



## Edgar Filing: CONVERIUM HOLDING AG - Form 6-K

reports on its financial results for the third quarter 2003 and for the first nine months of 2003.

Strong performance in non-life continues, both in Standard Property & Casualty Reinsurance and in Specialty Lines

Strong reserve levels for Guaranteed Minimum Death Benefit (GMDB) business

Strong capital position maintained

	3Q 2003 quarter- to-date	3Q 2002 quarter- to-date	Change
	-----		
Gross premiums written	US\$ 1,009.6 million	US\$ 745.0 million	+35.5%
Net premiums written	US\$ 887.4 million	US\$ 697.3 million	+27.3%
Net premiums earned	US\$ 918.6 million	US\$ 754.8 million	+21.7%
Non-life combined ratio	95.7%	112.1%	-16.4 pts
Total investment income yield(1)	2.9%	6.7%	-3.8 pts
Total investment return(2)	3.5%	4.9%	-1.4 pts
Operating income (loss) (pre-tax)	US\$ 56.4 million	US\$ -71.2 million	+US\$ 127.6 million
Net income (loss)	US\$ 44.3 million	US\$ -5.6 million	+US\$ 49.9 million
Earnings per share	US\$ 1.12	US\$ -0.14	+US\$ 1.26
Return on equity(3)	10.2%	-1.4%	+11.6 pts
Cash flows from operating activities	US\$ 331.4 million	US\$ 235.2 million	+40.9%
Shareholders' equity as per 9/30	US\$ 1,940.0 million	US\$ 1,659.5 million	+16.9%
Book value per share as per 9/30	US\$ 48.77	US\$ 41.72	+16.9%

Dirk Lohmann, Converium's Chief Executive Officer, commented: "Converium continued to benefit from the reshuffling in the reinsurance industry. The strong performance of our non-life segments, Standard Property & Casualty Reinsurance and Specialty Lines, continued and reflects Converium's strong global franchise and the disciplined execution of our strategy that allow us to benefit from the current attractive market conditions."

Dirk Lohmann added: "We have as promised further addressed our GMDB reserving position in the third quarter. Following a series of claims audits, additional in-depth analyses and resulting enhancements to our models, we have strengthened our total net reserves by US\$ 14.3 million to US\$ 58.1 million. In addition we have secured the ability to call upon additional reinsurance protection of up to US\$ 75.0 million in excess of the newly strengthened carried reserve levels as at September 30, 2003. We presently believe that this additional reinsurance protection provides adequate coverage to protect Converium against any significant movement in the key variables and assumptions within our existing models."

For the three months ended September 30, 2003, Converium reported a net income (after-tax) of US\$ 44.3 million; earnings per share were US\$ 1.12. For the three months ended September 30, 2002, Converium reported a return on equity(3) of -1.4%. For the three months ended September 30, 2003, gross premiums written were US\$ 1,009.6 million, net premiums written were US\$ 887.4 million, and net premiums earned

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were US\$ 918.6 million. For the three months ended September 30, 2003, Converium reported total investment results of US\$ 52.9 million, including net realized capital losses of US\$ 1.3 million, resulting in a total investment income yield(1) of 2.9%, a decrease of 3.8 percentage points compared to the same period of the previous year (3Q 2002 quarter-to-date: 6.7%). Converium reported total investment returns of US\$ 63.8 million or 3.5%, a decrease of 1.4 percentage points compared to the same period of the previous year (3Q 2002 quarter-to-date: 4.9%). Total revenues increased by 18.5% to US\$ 971.5 million (3Q 2002 quarter-to-date: US\$ 820.1 million). Cash flows from operating activities increased by 40.9% to US\$ 331.4 million (3Q 2002 quarter-to-date: US\$ 235.2 million).

	3Q 2003 year-to-date	3Q 2002 year-to-date	Change
	-----		
Gross premiums written	US\$ 3,222.1 million	US\$ 2,518.7 million	+27.9%
Net premiums written	US\$ 2,971.3 million	US\$ 2,388.8 million	+24.4%
Net premiums earned	US\$ 2,715.4 million	US\$ 2,271.9 million	+19.5%
Non-life combined ratio	97.7%	104.2%	-6.5 pts
Total investment income yield(1)	3.5%	4.1%	-0.6 pts
Total investment return(2)	5.7%	3.0%	+2.7 pts
Operating income (pre-tax)	US\$ 144.7 million	US\$ 32.5 million	+US\$ 112.2 million
Net income	US\$ 128.9 million	US\$ 26.0 million	+US\$ 102.9 million
Earnings per share	US\$ 3.24	US\$ 0.65	+US\$ 2.59
Return on equity(3)	9.9%	2.2%	+7.7 pts
Cash flows from operating activities	US\$ 904.0 million	US\$ 511.9 million(4)	+76.6%

For the nine months ended September 30, 2003, Converium reported a net income (after-tax) of US\$ 128.9 million; earnings per share for the period were US\$ 3.24. For the nine months ended September 30, 2003, Converium reported a return on equity(3) of 9.9%. For the nine months ended September 30, 2003, gross premiums written were US\$ 3,222.1 million, net premiums written US\$ 2,971.3 million, and net premiums earned US\$ 2,715.4 million. For the nine months ended September 30, 2003, Converium reported total investment results of US\$ 183.4 million, including net realized capital gains of US\$ 6.2 million, resulting in a total investment income yield(1) of 3.5%, a decrease of 0.6 percentage points (3Q 2002 year-to-date: 4.1%). Converium reported total investment returns of US\$ 299.3 million or 5.7%, an increase of 2.7 percentage points compared to the same period of the previous year (3Q 2002 year-to-date: 3.0%). Total revenues increased by 20.0% to US\$ 2,894.4 million (3Q 2002 year-to-date: US\$ 2,412.5 million). Cash flows from operating activities increased by 76.6% to US\$ 904.0 million (3Q 2002 year-to-date: US\$ 511.9 million(4)).

At September 30, 2003, total assets were US\$ 13,891.7 million, an increase of 15.3% (December 31, 2002: US\$ 12,051.0 million); shareholders' equity was US\$ 1,940.0 million, an improvement of 11.6% or US\$ 202.0 million (December 31, 2002: US\$ 1,738.0 million); book value per share was US\$ 48.77, an increase of 12.0% or US\$ 5.22 compared to December 31, 2002 (December 31, 2002: US\$ 43.55).

On October 3, 2003, Converium announced that the Board of Directors of Converium Holding Ltd appointed four new members to the

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Global Executive Committee, Dr Hans Peter Boller, Christian Felderer, Christoph Ludemann, and Gary Prestia, and approved changes to the organizational and financial reporting structures. The new management structure centers on global functional areas; Converium started to report in three new global business segments, Standard Property & Casualty Reinsurance, Specialty Lines, and Life & Health Reinsurance. Administration expenses related to the Board of Directors, the Global Executive Committee, and other global functions are reported separately within Converium's Corporate Center. With this structure, Converium has fully aligned its operating platform with its global strategy. At the same time, the new segment reporting structure allows for a better assessment of the execution of Converium's strategy.

### Business Development

Dirk Lohmann, Chief Executive Officer, said: "The strong performance we continued to experience in Standard Property & Casualty Reinsurance as well as in Specialty Lines reflects Converium's global franchise as well as our strong distribution, both direct and via broker. Today, our portfolio is well diversified by lines of business, globally balanced by regions, and well spread between short-, mid-, and long-tail business. The disciplined execution of our strategy resulted in substantial cash flows that drove the strong growth of total invested assets, the corresponding investment results will be a key value driver for future earnings."

Martin Kauer, Chief Financial Officer, said: "Notwithstanding the interest rate increase, the conservative positioning of our bond portfolio in terms of duration and credit quality resulted in a relatively moderate decrease of the unrealized capital gains on the fixed income securities; however, this decrease has been compensated by the positive impact of the continued rebound of the equity markets, and overall we maintained the aggregate net unrealized gains positions at the level that was reported at the end of June 2003. Since year-end 2002, Converium's shareholders' equity increased by 11.6%, or by more than 13.0% including paid dividends, to US\$ 1,940.0 million as per September 30, 2003. Our claims supporting capital of US\$ 2,330.4 million enables us to continue to benefit from today's hard reinsurance market."

Standard Property & Casualty Reinsurance, which represented approximately 38.2% of total net premiums written for the three months ended September 30, 2003, reported gross premiums written of US\$ 383.4 million, an increase of 25.3% (3Q 2002 quarter-to-date: US\$ 306.0 million), net premiums written of US\$ 338.9 million, an increase of 11.2% (3Q 2002 quarter-to-date: US\$ 304.7 million), and net premiums earned of US\$ 422.9 million, an increase of 25.2% (3Q 2002 quarter-to-date: US\$ 337.9 million). The growth was spread across most lines of business and primarily resulted from increased rates, increasing the share of clients' business upon renewing existing business or writing new business. A substantial part of this business was written on a proportional basis in lines of business that exhibit lower volatility in their performance over time and, therefore, carry higher expected non-life loss ratios compared to non-proportional catastrophe business. The non-life combined ratio was 93.7% for the three months ended September 30, 2003, an improvement of 15.4 percentage points (3Q 2002 quarter-to-date: 109.1%, including 14.8 percentage points caused by the European floods); the segment income for the third quarter 2003 was not materially impacted by developments of prior years' reserves. Total investment results decreased by 41.9% to US\$ 20.9 million (3Q 2002 quarter-to-date: US\$ 36.0 million). The segment income was US\$ 50.8 million for the three months ended September 30, 2003, an increase of 647.1% or US\$ 44.0 million (3Q 2002 quarter-to-date: US\$ 6.8 million) that was primarily attributable to

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an improved non-life combined ratio. For the nine months ended September 30, 2003, gross premiums written increased by 19.9% to US\$ 1,384.3 million, net premiums written by 14.5% to US\$ 1,279.6 million, and net premiums earned by 16.4% to US\$ 1,210.1 million; the non-life combined ratio improved by 7.6 percentage points to 92.6% (3Q 2002 year-to-date: 100.2% including 4.8 percentage points caused by the European floods); total investment results increased by 11.8% to US\$ 73.1 million; and the segment income increased by 169.9% to US\$ 160.6 million.

Frank Schaar, Executive Vice President, Standard Property & Casualty Reinsurance, commented: "The profitable growth of Standard Property & Casualty Reinsurance - net premiums written increased 14.5% to US\$ 1,279.6 million for the first nine months of 2003 - was driven by the general third party liability and property lines of business. The non-life combined ratio of 92.6% for our Standard Property & Casualty Reinsurance segment for the first nine months of 2003 properly reflects the profitability of the business written in the last two years and modest claims from catastrophes."

Specialty Lines, representing approximately 53.5% of total net premiums written for the three months ended September 30, 2003, reported gross premiums written of US\$ 543.5 million, an increase of 45.6% (3Q 2002 quarter-to-date: US\$ 373.3 million), net premiums written of US\$ 474.7 million, an increase of 41.2% (3Q 2002 quarter-to-date: US\$ 336.2 million), and net premiums earned of US\$ 408.2 million, an increase of 16.4% (3Q 2002 quarter-to-date: US\$ 350.6 million). The growth was spread across most lines of business, particularly professional liability and other specialty liability, aviation and space, and agribusiness, and primarily resulted from increased rates, increasing the share of clients' business upon renewing existing business or writing new business. The non-life combined ratio was 97.8% for the three months ended September 30, 2003, an improvement of 17.1 percentage points (3Q 2002 quarter-to-date: 114.9%); the segment income for the third quarter 2003 was not materially impacted by developments of prior years' reserves. Total investment results decreased by 39.4% to US\$ 28.0 million (3Q 2002 quarter-to-date: US\$ 46.2 million). The segment income was US\$ 34.1 million for the third quarter ended September 30, 2003, an increase of US\$ 39.4 million (3Q 2002 quarter-to-date: segment loss US\$ 5.3 million) that was primarily attributable to the improved non-life combined ratio. For the nine months ended September 30, 2003, gross premiums written increased by 36.6% to US\$ 1,532.3 million, net premiums written by 34.6% to US\$ 1,405.6 million, and net premiums earned by 22.0% to US\$ 1,231.7 million; the non-life combined ratio improved by 5.5 percentage points to 102.7%; total investment results increased by 16.1% to US\$ 96.5 million; and the segment income increased by US\$ 57.9 million to US\$ 56.3 million.

Benjamin Gentsch, Executive Vice President, Specialty Lines, said: "Net premiums written of the Specialty Lines segment increased by 34.6% to US\$ 1,405.6 million for the first three quarters of 2003; the lines of business professional liability and other specialty liability, aviation and space, and agribusiness contributed substantially to this profitable growth. For the first three quarters of 2003, the non-life combined ratio improved by 5.5 percentage points to 102.7%. Due to the mid- to long-tail character of most of the Specialty Lines business, the invested assets offsetting reserves are expected to generate substantial investment results in the future and to contribute to the segment income."

Life & Health Reinsurance, which represented approximately 8.3% of total net premiums written for the three months ended September 30, 2003, reported gross premiums written of US\$ 82.7 million, an increase of 25.9% (3Q 2002 quarter-to-date: US\$ 65.7 million), net premiums written of US\$ 73.8 million, an increase of 30.9% (3Q 2002

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quarter-to-date: US\$ 56.4 million), and net premiums earned of US\$ 87.5 million, an increase of 32.0% (3Q 2002 quarter-to-date: US\$ 66.3 million). The growth was primarily driven by the accident and health line of business in North America and in Continental Europe. In the three months ended September 30, 2003, based on in-depth analyses, a substantially enhanced model, and best estimates applied as assumptions for all key parameters, the Life & Health Reinsurance segment strengthened the total net reserves of its Guaranteed Minimum Death Benefit (GMDB) business by US\$ 14.3 million to US\$ 58.1 million. Converium has secured the ability to call upon additional reinsurance protection of up to US\$ 75.0 million over the strengthened reserve levels at September 30, 2003. Based on information available today, this additional reinsurance protection adequately addresses potential adverse deviations to the key assumptions - i.e. mortality risks, lapse rate risks, withdrawal rate-risks, and investment risks - incorporated in our models. The net amount at risk further decreased to US\$ 1,032.8 million as per September 30, 2003. For the three months ended September 30, 2003, Converium's Life & Health Reinsurance segment reported a technical result(5) of minus US\$ 14.1 million (3Q 2002 quarter-to-date: minus US\$ 10.5 million), this was due to the developments on the closed block of Guaranteed Minimum Death Benefit (GMDB) business that contributed a technical result of minus US\$ 20.7 million (3Q 2002 quarter-to-date: minus US\$ 4.0 million); the Life & Health segment excluding GMDB reported a technical result of US\$ 6.6 million, an improvement of US\$ 13.1 million (3Q 2002 quarter-to-date: minus US\$ 6.5 million). Total investment results decreased by 39.4% to US\$ 4.0 million (3Q 2002 quarter-to-date: US\$ 6.6 million). For the three months ended September 30, 2003, the segment loss was US\$ 14.8 million (3Q 2002 quarter-to-date: segment loss US\$ 8.4 million). For the nine months ended September 30, 2003, gross premiums written increased by 25.9% to US\$ 305.5 million, net premiums written by 26.4% to US\$ 286.1 million, and net premiums earned by 22.9% to US\$ 273.6 million. The technical result for the first nine months of 2003 was minus US\$ 16.0 million (3Q 2002 year-to-date: minus US\$ 5.2 million), including minus US\$ 35.3 million from the GMDB-book (3Q 2002 year-to-date: minus US\$ 4.0 million); the Life & Health segment excluding GMDB reported a technical result of US\$ 19.3 million, an improvement of US\$ 20.5 million (3Q 2002 year-to-date: minus US\$ 1.2 million). Total investment results increased by 15.0% to US\$ 13.8 million; the segment loss was US\$ 13.4 million (3Q 2002 year-to-date: segment loss US\$ 2.9 million).

Christoph Ludemann, Executive Vice President, Life & Health Reinsurance, commented: "The execution of our Life & Health strategy continued to contribute to Converium's overall performance - the growth of the Life & Health Reinsurance segment, where net premiums written increased 26.4% to US\$ 286.1 million for the first nine months of 2003 - was primarily attributable to the accident and health line of business. We addressed the reserving position for our GMDB-book: we now carry strong reserves for the GMDB-exposures and have the ability to call upon additional broad protection against future life benefit increases arising out of adverse movements in the many variables included in our models."

The company has made it a policy not to provide any quarterly or annual earnings guidance and it will not update any past outlook for full year earnings. It will however provide investors with perspectives on its value drivers, its strategic initiatives and those factors critical to understanding its business and operating environment.

About Converium

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Converium is an independent leading global multi-line reinsurer known for its innovation, professionalism and service. Today Converium ranks among the top ten professional reinsurers and employs more than 800 people in 22 offices around the globe. Converium is organized into three business segments: Standard Property & Casualty Reinsurance, Specialty Lines and Life & Health Reinsurance. Converium's net losses for the September 11th terrorist attacks in the United States are capped at US\$ 289.2 million by its former parent, Zurich Financial Services. Converium has minimal A&E exposures. Converium has an "A" rating (stable outlook) both from Standard & Poor's and A.M. Best Company.

### Important Disclaimer

This document contains forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. It contains forward-looking statements and information relating to the Company's financial condition, results of operations, business, strategy and plans, based on currently available information. These statements are often, but not always, made through the use of words or phrases such as 'expects', 'should continue', 'believes', 'anticipates', 'estimates' and 'intends'. The specific forward-looking statements cover, among other matters, the improving reinsurance market, the expected losses related to the September 11, 2001 attack on the United States, the outcome of insurance regulatory reviews, the Company's operating results, the rating environment and the prospect for improving results. Such statements are inherently subject to certain risks and uncertainties. Actual future results and trends could differ materially from those set forth in such statements due to various factors. Such factors include general economic conditions, including in particular economic conditions; the frequency, severity and development of insured loss events arising out of catastrophes, as well as man-made disasters such as the September 11, 2001 attack in the United States; the ability to exclude and to reinsure the risk of loss from terrorism; fluctuations in interest rates; returns on and fluctuations in the value of fixed income investments, equity investments and properties; fluctuations in foreign currency exchange rates; rating agency actions; changes in laws and regulations and general competitive factors, and other risks and uncertainties, including those detailed in the Company's filings with the U.S. Securities and Exchange Commission and the SWX Swiss Exchange. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Converium: Interim statements of income (unaudited)

(In US\$ million, unless noted)	Three months ended September 30		Nine months ended September 30		Year ended Dec 31 2002 (audited)
	2003	2002	2003	2002	
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Revenues	-----				
Gross premiums written	1,009.6	745.0	3,222.1	2,518.7	3,535.8
Less ceded premiums written	-122.2	-47.7	-250.8	-129.9	-213.6
Net premiums written	887.4	697.3	2,971.3	2,388.8	3,322.2

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Net changed in unearned premiums	31.2	57.5	-255.9	-116.9	-156.7
Net premiums earned	918.6	754.8	2,715.4	2,271.9	3,165.5
Net investment income	54.2	58.9	177.2	191.9	251.8
Net realized capital (losses) gains	-1.3	29.9	6.2	-31.4	-10.3
Other (loss) income	-	-23.5	-4.4	-19.9	-1.2
Total revenues	971.5	820.1	2,894.4	2,412.5	3,405.8
Benefits, losses and expenses					
Losses, loss adjustment expenses and life benefits	-662.2	-678.5	-1,994.9	-1,789.0	-2,492.0
Underwriting acquisition costs	-201.8	-131.3	-582.3	-478.7	-666.7
Other operating and administration expenses	-45.5	-48.2	-142.4	-132.3	-173.3
Interest expense	-6.9	-3.4	-23.9	-11.4	-16.4
Total benefits, losses and expenses	-916.4	-861.4	-2,743.5	-2,411.4	-3,348.4
Income (loss) before taxes	55.1	-41.3	150.9	1.1	57.4
Income tax (expense) benefit	-10.8	35.7	-22.0	24.9	49.4
Net income (loss)	44.3	-5.6	128.9	26.0	106.8
Basic earnings (loss) per share	1.12	-0.14	3.24	0.65	2.68
Diluted earnings (loss) per share	1.10	-0.14	3.20	0.64	2.64

Converium: Interim balance sheets

(In US\$ million, unless noted)	Sept 30 2003 (unaudited)	Dec 31 2002
Assets		
Invested assets		
Held-to-maturity securities:		
Fixed maturities	416.6	-
Available-for-sale securities:		
Fixed maturities	3,969.5	3,443.1
Equity securities	735.8	530.8



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Other investments	181.0	177.3
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Short-term investments	217.2	318.0
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Total investments	5,520.1	4,469.2
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Funds Withheld Asset	1,582.9	1,648.1
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Total invested assets	7,103.0	6,117.3
-----		
Other Assets		
-----		
Cash and cash equivalents	294.3	361.5
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Premiums receivables:		
Current	195.8	131.9
Accrued	2,031.0	1,589.4
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Reinsurance assets:		
Underwriting reserves	1,667.4	1,627.7
Insurance balances receivable, net	245.8	239.9
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Funds held by reinsureds	1,154.1	935.9
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Deferred policy acquisition costs	364.9	264.9
-----		
Deferred income taxes	338.9	391.8
-----		
Other assets	496.5	390.7
-----		
Total Assets	13,891.7	12,051.0
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Liabilities and equity		
-----		
Liabilities		
-----		
Losses and loss adjustment expenses, gross	7,508.2	6,821.3
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Unearned premiums, gross	1,481.5	1,170.7
-----		
Future life benefits, gross	478.7	371.7
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Other reinsurance liabilities	1,022.4	661.6
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Funds held under reinsurance contracts	506.6	429.5
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Deferred income taxes	140.3	133.9
-----		
Accrued expenses and other liabilities	423.6	333.9
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Debt	390.4	390.4
-----		
Total liabilities	11,951.7	10,313.0
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Equity		
-----		
Common stock	253.0	253.0
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Additional paid-in capital	1,332.3	1,330.9
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Treasury stock	-8.7	-3.3
Unearned stock compensation	-5.0	-10.0
Accumulated other comprehensive income (loss):		
Net unrealized gains (losses) on investments, net of taxes	93.2	-53.3
Cumulative translation adjustments	72.4	113.9
Total accumulated other comprehensive income	165.6	60.6
Retained earnings	202.8	106.8
Total equity	1,940.0	1,738.0
Total liabilities and equity	13,891.7	12,051.0

Converium: Interim statements of cash flows (unaudited)

(In US\$ million, unless noted)	Nine months ended		Year ended
	September 30	September 30	December 31
	2003	2002	2002 (audited)
Cash flows from operating activities			
Cash provided by operating activities	904.0	648.6	870.4
Cash flows from investing activities			
Purchases of fixed maturities held-to-maturity	-108.9	-	-
Proceeds from sales and maturities of fixed maturities available-for-sale	2,786.1	2,045.5	4,573.3
Purchases of fixed maturities available-for-sale	-3,553.3	-1,878.9	-5,375.3
Cash flows from investing activities (fixed maturities)	-876.1	166.6	-802.0
Proceeds from sales of equity securities	41.0	375.5	599.2
Purchases of equity securities	-182.0	-582.0	-651.1
Cash flows from investing activities (equity securities)	-141.0	-206.5	-51.9
Net decrease (increase) in short-term investments	108.3	0.1	-228.5
Proceeds from sales of other assets	25.1	24.5	33.0
Purchases of other assets	-62.7	-41.5	-43.9
Cash flows from investing activities (other)	70.7	-16.9	-239.4
Net cash used in investing activities	-946.4	-56.8	-1,093.3

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### Cash flows from financing activities

Issuance of guaranteed subordinated notes	-	-	193.7
Purchases of common shares			
Proceeds from issuance of common shares	-5.4	-10.3	-14.7
Dividends to shareholders	-29.2	-	-
Net cash used in financing activities	-34.6	-10.1	179.0
Effect of exchange rate changes on cash and cash equivalents	9.8	19.2	-15.1
Change in cash and cash equivalents	-67.2	600.9	-59.0
Cash and cash equivalents as of January 1	361.5	420.5	420.5
Cash and cash equivalents as of September 30, respectively December 31	294.3	1,021.4	361.5

### Converium: Standard Property & Casualty Reinsurance

(Unaudited; in US\$ million, unless noted)	Three months ended		Nine months ended	
	September 30 2003	September 30 2002	September 30 2003	September 30 2002
Gross premiums written	383.4	306.0	1,384.3	1,154.4
-growth (%)	+25.3%		+19.9%	
Net premiums written	338.9	304.7	1,279.6	1,118.0
-growth (%)	+11.2%		+14.5%	
Net premiums earned	422.9	337.9	1,210.1	1,039.6
-growth (%)	+25.2%		+16.4%	
Non-life loss ratio(6)	66.2%	87.7%	66.0%	73.1%
-change in percentage points	-21.5 pts		-7.1 pts	
Non-life underwriting expense ratio(7)	23.5%	16.0%	22.6%	22.6%
-change in percentage points	+7.5 pts		-	
Non-life administration expense ratio(8)	4.0%	5.4%	4.0%	4.5%
-change in percentage points	-1.4 pts		-0.5 pts	
Non-life combined ratio(9)	93.7%	109.1%	92.6%	100.2%
-change in percentage points	-15.4 pts		-7.6 pts	
Total investment results(10)	20.9	36.0	73.1	65.4
-growth (%)	-41.9%		+11.8%	
Average annualized total investment income yield (pre-tax)(11)	2.9%	6.7%	3.5%	4.1%
-change in percentage points	-3.8 pts		-0.6 pts	
Segment income	50.8	6.8	160.6	59.5
-growth (%)	n.m.		+169.9%	

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Retention ratio(12) 88.4% 99.6% 92.4% 96.8%

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### Converium: Specialty Lines

(Unaudited; in US\$ million, unless noted)	Three months ended		Nine months ended	
	September 30		September 30	
	2003	2002	2003	2002
Gross premiums written	543.5	373.3	1,532.3	1,121.6
-growth (%)	+45.6%		+36.6%	
Net premiums written	474.7	336.2	1,405.6	1,044.4
-growth (%)	+41.2%		+34.6%	
Net premiums earned	408.2		1,231.7	
-growth (%)	+16.4%	350.6	+22.0%	1,009.7
Non-life loss ratio(6)	72.3%	92.1%	78.0%	83.8%
-change in percentage points	-19.8 pts		-5.8 pts	
Non-life underwriting expense ratio(7)	21.5%	17.0%	20.7%	19.7%
-change in percentage points	+4.5 pts		+1.0 pt	
Non-life administration expense ratio(8)	4.0%	5.8%	4.0%	4.7%
-change in percentage points	-1.8 pts		-0.7 pts	
Non-life combined ratio(9)	97.8%	114.9%	102.7%	108.2%
-change in percentage points	-17.1 pts		-5.5 pts	
Total investment results(10)	28.0	46.2	96.5	83.1
-growth (%)	-39.4%		+16.1%	
Average annualized total investment income yield (pre-tax)( 11)	2.9%	6.7%	3.5%	4.1%
-change in percentage points	-3.8 pts		-0.6 pts	
Segment income (loss)	34.1	-5.3	56.3	-1.6
-growth (%)	n.m.		n.m.	
Retention ratio(12)	87.3%	90.1%	91.7%	93.1%

### Converium: Life & Health Reinsurance

(Unaudited; in US\$ million, unless noted)	Three months ended		Nine months ended	
	September 30		September 30	
	2003	2002	2003	2002
Gross premiums written	82.7	65.7	305.5	242.7
-growth (%)	+25.9%		+25.9%	
Net premiums written	73.8	56.4	286.1	226.4
-growth (%)	+30.9%		+26.4%	
Net premiums earned	87.5	66.3	273.6	222.6
-growth (%)	+32.0%		+22.9%	

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Underwriting expense ratio life & health(13)	16.8%	26.8%	19.9%	20.3%
-change in percentage points	-10.0 pts		-0.4 pts	
Administration expense ratio life & health(14)	5.4%	6.8%	4.1%	4.4%
-change in percentage points	-1.4 pts		-0.3 pts	
Total investment results(10)	4.0	6.6	13.8	12.0
-growth (%)	-39.4%		+15.0%	
Average annualized total investment income yield (pre-tax)(11 )	2.9%	6.7%	3.5%	4.1%
-change in percentage points	-3.8 pts		-0.6 pts	
Segment loss	-14.8	-8.4	-13.4	-2.9
Retention ratio(12)	89.2%	85.8%	93.6%	93.3%

### Converium: Corporate Center

(Unaudited; in US\$ million, unless noted)	Three months ended		Nine months ended	
	September 2003	September 2002	September 2003	September 2002
Operating and administration expenses	-8.1	-7.5	-24.3	-22.6
- change (%)	+8.0%		+7.5%	
Other (loss) income	-	-23.5	-4.4	-19.9
- change (%)	-100.0%		-77.9%	
Interest expense	-6.9	-3.4	-23.9	-11.4
-change (%)	+102.9%		+109.6%	

- (1) Total investment income yield is defined as net investment income plus net realized capital gains (losses) divided by average total invested assets (including cash and cash equivalents), pre-tax and annualized.
- (2) Total investment return is defined as net investment income plus net realized capital gains (losses) plus change in unrealized gains (losses) divided by average total invested assets (including cash and cash equivalents), pre-tax and annualized.
- (3) Return on equity is defined as net income (after-tax) divided by shareholders' equity at the beginning of the period, annualized.
- (4) Excluding US\$ 136.7 million received reimbursement of reinsurance recoverable in dispute in the second quarter of 2002.
- (5) Technical result is defined as net premiums earned minus losses, loss adjustment expenses & life benefits minus underwriting acquisition costs.
- (6) Non-life loss ratio is defined as losses and loss adjustment expenses divided by net premiums earned.
- (7) Non-life underwriting expense ratio is defined as underwriting

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acquisition costs divided by net premiums earned.

- (8) Non-life administration expense ratio is defined as other operating and administration expenses divided by net premiums written.
- (9) Non-life combined ratio is defined as non-life loss ratio plus non-life underwriting expense ratio plus non-life administration expense ratio.
- (10) Total investment results are defined as net investment income plus net realized capital gains (losses).
- (11) Average annualized total investment income yield (pre-tax) is defined as annualized total investment results divided by the average of beginning and ending investment balances (including cash and cash equivalents).
- (12) Retention ratio is defined as net premiums written divided by gross premiums written.
- (13) The underwriting expense ratio is defined as underwriting expenses divided by net premiums earned.
- (14) The administration expense ratio is defined as other operating and administration expenses divided by net premiums written.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONVERIUM HOLDING AG

By: \_\_\_\_\_  
Name: Martin Kauer  
Title: CFO

By:

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Name: Christian Felderer  
Title: General Legal Counsel

Date: October 28, 2003