

# **Annual Results 2004**

## **Helvetia Patria Group**

**Welcome**



# Program:

- The overall business
- Consolidated financial statements
- The Swiss business
- Review and preview
- Questions and Answers

**Erich Walser**

**Roland Geissmann**

**Philipp Gmür**

**Erich Walser**

# **The overall business**

**Erich Walser, CEO**

# Excellent overall result

In CHF million, unless otherwise noted

|  | 2003                         | 2004            |
|--|------------------------------|-----------------|
| <b>Gross written premiums</b>  | <b>5 392.6</b>               | <b>5 104.8</b>  |
| <b>Income from investments</b>   | <b>1 083.6</b>               | <b>970.5</b>    |
| <b>Result before taxation</b>  | <b>147.3</b>                 | <b>204.5</b>    |
| <b>Result after taxation</b>   | <b>92.4</b>                  | <b>158.7</b>    |
| <b>Investments at market values</b>                                      | <b>25 491.2</b>              | <b>25 989.0</b> |
| <b>Consolidated shareholders' equity<sup>1)</sup></b>                    | <b>1 155.3 <sup>3)</sup></b> | <b>1 417.1</b>  |
| <b>Return on Equity RoE</b>  | <b>8.4%</b>                  | <b>12.3%</b>    |
| <b>Market capitalization</b>   | <b>1 334.1</b>               | <b>1 465.8</b>  |
| <b>Result after taxes per share (in CHF)<sup>2)</sup></b>                | <b>15.4</b>                  | <b>19.2</b>     |
| <b>Consolidated shareholders' equity per share (in CHF)<sup>1)</sup></b> | <b>185.1 <sup>3)</sup></b>   | <b>171.7</b>    |
| <b>Share price (CHF)</b>   | <b>212.0</b>                 | <b>169.4</b>    |
| <b>Price/Book ratio</b>  | <b>115%</b>                  | <b>103%</b>     |
| <b>Number of shareholders</b>  | <b>3 722</b>                 | <b>4 056</b>    |

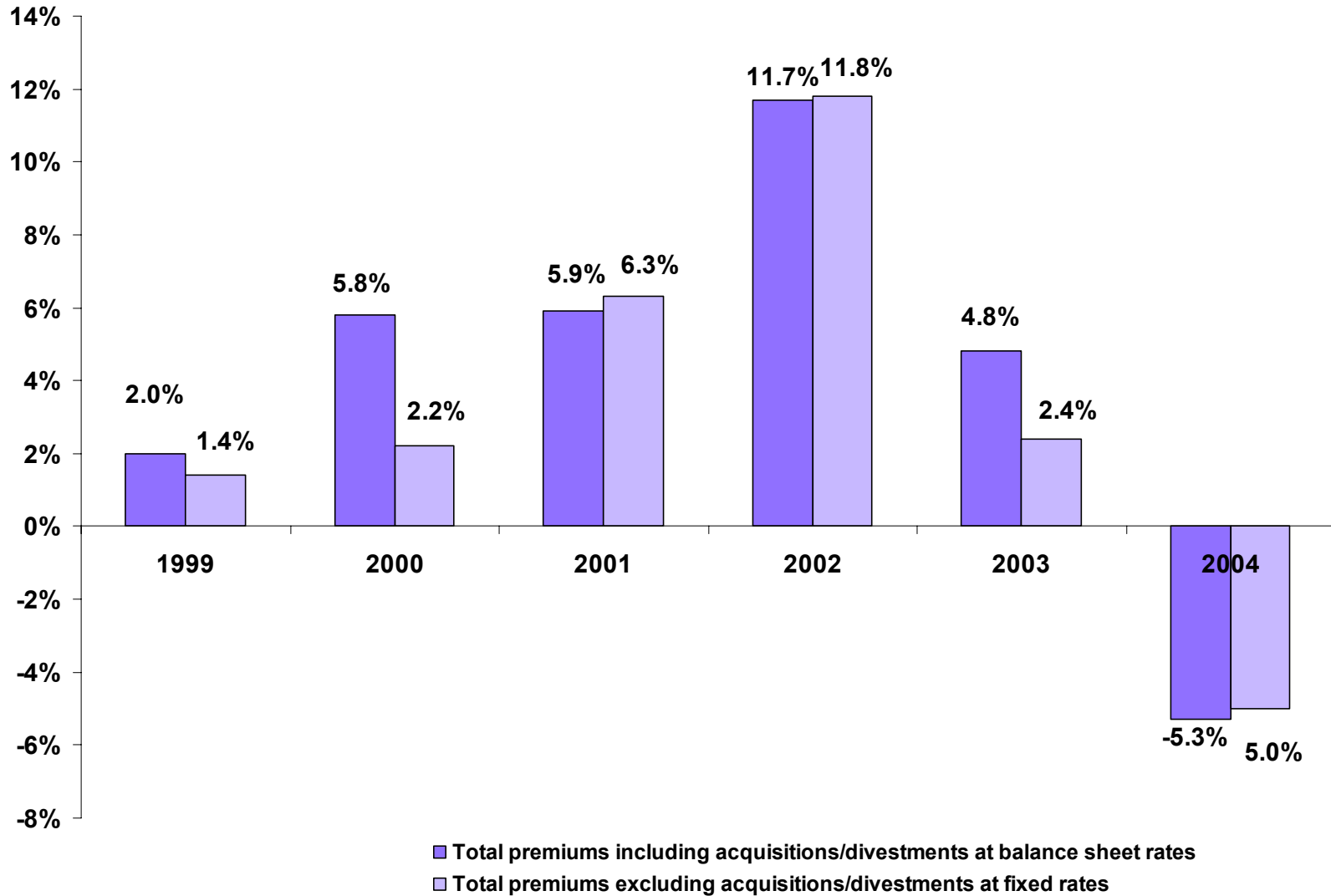
1) 2003 incl. Legal Quote, 2004 excl. Legal Quote

(impact in 2004: removal of CHF 15.65 per share for Legal Quote)

2) On the basis of 8'652'875 (6'293'000 for 2003) Helvetia Patria Holding shares minus shares in own holdings (2004: 400'312; 2003: 291'136)

4 3) Adjusted for new ARR 24

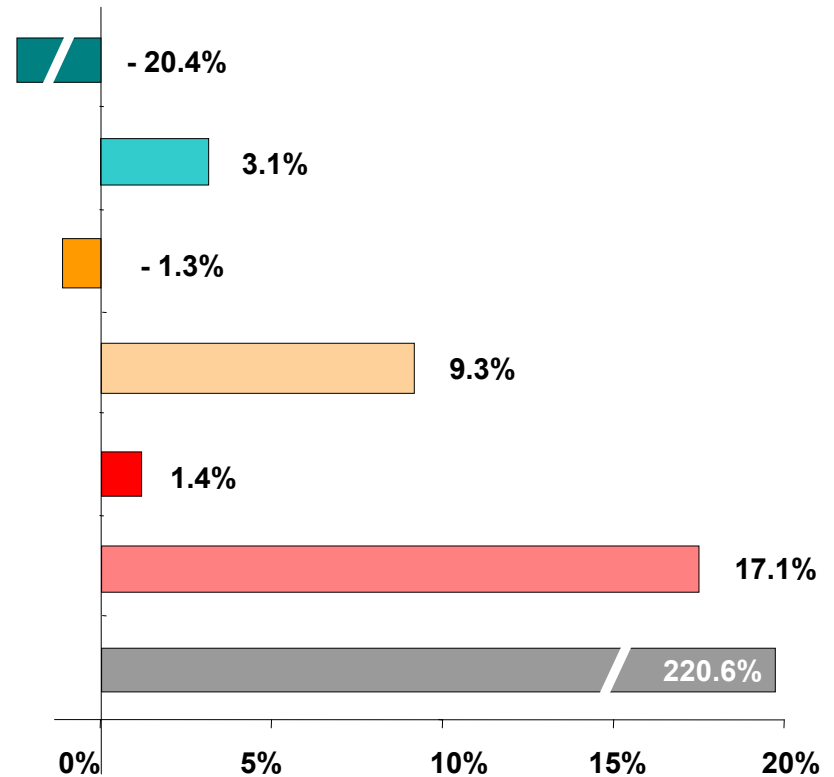
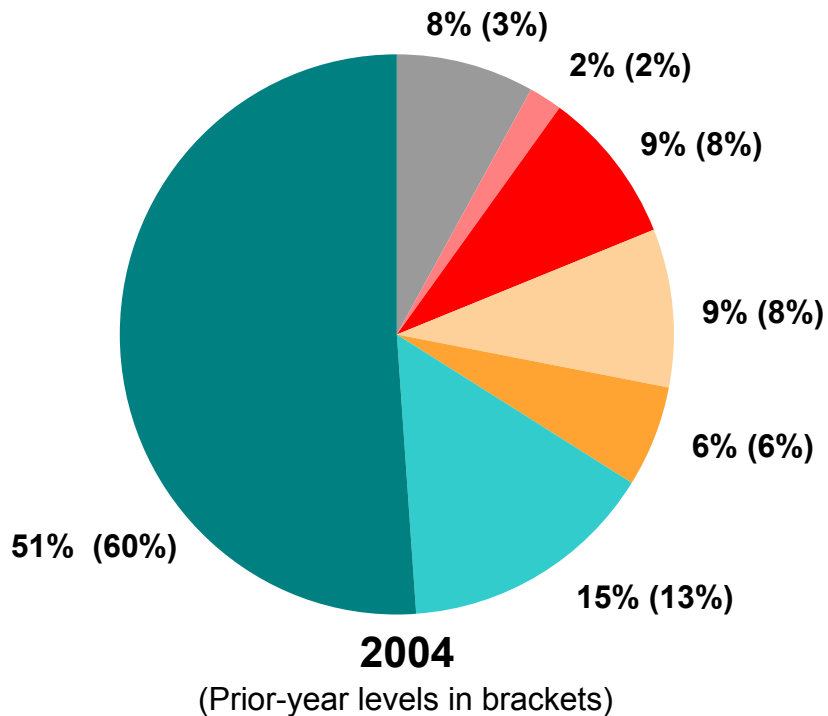
# Controlled premium growth



# Premium growth by country

(including indirect business)

Total CHF 5 105 million



Switzerland

Austria

Spain

Reinsurance

Germany

Italy

France

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# Successful business units (I)

| Germany   | Austria   | Italy   |
|---|---|---|
| <ul style="list-style-type: none"><li>■ Good underwriting result</li><li>■ Gross combined ratio on good prior-year level</li><li>■ Premium growth above market average</li><li>■ Lower claims ratio</li><li>■ Innovative products</li><li>■ Expansion of distribution channels</li><li>■ Strict cost management</li></ul> | <ul style="list-style-type: none"><li>■ Better underwriting result</li><li>■ Reduction of combined ratio</li><li>■ High growth in the property insurance business</li><li>■ New organisation- and distribution structures result in cost reductions</li><li>■ Increased broker- and customer satisfaction</li></ul> | <ul style="list-style-type: none"><li>■ Excellent combined ratio</li><li>■ High growth rate in the life business with traditional products</li><li>■ Improved portfolio quality in the non-life segment</li><li>■ Quality enhancement in the claim settlement</li><li>■ Expansion of the distribution network and the co-operations</li></ul> |

## Foreign business units



# Successful business units (II)

| Spain   | France   | Assumed reinsurance   |
|---|--|---|
| <ul style="list-style-type: none"><li>■ Merger of Helvetia CVN and Previsión Española into Helvetia Previsión completed on schedule</li><li>■ Premium growth in the life and non-life businesses exceeded expectations</li><li>■ Low loss burden</li><li>■ Strengthened market presence with pleasant new brand</li></ul> | <ul style="list-style-type: none"><li>■ Excellent underwriting result</li><li>■ High growth</li><li>■ Acquisition of two transport insurance portfolios</li><li>■ Maintaining strict specialisation</li><li>■ Distribution network expanded and new co-operation agreement concluded</li></ul> | <ul style="list-style-type: none"><li>■ Good result</li><li>■ Special effect in premium volume</li><li>■ Attractive market environment</li><li>■ Opportunistic underwriting policy</li><li>■ Very good claims experience</li><li>■ Improved portfolio diversification</li></ul> |

## Foreign business units





# **Consolidated financial statements**

**Roland Geissmann, CFO**

# **Life business: Better underwriting result**



# Life business: Premium distribution (Gross premiums)

In CHF million

Group life  
Single premiums  
Premiums 592.0 (- 45.7%)  
63.2%

Individual life  
Single premiums  
Premiums 312.3 (- 38.4%)  
33.3%

Unit-linked  
Single premiums  
Premiums 32.9 (+ 47.9%)  
3.5%

**Total  
Single  
premiums  
37.5%**

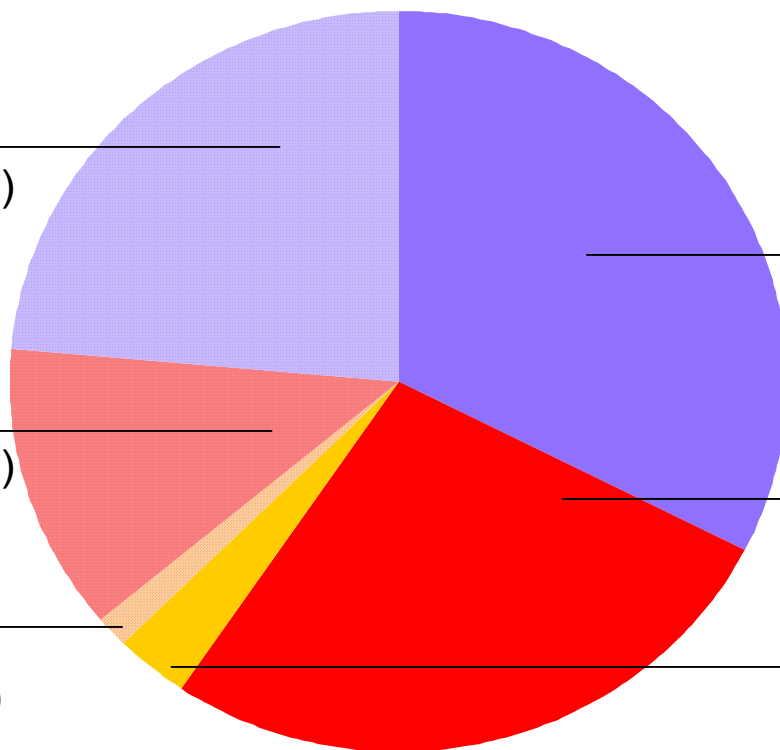
**Total CHF 2 497.8  
million (- 19.9%)**

**Total  
Periodic  
premiums  
62.5%**

Group life  
Periodic premiums  
Premiums 810.0 (+ 7.4%)  
51.9%

Individual life  
Periodic premiums  
Premiums 672.9 (- 0.2%)  
43.2%

Unit-linked  
Periodic premiums  
Premiums 77.7 (+ 6.5%)  
4.9%



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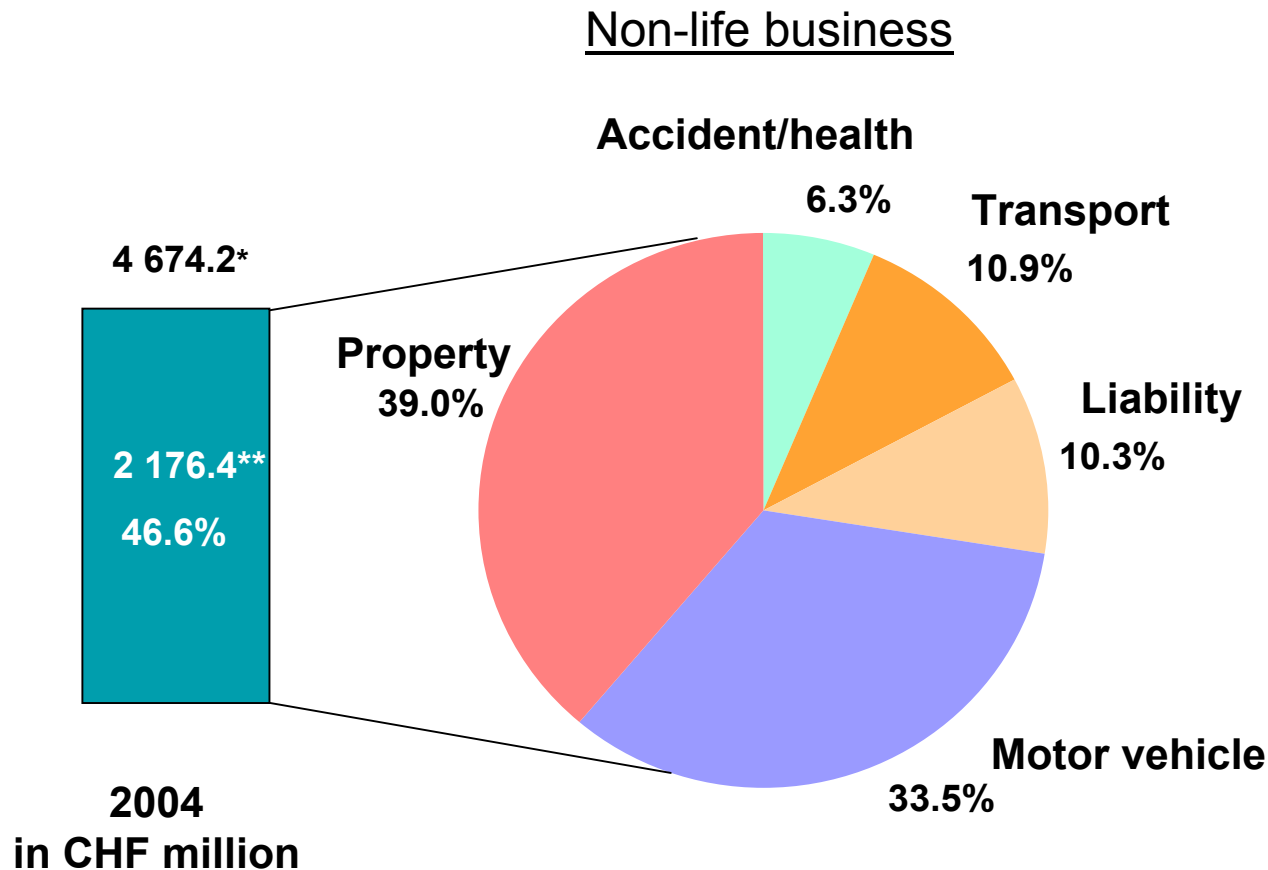
# Life business: Strengthening of profitability

| In CHF million   | 2003             | 2004             | Change          |
|--|------------------|------------------|-----------------|
| <b>Net written premiums</b>  | <b>3 085.1</b>   | <b>2 472.4</b>   | <b>- 19.9%</b>  |
| <b>Net benefits paid</b>   | <b>- 2 389.4</b> | <b>- 2 665.4</b> | <b>+ 11.6%</b>  |
| <b>Net change in actuarial reserves</b>  | <b>- 1 055.5</b> | <b>- 107.6</b>   | <b>- 89.8%</b>  |
| <b>Net change in other underwriting reserves</b>   | <b>- 13.6</b>    | <b>- 57.2</b>    | <b>+ 320.6%</b> |
| <b>Net underwriting expenses</b>   | <b>- 305.9</b>   | <b>- 281.8</b>   | <b>- 7.9%</b>   |
| <b>Net expense ratio in % of net written premiums</b>                                    | <b>9.9%</b>      | <b>11.4%</b>     | <b>-</b>        |
| <b>Net expenditure on results-linked and non-results linked policyholders' dividends</b> | <b>- 103.4</b>   | <b>- 124.3</b>   | <b>+ 20.2%</b>  |
| <b>Result from life underwriting activities</b>  | <b>29.6</b>      | <b>38.4</b>      | <b>+ 29.7%</b>  |
| <b>Net underwriting reserves</b>   | <b>20 120</b>    | <b>20 464</b>    | <b>+ 1.7%</b>   |

**Non-life business:  
Excellent**



# Direct business: Premium volume by business segment



\*) Premium of total direct business life and non-life

\*\*) Growth in original currency + 2.4%

# Non-life business: Again significantly improved result

In CHF million

Premium income direct business

Premium income Assumed reinsurance

Total premium income

Net claims paid

Net change in equalisation reserve

Claims ratio (excl. change in equalisation reserve) in  
% of net earned premiums

Net underwriting expenses

Expense ratio in % of net earned premiums

Combined Ratio («all in» in % of net  
earned premiums)

Result from non-life underwriting activities

Net non-life underwriting reserves  
in % of earned premiums

| 2003      | 2004      | Change   |
|-----------|-----------|----------|
| 2 138.6   | 2 176.4   | + 1.8%*  |
| 130.7     | 420.4     | + 220.6% |
| 2 269.3   | 2 596.8   | + 14.4%  |
| - 1 309.0 | - 1 482.5 | + 13.3%  |
| - 17.4    | - 35.3    | + 102.9% |
| 66.5%     | 65.8%     | -        |
| - 615.2   | - 693.6   | + 12.7%  |
| 31.3%     | 30.8%     | -        |
| 99.9%     | 99.2%     | -        |
| 132.1     | 142.8     | + 8.1%   |
| 3 240.7   | 3 494.4   | + 7.8%   |
| 164.7%    | 169.5%**  | -        |

\*) Growth in original currency +2.4%

15 \*\*) excl. earned premiums Assumed reinsurance 2003

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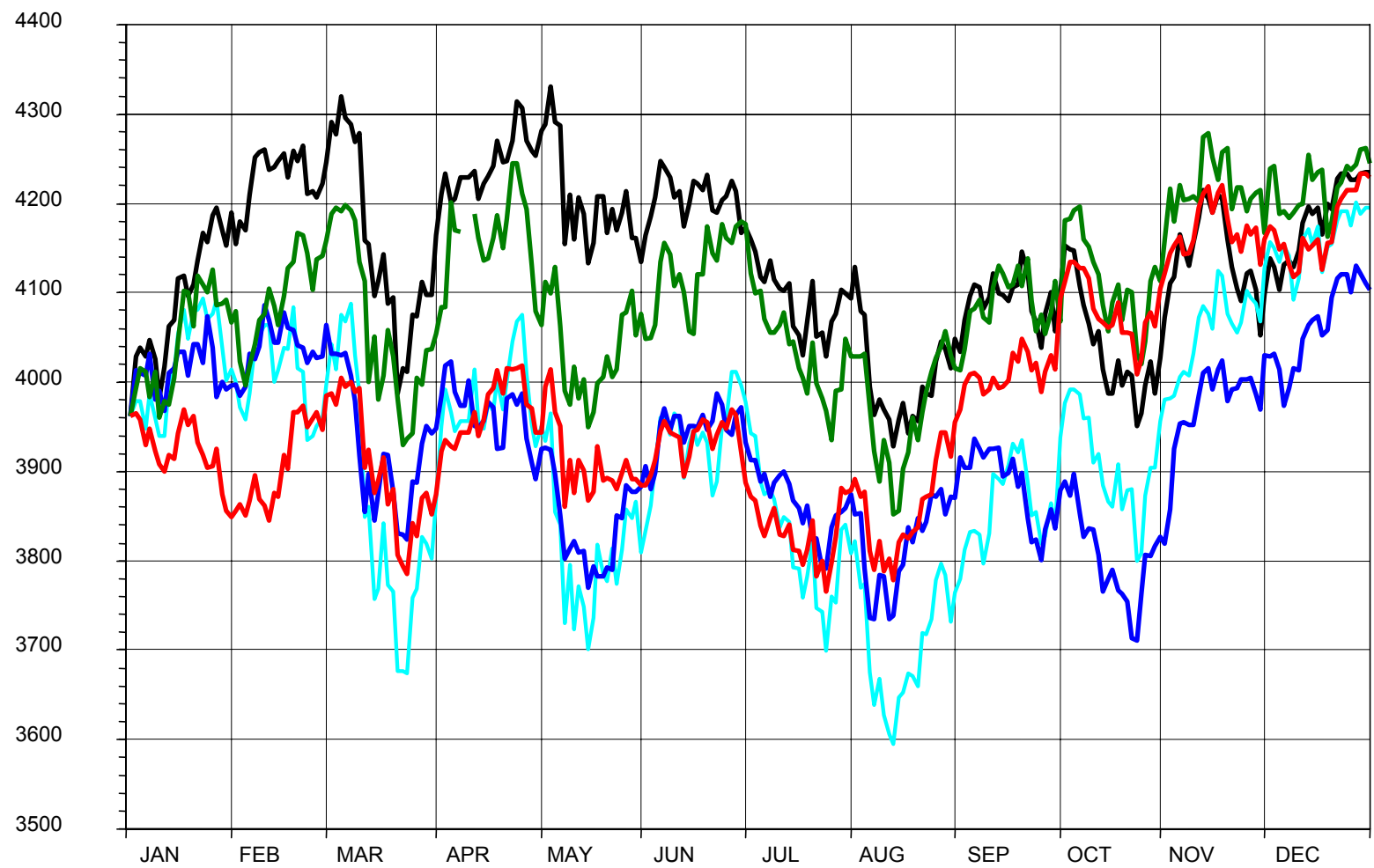


# **The investment business and other elements of the non-underwriting account**



# Development of selected stock market indices 2004

Source: DATASTREAM 4/4/05



— SWISS PERFORMANCE - PRICE INDEX  
— DAX 30 PERFORMANCE - PRICE INDEX  
— DOW JONES INDUSTRIALS - PRICE INDEX

— CAC 40 INSTANTANEOUS - OPENING PRICE  
— FTSE 100 - PRICE INDEX

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# Details of investment result

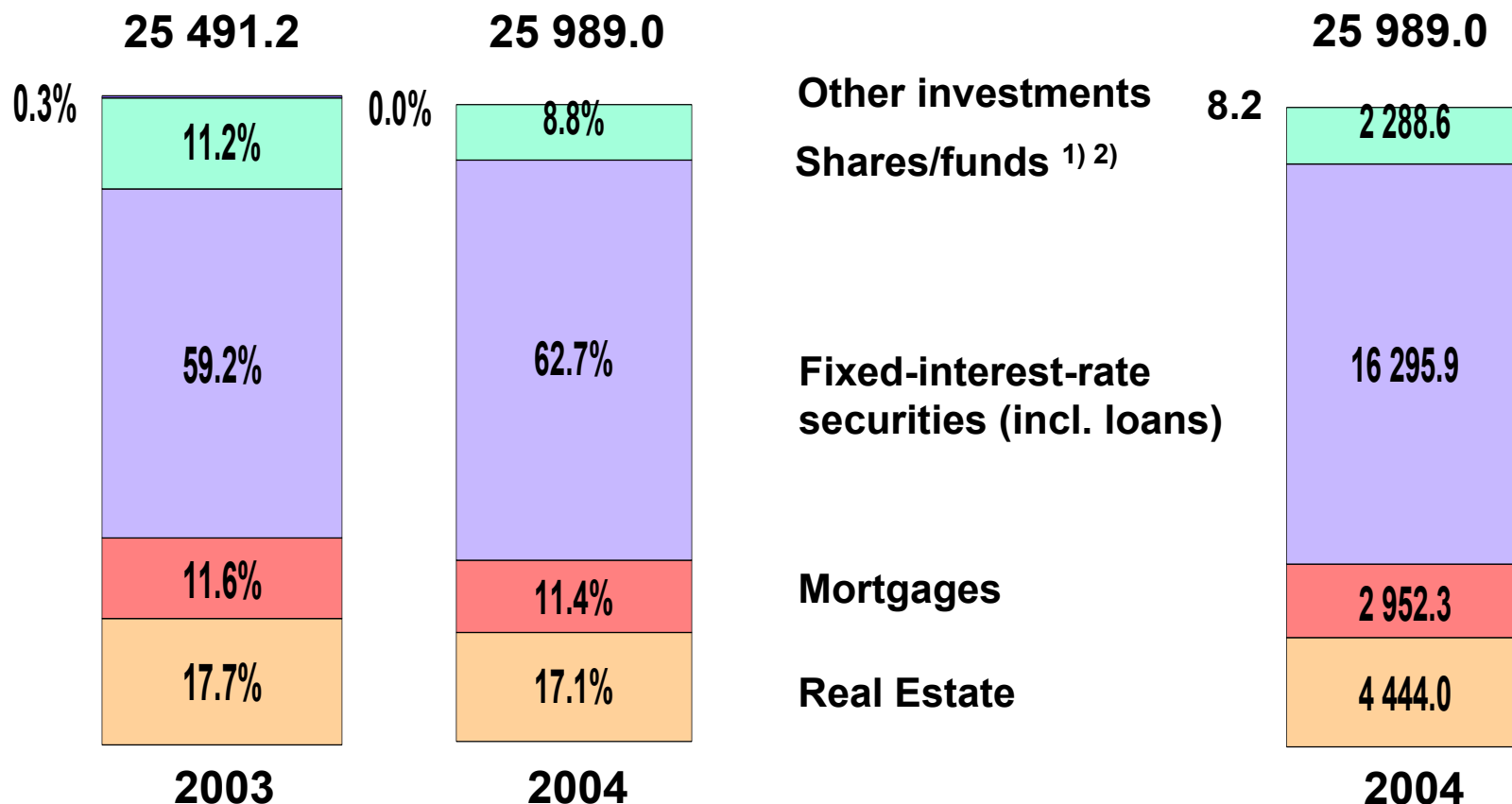
In CHF million

|   | 2003          | 2004          | Change          |
|---|---------------|---------------|-----------------|
| <b>1. Current income</b>  | <b>933</b>    | <b>901</b>    | <b>- 3.4%</b>   |
| <b>2. Realized gains/losses</b>   | <b>168</b>    | <b>216</b>    | <b>+ 28.6%</b>  |
| - on index- and unit-linked life insurance policies                             | -             | 1             | -               |
| <b>3. De-/appreciation and value adjustments affecting the operating result</b> | <b>- 69</b>   | <b>- 184</b>  | <b>+ 166.7%</b> |
| - of index- and unit-linked life insurance policies                             | 51            | 37            | - 27.5%         |
| <b>Total of 3. *)</b>   | <b>(- 18)</b> | <b>(-147)</b> | <b>+716.7%</b>  |
| <b>4. Total investment income</b>   |               |               |                 |
| - with index- and unit-linked life insurance policies                           | 1 083         | 971           | - 10.3%         |
| - without index- and unit-linked life insurance policies                        | 1 032         | 933           | - 9.6%          |

\*) Depreciation based on ARR 14 „old“, i.e. total is charged to Profit and Loss Account (no deferred depreciation)

# Investment structure

In CHF million



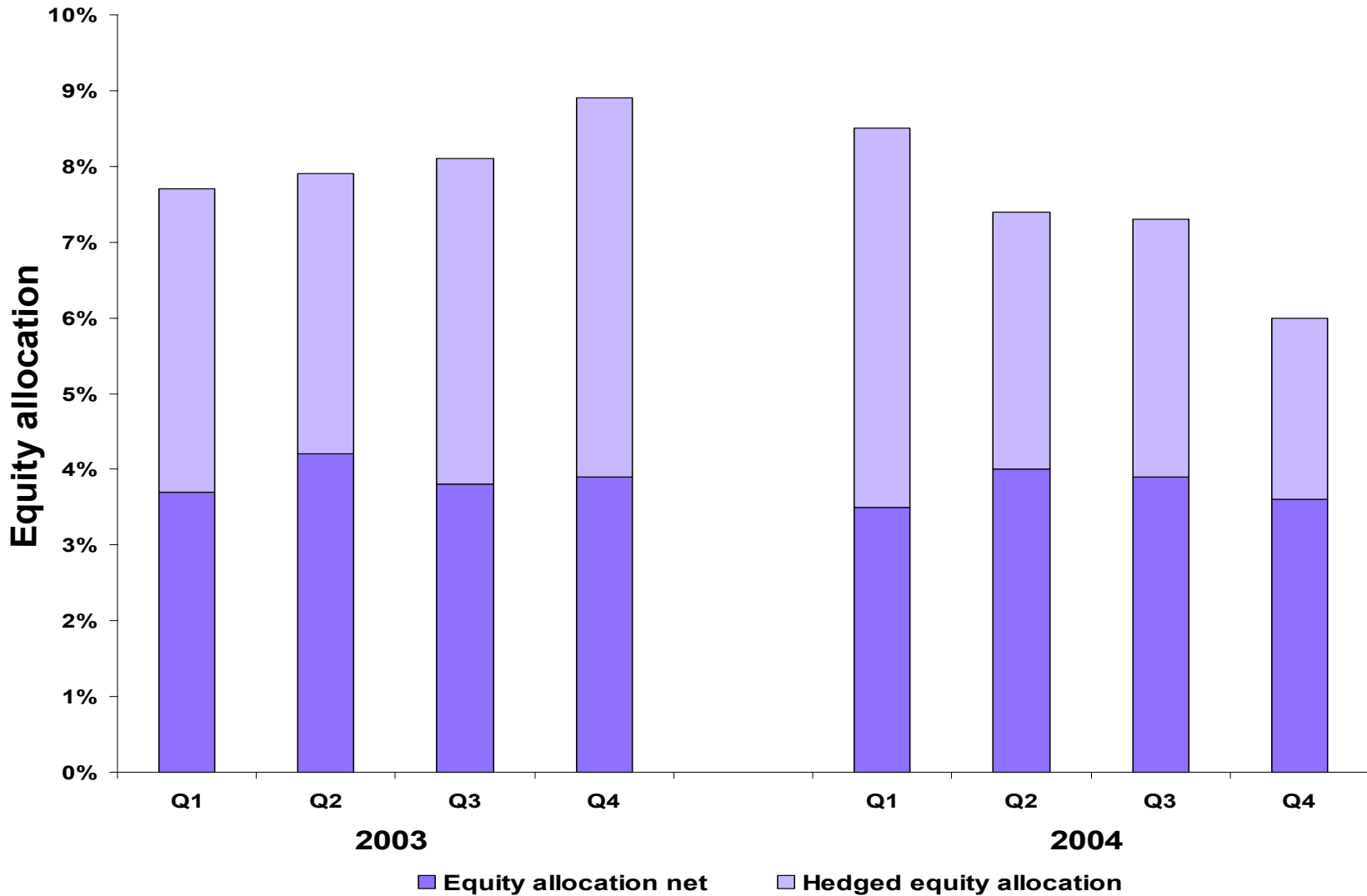
1) Shares/share funds: CHF 1 795.7 million  
 Mixed and bond funds: CHF 421.2 million  
 Derivatives and options: CHF 71.7 million

2) Alternative investments : 17.6%, i.e.  
 CHF 403.5 million (private equity and hedge funds)

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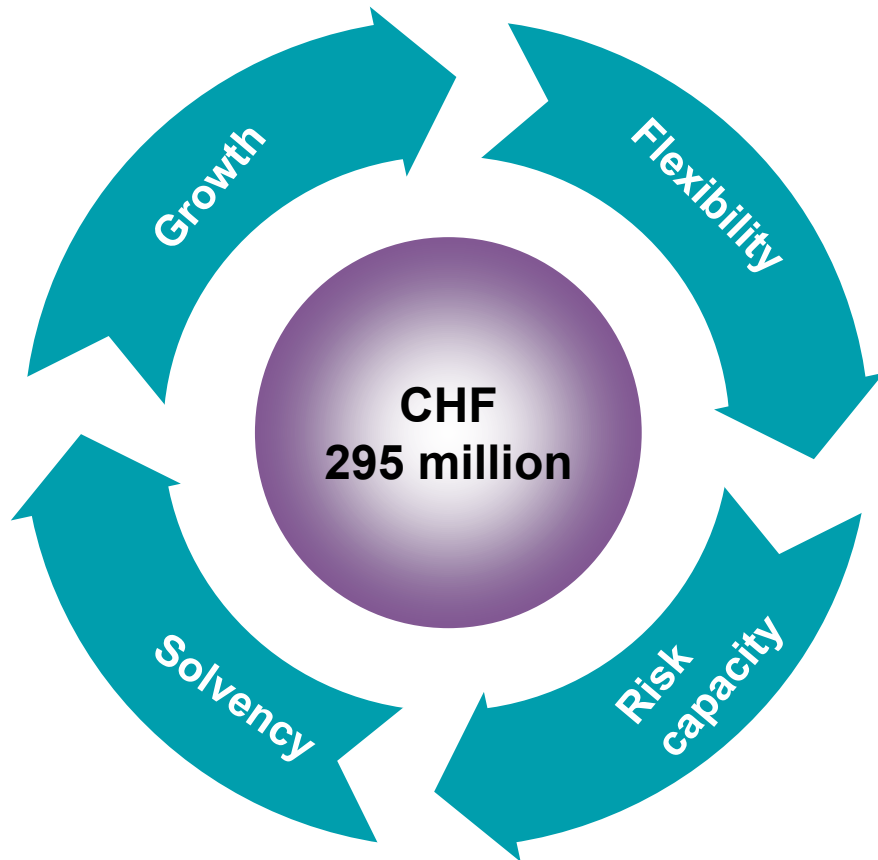
# Hedging measures and equity exposure



**Significantly increased  
shareholders' equity**

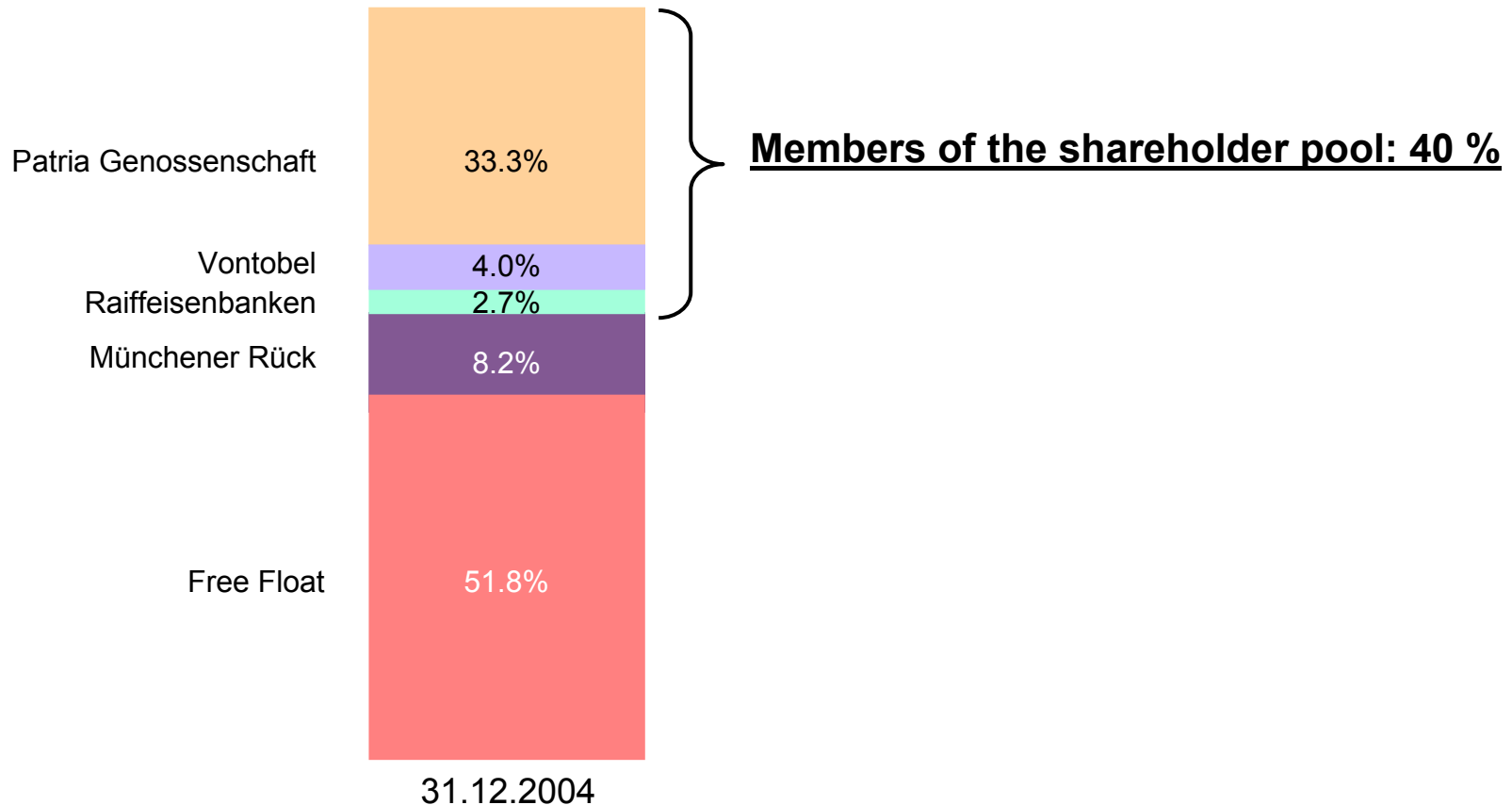


# Rationale for the Capital Increase 2004



- Support future organic growth  
- at least in-line with the market
- Provide strategic flexibility for acquisitions  
- portfolios or add-on acquisitions
- Increase the risk capacity
- Improve solvency position  
- anticipating regulatory changes

# The shareholders' structure after the capital increase



# Influence of individual components on consolidated shareholders' equity

In CHF million

|  |                |
|--|----------------|
| <b>Shareholders' equity at 1.1.2004</b>                            | <b>1 155.3</b> |
| <b>Effect change of acc. principles (own shares, ARR 24)</b>       | <b>- 44.5</b>  |
| <b>Shareholders' equity after re-statement at 1.1.2004</b>         | <b>1 110.8</b> |
| <b>Valuation changes not affecting operating results:</b>          |                |
| - Real estate/shares/share funds                                   | 28.9           |
| - Legal quote  | - 129.1        |
| <b>Changes affecting operating results:</b>                        |                |
| - Result after taxation without release of reserves                | 158.7          |
| <b>Dividends/currency differences</b>                              | <b>- 22.9</b>  |
| <b>Net capital increase</b>  | <b>284.2</b>   |
| <b>Acquisition of own shares</b>                                   | <b>- 13.7</b>  |
| <b>Other</b>   | <b>+ 0.2</b>   |
| <b>Cons. shareholders' equity at 31.12.2004 (after minorities)</b> | <b>1 417.1</b> |
| <b>Net increase</b>  | <b>+ 261.8</b> |



**Excellent overall result  
due to  
better underwriting**

# Excellent Group result

In CHF 1'000

|   | 2003            | 2004            | Change         |
|---|-----------------|-----------------|----------------|
| <b>Non-life underwriting account</b>  | <b>132 079</b>  | <b>142 847</b>  | <b>+ 8.2%</b>  |
| <b>Life underwriting account</b>  | <b>29 562</b>   | <b>38 367</b>   | <b>+ 29.8%</b> |
| <b>Non-underwriting account</b>   | <b>76 410</b>   | <b>27 045</b>   | <b>- 64.6%</b> |
| <b>Subtotal 1</b>   | <b>238 051</b>  | <b>208 259</b>  | <b>- 12.5%</b> |
| <b>./. Linear depreciation goodwill<br/>(prior year: Impairment goodwill)</b> | <b>- 90 779</b> | <b>- 3 776</b>  | <b>- 95.8%</b> |
| <b>./. Taxation</b>   | <b>- 54 756</b> | <b>- 45 815</b> | <b>- 16.3%</b> |
| <b>./. Minority interests</b>   | <b>- 120</b>    | <b>56</b>       | <b>-</b>       |
| <b>Result after impairment goodwill,<br/>taxation and minority interests</b>  | <b>92 396</b>   | <b>158 724</b>  | <b>+ 71.8%</b> |
| <b>Result per share (in CHF)</b>  | <b>15.4</b>     | <b>19.2</b>     | <b>+ 24.7%</b> |
| <b>Return on equity RoE</b>   | <b>8.4%</b>     | <b>12.3%</b>    | <b>+ 46.4%</b> |

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# **The Swiss business**

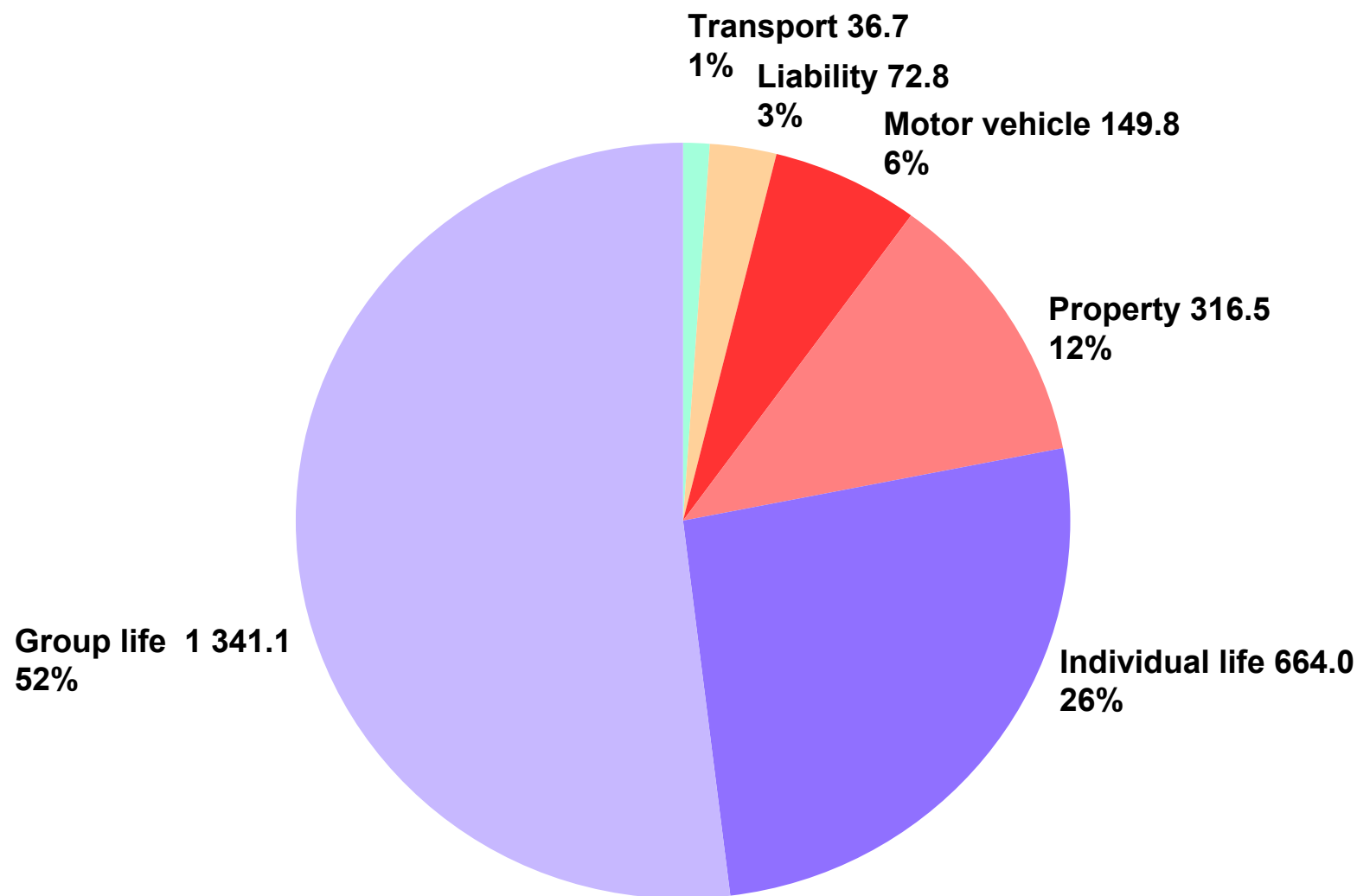
**Philipp Gmür, CEO Switzerland**

# Switzerland: A 2004 overview

| In CHF million                 | 2003           | 2004           | Change         |
|--------------------------------|----------------|----------------|----------------|
| <b>Premiums Life</b>           | <b>2 681.2</b> | <b>2 005.1</b> | <b>- 25.2%</b> |
| <b>Premiums Non-Life</b>       | <b>562.9</b>   | <b>575.8</b>   | <b>+ 2.3%</b>  |
| <b>Total prem. Switzerland</b> | <b>3 244.1</b> | <b>2 580.9</b> | <b>- 20.4%</b> |

- **Individual life: Decrease in single premium segment, stable periodic premium business**
- **Group life: Higher risk- and cost premiums, good risk results for mortality and disability**
- **Non-life: Continuous growth and high profitability**

# Switzerland: Gross premiums by segment



**Total: CHF 2 580.9 million**

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# Switzerland: Premiums life business

In CHF million

|                                     | 2003           | 2004           | Change         |
|-------------------------------------|----------------|----------------|----------------|
| <b>Total premiums direct life</b>   | <b>2 681.2</b> | <b>2 005.1</b> | <b>- 25.2%</b> |
| <b>Periodic premiums individual</b> | <b>416.9</b>   | <b>417.8</b>   | <b>+ 0.2%</b>  |
| <b>Single premiums individual</b>   | <b>460.5</b>   | <b>246.2</b>   | <b>- 46.5%</b> |
| <b>Total individual life</b>        | <b>877.4</b>   | <b>664.0</b>   | <b>- 24.3%</b> |
| <b>Periodic premiums group</b>      | <b>724.1</b>   | <b>757.4</b>   | <b>+ 4.6%</b>  |
| <b>Single premiums group</b>        | <b>1 079.7</b> | <b>583.7</b>   | <b>- 45.9%</b> |
| <b>Total group life</b>             | <b>1 803.8</b> | <b>1 341.1</b> | <b>- 25.7%</b> |

# Switzerland: Premiums non-life business

In CHF million

**Total premiums non-life**

**Property**

**Transport**

**Motor-vehicle**

**Liability**

| 2003  | 2004  | Change |
|-------|-------|--------|
| 562.9 | 575.8 | + 2.3% |
| 323.6 | 316.5 | - 2.2% |
| 31.9  | 36.7  | +15.0% |
| 137.3 | 149.8 | + 9.1% |
| 70.1  | 72.8  | + 3.9% |



# Switzerland: Key indicators non-life business

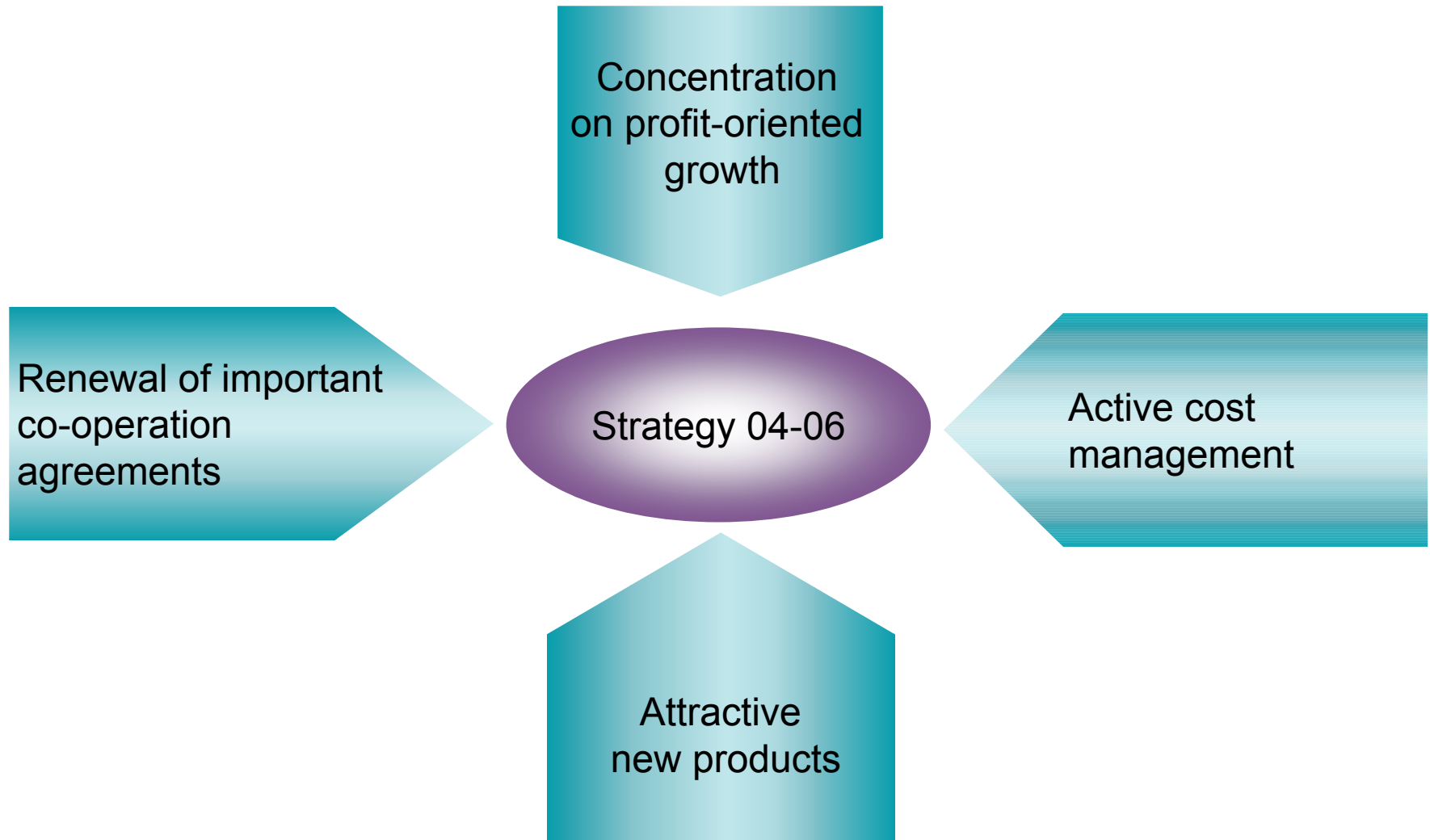
|  | 2003  | 2004  |
|--|-------|-------|
| Gross written premiums<br>(CHF million)  | 562.9 | 575.8 |
| Gross claims ratio (%)                   | 61.3  | 74.2  |
| Gross expense ratio (%) <sup>1)</sup>    | 28.1  | 27.7  |
| Gross combined ratio (%) <sup>1)2)</sup> | 90.6  | 103.2 |
| Net combined ratio (%) <sup>1)2)</sup>   | 97.3  | 98.1  |

1) in % of earned premiums

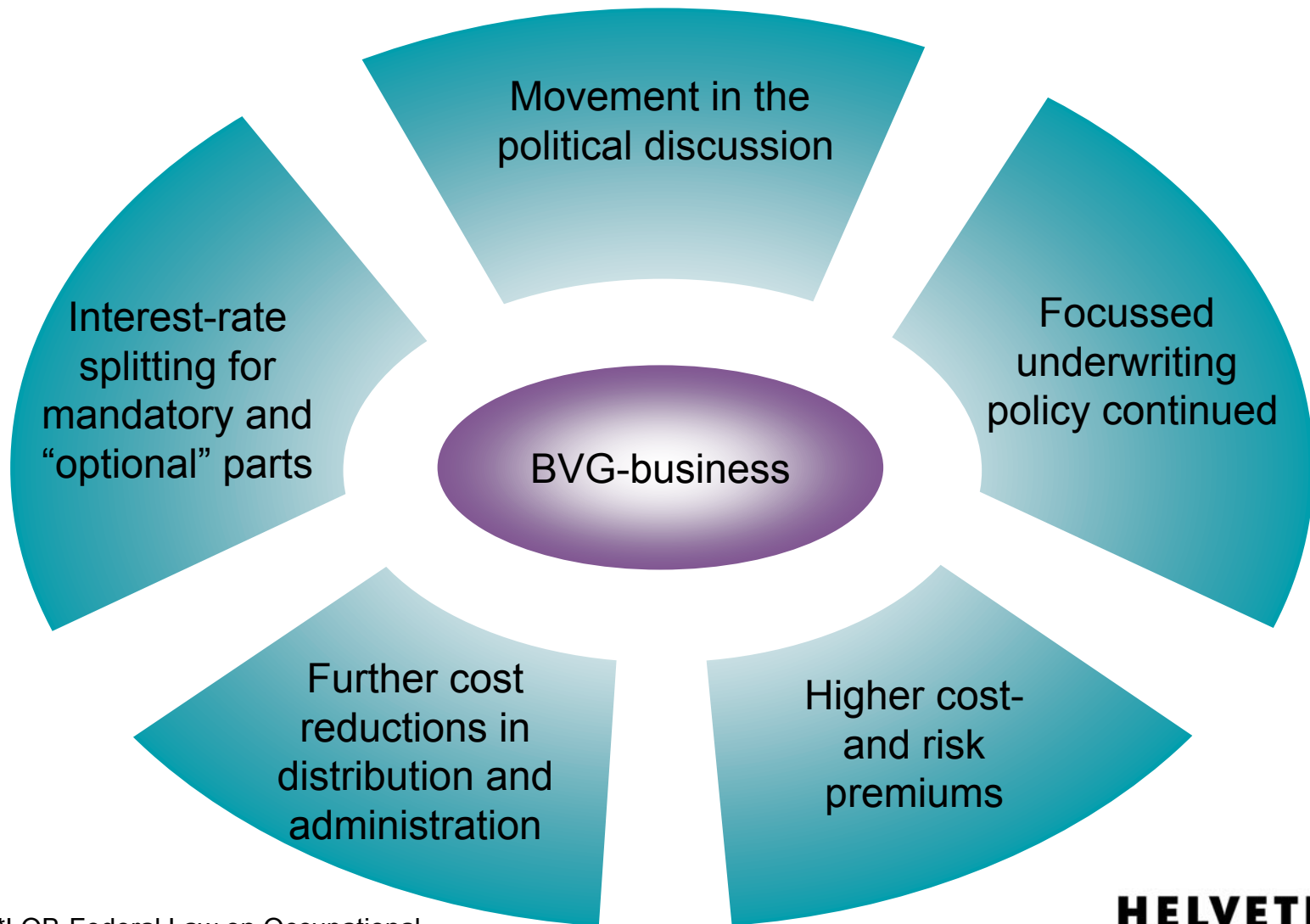
2) 'All in'



# Strategy 04-06: Consistent implementation



# BVG-business\*: Important progress



# Preview of the Swiss business

## Group life

Focussed underwriting policy continued

## Individual life

Moderate profit-oriented growth

## Non-life

Concentration on profitable segments

## TerzAvita

Attractive products and services network related to the area of „Aging“







## Quality and service

Continuation of the quality and service initiative

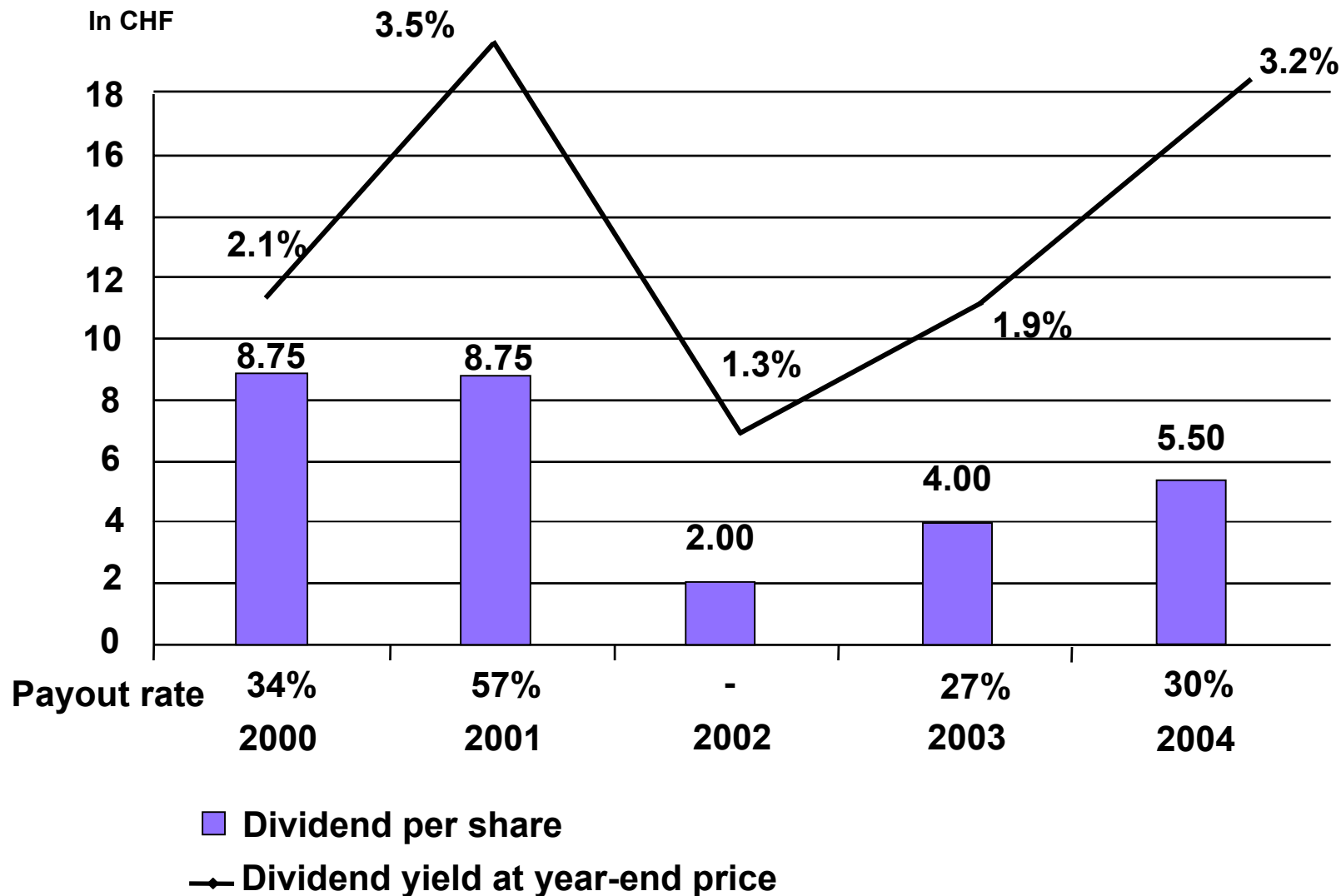
# **Review and preview**

**Erich Walser, CEO**

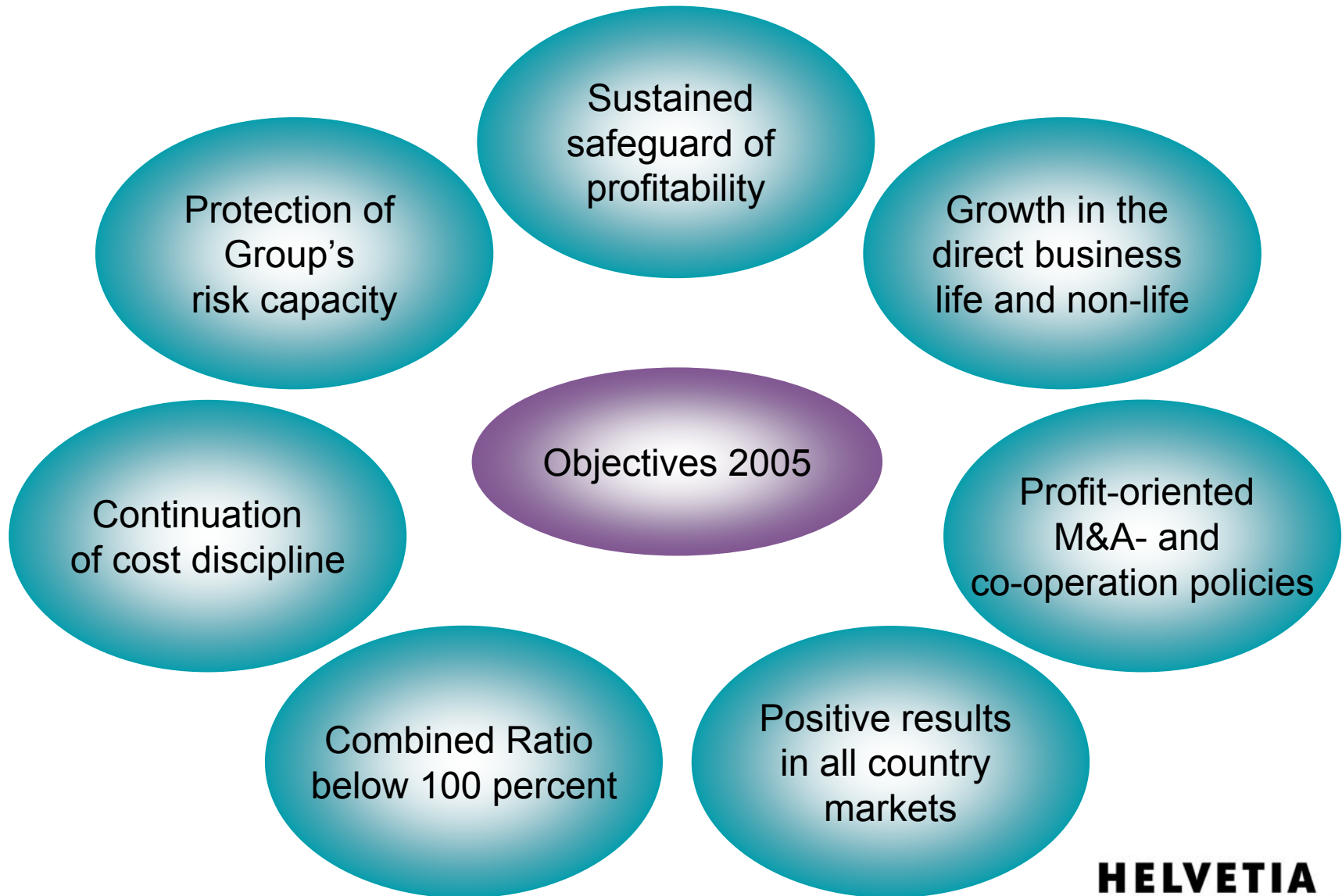
# Overall assessment

- Profit growth/RoE 
- Underwriting result life/non-life 
- Combined ratio (cost-/claims mgt.) 
- Risk capacity 
  
- Profitability improvement in BVG-business 
- Solvency 
  
- Framework group life business =

# Sustained dividend policy



# Objectives for the business year 2005



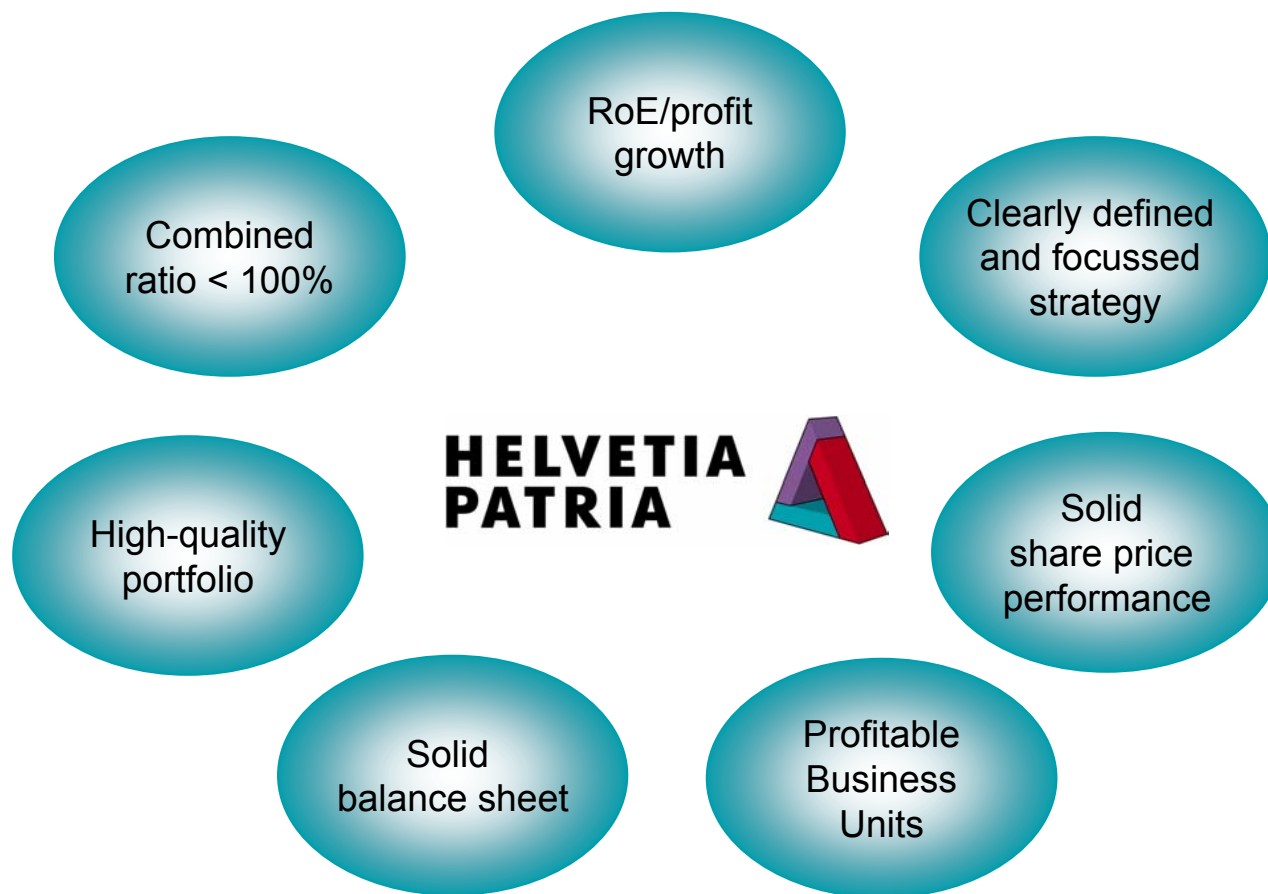
# Current business trends and preview (Feb. 05)

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

|                  |                             |
|------------------|-----------------------------|
| <b>Total:</b>    | <b>+ 1.3 %</b> (LC + 2.1 %) |
| <b>Life:</b>     | <b>+ 2.4 %</b> (LC + 2.7 %) |
| <b>Non-life:</b> | <b>- 0.2 %</b> (LC + 1.5 %) |
- **Claims trends**  
No extraordinary events
- **Cost development**  
Within budget
- **Investment result**  
Current income within budget  
Increased revaluation reserve  
Continued conservative investment policy
- **Preview 2005**  
on track



# Compelling investment case

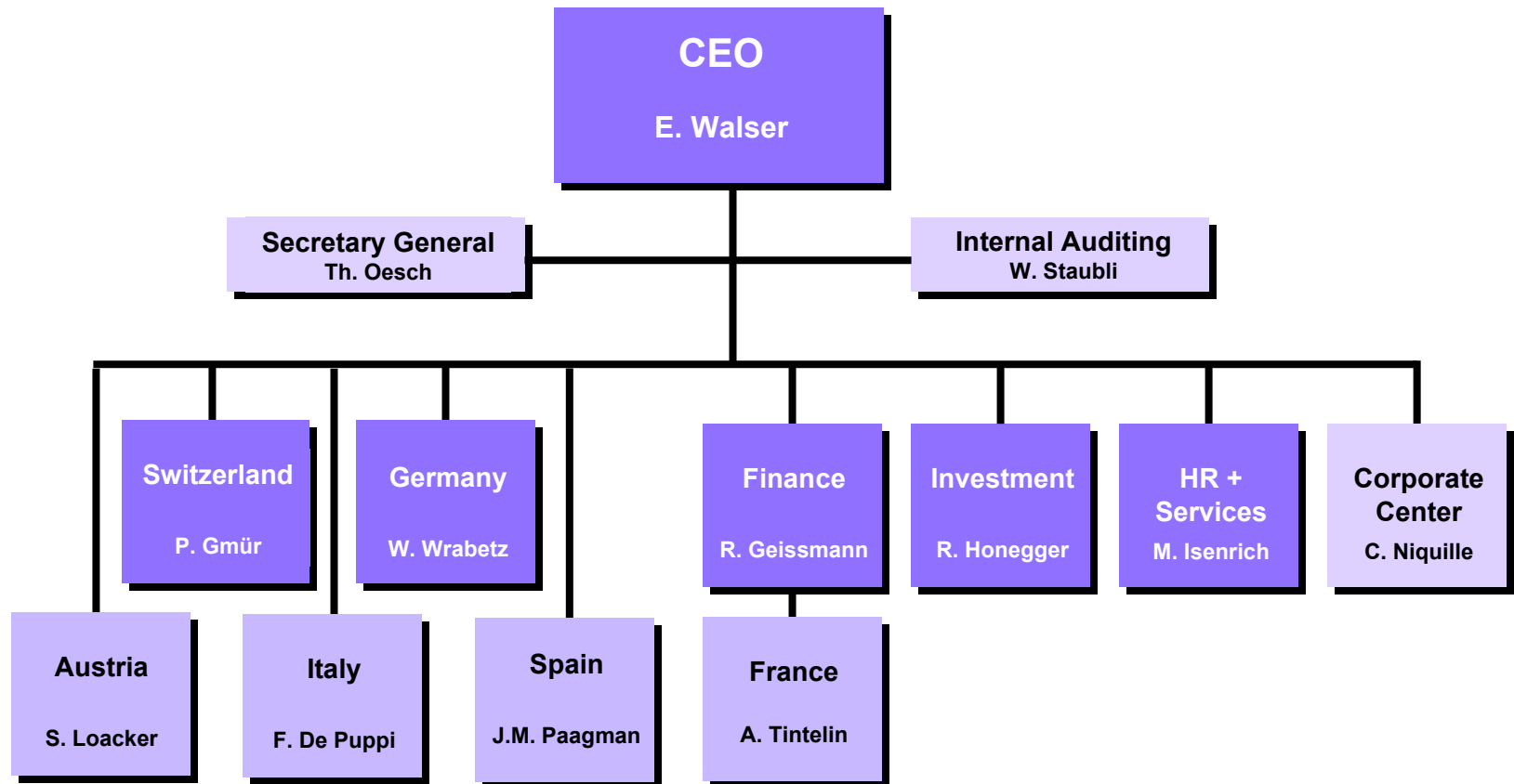





Swiss Identity: «Trust, Security, Quality»



# Appendix

# The Management of the Helvetia Patria Group



-  Members of the Group Executive Management
-  Other country markets
-  Group support functions

# A historical overview

- 1858 Founding of Allgemeine Versicherungs-Gesellschaft Helvetia, St. Gallen
- 1861 Founding of Helvetia Schweiz. Feuerversicherungsgesellschaft, St. Gallen
- 1862 Establishment of branch offices in Germany
- 1878 Founding of the Mutual „Patria, Schweizerische Lebensversicherungsgesellschaft“ in Basel
- 1920-1962 Founding of branch offices and subsidiaries of the Helvetia in France, Italy, Austria, Greece (sold 1997), the Netherlands (sold 1995) and Canada (sold 1999)
- 1974 Merger of Helvetia Feuer and Helvetia Allgemeine, St. Gallen
- 1986-1988 Further Helvetia subsidiaries established in Spain, Italy and Germany
- 1992 Begin of partnership between Helvetia and Patria
- 1996 Founding of Helvetia Patria Holding in St. Gallen
- 1998 Acquisition of La Vasco Navarra (Spain);  
Acquisition of the portfolio of NCD (Italy)
- 1999 Merger between the companies La Vasco Navarra and Cervantes Helvetia to Helvetia CVN, Madrid/Pamplona
- 2000 Acquisition of the Spanish insurer Previsión Española, Seville
- 2001 Acquisition of Norwich Union Vita, Milan; renamed in Helvetia Life
- 2002 Acquisition of Royal & Sun Alliance's transport portfolio in France
- 2003 Merger of subsidiaries Previsión Española and Helvetia CVN into Helvetia Previsión with headquarters in Seville
- 2004 Acquisition of two transport insurance portfolios in France

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