

## Media information

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### Swiss Mobiliar Group - 2007 results

- The Group posted a consolidated profit of CHF 340.9 million (2006: CHF 309.1 million) for the 2007 financial year. Capital and reserves rose by CHF 221.8 million to CHF 2.7 billion. The return on capital and reserves was 12.9%.
- At 1.8%, growth in the non-life premium volume was very pleasing despite a stagnating market. The underwriting result amounted to CHF 103.8 million, and the combined ratio was 94.6%.
- Life premium volumes rose by 2.2%, and the Group gained market shares in all of its core business areas. An underwriting result of CHF 6.3 million was achieved.
- Despite a difficult environment the financial result was good at CHF 304.0 million on an average invested amount of CHF 10.8 billion. This corresponds to a return on investment of 2.8%.

Statement by CEO Urs Berger in Swiss Mobiliar's 2007 results:

"Swiss Mobiliar Group is in excellent health and enjoyed a solid position in the insurance market in 2007. It once again gained market shares in its core business areas and posted an excellent result. As we are a mutual society, our profit will be used for surplus distributions to the holders of non-life insurance policies. From the middle of the year we will reduce the premiums for our SME customers by 20% to enable them to share in our profit."

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Swiss Mobiliar Group – 2007 results:

### **Customers and market shares won – 130,000 SMEs will benefit**

**In 2007, Swiss Mobiliar Group played its mutual society trump cards very well in a highly competitive insurance market. It acquired market shares in its core business areas and again posted an excellent annual result of CHF 340.9 million (2006: CHF 309.1 million). From the middle of the year 130,000 SMEs will share in the surplus in the form of a 20% premium reduction.**

In the insurance environment of 2007, Swiss Mobiliar once again benefited from its strategy of improving on a time-tested approach, reacting with foresight and continuing its development. In spite of aggressive competition the Group managed to expand its position as leader in the household contents and pure-risk life insurance markets. At 1.8%, growth in the non-life business, was remarkable despite a stagnating market.

### **Scope for market challenges**

The consolidated profit for the year was CHF 340.9 million, of which the non-life business contributed CHF 254.4 million and the life business CHF 86.5 million. In the non-life business, a higher loss experience in the summer months reduced the underwriting result to CHF 103.8 million, while in the life sector the underwriting result improved to CHF 6.3 million. The good investment result of CHF 304.0 million derived mainly from profit-taking in the first half of the year. The return on capital and reserves was 12.9%.

Thanks to the good annual result, consolidated capital and reserves improved by CHF 221.8 million to CHF 2.7 billion. This good capital base provides the Group, which functions as a mutual society, with enough scope to meet the challenges of the market.

### **Mutual society structure as a success factor**

Swiss Mobiliar posted impressive growth in the SME business insurance segment and risk reinsurance for pension funds. It earned points by playing the trump cards of a mutual society - its strategic focus on long-term success and the client-centric service network of general agencies with broad-based decision-making powers ensured that Swiss Mobiliar regularly received top marks for its handling of claims. Swiss Mobiliar also distinguishes itself in terms of surplus participation, as its insured share in the Group's success.

### **Shareholder value – for the customers**

Following the sharing in surplus with household contents customers, approximately 130,000 SMEs will be granted a 20% premium reduction on their non-life insurance policies from mid-2008 to mid-2009. In the life business, 95.6% (2006: 94.9%) of the gross earnings from risk reinsurance for pension funds will be allocated to the insured. This not only exceeds the statutory legal quota of 90%, but also outstrips the sector average of almost 92% for the years 2005 and 2006.

### **Non-life business**

Swiss Mobiliar earned higher premiums in all property business lines and wrote a total volume of CHF 2.06 billion. In a stagnating market, the 1.8% growth in this segment is very pleasing. The underwriting result was CHF 103.8 million compared to CHF 163.9 million in the previous year. The reduction was mainly caused by a higher loss experience in summer 2007. Overall, Swiss Mobiliar registered more than 23,000 claims related to natural disasters amounting to a total of approximately CHF 195 million. Heavy rain led to flooding and landslides, and hail and storms also caused damage to household goods, business inventories, vehicles and buildings. In many cases Swiss Mobiliar also paid out claims for business interruptions.

### **Life business**

In the risk insurance segment Mobiliar Life posted total growth of 2.2%, gained market shares and wrote gross premiums of CHF 689.0 million. In the occupational benefits sector, annual premiums for the reinsurance of private pension schemes rose substantially by more than 13%, which is well above the sector average. In private pension provision Swiss Mobiliar successfully defended its position as market leader in the field of pure-risk life insurance products. Regular premiums increased by more than the market average, while the single premium business declined because lower guaranteed interest rates meant that customers were less interested in products financed by a single premium. Unit-linked life insurance products financed by annual premiums did very well in spite of the turbulence on the capital markets.

Benefit expenses in the occupational pension sector were higher than in the previous year. However, when all business areas are taken into account, the benefits paid in 2007 for death as a result of illness or accident were still below expectations. The welcome trend that a greater number of people regain the ability to work after an accident or an illness also continued.

### **Investment business**

Investments at market value amounted to CHF 10.6 billion on 31 December 2007. The return on investment was 2.8% on an average invested amount of CHF 10.8 billion. The solid investment result of CHF 304.0 million derived mainly from profit-taking in the first half of the year. Skilled trading resulted in above-average gains on equity sales. As the investment strategy is low-risk and geared to the medium and long term, it was basically not possible to invest in US subprime paper. Two-thirds of investments in fixed-interest securities are rated AAA, with the bulk of the funds invested in first-class and risk-free government bonds. These investments were not affected negatively by the US mortgage crisis, but some of the corporate bonds and bank shares required impairment.

## Key figures

	<b>2007</b> in CHF million	2006 in CHF million
Gross premiums non-life and life	<b>2,749.0</b>	2 697,5
Gross premiums non-life	<b>2,060.0</b>	2,023.2
Gross premiums life	<b>689.0</b>	674.3
Underwriting result	<b>110.1</b>	143.2
Investments	<b>10,863.7</b>	10,437.7
Financial result	<b>304.0</b>	322.1
Extraordinary items*	<b>-20.0</b>	-100.0
Consolidated profit for the year	<b>340.9</b>	309.1
Capital and reserves	<b>2,745.9</b>	2,524.1
Return on capital and reserves	<b>12.9%</b>	13.1%
<b>Voluntary surplus sharing with non-life insurance policyholders</b>	<b>43.0</b>	108.0
Combined ratio non-life for own account	<b>94.6%</b>	91.3%
Number of employees (FTEs at 31.12.)	<b>3,400</b>	3,339

\* The extraordinary expenses of CHF 20 million in 2007 and CHF 100 million in 2006 are in connection with the harmonisation of the occupational benefits insurance within Swiss Mobiliar Group (harmonisation of benefits and pension fund mergers).

### Swiss Mobiliar Group

Every third household in Switzerland is insured by Swiss Mobiliar. Active in all lines of insurance, Swiss Mobiliar has a premium volume of CHF 2.7 billion. More than 80 independent general agencies with their own claims service guarantee proximity to 1.3 million customers. Swiss Mobiliar Insurance is domiciled in Berne, Swiss Mobiliar Life Insurance in Nyon. Group companies also include Protekta Rechtsschutz-Versicherung AG, Protekta Risiko-Beratungs-AG, Mobi24 Call-Service-Center and XpertCenter AG, all domiciled in Berne.

Swiss Mobiliar employs around 3,400 staff members (full time equivalents) and 275 trainees in its home markets of Switzerland and the Principality of Liechtenstein. It is Switzerland's oldest private insurance company and has operated on a mutual basis since its founding in 1826.