

Media Release

Swiss Mobiliar's above-market growth continues

- Swiss Mobiliar successfully pursued its profitable growth course in the first half of 2018. The Group further consolidated its market position with a premium volume increase of CHF 37.0 million to CHF 2.648 billion.
- To ensure ongoing above-market growth in the coming years and to accelerate digital transformation, Swiss Mobiliar is investing an additional CHF 250 million in the adoption of new technologies. Around 150 new positions (FTE) will be created in this context.
- Non-life premiums advanced by 4.6%, again well above the average market increase of 1.6% according to Swiss Insurance Association (SIA) figures. All strategic business areas contributed to this premium volume growth. Despite more frequent natural hazard occurrences, the underwriting result improved year on year. In view of the ongoing high growth rate, the combined ratio is on an excellent level at 89.9% (H1 2017: 89.7%).
- In life insurance, a strong growth rate of 10.4% was achieved in the individual sector, mainly due to the two new products launched in autumn 2017 – a convertible savings plan and a payout plan. Business with recurring premiums proved particularly successful, advancing by 4.3% in an environment that saw an average market growth of –0.2%. In the occupational pensions segment (group insurance), by contrast, business with recurring premiums and with single premiums both contracted compared to the first half of 2017. Owing to this development, premium income from life insurance receded by 10.7% overall. The underwriting result improved by CHF 31.2 million to CHF –47.9 million.
- The profit contribution from financial operations decreased from CHF 217.3 million to CHF 200.6 million. Overall income from the sale of financial investments was down compared to the first half of 2017.
- The half-year profit after tax amounted to CHF 264.7 million (H1 2017: CHF 258.3 million), with non-life business contributing CHF 242.1 million and life operations CHF 22.7 million.
- Consolidated capital and reserves receded slightly compared to end-2017, from CHF 4.835 billion to CHF 4.790 billion. The main reason is the allocation of CHF 190 million to the surplus fund for the financing of future premium reductions for policyholders.
- Swiss Mobiliar remains true to its principles as a mutual company and again allows its customers to share in its business success. From mid-2018, for one year, a total of around CHF 160 million will be used to reduce premiums for vehicle and business insurance policyholders by 10%.

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Swiss Mobiliar successfully pursues its profitable growth course in first half 2018

Swiss Mobiliar has continued to grow successfully. To accelerate digital transformation and to ensure ongoing above-market growth in the coming years, Swiss Mobiliar is investing an additional CHF 250 million. The premium volume was raised by 1.4% in the first half of 2018. Non-life insurance premiums advanced by 4.6%, thus even exceeding the year-back result on a comparable basis. The growth achieved was again clearly above the insurance market average. Individual life insurance registered a gratifying premium increase, while premium income in occupational pensions (group insurance) was considerably lower year-on-year.

Swiss Mobiliar Group posted a consolidated profit of CHF 264.7 million for the first half of 2018 (H1 2017: CHF 258.3 million). The non-life result after tax came to CHF 242.1 million (H1 2017: CHF 233.6 million), while life business recorded a result after tax of CHF 22.7 million (H1 2017: CHF 24.7 million). Financial operations contributed CHF 200.6 million (H1 2017: CHF 217.3 million) to the half-year result. The return on investment amounted to 1.2% (H1 2017: 1.3%).

As at end of June 2018, Swiss Mobiliar Group's premium volume totalled CHF 2.648 billion, CHF 2.162 billion of which stem from non-life operations and CHF 485.7 million from life business.

Consolidated capital and reserves decreased by CHF 45.1 million compared to the end of 2017 to CHF 4.790 billion. While the half-year result had a positive impact on capital and reserves, the profit appropriation – in particular the allocation of CHF 190 million to the surplus fund of Swiss Mobiliar Insurance Company Ltd. for future voluntary premium reductions for policyholders – and the decline in revaluation reserves led to this net decrease.

Swiss Mobiliar shares success with customers as reward for their loyalty

“I am pleased that we successfully continued on our profitable, above-market growth in the first half of 2018,” says CEO Markus Hongler. “Remaining true to our core values as a cooperative, we are once again rewarding our customers for their loyalty and their trust in Swiss Mobiliar. Since mid-2018, motorists and owners of small and medium-sized companies have been benefiting in the form of a 10% reduction in their motor vehicle and business insurance premiums for one year. Altogether, around CHF 160 million will thereby be returned to our policyholders.”

Non-life insurance – year-back growth surpassed

With a 4.6% increase (year-back figure on a comparable basis: 4.2%) to CHF 2.162 billion, the non-life premium development in the first half of 2018 impressively underscored the further consolidation of Swiss Mobiliar's strong market position. The average market growth of 1.6% was once again clearly exceeded. As in the first half of 2017, growth was driven predominantly by new business conclusions. In the 2017 half-year, Swiss Mobiliar achieved a growth of 6.3% overall. One-third of that, however, was due to the first-time inclusion of the rental guarantee business of SC, SwissCaution SA, acquired in autumn 2016.

All strategic business areas contributed to the premium increase. In the personal insurance segment, growth in household contents insurance was significantly higher than in the first half of 2017, while legal protection and rental guarantee business developed on a par with the year-back increase. Growth in motor vehicle insurance slowed somewhat due to the strong competitive pressure in the mobility business field. Personal insurance again contributed a substantial share to the growth of the corporate customer segment. Business with medium-sized and large companies registered an upward trend. Growth in business insurance for SME, a fiercely contested domain, was again clearly above the market average and only slightly below the year-back figure.

Owing to higher administrative costs, the cost ratio rose from 24.8% to 25.7%. The combined ratio increased marginally from 89.7% to 89.9%. The underwriting result was slightly higher year on year.

Life business – strong growth in individual insurance

The overall premium volume in life business receded by 10.7% to CHF 485.7 million year on year owing to developments in the occupational pensions segment.

Individual insurance registered a robust 10.4% advance. The increase is largely due to two new savings products introduced in the autumn of 2017. The "convertible savings plan" gives policyholders a choice both at contract conclusion and during the term of insurance between guarantee and shares in investment funds. With the "payout plan", Swiss Mobiliar offers customers a savings solution without biometric cover and without medical examination, intended as a means of saving for old age. Business with annual premiums recorded an advance of 4.3%, clearly above the market growth average of -0.2%. The overall premium volume in reinsurance was almost at the year-back level.

In the occupational pensions segment (group insurance), annual premium business receded as expected. This decline is primarily due to the fact that more than half the annual premiums are currently accounted for by net solutions, which already have surplus participation factored in and therefore result in lower premiums. The volume in single premiums contracted sharply year on year owing to fewer acquisitions of disability pensions and lower retirement pension buy-ins.

In individual insurance, Swiss Mobiliar continues to put the strategic focus on the recurring premium business, the development of new and innovative savings products, and the consolidation of its leading position in the pure-risk life insurance segment. In occupational pensions, Swiss Mobiliar aims to secure its strong position in the field of risk reinsurance.

Lower death benefits were registered in both individual and group insurance in the first six months of 2018. Disability benefits, by contrast, rose in both the individual and group segments. Individual and group insurance both contributed to the CHF 31.2 million advance in the underwriting result. The cost ratio rose from 14.3% to 16.9%.

Investment result – financial markets impacted by political uncertainty

Fears of trade conflicts and data on higher inflation caused anxiety on the stock markets and led to a slightly negative performance in the real assets category. Nominal assets, too, barely yielded a return as a consequence. Moreover, the value of gold was down year on year. Given the tense environment, Swiss Mobiliar's financial result for the first half of 2018 can be deemed positive, adding CHF 200.6 million (H1 2017: CHF 217.3 million) to the Group result. The main contributors were current income from real estate and nominal assets as well as dividend income from equities and gains realised by sales (especially of equities and equity funds). Capital assets increased by 2.3% to CHF 18.680 billion. The return on investment achieved on the average investment total (book value) came to 1.2%. The performance¹ amounted to -0.26% (H1 2017: 1.7%).

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

Swiss Mobiliar to invest strongly in new technologies

For many years now, Swiss Mobiliar has achieved more robust growth than the market average. To ensure a continuation of this above-market growth and to accelerate the digitalisation process, the Group is investing a further CHF 250 million over the coming five years. This is intended to speed up the development of new and market-aligned products and services as well as the replacement of outdated systems. By creating around 150 new positions (FTE) in this context up to end-2019, Swiss Mobiliar is setting up new and challenging jobs throughout Switzerland especially for software developers, data specialists and business analysts.

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, SC, SwissCaution SA, domiciled in Bussigny and bexio AG, domiciled in Rapperswil.

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.

Mobiliar Group half-year results 2018 – key figures

Profit and loss account figures (1 Jan to 30 June)	2018 CHF million	2017 CHF million	Change in %
Group premium volume	2,647.8	2,610.8	+1.4
Non-Life			
Gross premiums	2,162.1	2,066.9	+4.6
Net earned premiums	1,421.8	1,376.5	+3.3
Underwriting result	143.4	141.7	+1.2
Financial result	127.4	111.3	+14.5
Profit after tax	242.1	233.6	+3.6
Life			
Gross premiums	485.7	543.9	-10.7
Net earned premiums	363.3	404.9	-10.3
Underwriting result	-47.9	-79.1	+39.4
Financial result	73.2	106.0	-30.9
Profit after tax	22.7	24.7	-8.1
Consolidated half-year profit	264.7	258.3	+2.5
Balance sheet figures			
	30 June 2018	31 Dec 2017	
Assets			
Fixed assets	18,679.5	18,265.0	+2.3
– of which capital investments	17,580.0	17,150.2	+2.5
Current assets	720.5	631.0	+14.2
Liabilities			
Debt capital	14,610.3	14,061.0	+3.9
– of which technical provisions for own account	11,778.8	10,995.6	+7.1
Consolidated capital and reserves	4,789.8	4,834.9	-0.9%

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.