

Zurich, 13 August 2020

Swiss Life increases fee income by 10% in the first half of 2020 – profit from operations declines by 6%

- Swiss Life reports adjusted profit from operations of CHF 780 million in the first half of 2020 – a decline of 6% compared to the previous year.
- Net profit came to CHF 537 million (-13%) and was thus CHF 80 million lower than in the previous year; CHF 30 million of this decrease are due to a positive one-off tax effect in the context of the Swiss corporate tax reform in the previous year.
- Swiss Life increased fee income by 10% in local currency to CHF 916 million. The fee result increased by 6% to CHF 267 million.
- Premiums amounted to CHF 11.6 billion. The decline of 16% in local currency and the associated normalisation of premiums are – as announced a number of times previously – due to extraordinarily high single premiums in the previous year following the withdrawal of a competitor from the full insurance business in Switzerland. Excluding this extraordinary effect, premiums in the first half-year in Switzerland were 2% above the previous year and at Group level unchanged against the previous year.
- Direct investment income came to CHF 2.0 billion (previous year: CHF 2.2 billion). The non-annualised direct investment yield was 1.2% (previous year: 1.4%); the net investment yield on a non-annualised basis was 1.1% (previous year: 1.3%).
- Swiss Life Asset Managers posted net new assets in its third-party business of CHF 1.4 billion. As at the end of June 2020, third-party assets under management amounted to CHF 82.9 billion (year-end 2019: CHF 83.0 billion).
- The value of new business came to CHF 204 million (previous year: CHF 387 million). The new business margin rose to 2.1% (previous year: 1.8%).
- The cash remittance to the holding company increased by 6% to CHF 748 million.
- Swiss Life achieved an adjusted return on equity of 10.2% (previous year: 11.4%) and is thus above its ambition range of 8 to 10%.

- **Swiss Life estimates its SST ratio at above 185% as of 30 June 2020, based on the regulatory solvency model, thus placing the solvency ratio at the upper end of the strategic ambition range of 140 to 190%.**
- **Swiss Life is on track with its Group-wide programme "Swiss Life 2021" and confirms its financial targets.**

"Thanks to the high engagement of our employees, we were able to present a strong result in this difficult environment in the first half of 2020," says Patrick Frost, CEO of the Swiss Life Group. "We promptly adopted measures to cope with the challenges relating to the Covid-19 pandemic. The biggest effects for us came from developments on the financial markets, which led to a lower savings result. Our increase in the fee and risk result, however, partially compensated for that. The half-year figures underline the sustainability and resilience of our business model. We are therefore on track with our Group-wide programme "Swiss Life 2021" and confirm the corresponding financial targets, including the return on equity of 8 to 10%, that is valid for each and every year of the strategy period."

Increase in fee result supports earnings development

The Swiss Life Group generated adjusted profit from operations of CHF 780 million in the first half of 2020, a decline of 6% compared to the previous year. Adjustments in profit from operations comprise programme costs for a new accounting standard and currency effects in the overall low double-digit million range. Net profit fell to CHF 537 million. The decline of 13% is due among other things to a positive, one-off tax effect in the context of the implementation of the Swiss corporate tax reform in the previous year (5 percentage points) as well as to currency effects (2 percentage points). The fee result increased by 6% over the corresponding period in the previous year from CHF 251 million to CHF 267 million. Both Swiss Life Asset Managers and the insurance units increased their contributions.

Swiss Life achieved direct investment income of CHF 2.03 billion in the first half of 2020 (previous year: CHF 2.24 billion). The non-annualised direct investment yield was 1.2% (previous year: 1.4%). The net investment yield on a non-annualised basis was 1.1% (previous year: 1.3%). The decline is also due to developments on the financial and foreign currency markets.

Swiss Life **Switzerland** posted a segment result of CHF 415 million in the first six months of the year. The decline of 10% is due to a lower savings result. The fee result contributed CHF 14 million (previous year: CHF 15 million). In **France**, Swiss Life achieved a segment result of EUR 125 million (previous year: EUR 136 million). The fee result rose by 13% to EUR 39 million.

Swiss Life **Germany** increased its segment result by 9% to EUR 92 million; the division increased its fee result by 11% to EUR 44 million, again due to growth in the owned IFAs. Swiss Life **International** generated a segment result of EUR 36 million, 2% higher than the previous year. The fee result contributed EUR 26 million to that (-8%). **Swiss Life Asset Managers** posted a segment result of CHF 135 million in the first half of the year, an increase of 7%. Third-party asset management contributed CHF 37 million (+73%) of this total.

Further growth in fee income

Swiss Life continued to expand its fee business in the challenging environment: fee income rose by 10% in local currency to CHF 916 million. Overall, Swiss Life Asset Managers and the owned IFAs increased their contributions by 8% each, while contributions from own and third-party products and services posted growth of 6%.

Premiums came to CHF 11.6 billion. The decline of 16% 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 7.3 billion (previous year: CHF 9.6 billion). The decline is attributable to the extraordinarily high previous year; taking this extraordinary effect into account, premiums in the first half of 2020 in Switzerland were 2% higher than in the previous year. Fee income increased by 5% to CHF 141 million. In **France**, Swiss Life posted premium growth of 7% to EUR 2.7 billion. In the life business (+9%), the share of unit-linked solutions at 58% (previous year: 46%) was well above the market (35%). In fee business, income rose by 9% to EUR 152 million. Swiss Life in **Germany** achieved premiums of EUR 629 million in the first six months of the year, an increase of 4%. Fee income increased by 16% to EUR 247 million. Swiss Life **International** posted a decline in premiums to EUR 694 million (previous year: EUR 808 million). Fee income came to EUR 130 million, 9% less than in the corresponding period in the previous year.

Swiss Life Asset Managers posted net new assets of CHF 1.4 billion in its third-party business. Adjusted for money market funds, net new assets amounted to CHF 2.4 billion. Third-party assets under management as at the end of June 2020 came to CHF 82.9 billion (year-end 2019: CHF 83.0 billion). Swiss Life Asset Managers increased its total income by 9% to CHF 419 million. Of this, CHF 242 million came from third-party asset management, an increase of 16% over the previous year.

"Swiss Life 2021" on track and SST ratio at the upper end of the ambition range

The value of new business came to CHF 204 million in the first half of 2020 (previous year: CHF 387 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 new business margin came to 2.1% (previous year: 1.8%) and was thus significantly above the ambition level of 1.5%. The average technical interest rate decreased by 2 basis points to 1.10% due to an improved business mix and reserve strengthening for the benefit of the company's policyholders. The cash remittance to the holding company increased by 6% to CHF 748 million. In the first half of 2020, Swiss Life posted an adjusted return on equity of 10.2% (corresponding period in the previous year: 11.4%; shareholders' equity excluding unrealised gains/losses). Swiss Life is thus above the ambition range of 8 to 10% for the Group-wide programme "Swiss Life 2021". Swiss Life estimates its SST ratio at above 185% as of 30 June 2020, based on the regulatory solvency model. The solvency ratio is thus at the upper end of the strategic ambition range of 140 to 190%.

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

Telephone conference for media representatives

Patrick Frost, Group CEO, and Matthias Aellig, Group CFO, will hold a telephone conference in German for media representatives today at 11 a.m. (CET).

Dial-in number:

Europe: +41 (0) 58 310 50 00

Audio webcasts of both conferences will be made available on the www.swisslife.com website.

Further information

All documentation relating to the financial statements and the First-Half Financial Report 2020 can be found on our website at www.swisslife.com.

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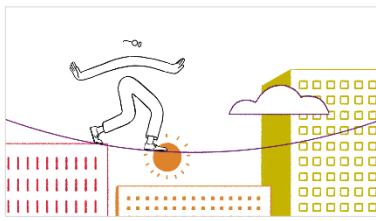
All our media releases can be found at swisslife.com/mediareleases

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 subsidiaries Livit, Corpus Sireo, Beos, Mayfair Capital and Fontavis are also part of the Swiss Life Group. The Group employs a workforce of around 9500 and has at its disposal a distribution network of some 15 000 advisors.



[Swiss Life corporate film](#)

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