Letter to Shareholders

1/05

Ladies and Gentlemen!
The Helvetia Patria Group generated a profit of CHF 158.7 million after taxes in 2004 and thus exceeded the already very good prior-year level by CHF 66.3 million or 71.8 per cent. All Group companies contributed to this excellent result.

The largest profit contribution comes from the non-life business that added CHF 142.8 million (+8.2 per cent) before taxes to the overall result. This pleasing outcome is even more significant due to the fact that the good loss experience allowed us to endow the local equalisation reserves with an additional amount of CHF 35.3 million.

The life business reaped the benefits of both, the better framework in the occupational benefits segment in Switzerland and the restructuring measures initiated in the prior year. A sector result of CHF 38.4 million (+29.8 per cent) before taxes is proof of the significant progress achieved. This result contains various elements. An amount of CHF 20.9 million for increased expenditure on results-linked and non-results-linked policyholders' dividends is included. The interest rates applied to the calculation of the actuarial reserves were adjusted to the changed capital market conditions, where necessary. Additionally, we further strengthened the underwriting reserves by anticipating the liability adequacy test required by the International Financial Reporting Standards (IFRS). Those measures are partly reflected in the additional allocation to the actuarial reserves and partly in the expenditure for other underwriting reserves that increased by CHF 43.5 million on the prior year. Future charges will likely be alleviated by all those measures implemented.

The contribution to the Group result from the investment business after deduction of the interest – assigned to life- and non-life business underwriting activities – fell from CHF 142.8 million in 2003 to CHF 23.0 million in 2004 as a consequence of lower ordinary income and higher depreciation of investments. The overall non-underwriting account contributed CHF 27.0 million before taxes.

This favourable Group result allows submitting a proposal to the Shareholders' Meeting to increase the dividend payment by CHF 1.50 to CHF 5.50 per share which translates into an increase by 37.5 per cent.

Growth in the non-life business
The premium volume experienced a range of different developments depending on the business segment. The premium income of the direct non-life business increased by 1.8 per cent in the balance sheet currency and reached CHF 2.2. billion while it decreased in the life business by 19.9 per cent to CHF 2.5 billion. Responsible for this outcome is the Swiss life sector which seems less attractive to investors due to the low interest rates. The group life segment in Switzerland was marked by a cautious underwriting policy with the premium volume thus being reduced to 1.4 billion or by 24.5 per cent. The overall premium volume for all business segments fell to CHF 5.1 billion (– 5.3 per cent).

Key consolidated figures at 31.12.04
Helvetia Patria Group in CHF million

	31.12.03	31.12.04
Gross written premiums	5392.6	5104.8
Income from investments	1083.6	970.5
Result before taxation	147.3	204.5
Result after taxation and minority interests	92.4	158.7
Investments at market value	25491.2	25989.0
Net underwriting reserves	23360.5	23958.3
Consolidated shareholders' equity before appropriation of profit	1155.3	1417.1
Number of employees	4845	4717

HELVETIA PATRIA

First-time application of ARR 23
The noticeable income- and expenditure changes on the previous year in the last three items of the non-underwriting account are largely caused by the first-time application of ARR 23. They partially compensate for the declining investment result.

Very good return on shareholders' equity
The shareholders' equity increased in the year under review by 0.26 billion to 1.42 billion (+22.7 per cent). The return on shareholders' equity rose from 8.4 per cent to an excellent 12.3 per cent.

Change in the Board of Directors and new Group auditor
The year-end financial statements for 2004 are the last ones that we have prepared in accordance with the accounting rules Swiss GAAP ARR. Increasing the comparability with other insurance companies as well as the transparency are the reasons for publishing the financial statements 2005 based on the internationally accepted IFRS rules. This will result in increased profit volatility as well as in changes of important balance sheet positions. I am convinced that this changeover will make our share even more attractive for investors.

This change in the accounting standards is the point in time when – in accordance with good corporate governance – a change in mandate should be considered after a competent activity of Ernst & Young AG for several years. The Board of Directors submits therefore to the Shareholders' Meeting the proposal to elect KPMG Fides Peat as statutory auditor and as Group Auditor for the next auditing period.
Furthermore, the composition of the Board of Directors will change. Peter Wagner, former Member of the Board of Directors of Patria Holding AG and since 2002 Member of the Board of Directors of Helvetia Patria Holding, will resign from his office at the Shareholders' Meeting 2005. Dr. Urs Widmer, designated Chairman of the Board of Vontobel Holding AG, will be proposed to succeed him as a new Member.

Strategically on course!
Although the business year 2004 was able to take advantage of many very positive factors, we are confident that a good loss experience, a stable situation on the capital markets as well as an improved environment will all allow us to continue to generate an appropriate profit.

I thank you very much for the confidence that you are placing into Helvetia Patria.

Sincerely

Erich Walser
Chairman of the Board and CEO

Helvetia Patria Holding

	31.12.03	31.12.04
Share price (in CHF)	212	169.4
Market capitalisation at end of year (CHF million)	1 334.1	1 465.8
Post-tax result per Helvetia Patria Holding share (in CHF)	15.4	19.2
Consolidated shareholders'equity per share (in CHF)[1]	185.1	171.7
Ratio of market capitalisation to consolidated shareholders' equity	115 %	103 %
Number of shareholders	3 722	4 056
Dividend per share (in CHF)	4.00	5.50[2]
Securities number/Symbol	1 227 168/HEPN	

[1] Value 2003 adjusted for new ARR 24 incl. "legal quote"; value 2004 excl. "legal quote"
[2] Proposal to the Shareholders' Meeting

Group results in CHF million

	2003	2004
Underwriting profit from non-life activities	132.1	142.8
Underwriting profit from life activities	29.6	38.4
Non-underwriting profit	76.4	27.0
Amortization of goodwill	–90.8	–3.8
Profit before taxation	147.3	204.4
Taxation	–54.8	–45.8
Minority interests	–0.1	0.1
Profit after taxation and minority interests	92.4	158.7

The Group result and the insurance business

The Group result

The Helvetia Patria Group achieved last year a net profit after taxes of CHF 158.7 million (+ 66.3 million or + 71.8 per cent) which translates into an excellent return on the shareholders' equity of 12.3 per cent.

Positive profit contribution from all business segments
Being spared larger-scale loss events and adhering to a cautious underwriting policy led in the non-life insurance to a further reduction of the claims ratio while the strict cost management resulted also in a reduction of the expense ratio. The net claims-/expense ratio (combined ratio all in) thus further decreased to 99.2 per cent (prior year: 99.9 per cent). The underwriting result in the life business significantly improved as well despite the volume-related increase of the expenses ratio.

The favourable climate in the international capital markets allowed realising some substantial capital gains. On the other hand, however, the lower volume in the life business and the declining direct rate of return led to lower ordinary income.

Significantly increased shareholders' equity
Various reasons are behind the increase of the consolidated shareholders' equity by CHF 261.8 million to CHF 1417.1 million: The capital increase end of 2004 brought an inflow of CHF 295 million in new capital. The change in the GAAP ARR 24 standard requiring that own shares be newly reported as a negative position in the shareholders' equity resulted in a reduction of the shareholders' equity by 44.5 million. At the same time, the new regulations regarding the "legal quote" stipulated that those revaluation reserves affected by the legal quote be separated from the shareholders' equity which led to a reduction of the latter by CHF 129.1 million. On the other side, the valuation margin on the fixed-interest-rate securities of about CHF 471 million – according to their valuation at amortized cost – is not recorded in the shareholders' equity but is set aside as undisclosed reserve in the investments.

The goals set for the return on shareholders' equity for the 2004 business year were reached in all business units or even sometimes exceeded. We managed to complete the merger in Spain at less expense than planned. The ANKER makes good progress in its earnings-growth initiative.

Change of accounting principles
Regulations of the Swiss Stock Exchange require us to change the accounting for the consolidated financial statements from Swiss GAAP ARR to IFRS and to publish the 2005 year-end financial statements, with comparison to the previous year, for the first time in accordance with this international standard. This upcoming adjustment may result in changes, which are not yet quantifiable, in the shareholders' equity and also in the profit due to revaluations and reclassifications of investments. The changes in the accounting standards, however, will probably not have a significant impact on the solvency of our business units which is generally determined by the local statutory requirements and accounting principles in the individual countries. The half-year results 2005 will be the last ones to be published in the old form and based on Swiss GAAP ARR.

The insurance business

Premium income in local currency decreased in the direct business by 10.8 per cent (previous year: + 1.4 per cent) which was mainly caused by the course of the life business being lower by 19.8 per cent (prior year: + 0.7 per cent). The Swiss market was the main "culprit" for this development with premium revenues falling by 25.2 per cent as a result of our restrictive underwriting policy and the low interest rates. Both life segments were involved: the individual and the group business. The increase in the non-life business amounted to 2.4 per cent in local currency and thus reached the prior-year level.

The foreign business is gaining ground
The proportion of the total premium income, accounted for by the foreign direct business, shifted from 38.3 per cent to 44.8 per cent due to the strong decrease in the Swiss life sector. The significant growth rates in the German, Spanish and Italian life businesses further heightened the impact of the lower volume in Switzerland. The proportion of the direct life business generated abroad rose from 14.1 per cent to 19.7 per cent. Against the backdrop of a negative currency impact for the business units abroad the proportion of the foreign non-life business remained almost unchanged at 73.5 per cent (2003: 73.7 per cent).

The non-life business and the life business

The non-life business

Compared to the overall increase of the premium volume by 2.4 per cent in local currency the property- and motor vehicle segments' contributions to the overall growth remained below their proportions while all other segments' contributions exceeded theirs. While the proportion of the overall premium volume in the direct business, generated by the continuously dominating property insurance business, receded from 39.7 per cent to 39.0 per cent - thus slightly correcting its proportionally larger growth of last year - the share of the motor vehicle sector further decreased – as it did already last year – and stood at 33.5 per cent (prior year: 34.0 per cent).

The gross and net claims ratio fell again last year thanks to the absence of larger-scale natural disasters. The gross claims ratio decreased in all business units with the exception of Switzerland and Italy. The main reason behind the higher gross claims ratio in Switzerland was a major damage in the liability insurance business which will, however, mostly be charged to the reinsurer. Italy was not quite able to pick up the thread of last year's excellent course.

Lower costs
The expense ratio continued to further decrease due to our strict cost management. The combined claims/expense ratio (combined ratio net all in) receded again and stood at 99.2 per cent (2004: 99.9 per cent).

The other side of the coin of this pleasing development are the equalisation reserves which therefore needed to be formed affecting the operating results and which increased in 2004 by additional CHF 35.3 million.

The life business

Premiums in the direct life business decreased by 19.9 per cent in the year under review after their growth rate had already weakened to 1.6 per cent in the previous year. This was largely a consequence of the development in Switzerland where – in 2004 as well – more than 80.3 per cent of the premium volume was generated. As a consequence of the restrictive underwriting policy in the group life business, which was already put in place in 2003, the Swiss group life segment fell by 25.7 per cent in the year under review. The volume in the individual life business in Switzerland was also decreasing – by an amount of 24.3 per cent – related to the low capital market interest rates. On the other hand, the life premiums in Spain (+ 12.7 per cent), in Italy (+ 42.5 per cent) and in Germany (+ 8.2 per cent) experienced a significantly dynamic development.

Strengthening profitability
Taking the investment income into consideration, which increased only slightly on the prior year, the improvement of the life business result is actuarial-related and caused by the development in Switzerland. First, the adjustments made to premiums, guarantees and dividends – in 2003 and partly by 1.1.2004 – had a positive impact and, secondly, the risk result significantly improved – among others – for cyclical reasons.

Introducing the "legal quote" in the Swiss group life business found its reflection not only in the reduction of the shareholders' equity but also in the strong increase of the "Reserves for results-linked and non-results-linked policyholders' dividends" in the balance sheet with 92 per cent of the income from that business segment being forwarded to the policyholders in 2004.

The investment business

Funds under management increased in 2004 by about CHF 498 million and reached an amount of CHF 26 billion. The inflowing funds were again invested in fixed-interest-rate securities. Taking risk considerations into account was the reason for investing the funds about equally in the same local currencies as the liabilities from the insurance business are in. Asset allocation experienced a shift towards the fixed-interest-rate securities – due to the investment activities – but also as the result of the further reduction of the physical equity holdings. Fixed-interest-rate securities allocation stood at 52.4 per cent at 31.12.2004 while the equity allocation fell to 8.8 per cent. The net equity allocation (after hedging) decreased also slightly to 3.6 per cent (prior-year: 3.9 per cent). The reason for the decrease of physical equity holdings was to reduce the strong hedging positions and their related costs. The positions in real estate and mortgages changed only marginally so that their portions diminished slightly.

Higher performance

Although the investment volume was increasing the continuously low coupon yields caused the direct investment income to decrease thus reaching an amount of CHF 900.8 million, a loss of CHF 32.4 million on the last year. The direct return on the investment portfolio receded from 4.1 per cent to 3.7 per cent applying to the average investment portfolio at book values. The performance of the investments, which measures the ordinary and the extraordinary investment income, including the change in valuation reserves, applying to the average investment volume at market values, improved from 3.5 per cent to 4.3 per cent on the last year. The progress was carried by the interest-rate-related increasing bond prices and the year-end rally in the stock markets.

Strict risk management

Protecting the accounts and ensuring the investment income still required continuous and comprehensive hedging measures despite the further reduction of the equity- and the foreign currency holdings. The net equity allocation fluctuated therefore within a narrow range of 3.5 per cent and 4.0 per cent.

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

	Ordinary income 2003	Ordinary income 2004	Change	Realized gains/losses on investments 2003	Realized gains/losses on investments 2004	Change
Real estate	192.4	191.8	–0.3%	27.6	14.9	–46.0%
Investments in affiliates and associated companies	0.4	0.0	–100.0%	0.0	0.0	–
Shares, other non-fixed-interest-rate securities, investment funds and derivatives	55.5	50.0	–9.9%	–18.7	138.6	–
Fixed-interest-rate securities	526.2	512.1	–2.7%	150.5	63.5	–57.8%
Promissory loans	32.8	34.3	4.6%	10.7	7.0	–34.6%
Mortgages	108.5	97.9	–9.8%	–1.4	–4.9	250.0%
Policy loans	7.0	5.9	–15.7%	0.0	0.0	–
Fixed-term deposits and similar	10.4	8.8	–15.4%	0.0	–2.5	100.0%
Total	933.2	900.8	–3.5%	168.7	216.6	28.4%

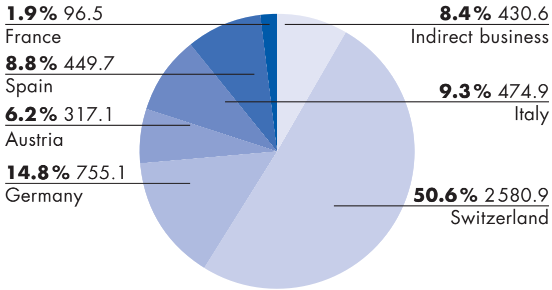
The business units

Country market Switzerland

The premium volume in the non-life segment is exceeding our expectations while the development in the life sector is only partly satisfactory. We were able, however, to achieve further cost savings, in all sectors, especially also by successfully examining the cost- and performance structure in the IT sector. The premium income in the individual life sector decreased by 24 per cent while the important periodic-premiums segment achieved further growth which we consider to be a reflection of the customers' trust in Helvetia Patria's stability and in the appeal of its products. The single premiums did indeed suffer from the still historically low interest rates which may render this product category unattractive for individual customer segments in light of the rate of return. In accordance with our strategy of a profit-oriented growth Helvetia Patria forewent market-stimulating measures which would have indeed led to increased premium income but had jeopardized our profitability goals. Thanks to a range of attractive investment opportunities we succeeded, however, to keep a significant part of those funds from contracts in-house which expired last year. The group business experienced a decline in the single premiums which is a consequence of the continuous profitability efforts combined with a focussed underwriting policy.

The non-life sector is marked by an intense predatory pricing policy. Helvetia Patria exceeded expectations and excelled at a premium growth rate of 2.3 per cent – stimulated in particular by the profitable technical-, transport- and motor vehicle insurance segments. All sectors profit from the traditionally cautious underwriting policy in combination with a more attractive portfolio than the one of the competition. An active cost control further reduced the operating expenses as well. The gross claims burden, though, was marked by a couple of large losses in the theft- and liability sectors which were largely covered by the reinsurance companies. This led to an increase of the gross combined ratio (all in) from 90.6 per cent to 103.3 per cent in the year under review. The net combined ratio (all in), however, increased only slightly from 97.3 per cent auf 98.1 per cent.

Gross earned premiums in 2004 in CHF million



The first months in the new business year met our expectations. While the life segment takes a more cautious course of development we are reporting a pleasing growth in the non-life sector. All businesses continue their good cost trends.

Country market Germany

Helvetia Germany is again in the good position to look back on a successful year for its business which is focussing on private individuals and small- and medium-sized companies. The premium growth of 4.0 per cent significantly exceeds the market average. The underwriting result has further improved especially thanks to an again reduced claims ratio compared to last year's. The results are proof for our value-oriented underwriting policy, our solid portfolio quality as well as our excellent claims management – with the latter providing us with a top position in that market area.

In the non-life business we continue to adhere to our profit-oriented strategy in the private- and commercial sectors with the goals of reaching a good claims/expense ratio (combined ratio) and of setting aside appropriate reserves for those risks. Our success in the overall non-life business is substantiated by a strict cost management which helped us to achieve a further cut in the expense ratio. The good gross combined ratio (sum of claims ratio and expense ratio) of about 96.0 per cent managed to remain on last year's level despite large investments in forward-looking projects.

In the life-business we managed to implement our growth strategy – aiming for an above-market-average growth – earlier than planned by expanding both, our product range and the distribution channels. With the law regarding retirement income being in place and the related drop of the current tax incentives being set by 1.1.2005 the overall market saw new business picking up and significantly exceeding last year's level.

During the current year we will use the market opportunities that are presenting themselves by offering innovative products and by enhancing our focus on older customers while also expanding and strengthening our distribution channels. We are confident that we thus will generate further growth and enhance our earnings position.

Country market Austria

The positive trend of the claims burden resulted in a significant increase on the previous year of the operating result for our Austrian company Der ANKER. The improvement we were aiming for in the non-life business with regard to the combined ratio (sum of claims ratio and expense ratio) shows already a positive effect after the first third of the strategic period: the ratio stands at gross 105.6 per cent. A noticeable reduction of the expense ratio as well as a very good claims ratio even over several years led to the best underwriting result of the past years.

Der ANKER was able to maintain the overall premium income level in the non-life business (+ 0.3 per cent) despite consistently optimising profitability. The growth rate in the core business – the property insurance – amounted to pleasing 3.6 per cent in the year under review. The particularly price sensitive motor-vehicle sector saw its sales revenue fall by 2.5 per cent as a result of the strict underwriting policy.

The life insurance segments also reveal varying pictures: The periodic premium business experienced a moderate positive development (growth of + 3.5 per cent on the prior year) while the single premium sector fell further in 2004 from the last year's already low level. Overall premium volume in the life business decreased by 0.9 per cent on 2003.

The Direktion für Österreich of Helvetia Versicherungen was again successful as specialised transport insurer in the year under review. Sustainable co-operations are helping to gradually expand the premium income.

The well-grounded underwriting policy as well as the excellent financial basis ensured also in 2004 a very favourable operating result for this niche business.

From the current point of view the market prospects for a good business year 2005 are in Austria in good shape. Der ANKER is well on course for reaching its main goal of the strategic period 2004–2006: consistently maintaining a combined claims/expense ratio of below 100 per cent. Building on this solid foundation allows putting special emphasis on the other goals: profitable growth and additional quality initiatives. Helvetia Austria will consistently continue the profit-oriented niche policy and aims for strengthening its co-operation network.

Country market Italy

The Italian life business experienced a very pleasing growth rate of 42.5 per cent with the traditional products being the main contributor while the unit-linked products barely pushing ahead. This led also to a desirable improvement of the portfolio's composition.

The non-life business saw its premium volume grow by a mere 1.8 per cent. The decrease by 2.0 per cent of the motor vehicle segment is juxtaposed to an increase by 7.5 per cent in the other sectors: factors which further improved the portfolio's quality. The claims burden in the non-life sector has slightly increased on the previous year; the gross combined ratio (sum of claims ratio and expense ratio), however, remains on its excellent level of 95.4 per cent.

The acceptance- and underwriting policies are still aiming to reduce the influence of the motor-vehicle insurance. The measures we are taking are being cautious in accepting new contracts, stimulating business in the other non-life segments as well as in the life sector.

The business year 2004 concluded with an excellent underwriting result. The initiated measures, motivated and well-trained employees as well as a similarly committed and skilled distribution network allow us to be optimistic for the future.

Country market Spain

The past business year is especially meaningful for our Spanish subsidiary Helvetia Previsión. One and a half years after the integration project went under way the merger of the former companies Helvetia CVN und Previsión Española was completed in June on schedule. The personnel were reduced by 161 jobs without cutting the sales force. The new company strives to further expand its current position in selected business segments of the Spanish market through a broad range of innovative products and high-quality services. A solid foundation was established over the past years exactly for that purpose: a modern organisation, streamlined procedures, a strong network of branches and a high quality portfolio.

This level of high quality bore again fruits in 2004 as the low claims burden proves (in the motor-vehicle- and the property business in particular). The gross combined ratio (sum of claims ratio and expense ratio) stands at 93.4 percent. Furthermore, the first positive effects of the merger contributed to the good annual result as well. The premium income was pleasing and exceeded even our expectations since we had counted on a smaller premium growth rate due to the merger's special impact. Certain term products in the life sector profited from a strong upswing thus providing that line of business with a satisfactory development as well.

In the past year, the merger was successfully completed and the solid foundation established for the future development of Helvetia Previsión. This current year will see the company availing its strength as an innovative and modern enterprise to take advantage of the good market opportunities.

Country market France

Our French subsidiary Helvetia Assurances continued also in the past year to strictly adhere to its niche strategy in the transport insurance sector. This focus allows us to develop products and services which are completely in line with the needs of the targeted clientele and are conveying a clear picture of our market position to the distribution networks.

Thanks to the acquisition of two insurance portfolios Helvetia was able to report again strong growth in France for the business year 2004. Integrating those portfolios coincided with a co-operation agreement with „Lanoire et Chevilliat" as well as with a significantly expanded broker network. Those activities as well as the further development of our own business resulted in a high premium volume. This translates into a growth rate of 18 per cent thus additionally strengthening our market share in the transport insurance industry to about 10 per cent.

The excellent portfolio quality combined with our consistent cost control as well as the cautious underwriting policy all helped achieving another positive underwriting result with a very good gross combined ratio (sum of claims ratio and expense ratio). Other contributions to the success came from the range of attractive products offered and the streamlined workflows.

This pleasing result serves thus as a basis to optimally play out the synergies resulting from the latest measures and to use new opportunities for partnerships and acquisitions in our strategic line of business.

The assumed reinsurance

As a result of the changeover to the IFRS- based accounting the annual financial statements 2004 for the Assumed Reinsurance report on both years together, 2003 and 2004. The financial statements in hand thus include, on one hand, the business year 2003 – prepared in accordance with Swiss GAAP ARR and reported with one year in arrears as it was previously done – and, on the other hand, the business year 2004 which was calculated using actuarial estimates for the first time.

Taking the interesting market environment into consideration the portfolio of the assumed reinsurance was expanded by CHF 60.9 million to reach an amount of CHF 205 million translating into a 42 per cent growth rate. The estimated premium volume for the business year 2004 stands at CHF 217 million with the portfolio composition largely remaining unchanged. A total of CHF 420 million in premiums is reported in this business year. The diversification of the portfolio had again been broadened.

Both business years 2003 and 2004 managed to present excellent annual financial statements thanks to a very good loss experience in the assumed reinsurance. The combined ratio (sum of claims ratio and expense ratio) stands at 91.7 per cent and emphasizes that a strictly profit-oriented underwriting policy is still paying off.

We are counting on a similarly good result for the current year provided that we are spared large-scale disasters.

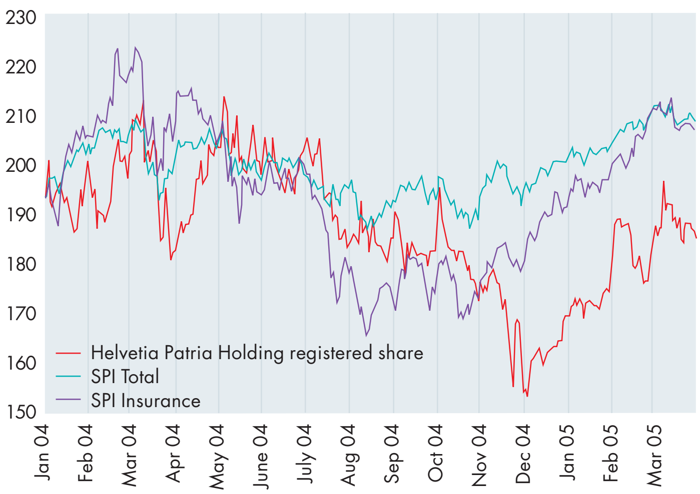
Gross written premiums in CHF million

		2003	2004	Change	Change in local currency
Direct business					
Switzerland	non-life	562.9	575.8	2.3%	2.3%
	life	2681.2	2005.1	–25.2%	–25.2%
Germany	non-life	594.5	607.0	2.1%	3.0%
	life	138.1	148.1	7.2%	8.2%
Austria	non-life	190.1	188.3	–0.9%	0.0%
	life	131.2	128.8	–1.8%	–0.9%
Italy	non-life	343.9	346.9	0.9%	1.8%
	life	90.6	128.0	41.3%	42.5%
Spain	non-life	364.8	361.9	–0.8%	0.1%
	life	78.6	87.8	11.7%	12.7%
France	non-life	82.4	96.5	17.1%	18.1%
Indirect business					
	non-life	130.7	420.4	221.7%	221.6%
	life	3.6	10.2	183.3%	184.0%
Total	non-life	2269.3	2596.8	14.4%	15.1%
	life	3123.3	2508.0	–19.7%	–19.6%
Total		5392.6	5104.8	–5.3%	–5.0%

Important Dates
- The Annual Report will be available end of April 2005.
- The ordinary Shareholders' Meeting of Helvetia Patria Holding will take place on Friday, May 13, 2005 in St. Gallen.
- Results for the first half-year 2005 of the Helvetia Patria Group will be reported on September 14, 2005.
- The results of the business year 2005 will be published on April 5, 2006.
- Results for the first half-year 2006 of the Helvetia Patria Group will be reported on September 7, 2006.

Our share

Share price trends from
1.1.2004 to 31.3.2005 index-linked



The financial markets have continued in 2004 their positive trend of the previous year. Some of the stock markets experienced new highs at their year-end rallies leading them to report a pleasing 2004 performance in US Dollar of just under 15 per cent of the MSCI World Index. In view of the appreciation of the Swiss Franc, however, the price gains dwindled for the Swiss investors to about 5 per cent. The Swiss shares managed to follow the favourable stock market environment and closed 3.7 per cent higher on the prior-year period. Past year was overall also pleasing for the bond markets. The return on a ten-year government bond remained with 2.3 per cent on the low level. The extremely low returns, however, make the bond markets now more vulnerable with regard to improving economic information and higher inflation rates respectively.

The Swiss Franc strengthened in the last year against all important currencies. Especially significant was the appreciation of the Swiss Franc against the US Dollar and thus against those (mostly Asian) currencies, in particular, that are linked to the US Dollar. The US currency, for example, slid alone in the last weeks of 2004 from CHF 1.20 to CHF 1.14 per US Dollar. Responsible for the devaluation of the US Dollar, which gained renewed momentum with the outcome of the US presidential elections, were the resurgent apprehensions of a possible continuous escalation of the American budget- and current account deficits.

Raising of new capital
Last year, Helvetia Patria procured both, new outside capital and shareholders' equity, to continuously ensure a consistent development of the Group. In May of last year, a new bond in the amount of CHF 200 million was issued which will be in part used to refinance the convertible bond maturing this year in June as well as for a Group-internal capital increase for Patria Leben AG. In December, the Board of Directors partially called the capital increase authorized by the Shareholders' Meeting in 2003 and increased the shareholders' equity by CHF 295 million. The proceeds will finance organic growth and smaller acquisitions.

Small changes in the shareholders' structure
The capital increase resulted in a slight change in the shareholders' structure. The share of the shareholder pool – consisting of Patria Genossenschaft, Raiffeisen and Vontobel – decreased from 45 per cent to 40 per cent. The holdings of Münchener Rück Group fell from 10.5 per cent to 8.2 per cent. Those positive changes in the shareholders' structure resulted in an increase of the free float from 44.5 per cent to over 50 per cent thus making our shares even more attractive for private and institutional investors.

At March 31, 2005, a total of 4 134 registered shareholders were entered in the share register. The shares are currently held by the following shareholder groups:

By private individuals	13.7 per cent
By banks and insurance companies	25.0 per cent
By institutional investors	61.2 per cent
By other investors	0.1 per cent

94 per cent of the shareholders are Swiss residents while 6 per cent of the investors are living abroad.

Consistent dividend policy
For years, Helvetia Patria has been pursuing a policy of performance-oriented and continuous dividend payments. The good operating result in the past year and the high profitability allow the Board of Directors to submit the proposal to the Shareholders' Meeting to increase the cash dividend by CHF 1.50 to CHF 5.50 per share.

Consolidated profit and loss account for the Helvetia Patria Group

Non-Life underwriting in CHF thousand	31.12.03	31.12.04
Net earned premiums	1968196	2251461
Net interest income assigned to non-life activities	130099	124890
Net claims paid	–1308992	–1482458
Net change in other underwriting reserves	–530	643
Net expenditure on results-linked and non-results-linked policyholders' dividends	–1273	–665
Net change in equalisation reserve	–17425	–35263
Net underwriting expenses	–615247	–693577
Other net underwriting expenditure	–22749	–22184
Result from non-life underwriting activities	132079	142847

Life underwriting in CHF thousand	31.12.03	31.12.04
Net earned premiums	3079773	2471060
Net interest income assigned to life activities	790616	801667
Funds transferred from policyholders' dividend reserve	27845	2494
Net benefits paid	–2389435	–2665380
Net change in actuarial reserves	–1055487	–107620
Net change in other underwriting reserves	–13645	–57170
Net underwriting expenses	–305856	–281805
Other net underwriting expenditure	–841	–592
Result from life underwriting activities before policyholders' dividend distribution	132970	162654
Net expenditure on results-linked and non-results-linked policyholders' dividends	–103408	–124287
Result from life underwriting activities	29562	38367

Non-underwriting in CHF thousand	31.12.03	31.12.04
Income from real estate	192350	191833
Income from investments in affiliates and associated companies	404	11
Income from other investments	740412	708971
Interest on deposits	1223	3149
Gross realized gains on investments	358116	468962
Gross unrealized gains on investments	100058	73766
Other interest income	8331	8735
Expenditure on investments and interest costs	–389935	–549797
Interest assigned to life and non-life underwriting activities	–920715	–926557
Other extraordinary profit from other business operations	0	53490
Other income from ordinary business operations	5804	53790
Other expenditure on ordinary business operations	–19638	–59308
Result from non-underwriting activities	76410	27045

Combined in CHF thousand	31.12.03	31.12.04
Result from non-life underwriting activities	132079	142847
Result from life underwriting activities	29562	38367
Result from non-underwriting activities	76410	27045
Amortization of goodwill	–90779	–3776
Result before taxation	147272	204483
Taxation	–54756	–45815
Minority interests	–120	56
Result after taxation and minority interests	92396	158724

Consolidated balance sheet for the Helvetia Patria Group

Assets in CHF thousand	31.12.03	31.12.04
Intangible assets	22 463	18 719
Investments	25 491 181	25 989 018
Investments for unit-linked life insurance policies	607 930	700 179
Deposits from reinsurance assumed	73 846	105 104
Receivables from underwriting activities	530 452	544 349
Other receivables	147 379	143 849
Tangible fixed assets	46 887	23 998
Liquid assets	162 560	159 839
Other assets	2 760	3 517
Prepaid expenses	635 844	718 395
Total assets	27 721 302	28 406 967

Liabilities and shareholders' equity in CHF thousand	31.12.03	31.12.04
Shareholders' equity excluding minority interests	1 152 996	1 414 628
Minority interests in shareholders' equity	2 257	2 481
Shareholders' equity including minority interests	1 155 253	1 417 109
Net reserve for unearned premiums	701 182	650 882
Net actuarial reserves	19 005 985	19 028 933
Net outstanding claims reserve	2 484 791	2 733 461
Net reserves for results-linked and non-results-linked policyholders' dividends	243 859	447 011
Net equalisation reserve	280 191	346 174
Reserves for unit-linked life insurance policies	592 725	675 124
Other net underwriting reserves	51 766	76 719
Other reserves	756 193	516 130
Reinsurance deposit liabilitiies	184 477	179 177
Convertible bond	150 000	350 000
Other insurance liabilities	1 851 024	1 736 491
Other liabilities	108 990	125 620
Accrued liabilities	154 866	124 136
Total liabilities and shareholders' equity	27 721 302	28 406 967

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