

Letter to Shareholders

Financial Year 2020

Ladies and gentlemen,



Patrick Frost and Rolf Dörig

You can see it in our pictures: the Chairman of the Board of Directors and the CEO with and without a mask. That sums up these extraordinary times. After all, 2020 was not just another financial year, including for Swiss Life. Our business activities are ultimately linked to society in many ways. The coronavirus pandemic posed major challenges for our customers, for our employees and for you as shareholders. Numerous measures, including those initiated by governments of the countries in which we operate, are helping to mitigate the pandemic's impact from both a medical and an economic perspective in the short term. However, the crisis is far from over: the long-term effects of – for example – government debt and in the affected economic sectors are still unclear.

In this difficult environment, the Swiss Life Group's employees continued to do very good work in 2020. Thanks to a modern digital working environment, our teams were able to carry out their tasks as normal for our customers, despite the lockdown. Nevertheless, mainly one-off effects led to our net profit being 13% lower than in the previous year at CHF 1051 million. Our fee result was pleasing again: thanks to our advisory and investment expertise, we improved the result by 11% to CHF 601 million. At the same time, we increased the assets entrusted to us by third-party clients by 10% to CHF 91.6 billion. At 2.6% the new business margin, a very important value for us, was also markedly higher than the previous year (previous year: 1.9%). And with our ambition to remit cash to the holding company, we are 4% above the previous year at CHF 784 million for 2020 and thus ahead of our plans. Overall, we are proud of our business model's resilience. It shows that we are on the right track with our strategy, which is geared to the long term.

We are privileged to be operating in a growth industry: in view of ailing public finances and longer life expectancy, private pension provision is becoming increasingly important. Pension gaps are increasing worldwide. Government debt, which continues to grow due to the coronavirus crisis, is reducing the financial leeway for social welfare institutions. The ongoing debate in Switzerland is a good example of the urgency with which pension institutions are having to adapt to present-day reality. With our claim to enable people to lead a self-determined life, we are working in an area that is highly relevant to society. Individualised pension provision enables our customers to meet their need for financial confidence and self-determination in old age and in the event of misfortunes.

These developments, together with our successes of recent years, form a strong foundation for Swiss Life's further development. 2021 is the final year of our Group-wide "Swiss Life 2021" programme. We are doing a lot to achieve or exceed our goals. And at the same time, we are working on our plans for the next three years. We will present them to you and the public at the end of November this year. Continuity remains our business compass: profitability, increased fee results, strong solvency, effective customer access points and convincing products and services for our customers are the milestones we continue to follow. We are also forging ahead unrelentingly with the further development of our digital competence and in the area of sustainability. Here we expect demands from our customers and the legislator, to which we want to continue to respond proactively.

Dear shareholders



Thanks to our successes, the Board of Directors is able to propose to the Annual General Meeting a dividend increase from CHF 20.00 to CHF 21.00 per share for the 2020 financial year. Thank you for supporting our further development. We also wish you continued strong optimism and creativity in coping with the pandemic.

A handwritten signature in black ink, appearing to read 'R. Dörig'.

Rolf Dörig
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read 'P. Frost'.

Patrick Frost
CEO

Swiss Life Group historical comparison

In CHF million (if not stated otherwise)

	2020	2019	2018	2017	2016
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	20 020	23 008	19 218	18 565	17 366
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	15 304	17 034	13 157	12 791	13 228
Fee and commission income	1 957	1 820	1 615	1 469	1 351
Financial result	4 273	5 227	5 003	4 395	5 062
TOTAL INCOME	21 728	24 320	20 062	18 769	19 784¹
Net insurance benefits and claims	-15 629	-17 838	-13 961	-13 189	-14 064
Policyholder participation	-910	-1 124	-1 155	-949	-1 325
Operating expense	-3 590	-3 541	-3 268	-2 842	-2 764 ¹
TOTAL EXPENSE	-20 256	-22 669	-18 527	-17 292	-18 393¹
PROFIT FROM OPERATIONS	1 472	1 651	1 534	1 476	1 391¹
NET PROFIT	1 051	1 205	1 080	1 013	926
Net profit attributable to					
Equity holders of Swiss Life Holding	1 046	1 199	1 076	1 007	922
Non-controlling interests	5	6	4	6	4
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	17 263	16 435	15 034	15 583	13 739
Insurance reserves	189 624	183 339	170 048	171 649	159 899
Total assets	237 538	228 094	212 982	212 800	199 731
FURTHER KEY FIGURES					
Return on equity (in %) ²	9.4 ³	10.8 ³	9.6 ³	9.8	10.0
Assets under control	322 979	303 677	277 040	269 255	243 255
Value of new business	465	561	386	351	296
Number of employees (full-time equivalents)	9 823	9 330	8 624	7 979	7 801

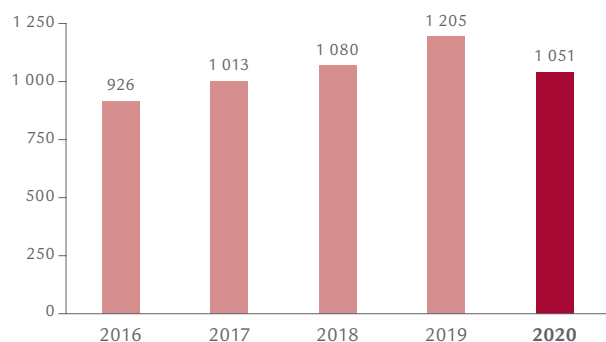
¹ adjusted

² equity excl. unrealised gains/losses on financial instruments

³ incl. share buy-back (2020: CHF 29 million / 2019: CHF 913 million / 2018: CHF 87 million)

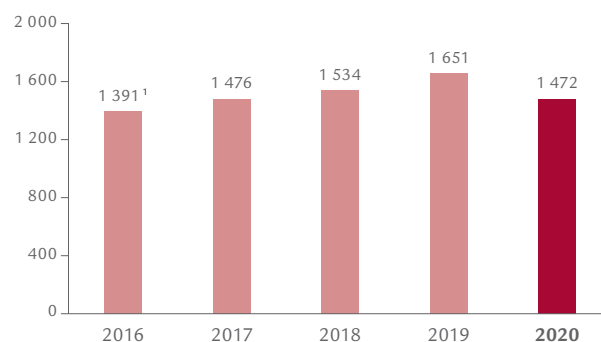
Net profit

In CHF million



Profit from operations

In CHF million



¹ adjusted

Share performance

Amounts in CHF

	as at 2020	2020	2019	2018	2017	2016
Number of shares	31.12.	32 014 391	33 594 606	34 223 106	34 223 106	32 081 201
Annual high	19.02.	521.40	508.40	395.90	363.50	290.30
Annual low	23.03.	261.00	380.20	328.10	292.40	211.50
Year-end price	30.12.	412.40	485.80	378.60	345.00	288.20
Performance of Swiss Life (in %)		-15	+28	+10	+20	+6
Swiss Market Index (SMI)	30.12.	10 704	10 617	8 429	9 382	8 220
Performance of Swiss Market Index (SMI) (in %)		+1	+26	-10	+14	-7
Dow Jones STOXX 600 Insurance Index (in EUR)	31.12.	279.14	322.75	259.40	288.35	269.66
Performance of Dow Jones STOXX 600 Insurance Index (in %)		-14	+24	-10	+7	-6
Average trading volume		234 155	156 762	177 519	144 983	158 405
Market capitalisation (in CHF million)	30.12.	13 203	16 320	12 957	11 807	9 246
Basic earnings per share		32.87	36.59	31.58	30.98	28.92
Diluted earnings per share		32.78	36.48	31.49	29.63	27.27
Dividend paid / par value repayment per share ¹	05.05./24.07.	20.00	16.50	13.50	11.00	8.50
Total dividend payout to shareholders (in CHF million)	05.05./24.07.	636	547	460	356	271
Dividend yield on year-end price (in %)	30.12.	4.85	3.40	3.57	3.19	2.95

Source: Bloomberg

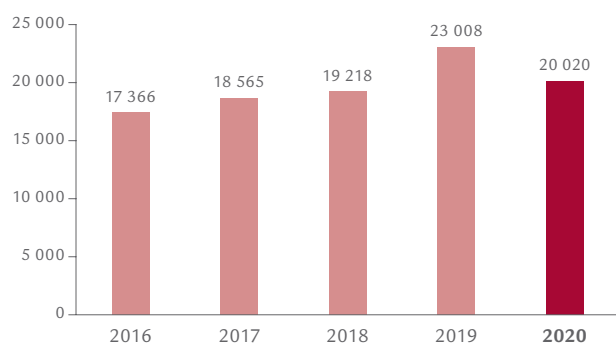
¹ The Board of Directors proposes a distribution of CHF 21.00 per share for the 2020 financial year.

Swiss Life share details

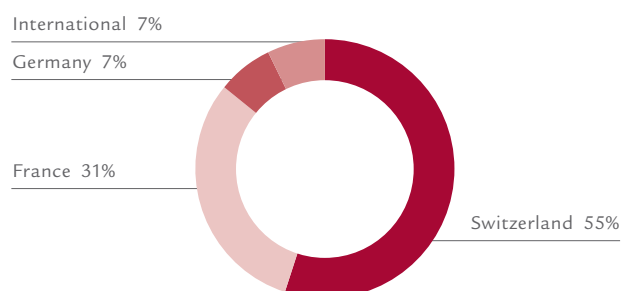
Swiss security number	1 485 278
ISIN	CH 001 485 278 1
Ticker symbol SIX	SLHN
Reuters	SLHN.S
Bloomberg	SLHN SW

Gross written premiums, policy fees and deposits received

In CHF million



Gross written premiums, policy fees and deposits received by segment



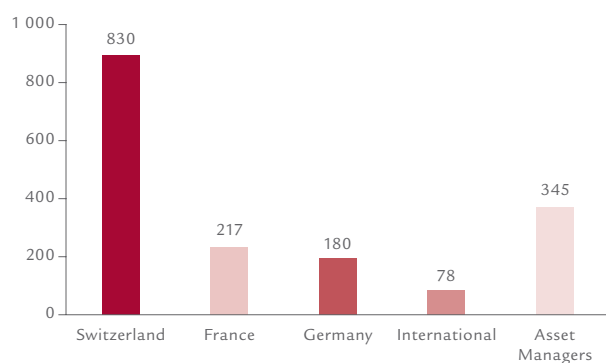
Key figures segments

In CHF million

	2020	2019	+/-
SWITZERLAND			
Gross written premiums, policy fees and deposits received	11 045	13 453	-18%
Fee and commission income	298	265	13%
Segment result	830	892	-7%
FRANCE			
Gross written premiums, policy fees and deposits received	6 277	5 901	6%
Fee and commission income	338	326	4%
Segment result	217	275	-21%
GERMANY			
Gross written premiums, policy fees and deposits received	1 390	1 375	1%
Fee and commission income	552	498	11%
Segment result	180	186	-3%
INTERNATIONAL			
Gross written premiums, policy fees and deposits received	1 343	2 304	-42%
Fee and commission income	279	314	-11%
Segment result	78	81	-4%
ASSET MANAGERS			
Fee and commission income	886	833	6%
Segment result	345	309	12%
OTHER			
Fee and commission income	1	3	-68%
Segment result	-72	15	n/a

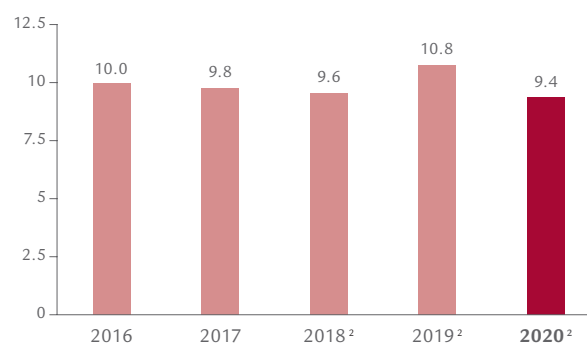
Segment results

In CHF million



Return on equity¹

In %

¹ equity excl. unrealised gains/losses on financial instruments² incl. share buy-back

(2020: CHF 29 million / 2019: CHF 913 million / 2018: CHF 87 million)

Important dates

Annual General Meeting 2021

23 April 2021

Interim Statement Q3 2021

9 November 2021

Interim Statement Q1 2021

11 May 2021

Investor Day 2021

25 November 2021

Half-year Results 2021

17 August 2021

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This **Letter to Shareholders** is also available in German, French and Italian.

The German text is definitive.

Annual Report 2020

The Annual Report 2020 can be found at: www.swisslife.com/ar2020

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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There may be minor discrepancies in total figures and percentages in this report due to rounding effects.

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*We enable people to lead
a self-determined life.*

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