

Zurich, 9 November 2016

## Swiss Life continues to focus on profitability – growth in fee income

- In the first nine months of 2016, the Swiss Life Group posted fee income of CHF 974 million, an increase of 2% in local currency compared to the same period last year.
- Group-wide premiums stood at CHF 13.4 billion, down by 9% in local currency. At the same time, insurance reserves to the benefit of the company's policyholders rose by 2% in local currency.
- Swiss Life Asset Managers achieved net new assets of CHF 5.9 billion in its third-party asset management in the first three quarters of 2016 with assets under management increasing to CHF 46.2 billion as at 30 September 2016 (year-end 2015: CHF 38.8 billion).
- Direct investment income of CHF 3.3 billion was at the previous year's level. Non-annualised direct investment yield was 2.2%, while the corresponding net investment yield was 2.3%. Swiss Life expects a net investment yield of around 3% for the 2016 financial year.

"Swiss Life was able to continue its positive trend in the third quarter," says Patrick Frost, CEO of the Swiss Life Group. "We saw further growth in our fee business, an area of strategic importance for us, and managed to keep direct investment income at the previous year's level despite persistently tough market conditions. We are still on track to achieving our 2016 financial targets."

### Business development in the first three quarters

The Swiss Life Group generated premiums of CHF 13.4 billion in the first nine months of 2016 (Q3 2015: CHF 14.6 billion). In local currency this corresponds to a decline of 9%. Insurance reserves to the benefit of the company's policyholders rose by 2% in local currency as at 30 September 2016. Fee income was up 2% in local currency in the first three quarters of the year, to CHF 974 million (Q3 2015: CHF 929 million). Swiss Life Asset Managers and the owned IFA channels were the main contributors to this positive development. Patrick Frost: "It was also encouraging to see progress in our 'Swiss Life 2018' Group-wide programme: we have already implemented half of our cost savings initiatives. Moreover, our share of non-traditional products in our new business mix was 90%."

In its home market of **Switzerland**, Swiss Life achieved premiums of CHF 8.2 billion (Q3 2015: CHF 8.7 billion), corresponding to a 6% decrease. During the same period, fee income rose by 23% to CHF 177 million, mainly driven by the growth of Swiss Life Select and the real estate brokerage business (Q3 2015: CHF 144 million). In **France**, premiums fell by 6% in local currency to CHF 3.3 billion (Q3 2015: CHF 3.4 billion) compared to the same period last year. Fee income was down 7% in local currency over the previous year to CHF 175 million due to lower banking fees (Q3 2015: CHF 183 million). Swiss Life in **Germany** generated premiums of CHF 905 million in the first nine months of 2016 (Q3 2015: CHF 930 million) – equivalent to a decrease of 5% in local currency. The 2% decline in fee income in local currency to CHF 259 million (Q3 2015: CHF 258 million) is due to the insurance business; fee income in the owned IFA channels rose simultaneously by 5% in local currency. The **International** market unit recorded a premium decline of 40% in local currency to CHF 1.0 billion (Q3 2015: CHF 1.6 billion). Fee income was down 5% over the previous year in local currency at CHF 161 million (Q3 2015: CHF 164 million); adjusted for currency effects of pound sterling, this corresponds to a decline of 1%.

**Swiss Life Asset Managers** posted net new assets of CHF 5.9 billion in its third-party asset management in the first three quarters of 2016. As a result, assets under management for third-party clients increased to CHF 46.2 billion as at 30 September 2016 (year-end 2015: CHF 38.8 billion). Swiss Life Asset Managers achieved fee income of CHF 422 million in the first nine months of 2016 (Q3 2015: CHF 388 million), corresponding to 8% growth in local currency over the previous year.

### **Investment returns and solvency**

Swiss Life generated direct investment income of CHF 3266 million in the first nine months of 2016, and thus reached the previous year's level (Q3 2015: CHF 3253 million). Non-annualised direct investment yield was 2.2% as at 30 September 2016 (Q3 2015: 2.3%); the non-annualised net investment yield in the first nine months of the year stood at 2.3% (Q3 2015: 2.6%). Swiss Life expects a net investment yield of around 3% for the financial year. The SST ratio (based on the internal model approved with conditions) was above 140% as at 30 September 2016.

Thomas Buess, Group CFO, will hold a telephone conference in English for financial analysts and investors at 10 a.m. (CET) today. Please dial in ten minutes before the start of the conference.

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## Key figures as at 30.09.2016

CHF m. IFRS basis, unaudited	YTD 2016	YTD 2015	Change (CHF)	Change (in local currency)
<b>Switzerland</b>				
- GWP incl. PHD	<b>8 189</b>	8 687	-6 %	-6 %
- Fee and commission income	<b>177</b>	144	+23 %	+23 %
<b>France</b>				
- GWP incl. PHD	<b>3 264</b>	3 362	-3 %	-6 %
- Fee and commission income	<b>175</b>	183	-4 %	-7 %
<b>Germany</b>				
- GWP incl. PHD	<b>905</b>	930	-3 %	-5 %
- Fee and commission income	<b>259</b>	258	+0 %	-2 %
<b>International</b>				
- GWP incl. PHD	<b>1 014</b>	1 644	-38 %	-40 %
- Fee and commission income	<b>161</b>	164	-2 %	-5 %
<b>Asset Managers</b>				
- Fee income	<b>422</b>	388	+9 %	+8 %
- NNA TPAM	<b>5 919</b>	5 135	+15 %	+14 %
- AuM TPAM	<b>46 213</b>	38 816 <sup>2</sup>	+19 %	+19 %
<b>Total<sup>1</sup></b>				
- GWP incl. PHD	<b>13 355</b>	<b>14 580</b>	<b>-8 %</b>	<b>-9 %</b>
- Fee and commission income	<b>974</b>	<b>929</b>	<b>+5 %</b>	<b>+2 %</b>

<sup>1</sup> GWP incl. PHP: Total includes Other and intersegment eliminations of CHF -43 m in Q3 2015 and CHF -17 m in Q3 2016; Fee and commission income: Total includes Other and intersegment eliminations of CHF -209 m in Q3 2015 and CHF -220 m in Q3 2016

<sup>2</sup> As at 31.12.2015

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A journey through Swiss Life Group



What matters in life

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