

Media release

2016 annual result – Swiss Mobiliar expands growth further

- With consolidated profit of CHF 439.5 million (+14.5%), Swiss Mobiliar posted another outstanding result. The non-life business contributed CHF 411.9 million (previous year: CHF 353.8¹ million) and the life business CHF 27.6 million (previous year: CHF 29.9 million). The result includes extraordinary costs of CHF 71.7 million for structural measures in favour of the company's employee benefit institutions.
- Swiss Mobiliar Group is displaying sustained growth. The total premium volume increased by 3.2% to CHF 3,630 billion.
- The premium volume in the non-life business grew by 3.1% to CHF 2,827 billion. The relevant market growth according to the premium reporting of the Swiss Insurance Association (SIA) amounted to 1.1% in 2016. Swiss Mobiliar claimed a 44% share of this market. The underwriting result increased by 1.3% to CHF 295.0 million. The number of claims incurred was slightly higher at 61.7%. The combined ratio remained stable at 88.9% (previous year: 88.7%).
- Premium income in the life business went up by 3.6% to CHF 802.8 million. While at 10.1% the business with recurring single premiums well outperformed the average market growth of 1.5%, the business with recurring collective premiums declined by 4.4%. The underwriting result fell from CHF –89.4 million to CHF –107.2 million. This sum includes CHF 43.7 million of surplus participation in favour of the policyholders.
- The financial result rose sharply on the previous year from CHF 234.9 million to CHF 373.5 million. A return on investment of 2.3% (previous year: 1.5%) was achieved on an average investment total at book value of CHF 16,200 billion. The investment performance of the financial investments amounted to 2.2% (previous year: 2.3%).
- As part of the implementation of its digitalisation strategy, Swiss Mobiliar acquired Trianon Ltd. at the start of 2016 and purchased a 50% holding in Scout24 in the spring. The acquisition of SwissCaution SA, followed in the autumn, and Treconta SA at the start of 2017.
- Owing to the offsetting of goodwill against capital in connection with the acquisitions carried out in 2016, consolidated capital and reserves decreased from CHF 4,789¹ billion to CHF 4,338 billion.
- Swiss Mobiliar has a very strong capital base, exceeding the statutory requirements many times over. The risk-bearing capacity calculated using the Swiss Solvency Test (SST) reveals ample surplus cover for both the Group companies and the Swiss Mobiliar Group as a whole. Calculated using the internal model according to SST principles approved by FINMA, the Group's solvency ratio exceeds 300%.
- Swiss Mobiliar is once again sharing its success with its customers this year. From mid-2017, for one year, a total of another CHF 155 million will be used to reduce the premiums of household and building insurance policyholders by 20%.

¹Restatement of the non-life profit from CHF 353.5 million to CHF 353.8 million and of capital and reserves from CHF 4,789.3 million to CHF 4,788.8 million due to exercise of the voting right to offset goodwill against capital and reserves

Statement by CEO Markus Hongler on Swiss Mobiliar's 2016 result:

“With a profit of CHF 439.5 million for the 2016 financial year, Swiss Mobiliar can boast a very good result. We have increased premium income by a total of 3.2% compared with the previous year and in doing so once again grown more quickly than the overall market. All the strategic business areas in the non-life business contributed to the rise in premium volumes. Growth in the life business was primarily achieved in the savings insurance business with recurring premiums in pension insurance. Financial operations made a high contribution to the pleasing profit for 2016.

Sustainably securing our pension funds is one of our core objectives. The Board of Directors has therefore decided to make a voluntary contribution of CHF 71.7 million to our pension funds. This sum will enable the current pensions to be fully funded at the lower interest rate level and cross-subsidisation by the active insured members to be avoided.

With our strategic acquisitions of Trianon Ltd., Treconta SA and SwissCaution SA as well as our holding in Scout24, we have embarked on a further important step towards the digital future.

In line with our cooperative tradition, we are once again sharing the business success with our customers. From mid-2017, we will be reducing the premiums for household and building insurance by 20% for a period of one year. As in the previous year, around CHF 155 million will be returned in this way to our policyholders.”

Swiss Mobiliar expanding growth further

With consolidated profit of CHF 439.5 million, Swiss Mobiliar Group can boast an outstanding result for the 2016 financial year. Premium growth amounted to 3.2% overall, a high rate in comparison to the market. A markedly greater contribution than in the previous year resulted from financial operations.

Swiss Mobiliar successfully continued its growth strategy in 2016 and further expanded its position in the market. The basis for the ongoing success was once again formed by the excellent positioning in the market and the comprehensive network of 79 general agencies ensuring the provision of a customer-oriented and personal service at around 160 locations.

Overall result

Swiss Mobiliar's consolidated result of CHF 439.5 million (previous year: CHF 383.7¹ million) was excellent. The rise in profit of 14.5% is largely attributable to financial operations and here in particular to the result from gold investments that increased by CHF 64.5 million. The underwriting result was lower than in the previous year, which is largely due to the course of business in the occupational pensions sector.

Capital and reserves and balance sheet total

Consolidated capital and reserves decreased from CHF 4,789¹ billion to CHF 4,338 billion, with the return on equity coming to 9.6% (previous year: 8.2%). The applicable capital at all the Group companies was well above the legally required level. The risk-bearing capacity calculated using the Swiss Solvency Test (SST) reveals ample surplus cover for both the Group companies and Swiss Mobiliar Group as a whole. Calculated using the internal model according to SST principles approved by FINMA, the Group's solvency ratio exceeds 300%.

The balance sheet total increased to CHF 17,944 billion (previous year: CHF 17,867 billion). Over 40% of all financial investments, namely CHF 7,467 billion (previous year: CHF 8,072 billion) are invested in fixed-interest securities. These are valued at amortised cost unless a premature sale is planned or there are doubts as to the borrower's ability to make interest payments or repay the debt. Investments in equities and fund units rose by 4.6% to CHF 3,385 billion (previous year: CHF 3,238 billion). In line with Swiss Mobiliar's traditional approach, due caution was applied in the calculation of allocations to technical reserves.

¹A restatement of profit from CHF 383.4 million to CHF 383.7 million and of capital and reserves from CHF 4,789.3 million to CHF 4,788.8 million was carried out for the prior-year value due to the exercise of the voting right to offset goodwill against capital and reserves instead of the previous capitalisation and systematic depreciation.

Non-life business

Swiss Mobiliar further consolidated its strong position in Switzerland's non-life market with a renewed rise in its market share of 0.3 percentage points to 18.5%. Its leading position in property insurance has expanded further to 29.3%.

Following an increase of 3.3% in the previous year, gross premiums in 2016 grew by 3.1% to CHF 2,827 billion (previous year: CHF 2,743 billion). Above all a strong new business and a continued stable cancellation rate contributed to this result, thereby enabling Swiss Mobiliar once again to significantly outperform the 1.1% average growth in the non-life market. At 61.7%, the claims incurred were 0.1 percentage point higher than in the previous year. The ratio of claims incurred to premiums was slightly below the average of the last ten years. The underwriting result rose from CHF 291.1¹ million to CHF 295.0 million and the cost ratio remained stable at 25.8%. The combined ratio increased slightly from 88.7% to 88.9%.

The products of the individual insurance segment achieved somewhat more than half the growth in the non-life business. Business insurance for SMEs and personal insurance accounted for the largest share of the growth in premiums in the business customer segment. As in the previous year, the largest growth in percentage terms was recorded by legal protection insurance.

Life business

Swiss Mobiliar maintained its leading position in risk reinsurance for employee benefit institutions with a market share of around 30%. It also safeguarded its position as leader in the area of risk life insurance with a market share of over 24%. In individual life and pension insurance, Swiss Mobiliar continues to focus primarily on pure-risk and savings-oriented insurance with recurring premiums. While in occupational pensions the year-on-year volume of annual premiums was once again down, that of single premiums rose.

Gross life premiums advanced by 3.6% to CHF 802.8 million (previous year: CHF 774.8 million). The growth resulted largely from recurring premiums in pension insurance. With an increase of 10.1% in recurring single premiums, Swiss Mobiliar significantly outperformed the average market growth of 1.5% in particular thanks to its savings-oriented insurance with transparent profit-sharing. Single premiums continued to decline owing to the prevailing low interest environment. The volume of annual premiums in the occupational pensions business decreased further. However, single premiums grew thanks to increasing purchases of retirement pensions and retirement assets for the financing of survivor's pensions.

¹A restatement of the underwriting result non-life from CHF 290.9 million to CHF 291.1 million was carried out for the prior-year value due to the exercise of the voting right to offset goodwill against capital and reserves instead of the previous capitalisation and systematic depreciation.

The underwriting result fell from CHF –89.4 million in the previous year to CHF –107.2 million owing to higher death and disability expenses in both private and occupational pensions. The underwriting result includes the surplus participation for policyholders amounting to CHF 43.7 million (previous year: CHF 59.5 million). The net cost ratio improved to 15.5% (previous year: 16.1%).

Financial business

Financial investments contributed a high CHF 373.5 million (previous year: CHF 234.9 million) to the Group's annual result. The rise of 59.0% is primarily attributable to the result from gold investments that increased by CHF 64.5 million. Investment income totalled CHF 503.4 million (previous year: CHF 429.2 million). The key components were income from securities amounting to CHF 192.8 million (previous year: CHF 189.4 million), income from real estate of CHF 82.6 million (previous year: CHF 78.9 million) and earnings from sales (largely from equities, equity funds and bonds) of CHF 133.2 million (previous year: CHF 119.5 million). At CHF 54.9 million, income from appreciation on investments was significantly higher than in the previous year (CHF 10.3 million). At CHF 106.2 million, financial investment costs were down on the previous year (CHF 190.2 million). The decrease resulted in particular from lower depreciation on financial investments that in the reporting year amounted to CHF 30.2 million (previous year: CHF 111.2 million). A return on investment of 2.3% (previous year: 1.5%) was achieved on an average investment total at book value of CHF 16,200 billion. The performance amounted to 2.2% (previous year: 2.3%).

Acquisitions and holdings

Swiss Mobiliar acquired various companies in 2016 that are today already successfully pursuing a digital business model. Trianon Ltd. was acquired at the start of 2016 with locations in Lausanne and Zurich. Trianon Ltd. is a leading Swiss company offering solutions in occupational pensions and personnel administration. In order to further strengthen this business, Bernese pension fund administrator Treconta SA, domiciled in Münsingen, was also acquired in January 2017 and is being integrated into Trianon Ltd. The mainstay in Berne is being retained.

In the spring of 2016, Swiss Mobiliar made a groundbreaking step by purchasing a 50% holding in Scout24. Scout24 operates in a purely digital business field with its online marketplaces. As well as Swiss Mobiliar, Ringier also holds a 50% holding in Scout24.

Swiss Mobiliar carried out a further strategic acquisition in the autumn with the takeover of SwissCaution SA, which is domiciled in Bussigny. The company founded in 1991 was the first insurance company to specialise in rental guarantees without bank deposits. With over 180,000 customers, SwissCaution SA is Switzerland's market leader in rental guarantees.

Protection against cyber risks

Cyber risks pose a growing threat to the modern information society and private sphere. With its “cyber protection” service component, Swiss Mobiliar will be launching a new, comprehensive insurance and service package for private individuals in household insurance in April 2017. The new package covers damages in the event of data loss, privacy and copyright infringements and the misuse of credit cards and online accounts. In addition, the new insurance product includes further services such as the brokering of a specialist company in the event of data loss and privacy infringements and a secure data storage solution with a partner company.

Swiss Mobiliar is once again letting its customers share in its success

From July 2016 until June 2017, all customers who have taken out a vehicle or business insurance policy with Swiss Mobiliar are enjoying a premium reduction of 10%. From mid-2017, for one year, a total of another CHF 155 million will be used to reduce the premiums of household and building insurance policyholders by 20%. Over the past five years, Swiss Mobiliar has disbursed over CHF 730 million from its surplus fund to its non-life insurance policyholders.

Protection against natural hazards

Swiss Mobiliar has for ten years been supporting research projects and promoting preventative measures against natural hazards throughout Switzerland. At the end of April 2017, Swiss Mobiliar will celebrate a jubilee by participating in its 100th preventative project. Swiss Mobiliar is supporting the flood protection project in the Lower Gürbetal with a substantial contribution. The initial construction phase is scheduled for launch in 2017. This region has repeatedly been affected by floods in the past few decades.

Further social commitment

Since its foundation back in 1826, Swiss Mobiliar's cooperative tradition has committed it to acting in a responsible and sustainable manner. As an independent and financially strong company, Swiss Mobiliar is able to adopt its own paths within the framework of its corporate and social responsibility and facilitate a diverse range of commitments in the spirit of its underlying cooperative philosophy. The detailed sustainability report compiled for the third time in succession explains how Swiss Mobiliar assumes its responsibility. The report forms an integral component of the 2016 Annual Report and corresponds with the guidelines of the Global Reporting Initiative GRI for the G4 Core Option.

Further information can be found at mobiliar.ch/geschaeftsbericht

Date	6/4/2017	Inquiries to	Christine Jakob, Head of financial communications
Phone	+41 31 389 62 56	E-Mail	finanzkommunikation@mobiliar.ch

You can find this media release and up-to-date images for downloading at mobiliar.ch/jahresergebnis

Key figures

	2016 in CHF million	2015 ¹ in CHF million	Change in %
Gross premiums non-life and life	3,629.8	3,517.5	+3.2
Gross premiums non-life	2,827.0	2,742.7	+3.1
Gross premiums life	802.8	774.8	+3.6
Underwriting result	187.8	201.7	-6.9
Financial investments	16,212.4	16,188.2	+0.1
Financial result	373.5	234.9	+59.0
Consolidated annual profit	439.5	383.7	+14.5
Capital and reserves	4,337.7	4,788.8	-9.4
Return on equity	9.6%	8.2%	
Surplus participation for non-life insurance customers (incl. accompanying measures; payments made from the middle of the following year)	155.0	155.0	
Combined ratio non-life for own account	88.9%	88.7%	
Number of employees excl. trainees (Full-time equivalents as at 31 December)	4,464 ²	4,154	
Number of trainees	327 ²	308	

¹ Restatement due to exercise of offset of goodwill against capital and reserves

² incl. Trianon Ltd. and SwissCaution SA

Swiss Mobiliar Group

Every third household in Switzerland is insured by Swiss Mobiliar. Active in all lines of insurance, Swiss Mobiliar had a premium volume of CHF 3,630 billion as of 31 December 2016. 79 entrepreneurially run general agencies with their own claims service guarantee proximity to 1.7 million customers at around 160 locations. Swiss Mobiliar Insurance Company Ltd. is domiciled in Berne, Swiss Mobiliar Life Insurance Company Ltd. in Nyon. Swiss Mobiliar Group also includes Swiss Mobiliar Asset Management Ltd., Protekta Legal Protection Insurance Ltd., Protekta Risk-Consulting Ltd., Mobi24 Call-Service-Center Ltd. and XpertCenter Ltd., all domiciled in Berne, as well as Trianon Ltd., domiciled in Renens, and SC, SwissCaution SA, domiciled in Bussigny.

Swiss Mobiliar has more than 4,900 employees in its home markets of Switzerland and the Principality of Liechtenstein and 327 trainees. It is Switzerland's oldest private insurance company and has operated on a mutual basis since its founding in 1826.

Date 6/4/2017

Phone +41 31 389 62 56

Inquiries to

E-Mail

Christine Jakob, Head of financial communications

finanzkommunikation@mobiliar.ch

You can find this media release and up-to-date images for downloading at mobiliar.ch/jahresergebnis