

Media release

La Mobilière – growth despite corona

- La Mobilière has remained on growth course despite the COVID-19 crisis and further expanded its good market position. The premium volume altogether increased by 3.7% year on year to CHF 2.858 billion. The Group's success in continuing its course is particularly due to the high investments in infrastructure and IT that La Mobilière has made in recent years. This meant that it was possible in mid-March to switch to remote working from one day to the next at all locations and to maintain full operations without any problems during the lockdown.
- Premium income in the non-life sector rose by 4.1% in the first half of the year. As in previous years, all the strategic business areas contributed to the premium growth. The COVID-19 pandemic caused high claims expenses. La Mobilière was the only insurance company in Switzerland not to distinguish between epidemic and pandemic. The losses covered by epidemic insurance amounted to more than CHF 300 million. Travel insurance was also severely affected with claims incurred of around CHF 40 million. Altogether more than 25,000 additional claims were settled. In order to cushion the impact on the result, La Mobilière released the catastrophe provision amounting to CHF 200 million formed in years with lower claims. The underwriting result amounted to CHF 176.3 million. At 88.5%, the combined ratio was slightly lower than in the previous year (89.7%).
- In the life sector, the total premium volume rose by 1.9% to CHF 500.7 million. In individual life insurance, the business with annually recurring premiums was further expanded compared with the previous year with growth of 6.6% (5.7%). The volume of premiums in occupational pensions was also up on the prior-year period. The underwriting result improved by CHF 12.2 million to CHF -42.0 million.
- The heavy turbulences on the financial markets due to the COVID-19 pandemic particularly also impacted the financial result, which declined by CHF 148.7 million compared with the previous year to CHF 86.1 million.
- Consolidated profit after tax amounts to CHF 198.6 million (previous year: CHF 293.3 million). The non-life business contributed CHF 187.2 million to this profit and life operations CHF 11.4 million.
- Consolidated capital and reserves fell by CHF 120.3 million compared to the end of 2019 to CHF 5.449 billion. While the half-year profit had a positive impact on capital and reserves, the fall in revaluation reserves and the profit appropriation caused them to decline.
- In February 2020, La Mobilière announced the acquisition of 25% of the shares of Ringier AG. La Mobilière intends to use this stake to implement the company's digital transformation more rapidly. La Mobilière acquired the digital tradesperson platform Buildigo at the beginning of June. La Mobilière and the Raiffeisen Retail Bank Group are to embark on a strategic partnership from the start of 2021.
- La Mobilière remains true to its principles as a mutual company and continues to allow its customers to share in its business success even in the current environment. From mid-2020, for one year, a total of CHF 175 million will be used for a 10% premium reduction for holders of a vehicle or business insurance policy and – for the first time – a 20% reduction for holders of a travel insurance policy.

La Mobilière continues growth in the first half of the year

The effects of the COVID-19 pandemic impacted both the growth performance and the underwriting result and in particular the investment result of La Mobilière. Despite these economically challenging underlying conditions, the Group remained on growth course. Mutually structured La Mobilière further expanded its market position with total premium volume growth of 3.7%. Premium income rose in both the non-life and life sectors.

The La Mobilière Group recorded consolidated profit of CHF 198.6 million for the first half of the year (previous year: CHF 293.3 million). The non-life result after tax came to CHF 187.2 million (previous year: CHF 267.2 million), while that of the life business was CHF 11.4 million (previous year: CHF 26.1 million). In order to cushion the impact of the extraordinarily high claims expenditure caused by the COVID-19 pandemic, La Mobilière released the catastrophe provision formed in previous years of CHF 200 million as of 30 June 2020. Financial operations contributed a sum of CHF 86.1 million (previous year: CHF 234.8 million) to the half-year result. The return on investment amounted to 0.5% (previous year: 1.3%). Without the release of the catastrophe provision of CHF 200 million, profit would have amounted to CHF 13.0 million.

As at the end of June 2020, La Mobilière Group's premium volume totalled CHF 2.858 billion (previous year: CHF 2.755 billion), CHF 2.357 billion of which stem from non-life operations and CHF 500.7 million from the life business.

Consolidated capital and reserves fell from CHF 5.569 billion to CHF 5.449 billion compared with the end of 2019. While the half-year result had a positive impact on capital and reserves, the fall in revaluation reserves and the profit appropriation – in particular the allocation of CHF 220 million to the surplus fund of La Mobilière Insurance Company Ltd for future voluntary premium reductions for policyholders – caused them to decline.

The success of La Mobilière in continuing its growth course in the previous economically challenging months is particularly also due to the high investments in infrastructure and IT security that have been made in the past five years. These enabled operations both at the general agencies and at the head offices to be switched from one day to the next to home and mobile working without any major problems when lockdown set in in mid-March.

La Mobilière is also sharing its success with its customers in the current environment

“I am delighted that we have succeeded in continuing our growth course in the COVID-19 crisis and further consolidating our market position,” says CEO Markus Hongler. “It is particularly important to us in this economically challenging environment to thank our policyholders for their loyalty and trust. Between July 2020 and June 2021, all La Mobilière customers with a vehicle or business insurance policy will benefit from a 10% discount on their premiums. In addition, we are for the first time also granting a 20% premium discount on travel insurance. Overall, around CHF 175 million will thus be returned to our policyholders.”

Datum 11 September 2020
Telefon +41 31 389 62 56

Information
E-Mail

Christine Jakob, Leiterin Finanzkommunikation
finanzkommunikation@mobiliar.ch

This media release can also be accessed at [mobiliar.ch/halbjahresergebnis](https://www.mobiliar.ch/halbjahresergebnis)

Non-life sector – growth once again above the market average

La Mobilière continued to demonstrate its competitiveness in a strongly changed market environment and continued its growth course in the first half of 2020. Its premium volume rose by 4.1% to CHF 2.357 billion. With an increase of 4.0% in the direct business, La Mobilière once again outperformed the comparable market growth. All the strategic business areas contributed to the premium growth. In the individual insurance segment, year-on-year growth was particularly expanded in household contents insurance. Legal protection and rental guarantee insurance performed roughly at the level of the previous year. The fall in growth in motor vehicle insurance observed for two years continued. Personal insurance once again made the largest growth contribution in the corporate customer segment. While the increase in premiums among medium-sized and large companies fluctuated at the prior-year level, growth in business insurance for SMEs was down on the previous year.

The cost rate increased by 0.6 percentage points compared with the previous year to 27.1%. The increase is primarily attributable to higher administrative and project costs. The measures imposed by the authorities to contain the COVID-19 pandemic resulted in an extremely high claims burden that was significantly up both on the previous year and compared with the average of the last ten years. The claims expenditure amounted to over CHF 340 million, of which more than CHF 300 million were attributable to epidemic insurance and around CHF 40 million to travel insurance. Altogether more than 25,000 additional claims were settled. In order to cushion the impact on the result, La Mobilière released the catastrophe provision amounting to CHF 200 million formed in years with low claims. The underwriting result amounted to CHF 176.3 million. At 88.5%, the combined ratio was slightly lower than in the previous year (89.7%).

In contrast to epidemics, pandemics are not limited in terms of time and space. With regard to a possible second lockdown, no insurer will therefore be able to provide any more cover for pandemic damages. La Mobilière has now informed all businesses that have supplementary cover in their property insurance that epidemic insurance is being returned to its original purpose of hygiene insurance. This procedure has by and large been appreciated by the companies. La Mobilière is supporting the launch of a pool solution for pandemic events that the Federal Government and the Swiss Insurance Association (SIA) are currently working on intensively.

Life sector – prior-year growth exceeded

The premium volume in the life business altogether increased by 1.9% (previous year: 1.2%) to CHF 500.7 million.

Premium income in individual life insurance rose by 6.6% in the business with periodically recurring premiums, thereby once again significantly outperforming the comparable market growth of 0.6%. Although sales in individual life insurance and in particular personal advice were severely impaired by the lockdown resulting from the COVID-19 pandemic, the number of new contracts in the savings insurance business exceeded expectations. The forward-looking savings insurance newly launched in the spring of 2020 largely contributed to this development. This pension solution with a double protection mechanism that is unique in Switzerland has been very well received on the market. The single premium volume declined significantly compared with the previous year. This is largely due to the fact that La Mobilière removed the capitalisation business with single premiums from sales between the summer of 2019 and the end of June 2020.

Datum 11 September 2020
Telefon +41 31 389 62 56

Information
E-Mail

Christine Jakob, Leiterin Finanzkommunikation
finanzkommunikation@mobiliar.ch

This media release can also be accessed at [mobiliar.ch/halbjahresergebnis](https://www.mobiliar.ch/halbjahresergebnis)

The business with annual premiums in occupational pensions was slightly down on the prior-year level. The volume of single premiums was significantly up on the prior-year period. Altogether the volume of premiums in group insurance was 3.0% higher. As in the previous year, customers who are entitled to the minimum disbursement rate based on their contracts with La Mobilière received an overall disbursement of around CHF 3 million from the surplus fund as at the end of June 2020.

La Mobilière continues to focus in individual life insurance on the business with periodically recurring premiums and the expansion of its leading position in the risk insurance business. As part of the further expansion of its product range, La Mobilière launched a new, completely digital life insurance policy at the start of August that covers small insured sums and is therefore ideally suited to young families and couples. In occupational pensions La Mobilière aims to further consolidate its position as one of the leading providers of solutions in the reinsurance of pension funds and has therefore further expanded its offering. For example, collective foundations can now report claims via a digital portal and at the same time submit the corresponding documents online. La Mobilière Life Insurance Company has also extended the range of services for foundations with further modules together with La Mobilière Asset Management and subsidiary Trianon.

Benefits in the event of death were significantly down in the first six months in both individual and group occupational pensions insurance. While in the individual insurance segment disability expenses rose considerably, they fell in group insurance. The cost rate increased from 15.4% to 16.4% due to higher distribution and project costs. The underwriting result improved compared with the previous year from CHF -54.2 million to CHF -42.0 million.

Investment result – events on the financial markets shaped by heavy turbulences

After the financial markets soared at the start of the year and reached new all-time highs, there was a slump in mid-February 2020 due to the collapse in the price of crude oil and the COVID-19 pandemic. The fears of drastic measures and a deep recession caused massive upheaval and a sharp correction on the equity markets as well as major fluctuations on the currency markets. However, thanks to central bank interventions and fiscal policy, the situation on the financial markets eased fairly quickly. With lockdown eased in many places towards the end of the first half of the year, sentiment on the markets also rose again. Against this backdrop, the financial result of La Mobilière fell markedly compared with the prior-year period and contributed CHF 86.1 million (previous year: CHF 234.8 million) to the half-year result. The lower result is primarily attributable to the fact that compared with the previous year La Mobilière sustained a decline of around CHF 88 million in equities and some CHF 56 million in alternative investments (private equity and private debt). In addition, lower currency exchange rates and higher hedging costs for foreign exchange securities resulted in a higher expenditure surplus in the profit and loss account. Capital assets increased by 0.9% on 31 December 2019 to CHF 19.894 billion. A return on investment of 0.5% (previous year: 1.3%) was achieved on the average investment total (book value). The performance¹ amounted to -0.1% (previous year: 4.8%).

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

Acquisitions and holdings

In January 2020, the Group announced the founding of a digital add-on insurance in Dublin, Ireland. Together with the insurtech Companjon, La Mobilière is testing an innovative business model in the EU with a product range comprising purely digital insurance solutions in the travel and leisure sector without posing any competition to the services it offers in Switzerland. Companjon's business operations are scheduled to commence in the second half of the year.

In February, La Mobilière announced the acquisition of a 25% stake in Ringier AG. The Group aims to secure additional expertise through this acquisition in order to implement the company's digital transformation more rapidly, step up customer dialogue and further enhance customer contact frequency via shared digital ecosystems. The focus of the collaboration has been jointly defined and cross-company work has now commenced following a delay due to COVID-19.

The announcement was made in June that La Mobilière and the Raiffeisen Retail Bank Group are to embark on a strategic partnership from the start of 2021. As well as the mutual and exclusive brokerage of banking, pension and insurance products, the partnership is in future particularly to include the joint further development of product solutions and services in the residential property sector. In order to support the personal advice of customers by the general agencies of La Mobilière and the Raiffeisen bank branches, the two companies are to launch a digital homeowners' platform together in the first half of 2021.

La Mobilière acquired the tradesperson platform Buildigo as of 1 July. This digital platform puts homeowners and tenants in touch with skilled regional tradespeople. This acquisition forms the next important step in the implementation of La Mobilière's ecosystem strategy concerning all aspects of living and the home. The general agencies of La Mobilière decide which tradespeople are to be active on the platform and guarantee personal customer support. With Buildigo La Mobilière not only offers its private customers but also its SME customers added value.

La Mobilière

Every third household and every third company in Switzerland is insured by la Mobilière. Active in all lines of insurance, the Swiss insurance company la Mobilière had an annual premium volume of CHF 3.951 billion as at 31 December 2019. 79 entrepreneurially run general agencies with their own claims service at around 160 locations guarantee proximity to over 2.1 million customers. The insurance group under the umbrella organisation La Mobilière Holding Ltd. includes La Mobilière Insurance Company Ltd. domiciled in Berne, La Mobilière Life Insurance Company Ltd. domiciled in Nyon, La Mobilière Asset Management Ltd., Protekta Legal Protection Insurance Ltd., La Mobilière Services Ltd., all domiciled in Berne, as well as Trianon SA, domiciled in Renens, SC, SwissCaution Ltd., domiciled in Nyon, and bexio Ltd., domiciled in Rapperswil. Also part of La Mobilière are Protekta Risk-Consulting Ltd., Mobi24 Call-Service-Center Ltd., XpertCenter Ltd. and aroov AG, all domiciled in Berne, as well as Companjon (ANAVON DAC), domiciled in Dublin, Ireland.

La Mobilière has around 5,700 employees in its home markets of Switzerland and the Principality of Liechtenstein and provides 341 positions for trainees. La Mobilière, founded in 1826 as a cooperative, is Switzerland's oldest private insurance company. The Board of Directors of La Mobilière Cooperative Company has ensured that the cooperative principles of the Group are upheld to this day.

Datum 11 September 2020
Telefon +41 31 389 62 56

Information
E-Mail

Christine Jakob, Leiterin Finanzkommunikation
finanzkommunikation@mobiliar.ch

This media release can also be accessed at [mobiliar.ch/halbjahresergebnis](https://www.mobiliar.ch/halbjahresergebnis)

La Mobilière Group half-year results 2020 – key figures

	2020	2019	Change
Profit and loss account figures (1 Jan to 30 June)	CHF million	CHF million	in %
Group premium volume	2,857.5	2,754.5	+3.7
Non-life			
Gross premiums	2,356.8	2,263.1	+4.1
Net earned premiums	1,527.3	1,474.3	+3.6
Underwriting result	176.3	151.8	+16.1
Financial result	31.4	152.7	-79.4
Profit after tax	187.2	267.2	-29.9
Life			
Gross premiums	500.7	491.4	+1.9
Net earned premiums	381.0	371.1	+2.7
Underwriting result	-42.0	-54.2	+22.5
Financial result	54.7	82.0	-33.3
Profit after tax	11.4	26.1	-56.3
Consolidated half-year profit	198.6	293.3	-32.3
Balance sheet figures	30 June 2020	31 Dec 2019	
Assets			
Fixed assets	19,894.3	19,715.5	+0.9
– of which capital investments	18,697.8	18,521.1	+1.0
Current assets	773.6	536.9	+44.1
Liabilities			
Debt capital	15,219.1	14,683.3	+3.6
– of which technical provisions for own account	12,044.3	11,280.1	+6.8
Consolidated capital and reserves	5,448.7	5,569.1	-2.2%

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.