

Zurich, 27 February 2015

Swiss Life achieves profitable growth, increasing premium income by 7% to CHF 19.1 billion and net profit by 4% to CHF 818 million

- **Swiss Life can look back on a successful financial year 2014: Thanks to the resilience of its business model, the Group grew profitably despite the difficult low interest rate environment.**
- **Swiss Life increased premium income by 7% in local currency to CHF 19.1 billion. The home market in Switzerland made a substantial contribution, with an 11% rise in premiums to CHF 10.0 billion.**
- **The Group also made good progress in fee and commission income, with a rise in local currency of 15% to CHF 1.3 billion, to which all business units contributed.**
- **Net profit came to CHF 818 million, 4% up on the previous year (2013: CHF 784 million), while adjusted profit from operations stood at CHF 1.2 billion (+4%).**
- **In spite of the low interest rate environment, Swiss Life again achieved a strong net investment result of 3.8% (2013: 3.9%).**
- **Assets under management grew by 18% overall to CHF 183 billion, of which CHF 33.7 billion was attributable to investment business with external customers, as Swiss Life generated net new asset inflows of CHF 4.5 billion.**
- **Swiss Life is well on track with the implementation of its Group-wide programme "Swiss Life 2015". The majority of its targets had already been achieved by the end of 2014.**
- **The adjusted return on equity came to 9.6% (2013: 10%).**
- **The new business margin stood at 1.8% (2013: 2.2%) and the value of new business was CHF 255 million (2013: CHF 289 million).**
- **Shareholders' equity increased to CHF 12.8 billion, up 43% on the previous year, while the Group's solvency ratio was 269% at the end of 2014 (2013: 210%).**
- **The Board of Directors proposes that the General Meeting of Shareholders approve an 18% increase in the dividend from CHF 5.50 in the previous year to CHF 6.50 per share.**

"I am very pleased with our performance in 2014: We increased premiums, profit, and fee and commission income, while keeping a firm grip on costs," says Patrick Frost, Group CEO. "We are reaping the fruit now of the seeds we sowed in previous years. By improving the resilience of our

business model, we have steadily expanded our position in the market. Not even the abolition of the minimum euro exchange rate this year will prevent us from achieving our targets for 2015."

Swiss Life expands its market position

Swiss Life grew profitably and above the market average in 2014. Premium volume rose to CHF 19.1 billion (2013: CHF 18.0 billion), equivalent to a 7% rise in local currency compared to the previous year. The Group also recorded pleasing development in fee and commission income, up 15% in local currency to CHF 1.3 billion.

The home market of **Switzerland**, where total premium volume increased by 11% from CHF 9.0 billion to CHF 10.0 billion, was a key growth driver. The high demand from SMEs for full insurance solutions in 2nd pillar occupational benefits (BVG) continued unabated, particularly in the corporate client area, with Swiss Life growing by 11%, compared to just 1% for the market as a whole. In private client business, premiums rose by 12%. At the same time Swiss Life increased fee and commission income in the home market by 10% to CHF 182 million. Swiss Life in **France** also posted growth, with a 10% rise in premiums to EUR 4.2 billion. Fee and commission income also increased, up 11% to EUR 223 million. In **Germany**, the strict focus on profitable business led to a 5% decline in premiums to EUR 1.3 billion. At the same time however, Swiss Life Germany recorded strong growth in fee and commission income with a 12% increase to EUR 349 million. Swiss Life **International** reported a 6% fall in premiums in local currency to CHF 2.5 billion, while growing fee and commission income by 4% to CHF 240 million.

In its external customer business, Swiss Life **Asset Managers** achieved organic net new assets of CHF 4.5 billion. Assets under management for external customers thus came to CHF 33.7 billion (+22%). Together with insurance mandates (CHF 149.3 billion), total assets under management at Swiss Life Asset Managers stood at CHF 183.0 billion as at the end of 2014, 18% up on the previous year. Of this amount, CHF 32.5 billion is invested in real estate. In addition, Swiss Life has real estate under administration amounting to a total of CHF 31.5 billion: CHF 16.7 billion of which originates from Livit and CHF 14.8 billion from Corpus Sireo, a group acquired by Swiss Life on 1 October 2014. Total real estate under management and administration as at the end of 2014 thus came to CHF 63.9 billion.

Swiss Life achieves another strong net investment result

Swiss Life reports adjusted profit from operations of CHF 1182 million, up 4% on the previous year. The increase in profits was driven by France, Swiss Life Asset Managers and International. Net profit rose from CHF 784 million to CHF 818 million (+4%). The profit increase was achieved despite further strengthening of the insurance reserves by CHF 1.2 billion.

Swiss Life Asset Managers generated direct investment income of CHF 4.5 billion in 2014 – a rise of 4% on the previous year. The net investment result improved by almost CHF 200 million to CHF 5.1 billion, producing a net investment return of 3.8% (2013: 3.9%).

Swiss Life **Switzerland** confirmed its high earnings power of the previous year with a contribution of CHF 657 million (-8%). Changes in the accounting standards (IFRS 13) during the prior-year period had a positive impact of CHF 60 million. Adjusted for this one-off effect, the result would be on a par with the previous year. In **France**, Swiss Life posted an increase in profits of 13% to EUR 178 million. Swiss Life **Germany** contributed EUR 76 million, almost on a par with the previous year (-2%). Significant progress was made at Swiss Life **International**: The segment result more than doubled from CHF 16 million in the previous year to CHF 34 million. The segment result for Swiss Life **Asset Managers** also showed a positive trend, up 13% to CHF 188 million (2013: CHF 166 million), with CHF 14 million originating from Corpus Sireo.

Most of the "Swiss Life 2015" goals achieved ahead of schedule

The Group again made operational progress in the second year of implementing its Group-wide strategy "Swiss Life 2015". Efficiency gains were made in all business areas. The 1% increase in costs is primarily attributable to investments in growth initiatives at Swiss Life Asset Managers. Efficiency ratios, however, improved again in all insurance units. Swiss Life made overall cost savings of CHF 160 million, thereby achieving its 2015 cost savings target of CHF 130–160 million one year ahead of schedule. As a result of the interest rate situation, the new business margin fell from 2.2% to 1.8% – although it still stands above our target of 1.5%. The value of new business in 2014 came to CHF 255 million (2013: CHF 289 million). The Group generated adjusted return on equity of 9.6% in the year under review (2013: 10.0%). Shareholders' equity climbed from CHF 8.9 billion to CHF 12.8 billion (+43%). In the same period, the Group's solvency ratio rose from 210% to 269%.

Increase in dividend to CHF 6.50 – Investors' Day on 25 November 2015

At the Annual General Meeting of Shareholders on 27 April 2015, the Board of Directors will propose an increase in the dividend (withholding tax-free distribution out of the capital contribution reserves) from CHF 5.50 in the previous year to CHF 6.50 per share (+18%). All members of the Board of Directors will be standing for re-election.

Swiss Life will hold an Investors' Day on 25 November 2015 to present its new targets following on from the Group-wide programme "Swiss Life 2015".

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Swiss Life

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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 two subsidiaries Livit and Corpus Sireo are also part of the Swiss Life Group. The Group employs a workforce of around 7500 and approximately 4500 certified financial advisors.



[Swiss Life in 3 minutes \(video\)](#)

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