

Zurich, 14 August 2013

Swiss Life achieves profitable growth in all markets and increases adjusted profit from operations by 16% to CHF 639 million in first half of 2013

- **The Swiss Life Group generated premium income of CHF 10.4 billion in the first six months. This corresponds to growth of 6% in local currency compared to the same period in the previous year.**
- **Fee and commission income climbed 5% to CHF 551 million over the same period.**
- **Thanks to further operational improvements and profitable growth in all market units, adjusted profit from operations was up 16% to CHF 639 million (CHF 688 million before adjustment for one-offs).**
- **Net profit grew to CHF 472 million, a 29% rise on the prior-year period.**
- **In a challenging market environment, Swiss Life generated a non-annualised net investment result of 2.4% (HY 2012: 2.7%).**
- **The Group solvency ratio fell to 205% at the end of June 2013 due to the rise in interest rates (FY 2012: 239%); excluding unrealised gains and losses on bonds, the solvency ratio rose slightly by two percentage points compared to the end of 2012 to 188%.**

"Swiss Life further improved its operational effectiveness in the first half of 2013, and this applies to all market units," says Bruno Pfister, Group CEO. "Thanks to strict margin management and further improvements in the product mix, we increased the new business margin from 1.4% at the end of 2012 to 2.0% at half-year 2013. All market units are growing in terms of both premium income and their contribution to the Group result. Our net investment result of 2.4% once again testifies to the resilience and quality of our investment portfolio and enables us to further strengthen our technical reserves."

Profitable growth in all market units

Over the first six months of 2013, Swiss Life increased premium income in local currency to CHF 10.4 billion, up 6% on the same period the previous year. All market units contributed to this

growth. In the home market of **Switzerland**, Swiss Life posted growth of 5% to CHF 5.9 billion (HY 2012: CHF 5.6 billion). The occupational benefits business was a particular contributor to this rise (+8%). In **France**, Swiss Life increased premium volume by 8% in local currency to CHF 2.3 billion (HY 2012: CHF 2.1 billion), primarily driven by 16% growth in life business. Furthermore, the share of unit-linked contracts in life business rose from 25% to 36%. In **Germany**, premiums amounted to CHF 0.9 billion (+4% in local currency), driven in particular by higher volumes in occupational disability, long-term care insurance and modern products. The **International** market unit grew premium income by 7% to CHF 1.3 billion in the first half of 2013. **Swiss Life Asset Managers** achieved further growth in third-party business, reporting net new asset inflows of CHF 2.3 billion for the period under review and an increase in third-party assets to CHF 24.1 billion. Overall the Swiss Life Group generated fee and commission income of CHF 551 million in the first half of 2013 (HY 2012: CHF 524 million), in part due to higher income at Swiss Life Asset Managers and the growth in unit-linked contracts.

Improved profit from operations – positive one-offs

Adjusted for one-offs and currency effects, Swiss Life increased profit from operations in the first half of 2013 by 16% to CHF 639 million (HY 2012: CHF 553 million). Before adjustment for one-offs arising from the transition to IFRS 13 of CHF 60 million and restructuring costs of CHF 11 million, profit from operations came to CHF 688 million. At the same time net profit climbed 29% from CHF 365 million to CHF 472 million (CHF 433 million on an adjusted basis). Swiss Life **Switzerland** generated a segment result of CHF 472 million (HY 2012: CHF 355 million), aided by a good investment result and an improved risk and cost result. Swiss Life **France** also increased its contribution to the results. On the back of a very good financial result and improved combined ratios in health and P&C, the segment result increased 14% to CHF 93 million (HY 2012: CHF 82 million). Swiss Life **Germany** improved its segment result from CHF 41 million to CHF 50 million. The **International** market unit generated a segment result of CHF 8 million (HY 2012: CHF -2 million). **Swiss Life Asset Managers** increased its segment result by 16% to CHF 71 million (HY 2012: CHF 61 million) driven by the rise in fee and commission income.

Attractive net investment result

The Swiss Life investment portfolio once again proved its resilience: Thanks to robust direct investment income of a (non-annualised) 1.7% (HY 2012: 1.8%) and additional gains and appreciation in the investment portfolio, the Group achieved a net investment result (non-annualised) of 2.4% (HY 2012: 2.7%). In view of the challenging market environment this is an excellent result. Shareholders' equity fell 14% to CHF 8.8 billion due to the rise in interest rates; Group solvency decreased accordingly from 239% at the end of 2012 to 205% at half-year 2013. Excluding unrealised gains and losses on bonds, the solvency ratio increased slightly by

two percentage points to 188% (FY 2012: 186%). Based on its internal SST model, which has been partially approved by FINMA, Swiss Life is in the green.

Increase in new business margin – "Swiss Life 2015" programme on track

Swiss Life is well on track with the implementation of its Group-wide programme "Swiss Life 2015". The new business margin rose 2% as a result of further improvements in the product mix (FY 2012: 1.4%). The value of new business increased in all markets, climbing on a Group-wide basis to CHF 141 million from CHF 59 million in the same period the previous year. Thanks to strict cost discipline under "Swiss Life 2015", operating expenses remained stable despite investments in growth programmes, and efficiency ratios in all market units improved. Bruno Pfister, "We are very satisfied with the solid start we have made under our Group-wide programme. The progress we have made will help us to operate flexibly even in a persistently challenging environment."

Further information on the half-year results and today's events can be found at www.swisslife.com

>> [Info kit half-year results 2013](#)

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Swiss Life

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[Swiss Life in three minutes \(video\)](#)

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