

Zurich, 27 February 2013

Swiss Life posts 26% increase in profit from operations to CHF 993 million with net profit after one-off effects of CHF 93 million

- Swiss Life increased its profit from operations adjusted for one-off effects from CHF 788 million to CHF 993 million in 2012 (+26%) thanks to further operational improvements and an excellent investment result.
- One-off effects, in particular as a result of the impairment in the value of AWD's intangible assets of CHF 578 million announced last year, led to reported net profit of CHF 93 million (2011: CHF 606 million).
- Important contributors to this positive development in the results were the market units in Switzerland, Germany, France and Investment Management. Results in AWD and Swiss Life International were lower than expected.
- With investment performance of 8.5% (2011: 7.5%), an investment result of CHF 5.7 billion and net investment return of 4.8% (2011: 3.8%) were achieved, which enabled substantial strengthening of the technical reserves.
- With CHF 17.0 billion Swiss Life maintained premium income at its prior-year level and improved its new business margin from 1.2% to 1.4% despite the challenging market conditions.
- Shareholders' equity rose by 12% to CHF 10.3 billion; the Group's solvency ratio climbed from 213% in 2011 to 242% at the end of 2012.
- The Board of Directors proposes that the Annual General Meeting approve a distribution of CHF 4.50 per share.

In the words of Bruno Pfister, Group CEO, "Swiss Life succeeded in further enhancing its operational effectiveness in 2012, fuelled by an excellent investment result and further operational improvements. Even though net profit contracted markedly due to the impairment in AWD's intangible assets, our key figures for the past year show that we have a solid foundation on which to further expand our market position in the coming years."

Growth in the strategically important business areas

Swiss Life has once again grown in the strategically important business areas. Despite difficult market conditions, the company maintained overall premium volume of CHF 17.0 billion at its prior-year level. Performance in the home market of Switzerland was encouraging with growth of 2% to CHF 8.3 billion (2011: CHF 8.1 billion), driven by both corporate client business (+2%) and private client business (+1%). Swiss Life in France generated stable premium income on a currency-adjusted basis (CHF 4.3 billion), which is encouraging in light of the 4% contraction in the market as a whole. In Germany too, Swiss Life held its position (CHF 1.7 billion); while single premiums edged down, periodic premiums were up 2%. The Insurance International segment, where premium income originates largely from global business with high net worth individuals, recorded a currency-adjusted decline of 4% to CHF 2.9 billion (2011: CHF 3 billion).

Since the beginning of the year, Investment Management's operations have been bundled together under the sub-brand "Swiss Life Asset Managers". Assets under management at Swiss Life Asset Managers stood at CHF 148 billion (2011: CHF 134 billion). This includes third-party assets in which Swiss Life can report growth of 24% to over CHF 20 billion thanks to additional mandates and positive market developments. Net new money inflow alone amounted to more than CHF 2 billion. Technical provisions to cover obligations to our customers increased by CHF 10 billion to CHF 138 billion, an increase of 8% on the previous year. AWD recorded a drop in sales of 13% to EUR 489 million. In Germany, in particular, AWD fell short of expectations. "Under our Group-wide programme "Swiss Life 2015", we are reacting to the developments in Germany and repositioning ourselves; we will manage our insurance operations and all our distribution channels, that is Swiss Life, Swiss Life Select, tecis, HORBACH and Proventus under one roof going forward," says Bruno Pfister. "This new positioning is running to plan and will enable us to leverage synergies and prominently reposition ourselves in the highly competitive but promising German market."

Significant operational improvements

In the 2012 financial year Swiss Life increased its profit from operations, adjusted for one-off effects, by 26% from CHF 788 million to CHF 993 million; adjusted net profit stood at CHF 681 million, a 22% rise on the previous year (CHF 557 million). Primarily as a result of the impairment in AWD's intangible assets (CHF 578 million) and additional provisions for litigation, together with restructuring costs under the new Group-wide programme "Swiss Life 2015", this produces reported net profit of CHF 93 million. In Investment Management Swiss Life generated a net investment result on the insurance portfolio of CHF 5.7 billion, up CHF 1.5 billion on the previous year. This gives a net investment return of 4.8% (2011: 3.8%) and investment performance of 8.5% (2011: 7.5%). "This result is also encouraging in an international peer comparison," says Bruno Pfister. "And it enables us to substantially bolster our technical reserves."

In Switzerland, Swiss Life posted a segment result of CHF 634 million, up CHF 158 million on the previous year, following efficiency gains and a very good investment result. In France, Swiss Life recorded an increase in profits of CHF 33 million to CHF 157 million due to good performance of financial products and an improved technical margin. In Germany, Swiss Life improved profits by CHF 11 million to CHF 69 million thanks to a successful investment policy. The Insurance International segment's result was CHF 24 million down on the previous year, attributable to restructuring costs (CHF 7 million) and impairment of the customer relationship asset (CHF 17 million) resulting from the concentration on two instead of three locations in the international business with high net worth individuals. Investment Management contributed a segment result of CHF 138 million, which was up CHF 8 million on the previous year. The AWD segment adversely impacted the result by CHF -591 million. Primarily as a result of the impairment in intangible assets of CHF 578 million and provisions for litigation of CHF 36 million, AWD's contribution to the results adjusted for one-off effects was CHF 49 million.

Increase in new business margin and stronger capital base

Swiss Life made further advances in margin management: In 2012 the Group increased its new business margin from 1.2% to 1.4%. The value of new business improved from CHF 150 million in the previous year to CHF 158 million. In 2012 the Group generated a return on equity of 0.9%. Adjusted for one-off effects and unrealised gains and losses on fixed-interest investments in equity, return on equity stood at 8.6%. Swiss Life has a solid capital base: Shareholders' equity climbed from CHF 9.1 billion to CHF 10.3 billion in 2012. The Group's solvency ratio rose from 213% to 242%; on the basis of its internal model, which is still being reviewed by FINMA, Swiss Life's SST ratio is in the green.

Distribution of CHF 4.50 per share – new reporting as of Q1 2013

At the Annual General Meeting on 23 April 2013, the Board of Directors will propose a distribution from the capital contribution reserve of CHF 4.50 per share, the same level as in the previous year.

The changeover of the reporting to the new structure introduced under the Group-wide programme "Swiss Life 2015" will take effect as of the first quarter of 2013, with publication on 23 May 2013. The first comprehensive reporting under the new "Swiss Life 2015" structure will be on the publication of the half-year results on 14 August 2013.

[Annual Results 2012 Info Kit
Key Figures \(PDF\)](#)

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Swiss Life

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Swiss Life Select (formerly AWD), tecis, HORBACH, Proventus and Chase de Vere advisors choose suitable products for customers from the market according to the Best Select approach. Swiss Life Asset Managers offers institutional and private investors access to investment and asset management solutions. Swiss Life provides multinational corporations with employee benefits solutions and high net worth individuals with structured life and pensions products.

Swiss Life Holding Ltd, registered in Zurich, was founded in 1857 as Schweizerische Rentenanstalt. The shares of Swiss Life Holding Ltd are listed on the SIX Swiss Exchange (SLHN). The Swiss Life Group employs a workforce of around 7000, with approximately 4600 certified financial advisors.

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