, a subsidiary of the Company, holds 291,136 Shares. These Shares are held in a deposit for the convertible bond issued by Helvetia Finance Ltd., Jersey. The Company, directly or indirectly, intends to exercise the Rights allocated to these Existing Shares.

Employee options

See "Management – Shares and options held by the Board of Directors", "Management – Compensation of the Group Executive Management", and "Management – Shares and options held by Group Executive Management". The following employee options are outstanding:

- Year of issue: 2002
- Number of options: 5,510
- Exercise price (CHF): 165
- Maturity: from June 14, 2005 to November 1, 2005
- Exercise ratio: 1 : 1

All options have been purchased in the market. The option program was terminated at the end of 2002.

Form of Shares

Pursuant to the Articles of Incorporation and in accordance with the requirements of the clearing arrangements of SIS, where the Shares are accepted for clearance, the Shares will not be issued in certificated form and will be delivered in book-entry form only, into collective custody at SIS. A Shareholder may, however, at any time request the Company to print and deliver share certificates (*aufgeschobener Titeldruck*).

Articles of Incorporation and Swiss laws

Voting rights

Except as set out below, the Articles of Incorporation confer on the holders of Shares equal rights, including equal voting rights and equal financial rights. Each Share entitles the holder to one vote. Shareholders can exercise their voting rights only if and to the extent they are registered in the share register of the Company as a shareholder with voting rights. A group of shareholders acting in concert in any way is regarded for this purpose as one shareholder.

Shareholders' meetings

Under Swiss law, an annual ordinary shareholders' meeting must be held within six months after the end of a company's financial year. Shareholders' meetings may be convened by the Board of Directors or, if necessary, by the Company's statutory auditors. The Board of Directors is further required to convene an extraordinary shareholders' meeting if so resolved by a shareholders' meeting or if requested by shareholders holding at least 10%, in aggregate of the registered share capital of the Company. Shareholders holding Shares with a nominal value of at least CHF 800,000 in the aggregate have the right to request in writing at least 45 calendar days prior to a shareholders' meeting that a specific proposal be put on the agenda and voted upon at the next shareholders' meeting. A shareholders' meeting is convened by publishing a notice in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) at least 20 days prior to the date of such meeting.

The shareholders' meeting constitutes a quorum regardless of the number of shares represented and the number of shareholders present.

Resolutions and elections require the approval of an absolute majority of the Shares validly cast, except for the following resolutions that require to be passed with a qualified majority of at least two-thirds of the Shares and the absolute majority of the nominal value of the Shares represented at a shareholders' meeting:

- Changes to the Company's purpose;
- The creation of shares with increased voting powers;
- Restrictions on the transferability of registered shares and the removal of those restrictions;
- Amendments to the Articles of Incorporation;
- An authorized or conditional increase in the Company's share capital;
- An increase in the Company's share capital by way of capitalization of reserves (*Kapitalerhöhung aus Eigenkapital*), against contribution in kind (*Sacheinlage)*, for the acquisition of assets (*Sachübernahme*), or involving the grant of special privileges or benefits;
- The restriction or suspension of pre-emptive rights of shareholders in a capital increase;
- A relocation of the registered domicile;
- The dissolution of the Company by way of liquidation or by any other way (for example, by a merger in which the Company is not the surviving entity); or
- The dismissal of more than one of the members of the Board of Directors.

At shareholders' meetings of the Company, Shareholders may be represented by (i) any person (who need not be a Shareholder, but must be in possession of a written proxy), (ii) a proxy nominated by the Company (*Organ-vertreter*), (iii) an independent representative nominated by the Company (*unabhängiger Stimmrechtsvertreter*) or a bank or other depositary institution (*Depotvertreter*). A Shareholder, entitled to vote, is allowed to represent Shares of third parties, provided that the aggregate number of Shares represented (including his own Shares) does not exceed 10% of the aggregate share capital of the Company.

Votes are taken on a show of hands unless a majority of shareholders request a secret ballot or such secret ballot is ordered by the chairman of the meeting.

Pre-emptive rights

Under Swiss law, any share issue, whether for cash or for non-cash consideration, is subject to the prior approval of shareholders. Shareholders of the Company have certain pre-emptive rights (*Bezugsrechte, Vorwegzeichnungs-rechte*) to subscribe for new issues of Shares, bonds linked with options to acquire Shares or convertible bonds. These pre-emptive rights are in proportion to the nominal amount of Shares held. A resolution adopted at a share-holders' meeting with a qualified majority may, however, limit or exclude preemptive rights for valid reasons.

Dividends

Swiss law requires that at least 5% of the annual net profits of a company must be retained by the company as general reserves for so long as these reserves amount to less than 20% of the company's paid-up share capital. Any balance sheet profits remaining after this retention may be distributed as dividends.

Under Swiss law, dividends are paid out only after approval by shareholders. The Board of Directors may propose that a dividend be paid out, but cannot itself set the dividend. In practice, the shareholders' meeting usually approves the dividend proposal of the Board of Directors (see "Dividends and Dividend Policy").

The statute of limitations in respect of dividend payments is five years. Dividends for which payment has not been requested within five years after the due date accrue to the Company and are allocated to the general reserves. For information about the deduction of withholding taxes, see "Taxation".

Transfer of Shares

In principle, the Company does not issue any share certificates (*aufgeschobener Titeldruck*). The transfer of Shares is effected by a corresponding entry in the books of a bank or depository institution following an assignment by the selling Shareholder and notification of such assignment to the Company by the bank or depository institution. The transferee/acquirer of the shares must file a share registration application in order to be registered in the Company's share register as Shareholder with voting rights. Failing such registration, the transferee/acquirer may not vote at, or participate in, any shareholders' meeting, but may still receive dividends and other rights with financial value.

According to the Articles of Incorporation, the Board of Directors can refuse to enter a transferee/acquirer as Shareholder with voting rights, especially in the case of a single person acquiring more than 5% of the voting rights of the Company's aggregate share capital as registered in the Commercial Register. Acquirers of shares who are affiliated through capital or voting rights or otherwise, or who are under common management are to be considered as one person. The restriction shall also apply in case of an acquisition of Shares by the exercise of subscription, option or conversion rights which are connected with rights issued by the Company or third parties.

Individuals who do not explicitly certify in the share registration application that they acquired the Shares in their own name and interest (= nominees) shall be entered in the share register with voting rights for not more than 3% of the Company's aggregate share capital. The administrative regulations for registering are described in article 7 of the Articles of Incorporation.

A qualified majority of at least two-thirds of the Shares and the absolute majority of the nominal value of the Shares represented at a shareholders' meeting is required to change the provisions in the Articles of Incorporation setting forth the aforesaid transfer restrictions.

Ownership of Shares by non-Swiss persons

Except for the limitation on voting rights described above applicable to shareholders generally, there is no limitation under Swiss law or the Articles of Incorporation on the right of non-Swiss residents or nationals to own shares or to exercise voting rights attached to the Shares.

Exchange controls

Other than in connection with government sanctions imposed on Yugoslavia, the Republic of Iraq, Myanmar (Burma), Zimbabwe and on persons or organizations with links to Usama bin Laden, the "al-Qaeda" group, the Taliban and other terrorist groups, there are currently no governmental laws, decrees, or regulations in Switzerland that restrict the export or import of capital, including but not limited to, Swiss foreign exchange controls on the payment of dividends, interest or liquidation proceeds, if any, to non-Swiss resident holders of registered shares.

Borrowing powers

Neither Swiss law nor the Articles of Incorporation generally restrict the Company's power to borrow and to raise funds. The Board of Directors decides upon or authorizes the borrowing of funds and no shareholders' resolution is required in relation to such action.

Conflicts of interest

Swiss law does not contain any general provision in relation to the handling of conflicts of interest within a company's organization. However, the Swiss Code of Obligations requires members of the Board and members of senior management to apply due care and generally to safeguard the interests of the Company in the performance of their respective duties (duty of care and of loyalty). This rule is generally understood as disqualifying members of the Board and members of senior management from participating in decisions that directly affect them.

The Company has set out certain principles on how to handle conflicts of interests in its Organization Regulations. For example, article 36 of the Organization Regulations (*Organisationsreglement*) stipulates the following rule: "Any member of any executive body is under the obligation to abstain from the deliberations and resolutions on matters that affect the interests of such member or of natural persons or legal entities close to or represented by such member. If a conflict of interests arises, the affected member either of the Board or of the executive management informs the chairman/CEO or the lead director. One of the latter shall propose a resolution to the Board that fits the intensity of the conflict of interests. The Board shall vote with the member affected abstaining. Any business transaction between the Company and corporate agents or natural persons or legal entities close to or represented by them shall be concluded with third party conditions being applied. Any such transactions shall be approved with the member affected abstaining."

Furthermore, holders of signatory powers for the Company may in certain circumstances be unable to validly exercise such powers by reason of a conflict of interest. Finally, Swiss company law contains a provision under which payments made and other benefits granted to a Shareholder or a member of the Board or any persons associated with them, other than at arm's length, must be repaid to the Company in certain circumstances.

Repurchase of Shares

Swiss law limits the right of the Company to purchase and hold its own Shares. The Company and its subsidiaries may only purchase Shares if and to the extent that: (i) the Company has freely distributable reserves in the amount of the purchase price; and (ii) the aggregate nominal value of all Shares held by the Company does not exceed 10% of the Company's share capital. Shares held by the Company or its subsidiaries do not carry any rights to vote at shareholders' meetings, but are entitled to the economic benefits, including dividends, applicable to the Shares generally. Furthermore, under Swiss law, upon the purchase of Shares, the Company must create a special reserve on its balance sheet in the amount of the purchase price of the acquired Shares. In addition, selective Share repurchases are only permitted under certain circumstances; in particular, repurchases of listed Shares are subject to certain restrictions promulgated by the Swiss Takeover Board (the regulatory body for takeover bids in Switzerland). Within these limitations, as is customary for Swiss companies, the Company may purchase and sell its own Shares on the SWX from time to time in order to meet imbalances of supply and demand, to provide liquidity and to modulate swings in the market price for Shares. This trading activity also provides a mechanism for accumulating Shares to be delivered to employees exercising outstanding employee options or to make acquisitions.

Notices

Statutory notices by the Company to its Shareholders or otherwise are, in general, published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). Notices required under the Listing Rules must be published in the electronic media and in a newspaper having general circulation in Switzerland, in compliance with the Listing Rules.

Duration and liquidation

The Articles of Incorporation do not limit the Company's duration.

The Company may be dissolved at any time by a shareholders' resolution, which must be approved by Shareholders holding at least two thirds of the voting rights represented and the absolute majority of the nominal value of all Shares represented at a shareholders' meeting in the event that the Company is to be dissolved with or without liquidation (for example, in a merger where the Company is not the surviving entity). Dissolution and liquidation by court order is possible (i) if the Company becomes bankrupt or (ii) for valid reasons if Shareholders holding at least 10% of the Company's share capital so request. Under Swiss law, any surplus arising out of a liquidation (after the settlement of all claims of all creditors) is distributed to the Shareholders in proportion to the paid-up nominal value of Shares held, but this surplus is subject to Swiss withholding tax of 35% (see "Taxation").

Mandatory bid rules

According to the Swiss Stock Exchange Act (the **"SESTA"**), persons who, directly, indirectly or in concert with third parties acquire more than 33 1/3% of the voting rights (whether exercisable or not) in the Company have to make a takeover bid to the remaining shareholders. An exemption from the mandatory bid rules may be granted by the Federal Banking Commission or, within limits, by the Swiss Takeover Board. If no exemption is granted, the mandatory takeover bid must be made pursuant to the procedural rules set out in the SESTA and the implementing ordinances enacted thereunder, within two months after the threshold of 33⅓% of voting rights is first exceeded. Under the SESTA, companies may raise this threshold to 49% of the voting rights (*opting up*).

Article 30 of the Articles of Incorporation requires a take-over bid to be made only in the case of a purchase of shares exceeding the threshold of 40% of the voting rights (*opting up*).

Notification and disclosure of major shareholdings

The SESTA requires that persons who, directly, indirectly or in concert with third parties, acquire or dispose of Shares and thereby reach, exceed or fall below the thresholds of 5%, 10%, 20%, 33⅓%, 50%, or 66%, of the voting rights in the Company notify the Company and the SWX of such acquisition or disposal in writing within four trading days, whether or not the voting rights can be exercised. Following receipt of such notification, the Company must inform the public within two trading days.

An additional disclosure obligation exists under Swiss company law pursuant to which the Company must disclose the identity and size of shareholdings of all of its Shareholders and Shareholder groups acting in concert who hold more than 5% of the voting rights. This disclosure must be made once a year in the notes to the financial statements as published in the Company's annual report.

Major Shareholders

As at November 29, 2004, prior to this transaction the following persons or groups had notified the Company, in accordance with article 20 of the SESTA, that they held (alone or in concert with third parties) 5% or more of the Company's share capital and voting rights (whether exercisable or not) (for the disclosing of shareholdings in connection with the Offering, see "Offering – Disclosure of Sharholdings according to article 20 SESTA in connection with the Offering"):

Shareholders' Pool

The Shareholders' Pool consisting of Patria Genossenschaft, St. Alban-Anlage 26, CH-4002 Basel (39.7%; 2,500,708 registered shares), Vontobel Beteiligungen AG, Bahnhofstrasse 3, CH-8022 Zurich (3.2%; 197,944 registered shares), and Schweizer Verband der Raiffeisenbanken, Wassergasse 24, CH-9001 St. Gallen (2.1%; 131,972 registered shares), holds 45% of the Company's share capital, and the members of the Shareholders' Pool are registered with their entire shareholdings as shareholders with voting rights in the Company's share register. Each of the members of the Shareholders' Pool has a representative on the Board of Directors (see "Board of Directors and Committees").

The pool agreement, entered into by the members of the Shareholders' Pool, joins the strategically important co-operation partners of the Helvetia Patria Group in their capacity as strategy-oriented and long-term shareholders of the Company. See "Business – Material contracts". The Shareholders' Pool aims at maintaining the independence of the Group. In addition, the purpose of the pool agreement is to strengthen and support the Group's strategically important focus on their co-operations in areas that are not part of the Group's core operations in the insurance business. Pool members are only allowed to sell their Shares with the consent of the other pool members by granting rights of first refusal at market conditions. In case of a share capital increase of the Company, the pool agreement provides that the pool members are obliged, to the extent they have the financial means, to subscribe newly issued Shares in proportion to their respective shareholdings in the Company.

Patria Genossenschaft

Patria Genossenschaft, Basel, due to the formation of the Company through the combination of Helvetia Versicherungen and the life insurance business of Patria Genossenschaft, is the most important shareholder of the Company. Before such combination, since 1878, Patria Genossenschaft operated the life insurance business with head office in Basel.

Pursuant to Patria Genossenschaft's articles of association, its purpose is to facilitate the conclusion of life insurances with Patria Leben at favorable conditions by way of a direct or indirect participation in Patria Leben. To that end, Patria Genossenschaft holds a participation in the Company, fosters its development, and strengthens its economic independence.

Patria Genossenschaft contributes its net profit (after allocations to the general and special reserves) towards a surplus fund. On an annual basis, Patria Genossenschaft transfers resources of this fund to the surplus fund of Patria Leben, to be distributed among the insurants of Patria Leben. To date, Patria Genossenschaft transferred a total of approximately CHF 66.5 million to Patria Leben's surplus fund. Helvetia Patria Holding further fulfills certain administrational tasks at arm's length for Patria Genossenschaft such as bookkeeping and secretarial tasks.

Commitments by Shareholders' Pool

For certain undertakings by the Shareholders' Pool, see "Offering – Lock-up".

Other major shareholders

Münchener Rückversicherungs-Gesellschaft, Königinstrasse 107, DE-80791 Munich (10.5%; 659,720 registered shares):

- The Münchener Rückversicherungs-Gesellschaft has in January 2002 confirmed to the Company the commitments made in 1988/1991 with respect to its holding of shares in Helvetia Schweizerische Versicherungsgesellschaft and the exercise of voting rights related thereto and its intention to hold its participation in the Company until the end of 2011 and its general declaration to exercise its voting rights in accordance with the motions of the Board of Directors. In case Münchener Rückversicherungs-Gesellschaft decides to dispose of its Shares prior to the end of 2011, the Company has the right to place such shares in the market at market conditions.

Schweizer Rückversicherungs-Gesellschaft, Mythenquai 50/60, CH-8022 Zurich (4,7%; 301,376 registered shares):

- The Schweizerische Rückversicherungsgesellschaft and the Company entered into an agreement in respect of shares held by the former in 1991 and in May 2001. The agreement expires on December 31, 2005. In case the Schweizerische Rückversicherungsgesellschaft wishes to dispose of Shares designated as permanently-held Shares in the agreement, the Company has the right to acquire such Shares or designate a third-party purchaser. Further, in case the Schweizerische Rückversicherungsgesellschaft does not subscribe for its portion in a capital increase, it is required to offer the subscription rights to the Company or a third party designated by the Company. In addition, Schweizerische Rückversicherungsgesellschaft undertakes to act as a loyal shareholder and to exercise its voting rights in the interest of the Company. Finally, pursuant to the agreement, the Schweizerische Rückversicherungsgesellschaft grants the Group preferred treatment in connection with the reinsurance needs of the Group.

As of the date of this Prospectus, the Company is not aware of any other person or group directly or indirectly holding, alone or in concert with third parties, 5% or more of its respective share capital.

No mandatory takeover bid by Shareholders' Pool

The members of the Shareholders' Pool hold 45% of the Company's share capital as of the date of this Prospectus and have undertaken to exercise some of their Rights in the Offering. See "Offering – Lock-up". On November 17, 2004, the members of the Shareholders' Pool requested the Swiss Takeover Board to determine that they do not have to make a takeover bid to the other Shareholders of the Company due to their participation in the Offering. On November 24, 2004, the Swiss Takeover Board issued a recommendation stating that the members of the Shareholders' Pool are not subject to the mandatory bid rules of the SESTA in connection with the Offering, provided that the Company's Board of Directors decides in its resolutions on the Capital Increase that the Shareholders' rights relating to the Offered Shares will only vest upon entry of the Capital Increase in the Commercial Register. In its decision to increase the Company's capital of November 24, 2004, the Board of Directors expressly stated that the Shareholders' rights for the Offered Shares will only be created upon entry of the Capital Increase in the Commercial Register of the Canton of St.Gallen. The Swiss Takeover Board has published its recommendation of November 24, 2004 on its website.

TAXATION

The following is a summary of some material Swiss tax consequences related to the offering, ownership and disposal of Rights (*Bezugsrechte*), the exercise of Rights and the ownership and disposal of Entitlements and Offered Shares acquired by exercising Rights. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to exercise the Rights and does not take into account the specific circumstances of any particular shareholder. This summary of certain aspects of the Swiss federal tax consequences is based on Swiss law and regulations and the practice of the Swiss federal tax administration as in effect on the date hereof, all of which are subject to change (or subject to changes in interpretation), possibly with retroactive effect. Shareholders and prospective investors should consult their own professional advisors in light of their particular circumstances as to the tax laws, tax regulations and regulatory practices that could be relevant for them in connection with the Rights, the Entitlements and the Offered Shares.

This summary does generally not address cantonal and municipal taxes. Cantons and municipalities are obliged, as concerns individual and corporate income taxes, to adhere to certain framework taxation rules stipulated in the Swiss Federal Tax Harmonization Act, which are essentially analogues to the Swiss federal individual and corporate income taxation rules discussed hereinafter.

Offering of Rights

Individual and corporate income tax

The offering of Rights to Shareholders will not be subject to Swiss federal individual and corporate income tax (*Einkommens- und Gewinnsteuer*).

Withholding tax on dividends

The offering of Rights will not be subject to Swiss federal withholding tax (*Verrechnungssteuer*).

Swiss federal stamp tax on the transfer of securities

The offering of Rights will not give rise to Swiss federal stamp tax on the transfer of securities (*Umsatzabgabe*).

Exercise of Rights

Individual and corporate income tax

The exercise of Rights by the Shareholders will not be subject to Swiss federal individual and corporate income tax (*Einkommens- und Gewinnsteuer*).

Withholding tax on dividends

The exercise of Rights will not be subject to Swiss federal withholding tax (*Verrechnungssteuer*).

Swiss federal stamp tax

The Company will be subject to a 1% issuance stamp tax (*Emissionsabgabe*) on the net proceeds received for the issuance of the Offered Shares.

The transfer of Entitlements and Offered Shares to the Shareholders upon exercise of the Rights is not subject to Swiss federal stamp tax on the transfer of securities (*Umsatzabgabe*), even if a Swiss bank or a Swiss securities dealer (as defined in the Swiss Federal Stamp Duty Act) is involved in the transfer.

Sale of Rights and Entitlements

Individual and corporate income tax

Swiss resident individuals who sell or otherwise dispose of Rights or Entitlements realize a tax-free capital gain, a tax neutral capital loss respectively, provided that they hold the Rights or Entitlements as part of their private property and that they are not deemed professional securities dealers, for reasons of, inter alia, frequent dealing and debt-financed purchases.

Swiss resident corporations, Swiss resident individuals and foreign resident individuals and corporations holding Rights or Entitlements in connection with the conduct of a trade or business in Switzerland through a permanent establishment are required to recognize capital gains and losses realised on the sale of Rights or Entitlements in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. This also applies to Swiss resident individuals who, for individual income tax purposes, are deemed professional securities dealers, for reasons of, inter alia, frequent dealing and debt-financed purchases.

Individuals and corporations not resident in Switzerland for tax purposes and not holding Rights or Entitlements in connection with the conduct of a trade or business in Switzerland through a permanent establishment are not subject to Swiss federal individual or corporate income tax on the gains they realize upon the sale of Rights or Entitlements.

Withholding tax on dividends

The sale of Rights and Entitlements will not be subject to Swiss federal withholding tax.

Swiss federal stamp tax

The sale of Rights or Entitlements by their holders will not be subject to Swiss federal stamp tax on the transfer of securities (Umsatzabgabe), save for Entitlements or Offered Shares traded after the payment of the Offer Price where a bank or a securities dealer in Switzerland (as defined in the Swiss Federal Stamp Duty Act) acts as an intermediary or is a party to the sale and purchase of the Entitlements or Offered Shares which may be subject to Swiss federal stamp tax on the transfer of securities, currently at a rate of up to 0.15% of the price paid for the Entitlements or Offered Shares.

Taxation of dividends

Withholding tax on dividends

Dividends paid and similar cash or in-kind distributions that the Company makes to holders of Shares (including dividends on liquidation proceeds and stock dividends) which are not repayment of the nominal value of the Shares, are subject to a Swiss federal withholding tax (*Verrechnungssteuer*), currently at a rate of 35%. The Company is required to withhold the Swiss federal withholding tax from the gross distribution and pay it to the Swiss federal tax authority.

The Swiss federal withholding tax is usually either fully reduced at source or refundable in full to a Swiss resident person as well as to a foreign resident person who holds the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment, if such person is the beneficial owner of the distribution at the time of the dividend distribution is due and in the case of an individual who holds the Shares as part of private assets, duly reports the gross distribution received in the individual income tax return or, in the case of a taxpayer who holds the Shares as part of a trade or business in Switzerland recognizes the gross dividend distribution for tax purposes as earnings in the income statements and reports the annual profit in the income tax return.

If a Shareholder who is not a Swiss resident for tax purposes and does not hold the Shares in connection with a trade or business in Switzerland through a permanent establishment receives a distribution from the Company, the Shareholder may be entitled to a full or partial refund of the Swiss withholding tax incurred on a taxable distribution if the country in which such Shareholder resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the further prerequisites of the treaty for a refund have been met. Holders of Shares not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) may differ from country to country. Holders of Shares not resident in

Switzerland should consult their own legal, financial or tax advisors regarding the receipt, ownership, purchase, sale or other disposition of shares and the procedures for claiming a refund of the withholding tax.

As of August 1, 2004, Switzerland has entered into bilateral treaties for the avoidance of double taxation with respect to income taxes with the following countries:

Albania	Greece	Macedonia	Singapore
Argentina (prov.)	Hungary	Malaysia	Slovakia
Australia	Iceland	Mexico	Slovenia
Austria	India	Moldova	South Africa
Belarus	Indonesia	Mongolia	South Korea
Belgium	Iran	Morocco	Spain
Bulgaria	Israel	Netherland	Sri Lanka
Canada	Italy	New Zealand	Sweden
Croatia	Ivory Coast	Norway	Thailand
Czech Republic	Jamaica	Pakistan	Trinidad and Tobago
Denmark	Japan	People's Republic of China	Tunisia
Ecuador	Kazakhstan	Philippines	Ukraine
Egypt	Kuwait	Poland	United Kingdom
Estonia	Kyrgyzstan	Portugal	United States
Finland	Latvia	Republic of Ireland	Uzbekistan
France	Lithuania	Romania	Venezuela
Germany	Luxembourg	Russia	Vietnam

In addition, negotiations have been completed for new double taxation treaties with Armenia, Azerbeidjan, Bangladesh, Georgia, Montenegro, North Korea, Serbia and Zimbabwe. Negotiations for double taxation treaties with Brazil, Chile, Turkmenistan, Turkey, and Yugoslavia are in process. By exchange of notes, extension of the 1954 Treaty with the United Kingdom applies to Antigua, Barbados, Belize, British Virgin Islands, Dominica, Gambia, Grenada, Melawi, Montserrat, St. Christopher, Nevis and Anguilla, St. Lucia, St. Vincent, and Zambia, Zimbabwe. By extension of notes, the 1973 Treaty with Denmark applies to the Faroe Islands. The treaty with Israel does not apply to the occupied territories.

Individual and corporate income tax on dividends

Swiss resident individuals holding the Shares as part of their private property who receive dividends and similar distributions (including stock dividends and liquidation proceeds) which are not repayment of nominal value of the Shares are required to report such payments in their personal income tax return and are liable to Swiss federal, cantonal and communal income tax on any net taxable income for the respective tax period.

Swiss resident individuals, Swiss resident corporate taxpayers as well as individual and corporate taxpayers abroad holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment and who receive dividends and similar distributions on the Shares, including liquidation proceeds, are required to recognize such dividend distribution in their income statement for the respective tax period and are liable to Swiss federal, cantonal and communal individual or corporate income tax, as the case may be, on any net taxable earnings accumulated (including the payment of dividend,) for such period. Corporate taxpayers may qualify for dividend relief on dividend distributions (*Beteiligungsabzug*), if the Shares they hold in the Company have an aggregate market value of at least CHF 2.0 million or represent 20% of the share capital of the Company.

Recipients of dividends and similar distributions on the Shares who are neither residents of Switzerland nor during the current taxation year have engaged in a trade or business through a permanent establishment in Switzerland and who are not subject to taxation in Switzerland for any other reason are not subject to Swiss federal, cantonal or communal individual or corporate income taxation in respect of dividend payments and similar distributions.

Holding and disposition of Shares

Wealth and capital tax

Swiss resident individuals and individuals resident abroad holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment are required to report their Shares as part of their wealth and will be subject to cantonal and municipal wealth tax. Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment will be subject to cantonal and municipal capital tax on taxable capital, as defined. Individuals and corporate taxpayers not resident in Switzerland and not holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment are not subject to wealth or capital tax in Switzerland.

Sale of Shares

Swiss resident individuals who sell or otherwise dispose of the Shares realize a tax-free capital gain, or a non-deductible capital loss, as the case may be, provided that they hold the Shares as part of their private property.

Swiss resident corporations, Swiss resident individuals, and non-Swiss resident individuals and corporations, holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment will be taxable on any taxable earnings for such period. This also applies to Swiss resident individuals who, for individual income tax purposes, are deemed professional securities dealers for reasons of, *inter alia*, frequent dealing and debt-financed purchases.

Individuals and corporations not resident in Switzerland for tax purposes and not holding the Shares in connection with the conduct of a trade or business in Switzerland through a permanent establishment are not subject to Swiss federal individual or corporate income tax on the gains they realize upon the sale of the Shares.

Swiss federal stamp tax

The purchase or sale of the Shares, whether by Swiss resident or non-resident persons, may be subject to Swiss federal stamp taxes on the transfer of securities *(Umsatzabgabe)* of up to 0.15%, calculated on the purchase price or the proceeds if the purchase or sale occurs through or with a Swiss bank or other Swiss securities dealer as defined in the Swiss Federal Stamp Tax Act and no exemption applies. If the shares are not sold for a cash consideration, the Swiss federal stamp taxes on the transfer of securities is computed on the basis of the market value of the consideration.

Withholding tax refund procedure applicable to US holders

The claim for refund of the Swiss withholding tax must be filed with the Swiss Federal Tax Administration, Eigerstrasse 65, CH-3003 Berne, Switzerland, on the Swiss Tax Form 82 I for individuals, on the Swiss Tax Form 82 C for corporations and on the Swiss Tax Form 82 E for other US entities in triplicate, with all copies duly completed and signed before a notary public of the United States. If the claimant, at the time of claiming, is outside the United States, the declaration may be made before a United States consular officer. Tax Forms 82 I, 82 C and 82 E may be obtained from any Swiss Consulate General in the United States or the Swiss Federal Tax Administration at the address above and may be filed no later than December 31 of the third year following the calendar year in which the dividend or similar distribution became due. If this term is not respected, the right to refund is lost. Tax Forms 82 I, 82 C and 82 E must be accompanied by suitable evidence of the deduction of Swiss tax withheld at the source to the debit of the beneficial owner (bank vouchers, credit slips, etc.). If the situation requires, the Swiss Federal Tax Administration may ask for more detailed information.

OFFERING RESTRICTIONS

General

The offer of Offered Shares to persons resident in, or who are citizens of, jurisdictions other than Switzerland (**"Non-Swiss Persons"**) may be affected by the laws of such other jurisdictions. No action has been or will be taken in any jurisdiction other than Switzerland, where action for that purpose is required, which would permit a public offering of the Offered Shares or the possession, circulation or distribution of this Prospectus or any material relating to the Company or the Offered Shares. Accordingly, the Offered Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offered Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Receipt of this Prospectus, or any other material concerning the Offering or the crediting of Rights to an account held with a direct or indirect participant in SIS, Clearstream, Luxembourg or Euroclear does not, and will not, constitute an offer of Offered Shares in the United States or in such other jurisdictions in which it would not be permissible to make an offer of the Offered Shares.

Non-Swiss Persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to exercise their Rights. In particular, any person (including, without limitation, nominees and trustees of such a person) outside Switzerland wishing to transfer, exercise or acquire Rights or Shares under the Offering must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. For further information, please also see pages ii to vii of this document. The comments set out in this section and in pages ii to vii of this document are intended as a general guide only and any shareholder who is in doubt as to his position should consult his professional adviser without delay.

United States and certain other jurisdictions

No action has been taken in any jurisdiction by the Company that would permit a public offering of the Rights, the Entitlements or the Offered Shares other than in Switzerland. In particular, the Rights, the Entitlements and the Offered Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States nor will they qualify for distribution under any of the relevant securities laws of the United States, Canada, Hong Kong or Japan nor has any prospectus in relation to the Rights, the Entitlements or Offered Shares been lodged with or registered by the Australian Securities and Investments Commission. Accordingly, subject to certain exceptions, the Rights, the Entitlements and the Offered Shares may not be offered, sold, resold, delivered, taken up, transferred or renounced, directly or indirectly, in or into the United States, or for the account or benefit of U.S. persons, or in Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares. The Rights, the Entitlements and the Offered Shares are being offered outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

In addition, an offer or sale of Rights, Entitlements or Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

The Prospectus does not constitute an offer of securities for sale in, and may not be sent to any person in, the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares and the Rights may be exercised only outside the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights or the Offered Shares.

Rights will initially be credited to a depositary bank *(Depotbank*) for the accounts of all shareholders that hold their Existing Shares in custody through such depositary bank. A depositary bank may not exercise Rights on behalf of any person in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdiction in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares and may be required in connection with any exercise of Rights to certify that such exercise is not on behalf of such a person. Depositary banks are advised not to send this Prospectus or any other information about the Offering into the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares or to contact any holder of Shares or Rights in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares.

The crediting of Rights to the account of shareholders or other persons in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdiction in which it would not be permissible to make an offer of the Rights or the Entitlements or the Offered Shares does not constitute an offer of the Rights or the Entitlements or the Offered Shares to such persons.

Depositary banks *(Depotbanken)*, which include brokers, custodians and nominees, holding Existing Shares or Rights for the account or benefit of persons in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights or the Entitlements or the Offered Shares should consider selling any and all Rights held for the benefit of persons in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares to the extent permitted under their arrangements with such ineligible persons and applicable law and to remit the net proceeds to the accounts of such ineligible persons. Except as provided in the previous sentence, a depositary bank may not allow the Rights to be traded or transferred, or sold by or on behalf of, any person in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdiction in which it would not be permissible to make an offer of the Rights the Entitlements or the Offered Shares. Such Rights, as they are unable to be sold within the Rights Trading Period, will be allotted to the Managers for exercise.

Exercise instructions or certifications sent from or postmarked in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares will be deemed to be invalid. The Company and the Managers reserve the right to reject any exercise of Rights (or renunciation thereof) in the name of any person who provides an address in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares for acceptance, renunciation or delivery of the Rights, the Entitlements or the Offered Shares, who is unable to represent or warrant that such person is not in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares, who is not acting on a discretionary basis for persons in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares, or who appears to the Company or the Managers or any of their respective agents to have executed its exercise instructions or certifications in, or dispatched them from the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares.

Depositary banks *(Depotbanken)* and account holders who wish to take up any part of their Entitlements must ensure that no Rights are being exercised by, or for the account or benefit of, persons located in the United States, Canada, Hong Kong, Australia or Japan or such other jurisdictions in which it would not be permissible to make an offer of the Rights, the Entitlements or the Offered Shares. Depositary banks and account holders should contact the Lead Manager for further information.

Despite any other provision of this Prospectus, the Company reserves the right to permit any Non-Swiss Persons to exercise their Rights if the Company, in its sole discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restriction in question.

United Kingdom

This Prospectus is directed only at persons who: (i) are outside the United Kingdom; or (ii) have professional experience in matters relating to investments who fall within Article 19 (1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the **"Order"**); or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order. This Prospectus must not be acted on or relied upon by a person who is not a Relevant Person. Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Rights may be offered or delivered and the Entitlements or the Offered Shares may be offered or sold in the United Kingdom only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses ("Investment Professionals") or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995.

As a result, notwithstanding any other matter set out in this document, in the United Kingdom Rights may only be exercised by Investment Professionals or otherwise by persons in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (subject to compliance with all other applicable securities laws and regulation) and no offer of Offered Shares (or invitation to make any offer) is made to any other persons in the United Kingdom the accounts of whom may be credited with Rights.

France

The Rights may be offered or delivered and the Entitlements or the Offered Shares may be offered or sold in France only to corporate entities having the status of *investisseur qualifié* (qualified investor), as defined in L.411-2 of the *French Code Monétaire et Financier* and acting for their own account, or otherwise in circumstances which have not resulted and will not result in a public offering *(appel public à l'épargne*) in France as defined in article L.411-1 of the French *Code Monétaire et Financier.* As a result, notwithstanding any other term of this Prospectus, in France, Rights may only be exercised by shareholders having the status of an *investisseur qualifié* and acting for their own account and no offer of Entitlements or Offered Shares is made to any other persons in France the accounts of whom may be credited with Rights.

As required by COB Regulation no 98-09, such *investisseurs qualifiés* are informed that: (i) no prospectus in relation to the Rights or the Entitlements or the Offered Shares has been lodged or registered with the French *Commission des Opérations de Bourse*; (ii) they must participate in the Offering on their own account, in the conditions set out in the decree no. 98-880 of October 1, 1998; and (iii) the direct or indirect offer or sale, to the public in France, of the Rights, the Entitlements and the Offered Shares can only be made in accordance with articles 6 and 7 of Ordinance no. 67-833 of September 28, 1967.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the Rights, Entitlements or Offered Shares offered hereby.

No actions have been taken to register or qualify the Rights or the Entitlements or the Offered Shares offered hereby or otherwise permit a public offering of the Rights or the Entitlements or the Offered Shares offered hereby in any jurisdiction other than Switzerland. The Offering is being made outside the United States pursuant to Regulation S under the Securities Act. The Rights, the Entitlements and the Offered Shares offered hereby have not been and will not be registered under the Securities Act and may not be offered, sold or resold in, or to persons in, the United States except in accordance with an available exemption from registration under the Securities Act.

Each purchaser of the Rights, the Entitlements and the Offered Shares offered hereby outside the United States will be deemed to have (a) acknowledged that the Rights, the Entitlements and the Offered Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in, or to persons in, the United States except in accordance with an available exemption from registration and (b) represented, warranted and agreed as follows:

(1) It (a) is not in the United States and (b) is not acting for the account or benefit of a person in the United States; unless (in the case of clause (b) only) it is acting with investment discretion for such person or, if such person is a corporation or partnership, the person agreeing to purchase Rights, Entitlements or Offered Shares is an employee of such person authorized to make this bid;

(2) It understands that the Company and the Managers and its and their affiliates will rely on these representations, warranties and agreements; and

(3) It understands that due to restrictions under the Securities Act, the Company cannot make any assurance that any rights offerings to existing shareholders will be open to shareholders resident in the United States.

OFFERING

The following description of the Offering should be read in conjunction with the other sections of this Prospectus, including the "Forward-looking Statements" and "Risk Factors" sections and the Consolidated Financial Statements of the Company included elsewhere herein.

General

The Offering consists of (i) the Rights Offering, in which the Rights will be granted by the Company to holders of Existing Shares, and holders of Rights will be entitled to subscribe for Offered Shares in the ratio of three Offered Shares for every eight Rights exercised, against payment of the Offer Price in cash, and (ii) the Entitlement Sale, in which Entitlements, for which Rights have not been duly exercised during the Rights Exercise Period, will be allotted to the Managers. Such Entitlements shall be sold by the Lead Manager on behalf of the Managers in the Entitlement Sale on the market or otherwise in such manner as the Lead Manager in its sole discretion deems appropriate, subject to the restrictions set out in "Transfer Restrictions". The Entitlement Sale will take place only if less than all Rights are exercised during the Rights Exercise Period.

Neither the Rights nor the Entitlements nor the Offered Shares have been or will be registered under the Securities Act and neither the Rights nor the Entitlements nor the Offered Shares may be offered, sold, resold, delivered, taken up, transferred or renounced, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from the registration requirements of the Securities Act. See "Offering Restrictions".

Corporate resolutions

The shareholders' meeting of the Company held on May 9, 2003 resolved that, until May 9, 2005, at the latest, the share capital of the Company for the purpose of the Offering may be increased by not more than CHF 31,465,000 by issuing not more than 3,146,500 Shares.

On November 24, 2004 the Board of Directors resolved that the capital of the Company shall be increased by CHF 23,598,750 by issuing 2,359,875 Offered Shares from the authorized capital for the Offer Price of CHF 125 per Share. It further resolved to allot the Rights which have not been exercised by their holders by the end of the Rights Exercise Period, if any, to the Managers for exercise by them. No later than on December 13, 2004, a meeting of the Board of Directors (or a committee or board member duly authorized under the Articles of Incorporation and Organizational Rules) will resolve on the capital increase of the Offered Shares and on all amendments to the Company's Articles of Incorporation therewith (*Feststellungsbeschluss*). It is expected that the Offered Shares will be issued and recorded in the Commercial Register of the Canton of St. Gallen (Switzerland) on or about December 13, 2004.

Underwriting

Under the terms and subject to the conditions contained in the Subscription and Underwriting Agreement dated November 24, 2004, among the Company and the Lead Manager, acting for itself and on behalf of the other Managers (the **"Underwriting Agreement"**), the Managers have severally, but not jointly, agreed to take up any Entitlements not taken up in the Rights Offering and not sold in the Entitlement Sale in the proportions reflected in the table following the title "Disclosure of shareholdings according to article 20 SESTA in connection with the Offering" below.

Any proceeds from the sales of the Entitlements in the Entitlement Sale in excess of the Offer Price, after deduction of the applicable underwriting commission, the Swiss federal stamp tax on the transfer of securities (*Umsatzabgabe*), if any, and certain costs and expenses, will be for the benefit of the Company.

Entitlements which remain unplaced in the Entitlement Sale will be taken up by the Managers for their own account.

The Underwriting Agreement entitles the Lead Manager, acting on behalf of the Managers, to terminate or cancel the Offering in certain limited circumstances prior to the closing date. If the right to terminate the Offering is exercised, the Offering will lapse and the allocation of Rights will be deemed not to have been made.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Managers certain management and underwriting commissions. The Company has also agreed to pay certain costs and expenses incurred by the Managers in connection with the Offering. The Company has made certain representations, warranties and undertakings to the Managers. In addition, the Company has agreed to indemnify the Managers against certain liabilities in connection with the Offering.

The Managers and certain of their affiliates have performed services for, and/or have a banking relationship with, the Group in the ordinary course of their business. See also "Description of the Shares – Major Shareholders – Shareholders' Pool" and "Business – Material contracts".

In connection with the Underwriting Agreement, the Managers have entered into agreements with the members of the Shareholders' Pool as well as with the pension fund of Helvetia Patria Versicherungen (*Pensionskasse der Helvetia Patria Versicherungen)* in order to facilitate the Offering. See "Offering – Lock-up". In view of these agreements, the Underwriting Agreement and the underwriting commitments of the Managers thereunder, the Managers requested the Swiss Takeover Board on November 16, 2004 to determine that they do not have to make a takeover bid pursuant to the SESTA to the other Shareholders of the Company (see "Description of the Shares – Mandatory bid rules"). On November 24, 2004, the Swiss Takeover Board issued a recommendation stating that the Managers do not fall under mandatory bid rules in connection with the Offering. The Swiss Takeover Board has published its recommendation of November 24, 2004 on its website.

Disclosure of shareholdings according to article 20 SESTA in connection with the Offering

Due to the obligations to subscribe and hold (lock-up) a certain number of the Offered Shares agreed upon in the Underwriting Agreement entered into by the Company and the Managers (see "Offering – Underwriting") and the *Zeichnungs- und Markschutzvereinbarungen* entered into by (i) the Lead Manager and each of the members of the Shareholders' Pool and (ii) the Lead Manager and the pension fund Pensionskasse Helvetia Patria Versicherungen (see "Offering – Lock-up") the following notifications are being made:

	Number of Shares and Shareholdings in % of Company's Share Capital/Voting Rights before Capital Increase as of 24 November 2004(1)	**Expected Number of Shares and Shareholdings in % of Company's Share Capital/Voting Rights following Capital Increase and its Registration in the Commercial Register**(2) (3)
Helvetia Patria Holding, Dufourstrasse 40, CH-9001 St. Gallen(4)	291,136 Existing Shares 109,176 Offered Shares to be subscribed 6.4%	400,312 Shares 4.6%
Pensionskasse der Helvetia Patria Versicherungen, c/o Helvetia Patria Versicherungen, Dufourstrasse 40, CH-9001 St. Gallen	279,101 Existing Shares 104,766 Offered Shares to be subscribed(5) 6.1%	383,867 Shares 4.4%
Patria Genossenschaft, St. Alban-Anlage 26, CH-4052 Basel	2,500,708 Existing Shares 383,586 Offered Shares to be subscribed (adjusted by one Offered Share to avoid fractions) 45.8%	2,884,294 Shares 33⅓% and two Shares

	Number of Shares and Shareholdings in % of Company's Share Capital/Voting Rights before Capital Increase as of 24 November 2004[1]	Expected Number of Shares and Shareholdings in % of Company's Share Capital/Voting Rights following Capital Increase and its Registration in the Commercial Register[2] [3]
Vontobel Holding AG, Tödistrasse 27, CH-8027 Zürich[6]	197,944 Existing Shares[7] 148,173 Offered Shares to be subscribed[7] (adjusted by two Offered Shares to avoid fractions) 5.5%[7] 242,003 Offered Shares (maximum underwriting commitment)[8] 3.8% [8]	346,117 Shares[7] 4%[7] –[9]
Schweizer Verband der Raiffeisenbanken, Wassergasse 24, CH-9001 St. Gallen	131,972 Existing Shares[10] 101,658 Offered Shares to be subscribed[10] (adjusted by two Offered Shares to avoid fractions) 3.7%[10] 60,501 Offered Shares (maximum underwriting commitment)[11] 1%[11]	233,630 Shares[10] 2.7%[10] –[12]
Credit Swiss First Boston, Uetlibergstrasse 231, CH-8045 Zürich	1,210,017 Offered Shares (maximum underwriting commitment) 19.2%	–[13]
Total shareholding	91.5%[14]	49%[15]

(1) Based on the Company's registered issued and outstanding share capital prior to the creation of the Offered Shares, i.e., CHF 62,930,000 divided into 6,293,000 Shares.
(2) Based on the Company's registered issued and outstanding share capital after the creation of the Offered Shares, i.e., CHF 86,528,750 divided into 8,652,875 Shares.
(3) The details in this column remain valid until the expiry of the lock-up period of 180 days following the first day of trading of the Offered Shares on the SWX Swiss Exchange.
(4) Through its wholly owned subsidiary Helvetia Beteiligungen, Dufourstrasse 40, CH-9001 St. Gallen.
(5) According to the *Zeichnungs- und Marktschutzvereinbarung* between the Managers and the Pensionskasse of Helvetia Patria Versicherungen the latter agreed to exercise all Rights granted to it in respect of 279,377 Existing Shares (see "Offering – Lock-up").
(6) Through its wholly owned subsidiaries Vontobel Beteiligungen AG and Bank Vontobel AG (see (7) and (8) below).
(7) Vontobel Beteiligungen AG, Bahnhofstrasse 3, CH-8022 Zurich, as a member of the Shareholders' Pool.
(8) Bank Vontobel AG, Bahnhofstrasse 3, CH-8022 Zurich, being the Co-Lead Manager.
(9) Provided that the Co-Lead Manager will have sold all Entitlements allocated to it in the Entitlement Sale, until 13 December 2004, if any.
(10) Schweizer Verband der Raiffeisenbanken in its function as member of the Shareholders' Pool.
(11) Schweizer Verband der Raiffeisenbanken in its function as Co-Manager.
(12) Provided that the Co-Manager will have sold all Entitlements allocated to it in the Entitlement Sale, until 13 December 2004, if any.
(13) Provided that the Lead Manager will have sold all Entitlements allocated to it in the Entitlement Sale, until 13 December 2004, if any.
(14) With respect to the Shareholders' Pool, consisting of Patria Genossenschaft, Vontobel Beteiligungen AG and Schweizer Verband der Raiffeisenbanken pursuant to the pool agreement (group respresentative (*Gruppenvertreter*): Dr. Thomas Oesch, Helvetia Patria, St. Gallen) (see "Description of Shares –- Shareholders' Pool"), the maximum number of Shares and shareholdings in % of the Company's share capital/voting rights prior to the creation of the Offered Shares amount to 4,166,857 Shares (66.2%), including the 242,003 Shares (3.8%) to be underwritten by Bank Vontobel AG as Co-Lead Manager (maximum underwriting commitment) and the 60,501 Shares (1%) to be underwritten by Schweizer Verband der Raiffeisenbanken as Co-Manager (maximum underwriting commitment) and the 400,312 Shares (6.4%) held through Helvetia Patria Holding's wholly owned subsidiary Helvetia Beteiligungen.
(15) With respect to the Shareholders' Pool, consisting of Patria Genossenschaft, Vontobel Beteiligungen AG and Schweizer Verband der Raiffeisenbanken pursuant to the pool agreement, and provided that Bank Vontobel AG and Schweizer Verband der Raiffeisenbanken in their function as Co-Lead Manager and Co-Manager, respectively, will have sold all Entitlements allocated to them in the Entitlement Sale until 13 December 2004, the number of Shares and shareholdings in % of the Company's share capital/voting rights following the creation of the Offered Shares amount to 3,864,353 Shares (44.7%), including the 400,312 Shares (4.6%) held through Helvetia Patria Holding's wholly owned subsidiary Helvetia Beteiligungen. In case none of the Entitlements of the Co-Lead Manager and the Co-Manager are sold, the number of Shares and shareholdings amount to 4,166,857 Shares (48.2%).

Authorization of Managers to subscribe and to pay the issue price as agents

Holders of Rights who exercise Rights in the Rights Offering, by exercising such Rights will mandate each of the Managers individually to subscribe for, and to pay the issue price (*Ausgabebetrag*) for, the relevant number of Offered Shares as agents in the name and on the account (*direkte Stellvertretung*) of such exercising holders of Rights.

Investors who acquire Entitlements in the Entitlement Sale will mandate each of the Managers individually to subscribe for, and to pay the issue price (*Ausgabebetrag*) for, the relevant number of Offered Shares as agents in the name and on the account of (*direkte Stellvertretung*) such investors.

Subscription and payment of issue price

Based on the mandate described above, the Managers, either directly or through one or more Managers, will subscribe for, and pay the Offer Price for, the Offered Shares (i) as agents in the name and on the account of (*in direkter Stellvertretung*) those holders of Rights who exercised Rights prior to the end of the Rights Exercise Period in the Rights Offering, (ii) as agents in the name and on the account of (*in direkter Stellvertretung*) investors who have purchased Entitlements in the Entitlement Sale, and (iii) as principals in their own name and on their own account for any Offered Shares not taken up in the Offering.

Expected Timetable of the Offering

The expected timetable of the Offering showing certain important dates relating to the Rights Offering and the Entitlement Sale is included in the section "Summary" above.

Offered Shares

The Offered Shares will be registered shares of the Company with a nominal value of CHF 10 each. The Offered Shares will be fully paid in and fully fungible and will rank pari passu with each other and with all Existing Shares.

The Offered Shares will represent 27.27% of the total issued share capital of the Company immediately after completion of the Capital Increase.

Offer Price in the Rights Offering

The Offer Price is CHF 125 per Offered Share. The Offer Price equals the issue price (*Ausgabebetrag*).

Allocation of Rights

On the Record Date, holders of Existing Shares will be allocated one Right for each Existing Share held. Eight Rights will grant the holder thereof the right to subscribe for three Offered Shares against payment of the Offer Price in cash in the manner and subject to the terms and conditions set forth herein. The Existing Shares will be traded "ex Rights" from November 30, which means that persons acquiring Existing Shares on or after November 30, 2004 will not be allocated any Rights. Shareholders who keep their Shares in certificated form at home (*Heimverwahrer*) or who hold their Existing Shares in custody with the company's share register (employees of the Group) will be allotted Rights represented by the Rights Certificates through, and will be informed by, the Company's share register.

Rights Trading Period

The Rights are expected to be eligible for trading on SWX from November 30, 2004 until December 7, 2004. Subject to the restriction set out under "Transfer Restrictions", holders of Rights may sell their Rights in the market at any time prior to the end of the Rights Trading Period.

Rights Exercise Period

Subject to applicable securities laws, rules and regulations, holders of Rights may exercise their Rights between November 30, 2004 and 12.00 noon (CET) on December 8, 2004. **Rights not exercised within such time period will be allotted to the Managers for exercise. The exercise of Rights is irrevocable and may not be withdrawn, modified or cancelled.**

In order to subscribe for Offered Shares, a holder must exercise eight Rights or multiples thereof. Subject to applicable securities laws, rules and restrictions, holders of excess Rights can acquire additional Rights on the market in order to acquire Offered Shares or sell their excess Rights on the market, subject to the restrictions set out under "Transfer Restrictions".

Exercise of Rights

Rights are exercised as follows:

- Holders who hold their Existing Shares in custody through a depositary bank must subscribe for Offered Shares according to the instructions of such depositary bank;

- Holders who hold their Existing Shares in custody with the Company's share register (employees of the Group) must subscribe for Offered Shares according to the instruction of the share register; and

- Holders who hold their Existing Shares in certificated form at home (*Heimverwahrer*) must present the Rights Certificate to any bank in Switzerland to subscribe for Offered Shares.

The Company reserves the right to treat as invalid any acceptance or purported exercise of Rights or acceptance of the offer of Offered Shares which appears to the Company or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements.

Each holder of Rights who has exercised Rights shall receive for every eight Rights exercised three Entitlements.

Allotment of Entitlements

Subject to the terms and conditions of the Underwriting Agreement, Entitlements in respect of Offered Shares for which Rights have not been exercised prior to the end of the Rights Exercise Period shall be allotted, for every unexercised eight Rights three Entitlements, to the Lead Manager acting on behalf of the Managers who may sell such Entitlements in the Entitlement Sale.

An Entitlement is a right to be delivered an Offered Share "if and when issued", i.e. an Offered Share which has not yet been issued by way of registration of the Capital Increase in the Commercial Register (*Anrecht auf noch auszugebende Aktien*). As such, each Entitlement confers a claim to delivery of a share conditional upon the valid creation of the share by formal entry of the Capital Increase in the Commercial Register. If, however, the Capital Increase does not take place and the Shares are not issued, the investor has, in particular, no claim to be delivered Offered Shares against the Entitlements. Trading in the Entitlements takes place on a separate trading line with a different Swiss security number and is limited to a maximum of five Business Days. Conversion (*Gleichstellung*) of the Entitlements into Offered Shares takes place after the formal entry of the Offered Shares in the Commercial Register of St. Gallen. As of the date of the conversion of the Entitlements, the resulting Offered Shares will be listed and the separate trading line for the Entitlements will cease. Entitlements are expected to be converted into Offered Shares before start of trading on December 14, 2004.

Trading of Entitlements

The Entitlements are expected to be eligible for trading on the SWX from December 9, 2004 until December 13, 2004. Subject to the restrictions set out under "Transfer Restrictions", holders of Entitlements may sell their Entitlements in the market at any time prior to December 14, 2004.

Payment and settlement of Entitlements delivered in relation to the Rights Offering

It is expected that payment for, and delivery of, the Entitlements to be delivered in relation to the Rights Offering (i.e., to holders of Rights who exercise their Rights by the end of the Rights Exercise Period) will take place on December 13, 2004. The Entitlements have been accepted for clearance through SIS, Clearstream and Euroclear.

Creation of Offered Shares and conversion of Entitlements into Offered Shares

The Offered Shares will be created upon registration of the Capital Increase in the Commercial Register of the Canton of St. Gallen on December 13, 2004.

The Offered Shares have been accepted for clearance through SIS, Clearstream and Euroclear. It is expected that conversion of Entitlements into Offered Shares will take place on December 14, 2004.

Payment and settlement of Entitlements delivered in relation to the Entitlement Sale

It is expected that payment for, and delivery of, the Entitlements to be delivered in relation to the Entitlement Sale (i.e., to investors purchasing Entitlements in the Entitlement Sale) will take place on December 13, 2004. If settlement occurs on December 13, 2004, Entitlements will be delivered; otherwise, Offered Shares will be delivered. The Entitlements have been accepted for clearance through SIS, Clearstream and Euroclear.

Form of Shares, Rights and Entitlements

Pursuant to the Articles of Incorporation of the Company and in accordance with the requirements of the clearing arrangements of SIS, the Offered Shares will not be issued in certificated form and will be delivered in book-entry form only, into collective custody at SIS (see also "Summary" and "Description of the Shares – Form of Shares"). Apart from the Rights represented by certificates which will be allotted to Shareholders who keep their Existing Shares in certificated form at home, the Rights and the Entitlements will be represented in book-entry form only.

Own Existing Shares and Rights associated with such Existing Shares

As of the date of this Prospectus, the Company held a total of 291,136 Existing Shares, directly and indirectly through subsidiaries. The Company, directly or indirectly, has undertaken to exercise the Rights allocated to these Existing Shares in accordance with the offering conditions set forth in this Prospectus.

Voting rights

Each Offered Share, duly registered in the Company's share register, will carry one vote at a shareholders' meeting of the Company. Voting rights can only be exercised following registration of a Shareholder in the Company's share register as a Shareholder with voting rights, which is subject to certain qualifications. See "Description of the Shares – Transfer of Shares".

Dividends

The Offered Shares will be entitled to dividends, if declared, for the financial year ending December 31, 2004 and for all subsequent financial years. See "Dividends and dividend policy". Any dividends will be subject to Swiss withholding tax (see "Taxation – Taxation of dividends").

Share capital after the Offering

After completion of the Capital Increase by registration of the Offered Shares in the Commercial Register of the Canton of St. Gallen (Switzerland), which is expected to take place on or about December 13, 2004, the Company's issued and outstanding share capital is expected to be CHF 86,528,750, divided into 8,652,875 Shares, of which 400,312 will be held by the Group.

Lock-up and commitments of holders of Existing Shares

The Company has agreed with the Lead Manager, acting on behalf of the Managers, in the Underwriting Agreement that, save with the written consent of the Lead Manager, for a period of 180 days from the first day of trading of the Offered Shares on the SWX, it will not and it will procure that its subsidiaries will not, amongst other things, (i) issue or announce its intention to issue any shares or securities convertible into or exercisable or exchangeable for shares issued by the Company, except for options granted to the Company's employees, management and directors pursuant to its stock option plan and Shares issued upon the exercise of options granted pursuant to such stock option plan and (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares of the Company except for the treasury Shares reserved for convertible bonds issued by the Group. The Company and the Lead Manager have agreed that these undertakings (i) shall not apply to the sale of the Offered Shares under the Underwriting Agreement, and (ii) shall not apply to any treasury Shares which are reserved by the Company for the 2% convertible bonds 2000–2005 issued by Helvetia Finance Limited.

The members of the Management have agreed, that, for a period of 180 days following the first day of trading of the Offered Shares on SWX, they will not, without the prior written consent of the Lead Manager, sell any shares of the Company or securities convertible into such shares, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of the ownership of such shares or announce its intention to do any of the foregoing, subject to certain exceptions.

In addition, the members of the Shareholders' Pool have entered into an agreement (*Zeichnungs- und Marktschutzvereinbarung*) with the Lead Manager, acting on behalf of itself and on behalf of the Managers, whereby each of the members has agreed that, for a period of 180 days following the first day of trading of the Offered Shares on the SWX, they will not, without the prior written consent of the Lead Manager, dispose of any Shares, enter into any transactions which, economically, would constitute a disposal of any Shares, encumber any Shares, or announce their intention to do any of the foregoing, subject to certain exceptions. Also, pursuant to this agreement, each of the members undertakes to exercise the Rights in respect of, and to subscribe for, such number of Offered Shares that, subsequent to the registration of the Capital Increase in the Register of Commerce, each of the members will own the following percentages of the share capital of the Company: Patria Genossenschaft: 33⅓% plus one Share; Vontobel Beteiligungen AG: 4%; and Schweizer Verband der Raiffeisenbanken: 2.7%.

Furthermore, the pension fund Pensionskasse Helvetia Patria Versicherungen has entered into an agreement (*Zeichnungs- und Marktschutzvereinbarung*) with the Lead Manager, acting on behalf of itself and on behalf of the Managers, whereby it agreed that, for a period of 180 days following the first day of trading of the Offered Shares on SWX, it will not, without the prior written consent of the Lead Manager, dispose of any Shares, enter into any transactions which, economically, would constitute a disposal of any Shares, encumber any Shares, or announce its intention to do any of the foregoing, subject to certain exceptions. Pursuant to this agreement, it also undertakes to exercise all Rights granted to it in respect of the 279'377 Shares owned by it, and to subscribe for the respective number of Offered Shares.

Listing and trading of the Offered Shares

Application has been or will be made for the Offered Shares to be listed and traded on the main board of the SWX. The Company expects that the Offered Shares will be listed on the SWX and trading in them will commence on or about December 14, 2004.

Stabilization

In connection with the Offering, the Lead Manager or its affiliates or agents may, on behalf of the Managers, effect transactions with a view to supporting the market price of the Rights, the Entitlements and the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after December 13, 2004. Such transactions may be effected on the SWX, the over-the-counter market or otherwise. There is no obligation of the Lead Manager or any such agent to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

Security numbers, codes and ticker symbols

	Rights	Entitlements	Offered Shares
Swiss Security Number *(Valorennummer)*	**1 993 285**	**2 001 748**	**1 227 168**
International Securities Identification Number (ISIN)	**CH 001 993 285 1**	**CH 002 001 748 6**	**CH 001 227 168 7**
Common Code	**020706279**	**020710756**	**13517274**
Ticker Symbol	**HEPN1**	**HEPNE**	**HEPN**

Offering and transfer restrictions

Prospective investors in the Rights, the Entitlements and the Offered Shares must familiarize themselves and comply with all applicable laws and regulations relating to the exercise, sale and transfer of the Rights and the offer, sale and transfer of the Rights, the Entitlements and the Offered Shares. See certain restrictions set out on the front page of this Prospectus and in the sections "Offering Restrictions" and "Transfer Restrictions".

Amendments and changes

Any notices containing amendments or changes to the terms of the Offering or the Prospectus will be announced through the electronic media and published in German and French in the *Neue Zürcher Zeitung* and in *l'Agefi*, respectively.

Taxes

The Company will pay the Swiss Federal Issuance Stamp Tax (*Emissionsabgabe*) of 1% on the net proceeds levied on the issue of the Offered Shares.

Shareholders not eligible to exercise Rights

Except as expressly noted otherwise in this Prospectus, Rights may not be exercised by holders with registered addresses in, or who are residents of United States, Canada, Hong Kong, Australia or Japan (Restricted Jurisdictions", "Ineligible Persons"), and the Rights or the Entitlements may not be transferred or sold to or delivered into any of these Restricted Jurisdictions. Accordingly, no offer to subscribe for Offered Shares is being made to Ineligible Persons. See "Transfer Restrictions". Depositary banks, custodians and other financial intermediaries (*Depotbanken*) holding Existing Shares for Ineligible Persons with investment discretion are, subject to certain exceptions, advised to sell any and all Rights held for the benefit of such Ineligible Persons to the extent permitted under their arrangements with such Ineligible Persons and applicable law and to remit the net proceeds to the accounts of such Ineligible Persons. Rights that are unable to be exercised and that are unable to be sold will lapse without compensation.

Listing Agent

Credit Suisse First Boston, being recognized as a specialist by the Admission Board of the SWX Swiss Exchange according to Article 50 of the Listing Rules of the SWX Swiss Exchange (*Kotierungsreglement*), has filed on behalf of the Company an application for the listing of the Shares on the SWX Swiss Exchange.

GENERAL INFORMATION

Incorporation, company name, registered office of the Company and auditors

The Company is a stock corporation (*Aktiengesellschaft*) incorporated on April 17, 1996, registered at the Commercial Register of the Canton of St. Gallen and operating under Swiss law. The Articles of Incorporation do not limit the Company's duration. Its registered office is at Dufourstrasse 40, 9001 St. Gallen, Switzerland. The most recent version of the Articles of Incorporation (*Statuten*) was adopted on May 9, 2003.

Its statutory and group auditors are Ernst & Young AG, Bleicherweg 21, 8022 Zurich.

Business purpose of the Company

According to article 2 of the Articles of Incorporation, the business purpose of the Company is the participation in domestic and foreign companies in the field of insurance, financial services, services in general and further companies. The Company may set up, take an interest in, acquire or finance other businesses, enter into co-operations. The Company is entitled to engage in any activities in connection with its business purpose or which are in the interest of the Company. Within this scope, it may acquire, administer, sell or mortgage domestic and foreign real estate.

Contributions in kind *(Sacheinlagen)*

The Company acquired, in connection with the capital increase of June 3, 1996, 158,912 registered shares with a par value of CHF 50 each of Helvetia Schweizerische Versicherungsgesellschaft, in St. Gallen, for a price of CHF 52,512,411, for which 158,912 registered shares with a par value of CHF 50 were issued.

The Company acquired in connection with the capital increase of June 3, 1996, 482,665 registered shares with a par value of CHF 50 each of Patria Schweizerische Lebensversicherungs-Gesellschaft, in Basel, for a price of CHF 159,496,467, for which 480,665 registered shares with a par value of CHF 50 were issued.

The Company acquired, in connection with the capital increase of June 3, 1996, 500,486 registered shares of Helvetia Schweizerische Versicherungsgesellschaft, in St. Gallen, for a price of CHF 165,385,410, for which 500,486 registered shares with a par value of CHF 50 were issued.

The Company acquired, in connection with the capital increase of July 2, 1996, 473,005 registered shares with a par value of CHF 50 each of Helvetia Schweizerische Versicherungsgesellschaft, in St. Gallen, pursuant to a contribution in kind agreement of July 2, 1996 *(Sacheinlagevertrag)*, for a price of CHF 156,304,324, for which 473,005 registered shares with a par value of CHF 50 were issued.

The Company acquired, in connection with the capital increase of July 19, 1996, 29,219 registered shares with a par value of CHF 50 each of Helvetia Schweizerische Versicherungsgesellschaft, in St. Gallen, for a price of CHF 9,655,408, for which 29,219 registered shares with a par value of CHF 50 were issued.

The Company acquired from Patria Consulta Gesellschaft für Vorsorgeberatung, in Basel, 5,011 registered shares with a par value of CHF 50 each of Helvetia Schweizerische Versicherungsgesellschaft, in St. Gallen, pursuant to a contribution in kind agreement of July 7, 1997 *(Sacheinlagevertrag)* between the Company and Patria Consulta Gesellschaft für Vorsorgeberatung. The total acquisition value and price *(Übernahmewert und -preis)* amounted to CHF 1,655,883.05. As consideration for the total acquisition price, the Company issued 5,011 fully paid-in registered shares with a par value of CHF 50 each to Patria Consulta Gesellschaft für Vorsorgeberatung for an issue price of CHF 330.4496231285 per share. The surplus value of the contribution in kind of CHF 1,405,333.05, in excess of the nominal value of the newly issued shares of CHF 250,550, was for the benefit of the Company as paid-in surplus *(Agio)*.

Financial year

Pursuant to the Articles of Incorporation, the financial year is determined by the Board of Directors. Currently, it commences on January 1 of each calendar year.

Principal subsidiaries and operating companies of the Group

As at June 30, 2004, the Company directly and indirectly held the following principal subsidiaries and branches (reference to a "branch" means that the Group has a presence in the location, but that there is no legal entity separately incorporated under the laws of the relevant jurisdiction):

Consolidated companies

Holding / Subsidiary	Country of incorporation	Principal activity	Holding as at June 30, 2004
Helvetia Patria Holding, St. Gallen	Switzerland	Holding	Holding
Helvetia Schweizerische Versicherungsgesellschaft, St. Gallen	Switzerland	Non-Life Insurance	100.00%
Patria Schweizerische Lebensversicherungs-Gesellschaft, Basel	Switzerland	Life Insurance	100.00%
Helvetia Beteiligungen, St. Gallen	Switzerland	Holding	100.00%
Helvetia Finance Ltd., Jersey	Jersey	Finance	100.00%
Helvetia Europe S.A., Luxembourg	Luxembourg	Holding	100.00%
Helvetia International Versicherungs-AG, Frankfurt a.M.	Germany	Non-Life Insurance	100.00%
Helvetia Schweizerische Lebensversicherungs-AG, Frankfurt a.M.	Germany	Life Insurance	100.00%
Der ANKER Vermögensverwaltung GmbH, Frankfurt a.M.	Germany	Other	100.00%
Helvetia Vermittlungs- und Grundstückverwaltungs GmbH & Co. KG, Frankfurt	Germany	Other	100.00%
Helvetia Grundstückverwaltungs GmbH, Frankfurt a.M.	Germany	Other	100.00%
Der ANKER, Allgemeine Versicherungs-AG, Vienna	Austria	Life / Non-Life Ins.	99.99%
Römertor Versicherungsmakler, Immobilien- und Baugesellschaft mbH, Vienna	Austria	Other	100.00%
Marc Aurel Liegenschaftsverwaltungsgesellschaft mbH, Vienna	Austria	Other	100.00%
Helvetia Vita Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A., Milan	Italy	Life Insurance	100.00%
Helvetia Life S.p.A., Milan	Italy	Life Insurance	100.00%
Helvetia Patria Holding España S.A., Madrid	Spain	Other	100.00%
Helvetia Previsión Sociedad Anónima de Seguros y Reaseguros, Seville	Spain	Life / Non-Life Ins.	98.67%
Orfila Inversiones S.A., Seville	Spain	Other	100.00%

Non-consolidated companies and participations

Subsidiary	Country of incorporation	Principal activity	Holding as at June 30, 2004
Helvetia Leben, St. Gallen	Switzerland	Other	100.00%
Helvetia Patria Consulting AG, St. Gallen	Switzerland	Other	100.00%
Servisa AG, Basel	Switzerland	Other	100.00%
Rhydorf AG, Widnau	Switzerland	Other	75.00%
Tertianum Bellvue Park AG, Thun	Switzerland	Other	80.00%
Allreal Holding AG	Switzerland	Other	16.22%
Helvetia e-com GmbH, Frankfurt a.M.	Germany	Other	100.00%
Helvetia Vers.- & Finanzdienstleistungsvermittlung GmbH, Frankfurt a.M.	Germany	Other	100.00%
Hamburger Assekuranz Vertriebs GmbH, Hamburg	Germany	Other	100.00%
Anker Business Service GmbH, Vienna	Austria	Other	100.00%
Mathematica Versicherungsmathematische Beratungs-GmbH, Vienna	Austria	Other	100.00%
Anker Financial Services AG, Vienna	Austria	Other	100.00%
Gestione Systemi Informativi, Milan	Italy	Other	55.00%
V.N. Sociedad de Agenzia de Seguros LVN S.A., Pamplona	Spain	Other	100.00%
Previcia Sociedad de Inversión Mobiliaria, Seville	Spain	Other	99.95%
Previsur S.L., Seville	Spain	Other	100.00%

Notices

Statutory notices by the Company to its Shareholders or otherwise are, in general, published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). Notices required under the Listing Rules must be published in the electronic media and in a newspaper having general circulation in Switzerland, in compliance with the Listing Rules.

Paying Agent

The Schweizer Verband der Raiffeisenbanken, St. Gallen, serves as paying agent relating to dividend payments for the Shares.

INDEX TO FINANCIAL STATEMENTS

Set out on the following pages are the financial statements of Helvetia Patria Holding for the years ended December 31, 2003, 2002 and 2001, the consolidated financial statements of Helvetia Patria Group for the year ended December 31, 2003, 2002 and 2001 and the unaudited consolidated interim financial statements of Helvetia Patria Group for the six months ended June 30, 2004 and 2003 as well as the unaudited statutory interim financial statements of Helvetia Patria Holding for the six months ended June 30, 2004 and 2003.

Reclassifications of prior year figures

Certain figures in the Group's annual consolidated financial statements have been reclassified when reported as comparative figures in the following year as a result of changes in reporting for the year in question. Unless specifically stated, all figures reported in this Prospectus are the figures as reported in the financial statements for first time in 2003 with comparative figures for 2002 and 2001.

Additionally certain figures in the income and expense figures reported in the Non-Life underwriting results for the year ended December 31, 2003 as shown in the unaudited interim financial statements have been reclassified.

Erratum – Group

In the 2002 consolidated financial statements of the Group, the "Reserve for own shares" of CHF 83.7 million was wrongly classified between "Reserve for own shares" of CHF 44.5 million and the "Capital Reserve". This amount was correctly classified in the 2002 comparative figure included in the 2003 consolidated financial statements.

In the unaudited 2004 consolidated interim financial statements, the caption Convertible Bond should read Convertible and Straight Bond.

Erratum – Company

In the 2002 financial statements of the Company, the "Reserve for own shares" of CHF 83.7 million was wrongly classified in the "Other statutory reserve". This amount was correctly classified in the 2002 comparative figure included in the 2003 consolidated financial statements.

Financial Statements for Helvetia Patria Holding for the Year Ended December 31, 2003

Unaudited Consolidated Interim Financial Statements for Helvetia Patria Group for the Half-Year Ended June 30, 2004

Unaudited Statutory Interim Financial Statements for the Half-Year Ended June 30, 2004

Financial statements

Consolidated financial statements for the Helvetia Patria Group in 2002

Consolidated profit and loss account

Consolidated balance sheet

Financial statements for Helvetia Patria Holding in 2002

Consolidated profit and loss account

Non-life underwriting in CHF thousand

	2001	2002	Change
Net earned premiums:			
Gross written premiums	1982303	2066673	
Premiums ceded to reinsurers	–233671	–244830	
Net written premiums	1748632	1821843	
Gross change in reserves for unearned premiums	–19361	–11454	
Reinsurers' share of gross change in reserves for unearned premiums	15647	23	
Net change in reserves for unearned premiums	–3714	11431	
Net earned premiums	1744918	1810412	3.8%
Net interest income assigned to non-life activities	127888	122613	–4.1%
Net claims paid:			
Claims paid: – Gross	–1305753	–1291932	
– Reinsurers' share	149072	123774	
– Net	–1156681	–1168158	
Change in reserves for claims outstanding:			
– Gross	–78321	–182907	
– Reinsurers' share	5484	59481	
– Net	–72837	–123426	
Net claims paid	–1229518	–1291584	5.1%
Net change in other underwriting reserves	–2534	54	102.1%
Net expenditure on results-linked and non-results-linked policyholders' dividends	–1082	–1030	–4.8%
Net change in equalisation reserve	20981	55000	162.1%
Net underwriting expenses:			
Gross underwriting expenses	–611085	–622814	
Commissions and profit share received from reinsurers	49831	46696	
Net underwriting expenses	–561254	–576118	2.7%
Other net underwriting expenditure	–17952	–23520	31.0%
Result from non-life underwriting activities	81447	95827	17.7%

Life underwriting in CHF thousand

	2001	2002	Change
Net earned premiums:			
Gross written premiums	2 623 965	3 078 272	
Premiums ceded to reinsurers	−31 951	−29 036	
Net written premiums	2 592 014	3 049 236	
Gross change in reserves for unearned premiums	−4 217	−2 734	
Reinsurers' share of gross change in reserves for unearned premiums	1 062	−1 877	
Net change in reserves for unearned premiums	−3 155	−4 611	
Net earned premiums	2 588 859	3 044 625	17.6%
Net interest income assigned to life activities	452 512	500 864	10.7%
Funds transferred from policyholders' dividend reserve	31 270	27 162	−13.1%
Net benefits paid:			
Benefits paid: – Gross	−1 702 353	−1 837 929	
– Reinsurers' share	20 417	18 536	
– Net	−1 681 936	−1 819 393	
Change in reserves for benefits outstanding:			
– Gross	23 272	5 710	
– Reinsurers' share	−101	−1 101	
– Net	23 171	4 609	
Net benefits paid	−1 658 765	−1 814 784	9.4%
Net change in actuarial reserves:			
– Gross	−1 140 089	−1 535 611	
– Reinsurer's share	4 882	6 377	
– Net	−1 135 207	−1 529 234	34.7%
Net change in other underwriting reserves	179 909	25 469	−85.8%
Net underwriting expenses:			
– Gross underwriting expenses	−291 875	−336 021	
– Commissions and profit share received from reinsurers	1 765	5 519	
Net underwriting expenses	−290 110	−330 502	13.9%
Other net underwriting expenditure Net	−4 869	−827	−83.0%
Result from life underwriting activities before policyholders' dividend distribution	163 599	−77 227	−147.2%
Net expenditure on results-linked and non-results-linked policyholders dividends	−145 806	−9 941	−93.2%
Result from life underwriting activities	17 793	−87 168	−589.9%

Non-underwriting in CHF thousand

	2001	2002	Change
Income from real estate	186 083	193 117	3.8%
Income from investments in affiliates and associated companies	3 483	439	−87.4%
Income from other investments:			
From shares, other non-fixed-interest-rate securities and investment funds	77 884	59 008	
From fixed-interest-rate securities	428 816	477 633	
From promissory loans	34 498	34 554	
From mortgages	125 937	120 857	
From policy loans	9 170	7 905	
From fixed-term deposits and similar	47 439	20 737	
Income from other investments	723 744	720 694	−0.4%
Interest on deposits	1 487	1 751	17.8%
Gross realized gains on investments	1 160 425	382 832	−67.0%
Gross unrealized gains on investments	122 984	100 116	−18.6%
Other interest income	8 776	6 806	−22.5%
Expenditure on investments and interest costs:			
Investment administration costs	−29 252	−15 397	
Realized losses on investments, including hedging expenses	−554 385	−429 333	
Depreciation of investments	−906 181	−1 035 052	
Interest payments on reinsured business and other interest costs	−81 289	−72 515	
Expenditure on investments and interest costs	−1 571 107	−1 552 297	−1.2%
Interest assigned to life- and non-life underwriting activities	−580 400	−623 477	7.4%
Other extraordinary income from other business operations	0	410 210	–
Other income from ordinary business operations	28 432	4 040	−85.8%
Other expenditure on ordinary business operations	−40 647	−3 524	−91.3%
Result from non-underwriting activities	43 260	−359 293	−930.5%

Combined in CHF thousand

	2001	2002	Change
Result from non-life underwriting activities	81 447	95 827	17.7%
Result from life underwriting activities	17 793	–87 168	–589.9%
Result from non-underwriting activities	43 260	–359 293	–930.5%
Result before taxation	142 500	–350 634	–346.1%
Taxation	–42 057	–11 277	–73.2%
Minority interests	181	–91	–150.8%
Result after taxation and minority interests	100 624	–362 002	–459.8%

Consolidated balance sheet

Assets in CHF thousand

	31.12.2001	31.12.2002	Change
Intangible assets	132288	116961	–11.6%
Investments:			
Real estate	4242545	4642720	
Investments in affiliates	14474	14441	
Investments in associated companies	75203	2027	
Own shares	188219	44544	
Shares, derivatives, other non-fixed-interest-rate securities and investment funds	4554722	3353186	
Fixed-interest-rate securities	9745120	11128607	
Promissory loans	618580	671339	
Mortgages	2880725	2962887	
Policy loans	184891	173520	
Fixed-term deposits and similar	1024833	858609	
Investments	23529312	23851880	1.4%
Investments for unit-linked life insurance policies	469190	514163	9.6%
Deposits from reinsurance assumed	77828	70132	–9.9%
Receivables from underwriting activities:			
From policyholders	301905	292388	
From agents and brokers	94224	88910	
From insurance companies	114253	128050	
Receivables from underwriting activities	510382	509348	–0.2%
Other Receivables:			
From affiliates and associated companies	583	525	
From others	127018	164041	
Other receivables	127601	164566	29.0%
Tangible fixed assets	49249	48390	–1.7%
Liquid assets	130244	242510	86.2%
Other assets	1827	2988	
Prepaid expenses:			
Interest and rents	258441	279602	
Other	121189	321130	
Prepaid expenses	379630	600732	58.2%
Total assets	25407551	26121670	2.8%

Liabilities and shareholders' equity in CHF thousand

	31.12.2001	31.12.2002	Change
Shareholders' equity:			
Share capital	65 972	62 930	
Capital reserve	274 326	308 646	
Own-shares reserve	188 219	44 544	
Consolidation reserve	890 521	992 371	
Result for the year	100 624	–362 002	
Shareholders' equity	1 519 662	1 046 489	–31.1%
Minority interest in shareholders' equity	2 035	1 865	–8.4%
Reserve for unearned premiums Gross	649 615	664 114	
Reinsurers' share	–43 701	–35 728	
Net	605 914	628 386	3.7%
Gross actuarial reserves	16 549 542	18 035 924	
Reinsurers' share	–174 872	–176 989	
Net	16 374 670	17 858 935	9.1%
Gross outstanding claims reserve	2 384 857	2 554 711	
Reinsurers' share	–253 953	–278 017	
Net	2 130 904	2 276 694	6.8%
Net reserves for results-linked and non-results-linked policyholders' dividends	459 529	249 153	–45.8%
Net equalisation reserve	381 603	242 681	–36.4%
Reserves for unit-linked life insurance policies	464 777	510 197	9.8%
Other net underwriting reserves	60 196	49 115	–18.4%
Other reserves:			
Reserves for pensions and similar obligations	94 560	101 092	
Reserves for taxes	432 524	389 048	
Miscellaneous reserves	365 555	251 272	
Other reserves	892 639	741 412	–16.9%
Reinsurance deposit liabilities	178 834	173 600	–2.9%
Convertible bond	150 000	150 000	0.0%
Other insurance liabilities:			
Towards affiliates and associated companies	31	0	
Premium deposits/prepaid premiums	670 413	750 770	
Credited results-linked and non-results-linked policyholders' dividends	1 054 241	1 080 565	
Towards agents and brokers	43 904	46 769	
Towards insurance companies	87 973	66 682	
Other insurance liabilities	1 856 562	1 944 786	4.8%
Other liabilities:			
Towards affiliates and associated companies	1 840	1 848	
Towards other creditors	240 553	149 422	
Other liabilities	242 393	151 270	–37.6%
Accrued liabilities	87 833	97 087	10.5%
Total liabilities and shareholders' equity	25 407 551	26 121 670	2.8%

Consolidated cash flow statement

in CHF thousand	2001	2002	Change
Cash flow from operations			
Consolidated annual result	100 624	–362 002	–459.8%
Expenditure not affecting the flow of funds:			
Increase in underwriting reserves	1 130 926	1 702 270	
Increase in reserves for unit-linked life insurance policies	107 969	54 689	
Change in results-linked and non-results-linked policyholders' dividends	112 600	–30 154	
Depreciation of intangible assets	16 407	17 189	
Depreciation of investments	750 263	1 077 310	
Depreciation of tangible fixed and other assets	18 856	15 579	
Expenditure for revalorization of investments and other assets	224 547	73 476	
Total expenditure not affecting the flow of funds	2 361 568	2 910 359	23.2%
Income not affecting the flow of funds:			
Income from value readjustments	–65 638	–140 786	
Change in non-actuarial reserves and other income	–20 916	–39 537	
Total income not affecting the flow of funds	–86 554	–180 323	108.3%
Cash inflow before changes in working capital:			
Change in receivables	16 986	–35 931	
Increase in assets	–16 746	–16 282	
Change in prepaid expenses	1 689	–221 103	
Change in liabilities	93 164	–2 900	
Increase in accrued liabilities	202	9 253	
Payments from reserves	–465 062	–450 203	
Total cash inflow before changes in working capital	–369 767	–717 166	94.0%
Total cash flow from operations	2 005 871	1 650 868	–17.7%
Cash flow from investments:			
Increase in intangible assets	–13 834	–1 861	
Change in non-consolidated holdings	–15 282	73 254	
Increase in real estate	–71 352	–156 625	
Increase in other investments	–1 820 831	–1 212 600	
Increase in investments for unit-linked life insurance policies	–117 666	–75 408	
Decrease in receivable deposits for assumed insurance business	14 895	7 696	
Total cash flow from investments	–2 024 070	–1 365 544	–32.5%
Cash flow from financing activities:			
Change in reinsurance deposit liabilities	10 679	–5 233	
Decrease in minority interest in shareholders'equity	–505	–170	
Payments from shareholders' equity	–74 250	–167 655	
Total cash flow from financing activities	–64 076	–173 058	170.1%
Net cash flow	–82 275	112 266	–236.5%
Cash and cash equivalents at January 1	212 519	130 244	–38.7%
Cash and cash equivalents at December 31	130 244	242 510	86.2%

Notes to the consolidated financial statements of the Helvetia Patria Group

1. Accounting principles

The consolidated financial statements of the Helvetia Patria Group have been compiled in accordance with the consolidation and valuation principles specified below, and are in accordance with the Swiss GAAP ARR.

2. Scope and principles of consolidation

The consolidated financial statements of the Helvetia Patria Group contain the annual accounts at December 31, 2002 of Helvetia Patria Holding and all those companies in which the holding company controls, directly or indirectly, more than 50% of voting rights (the "subsidiaries"). Consolidated subsidiaries of Helvetia Patria Holding are listed in detail in the table below.

Assets and liabilities, income and expenditure for all these companies are fully consolidated.

Holdings in the subsidiaries, Previsión Española and Helvetia CVN, were slightly increased in the year under review.

The Anglo-Saxon capital consolidation method is applied. Minority interests in shareholders' equity and profit are disclosed separately in the balance sheet and the profit and loss account. In the case of companies consolidated for the first time, any goodwill is capitalized and depreciated in the profit and loss account over its economic life.

Inter-company receivables and liabilities have been set off, as have all inter-company income and expenditure. All intermediate profits resulting from inter-company asset sales have been eliminated.

Deferred taxation has been applied based on local income tax rates for all revalued items.

3. Foreign currency translation

Foreign currency revenue and expenditure in the accounts of individual Group companies are recorded at the actual rates ruling on the day they occur; foreign currency balance sheet positions for such companies are translated at the rate ruling on the balance sheet date. The resulting foreign currency exchange differences are shown in the profit and loss accounts.

The financial statements of subsidiaries outside Switzerland are consistently translated into Swiss francs at the rate ruling at the end of the year. Any differences arising from translation are taken straight to Group reserves, with no impact on results for the year.

Consolidated subsidiaries of Helvetia Patria Group in million

Company	Company's Capital	Holding at 31.12.2002
Helvetia Schweizerische Versicherungsgesellschaft, St.Gallen (CHF)	77.5	100.00%
Patria Schweizerische Lebensversicherungs-Gesellschaft, Basel (CHF)	24.1	100.00%
Helvetia Beteiligungen, St.Gallen (CHF)	225.7	100.00%
Helvetia Finance Ltd., Jersey (CHF)	0.1	100.00%
Helvetia Europe S.A., Luxembourg (EUR)	11.5	100.00%
Helvetia International Versicherungs-AG, Frankfurt am Main (EUR)	4.0	100.00%
Helvetia Schweizerische Lebensversicherungs-AG, Frankfurt am Main (EUR)	6.5	100.00%
Der ANKER Vermögensverwaltung GmbH, Frankfurt am Main (EUR)	0.0	100.00%
Der ANKER, Allgemeine Versicherungs-Aktiengesellschaft, Vienna (EUR)	10.9	99.95%
Römertor Versicherungsmakler, Immobilien- und Baugesellschaft mbH, Vienna (EUR)	0.0	100.00%
Marc Aurel Liegenschaftsverwaltungsgesellschaft mbH, Vienna (EUR)	0.0	100.00%
Helvetia Vita Compagnia Italo Svizzera di Assicurazioni sulla Vita, Milan (EUR)	13.4	100.00%
Helvetia Life S.p.A., Milan (EUR)	6.8	100.00%
Helvetia Patria Holding España S.A., Madrid (EUR)	148.3	100.00%
Helvetia CVN, Compañía Española de Seguros y Reaseguros, Madrid (EUR)	27.6	98.13%
Previsión Española Sociedad Anónima de Seguros y Reaseguros, Seville (EUR)	11.2	99.09%
Sur Sociedad Anónima de Seguros y Reaseguros, Seville (EUR)	3.1	100.00%
Orfila Inversiones S.A., Seville (EUR)	0.4	100.00%

4. Valuation principles

4.1 General

The consolidated financial statements for 2001 and 2002 of the Helvetia Patria Group have been compiled using standardised valuation principles based on Swiss GAAP ARR.

The allowed treatment of deferring losses on securities has not applied.

4.2 Investments

Real estate is shown at market value, based on its capitalised rental income at the interest rates applied in the countries and markets concerned. Deferred taxes are shown on the balance sheet under "Reserves for taxes".

Investments in affiliated companies too insignificant to be included in the consolidation and in **minority holdings** of the Helvetia Patria Group are shown at purchase price less depreciation based on economic principles and requirements. Investments in associated companies are measured at cost or, if applicable, at the lower equity value.

Shares, other non-fixed-interest-rate securities, investment funds and derivatives are shown at market value. Deferred taxes are shown on the balance sheet under "Reserves for taxes".

Fixed-interest-rate securities are shown at their amortised cost, with the difference between their purchase and redemption price spread over the remaining duration. Supplementary depreciation is effected to cover additional credit risks.

The valuation of **promissory loans, mortgages, policy loans and other loan amounts** is based on their redemption value. Additional depreciations are effected to cover any credit risks.

Valuation differences between the market value of shares, other non-fixed-interest-rate securities and investment funds as shown in the consolidated financial statements and their book value (based on the lower-of-cost-or-market-value principle) as stated in individual company accounts are taken straight to the revaluation reserve, which forms part of shareholders' equity, after the deduction of any deferred taxation amounts. Any differences between the market value and purchase price of real-estate assets held are similarly treated. All other valuation differences between the consolidated financial statements and the accounts of individual companies are charged or credited in the profit and loss account. All depreciation on investments is charged to the consolidated profit and loss account based on economic principles and requirements.

In individual countries the lower-of-cost-or-market-value principle has been alleviated according to legal provisions and the shareholdings and investment funds are shown at cost value or at last year's book value. The difference to market value is charged or credited to the consolidated profit and loss account in accordance with Group accounting policies (Swiss GAAP ARR) – taking into account any deferred taxation.

4.3 Underwriting reserves

All calculations of underwriting reserves comply with the rules and requirements of local regulatory authorities. All such calculations are based on assumed liabilities towards claimants and policyholders.

4.4 Other balance sheet items

Other balance sheet items are shown using the valuation methods applied to individual company accounts.

5. Foreign-currency translation

Key foreign currencies for the Helvetia Patria Group were translated into Swiss francs at the following year-end rates:

Currency translation rates

	31.12.2001	31.12.2002
1 EUR	1.4768	1.4650
1 USD	1.6580	1.4347
1 CAD	1.0501	0.9205

6. Notes to the profit and loss account

6.1 Gross premiums written by country and sector

For details of gross premiums written by national market and insurance sector and type, please see pages 34–53.

6.2 Interest income from life and non-life underwriting activities

Net interest income assigned to non-life business derives from the interest earned on premium income and from the interest earned on the average levels of the reserves for claims outstanding, the equalisation reserves and other underwriting reserves.

The net interest income assigned to life business corresponds to the income earned on investments, less interest on the risk capital invested calculated at local rates, which remains in the non-underwriting account.

6.3 Results-linked and non-result-linked policyholders' dividends

A total of CHF 9.9 million (2001: CHF 145.8 million) was charged to the life underwriting profit and loss account for results-linked and non-results-linked dividends to be distributed to policyholders.

6.4 Personnel costs

Groupwide expenditure on commissions and personnel is as follows:

Personnel costs in CHF million

	2001	2002
Salaries/commissions	654.8	694.4
Social welfare expenditure	52.6	55.6
Pension plan expenditure	36.1	38.3
Other expenditure on personnel	8.8	8.3
Total expenditure on personnel	752.3	796.6

6.5 Other extraordinary income from other business operations

In the year under review, acquisition costs totaling CHF 207.8 million of the Swiss individual life business were capitalized for the first time with approval of the Federal Office of Private Insurance. The deferred acquisition costs will be annually assessed beginning with the business year 2003.

In addition to this, reserves in the amount of CHF 202.4 million, which are operationally no longer required, have been released in the year under review.

7. Notes to the balance sheet

7.1 Fixed assets movement

The fixed assets movement is for the first time shown gross, i.e. with cumulative acquisition costs and with cumulative value adjustments. Please see table on page 74.

7.2 Real estate

The CHF 4.6 billion (2001: CHF 4.2 billion) market value of real estate as stated on the consolidated balance sheet compares with a total book value of CHF 3.6 billion (2001: CHF 3.4 billion) based on individual company accounts.

7.3 Non-consolidated holdings

The position "Investments in associated companies" has decreased by CHF 73.2 million as a result of the sale of the holding in an associated company.

7.4 Shares, other non-fixed-interest-rate securities, investment funds and derivatives

Shares, other non-fixed-interest-rate securities, investment funds and derivatives were valued at an aggregate CHF 3.4 billion (2001: CHF 4.6 billion) in individual companies' accounts, where they are shown at the lower-of-cost-or-market value.

7.5 Fixed-interest-rate securities

The market value of fixed-interest rate securities, which are shown at amortized cost, amounted to CHF 11.7 billion (2001: CHF 9.8 billion).

7.6 Consolidated shareholders' equity

The consolidated shareholders' equity of the Helvetia Patria Group decreased by a total of CHF 473.2 million in 2002 (2001 decrease: CHF 1 142.1 million). Please see table on page 75.

7.7 Reserve structure

This year, the reserves are shown by movement. Please see table on page 74.

7.8 Bond

The Helvetia Patria Group has the following convertible bond outstanding, issued by the finance company Helvetia Finance Ltd., Jersey, and guaranteed by the Helvetia Patria Holding (conversion price CHF 381.00).

Bond

Issuer	CHF million	Interest rate	Year of issue	Redemption
Helvetia Finance Ltd., Jersey	150.0	2%	2000	16.06.2005

Fixed asset movements in CH million

	Acquistion costs									
	Portfolio 1.1.2002	Currency impact	Additions	Disposals	Book transfers	Revaluation changes	Portfolio 31.12.2002	Value adjust-ments 31.12.2002	Net book value 31.12.2002	Net book value 1.1.2002
Intangible assets	175.1	–0.1	5.2	–3.4	0.0	0.0	176.9	59.9	117.0	132.3
Investments:										
Real estate	4566.6	–4.0	174.6	–24.8	0.0	256.8	4969.2	326.5	4642.7	4242.5
Investments in affiliates	14.5	0.0	0.0	0.0	0.0	0.0	14.4	0.0	14.4	14.5
Inv. in associated companies	75.3	0.0	16.6	–17.9	–22.5	0.0	51.5	49.5	2.0	75.3
Own shares	188.2	0.0	0.0	–143.7	0.0	0.0	44.5	0.0	44.5	188.2
Shares, other non-fixed-interest-rate securities, investment funds and derivatives	5231.7	–5.5	3554.5	–3650.8	–26.4	–212.6	4890.9	1537.8	3353.2	4554.7
Fixed-interest-rate securities	10597.0	–24.8	5944.1	–4533.6	–7.8	0.0	11975.0	846.4	11128.6	9745.1
Promissory loans	618.7	–2.1	144.6	–89.8	0.0	0.0	671.5	0.2	671.3	618.6
Mortgages	2909.0	–0.6	318.7	–252.7	0.0	0.0	2974.4	11.5	2962.9	2880.7
Policy loans	184.9	–0.2	39.5	–50.0	0.0	0.0	174.2	0.6	173.5	184.9
Fixed-term deposits	1024.8	–1.7	5142.0	–5303.5	–3.0	0.0	858.6	0.0	858.6	1024.8
Total investments	25410.7	–38.8	15334.6	–14066.8	–59.7	44.2	26624.4	2772.5	23851.9	23529.3
Investments for unit-linked life insurance policies	479.1	–0.6	21.2	–5.5	59.7	0.0	553.8	39.7	514.2	469.2
Tangible fixed assets	167.9	–1.3	17.8	–4.5	0.0	0.0	179.9	128.5	51.4	51.1
Total	26232.7	–40.8	15378.9	–14080.1	0.0	44.2	27534.9	3000.5	24534.4	24181.9

	Value adjustments						
	Portfolio 1.1.2002	Currency impact	Disposals	Transfers	Depre-ciation	Appre-ciation	Portfolio 31.12.2002
Intangible assets	42.8	–0.1	0.0	0.0	17.2	0.0	59.9
Investments:							
Real estate	324.0	–0.8	–6.8	0.0	10.7	–0.6	326.5
Investments in affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv. in associated companies	0.1	0.0	0.0	49.5	0.0	–0.1	49.5
Own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares, other non-fixed-interest-rate securities, investment funds and derivatives	677.0	47.6	–77.6	–49.5	964.1	–23.9	1537.8
Fixed-interest-rate securities	851.9	24.7	–3.4	0.0	64.3	–91.1	846.4
Promissory loans	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Mortgages	28.3	0.0	0.0	0.0	0.2	–16.9	11.5
Policy loans	0.0	0.6	0.0	0.0	0.0	0.0	0.6
Fixed-term deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total investments	1881.4	72.2	–87.8	0.0	1039.4	–132.7	2772.5
Investments for unit-linked life insurance policies	9.9	0.0	0.0	0.0	37.9	–8.1	39.7
Tangible fixed assets	116.8	–0.9	–3.0	0.0	15.6	0.0	128.5
Total	2050.9	71.1	–90.7	0.0	1110.1	–140.8	3000.5

The fixed asset movements may include rounding differences.

Consolidated movements in shareholders' equity in CHF million

	At 1.1.2002	Transfers	Change in revaluation reserve	Profit appro-priation	Currency differences/ revaluation	Results for the year	At 31.12.2002
Share capital	66.0			–3.1			62.9
Capital reserves	274.4	143.7		–111.8			306.3
Own-share reserve	188.2	–143.7					44.5
Revaluation reserves	538.3		47.7		8.4		594.4
Profit reserves	352.2			47.8	0.4		400.4
Results for the year	100.6			–100.6		–362.0	–362.0
Total	1 519.7	0.0	47.7	–167.7	8.8	–362.0	1 046.5

The share capital consists of 6 293 000 registered shares with a nominal value of CHF 10.00.

Non-underwriting reserves in CHF million

	At 1.1.2002	Currency impact	Use	Release	Allocation	At 31.12.2002
Pensions and similar reserves	94.6	–0.2	8.6	0.0	15.3	101.1
Reserves for taxation	432.5	–1.2	20.7	83.7	62.1	389.0
Other reserves	365.5	–1.0	73.1	212.4	172.3	251.3
Non-underwriting reserves	892.6	–2.4	102.4	296.1	249.7	741.4

Net underwriting reserves in CHF million

	At 1.1.2002	Currency impact	Use	Release	Allocation	At 31.12.2002
Reserves for unearned premiums	605.9	–3.4	0.4	524.7	551.0	628.4
Actuarial reserves	16 374.7	–20.1	5.2	365.6	1 875.1	17 858.9
Reserves for benefits outstanding	2 130.9	–15.0	154.2	1 030.4	1 345.4	2 276.7
Reserves for policyholders' dividends	459.5	–0.8	179.3	40.3	10.1	249.2
Reserves for unit-linked life insurance policies	464.8	–0.6	8.7	11.4	66.1	510.2
Other underwriting reserves	441.8	–1.5	0.0	248.9	100.4	291.8
Underwriting reserves	20 477.6	–41.4	347.8	2 221.3	3 948.1	21 815.2

7.9 Post employment benefit obligations

Employees of the Group companies are covered under various pension plans with different benefits: In Switzerland, the pension plan is a defined contribution plan with benefits that exceed the legal minimum; in the branches and subsidiaries abroad, there are a number of pension plans which may be either defined benefits or defined contribution plans. The reserves for pension obligations are set up following local laws and regulations.

The consolidated balance sheet contains pension commitments and other liabilities towards staff pension schemes amounting to CHF 101.6 million (2001: CHF 112.5 million).

The employer's contribution reserve in a welfare foundation amounts to CHF 22.4 million at 31.12.2002

(2001: CHF 23.6 million).

Derivative financial instruments in CHF thousand

	Contractual value at 31.12.2001	Gross positive repurchase value at 31.12.2001	Gross negative repurchase value at 31.12.2001	Contractual value at 31.12.2002	Gross positive repurchase value at 31.12.2002	Gross negative repurchase value at 31.12.2002
Derivatives on shares	2776213	3607	–120810	2228627	162826	–3927
Derivatives on interest	65000	16507	0	160000	17567	–229
Derivatives on currencies	498213	5985	0	0	0	0

Report of the Group Auditors

to the Shareholders' Meeting of
Helvetia Patria Holding, St.Gallen

As auditors of the Group, we have audited the consolidated financial statements (profit and loss account, balance sheet, cash flow statement and notes pages 64 to 76 of Helvetia Patria Group for the year ended 31 December, 2002.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of the operations and the cash flows in accordance with Swiss GAAP/FER and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, March 27, 2003
Ernst & Young Ltd

Karl Geiger
Certified accountant

Martin Welser
Certified accountant (In charge of the audit)

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Financial statements for Helvetia Patria Holding

Profit and loss account in CHF thousand

	2001	2002	Change
Investment earnings	30 350	0	
Profits realized on disposals of associated companies	38 539	0	
Services rendered to affiliates	408	402	
Interest on loans	–1 549	–488	
Result before taxation	67 748	–86	–100.1%
Taxation	937	–158	
Result after taxation	68 685	–244	–100.4%

Balance sheet before appropriation of net profit

	31.12.2001	31.12.2002	Change
Assets:			
Own shares	114 562	0	
Investments	545 010	545 010	
Balances owed by Group member companies	6 434	0	
Other receivables	3	0	
Total assets	666 009	545 010	–18.2%
Liabilities:			
Share capital	65 972	62 930	
Own-shares reserve	188 219	0	
Other statutory reserve	274 326	353 190	
Profit brought forward	4 946	15 906	
Net result for the year	68 685	–244	
Total shareholders' equity before appropriation of profit	602 148	431 782	–28.3%
Liabilities toward Group member companies	63 616	113 046	
Reserves	60	0	
Accrued liabilities	185	182	
Total liabilities and shareholders' equity	666 009	545 010	–18.2%

Proposal for the appropriation of the net profit

	31.12.2001	31.12.2002
Result after taxation	68 685	–244
Balance brought forward from 2001	4 946	15 906
Profit available for distribution	73 631	15 662
Dividend (2001: CHF 8.75; 2002: CHF 2.00 per registered share)	57 725	12 586
Profit carried forward	15 906	3 076

Notes to the financial statements of Helvetia Patria Holding

1. Investments
Helvetia Patria Holding held direct investments in the following companies on the balance sheet date:

Investments of Helvetia Patria Holding in CHF million

Company	Company's capital in million	Holding at 31.12.2002
Helvetia Schweizerische Versicherungs-gesellschaft, St.Gallen	77.5	75.30%
Patria Schweizerische Lebens-versicherungs-Gesellschaft, Basel	24.1	100.00%

The investments in Helvetia Schweizerische Versicherungsgesellschaft and in Patria Schweizerische Lebensversicherungs-Gesellschaft were transferred to Helvetia Patria Holding under the non-cash contribution agreement of June 3, 1996 and the public take-over offer of June 10, 1996 (see also Articles 26 to 29 of the Articles of Association).

Patria Schweizerische Lebensversicherungs-Gesellschaft itself holds a 24.7-per-cent equity stake in Helvetia Schweizerische Versicherungsgesellschaft.

2. Income from investments
The income shown for Helvetia Patria Holding corresponds to the dividends that will be paid to it by its two subsidiaries, Helvetia Schweizerische Versicherungsgesellschaft and Patria Schweizerische Lebensversicherungs-Gesellschaft, for the 2002 business year.

3. Own shares
Subsidiaries of Helvetia Patria Holding held 291 136 Helvetia Patria Holding registered shares (291 136 such shares held at the end of 2001). These shares are held in a deposit for the 2% convertible bond issued by Helvetia Finance Ltd., Jersey. A corresponding own-shares reserve is reported in the shareholders' equity.

Within the scope of the share buyback program 303 276 shares were held last year. During the year under review, 916 shares were purchased at an average price of CHF 243. Following the resolution by the Shareholders' Meeting, 304 192 registered shares of Helvetia Patria Holding were destroyed last year.

4. Guarantee Obligation
The Helvetia Patria Holding has undertaken to secure the 2% convertible bond, issued by Helvetia Finance Ltd., Jersey, up to the amount of the face value which has not yet been converted, including outstanding interest payments. The outstanding face value stands at CHF 150 million at the balance sheet date.

5. Shareholders owning more than five per cent of share capital
Two shareholders were entered in the share register as owning more than five per cent of the share capital on December 31, 2002: Patria Genossenschaft (39.7%) and Münchener Rückversicherungs-Gesellschaft (10.5%).

Report of the statutory auditors

to the Shareholders' Meeting of Helvetia Patria Holding, St.Gallen

As statutory auditors, we have audited the accounting records and the financial statements (profit and loss account, balance sheet and notes pages 79/80) of Helvetia Patria Holding for the year ended 31 December, 2002.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Zurich, March 27, 2003
Ernst & Young Ltd

Karl Geiger
Certified accountant

Martin Welser
Certified accountant (In charge of the audit)

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Financial statements

Consolidated financial statements for the Helvetia Patria Group in 2003

Financial statements for Helvetia Patria Holding in 2003

Consolidated profit and loss account

Non-life underwriting in CHF thousand

	2002	2003	Change
Net earned premiums:			
Gross written premiums	2 066 673	2 269 312	
Premiums ceded to reinsurers	–244 830	–284 208	
Net written premiums	1 821 843	1 985 104	
Gross change in reserves for unearned premiums	–11 454	–20 319	
Reinsurers' share of gross change in reserves for unearned premiums	23	3 411	
Net change in reserves for unearned premiums	–11 431	–16 908	
Net earned premiums	1 810 412	1 968 196	8.7%
Net interest income assigned to non-life activities	122 613	130 099	6.1%
Net claims paid:			
Claims paid: – Gross	–1 291 932	–1 363 182	
– Reinsurers' share	123 774	151 237	
– Net	–1 168 158	–1 211 945	
Change in reserves for claims outstanding:			
– Gross	–182 907	–85 618	
– Reinsurers' share	59 481	–11 429	
– Net	–123 426	–97 047	
Net claims paid	–1 291 584	–1 308 992	1.3%
Net change in other underwriting reserves	54	–530	–1 081.5%
Net expenditure on results-linked and non-results-linked policyholders' dividends	–1 030	–1 273	23.6%
Net change in equalisation reserve	55 000	–17 425	–131.7%
Net underwriting expenses:			
Gross underwriting expenses	–622 814	–670 109	7.6%
Commissions and profit share received from reinsurers	46 696	54 862	
Net underwriting expenses	–576 118	–615 247	6.8%
Other net underwriting expenditure	–23 520	–22 749	–3.3%
Result from non-life underwriting activities	95 827	132 079	37.8%

Life underwriting in CHF thousand

	2002	2003	Change
Net earned premiums:			
Gross written premiums	3 078 272	3 123 337	
Premiums ceded to reinsurers	–29 036	–38 254	
Net written premiums	3 049 236	3 085 083	
Gross change in reserves for unearned premiums	–2 734	–6 439	
Reinsurers' share of gross change in reserves for unearned premiums	–1 877	1 129	
Net change in reserves for unearned premiums	–4 611	–5 310	
Net earned premiums	3 044 625	3 079 773	1.2%
Net interest income assigned to life activities	500 864	790 616	57.9%
Funds transferred from policyholders' dividend reserve	27 162	27 845	2.5%
Net benefits paid:			
Benefits paid: – Gross	–1 837 929	–2 385 591	
– Reinsurers' share	18 536	24 812	
– Net	–1 819 393	–2 360 779	
Change in reserves for benefits outstanding:			
– Gross	5 710	–31 033	
– Reinsurers' share	–1 101	2 377	
– Net	4 609	–28 656	
Net benefits paid	–1 814 784	–2 389 435	31.7%
Net change in actuarial reserves:			
– Gross	–1 535 611	–1 055 012	
– Reinsurer's share	6 377	–475	
– Net	–1 529 234	–1 055 487	–31.0%
Net change in other underwriting reserves	25 469	–13 645	–153.6%
Net underwriting expenses:			
– Gross underwriting expenses	–336 021	–313 364	
– Commissions and profit share received from reinsurers	5 519	7 508	
Net underwriting expenses	–330 502	–305 856	–7.5%
Other net underwriting expenditure Net	–827	–841	1.7%
Result from life underwriting activities before policyholders' dividend distribution	–77 227	132 970	–272.2%
Net expenditure on results-linked and non-results-linked policyholders' dividends	–9 941	–103 408	940.2%
Result from life underwriting activities	–87 168	29 562	–133.9%

Non-underwriting in CHF thousand

	2002	2003	Change
Income from real estate	193 117	192 350	–0.4%
Income from investments in affiliates and associated companies	439	404	–8.0%
Income from other investments:			
From shares, other non-fixed-interest-rate securities and investment funds	59 008	55 546	
From fixed-interest-rate securities	477 633	526 156	
From promissory loans	34 554	32 760	
From mortgages	120 857	108 538	
From policy loans	7 905	7 035	
From fixed-term deposits and similar	20 737	10 377	
Income from other investments	720 694	740 412	2.7%
Interest on deposits	1 751	1 223	–30.2%
Gross realized gains on investments	382 832	358 116	–6.5%
Gross unrealized gains on investments	100 116	100 058	–0.1%
Other interest income	6 806	8 331	22.4%
Expenditure on investments and interest costs:			
Investment administration costs	–15 397	–20 019	
Realized losses on investments, including hedging expenses	–429 333	–189 469	
Depreciation of investments	–1 035 052	–118 291	
Interest payments on reinsured business and other interest costs	–72 515	–62 156	
Expenditure on investments and interest costs	–1 552 297	–389 935	–74.9%
Interest assigned to life- and non-life underwriting activities	–623 477	–920 715	47.7%
Other extraordinary income from other business operations	410 210	0	–100.0%
Other income from ordinary business operations	20 198	5 804	–71.3%
Other expenditure on ordinary business operations	–3 524	–19 638	457.3%
Result from non-underwriting activities	–343 135	76 410	–122.3%

Combined in CHF thousand

	2002	2003	Change
Result from non-life underwriting activities	95 827	132 079	37.8%
Result from life underwriting activities	–87 168	29 562	–133.9%
Result from non-underwriting activities	–343 135	76 410	–122.3%
Amortization of goodwill	–16 158	–90 779	461.8%
Result before taxation	–350 634	147 272	–142.0%
Taxation	–11 277	–54 756	385.6%
Minority interests	–91	–120	31.9%
Result after taxation and minority interests	–362 002	92 396	–125.5%

Consolidated balance sheet

Assets in CHF thousand

	31.12.2002	31.12.2003	Change
Intangible assets	116 961	22 463	–80.8%
Investments:			
Real estate	4 642 720	4 511 988	
Investments in affiliates	14 441	14 706	
Non-consolidated holdings	2 027	4 293	
Own shares	44 544	44 544	
Shares, derivatives, other non-fixed-interest-rate securities and investment funds	3 295 120	2 844 917	
Fixed-interest-rate securities	11 128 607	13 216 479	
Promissory loans	671 339	737 065	
Mortgages	2 962 887	2 969 744	
Policy loans	173 520	157 296	
Fixed-term deposits and similar	858 609	990 149	
Investments	23 793 814	25 491 181	7.1%
Investments for unit-linked life insurance policies	514 163	607 930	18.2%
Deposits from reinsurance assumed	70 132	73 846	5.3%
Receivables from underwriting activities:			
From policyholders	292 388	273 081	
From agents and brokers	88 910	91 765	
From insurance companies	128 050	165 606	
Receivables from underwriting activities	509 348	530 452	4.1%
Other Receivables:			
From affiliates and associated companies	525	1 390	
From others	164 041	145 989	
Other receivables	164 566	147 379	–10.4%
Tangible fixed assets	48 390	46 887	–3.1%
Liquid assets	242 510	162 560	–33.0%
Other assets	2 988	2 760	
Prepaid expenses:			
Interest and rents	279 602	286 557	
Other	321 130	349 287	
Prepaid expenses	600 732	635 844	5.8%
Total assets	26 063 604	27 721 302	6.4%

Liabilities and shareholders' equity in CHF thousand

	31.12.2002	31.12.2003	Change
Shareholders' equity:			
Share capital	62 930	62 930	
Capital reserve	269 449	269 449	
Own-shares reserve	83 741	83 741	
Retained earnings and revaluation reserves	992 371	644 480	
Result for the year	–362 002	92 396	
Shareholders' equity	1 046 489	1 152 996	10.2%
Minority interest in shareholders' equity	1 865	2 257	21.0%
Reserve for unearned premiums Gross	664 114	725 100	
Reinsurers' share	–35 728	–23 918	
Net	628 386	701 182	11.6%
Gross actuarial reserves	18 035 924	19 191 853	
Reinsurers' share	–176 989	–185 868	
Net	17 858 935	19 005 985	6.4%
Gross outstanding claims reserve	2 554 711	2 758 734	
Reinsurers' share	–278 017	–273 943	
Net	2 276 694	2 484 791	9.1%
Net reserves for results-linked and non-results-linked policyholders' dividends	249 153	243 859	–2.1%
Net equalisation reserve	242 681	280 191	15.5%
Reserves for unit-linked life insurance policies	510 197	592 725	16.2%
Other net underwriting reserves	49 115	51 766	5.4%
Other reserves:			
Reserves for pensions and similar obligations	101 092	115 348	
Reserves for current taxes	20 658	34 009	
Reserves for deferred taxes	368 390	381 644	
Miscellaneous reserves	193 206	225 192	
Other reserves	683 346	756 193	10.7%
Reinsurance deposit liabilities	173 600	184 477	6.3%
Convertible bond	150 000	150 000	0.0%
Other insurance liabilities:			
Premium deposits/prepaid premiums	750 770	690 398	
Credited results-linked and non-results-linked policyholders' dividends	1 080 565	1 037 655	
Towards agents and brokers	46 769	44 904	
Towards insurance companies	66 682	78 067	
Other insurance liabilities	1 944 786	1 851 024	–4.8%
Other liabilities:			
Towards affiliates and associated companies	1 848	2 666	
Towards other creditors	149 422	106 324	
Other liabilities	151 270	108 990	–28.0%
Accrued liabilities	97 087	154 866	59.5%
Total liabilities and shareholders' equity	26 063 604	27 721 302	6.4%

Consolidated cash flow statement

in CHF thousand	2002	2003	Change
Cash flow from operations			
Consolidated annual profit	–362 002	92 396	–125.5%
Expenditure not affecting the flow of funds:			
Increase in underwriting reserves	1 702 270	1 346 379	
Increase in reserves for unit-linked life insurance policies	54 689	77 488	
Change in results-linked and non-results-linked policyholders' dividends	–30 154	83 167	
Depreciation of intangible assets	17 189	95 105	
Depreciation of investments	1 077 310	152 071	
Depreciation of tangible fixed and other assets	15 579	20 445	
Change in non-actuarial reserves and other	–39 537	118 977	
Total expenditure not affecting the flow of funds	2 797 346	1 893 632	–32.3%
Income not affecting the flow of funds:			
Income from value readjustments	–140 786	–102 954	
Profit from revaluation of investments and other assets	73 476	–120 995	
Total income not affecting the flow of funds	–67 310	–223 949	232.7%
Cash inflow before changes in working capital:			
Increase in receivables	–35 931	–3 917	
Increase in assets	–16 282	–18 714	
Increase in prepaid expenses	–221 103	–35 110	
Change in liabilities	–2 900	170 662	
Increase in accrued liabilities	9 253	57 780	
Payments from reserves	–450 203	–323 026	
Total cash inflow before changes in working capital	–717 166	–152 325	–78.8%
Total cash flow from operations	1 650 868	1 609 754	–2.5%
Cash flow from investments:			
Increase in intangible assets	–1 861	–607	
Decrease in non-consolidated holdings	73 254	10	
Increase in real estate	–156 625	–183 713	
Increase in other investments	–1 212 600	–1 441 735	
Increase in investments for unit-linked life insurance policies	–75 408	–59 134	
Change in receivable deposits for assumed insurance business	7 696	–3 714	
Total cash flow from investments	–1 365 544	–1 688 893	23.7%
Cash flow from financing activities:			
Change in reinsurance deposit liabilities	–5 233	10 877	
Change in minority interest in shareholders'equity	–170	392	
Payments from shareholders' equity	–167 655	–12 080	
Total cash flow from financing activities	–173 058	–811	–99.5%
Net cash flow	112 266	–79 950	–171.2%
Cash and cash equivalents at January 1	130 244	242 510	86.2%
Cash and cash equivalents at December 31	242 510	162 560	–33.0%

Notes to the consolidated financial statements of the Helvetia Patria Group

1. Accounting principles
The consolidated financial statements of the Helvetia Patria Group have been prepared in accordance with the consolidation and valuation principles specified below, and are in accordance with the Swiss GAAP ARR reporting standards for Insurance companies.

2. Scope and principles of consolidation
The consolidated financial statements of the Helvetia Patria Group contain the annual accounts at December 31, 2003, of Helvetia Patria Holding and all those companies in which the holding company controls, directly or indirectly, more than 50% of voting rights (the "subsidiaries"). Consolidated subsidiaries of Helvetia Patria Holding are listed in detail in the table below.

Assets and liabilities, income and expenditure for all these companies are fully consolidated.

Holdings in the subsidiaries, Previsión Española and Helvetia CVN, were slightly increased in the year under review.

In the year 2003, the two subsidiaries, Helvetia Grundstückverwaltungs GmbH and Helvetia Vermittlungs- und Grundstückverwaltungs GmbH & Co. KG, were incorporated, both headquarters being in Frankfurt am Main.

The subsidiary Sur SA de Seguros, Seville, transferred its assets and liabilities into Previsión Española, Seville, as a result of their merger.

The Anglo-Saxon capital consolidation method is applied. Assets and liabilities, income and expenditure for all these companies are fully consolidated. Minority interests in shareholders' equity and profit are disclosed separately in the balance sheet and the profit and loss account.

Inter-company receivables and liabilities have been set off, as have all inter-company income and expenditure. All intermediate profits resulting from inter-company asset sales have been eliminated.

Deferred taxation has been applied based on local income tax rates for all revalued items.

Consolidated subsidiaries of Helvetia Patria Group in million

Company	Company's capital	Holding at 31.12.2003
Helvetia Schweizerische Versicherungsgesellschaft, St.Gallen (CHF)	77.5	100.00 %
Patria Schweizerische Lebensversicherungs-Gesellschaft, Basel (CHF)	24.1	100.00 %
Helvetia Beteiligungen, St.Gallen (CHF)	225.7	100.00 %
Helvetia Finance Ltd., Jersey (CHF)	0.1	100.00 %
Helvetia Europe S.A., Luxembourg (EUR)	11.5	100.00 %
Helvetia International Versicherungs-AG, Frankfurt am Main (EUR)	4.0	100.00 %
Helvetia Schweizerische Lebensversicherungs-AG, Frankfurt am Main (EUR)	6.5	100.00 %
Der ANKER Vermögensverwaltung GmbH, Frankfurt am Main (EUR)	0.0	100.00 %
Helvetia Vermittlungs- und Grundstückverwaltungs GmbH & Co. KG, Frankfurt (EUR)	8.3	100.00 %
Helvetia Grundstückverwaltungs GmbH, Frankfurt am Main (EUR)	0.0	100.00 %
Der ANKER, Allgemeine Versicherungs-Aktiengesellschaft, Vienna (EUR)	12.7	99.99 %
Römertor Versicherungsmakler, Immobilien- und Baugesellschaft mbH, Vienna (EUR)	0.0	100.00 %
Marc Aurel Liegenschaftsverwaltungsgesellschaft mbH, Vienna (EUR)	0.0	100.00 %
Helvetia Vita Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A., Milan (EUR)	13.4	100.00 %
Helvetia Life S.p.A., Milan (EUR)	6.8	100.00 %
Helvetia Patria Holding España S.A., Madrid (EUR)	90.3	100.00 %
Helvetia CVN, Compañía Española de Seguros y Reaseguros, Madrid (EUR)	27.6	98.13 %
Previsión Española Sociedad Anónima de Seguros y Reaseguros, Seville (EUR)	11.2	99.16 %
Orfila Inversiones S.A., Seville (EUR)	0.4	100.00 %

3. Foreign currency translation

Income and expense denominated in foreign currencies in the accounts of individual Group companies are recorded at the actual rates ruling on the transaction date; foreign currency balance sheet positions for such companies are translated at the rate ruling on the balance sheet date. The resulting foreign currency exchange differences are shown in the profit and loss accounts.

The financial statements of subsidiaries outside Switzerland are translated into Swiss francs at the rate ruling at the end of the year. Any differences arising from translation are taken straight to Group reserves, with no impact on results for the year.

4. Valuation principles

4.1. Important valuation- and accounting principles

The consolidated financial statements for 2002 and 2003 of the Helvetia Patria Group have been compiled in accordance with the valuation- and accounting methods of Swiss GAAP ARR. The reporting requires estimates and assumptions to be made, which may differ from the actual results. Those estimates and assumptions may have an impact on the reporting for the following areas described in this chapter:

A review of the value of fixed assets including goodwill and other intangible assets is made if there are indicators as a result of changed circumstances or events that have occurred that suggest that book values are too high. A negative difference to the book value is recognized in the shareholders' equity (e.g. real estate) or charged to the income statement (e.g. goodwill). The determination of the value is based on estimates and assumptions by the management. The actually attained values may therefore differ significantly from those estimates.

The allowed treatment of deferring losses on securities has not been applied (ARR 14).

4.2. Investments

Real estate is shown at market value, based on its capitalised rental income at the interest rates applied in the countries and markets concerned. Deferred taxes are shown on the balance sheet under "Reserves for taxes".

Investments in affiliated companies that are immaterial for the consolidation and in **minority holdings** of the Helvetia Patria Group are shown at cost less required depreciation.

Non-consolidated investment in associated companies are recorded at cost or, if applicable, at the lower equity value (minimal value principle).

Shares, other non-fixed interest rate securities, investment funds and derivatives are shown at market value. **Own shares** are valued according to the lower-of-cost-or-market-value principle. Deferred taxes are shown on the balance sheet under "Reserves for taxes".

Fixed-interest-rate securities are recorded at amortised cost, with the difference between the purchase and redemption price spread over the remaining duration. Supplementary depreciation is effected to cover credit risks.

The valuation of **promissory loans, mortgages, policy loans and other loan amounts** is based on their redemption value. Additional depreciation is effected to cover credit risks.

Valuation differences between the market value of shares, other non-fixed interest rate securities and investment funds as shown in the consolidated financial statements and their book value as stated in individual company accounts are recorded in the revaluation reserve, which forms part of shareholders' equity, after the deduction of any deferred taxation amounts. Any differences between the market value and book value in individual accounts of real-estate assets held are similarly treated. All other valuation differences between the consolidated financial statements and the accounts of individual companies are charged or credited in the profit and loss account. All depreciation on investments is charged to the consolidated profit and loss account based on economic principles and requirements.

In individual countries the lower-of-cost-or-market-value principle has been alleviated according to legal provisions and the shareholdings and investment funds are shown at cost value or at last year's book value. The difference to market value is charged or credited to the consolidated profit and loss account in accordance with Group accounting policies (Swiss GAAP ARR 14) – taking into account any deferred taxation.

4.3. Underwriting reserves

All calculations of underwriting reserves comply with the rules and requirements of local regulatory authorities. All such calculations are based on assumed liabilities towards claimants and policyholders.

4.4. Deferred acquisition costs

The deferred acquisition costs of Swiss individual life business, approved by the Federal Office of Private Insurance for the first time in 2002, were assessed at the balance sheet date. The amount totals CHF 208.4 million (previous year: CHF 207.8 million) at the end of 2003. This amount is included in the balance sheet under "Other prepaid expenses".

4.5. Taxes

Taxes on income are calculated based on the profits reported by the Group's companies. Deferred tax liabilities and claims are reported on the basis of the difference between balance-sheet book values and the corresponding tax rates for assets and liabilities according to the tax rates currently in effect. Deferred tax credits are only recognized if setting them off against future tax liabilities is probable.

4.6. Other balance sheet items

Other balance sheet items are shown using those valuation methods applied to individual company accounts.

5. Foreign-currency translations

Key foreign currencies for the Helvetia Patria Group were translated into Swiss francs at the following year-end rates:

Currency translation rates

	31.12.2002	31.12.2003
1 EUR	1.4650	1.5599
1 USD	1.4347	1.2422
1 GBP	2.2786	2.2144

6. Notes to the profit and loss account

6.1. Gross premiums written by country and sector

For details of gross premiums written by national market and insurance sector and type, see pages 44–63.

6.2. Interest income from life and non-life underwriting activities

Net interest income assigned to non-life business derives from the interest earned on premium income and from the interest earned on the average levels of the reserves for claims outstanding, the equalisation reserves and other underwriting reserves.

The net interest income assigned to life business corresponds to the income earned on investments, less interest on the risk capital invested calculated at local rates, which remains in the non-underwriting account.

6.3. Results-linked and non-results-linked policyholders' dividends

A total of CHF 103.4 million (2002: CHF 9.9 million) was charged to the life underwriting profit and loss account for results-linked and non-results-linked dividends to be distributed to policyholders.

6.4. Personnel costs

Expenditure on commissions and personnel is as follows:

Personnel costs in CHF million

	2002	2003
Salaries/commissions	694.4	751.1
Social welfare expenditure	55.6	57.3
Pension plan expenditure	38.3	35.5
Other expenditure on personnel	8.3	8.1
Total expenditure on personnel	796.6	852.0

6.5. Tax expenditure

Tax expenditure in CHF million

	2002	2003
Current tax expenditure	17.8	54.0
Deferred tax expenditure	–6.5	0.8
Total tax expenditure	11.3	54.8

7. Notes to the balance sheet

7.1. Fixed asset movements

In the year under review, fixed asset movements are shown gross, i.e. with cumulative acquisition costs and with cumulative value adjustments.

Bonds

Issuer	CHF million	Interest rate	Issue	Redemption
Helvetia Finance Ltd., Jersey	150.0	2%	2000	16.06.2005

Fixed asset movements in CH million

	Acquistion costs (incl. change in revaluation)									
	Portfolio 1.1.2003	Currency impact	Additions	Disposals	Book transfers	Revaluation changes	Portfolio 31.12.2003	Value adjust-ments 31.12.2003	Net book value 31.12.2003	Net book value 1.1.2003
Intangible assets	176.9	1.1	0.3	0.0	0.0	0.0	178.3	155.8	22.5	117.0
Investments:										
Real estate	4969.2	33.7	216.1	–62.4	0.0	–254.6	4902.1	390.1	4512.0	4642.7
Investments in affiliates	14.4	0.3	0.0	0.0	0.0	0.0	14.7	0.0	14.7	14.4
Non-consolidated holdings	51.5	0.1	2.4	0.0	–12.3	0.0	41.7	37.4	4.3	2.0
Own shares	44.5	0.0	0.0	0.0	0.0	0.0	44.5	0.0	44.5	44.5
Shares, derivatives, other non-fixed-interest-rate securities and investment funds	4594.4	50.2	960.9	–2207.6	–29.7	289.3	3657.5	812.6	2844.9	3295.1
Fixed-interest-rate securities	11256.4	205.4	7343.0	–5654.6	0.0	0.0	13150.2	–66.2	13216.5	11128.6
Promissory loans	671.5	16.0	207.0	–157.3	0.0	0.0	737.2	0.2	737.1	671.3
Mortgages	2974.4	4.7	751.0	–747.9	0.0	0.0	2982.2	12.4	2969.7	2962.9
Policy loans	174.2	1.3	37.5	–54.4	0.0	0.0	158.6	1.3	157.3	173.5
Fixed-term deposits	858.6	13.9	17791.7	–17673.1	0.0	0.0	991.1	0.9	990.1	858.6
Total investments	25609.2	325.7	27309.7	–26557.3	–42.1	34.7	26679.9	1188.7	25491.2	23793.8
Investments for unit-linked life insurance policies	553.8	6.0	23.4	–11.3	42.1	0.0	613.9	6.0	607.9	514.2
Tangible fixed assets/other assets	179.9	11.6	17.8	–23.2	0.0	0.0	186.1	136.5	49.6	51.4
Total	26519.8	344.4	27351.2	–26591.8	0.0	34.7	27658.2	1486.9	26171.2	24476.3

	Value adjustments						
	Portfolio 1.1.2003	Currency impact	Disposals	Transfers	Depreciation	Appreciation	Portfolio 31.12.2003
Intangible assets	59.9	0.8	0.0	0.0	95.1	0.0	155.8
Investments:							
Real estate	326.5	6.8	–3.0	0.0	60.3	–0.5	390.1
Investments in affiliates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-consolidated holdings	49.5	0.0	0.0	–12.4	0.3	0.0	37.4
Own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares, derivatives, other non-fixed-interest-rate securities and investment funds	1299.3	27.6	–547.1	12.4	49.2	–28.7	812.6
Fixed-interest-rate securities	127.8	–135.2	–61.1	0.0	39.6	–37.3	–66.2
Promissory loans	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Mortgages	11.5	0.0	0.0	0.0	1.2	–0.3	12.4
Policy loans	0.6	0.7	0.0	0.0	0.0	0.0	1.3
Fixed-term deposits	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Total investments	1815.4	–99.2	–611.2	0.0	150.6	–66.8	1188.7
Investments for unit-linked life insurance policies	39.7	0.9	0.0	0.0	1.5	–36.1	6.0
Tangible fixed assets/other assets	128.5	8.3	–20.7	0.0	20.4	0.0	136.5
Total	2043.4	–89.2	–632.0	0.0	267.6	–103.0	1486.9

The fixed asset movements may include rounding differences.

Consolidated movements in shareholders' equity in CHF million

	At 1.1.2003	Transfers	Change in revaluation reserve	Profit appro-priation	Currency differences/ revaluation	Results for the year	At 31.12.2003
Share capital	62.9						62.9
Reserves	269.5						269.5
Reserve for own-shares	83.7						83.7
Revaluation reserves	594.4		13.7		13.0		621.1
Retained earnings	398.0			–374.1	–0.5		23.4
Results for the year	–362.0			362.0		92.4	92.4
Total	1 046.5	–	13.7	–12.1	12.5	92.4	1 153.0

The share capital consists of 6 293 000 registered shares with a nominal value of CHF 10.00.

The Board of Directors is authorized – based on the resolution passed by the Shareholders' Meeting on May 9, 2003 – to increase the share capital by a maximum of CHF 31 465 000 by issuing a maximum of 3 146 500 registered shares.

Non-underwriting reserves in CHF million

	At 1.1.2003	Currency impact	Use	Release	Allocation	At 31.12.2003
Reserves for pensions and similar obligations	101.1	6.5	5.8	0.6	14.1	115.3
Reserves for current taxation	20.7	0.0	1.6	8.3	23.2	34.0
Reserves for deferred taxation	368.3	7.7	1.7	24.8	45.0	394.5
Deferred tax credits	0.0	0.0	0.0	0.0	–12.8	–12.8
Other reserves	193.2	3.1	62.9	15.9	107.7	225.2
Non-underwriting reserves	683.3	17.3	72.0	49.6	177.2	756.2

Net underwriting reserves in CHF million

	At 1.1.2003	Currency impact	Use	Release	Allocation	At 31.12.2003
Reserves for unearned premiums	628.4	22.7	3.6	559.3	613.0	701.2
Actuarial reserves	17 858.9	170.6	0.0	485.3	1 461.8	19 006.0
Reserves for benefits outstanding	2 276.7	77.8	153.9	1 149.2	1 433.4	2 484.8
Reserves for policyholders' dividends	249.2	4.9	93.3	0.4	83.5	243.9
Reserves for unit-linked life insurance policies	510.2	5.0	0.0	18.4	95.9	592.7
Other underwriting reserves	291.8	8.3	0.2	107.1	139.1	331.9
Underwriting reserves	21 815.2	289.3	251.0	2 319.7	3 826.7	23 360.5

Derivative financial instruments in CHF million

	Contractual value at 31.12.2002	Gross positive repurchase value at 31.12.2002	Gross negative repurchase value at 31.12.2002	Contractual value at 31.12.2003	Gross positive repurchase value at 31.12.2003	Gross negative repurchase value at 31.12.2003
Derivatives on shares	2 228.6	162.8	–3.9	1 363.3	0.2	–7.6
Derivatives on interest	160.0	17.6	–0.2	66.1	0.1	–0.5
Derivatives on currencies	0.0	0.0	0.0	4795.1	18.6	0.0

7.2. Real estate

The CHF 4.5 billion (2002: CHF 4.6 billion) market value of real estate as stated on the consolidated balance sheet compares with a total book value of CHF 3.7 billion (2002: CHF 3.6 billion) based on individual company accounts.

7.3. Non-consolidated holdings

The increase by CHF 2.0 million mainly consists of purchases of participations in distribution- and operating companies.

7.4. Shares, derivatives, other non-fixed-interest-rate securities and investment funds

Shares, derivatives, other non-fixed-interest-rate securities and investment funds were valued at an aggregate CHF 2.4 billion (2002: CHF 3.1 billion) in individual companies' accounts, where they are shown at the lower-of-cost-or-market value.

7.5. Fixed-interest-rate securities

The market value of fixed-interest-rate securities, which are shown at amortized cost, amounted to CHF 13.5 billion (2002: CHF 11.7 billion). The valuation margin that is not included in the revaluation reserves (shareholders' equity) amounts to CHF 276.9 million (2002: CHF 471.3 million).

7.6. Consolidated movements in shareholders' equity

The consolidated shareholders' equity of the Helvetia Patria Group increased by a total of CHF 106.5 million in 2003 (decrease in 2002: CHF 473.2 million). (Please see table on page 85 for details.)

7.7. Reserve structure

(Please see tables on page 85 for details.)

7.8. Debt outstanding

The Helvetia Patria Group has a convertible bond outstanding, issued by the finance company Helvetia Finance Ltd., Jersey, and guaranteed by the Helvetia Patria Holding. In the year 2003, the conversion price was reduced from CHF 381.00 to CHF 331.50 (reset function). (Please see table on page 84 for details.)

7.9. Post-employment benefit obligations

Employees of the Group companies are covered under various pension plans with different benefits: In Switzerland, in addition to the mandatory plan there is a defined contribution plan with benefits that exceed the legal minimum; in the branches and subsidiaries abroad, there are a number of pension plans which may be either defined benefits or defined contribution plans. The reserves for pension obligations are set up following local laws and regulations.

The consolidated balance sheet contains pension commitments and other liabilities towards staff pension schemes amounting to CHF 103.9 million (2001: CHF 101.6 million).

The employer's contribution reserve in a welfare foundation amounts to CHF 21.8 million (2002: CHF 22.4 million) at December 31, 2003.

7.10. Securities Lending

Securities with a book value of CHF 1 109.9 million (2002: CHF 418.7 million) were committed to securities lending transactions at the balance sheet date.

7.11. Derivatives and other financial instruments

Derivatives and other financial instruments are used to limit the risks associated with certain assets, liabilities and fixed commitments and obligations. Profits or losses from derivatives and other financial instruments are taken straight to the profit and loss account together with the realized or unrealized loss or gain on the position to which they refer. (Please see table on page 85 for details.)

7.12. Capital commitments and other liabilities

Capital commitments for the future acquisition of investments amount to CHF 153.1 million at the balance sheet date (2002: CHF 204.7 million).

Within its regular business activities the Group concluded an outsourcing contract in Switzerland with the following fixed commitments for the next three years:

At 31 December 2003:	in CHF million
2004	9.0
2005	8.2
2006	7.2
Total	24.4

7.13. Goodwill

The goodwill qualified to be capitalized is calculated and capitalized following Group-wide accounting principles. Until now a straight-line method of depreciation was applied over 10 years.

Given the prudence concept applied and the assessment of the carrying value of goodwill a charge for impairment of value in the amount of CHF 74.5 million – in addition to the ordinary straight-line depreciations of CHF 16.3 million – is considered economically justified based on the strategic plans carried out. The remainder of capitalized goodwill amounts to CHF 22.5 million (2002: CHF 112.9 million) and is included in the balance sheet position "Intangible assets".

8. Transactions with affiliated persons

The Patria Genossenschaft, the largest shareholder of the Helvetia Patria Holding, deposited the amount CHF 25.0 million (2002: CHF 15.0 million) into the reserve for policyholders' dividends of Patria Leben.

Report of the Group Auditors

to the Shareholders' Meeting of Helvetia Patria Holding, St.Gallen

As auditors of the Group, we have audited the consolidated financial statements (profit and loss account, balance sheet, cash flow statement and notes pages 74 to 87 of Helvetia Patria Group for the year ended 31 December, 2003.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of the operations and the cash flows in accordance with Swiss GAAP ARR and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, March 19, 2004
Ernst & Young Ltd

Peter Coats
Chartered Accountant

Martin Welser
Certified Accountant (In charge of the audit)

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Financial statements for Helvetia Patria Holding

Profit and loss account in CHF thousand

	2002	2003	Change
Investment earnings	0	24 149	
Services received from affiliates	0	–34	
Services rendered to affiliates	402	393	
Interest paid on loans	–488	–413	
Interest received on loans	0	147	
Result before taxation	–86	24 242	–
Taxation	–158	–126	
Result after taxation	–244	24 116	–

Balance sheet

	31.12.2002	31.12.2003	Change
Assets:			
Investments	545 010	545 010	
Total assets	545 010	545 010	0.0%
Liabilities:			
Shareholders' equity before appropriation of profit:			
Share capital	62 930	62 930	
Reserve for own-shares	83 741	83 741	
Other statutory reserve	269 449	269 449	
Profit carried forward	15 906	3 076	
Net result for the year	–244	24 116	
Shareholders' equity before appropriation of profit	431 782	443 312	2.7%
Liabilities toward Group companies	113 046	101 503	
Accrued liabilities	182	195	
Total liabilities	545 010	545 010	0.0%

Proposal for the appropriation of the net profit

	31.12.2002	31.12.2003
Result after taxation	–244	24 116
Balance carried forward	15 906	3 076
Profit available for distribution	15 662	27 192
Dividend (2002: CHF 2.00; 2003: CHF 4.00 per registered share)	12 586	25 172
Profit carried forward	3 076	2 020

Notes to the financial statements of Helvetia Patria Holding

1. Investments

Helvetia Patria Holding held direct investments in the following companies on the balance sheet date:

Investments of Helvetia Patria Holding in CHF million

Company	Company's capital in million	Holding at 31.12.2003
Helvetia Schweizerische Versicherungsgesellschaft, St.Gallen	77.5	75.30%
Patria Schweizerische Lebensversicherungs-Gesellschaft, Basel	24.1	100.00%

The investments in Helvetia Schweizerische Versicherungsgesellschaft and in Patria Schweizerische Lebensversicherungs-Gesellschaft were transferred to Helvetia Patria Holding under the non-cash contribution agreement of June 3, 1996 and the public takeover offer of June 10, 1996 (see also Articles 26 to 29 of the Articles of Incorporation).

Patria Schweizerische Lebensversicherungs-Gesellschaft itself holds a 24.7 per cent equity stake in Helvetia Schweizerische Versicherungsgesellschaft.

2. Income from investments

The income shown for Helvetia Patria Holding corresponds to the dividend that will be simultaneously paid to Helvetia Patria Holding by its subsidiary, Helvetia Schweizerische Versicherungsgesellschaft, from its 2003 operating result.

3. Own shares

At the balance sheet date, subsidiaries of Helvetia Patria Holding held 291 136 Helvetia Patria Holding registered shares (2002: 291 136 such shares). These shares are held in a deposit for the 2% convertible bond issued by Helvetia Finance Ltd., Jersey. A corresponding own-shares reserve is reported in the shareholders' equity.

4. Approved capital increase

The Board of Directors is authorized – based on the resolution passed by the Shareholders' Meeting on May 9, 2003 – to increase the share capital by a maximum of CHF 31 465 000 by issuing a maximum of 3 146 500 registered shares. Please refer to pages 20 ff "The corporate governance and control" in this Annual Report for more details on the approved capital increase.

5. Guarantee Obligation

Helvetia Patria Holding has undertaken to guarantee the 2% convertible bond, issued by Helvetia Finance Ltd., Jersey, up to the amount of the face value that has not yet been converted, including outstanding interest payments. The outstanding face value stands at CHF 150 million at the balance sheet date.

6. Shareholders owning more than 5% of share capital

Two shareholders were entered in the share register as owning more than 5% of the share capital on December 31, 2003: Patria Genossenschaft (39.7%) and Münchener Rück Group (10.5%).

Report of the statutory auditors

to the Shareholders' Meeting of
Helvetia Patria Holding, St.Gallen

As statutory auditors, we have audited the accounting records and the financial statements (profit and loss account, balance sheet and notes pages 89/90) of Helvetia Patria Holding for the year ended 31 December, 2003.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Zurich, March 19, 2004
Ernst & Young Ltd

Peter Coats
Chartered Accountant

Martin Welser
Certified Accountant (In charge of the audit)

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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	1985104	1162045	1288966
Net change in reserves for unearned premiums	–16908	–190767	–208195
Net earned premium	1968196	971278	1080771
Net interest income assigned to non-life activities	130099	65812	63519
Net claims paid			
Claims paid, net	–1211945	–592975	–610110
Change in reserves for claims outstanding, net	–97047	–49353	–70994
Net claims paid	–1308992	–642328	–681104
Change in other underwriting reserves	–530	–1821	–2562
Net expenditure on results-linked and non-results-linked policyholders' dividends	–1273	–206	–324
Net change in equalisation reserve	–17425	–23081	–28613
Net underwriting expenses			
Gross underwriting expenses	–670109	–338038	–368917
Commissions and profit share received from reinsurers	55513	31839	26509
Net underwriting expenses	–614596	–306199	–342408
Other underwriting expenditure	–23400	–2998	–14538
Result from non-life underwriting activities	132079	60457	74741

Life underwriting in CHF thousand	31.12.03	30.06.03	30.06.04
Net earned premiums			
Net written premiums	3085083	2166156	1630435
Net change in reserves for unearned premiums	–5310	–311149	–343909
Net earned premium	3079773	1855007	1286526
Net interest income assigned to life activities	790616	369000	375970
Funds transferred from policyholders' dividends reserve	27845	26228	1241
Net benefits paid:			
Benefits paid, net	–2360779	–1347750	–1594864
Change in reserves for benefits outstanding, net	–28656	55689	45373
Net benefits paid	–2389435	–1292061	–1549491
Net change in actuarial reserves, net	–1055487	–765576	111408
Net change in other underwriting reserves	–13645	0	–5000
Net underwriting expenses			
Gross underwriting expenses	–313364	–175342	–140792
Commissions and profit share received from reinsurers	7508	1396	3592
Net underwriting expenses	–305856	–173946	–137200
Other net underwriting expenditure, net	–841	–147	–121
Result from life underwriting activities before policyholders' dividend distribution	132970	18505	83333
Net expenditure on results-linked and non-results-linked policyholders' dividends	–103408	–46667	–63247
Result from life underwriting activities	29562	–28162	20086

* unaudited

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

* unaudited

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 396127	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

* unaudited

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.

In 2004, the new Swiss GAAP ARR 24 for the disclosure and presentation of own shares has been introduced. Until 2003, own shares were recorded at the lower of cost and market under "assets". With the application of the new standard, treasury shares are stated as a deduction to shareholders'equity at historical cost.

This change in policy has been reflected in the 2004 consolidated interim financial statements and resulted in a reduction of shareholders' equity as at June 30, 2004 of CHF 44.5 million, representing the amount that was recorded as an asset in the 2003 consolidated financial statements.

For future changes in accounting policies see page 33.

Helvetia Patria Holding

Profit and loss account	2003	30.06.03	30.06.04
	in 1000 CHF	in 1000 CHF	in 1000 CHF
Investment earnings	24149	0	0
Interest paid on bond outstanding	0	0	0
Expenditure on bond issue	0	0	–1670
Services received from affiliates	–34	0	16
Services rendered to affiliates	393	197	194
Interest paid on loans	–413	–36	–121
Interest received on loans	147	0	344
Result before taxation	24242	161	–2154
Taxation	–126	–97	0
Result after taxation	24116	64	–2154

Helvetia Patria Holding

Balance Sheet	2003	30.06.03	30.06.04
	in 1000 CHF	in 1000 CHF	in 1000 CHF
Assets			
Investments	545010	545010	695037
Other receivables	0	0	2
Total assets	545010	545010	695039

	2003	30.06.03	30.06.04
	in 1000 CHF	in 1000 CHF	in 1000 CHF
Liabilities			
Shareholders' equity before appropriation of profit			
Share capital	62930	62930	62930
Reserve for own-shares	83741	83741	83741
Other statutory reserve	269449	269449	269449
Profit carried foreward	3076	3076	2020
Net result of the year	24116	65	–2154
Shareholders' equity before appropriation of profit	443312	419261	415985
Liabilities toward Group companies	101503	125374	77770
Bond outstanding	0	0	200000
Accrued liabilities	195	375	1284
Total liabilities	545010	545010	695039

Notes:

– In May 2004 a bond was issued with CHF 200 million nominal value and a coupon of 3% with maturity in 2010.

– In May 2004 the Helvetia Patria Holding increased the share capital of Patria Leben by CHF 150027150.

DEFINITIONS

"AHV"	means old-age and survivors insurance *(Alters- und Hinterlassenen Versicherung)*, or Swiss Federal Old-Age and Survivors Insurance Statute of 1946, effective as of January 1 1948 *(Bundesgesetz über die Alters- und Hinterlassenenversicherung)*, as the case may be
"ALM"	means asset and liability management
"Articles of Incorporation"	means the current articles of incorporation of the Company adopted on May 9, 2003
"Australia"	means the Commonwealth of Australia
"Board of Directors" or "Board"	means the board of directors of the Company
"Business Day"	means any day (other than Saturday and Sunday) on which banks are open for the whole day for business in Zurich
"BVG"	means Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of 1982, effective as of January 1, 1985 *(Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge)*
"Capital Increase"	means a capital increase of the Company, under which the Offered Shares, which are being offered by the Company, will be created as newly issued registered shares of the Company with a par value of CHF 10 each, based on the existing authorized capital of the Company and expected to be registered with the Commercial Register of St. Gallen on December 13, 2004.
"CEO"	means Chief Executive Officer
"CET"	means central European time
"CFO"	means Chief Financial Officer
"CHF"	means Swiss Francs, the legal currency of Switzerland
"CIO"	means Chief Investment Officer
"Clearstream"	means Clearstream Banking, Société Anonyme, Luxembourg
"Commercial Register"	means the Commercial Register of the Canton of St. Gallen
"Company" or "Helvetia Patria"	means Helvetia Patria Holding
"Corporations Act"	has the meaning set fort on page iv of the Prospectus
"DAC"	means deferred acquisition cost
"ELG"	means Swiss Federal Law on Supplementary Old-Age and Survivors Insurance of 1965, effective as of January 1, 1966 *(Bundesgesetz über Ergänzungsleistungen zur Alters-, Hinterlassenen- und Invalidenversicherung)*
"Entitlements"	means the tradeable rights to receive Offered Shares "if and when issued" as more fully described in "Offering – Allotment of Entitlements".
"Entitlement Sale"	means the sale of Entitlements by the Managers as more fully described on page 96 of this Prospectus.

"EU"	means the European Union
"EUR", "Euro" or "€"	means the common currency of certain Member States of the European Union introduced January 1, 1999
"Euroclear"	means Euroclear Bank S.A./N.V., as operator of the Euroclear system
"Existing Shares"	means the shares with a nominal value of CHF 10 each in the Company issued and outstanding as at the date hereof
"FBC"	means Swiss Federal Banking Commission
"FDF"	means Swiss Federal Department of Finance *(Eidgenössisches Finanzdepartement)*
"FOPI" ***(Bundesamt für Privatversicherungen)***	means the Federal Office of Private Insurance, the supervisory and regulatory authority assigned by the Swiss Federal Council to monitor private insurance companies
"FTE(s)"	means full-time equivalent
"FZG"	means the Swiss Federal Act on Vesting in Occupational Pension Plans of 1993, effective as of January 1, 1995 *(Bundesgesetz über die Freizügigkeit in der beruflichen Alters-, Hinterlassenen- und Invalidenvorsorge)*
"GAAP"	means Generally Accepted Accounting Principles
"GRV"	means Group reinsurance
"Group Executive Management"	means the management of the Group as set forth in the section entitled "Management – Group Executive Management"
"Helvetia Patria", or "Company"	means Helvetia Patria Holding
"Helvetia Patria Group" or the "Group"	means the Company and its subsidiaries
"Helvetia Previsión"	means Helvetia Previsión Sociedad Anónima de Seguros y Reaseguros
"Helvetia Versicherungen"	means Helvetia, Schweizerische Versicherungs-Gesellschaft
"Helvetia Vita"	means Helvetia Vita Compagnia Italo Svizzera di Assicurazioni sulla Vita S.p.A.
"IAS"	see, IFRS
"IASB"	means International Accounting Standards Board
"IASC"	means International Accounting Standard Committee
"IFRS"	means International Financial Reporting Standards, until 2002 called International Accounting Standards ("IAS")
"Investment Professionals"	means persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments for the purposes of their businesses
"ISVAP"	means the insurance regulator in Italy, *Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo*
"IT"	means information technology

"IV"	means disability insurance *(Invalidenversicherung)*, or Swiss Federal Disability Insurance Statute of 1959, effective as of October 15, 1959 *(Bundesgesetz über die Invalidenversicherung)*, as the case may be
"Lead Manager"	means Credit Suisse First Boston
"LeVG"	means the Swiss Federal Act on Non-Life Insurance of 1993, effective as of January 1, 1994 *(Bundesgesetz über die direkte Lebensversicherung)*
"Listing Rules"	means the listing rules of the SWX
"Management"	means the Board of Directors and the members of the Group Executive Management of the Company
"Managers"	means the Lead Manager and the members of the underwriting syndicate to the Offering noted on the frontpage of this Prospectus
"Non-Swiss Persons"	means persons resident in, or who are citizens of, jurisdictions other than Switzerland
"Notices"	means notices required under the Listing Rules that are published by the Company and expressly amend this Prospectus
"Offered Shares"	means the 2,359,875 Shares offered pursuant to the Offering
"Offering"	means the offering of the Offered Shares as described herein
"Offer Price"	means the price per Offered Share
"Organization Regulations"	means the organization regulations (*Organisationsreglement*) of the Helvetia Patria Group as of February 20, 2004
"Patria Genossenschaft"	means Patria, Schweizerische Lebensversicherungs-Gesellschaft auf Gegenseitigkeit
"Prospectus"	means this offering circular and listing prospectus
"Record Date"	means November 29, 2004 after close of trading on the SWX
"Regulation S"	means Regulation S under the Securities Act
"Rights"	means the tradeable pre-emptive rights of shareholders in the Company to purchase three Offered Share at the Offer Price for eight Existing Shares held (*Bezugsrecht*)
"Rights Certificates"	means Rights, represented by certificates issued by the Company's share register
"Rights Exercise Period"	means the period from November 30, 2004 until 12.00 noon (CET) on December 8, 2004 during which the Rights may be exercised
"Rights Offering"	means a rights offering in which the existing shareholders of the Company receive Rights
"Rights Trading Period"	means the period from November 30, 2004 until December 7, 2004 during which the Rights may be traded on the SWX
"Relevant Person(s)"	has the meaning set forth on page iii of the Prospectus
"RSM"	means the required solvency margin

"Shareholders' Pool	means a pool of shareholders consisting of Patria Genossenschaft (39.7%; 2,500,708 number of shares), Vontobel Beteiligungen AG (3.2%; 197,944 number of shares) and Schweizer Verband der Raiffeisenbanken (2.1%; 131,972 number of shares) holding 45% of the Company's share capital and voting rights
"SchVG"	means the Swiss Federal Act on Non-Life Insurance of 1992, as amended, effective as of January 1, 1993 *(Bundesgesetz über die Direktversicherung mit Ausnahme der Lebensversicherung)*
"SEC"	means the U.S. Securities and Exchange Commission
"Securities Act"	means the U.S. Securities Act of 1933, as amended
"SESTA"	means the Swiss Federal Act on Stock Exchanges and Securities Trading of 1995, effective as of February 1, 1997 *(Bundesgesetz über die Börsen und den Effektenhandel)*
"Shareholder(s)"	means the holders of shares with a nominal value of CHF 10 each in the capital of the Company
"Shares"	means shares with a nominal value of CHF 10 each in the Company
"SIS"	means SIS SegaInterSettle AG
"SIS System"	means the SIS system
"SME"	means small and medium-sized enterprises
"SPI®"	means Swiss Performance Index which is one of the main overall market indices in Switzerland, defined as a free-float market capitalization index adjusted for dividends, which includes all equity securities of companies domiciled in Switzerland or the Principality of Liechtenstein that are listed and traded on the SWX
"SSR"	means the statutory solvency ratio
"SST"	means the Swiss Solvency Test
"Swiss GAAP ARR"	means the Swiss accounting and reporting recommendation *(Fachempfehlung zur Rechnungslegung)*
"SWX"	means SWX Swiss Exchange
"Trading Day"	means any day (other than Saturday and Sunday) on which SWX is open for business and Shares may be dealt in
"Underwriting Agreement"	the Subscription and Underwriting Agreement entered between the Company and the Lead Manager and the Managers on November 24, 2004 under which the Lead Manager, acting for himself and on behalf of the other Managers have severally, but not jointly, agreed to subscribe for any Offered Share not taken up in the Rights Offering and not sold in the Entitlement Sale pursuant to the terms and subject to the satisfaction of certain conditions set forth therein
"UK" or "U.K."	means the United Kingdom
"U.S." or "United States"	means the United States of America, its territories, possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction

"USD", "US$" or "$"	means United States dollars
"UVG"	means the Swiss Federal Act on Accident Insurance of 1981, as amended, effective as of January 1, 1984 *(Bundesgesetz über die Unfallversicherung)*
"VAG"	means the Swiss Federal Act on the Supervision of Private Insurance Companies of 1978, as amended, effective as of January 1, 1979 *(Bundesgesetz betreffend die Aufsicht über die privaten Versicherungseinrichtungen)*

GLOSSARY OF SELECTED INSURANCE TERMS

Actuarial reserve
Underwriting provisions made in the life insurance sector which are calculated on the basis of official regulations and, together with future premiums, ensure that sufficient funds are available to pay all claims to which an insuree may be entitled.

AHV
(Bundesgesetz über die Alters- und Hinterlassenenversicherung)
Mandatory state insurance under Swiss federal laws to provide future cover for basic subsistence requirements and giving benefits coverage for old age and death for the entire population (first pillar).

Annuity
A contract that pays a periodic income benefit for the life of a person (the annuitant) or for a specified number of years, or a combination of the two, in return for a single premium payment or a series of premiums. Immediate annuities provide income from the date the policy is taken out and deferred annuities provide income at a future specified date.

Benefit
Amount paid by the insurer to the insuree in life insurance if the insured event occurs.

BVG
(Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge)
Swiss federal law on occupational retirement, survivors' and disability pension plans obliging employers to insure their employees with an employee benefits institution for enterprises, state administrative offices and associations, or at a similar institution and to assume at least half of the contributions with the purpose of enabling aged persons, dependants and disabled persons to maintain their standard of living when combined with Swiss Federal Social Security benefits (AHV/IV) (second pillar).

Claim
Amount paid by the insurer to the insuree in non-life insurance if the insured event occurs.

Claims ratio
The ratio of claims incurred (including changes to equalization reserves) to net premiums earned.

Claim reserves
Reserves established by an insurer and reflected on its balance sheet to reflect the estimated cost of payments for claims for which the insurer ultimately will be required to indemnify the insurer in the future for claims occurring on or prior to the balance sheet date on insurance it has written.

Combined ratio 'all in'
The combined ratio 'all in' reported comprises the claims ratio 'all in' and the expense ratio 'all in' (claims paid including changes in reserves for claims outstanding gross or net plus net change in other underwriting reserves plus net expenditure on policyholders' dividends plus net change in equalization reserve plus underwriting expenses gross or net plus other net underwriting expenditure) as a percentage of gross or net earned premiums). The combined ratio 'all in' is used to evaluate the profitability of the non-life insurance business before underwriting investment income is taken into consideration.

Convertible bond
A fixed-interest security whose bonds are convertible into Helvetia Patria Holding shares according to pre-set conditions and terms.

Co-ordinated salary
The part of an employee's annual salary exceeding CHF 25,320 (100% AHV retirement pension) up to a ceiling of CHF 75,960 (300% of AHV retirement pension), which must be insured in accordance with the BVG.

Direct business
All insurance policies concluded by Helvetia Patria with clients who are not insurers themselves.

ELG
(Bundesgesetz über die Ergänzungsleistungen zur Alters-, Hinterlassenen- und Invalidenversicherung)
Swiss Federal law on supplementary benefits, provided in accordance with the AHV and IV to which Swiss citizens who are usually resident in Switzerland are entitled, as long as their qualifying annual income does not exceed a defined limit.

Eligible equity
Eligible equity is the reference magnitude for the coverage of the solvency margin. It consists mainly of the sum of the paid-up share capital, the free and statutory reserves, the profit and loss brought forward and additional elements.

Embedded value
A measure of a life insurance company's value of in-force life business and net assets.

Endowment insurance
Insurance where benefits are not only paid immediately in the event of death of the insured person but also on his or her survival at the term of the policy.

Equalization reserve
Underwriting reserves designed to balance out extremes in annual claims payments. Additions to and withdrawals from the equalization reserve are based on mathematical models stipulated by the relevant supervisory authorities.

Expense ratio
The ratio of operating expenses (acquisition expenses and administration expenses) to net earned premiums.

Fixed-interest-rate securities
Securities (such as bonds) on which a fixed and constant interest is paid for their entire duration.

Frequency
The number of claims occurring under a given coverage divided by the number of exposures for the given coverage.

Fund-linked life insurance policies
See "unit-linked life insurance policies".

FZG
(Freizügigkeitsgesetz)
Swiss Federal law of 1995 on vested benefits providing for the full vesting of benefits by setting the rules for the transfer of savings capital, accumulated under a former employer's pension plan, for example, when transferring to a new employer's pension plan.

Gross written premiums
Total premiums (whether or not earned) for insurance contracts written or assumed (including deposits for contracts with an insignificant amount of mortality and morbidity risk) during a specified period, without deduction for premiums ceded.

Incurred but not yet reported ("IBNR") reserves
Reserves for estimated claims/losses and LAE which have been incurred but not yet reported to the insurer, including future development of claims which have been reported to the insurer but where the established reserves may ultimately prove to be inadequate.

Indirect business
Companies involved in direct business – the original insurer – will often not wish to bear the entire risk alone, but will prefer to pass on some of it to a reinsurer. Like most companies active in the direct insurance business, Helvetia Patria also acts as a reinsurer, and assumes part of the risk from other original insurers. These reinsurance transactions are known as indirect business.

Individual insurance
Insurance policy concluded with one person.

IV ***(Invalidenversicherung)***

Disability insurance. Mandatory state insurance for all persons within the AHV framework, covering expected permanent or long-term loss of earnings capacity resulting from physical or mental damage due to a congenital defect, illness or an accident.

Lapse

Termination of a policy because of surrender, failure to pay a premium or lack of sufficient cash value to maintain in-force status.

Life insurance policy

Risk insurance policy intended as protection against the financial consequences of the death or disability of the insured person that takes the form of a previously agreed lump sum or pension to a beneficiary if the insured person dies, or becomes disabled, during the term of the insurance. For pure life insurance, without an endowment insurance element, no payment is due if the insured person survives the term of the insurance.

Loss

An insured event that is the basis for submission and/or payment of a benefit under an insurance policy. Losses may be covered, limited or excluded from coverage, depending on the terms of the policy.

Loss adjustment expenses (“LAE”)

The expenses of investigating and settling claims, including certain legal and other fees, and the expenses of administering the claims adjustment process.

Loss ratio

The ratio of a non-life insurance or reinsurance company’s net incurred losses and LAE to net earned premiums.

Loss reserves

Reserves established by an insurer or reinsurer and reflected on its balance sheet to reflect the estimated cost of payments for claims for which the insurer or reinsurer ultimately will be required to indemnify insureds or reinsureds in the future in respect of losses occurring on or prior to the balance sheet date on insurance or reinsurance it has written and that has been earned. Loss reserves are composed of individual case reserves for reported claims and IBNR reserves.

Mandatory BVG business

The part of the Group’s group life insurance business relating to the compulsory insurance of an employee’s co-ordinated salary, against the risks of old-age, disability and death. The retirement credits (statutory prescribed percentage of annual salary) depend on the age and gender of the employee. Average contributions amount to 12% of the insured’s income.

Morbidity

Frequency of disability, illness, sickness and diseases contracted.

Mortality

Frequency of death.

Net claims/benefits paid

The total of all insurance claims/benefits paid in the year under review, with due regard to changes in the reserves for claims outstanding.

Net expenditure on claims/benefits

Total of all claims/benefits paid in the course of the year and changes to reserves for claims outstanding in non-life business, plus reserves for claims outstanding in life business, less the portion of such claims assumed by reinsurers.

Net expense ratio

The ratio of net underwriting expenditure to net premiums earned.

Net premiums earned

The net premiums earned from total business (i.e. gross premiums less premiums ceded to reinsurers) within a financial year, with due regard to changes in the reserves for unearned premiums.

Non-life insurance

Any insurance that is not life insurance, generally renewable annually, such as accident, motor vehicle, property or casualty insurance.

Non-mandatory BVG business The part of the Group's group life insurance business relating to that part of an employee's salary exceeding the co-ordinated salary and which can be insured on a voluntary basis.

Occupational pension plan A pension scheme sponsored by an employer. Under the BVG, employers are required to make at least 50% of the total contributions.

Periodic premium Premium paid on an insurance policy at regular intervals.

Premium Amount paid by an insuree to an insurer for the protection and benefits provided.

Premiums earned That portion of gross premiums written in current and past periods applying to the expired portion of the policy period.

Premium reimbursement Some insurance policies provide that part of the premium may be returned to the client as a policy dividend at times when few claims have incurred.

Reinsurance The practice whereby the reinsurer, in consideration for premiums received, agrees to indemnify the ceding insurer for all or a portion of the risk under an insurance policy or policies issued by the ceding insurer. The legal rights of the insured generally are not affected by the reinsurance transaction, and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits.

Reinsurance deposits Original insurers always retain part of the reinsurance premium as a security for any claims they may themselves need to make. Since Helvetia Patria both assumes and cedes reinsurance, these items appear on the balance sheet under both assets and liabilities.

Reinsurance premium Amount paid by an insurer to a reinsurer in exchange for the latter's assumption of part of a policy's risk.

Reinsurer Insurance company that assumes part of the risk of an insurance concluded by another insurance company.

Reserves Liabilities established by insurers and reinsurers that generally represent estimated cost of claims, repayments or contract liabilities and the related expenses that the insurer or reinsurer will ultimately be required to pay for insurance or reinsurance it has written.

Reserves for claims outstanding Since not all claims will be settled by the end of the financial year in which they arise, provisions must be made on the balance sheet for the amounts these claims (or claims likely to be incurred but not yet received) may require. This item is known as the reserves for claims outstanding. Changes to the reserves for claims outstanding are shown in the profit and loss account.

Reserves for unearned premiums In many cases, the insurance period for which a premium is paid in advance and during which the insurance company bears the risk does not correspond with the financial year. That part of the premium relating to the next financial year will not have been earned by the end of the current one, even though the money has already been received. This amount must therefore be placed in the "reserves for unearned premiums", which appear on the balance sheet under underwriting reserves. All changes to reserves for unearned premiums are shown in the profit and loss account.

Results-linked and non-results-linked policyholder's dividend The positive difference between actual and guaranteed interest and between a policy's theoretical and actual benefits and costs is returned to the insuree in the form of a dividend. Dividends are particularly common in the life insurance business.

Retirement credit *(Altersgutschrift)*
Amount paid to an insured person under the BVG that is dependent on age and sex, calculated annually as a percentage of the co-ordinated salary and used to calculate the retirement savings.

Retirement pension *(Altersrente)*
Retirement benefit in the form of a pension to which a participant who has reached the retirement age will be entitled and which is calculated as a percentage of the accumulated retirement savings upon attainment of retirement age.

Return on equity (excluding revaluation reserve)
Profit/loss after taxation and minority interests as a proportion of shareholders' equity as shown on the consolidated balance sheet, excluding changes to the revaluation reserve.

Return on equity (including revaluation reserve)
Profit/loss after taxation and minority interests as a proportion of shareholders' equity as shown on the consolidated balance sheet, including changes to the revaluation reserve.

Revaluation reserve
The difference between the market value and the balance sheet value of shares, investment funds and real estate, which is taken directly to shareholders' equity after deferred taxation has been deducted.

Single premium
The premium paid at the beginning of an insurance policy and on which no further premiums have to be paid.

Solvency margin or required solvency margin
The required solvency margin indicates the minimum level of solvency an insurer needs to have covered by the eligible equity. The required solvency margin for non-life insurers is calculated on the basis of either the aggregate annual insurance premiums or the average claims paid over the past three years, whichever is higher. Depending on the classes of insurance conducted, the solvency margin for life insurers is calculated in relation to the technical reserves, the sum at risk, and part of the premium income, adjusted by reinsurance.

Technical interest rate
Guaranteed crediting rate to policyholders embedded within most traditional life insurance contracts. May be either a statutory obligation or an element of the product contract.

Technical reserves/provisions
The reserves set up in order to pay claims in the future (sometimes known as the "book" especially for life business).

Term life insurance
Policies entered into for a fixed number of years for protection against clearly defined risks.

Three Pillar System
In Switzerland, the concept embodied in the Swiss Federal Constitution of ensuring protection or security for retirement, death and disability on the basis of: (i) state benefits under the Swiss Federal Social Security system by way of AHV (retirement and death insurance), IV (disability insurance) and EL (supplementary retirement insurance) which is funded by state taxes and social security contributions of both the employer and the employee on a pay-as-you-go basis (first pillar); (ii) mandatory occupational retirement, death and disability benefits under the BVG for protecting accustomed standard of living (second pillar); and (iii) individual arrangements on an optional basis (third pillar).

Traditional life insurance
Traditional life insurance contracts conventionally offer a mix of a guaranteed fixed return plus an element of the fund surplus, which is shared between policyholders and shareholders. Distinct from unit-linked products where the policyholder bears the bulk of the investment risk.

Underwriting

The process whereby an insurer or reinsurer reviews applications submitted for insurance or reinsurance coverage and determines whether it will provide all or part of the coverage being requested for an agreed premium.

Underwriting reserves

Total amount of reserves for unearned premiums, life insurance reserves and annuity reserves, reserves for claims outstanding, reserves for premium reimbursements and other underwriting reserves, appearing under liabilities on the balance sheet.

Unit-linked life insurance policies

Life insurance policies in which the insurer invests the insuree's savings capital on the account of and at the risk of the insuree. Most unit-linked life insurance policies are so-called fund-linked products in which the insurees can select the type of investment they desire from a range of investment funds.

UVG
(Bundesgesetz über die Unfallversicherung)

The Swiss federal law on mandatory insurance for employees who work in Switzerland to cover benefits in the event of occupational and non-occupational accidents and occupational illness.

HELVETIA
PATRIA