

Zurich, 14 August 2018

Swiss Life increases fee income in the first half of 2018 – net profit up by 7% to CHF 561 million

- **Swiss Life continued to grow profitably in the first six months of 2018: adjusted profit from operations was 3% higher than in the previous year at CHF 808 million. Net profit increased by 7% to CHF 561 million.**
- **Fee income rose by 10% in local currency to CHF 798 million. The fee result increased by 6% to CHF 248 million.**
- **Swiss Life posted a 4% increase in premiums in local currency to CHF 10.7 billion.**
- **Swiss Life generated direct investment income of CHF 2.24 billion (previous year: CHF 2.19 billion). The non-annualised direct investment yield was stable at 1.5%; the net investment yield on a non-annualised basis was 1.7% (previous year: 1.4%).**
- **Swiss Life Asset Managers posted net new assets of CHF 3.7 billion in its third-party business. As a result, assets under management for third parties rose to CHF 64.6 billion at the end of June 2018 (plus 5% compared to end-2017).**
- **The new business margin in the first half of 2018 was 2.6% (prior-year period: 2.6%); the value of new business rose by 20% to CHF 212 million.**
- **Swiss Life achieved an adjusted return on equity of 9.7% in the first six months of the year (prior-year period: 10.5%).**
- **Succession solution in the Corporate Executive Board: Matthias Aellig (47) will be the new CFO of the Swiss Life Group as of 1 March 2019.**

“Swiss Life continued its positive development in the first half of 2018”, says Patrick Frost, CEO of the Swiss Life Group. “The ongoing growth in fee business played a major part in the pleasing increase in our results. It is especially good to see that the growth in the fee result stems from our four insurance units. Moreover, the significant increase in the value of new business shows that we are growing profitably.”

Increase in profit from operations and net profit – higher investment income

The Swiss Life Group increased its adjusted profit from operations by 3% to CHF 808 million in the first half of 2018. The resulting net profit rose by 7% to CHF 561 million. The fee result increased, mainly due to owned IFAs, by 6% relative to the prior-year period from CHF 233 million to CHF 248 million.

Swiss Life generated direct investment income of CHF 2.24 billion (previous year: CHF 2.19 billion). That equates to a stable non-annualised direct investment yield of 1.5%. The net investment result in the first half year was CHF 2.64 billion (previous year: CHF 2.05 billion), giving a net investment yield of 1.7% on a non-annualised basis (previous year: 1.4%).

Swiss Life **Switzerland** achieved a segment result of CHF 439 million in the first six months of the year, an increase of 4%. The fee result rose from CHF 11 million in the previous year to CHF 14 million. In **France**, Swiss Life achieved a segment result of EUR 130 million (-3% from the previous year). Meanwhile the fee result rose by 25% to EUR 37 million. Swiss Life **Germany** increased its result, relative to the previous year, by 22% to EUR 79 million; the fee result also grew by 26% to EUR 41 million. Swiss Life **International** achieved a result of EUR 29 million (plus 26%), of which EUR 20 million (+17%) stemmed from the fee result. **Swiss Life Asset Managers** achieved a segment result of CHF 118 million in the first half of the year. The 4% reduction mainly stems from lower transaction fees and higher costs in third-party asset management.

Further growth in fee business and higher premiums

Swiss Life successfully expanded its fee business in the first half of 2018: fee income increased Group-wide to CHF 798 million, equivalent to a 10% increase in local currency. Owned IFAs (+11%), own and third-party products and services (+6%) and Swiss Life Asset Managers (+2%) contributed to this growth. Premiums were up 4% in local currency to CHF 10.7 billion, while the focus remained on profitability and capital efficiency. Insurance reserves for the benefit of the company's policyholders rose by 2% in local currency.

In the **Swiss** domestic market, Swiss Life grew premiums by 3% to CHF 6.1 billion. Fee income came to CHF 125 million, a 9% increase. In **France**, Swiss Life posted a rise in premiums of 15% to EUR 2.6 billion. In fee business, income rose by 8% to EUR 141 million. Swiss Life in **Germany** achieved premiums of EUR 589 million in the first six months of the year, an increase of 2%. Fee income increased by 17% to EUR 198 million. Swiss Life **International** generated premiums of EUR 810 million, a decrease of 17%. Fee income, on the other hand, increased by 2% to EUR 106 million.

Swiss Life Asset Managers maintained growth in third-party business: net new assets in the first half of 2018 came to CHF 3.7 billion and assets under management for third parties rose by 5% from year-end 2017 to CHF 64.6 billion. At the end of June 2018, Swiss Life Asset Managers had total assets under management of CHF 225.1 billion (+1% compared to year-end 2017). Swiss Life Asset Managers increased its total income by 3% to CHF 326 million, with third-party asset management contributing CHF 175 million (previous year: CHF 172 million).

Strong new business margin and solid solvency

Swiss Life generated a new business margin of 2.6% in the first half of 2018 (previous year: 2.6%). The value of new business rose from CHF 177 million in the previous year to CHF 212 million. The average technical interest rate decreased by 4 basis points to 1.33%, mainly due to reserve strengthening for the benefit of the company's policyholders and an improved product mix in new business; the average technical interest rate for Swiss business was 0.99%. In the first half of 2018, Swiss Life posted a lower adjusted return on equity of 9.7% (corresponding period in previous year: 10.5%) due to a 16% increase in adjusted shareholders' equity. Swiss Life estimates its SST ratio at above 170% as of 30 June 2018, based on the internal model approved with conditions.

Matthias Aellig to succeed Thomas Buess as CFO of the Swiss Life Group

Matthias Aellig, 47 years old and Group Chief Risk Officer since 2010, will take over as Chief Financial Officer as of 1 March 2019 when he will also become a member of the Corporate Executive Board. He will succeed Thomas Buess (61), who after ten exceptionally successful years at Swiss Life has decided to take on duties and roles in the next phase of his life that do not entail an executive function, yet enable him to apply his experience in a variety of ways.

Patrick Frost: "The nomination of Matthias Aellig is an ideal succession solution for us. We have again managed to fill a vacancy on the Corporate Executive Board with an excellent internal candidate. Matthias Aellig is an experienced leader with a broad knowledge of insurance and finance. As Chief Risk Officer, he has been involved in all of the key issues facing the Corporate Executive Board. He stands for continuity."

Matthias Aellig has been Chief Risk Officer of the Swiss Life Group since 2010. In this function he is responsible for quantitative and qualitative risk management, the Group's actuarial office, and product and margin management. Over the past years he has made an indispensable contribution to the company's strong capitalisation, to developing enterprise risk management, to stabilising the interest margin and to maintaining progress on the value of new business front.

Patrick Frost, CEO of the Swiss Life Group: “At Swiss Life we set great store by transparency, continuity and a long-term view. We are making the change of leadership known now in the spirit of a sustainable succession solution.”

[CV Matthias Aellig](#)

[Photo Matthias Aellig](#)

Telephone conference for investors and analysts

Patrick Frost, Group CEO, and Thomas Buess, Group CFO, will hold a telephone conference in English for financial analysts and investors today at 9 a.m. (CET).

Dial-in numbers:

Europe: +41 (0) 58 310 50 00

UK: +44 (0) 207 107 06 13

USA: +1 (1) 631 570 56 13

Telephone conference for media representatives

Patrick Frost, Group CEO, and Thomas Buess, Group CFO, will hold a telephone conference in German for media representatives today at 11 a.m. (CET).

Dial-in number:

Europe: +41 (0) 58 310 50 00

An audio webcast of both conferences will be made available on the www.swisslife.com website. Please dial in ten minutes before the start of the conference.

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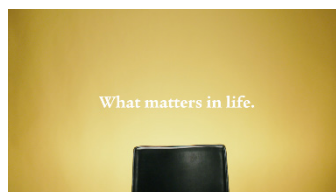
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A journey through Swiss Life Group



What matters in life

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