

## Media release

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### 2017 annual result – Swiss Mobiliar again posts above-market growth

- With a consolidated profit of CHF 440.5 million for the financial year 2017, Swiss Mobiliar Group again achieved an outstanding result. Non-life business contributed CHF 406.2 million (2016: CHF 411.9 million) to the overall profit, while life business added CHF 34.3 million (2016: CHF 27.6 million).
- The Group continued on its growth course, with the total premium volume rising by 4.0% to CHF 3.775 billion.
- The premium volume in non-life business advanced by 4.8% to CHF 2.961 billion. According to the Swiss Insurance Association premium reporting, the corresponding growth in the Swiss insurance market came to 0.9% in 2017. Two thirds of this growth was achieved by Swiss Mobiliar. At CHF 257.9 million, the underwriting result was down by 12.6% year-on-year. The claims ratio rose from 61.7% to 63.2%, while the combined ratio increased to 90.8% (2016: 88.9%).
- In life insurance, the premium volume rose by 1.3% to CHF 813.3 million. While business with recurring premiums in individual insurance grew by 4.7%, well above the market average of -0.1%, recurring premiums in group insurance receded by 7.5%. At CHF -112.7 million, the underwriting result was lower than the year before (CHF -107.2 million). The total includes CHF 35.4 million in surplus participation in favour of policyholders.
- The financial result in accordance with Swiss GAAP FER declined slightly – from CHF 373.5 million to CHF 336.6 million – compared to 2016. On an average investment total of CHF 16.681 billion at book value, the Group achieved a return on investment of 2.0% (2016: 2.3%). The investment performance on the financial investments at market value came to 3.6% (2016: 2.2%).
- Consolidated capital and reserves rose from CHF 4.338 billion to CHF 4.835 billion. Besides the profit, the higher revaluation reserves on equity investments as a result of the good stock market performance were the main component of this 11.5% increase.
- Swiss Mobiliar has a very strong capital base, exceeding the statutory requirements many times over. The risk bearing capacity determined by the Swiss Solvency Test (SST) also shows that Swiss Mobiliar Group and its individual companies all have considerable excess capacity in terms of capital. The Group's SST ratio, calculated on the basis of the internal model approved by FINMA, comes to 400%.
- Swiss Mobiliar is again letting customers share in its success. From mid-2018, for one year, a total of CHF 160 million will be used to reduce premiums for vehicle and SME business insurance policyholders by 10%.

## Statement by CEO Markus Hongler on Swiss Mobiliar's 2017 result:

Swiss Mobiliar Group has again posted an excellent result for the financial year 2017, recording a profit of CHF 440.5 million. We successfully pursued our profitable growth course and raised our premium volume by a total of 4.0%, once again clearly outperforming the market as a whole. In non-life insurance, the premium volume was raised by 4.8%. Two thirds of this marked increase came from organic growth, while roughly one third resulted from the rental guarantee business of SC, SwissCaution SA, acquired in autumn 2016. In life insurance, the upswing in individual business with recurring premiums continued. On the financial market, we benefited from the upward trend in stock prices. As this primarily impacted the revaluation reserves in capital and reserves, the profit contribution from financial operations was lower than in the year before.

On 1 January 2018, we achieved a milestone on our corporate history. Based on the Group's consistent growth, the number of insured individuals and companies surpassed the two million mark for the first time ever.

In line with our cooperative tradition, we are again sharing our business success with our clients. Between July 2018 and June 2019, all customers with a Swiss Mobiliar vehicle or SME business insurance policy benefit from a 10% reduction on their premiums. A total of around CHF 160 million is thereby returned to our policyholders. Over the past ten years, Swiss Mobiliar has disbursed more than CHF 1.3 billion from its surplus fund to its customers.

## Swiss Mobiliar's above-market growth continues

**With a consolidated profit of CHF 440.5 million for the financial year 2017, Swiss Mobiliar Group again achieved an excellent result. Based on premium growth of 4.0% overall, the Group further strengthened its market position.**

In 2017, Swiss Mobiliar growth course continued unabated, once again clearly exceeding the average market growth. The main pillars of this sustained success are our good positioning in the market and the strong distribution structure with a nationwide network of 79 general agencies at over 160 locations, ensuring proximity to clients and personal services.

### Overall result

With a consolidated profit of CHF 440.5 million (2016: CHF 439.5 million), Swiss Mobiliar was once again able to maintain earnings at a high level. The underwriting result declined – from CHF 187.8 million to CHF 145.2 million – primarily due to the increase in losses incurred in non-life business. At CHF 336.6 million, the financial result was somewhat lower than the year before (CHF 373.5 million) despite the favourable market environment. The high stock prices are mostly reflected in the revaluation reserves, which have no impact on the result.

### Capital and reserves and balance sheet total

Consolidated capital and reserves rose by CHF 497.2 million to CHF 4.835 billion. The return on equity remained on a par with the previous year at 9.6%. At all the Group companies, the applicable capital was well above the legally required level. The risk bearing capacity determined by the Swiss Solvency Test (SST) also shows that Swiss Mobiliar Group and its individual companies all have considerable excess capacity in terms of capital. The Group's SST ratio, calculated on the basis of the internal model approved by FINMA, comes to 400%.

The balance sheet total advanced to CHF 18.896 billion (2016: CHF 17.944 billion). Over 40% all capital investments, i.e. CHF 7.293 billion (2016: CHF 7.467 billion), are made in fixed-interest securities. These are valued at amortised cost. Investments in equities and investment fund units advanced by 11.3% to CHF 3.768 billion (2016: CHF 3.385 billion). In line with Swiss Mobiliar's customary approach, due caution was applied in the valuation of technical reserves.

## Non-life business

Swiss Mobiliar once again consolidated its strong position in Switzerland's non-life market, with its market share now at 19.1%, up by 0.6 percentage points. In property insurance, it maintained its leading position with a market share of 29.6% (2016: 29.3%).

Gross premiums registered an increase of 4.8% to CHF 2.961 billion (2016: CHF 2.827 billion), again distinctly above the average market growth of 0.9% according to Swiss Insurance Association figures. One-third of this increase resulted from the rental guarantee business of SC, SwissCaution SA, acquired in October 2016. Even if one factors out this acquisition, the remaining 3.3% growth still exceeded the past year's figure (3.1%). The higher number of newly concluded contracts compared to 2016 was instrumental in this growth. The cancellation rate evolved in line with premium developments. Claims incurred rose from 61.7% to 63.2%, due especially to above-average damage caused by natural hazards in the third quarter of 2017. The ratio of claims incurred to premiums remained roughly in line with the average of the past ten years. The underwriting result contracted from CHF 295.0 million to CHF 257.9 million. The cost ratio rose to 26.3% (2016: 25.8%), while the combined ratio moved up by 1.9 percentage points to 90.8%.

Slightly over half the organic growth in non-life business was accounted for by insurance for private individuals, in particular mobility insurance. In the corporate sector, the largest share in the premium growth was achieved in personal and business insurance for small and medium-sized companies.

## Life business

In the occupational pensions sector (group insurance), we maintained our strong position in the fiercely contested pension fund reinsurance business. 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 on its range of pure risk insurance and on the further expansion of its savings insurance with recurring premiums. The volume in annual premiums in group insurance again receded, whereas single premiums recorded an increase.

Gross life premiums advanced by 1.3% year-on-year to CHF 813.3 million (2016: CHF 802.8 million). The growth resulted both from the recurring premium business in individual and from single premiums in group insurance, the latter mainly due to the acquisition of disability pension portfolios. The premium volume in individual life and pensions insurance rose by 2.7% overall. The 4.7% increase in recurring premiums was well above the average market growth of -0.1%. Business with single premiums, by contrast, contracted significantly owing to the prevailing low interest rate environment. The volume in annual premiums from occupational pensions insurance registered a further decline. This was due in particular to a lower average premium per insured person compared to the previous year.

The underwriting result decreased by 5.1% year-on-year to CHF -112.7 million. This total includes the surplus participation for policyholders amounting to CHF 35.4 million (2016: CHF 43.7 million). The net cost ratio rose slightly from 15.5% to 15.7%.

## Financial business

Financial operations contributed CHF 336.6 million (2016: CHF 373.5 million) to the overall result. The decrease in the financial result despite favourable market conditions and higher stock prices was due to the fact that the share price increases impacted mostly on the revaluation reserves in capital and reserves and only to a slight extent on the result in the form of income from appreciation on investments.

Investment income totalled CHF 479.4 million (2016: CHF 503.4 million). The key components of the investment result were income from securities amounting to CHF 149.0 million (2016: CHF 192.8 million), income from real estate totalling CHF 83.4 million (2016: CHF 82.6 million) and earnings from sales (mostly of equities, equity funds and bonds) yielding CHF 164.6 million (2016: CHF 133.2 million). Income from appreciation (including appreciation on associated organisations) amounted to CHF 49.6 million (2016: CHF 65.5 million). Financial investment costs came to CHF 103.6 million, slightly less than in the year before (CHF 106.2 million). Costs from the other result items amounted to CHF 39.1 million (2016: CHF 23.8 million). Depreciation receded from CHF 30.2 million to CHF 25.0 million year-on-year, while losses from disposals were down from CHF 36.5 million to CHF 22.9 million. By contrast, asset management costs rose from CHF 19.9 million to CHF 26.0 million, primarily due to the expansion of the mortgage portfolio. Financial operations achieved a return on investment of 2.0% (2016: 2.3%) on an average investment total of CHF 16.681 billion at book value. The investment performance at market value came to 3.6% (2016: 2.2%).

## Key investments

For many years, Swiss Mobiliar has been investing considerable amounts in projects. In 2017, the investment volume across all departments reached CHF 123 million. The main focus was on a comprehensive renewal of the IT systems. Spring 2017 saw the successful conclusion of a long-term project with the introduction of Mobiliar Claims System (MCS), which takes the processing of claims in property, liability and mobility insurance into a new era. Furthermore, significant sums were invested in the digitalisation of customer processes, such as the introduction of digital contract conclusion. The investments in digital enterprises made in 2016 – with the purchase of Trianon, Treconta and SC, SwissCaution SA and the acquisition of a stake in Scout24 – all performed successfully in 2017.

## New products and insurance solutions

A new insurance module against damage caused by earthquakes, launched in 2016 for individuals and SME, recorded highly gratifying sales in 2017. With the introduction of cyber insurance for private individuals last spring and for business customers in autumn, Swiss Mobiliar addressed a pressing issue of our age. In the occupational pensions sector, small and medium-sized enterprises can now benefit from a new and transparent employee benefits solution in the form of “Gemeinschaftskasse BVG Mobiliar”, launched at the beginning of 2017. November saw the introduction of two new savings products in individual life insurance – a convertible savings plan and a payout plan. The convertible savings plan got off to a highly promising start in the year under review. As at 1 January 2018, it replaced all previous savings insurance products with recurring premiums. While convertible savings insurance provides financial security in future life situations, the payout plan guarantees customers a regular additional income with monthly payments over a given period of time.

## Customers again share in Swiss Mobiliar's success

Between July 2017 and June 2018, all Swiss Mobiliar customers with a household contents or buildings insurance are benefiting from a 20% discount on their premiums. From mid-2018, for one year, a total of CHF 160 million will be used to reduce premiums for vehicle and SME business insurance policyholders by 10%. Over the past ten years, Swiss Mobiliar has disbursed more than CHF 1.3 billion from its surplus fund to its non-life insurance policyholders.

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## Protection against natural hazards

Since 2006, Swiss Mobiliar has supported research projects and fostered preventive measures against natural hazards throughout Switzerland. April 2017 saw Swiss Mobiliar participate in its 100th prevention project in Toffen (canton of Berne). To date, the company has co-funded 116 natural hazard prevention projects to the tune of over CHF 34 million. These projects regularly prove their worth in practice, as for example in the municipality of Vordemwald near Zofingen, where a surface water detection system had been installed after the floods of 2013. Thanks to this installation, the municipality registered significantly fewer cases of water-related damage than in the past despite the heavy storms in summer 2017.

## Social commitment

Swiss Mobiliar's tradition as a cooperative 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 is outlined in detail in the Sustainability Report for the financial year 2017, which forms an integral part of the Annual Report and has been drawn up in accordance with the Global Reporting Initiative's G4 "core option" guidelines.

Further information is available at [mobiliar.ch/geschaeftsbericht](http://mobiliar.ch/geschaeftsbericht)

## Key figures

	<b>2017</b> in CHF millions	2016 in CHF millions	Change in %
Gross premiums non-life and life	<b>3,774.7</b>	3,629.8	+4.0
Gross premiums non-life	<b>2,961.4</b>	2,827.0	+4.8
Gross premiums life	<b>813.3</b>	802.8	+1.3
Underwriting result	<b>145.2</b>	187.8	-22.7
Financial investments	<b>17,150.1</b>	16,212.4	+5.8
Financial result	<b>336.6</b>	373.5	-9.9
Consolidated annual profit	<b>440.5</b>	439.5	+0.2
Capital and reserves	<b>4,834.9</b>	4,337.7	+11.5
Return on equity	<b>9.6%</b>	9.6%	
<b>Surplus participation for non-life insurance customers</b> (incl. accompanying measures; payments made from the middle of the following year)	<b>160.0</b>	155.0	
Net combined ratio non-life	<b>90.8%</b>	88.9%	
Number of employees excl. trainees (full time equivalents as at 31 December)	<b>4,618</b>	4,464	
Number of trainees and designated young talents	<b>342</b>	327	

### 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 3.775 billion as at 31 December 2017. 79 entrepreneurially run general agencies with their own claims service guarantee proximity to more than 2 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., Swiss Mobiliar Services 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 5,000 employees in its home markets of Switzerland and the Principality of Liechtenstein as well as 342 trainees. It is Switzerland's oldest private insurance company and has operated on a cooperative basis since its founding in 1826.

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