

Zurich, 28 February 2020

## **Swiss Life increases its fee result in 2019 by 15% and reports a net profit of CHF 1.2 billion**

- **Swiss Life continues its positive performance: adjusted profit from operations increased by 10% over the previous year to CHF 1.69 billion in 2019; net profit rose 12% to CHF 1.20 billion.**
- **The Group posted fee income of CHF 1.82 billion – a rise of 16% in local currency. The fee result of CHF 553 million was 15% up on the previous year.**
- **Swiss Life Asset Managers posted net new assets of CHF 8.92 billion in its third-party business. Third-party assets under management amounted to CHF 83.0 billion (+17%) as of 31 December 2019.**
- **The value of new business increased from CHF 386 million to CHF 561 million (+45%). The new business margin stood at 1.9% (previous year: 2.6%).**
- **Swiss Life achieved an adjusted return on equity of 10.8% (previous year: 9.6%).**
- **The Board of Directors proposes to the Annual General Meeting a dividend of CHF 20.00 (previous year: CHF 16.50).**
- **Furthermore, Swiss Life will implement a new share buyback programme of CHF 400 million from March 2020 to May 2021.**

“We are making good progress with our Group-wide programme “Swiss Life 2021”: last year, we once again succeeded in all of our strategic thrusts in improving the results and their quality. The main driver for the higher profit from operations was the increased fee result. At the same time we were able to significantly increase the value of new business in the insurance business. The increased cash remittance to the holding company allows us to further increase the dividend. Furthermore, we will implement a new share buyback programme amounting to CHF 400 million from March 2020 to May 2021”, says Patrick Frost, CEO of the Swiss Life Group. “Last year’s extraordinarily strong increase in premiums was attributable to single premiums due to the withdrawal of a competitor from the full insurance business in Switzerland. We therefore expect premiums to decline in the current year.”

### **Higher profit from operations and net profit – fee result increased**

Swiss Life was able to increase its adjusted profit from operations by 10% to CHF 1687 million in 2019. Net profit increased by 12% from CHF 1080 million to CHF 1205 million. This includes a positive accounting one-off of CHF 49 million related to the implementation of the Swiss tax reform in a number of cantons. The savings result came to CHF 912 million in 2019 (previous year: CHF 880 million) and the risk result rose from CHF 404 million to CHF 417 million. Swiss Life achieved an increase of 15% in its fee result to CHF 553 million (previous year: CHF 480 million).

Swiss Life generated direct investment income of CHF 4.44 billion (previous year: CHF 4.41 billion). The direct investment yield fell to 2.8% (previous year: 2.9%) as a result of higher average investments. The net investment result fell by CHF 41 million to CHF 4.59 billion. The net investment yield was 2.9% (previous year: 3.0%).

In its home market of **Switzerland**, Swiss Life achieved a segment result of CHF 892 million (previous year: CHF 865 million). The savings result stood at CHF 586 million. The risk result increased by 4% to CHF 261 million and the fee result by 11% to CHF 20 million. In **France**, the segment result increased by 3% to EUR 247 million. The savings result contributed EUR 210 million, and the risk result EUR 97 million. The fee result rose by 11% to EUR 75 million. Swiss Life in **Germany** achieved a segment result of EUR 167 million (previous year: EUR 124 million). The exceptionally high savings result contributed EUR 73 million to this, and the risk result EUR 33 million. The fee result increased from EUR 59 million to EUR 66 million. Swiss Life **International** was able to increase its segment result from EUR 58 million to EUR 73 million. The savings result amounted to EUR 10 million and the risk result came to EUR 11 million. The fee result increased by 28% to EUR 53 million. **Swiss Life Asset Managers** posted a segment result of CHF 309 million, up 14% on the previous year. The contribution from third-party business increased by 17% to CHF 86 million thanks to higher assets under management and an improved cost/income ratio.

### **Further growth in fee income – extraordinary premium development**

In 2019, the Swiss Life Group posted fee income of CHF 1820 million, an increase of 16% in local currency. This growth was supported by acquisitions and consolidation effects. Overall, contributions from Swiss Life Asset Managers rose by 21%, from owned IFAs by 19% and from own and third-party products and services by 9%. Swiss Life posted premiums of CHF 23.0 billion for 2019 (previous year: CHF 19.2 billion). The extraordinarily strong increase is attributable to single premiums due to the withdrawal of a competitor from the full insurance business in Switzerland. Swiss Life expects premiums to decline in 2020. Insurance reserves to the benefit of the company's policyholders rose by 7% in local currency.

Swiss Life **Switzerland** increased fee income by 7% to CHF 265 million. Premiums amounted to CHF 13.5 billion (previous year: CHF 9.53 billion). **France** increased fee income by 9% to EUR 293 million and posted a 5% increase in premiums to EUR 5.30 billion. Swiss Life in **Germany** posted a 14% increase in fee income to EUR 448 million. Premiums came to EUR 1.24 billion – an increase of 2%. Swiss Life **International** generated fee income of EUR 282 million; the growth of 25% was supported by the acquisition of Fincentrum. Premiums declined by 3% to EUR 2.07 billion.

As of 31 December 2019, **Swiss Life Asset Managers** had assets under management totalling CHF 254.4 billion. In its third-party business, Swiss Life Asset Managers generated net new assets of CHF 8.92 billion (previous year: CHF 8.39 billion). Third-party assets under management increased to CHF 83.0 billion at the end of 2019 – a 17% increase compared to the end of the previous year. Swiss Life Asset Managers increased total income by 16% to CHF 853 million. Third-party asset management contributed CHF 476 million to that amount (previous year: CHF 413 million). In addition to operational growth, consolidation effects and the acquisition of Beos also contributed to this.

#### **“Swiss Life 2021” well underway – increase in the value of new business**

Swiss Life made further progress in the context of its Group-wide programme “Swiss Life 2021”. With the fee result of CHF 553 million and the risk result of CHF 417 million, Swiss Life is on track in relation to the relevant targets up until 2021. Last year saw the value of new business increase from CHF 386 million to CHF 561 million (+45%); the new business margin stood at 1.9% (previous year: 2.6%). These developments in new business are linked to the extraordinarily high demand for full insurance solutions in Switzerland. The average technical interest rate fell by 13 basis points to 1.12%. The life efficiency ratio stood at 41 basis points (previous year: 42 basis points) and the distribution operating expense ratio in the owned IFAs was 26% (previous year: 28%). In third-party business, the cost/income ratio improved to 84% (previous year: 91%). The cash remittance to the holding company increased by 8% to CHF 752 million. Swiss Life generated an adjusted return on equity of 10.8% in 2019 (corresponding period in the previous year: 9.6%; shareholders' equity excluding unrealised gains/losses). The company estimates its SST ratio at slightly above 200% as of 1 January 2020, based on the regulatory solvency model.

#### **Increase in dividend to CHF 20.00 per share – new CHF 400 million share buyback programme**

In light of the gratifying business performance, the Board of Directors will propose to the shareholders at the Annual General Meeting on 28 April 2020 an increase of the dividend per share to CHF 20.00 (previous year: CHF 16.50), of which CHF 5.00 per share will be paid out in the form of a reduction in par value. The distribution of the ordinary dividend of CHF 15.00 per

share will take place on 5 May 2020. The repayment of par value of CHF 5.00 per share is expected to take place on 24 July 2020. The payout ratio stands at 53%. Furthermore, Swiss Life will implement a new share buyback programme of CHF 400 million from March 2020 to May 2021.

### **Reelection of Members of the Board of Directors**

At the Annual General Meeting on 28 April 2020, all Members of the Board of Directors will stand for reelection.

### **Telephone conference for analysts and investors**

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

Dial-in number for Europe: +41 (0) 58 310 50 00

Dial-in number for the UK: +44 (0) 207 107 06 13

Dial-in number for the US: +1 (1) 631 570 56 13

There is also an [audio webcast](#) on the website [www.swisslife.com](http://www.swisslife.com).

### **Media conference for media representatives**

Patrick Frost, Group CEO, and Matthias Aellig, Group CFO, will hold a media conference in German for media representatives today at 11.00 a.m. (CET). The media conference will be held at the Swiss Life head office, General-Guisan-Quai 40, in Zurich.

### **Further information**

All documentation relating to the financial statements including the 2019 financial report can be found on our website at [www.swisslife.com](http://www.swisslife.com).

## Information

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### Further information

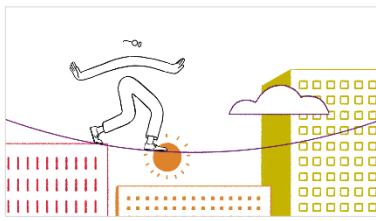
All our media releases can be found at [swisslife.com/mediareleases](http://swisslife.com/mediareleases)

## Swiss Life

The Swiss Life Group is one of Europe's leading comprehensive life and pensions and financial solutions providers. In its core markets of Switzerland, France and Germany, Swiss Life offers individuals and corporations comprehensive and individual advice plus a broad range of own and partner products through its sales force and distribution partners such as brokers and banks.

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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 subsidiaries Livit, Corpus Sireo, Beos, Mayfair Capital and Fontavis are also part of the Swiss Life Group. The Group employs a workforce of around 9300 and has at its disposal a distribution network of some 14 000 advisors.



[Swiss Life corporate film](#)

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