

Media release

Swiss Mobiliar continues to grow strongly.

- Swiss Mobiliar continued its profitable growth course in the first half of 2019 and further strengthened its good position in the market. The premium volume rose by CHF 106.7 million year-on-year to CHF 2.755 billion.
- Premium income in the non-life sector was up 4.7% overall. With an increase of 4.4% in the direct business, the comparable market growth of 2.4% recorded by the Swiss Insurance Association (SIA) was once again significantly outperformed. All the strategic business areas contributed to the growth in premium volumes. The underwriting result was up owing to the more favourable loss experience compared with the previous year. The combined ratio improved from 89.9% to 89.7%.
- In life insurance, the premium volume altogether increased by 1.2%. Individual life and pensions gained 6.5%, which is particularly attributable to the business with annually recurring premiums. In occupational pensions, income from annual premiums developed at the level of the previous year. The underwriting result was lower year-on-year, largely due to the formation of higher interest reserves.
- The profit contribution from financial operations amounted to CHF 234.8 million, up from CHF 200.6 million in the first half of 2018. The financial result reflects the good stock market performance in the first six months of the year that resulted in significantly higher appreciation on investments. The income from sales likewise contributed to the revenue growth. However, income from securities declined slightly due to the low interest rate level.
- The half-year profit after tax amounts to CHF 293.3 million (previous year: CHF 264.7 million). The non-life business contributed CHF 267.2 million to this profit and life operations CHF 26.1 million.
- Consolidated capital and reserves rose by CHF 336.1 million compared to the end of 2018 to CHF 5.116 billion, with the half-year profit and the increase in revaluation reserves boosting and the profit appropriation reducing the performance of capital and reserves.
- Thanks to its cooperative philosophy, Swiss Mobiliar is once again sharing its business success with its customers in the form of a premium reduction. From mid-2019, for one year, a total of CHF 160 million will be used to reduce premiums for policyholders of household contents and buildings insurance by 20%.

Swiss Mobiliar posts strong and profitable growth in the first half of 2019

Swiss Mobiliar seamlessly continued its growth course in the first half of 2019. The mutually structured Group further consolidated its market position with a premium volume growth of 4.0%. Growth in the non-life business was once again well above that of the overall market and there was also a rise in premium income in the life business. Financial market developments had a positive impact on the investment result.

The Swiss Mobiliar Group recorded consolidated profit of CHF 293.3 million for the first half of the year (previous year: CHF 264.7 million). The non-life result after tax came to CHF 267.2 million (previous year: CHF 242.1 million), while that of the life business was CHF 26.1 million (previous year: CHF 22.7 million). Financial operations contributed a sum of CHF 234.8 million (previous year: CHF 200.6 million) to the half-year result. The return on investment amounted to 1.3% (previous year: 1.2%).

As at end of June 2019, the Swiss Mobiliar Group's premium volume totalled CHF 2.755 billion (previous year: CHF 2.648 billion), CHF 2.263 billion of which stem from non-life operations and CHF 491.4 million from the life business.

Consolidated capital and reserves rose by CHF 336.1 million compared to the end of 2018 to CHF 5.116 billion. The net growth is primarily due to the accrual from the half-year result and the significantly higher revaluation reserves compared with the previous year. On the other hand, the profit appropriation – in particular the allocation of CHF 180 million to the surplus fund of Swiss Mobiliar Insurance Company Ltd for future voluntary premium reductions for policyholders – had a negative impact on capital and reserves.

Swiss Mobiliar shares its profits with its customers

"I am delighted that we again managed to achieve an outstanding result and further consolidate our market position in the first half of 2019," says CEO Markus Hongler. "Our consistently strong growth is primarily attributable to our many satisfied customers who recommend us to others. To thank them for their loyalty and trust in Swiss Mobiliar, we share our business success with them. A total of around CHF 160 million has been earmarked for a one-year premium reduction of 20% for household contents and buildings insurance policyholders, starting in mid-2019."

Non-life business – prior-year growth exceeded again

Swiss Mobiliar remains highly successful in the non-life business, with year-on-year growth even slightly up. Premium income rose by 4.7% overall to CHF 2.263 billion in the first half of 2019. With an increase of 4.4% in the direct business, Swiss Mobiliar once again significantly outperformed the comparable market growth of 2.4% and further consolidated its good market position. As in previous years, newly concluded contracts were responsible for the bulk of premium volume growth.

All strategic business areas contributed to the rise in premium income. The highest growth rate in the individual insurance segment was recorded by legal protection insurance, followed by the rental guarantee business. Premium growth in the motor vehicle insurance business, which remains exposed to strong competitive pressure, amounted to 2.2%. Personal insurance once again contributed the largest growth share in the corporate customer segment. Furthermore, the sector for medium and large-sized companies and business insurance for SMEs also recorded positive premium growth.

The cost ratio rose from 25.7% in the prior-year period to 26.5%, largely as a result of additional costs in connection with the initiative launched by Swiss Mobiliar a year ago to accelerate digital transformation. Thanks to below-average claims that were also down on the previous year in the first six months of the year, the underwriting result increased from CHF 143.4 million to CHF 151.8 million. The combined ratio improved from 89.9% to 89.7%.

Life business – continued high growth in individual life and pensions

The premium volume in the life business altogether increased by 1.2% to CHF 491.4 million.

Premium income in individual life and pensions was up by a total of 6.5%. The growth largely resulted due to the “convertible savings plan” launched by Swiss Mobiliar two years ago. Alongside the life and pensions product for adults, there has also been particularly strong demand in recent months for the children’s savings insurance introduced last autumn. The annual premium sector increased its growth by 5.7% in the first half of 2019, thereby once again significantly outperforming the market growth of 0.1%. The single premium volume was also up on the prior-year period. The premium volume in risk insurance was slightly higher year-on-year.

The annual premium business in occupational pensions remained at its prior-year level. The single premium volume was down due to declining purchases of retirement pensions compared with the prior-year period. Customers who are entitled to the minimum disbursement rate based on their contracts with Swiss Mobiliar received an overall disbursement of around CHF 3 million from the surplus fund as at the end of June 2019.

In individual life and pension insurance, Swiss Mobiliar continues to focus on the business with recurring premiums, expanding its range of savings products and upholding its market leadership position in pure risk life insurance. In occupational pensions Swiss Mobiliar intends to maintain its position as a leading provider of solutions in the reinsurance of pension funds.

Benefits in the event of death were down in the first six months in both individual and group occupational pensions insurance. While in the individual insurance segment disability expenses rose slightly, they fell in group insurance. The cost ratio improved from 16.9% to 15.4% due to higher annual premiums for individual insurance and lower operating costs in individual and group occupational pensions insurance. Owing to the prevailing low market interest rates, Swiss Mobiliar topped up its interest reserves so that the underwriting result was lower than in the prior-year period.

Investment result – financial markets soaring despite subdued economic outlook

Following the pronounced correction of the equity markets at the end of December, sentiment on the global financial markets quickly picked up again at the start of the current year. However, the decisive factor behind the steep upward trend was not an improvement in global economic performance but primarily the abandonment by the US Federal Reserve of its restrictive monetary policy. The low interest environment, coupled with moderate economic growth and low inflation pressure, consequently supported tangible assets such as equities and gold. Against this backdrop, the financial result of Swiss Mobiliar in the first six months of 2019 proved positive and contributed CHF 234.8 million (previous year: CHF 200.6 million) to the half-year result. The bulk of the increase resulted from higher appreciation on investments and increased income from sales. Based on the Swiss GAAP FER accounting standards, the higher stock prices of equities and gold impacted mostly on the revaluation reserves in capital and reserves and only to a lesser extent on the result in the form of income from appreciation on investments. Capital assets increased by 6.2% on 31 December 2018 to CHF 19.418 billion. A return on investment of 1.3% (previous year: 1.2%) was achieved on the average investment total (book value). The performance¹ amounted to +4.8% (previous year: -0.3%).

¹ Calculated at market values according to the Time Weighted Return method

Swiss Mobiliar on course for digital transformation

The initiative launched one year ago with an additional boost in investment of CHF 250 million over five years to safeguard future above-market growth and accelerate the digital transformation of the core business is running according to plan. The recruitment of new staff also launched in this connection has proceeded successfully. Of the 150 newly advertised FTE positions in the areas of software development, business and data analysis, around 90% have now already been filled.

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 3.831 billion as at 31 December 2018. 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, SC, SwissCaution SA, domiciled in Bussigny, and bexio AG domiciled in Rapperswil.

Swiss Mobiliar has some 5,400 employees in its home markets of Switzerland and the Principality of Liechtenstein as well as 345 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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This media release can also be accessed at [mobiliar.ch/halbjahresergebnis](https://www.mobiliar.ch/halbjahresergebnis)

Mobiliar Group half-year results 2019 – key figures

	2019	2018	Change
Profit and loss account figures (1 Jan to 30 June)	CHF million	CHF million	in %
Group premium volume	2,754.5	2,647.8	+4.0
Non-life			
Gross premiums	2,263.1	2,162.1	+4.7
Net earned premiums	1,474.3	1,421.8	+3.7
Underwriting result	151.8	143.4	+5.9
Financial result	152.7	127.4	+19.9
Profit after tax	267.2	242.1	+10.4
Life			
Gross premiums	491.4	485.7	+1.2
Net earned premiums	371.1	363.3	+2.1
Underwriting result	-54.2	-47.9	-13.1
Financial result	82.0	73.2	+12.0
Profit after tax	26.1	22.7	+15.2
Consolidated half-year profit	293.3	264.7	+10.8
Balance sheet figures			
	30 June 2019	31 Dec 2018	
Assets			
Fixed assets	19,418.3	18,278.3	+6.2
– of which capital investments	18,269.9	17,177.6	+6.4
Current assets	688.1	657.0	+4.7
Liabilities			
Debt capital	14,990.6	14,155.6	+5.9
– of which technical provisions for own account	11,984.0	11,134.2	+7.6
Consolidated capital and reserves	5,115.8	4,779.6	+7.0

Amounts in the figures section are rounded. The total may therefore deviate from the sum of the individual items. Rounding differences may thus also be found in the percentage rates.