

Basel, 16 September 2008

Media Release

The Nationale Suisse Group reports pleasing semi-annual results in its anniversary year

With 50% higher profits of CHF 67.0 million (2007: CHF 44.6 million), the Nationale Suisse Group can report a very good semi-annual result. This was due to operational improvements in insurance business and a high investment return relative to its peers, despite the adverse market environment. The performance of non-life business was also encouraging, with a combined ratio of 97.8%, a 4.4 percentage point improvement over the same period last year.

Despite slowing economic growth, rising inflation and a fierce price war in the Swiss insurance market, the Nationale Suisse Group once again posted a record profit in the first half of its 2008 anniversary year thanks to solid underwriting results and investment income.

Premium development influenced by special factors

The **non-life insurance** segment reported gross premiums of CHF 685.1 million in the period under review, down 11.7% on the first half of 2007. This is primarily attributable to the sale of the Group's French subsidiary in September of 2007, the premiums of which were still fully included in the 2007 semi-annual accounts. Adjusted for this effect and for the influence of currency fluctuations (euro), premiums showed an increase of 0.2% (2007: 2.3%).

Gross premiums in **life insurance** amounted to CHF 322.4 million in the first half of 2008 (2007: CHF 380.1 million). This 15.2% contraction needs to be viewed in the context of the CHF 80 million single premium that was recognised in the first half of 2007 as a result of the increase in quotas in Swiss occupational pension association business. Adjusted for the influence of this factor and for currency fluctuations, premium growth was more than 7%.

The Group's overall premium volume declined by 12.9% in the period under review. Excluding the deconsolidation effect of the sale of the French unit, currency fluctuations and the influence of the above-mentioned single premium from the previous year, growth was around 2.5%.

Substantial improvement in non-life result; life business influenced by weak capital markets.

The underwriting result for non-life business was up strongly year-on-year to CHF 61.4 million (2007: CHF 32.5 million). The combined ratio came to 97.8%, which is 4.4 percentage points higher than the 102.2% attained in the first half of 2007.

The decline in the underwriting result for life business to CHF 10.7 million (2007: CHF 17.1 million) is attributable to the sharp drop in the investment income allocation. As investment income has a major influence on underwriting profit in life business, the lower half-year result also reflects the conditions prevailing in the capital markets in the period under review. Nevertheless, the life segment continues to make a sound contribution to the Group result, with favourable claims experience in the domestic market in particular continuing to have a positive influence on the Group's overall profit from life business.

Good level of investment income in an adverse market environment

Including currency losses and after offsetting interest costs included in total investment expense, net investment income came to CHF 142.8 million (2007: CHF 190.7 million), which translates into an annualised investment return of 4.5% (2007: 5.7%). This decisive contribution from investments to the Group results is due not least to the broad diversification of the investment portfolio and the consistently active management of our holdings.

Solid return on a lower equity base

The annualised return on equity amounted to 23.5% (2007: 13.5%). Here it must be noted that the Group's equity capital remains low due to the large quantity of treasury shares held. Equity capital before deduction of minority interests declined by CHF 25.4 million to CHF 566.3 million in the first half of 2008.

Outlook and medium-term goals

The interim result opens up encouraging perspectives for Nationale Suisse's 2008 full-year result; nevertheless, given the ongoing adverse market environment the Group has a challenging year ahead. In view of market conditions that are far from conducive to growth, Nationale Suisse sees opportunities mainly in clearly defined niche businesses in keeping with its declared strategy.

Nationale Suisse's goals for its 2010 annual result are to raise gross premiums to some CHF 1 900 million, keep the combined ratio below 98% and to increase its return on sales in life business to above 4.5%.

Financial highlights (Group)

Employees	30.06.2008	31.12.2007
Full-time equivalents	1 728	1 721

Results	30.06.2008	30.06.2007
	in CHF m	in CHF m
Result of non-life business	61.4	32.5
Result of life business	10.7	17.1
Operating result	83.6	55.4
Semi-annual result	67.0	44.6

Balance sheet	30.06.2008	31.12.2007
	in CHF m	in CHF m
Balance sheet total	7 414.8	7 409.7
Investments	6 429.0	6 290.2
Technical provisions for own account (including provision for future policyholders' dividends)	6 216.1	6 092.2
Shareholders' equity including minority interests	566.3	591.7

Key figures	30.06.2008	30.06.2007
	in %	in %
Net combined ratio (non-life)	97.8	102.2
Return on risk adjusted capital (RORAC, annualised)	14.6	7.2
Investment return including currency result (annualised)	4.5	5.7
Return on equity (ROE, annualised)	23.5	13.5

	30.06.2008	31.12.2007
	in CHF	in CHF
Share price	745	884
Dividend per share and par-value repayment	n.a.	30

Brief profile

Nationale Suisse is an innovative, international Swiss insurer providing first-rate risk and pension solutions and tailored niche products. The Group has gross premiums of CHF 1.87 billion, one third of which come from their subsidiaries in Germany, Belgium, Italy and Spain.

The headquarters of Swiss National Insurance Company is in Basel. Nationale Suisse is listed on the SWX Swiss Exchange (NATN). On 30 June 2008 the Group employed 1,847 persons (1,728 FTEs).

Downloads

You can access this media release on our Website www.nationalesuisse.ch under Medien/Medienmitteilung.

Disclaimer

Swiss National Insurance Company wishes to point out that any forward-looking statements in this report are based on projections, estimates and assumptions. The influence of uncertain and unforeseeable circumstances and certain risks may mean that actual performance deviates significantly from our expectations.

Information

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Important dates

Publication of Annual Report	01.04.2009
Media conference to announce financial results at Hotel Park Hyatt, Zurich	01.04.2009
Financial analysts' conference at Hotel Park Hyatt, Zurich	01.04.2009
Annual General Meeting	18.05.2009
