

## Swiss Life FY 2020 results: strength of business model demonstrated

In 2020, Swiss Life again delivered a strong performance with strong fee result, solvency and cash remittance to the holding company; all 2021 targets were confirmed

- Net profit, taking account of one-offs affecting the result, came to a comparatively high CHF 1 051 million
- Fee and commission income grew by 11% in local currency to CHF 1 957 million
- The fee result increased by 11% to CHF 601 million and thus reached the lower end of the 2021 target range of CHF 600-650 million
- The risk result was slightly down by 1% to CHF 407 million but remained within the 2021 target range of CHF 400-450 million
- Premiums came to CHF 20.0 billion. The decline of 12% in local currency and the associated normalisation were due to extraordinarily high single premiums written by Swiss Life in 2019 as a result of the withdrawal of a competitor from the full insurance business in Switzerland
- Direct investment income of CHF 4 044 million with a direct investment yield of 2.4% was below the 2019 level of 2.8%, primarily due to developments in financial and foreign currency markets
- Third-party assets under management increased by 10% to CHF 91.6 billion with net new assets of CHF 7.5 billion
- The value of new business amounted to CHF 465 million with a new business margin of 2.6% (compared to 1.9% in 2019)
- Return on equity was 9.4% and thus at the upper end of the ambition range of 8-10%
- The SST ratio was around 195% as at 01.01.2021 and thus above the ambition range of 140-190%
- Cash to holding grew by 4% to CHF 784 million
- An increase of dividend per share by CHF 1.0 to CHF 21.0 was proposed

According to the “Swiss Life 2021” Group-wide programme (financial years 2019-2021), the following targets and business progress have been communicated:

## Swiss Life 2021 programme well on track

Swiss Life 2021 financial targets	Current assessment
<b>Quality of earnings and earnings growth</b> <ul style="list-style-type: none"> <li>• <b>Fee result</b> FY 2021: CHF 600-650 m</li> <li>• <b>Risk result</b> FY 2021: CHF 400-450 m</li> <li>• <b>Cumulative value of new business</b> (2019-2021): &gt; CHF 1.2 bn</li> </ul>	On track
	On track
	Ahead
<b>Operational efficiency</b> <ul style="list-style-type: none"> <li>• <b>Life efficiency ratio</b> FY 2021: &lt; 40 bps</li> <li>• <b>Distribution operating expense ratio</b> FY 2021: &lt; 25%</li> <li>• <b>TPAM cost income ratio</b> FY 2021: ~75%</li> </ul>	On track
	On track
	On track
<b>Capital, cash and payout</b> <ul style="list-style-type: none"> <li>• <b>SST ambition range</b> (2019-2021): 140-190%</li> <li>• <b>Cumulative cash remittance to Holding</b> (2019-2021): CHF 2-2.25 bn</li> <li>• <b>Dividend payout ratio</b>: 50-60%</li> <li>• <b>Share buyback</b> Dec 18 – Dec 19: CHF 1 bn</li> <li>• <b>RoE<sup>1)</sup></b>: 8-10%</li> </ul>	Ahead
	Ahead
	On track
	Completed
	On track

1) Equity excl. unrealised gains/losses

Based on the “Swiss Life 2021” financial targets, the Board of Directors determined the specific performance targets applicable to the 2019, 2020 and 2021 equity compensation programmes pursuant to the Mid Term Planning (MTP) 2019–2021 (2019 equity compensation programme), the MTP 2020–2022 (2020 equity compensation programme) and the MTP 2021–2023 (2021 equity compensation programme). These MTP target values cannot be disclosed for reasons of business secrecy. The respective specific target values have been set on a basis consistent with the “Swiss Life 2021” Group-wide programme, taking account of the current business development, with comparatively at least equally high requirements for target achievement.

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