

Zurich, 17 August 2012

Half-year results 2012

## **Swiss Life increases its profit from operations by 17% to CHF 528 million**

- In the first half of 2012 Swiss Life expanded its premium volume by 1% in local currency terms to CHF 9.8 billion and grew in strategically important business areas.
- Profit from operations rose by 17% to CHF 528 million due to further operational advances and a strong investment result. Adjusted for one-offs and currency effects, net profit stood at CHF 369 million, up 15% on the same period the previous year.
- The market units of Switzerland, France, Germany and Investment Management made a significant contribution to the operational result.
- At 2.7% Swiss Life achieved a strong improvement in its net investment return (HY 2011: 1.9%) – attributable to successful investment management and a high-quality, well-diversified investment portfolio.
- Shareholders' equity grew by 8% to CHF 9.8 billion; the solvency I ratio stood at 224% (compared with 213% at the end of 2011).

"I am very satisfied with our business performance in the first half of 2012," says Bruno Pfister, Group CEO. "Swiss Life has been successful despite the historically low interest rates and persistently volatile markets. This proves that we further improved the resilience of our business model in recent years."

### **Profit from operations – strong rise in net investment return**

In the first half of 2012, Swiss Life increased its profit from operations to CHF 528 million, up 17% on the same period the previous year (HY 2011: CHF 452 million). Adjusted for one-offs and currency effects, net profit grew 15% to CHF 369 million (HY 2011: CHF 322 million). This

increase comes on the back of further operational advances and a strong investment result. In Investment Management Swiss Life generated a net investment result on the insurance portfolio of CHF 3236 million (HY 2011: CHF 2083 million). The direct return on investments in a declining interest rate environment was the same as last year at 1.8%. With a non-annualised net investment return of 2.7%, Swiss Life delivered a stronger insurance investment performance than the previous year (HY 2011: 1.9%). Bruno Pfister commented, "This excellent result was achieved thanks to active investment management and a high-quality, well-diversified investment portfolio. This included a shift of positions in euros to other currencies which was driven by risk considerations. We were thus able to strengthen our balance sheet and protect our interest margin and consequently future profitability."

### **Increased profit in core markets – setbacks at AWD and Swiss Life International**

Swiss Life in Switzerland posted a segment result of CHF 341 million, up 17% on the same period the previous year. A good risk result and an exceptionally strong investment result were the main contributors. Swiss Life in France increased its segment result on a currency-adjusted basis by 14% to CHF 80 million. This was primarily driven by an improved margin in life insurance and a better combined ratio in health insurance and property and casualty business. In Germany Swiss Life increased profits by 16% to CHF 43 million on the back of a good investment result. Investment Management also made a larger contribution to profits: Thanks to increases in assets under management and corresponding growth in asset management fees, profits rose by 7% to CHF 61 million. Results were down at Swiss Life International and AWD. Swiss Life International realised a loss of CHF 3 million due to negative currency effects and higher costs. AWD, on the other hand, posted a slightly higher operating result than in the first half of 2011 (EUR 22.4 million / +3%). However, due to EUR 9.3 million in provisions for litigation, AWD's contribution to Group earnings declined to EUR 13.1 million (HY 2011: EUR 21.8 million).

### **Not growth at any price**

Swiss Life was able to increase overall premium volume in currency-adjusted terms by 1%. Bruno Pfister, "We were able to grow in strategically important business areas. Namely in corporate client business in Switzerland, occupational pensions in Germany, and health and risk business in France." Swiss Life in Switzerland posted premium growth of 2% to CHF 5741 million. Although premiums declined in currency-adjusted terms by 4% to CHF 2123 million, Swiss Life in France significantly outperformed the French market as a whole. In Germany premiums dropped by 3% on a currency-adjusted basis to CHF 805 million. This

included a 4% increase in periodic premiums while single premiums fell due to profitability considerations. Compared with the same period the previous year, premium volume at Swiss Life International grew by 7% in currency-adjusted terms to CHF 1211 million. Sales revenues at AWD declined by 13% to EUR 232 million attributable to the tough conditions within the sector in general. Swiss Life's assets under management climbed 5% to CHF 141 billion compared with the same period the previous year. Thanks to the positive course of business, insurance reserves grew by 5% in local currency to CHF 133 billion.

### **Strengthening of the capital base**

Swiss Life continues to have a solid capital base: Shareholders' equity at the mid-year point was CHF 9.8 billion (+8%). The Group solvency ratio rose to 224% compared with 213% for the same period the previous year.

### **Information on today's events**

Information on today's events at 9 a.m. (conference call and live audio webcast for analysts and investors in English) and at 11 a.m. (media lunch in German) can be found at [www.swisslife.com](http://www.swisslife.com). Additional documentation on the half-year results is also available there.

[Investors' presentation Half-year results 2012 \(PDF\)](#)  
[Info Kit half-year results 2012](#)

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### **Swiss Life**

The Swiss Life Group is one of Europe's leading providers of life insurance and pension solutions. In Switzerland, France and Germany, the Group offers individuals and corporations comprehensive advice and a broad range of products through its own sales force as well as brokers and banks. Swiss Life provides international corporations with employee benefits solutions from a single source, and is one of the global leaders in structured life and pension products for international high net worth individuals.

The AWD Group has been part of the Swiss Life Group since 2008. Hanover-based AWD is one of the leading European financial services providers in the medium and high-income client segments and offers its clients comprehensive financial advisory services. Germany, the UK, Austria and Switzerland are the AWD Group's core markets.

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 staff of around 7500.

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