

Zurich, 2 March 2021

## **Swiss Life increases fee result by 11% – net profit declines by 13% to CHF 1051 million**

- **Swiss Life reports an adjusted profit from operations of CHF 1572 million in 2020, 5% lower compared to the previous year.**
- **Net profit came to CHF 1051 million (–13%). The decline in the result was mainly influenced by two one-offs, which were unrelated to the pandemic. Swiss Life thus generated an adjusted return on equity of 9.4% (previous year: 10.8%).**
- **The Group increased its fee result by 11% to CHF 601 million. Fee income in local currency came to CHF 1957 million – an increase of 11%.**
- **Swiss Life Asset Managers posted net new assets in its TPAM business of CHF 7.5 billion; TPAM assets under management amounted to CHF 91.6 billion as of 31 December 2020 (+10%).**
- **The cash remittance to the holding company was increased by 4% to CHF 784 million.**
- **Swiss Life estimates its SST ratio at around 195% as of 1 January 2021.**
- **Swiss Life is now in advanced discussions with the US Department of Justice (DOJ) about the resolution of their inquiry. As a result, the company has taken a provision of CHF 70 million charged against the 2020 results to address the financial component of the expected resolution.**
- **The Board of Directors proposes to the Annual General Meeting an increase in the dividend from CHF 20.00 to CHF 21.00 per share.**
- **Swiss Life is on track with its Group-wide programme "Swiss Life 2021" and confirms its financial targets.**

"In an extraordinary year due to the Covid-19 pandemic, our employees and advisors ensured with great engagement that we could strengthen the proximity to our customers. I'm pleased that we markedly expanded the fee business with our ambitious work in asset management and financial advice," says Patrick Frost, CEO of the Swiss Life Group. "We have thus partially offset the negative Covid-19 effects and are well on track to achieving all our goals in the final year of the "Swiss Life 2021" Group-wide programme."

### **Increase in the fee result – decline in net profit**

The Swiss Life Group generated adjusted profit from operations of CHF 1572 million in 2020, a decline of 5% compared to the previous year. Net profit fell by 13% to CHF 1051 million, which was CHF 154 million lower than in the prior year. This decline is mainly due to two one-offs unrelated to the pandemic: on the one hand, a provision for the pending agreement with the DOJ and, on the other, CHF 49 million due to a positive, tax one-off in 2019 in the context of the Swiss corporate tax reform. In addition, the effects of Covid-19 on the financial markets reduced the savings result. The fee result increased by 11% from CHF 541 million to CHF 601 million over the same period in the previous year. Swiss Life Asset Managers and the owned advisory organisations in Germany contributed most of all to that.

Swiss Life generated direct investment income in 2020 of CHF 4.04 billion (previous year: CHF 4.44 billion). The direct investment yield was 2.4% (previous year: 2.8%). The net investment yield was 2.2% (previous year: 2.9%). This decline is primarily due to developments in the financial and foreign currency markets.

Swiss Life **Switzerland** achieved a segment result of CHF 830 million. The decline of 7% is due to a lower savings result. The fee result contributed CHF 26 million (previous year: CHF 20 million). In **France**, Swiss Life posted a segment result of EUR 203 million (previous year: EUR 247 million). The fee result rose by 2% to EUR 76 million. Swiss Life **Germany** kept its segment result stable at EUR 168 million (previous year: EUR 167 million); the division again increased its fee result due to growth in the owned IFAs by 32% to EUR 87 million. Swiss Life **International** generated a segment result of EUR 73 million (previous year: EUR 73 million). The fee result contributed EUR 48 million to that (–11%). **Swiss Life Asset Managers** posted a segment result of CHF 345 million, an increase of 12%. The TPAM business (third-party asset management) contributed CHF 137 million to that – a gain of 60%.

### **Customer proximity leads to further growth in fee income**

Swiss Life continued to expand its fee business in the challenging environment: fee income rose by 11% in local currency to CHF 1957 million. Overall, owned IFAs increased their contributions by 12%, Swiss Life Asset Managers by 8% and contributions from own and third-party products and services grew by 7%.

Premiums came to CHF 20.0 billion. The decline of 12% and the associated normalisation are due to the extraordinarily high single premiums written by Swiss Life in the previous year, as a result of the withdrawal of a competitor from the full insurance business in Switzerland.

In its home market of **Switzerland**, Swiss Life achieved premiums of CHF 11.0 billion (previous year: CHF 13.5 billion). The 18% decline is attributable to the extraordinarily high previous year; taking this extraordinary effect into account, premiums in 2020 in Switzerland were 1% higher than in the prior year. Fee income increased by 13% to CHF 298 million. In **France**, Swiss Life posted premium growth of 10% to EUR 5.9 billion. In the life business (+14%), the share of unit-linked solutions stood at 57% (previous year: 49%) well above the market (34%). In fee business, income rose by 8% to EUR 316 million. Swiss Life in **Germany** generated premiums of EUR 1.3 billion, an increase of 5%. Fee income increased by 15% to EUR 515 million. Swiss Life **International** posted a 39% fall in premiums to EUR 1.3 billion. Fee income came to EUR 260 million, 8% down from the same period in the previous year.

**Swiss Life Asset Managers** posted net new assets of CHF 7.5 billion in TPAM business. Assets under management at the end of 2020 came to CHF 91.6 billion (year-end 2019: CHF 83.0 billion). Total income by Swiss Life Asset Managers increased by 10% to CHF 936 million. Of this, CHF 559 million came from TPAM business, an increase of 17% over the previous year.

#### **“Swiss Life 2021” on track**

The new business margin came to 2.6% (previous year: 1.9%) and was thus significantly above the ambition of 1.5%. The value of new business amounted to CHF 465 million in 2020 (previous year: CHF 561 million). This decline is due to the extraordinarily high demand for full insurance solutions in Switzerland in the corresponding period in the previous year. The risk result remained essentially stable (–1%) at CHF 407 million. The average technical interest rate decreased by 7 basis points to 1.05% due to reserve strengthening and an improved business mix for the benefit of the company’s policyholders. The cash remittance to the holding company increased by 4% to CHF 784 million. In 2020, Swiss Life generated a return on equity (adjusted for unrealised gains and losses) of 9.4% (prior-year period: 10.8%). Swiss Life is thus at the upper end of its ambition range of 8 to 10% for the Group-wide programme "Swiss Life 2021". Swiss Life estimates its SST ratio at around 195% as of 1 January 2021, based on the regulatory solvency model. The solvency ratio is thus slightly above the strategic ambition range of 140 to 190%.

#### **Provision of CHF 70 million to address the financial component of the expected resolution with the DOJ**

In September 2017, Swiss Life announced that it was engaged in discussions with the US Department of Justice (DOJ) concerning prior business with U.S. clients. The company is now in advanced discussions with the DOJ about the resolution of their inquiry. As a result, Swiss Life has taken a provision of CHF 70 million charged against the 2020 results to address the financial component of the expected resolution. The discussions with the DOJ are not concluded and, as a

result, the final number could be somewhat higher. Although the precise timing cannot be predicted, the current expectation is that this matter will be resolved in the near term.

### **Increase in dividend to CHF 21.00 – Reelection of Members of the Board of Directors**

The Board of Directors will propose to the shareholders at the Annual General Meeting on 23 April 2021 a 5% increase of the dividend per share to CHF 21.00 (previous year: CHF 20.00) for the 2020 financial year. The ongoing share buyback programme totalling CHF 400 million will be concluded according to plan in May 2021. At the Annual General Meeting, all members of the Board of Directors will stand for reelection, with the exception of Frank Schnewlin, who is stepping down due to having reached the statutory age limit. Rolf Dörig, Chairman of the Board of Directors: "In Frank Schnewlin we are bidding farewell to a highly valued member of the Board of Directors who, with his broad wealth of experience, his exceptional professional expertise and his tireless commitment, has made a major contribution to shaping our Group since 2009 as Vice Chairman. We would like to extend our sincere thanks and best wishes for his personal future."

### **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 numbers:

Europe: +41 (0) 58 310 50 00  
UK: +44 (0) 207 107 06 13  
US: +1 (1) 631 570 56 13

An audio webcast of the conference will be made available on the [www.swisslife.com](http://www.swisslife.com) website.

### **Virtual media presentation for media professionals**

Patrick Frost, Group CEO, and Matthias Aellig, Group CFO, will hold a video conference in German for media representatives today at 11 a.m. (CET). Both the dial-in numbers and the participation link for the video conference can be found on the website [www.swisslife.com](http://www.swisslife.com).

### **Further information**

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

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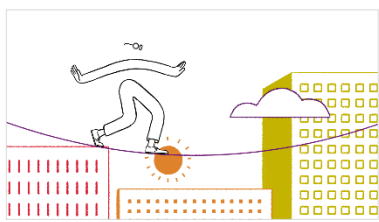
All our media releases can be found at [swisslife.com/mediareleases](http://swisslife.com/mediareleases)

## 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.

Swiss Life Select, Tecis, Horbach, Proventus, Fincentrum and Chase de Vere advisors choose suitable products for customers from the market according to the Best Select approach. Swiss Life Asset Managers offers institutional and private investors access to investment and asset management solutions. Swiss Life provides multinational corporations with employee benefits solutions and high net worth individuals with structured life and pensions products.

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 9800 and has at its disposal a distribution network of some 15 800 advisors.



[Swiss Life corporate film](#)

### Cautionary statement regarding forward-looking information

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