

Media Release

2015 annual result – Swiss Mobiliar successfully pursues growth course

- With a consolidated profit of CHF 383.4 million, Swiss Mobiliar achieved an outstanding result for 2015. Non-life business contributed CHF 353.5 million (2014: CHF 398.0 million, excl. special effect from the sale of the company's stake in Nationale Suisse), and life business added CHF 29.9 million (2014: CHF 41.4 million) to the overall result.
- Swiss Mobiliar Group remained on its steady growth course in 2015. The premium volume registered an increase of 1.3% (on a par with the previous year), advancing to CHF 3,518 billion.
- Non-life business raised its premium volume by 3.3% to CHF 2,743 billion, thereby once again clearly surpassing the overall market average (in accordance with Swiss Insurance Association premium reporting) of 0.5%. In absolute figures, growth achieved by Swiss Mobiliar totalled more than the market as a whole. The underwriting result advanced from CHF 202.0 million to CHF 290.9 million. Claims incurred were lower than in the year before. The combined ratio improved by 3.2 percentage points to 88.7%.
- In the life sector, premium income decreased from CHF 818.4 million to CHF 774.8 million. While business with recurring premiums in individual insurance grew by 8.0%, well above the market average of 1.0%, recurring premiums in group insurance receded by 4.0%. The underwriting result improved from CHF –144.3 million to CHF –89.4 million. It includes the surplus participation for policyholders amounting to CHF 59.5 million.
- The financial result – excluding the one-off effect of CHF 161.4 million from the sale of holdings in Nationale Suisse – decreased from CHF 433.2 million to CHF 234.9 million year-on-year. A return on investment of 1.5% (2014: 2.9%) was achieved on an average investment total (book value) of CHF 15,863 billion. The investment performance on managed investments came to 2.3% (2014: 6.7%).
- Swiss Mobiliar has a very strong capital base, exceeding the statutory requirements many times over. The statutory capital requirements for Swiss Mobiliar Group under Solvency I were last calculated as at 30 June 2015, in accordance with the supervisory ordinance revised by the Federal Council as at 1 July 2015. At that date, the Group fulfilled the capital requirements with a ratio of 632% (626% as at 31 December 2014). The risk bearing capacity determined by the Swiss Solvency Test (SST) also shows that Swiss Mobiliar Group and its individual companies all have great excess capacity in terms of capital. Calculated by internal model according to SST principles, the group's ratio comes to over 300%.
- This year, too, Swiss Mobiliar is sharing its success with customers. From mid-2016, for one year, a total of CHF 155 million will be used to reduce premiums for vehicle and business insurance policyholders by 10%.

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Statement by CEO Markus Hongler on Swiss Mobiliar's 2015 result:

“Swiss Mobiliar is presenting an excellent result for the financial year 2015 with a profit of CHF 383.4 million. We have progressed successfully on our growth course. As in the past year, we raised our overall premium income by 1.3%. A strong improvement was achieved in the underwriting result. In non-life business, we again recorded significant growth with a 3.3% increase in premium volume. We aim to continue on this course and to further raise our service quality, not least by making use of opportunities created by digital progress. We offer our services to customers via all channels. Personal advice and assistance, however, remain strictly local. They are provided by one of our 79 general agencies which, at over 160 locations throughout Switzerland, are always close to our customers.

In line with our principles as a mutual company, we are again sharing our business success with our clients. From mid-2106, for one year, premiums for vehicle and business insurance will be reduced by 10%. Overall, around CHF 155 million are thereby returned to our policyholders.”

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Swiss Mobiliar successfully pursues growth course

With a consolidated profit of CHF 383.4 million for the financial year 2015, Swiss Mobiliar Group again achieved an excellent result. The overall premium increase of 1.3% – a full 3.3% in non-life business – was once more outstanding compared to the market. The underwriting result improved markedly to CHF 201.5 million.

Swiss Mobiliar consistently pursued its growth strategy in the year under review and again managed to consolidate its market position. Key success factors were once more the company's good market positioning and its closely-knit network of 79 general agencies at over 160 locations, ensuring proximity to customers and thus personal advice and assistance.

Overall result

Swiss Mobiliar's consolidated result of CHF 383.4 million was again outstanding, considering that the year-back result of CHF 596.4 million included a one-off effect of CHF 161.4 million from the sale of holdings in Nationale Suisse. The once again high profit is primarily due to the underwriting result, which rose from CHF 57.7 million to CHF 201.5 million. The financial result came to CHF 234.9 million (2014: CHF 433.2 million, excl. special 'Nationale Suisse' effect). The good return on investment from securities and real estate was severely marred by higher write-downs on other financial investments – particularly equities and gold – compared to the previous year, and by losses on sales, especially in the case of equities.

Capital and reserves and balance sheet total

Consolidated capital and reserves rose from CHF 4,555 billion to CHF 4,789 billion, an increase of 5.1%. The return on equity amounted to 8.2% (2014: 10.5%, excluding the special 'Nationale Suisse' effect). At each of the Group companies, the applicable capital was well above the legally required level. The statutory capital requirements for Swiss Mobiliar Group under Solvency I were last calculated as at 30 June 2015, in accordance with the supervisory ordinance revised by the Federal Council as at 1 July 2015. At that date, the Group fulfilled the capital requirements with a ratio of 632% (626% as at 31 December 2014). The risk bearing capacity determined by the Swiss Solvency Test (SST) also shows that Swiss Mobiliar Group and its individual companies all have great excess capacity in terms of capital. Calculated by internal model according to SST principles, the Group's ratio comes to over 300%.

The balance sheet total advanced to CHF 17,867 billion (2014: CHF 17,256 billion). More than half of all capital investments, i.e. CHF 8,072 billion, are in the category of fixed-interest securities (2014: CHF 8,120 billion). 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 investment fund units advanced by 15.4% year-on-year to CHF 3,238 billion (2014: CHF 2,807 billion). In line with Swiss Mobiliar's customary approach, due caution was applied in the calculation of allocations to technical reserves.

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Non-life business

Swiss Mobiliar once again consolidated its strong position in Switzerland's non-life market, with its market share now at 18.2%, up by 0.5 percentage points. In property insurance, it maintained its leading position with a market share of 28.7%.

Gross premiums advanced by 3.3% (2014: 3.7%) to CHF 2.743 billion (2014: CHF 2.655 billion). Strong new business figures and a stable cancellation rate were the prime factors contributing to this result. Swiss Mobiliar thereby again exceeded the average market growth (0.5%) by a very clear margin. Claims incurred were down by 1.7 percentage points year-on-year to 61.6%. The ratio of claims incurred to premiums was thus below the average of the past ten years. Higher premium income and a favourable loss experience led to a very good underwriting result of CHF 290.9 million (up by 44.0%). The cost ratio was down from 27.2% to 25.8%, and the combined ratio improved from 91.9% to 88.7%.

Around two-thirds of the growth was achieved through products from the individual customer segment, in particular through vehicle insurance. The main growth drivers in the corporate customer section were personal and business insurance for SME.

Life business

Swiss Mobiliar managed to maintain its leadership position in risk reinsurance for employee benefit institutions – in a declining overall market – with a market share of around 30%. The company's number one position in pure risk life insurance was also retained with a market share of over 24%. In individual life and pension insurance, Swiss Mobiliar continues to focus primarily on pure risk insurance and on the further expansion of its savings insurance with recurring premiums. Annual premium and single premium volumes in occupational pensions insurance were both down year-on-year.

Gross premiums came to CHF 774.8 million (2014: CHF 818.4 million). The decline resulted mainly from occupational pensions business, which receded both in the annual and in the single premium segments. The premium volume in individual life and pension insurance rose by 3.2% overall (2014: 3.0%). A strong advance of 8.0% (2014: 3.6%) was recorded in business with recurring premiums. Swiss Mobiliar thereby managed to significantly exceed the average market growth of 1.0%. This success was due to the expansion of savings insurance with recurring premiums, in particular to the new savings insurance with transparent profit participation launched in May 2015 and our range of unit-linked savings insurance products with guarantee. Owing to the low interest rate levels, single premium business declined sharply and was reduced practically to insignificance.

The underwriting result increased from CHF –144.3 million in 2014 to CHF –89.4 million. This improvement was primarily due to lower benefit payments incurred in group insurance, thanks to the closure of a considerable number of cases without significant cost consequences. Included in the underwriting result is the total surplus participation for policyholders amounting to CHF 59.5 million (2014: CHF 43.3 million). The net cost ratio came to 16.1% (2014: 15.8%). In individual insurance, benefits for disability continued to decline at a low level. Death benefits, too, were down year-on-year. By contrast, death benefits in occupational pension insurance (group insurance) recorded a strong increase.

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Financial business

The financial result amounted to CHF 234.9 million (2014: CHF 433.2 million, excluding the special 'Nationale Suisse' effect). The decrease was mainly due to higher write-downs on financial investments – particularly shares and gold – and to losses on sales. A return on investment of 1.5% (2014: 2.9%) was achieved on an average investment total (book value) of CHF 15,863 billion, with the investment performance coming to 2.3% (2014: 6.7%). Investment income totalled CHF 429.2 million (2014: CHF 476.3 million). The key components of the investment result were income from securities amounting to CHF 190.3 million (2014: CHF 190.9 million), income from real estate totalling CHF 78.9 million (2014: CHF 74.2 million) and earnings from sales (mostly of equities, equity funds and gold) yielding CHF 119.5 million (2014: CHF 139.4 million). At CHF 10.3 million, income from appreciation on investments was lower than in the previous year (CHF 29.0 million). Financial investment costs came to CHF 190.2 million, markedly more than in the year before (CHF 58.8 million). The increase was attributable mainly to write-downs, which amounted to CHF 111.2 million in the year under review (2014: CHF 24.7 million).

Customers again share in Swiss Mobiliar's success

Between July 2015 and June 2016, all customers with household contents and buildings insurance benefit from a 20% reduction on their premiums. From mid-2016, for one year, a total of CHF 155 million will be used to reduce premiums for vehicle and business insurance policyholders by 10%. Over the past five years, Swiss Mobiliar has disbursed more than CHF 700 million from its surplus fund to its non-life insurance customers.

Acquisition of Trianon SA

As announced in autumn 2015, Swiss Mobiliar acquired Trianon SA with its 120 employees in Renens and Zurich as at the beginning of January 2016. The company is run as a subsidiary of Swiss Mobiliar Group. With the acquisition of Trianon SA, a leading Swiss firm for occupational pension and HR compensation solutions, Swiss Mobiliar is expanding its range of offers and can now provide corporate customers with new services such as salary administration.

Social commitment

Swiss Mobiliar's tradition as a mutual company has obliged it to act in a responsible and sustainable way ever since its foundation in 1826. As an independent and financially solid company, Swiss Mobiliar can choose its own course – within the bounds of its entrepreneurial and social responsibilities – and commit itself to various projects for the common good in line with its basic mutual philosophy. How this is put into practice in concrete terms is outlined in detail in the sustainability report for the financial year 2015. It forms an integral part of Swiss Mobiliar's Annual Report and has been set up in accordance with the currently valid guidelines of the Global Reporting Initiative (GRI G4).

Further information is available at www.mobiliar.ch/geschaeftsbericht

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Key figures

	2015 in CHF millions	2014 in CHF millions	
Gross premiums non-life and life	3,517.5	3,473.6	+1.3
Gross premiums non-life	2,742.7	2,655.2	+3.3
Gross premiums life	774.8	818.4	-5.3
Underwriting result	201.5	57.7	+249.2
Financial investments	16,188.2	15,538.0	+4.2
Financial result excl. special effect sale of stake in Nationale Suisse	234.9	433.2	-45.8
Special effect sale of stake in Nationale Suisse	0.0	161.4	n/a
Financial result incl. special effect sale of stake in Nationale Suisse	234.9	594.6	-60.5
Consolidated annual profit	383.4	596.4	-35.7
Capital and reserves	4,789.3	4,554.8	+5.1
Return on equity excl. special effect sale of stake in Nationale Suisse	8.2%	10.5%	
Surplus participation for non-life insurance customers (incl. accompanying measures; payments made from the middle of the following year)	155.0	144.0	
Combined ratio non-life for own account	88.7%	91.9%	
Number of employees excl. trainees (Full time equivalents as at 31 December)	4,154	4,027	
Number of trainees and designated young talents	308	325	

n/a: not applicable

Swiss Mobiliar Group

Every third household in Switzerland is insured by Swiss Mobiliar. Active in all lines of insurance, Swiss Mobiliar had an annual premium volume of CHF 3,518 billion as at 31 December 2015. 79 largely independent general agencies with their own claims service at around 160 locations guarantee proximity to approximately 1.7 million customers. 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 SA, domiciled in Renens.

Swiss Mobiliar is Switzerland's oldest private insurance company and has operated on a mutual basis since its founding in 1826.

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