

Zurich, 26 February 2019

In 2018, Swiss Life increases net profit by 7% to CHF 1080 million and fee income by 6% to CHF 1615 million

- **Swiss Life reports another pleasing performance for the 2018 financial year: adjusted profit from operations increased by 4% over the previous year to CHF 1553 million and net profit rose by 7% to CHF 1080 million.**
- **Fee income increased by 6% in local currency to CHF 1615 million. The fee result of CHF 488 million was 8% above the previous year.**
- **Swiss Life achieved CHF 19.2 billion in premiums – 2% growth in local currency.**
- **Direct investment income was CHF 4.4 billion (previous year: CHF 4.3 billion). The direct investment yield was 2.9% (previous year: 2.8%), the net investment yield 3.0% (previous year: 2.5%).**
- **In its third-party business, Swiss Life Asset Managers generated net new assets of CHF 8.4 billion. Third-party assets under management came to CHF 71.2 billion at the end of 2018, 16% higher than at the end of the previous year.**
- **The value of new business increased by 10% from CHF 351 million to CHF 386 million. The new business margin rose from 2.5% to 2.6%.**
- **The adjusted return on equity was 9.1% (previous year: 9.3%).**
- **In total, Swiss Life achieved or exceeded all the financial targets of the “Swiss Life 2018” Group-wide programme.**
- **The Board of Directors proposes to the Annual General Meeting an increase in the dividend from CHF 13.50 to CHF 16.50.**

Patrick Frost, CEO of the Swiss Life Group: “The strong figures from the 2018 financial year are proof of the very successful completion of our “Swiss Life 2018” Group-wide programme, as we were able to achieve all the targets of our programme and even exceed them in most cases. That shows we are setting the right strategic directions and implementing our plans consistently. I am very proud of what our employees have again achieved. This success is the best prerequisite to keep Swiss Life on its profitable growth path in coming years.”

Increase in fee and risk results

In 2018, Swiss Life increased its net profit by 7% from CHF 1013 million to CHF 1080 million. Adjusted profit from operations increased by 4% to CHF 1553 million. The savings result was CHF 889 million (previous year: CHF 827 million), the risk result was CHF 410 million (previous year: CHF 395 million). Swiss Life achieved an increase of 8% in its fee result to CHF 488 million (previous year: CHF 452 million).

Swiss Life increased direct investment income to CHF 4.4 billion (previous year: CHF 4.3 billion). That corresponds to a direct investment yield of 2.9% (previous year: 2.8%). The net investment yield was 3.0% at the end of 2018 (previous year: 2.5%).

In its home market of **Switzerland**, Swiss Life achieved a segment result of CHF 865 million, 4% higher than the same period last year. The savings result was CHF 628 million (previous year: CHF 550 million). The risk result was unchanged at CHF 251 million and the fee result increased to CHF 18 million (previous year: CHF 14 million). In **France**, Swiss Life grew its segment result by 2% to EUR 239 million. Growth in the fee result was again pleasing: up 12% at EUR 67 million. The risk result was 5% higher than in the previous year at EUR 95 million. The savings result (EUR 179 million) was practically at the same level as the previous year. **Germany** reported a segment result of EUR 123 million – minus 10% compared to the previous year. This was due to a lower savings result caused by a positive one-off effect in 2017 (EUR 17 million). Meanwhile the fee result improved by 1% to EUR 58 million and the risk result by 16% to EUR 32 million. Swiss Life **International** achieved a segment result of EUR 58 million – up 27%. The fee result improved by 29% to EUR 41 million and the risk result by 75% to EUR 10 million. Swiss Life **Asset Managers** achieved a segment result of CHF 272 million, which was 5% higher than the previous year.

Strong growth in fee income

Swiss Life grew fee income by 6% in local currency to CHF 1615 million. Higher contributions from owned IFAs (+10%), from Swiss Life Asset Managers (+6%) and from own and third-party products and services (+2%) drove this growth. In 2018, Swiss Life reported premium growth of 2% in local currency to CHF 19.2 billion. Insurance reserves to the benefit of the company's policyholders rose by 2% in local currency.

Swiss Life **Switzerland** achieved premiums of CHF 9.5 billion – plus 3%. Fee income was up 7% at CHF 247 million. **France** showed a 6% increase in premiums to EUR 5.1 billion. Fee income, meanwhile, remained slightly lower than the previous year at EUR 269 million (-1%). In **Germany**, Swiss Life generated premiums of EUR 1.2 billion – an increase of 2%. Fee income increased by

10% to EUR 395 million. Premiums at Swiss Life **International** fell by 11% to EUR 2.1 billion. Fee income, on the other hand, rose to EUR 225 million (+11%).

As of 31 December 2018, Swiss Life **Asset Managers** had a total of CHF 233 billion assets under management. In its third-party business, Swiss Life Asset Managers generated net new assets of CHF 8.4 billion (previous year: CHF 7.1 billion). Third-party assets under management thus rose to CHF 71.2 billion as of 31 December 2018 – a plus of 16% over the previous year. Total income by Swiss Life Asset Managers increased by 6% to CHF 734 million. Third-party asset management contributed CHF 413 million to that amount (previous year: CHF 389 million).

“Swiss Life 2018” – all targets achieved, exceeded in most cases

Swiss Life implemented the “Swiss Life 2018“ Group-wide programme very successfully in the past three years. All the targets were achieved and – in most cases exceeded. The fee result of CHF 488 million (2018 ambition: CHF 400 to 450 million) and risk result of CHF 410 million (2018 ambition: CHF 350 to 400 million) were above target. For 2018, Swiss Life also achieved a value of new business of CHF 386 million. This brings the cumulative total over the three years of the programme to CHF 1033 million, again well above the ambition of CHF 750 million. Sustained cost discipline enabled Swiss Life to keep operating expenses practically stable and savings totalling CHF 111 million freed up resources for investment. The efficiency ratio, meanwhile, improved in all units over the past three years. The cash remittance to the holding company came to CHF 696 million in 2018. This resulted in a cumulative total over the three years of “Swiss Life 2018” of CHF 1.9 billion (2018 ambition: CHF 1.5 billion). Reported shareholders’ equity was down from CHF 15.5 billion to CHF 14.5 billion due to valuation losses on fixed-income investments. Swiss Life generated an adjusted return on equity of 9.1% in 2018 (previous year: 9.3%), and was thus within its target range of 8 to 10%. Swiss Life estimates its SST ratio at above 180% as of 1 January 2019, based on the new regulatory solvency model.

Increase in dividend to CHF 16.50 per share

As a result of the excellent business development, the Board of Directors will propose to the shareholders at the Annual General Meeting of Shareholders on 30 April 2019 an increase of the dividend per share to CHF 16.50 (previous year: CHF 13.50) – of which CHF 2.50 will be paid in the form of a withholding tax-free distribution from the capital contribution reserves. The dividend payout ratio is thus 51%. All Members of the Board of Directors are standing for reelection. As previously announced, Thomas Buess, current Group CFO, will be proposed for election to the Board of Directors at the Annual General Meeting.

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

US: +1 (1)631 570 56 13

There is also an audio webcast on the website www.swisslife.com. Please dial in ten minutes before the start of the conference.

Media conference for media representatives

Patrick Frost, Group CEO, and Thomas Buess, Group CFO, will hold a media conference in German for media representatives today at 11 a.m. (CET). The media conference will be held at the Swiss Life head office, General-Guisan-Quai 40, in Zurich.

Information

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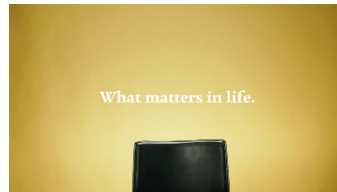
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A journey through Swiss Life Group



What matters in life

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