



**Swiss Life**  
**Vontobel Summer Conference**

06 June 2018

# Agenda

## → **Swiss Life in a nutshell**

Key figures Q1 2018

Strategy Swiss Life 2018

# Swiss Life Group is a leading provider of life, pensions and financial solutions ...

- Swiss Life supports its customers to face a longer life with self-determination and confidence
- Swiss Life operates in Switzerland, France, Germany, Luxembourg, Liechtenstein, the United Kingdom (UK), Austria, Czech Republic and Singapore



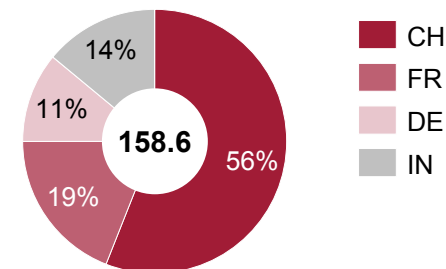
## Key financials (FY 2017, CHF)

- **GWP** incl. policyholder deposits: 18.6 bn
- **Net profit:** 1 013 m
- **Assets under management:** 223.6 bn,  
*thereof with third parties* 61.4 bn
- **Solvency:** SST 170%  
Solvency 2 > 200%
- **Market cap** (May 2018): 12.0 bn
- **S&P rating:** A, positive outlook

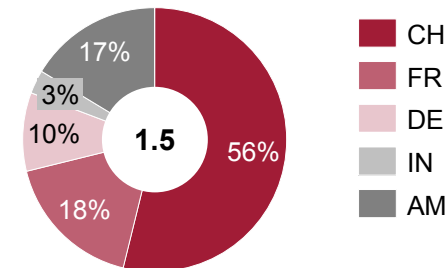
# ... with an attractive and diversified portfolio based on strong market positions

Business division	Market position
<b>Switzerland (CH)</b>	<ul style="list-style-type: none"> <li>Market leader in life insurance (group life and individual life) with a market share of ~ 31%</li> </ul>
<b>France (FR)</b>	<ul style="list-style-type: none"> <li>Niche private insurer for affluent customers in life</li> <li>Strong position in health</li> </ul>
<b>Germany (DE)</b>	<ul style="list-style-type: none"> <li>Leader for disability insurance and occupational pension schemes</li> <li>3<sup>rd</sup> largest independent financial advisor (IFA) network</li> </ul>
<b>International (IN)</b>	<ul style="list-style-type: none"> <li>Strong with private placement life insurance (PPLI) and pension pooling with our global Swiss Life Network</li> <li>Owned IFAs in UK, Austria and Czech Republic</li> </ul>
<b>Asset Managers (AM)</b>	<ul style="list-style-type: none"> <li>Leading in Switzerland, large portfolios in France and Germany</li> <li>#1 real estate manager in Europe<sup>1)</sup> with CHF 81 bn of real estate under management and administration</li> </ul>

**Insurance reserves<sup>2)</sup>**  
(FY 2017, CHF billion)



**Profit from operations<sup>3)</sup>**  
(FY 2017, CHF billion)



1) PropertyEU, Top 100 Investors, October 2017 2) Excl. policyholder participation liabilities 3) Does not sum up to 100% due to segment "Other" and unallocated corporate costs

# Swiss Life supports its customers in living a self-determined life

## Life insurance & risk coverage

- Insurance products for the **accumulation** and **decumulation** phase with / without guarantees
- Products to cover **biometric risks** like death, disability, care and longevity
- Health and P&C insurance<sup>1)</sup>, reinsurance<sup>2)</sup>

## Investment management & real estate

- **Investment products** for retail and institutional clients
- **Real estate products** for retail and institutional clients like fund business, asset management services, project development
- **Mortgages** to retail clients

## Additional services & advice

- **Financial advisory**
- **Pension fund consulting**
- **Employee benefit solutions**
- Real estate development and **brokerage**

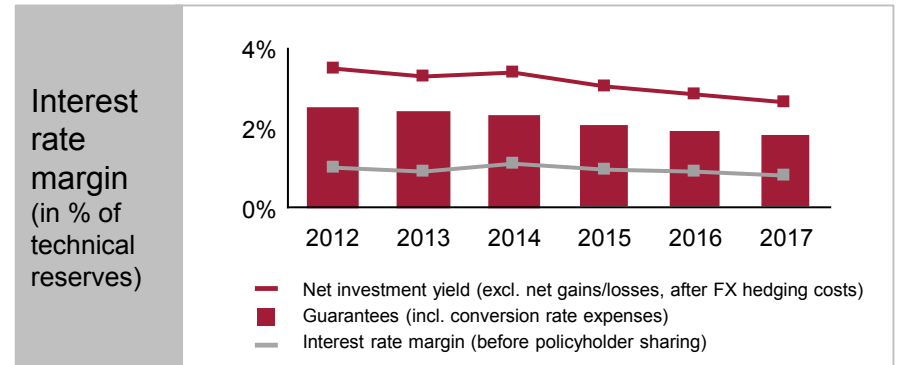
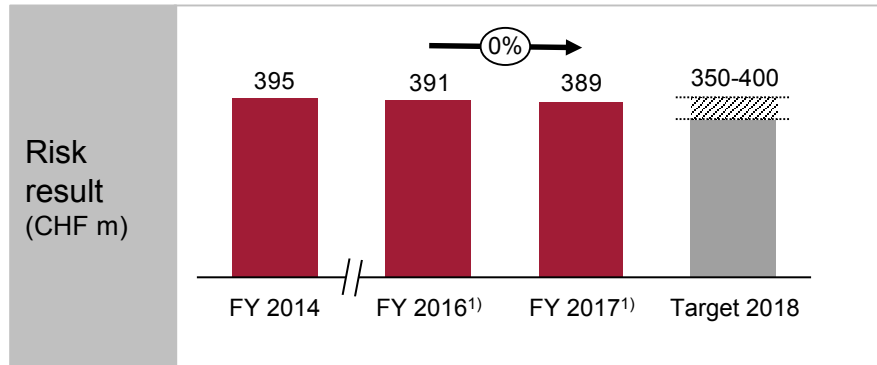
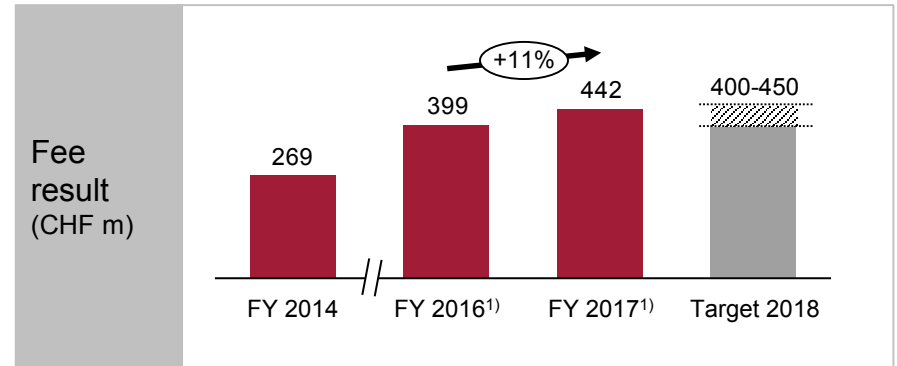
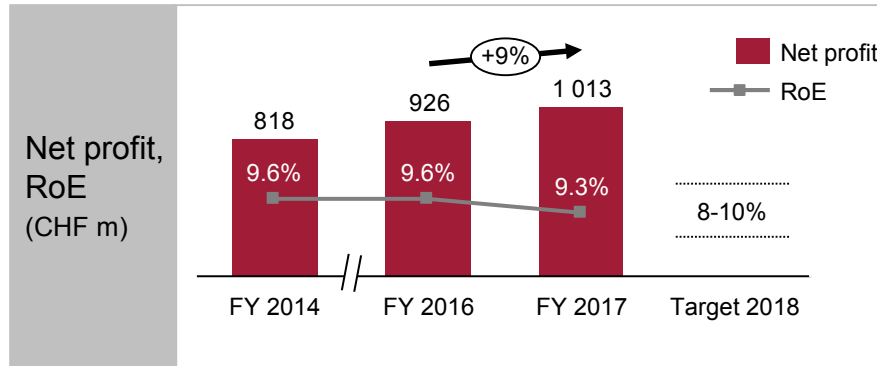
1) Health and P&C insurance offered only by business division FR 2) Niche reinsurance entity

# How does Swiss Life generate profits?

Source <sup>1)</sup>	Description	Key contributor to profit source in 2017 <sup>1)</sup>	Capital intensity <sup>2)</sup>	Capital market dependency <sup>2)</sup>	Policyholder participation
53% Savings result	<ul style="list-style-type: none"> <li>Investment spread (net investment result, technical interest, reserve changes)</li> </ul>	<ul style="list-style-type: none"> <li>CH (67%);</li> <li>FR (24%);</li> <li>DE (7%);</li> <li>IN (1%)</li> </ul>			<ul style="list-style-type: none"> <li>Yes</li> </ul>
25% Risk result	<ul style="list-style-type: none"> <li>Risk premiums less claims / expenses, reserve changes</li> </ul>	<ul style="list-style-type: none"> <li>CH (64%);</li> <li>FR (26%);</li> <li>DE (8%);</li> <li>IN (2%)</li> </ul>			<ul style="list-style-type: none"> <li>Yes</li> </ul>
29% Fee result	<ul style="list-style-type: none"> <li>Income from fee business less related expenses</li> </ul>	<ul style="list-style-type: none"> <li>AM (59%);</li> <li>FR (15%);</li> <li>DE (14%);</li> <li>IN (8%);</li> <li>CH (3%)</li> </ul>			<ul style="list-style-type: none"> <li>No</li> </ul>
-7% Cost result	<ul style="list-style-type: none"> <li>Cost premiums less expenses</li> </ul>				<ul style="list-style-type: none"> <li>Yes</li> </ul>

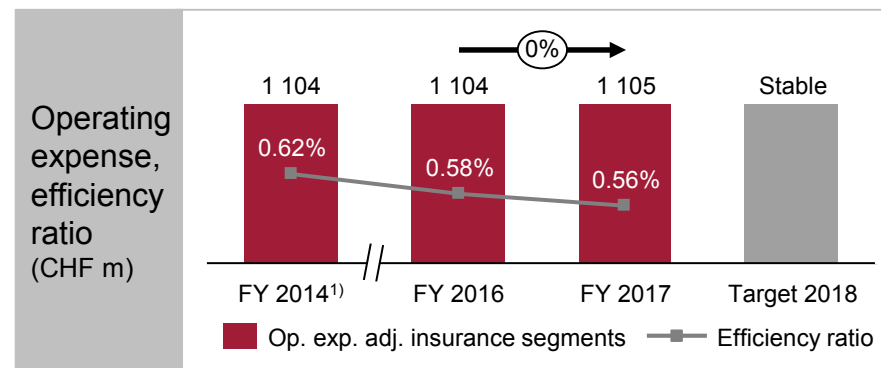
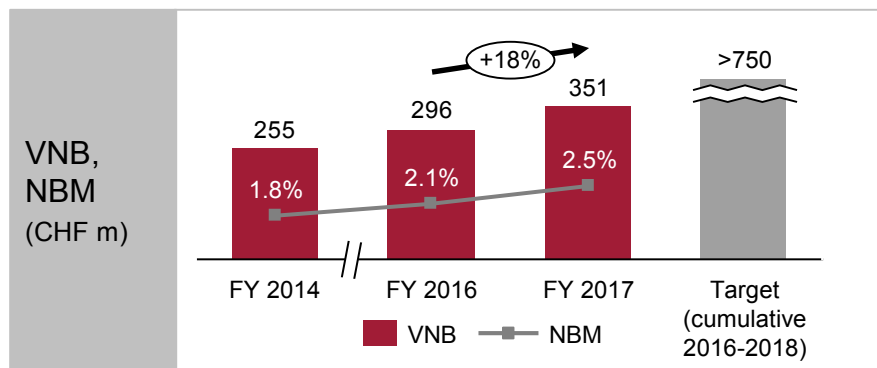
1) Based on adjusted segment result, FY 2017    2) Very high ● very low ○

# Swiss Life with strong FY 2017 net profit driven by the fee result ...



1) Adjusted for restructuring charges and FX translation effect

# ... while continuing with its sound capital management

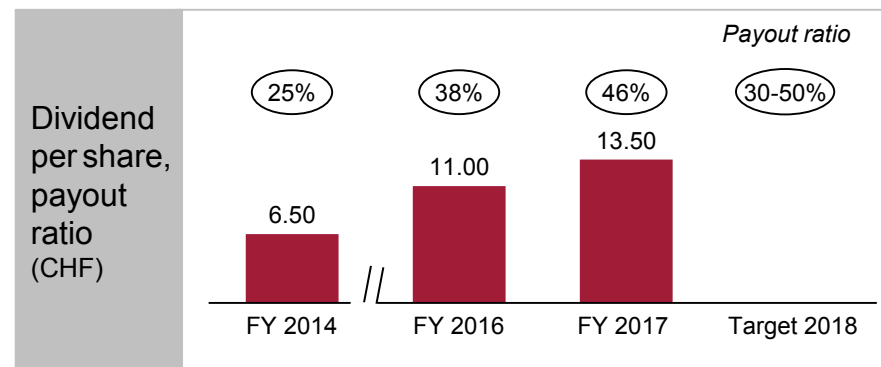


Capitalisation

As of 01.01.2018 (for Swiss Life Group):

**SST ratio of 170%**  
based on internal model approved with conditions

**Solvency II ratio > 200%**



1) FX adjusted at 2017 exchange rate



# Agenda

Swiss Life in a nutshell

→ **Key figures Q1 2018**

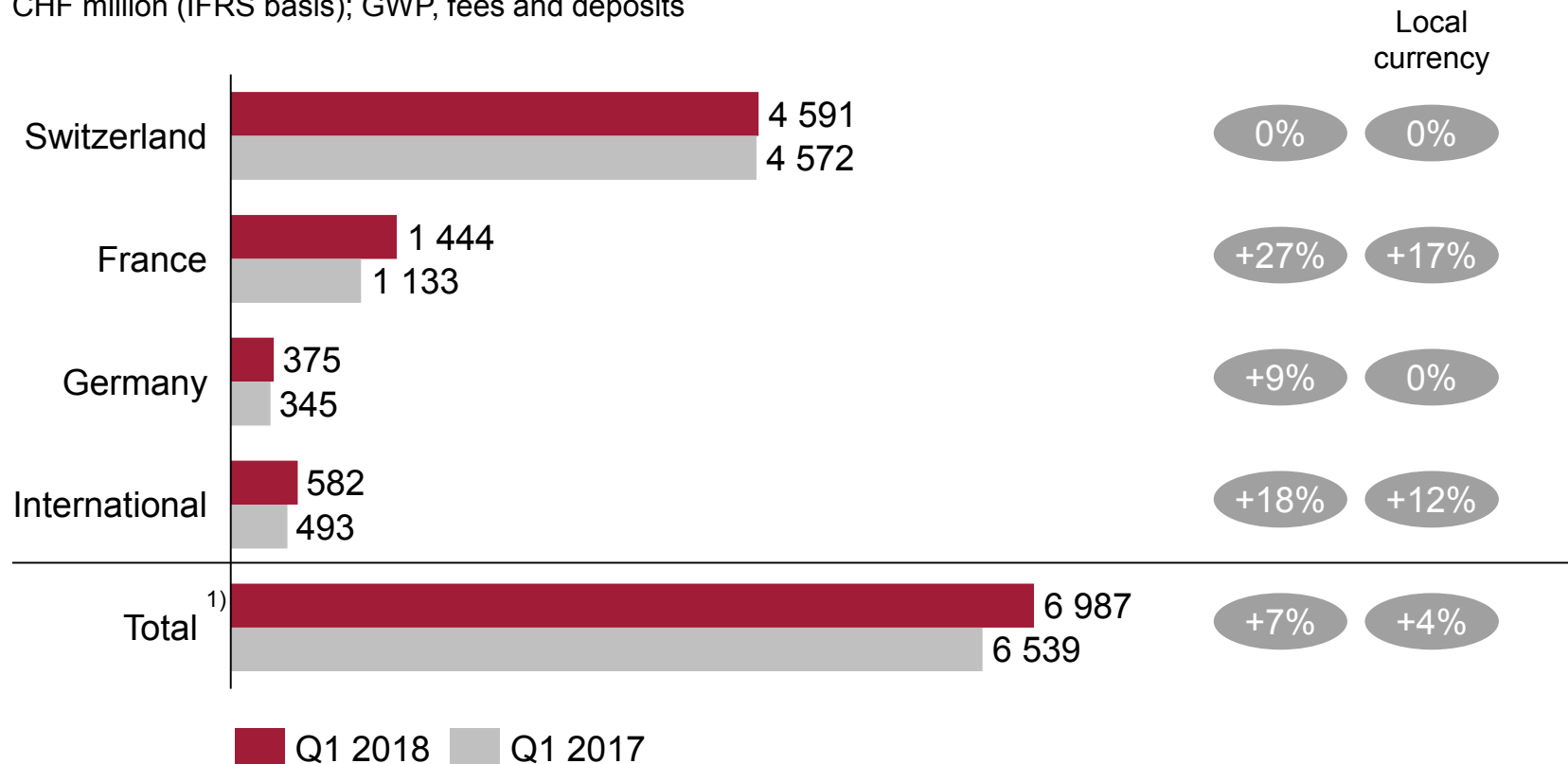
Strategy Swiss Life 2018

# Q1 2018: Swiss Life well on track to achieving 2018 financial targets

Premiums and insurance reserves	<ul style="list-style-type: none"><li>• <b>Premiums (GWP, fees, deposits)</b> increased by 4% in local currency to CHF 7.0 bn</li><li>• <b>Insurance reserves (excl. PHD)</b> up by 1% in local currency to CHF 161 bn</li><li>• <b>Share of non-traditional products</b> in new business mix stable at 93%</li></ul>
Fee and commission income	<ul style="list-style-type: none"><li>• <b>Fee and commission</b> income increased by 9% in local currency to CHF 395 m</li><li>• Asset Managers +11%, owned IFAs +8%, own and third party business +4%</li></ul>
Investment income	<ul style="list-style-type: none"><li>• Stable <b>direct investment</b> income of CHF 1 043 m at 0.7% (Q1 17: CHF 1 037 m, 0.7%)</li><li>• <b>Net investment yield</b> up to 1.0% (Q1 17: 0.5%)</li><li>• All yields not annualised</li></ul>
Asset Managers	<ul style="list-style-type: none"><li>• Asset Managers TPAM acquired <b>net new assets</b> of CHF 2.4 bn (Q1 17: CHF 2.7 bn), excluding money market funds this corresponds to CHF 2.8 bn (Q1 17: CHF 1.8 bn)</li><li>• <b>AuM TPAM</b> increased to CHF 63.6 bn (FY 17: CHF 61.4 bn)</li></ul>
SST	<ul style="list-style-type: none"><li>• <b>SST</b> of 170% as of 01 January 2018, as filed with FINMA (based on internal model approved with conditions)</li></ul>

# Premium development

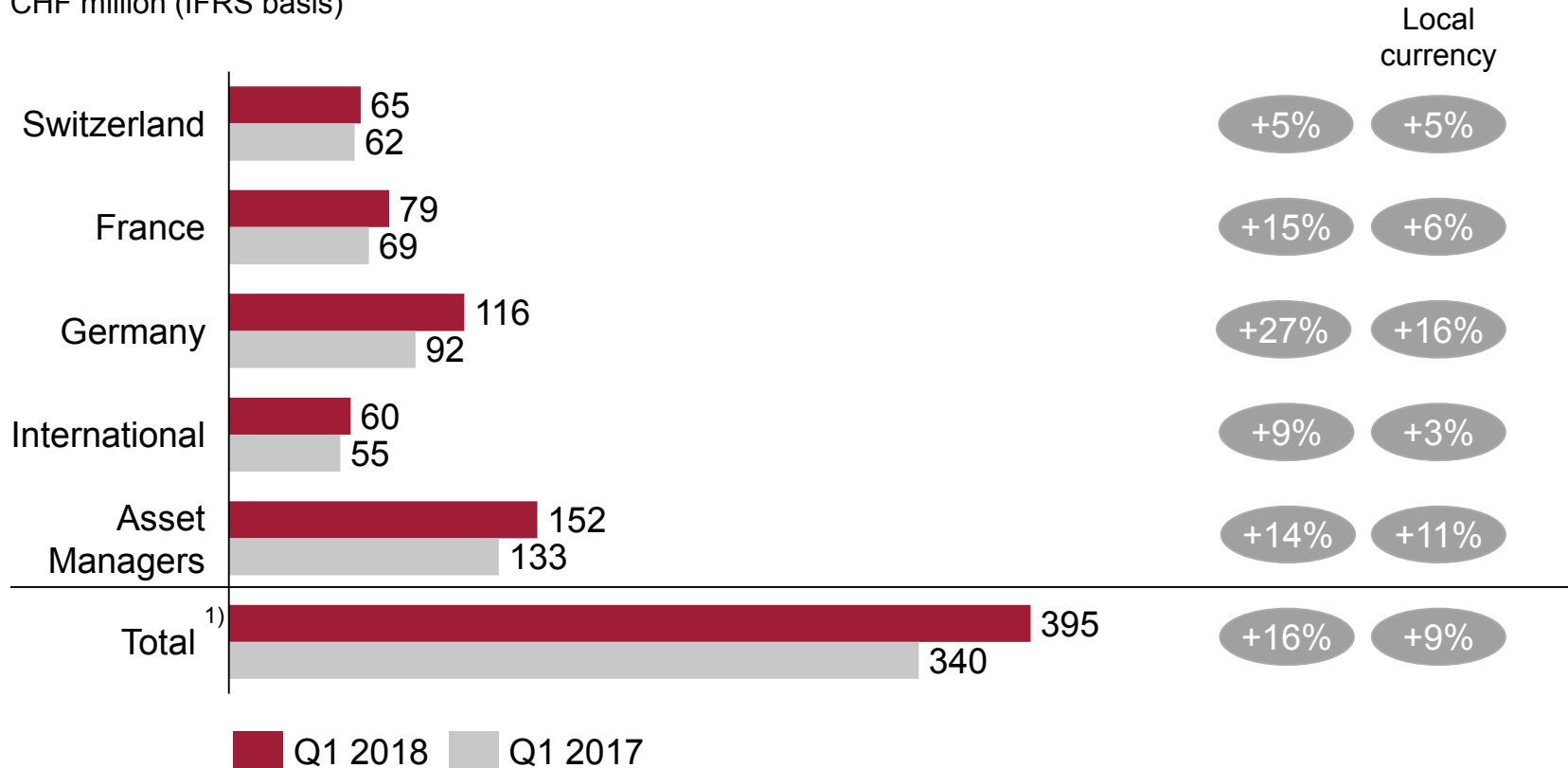
CHF million (IFRS basis); GWP, fees and deposits



1) Total includes Other and intersegment eliminations of CHF -4 m in Q1 2017 and CHF -4 m in Q1 2018

# Fee and commission income development

CHF million (IFRS basis)



1) Total includes Other and intersegment eliminations of CHF -70 m in Q1 2017 and CHF -77 m in Q1 2018

NB: Definition fee and commission income: Commission income + net earned policy fees

# Agenda

Swiss Life in a nutshell

Key figures Q1 2017

→ **Strategy Swiss Life 2018**

# Key financial targets of Swiss Life 2018

## Customer centricity and advice

### Quality of earnings and earnings growth

- **Fee result** FY 2018: CHF 400-450 m
- **Risk result** FY 2018: CHF 350-400 m
- Cumulative **value of new business** (2016-2018): > CHF 750 m

### Operational efficiency

- **Cost savings** FY 2018: CHF 100 m
- Stable operating expense<sup>1)</sup>

### Capital, cash and dividend

- Cumulative **cash remittance** to Holding (2016-2018): > CHF 1.5 bn
- **Dividend payout ratio**: 30-50%

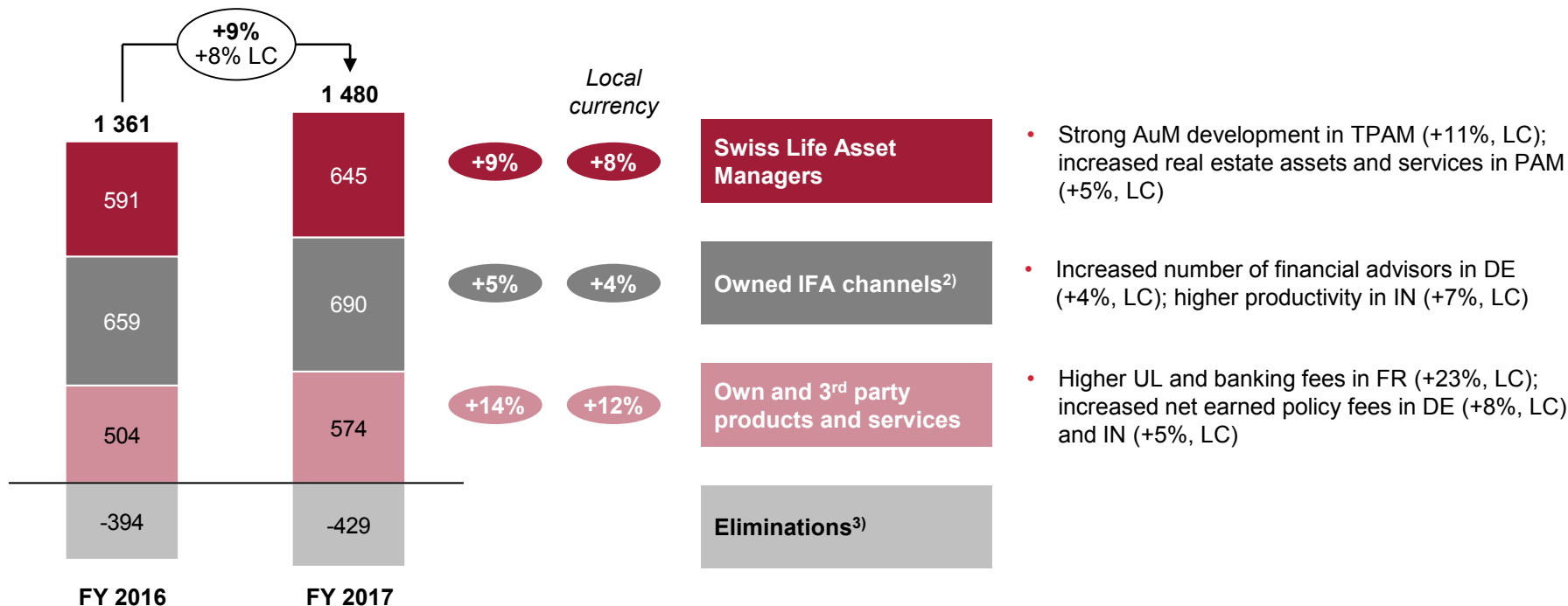
**RoE<sup>2)</sup> of 8-10%**

1) Excl. Asset Managers 2) Equity excl. unrealised gains/losses on bonds

# Fee & commission income well diversified

Quality of earnings and earnings growth

Fee and commission income<sup>1)</sup>, CHF million (IFRS basis)



1) Net earned policy fees and commission income 2) Swiss Life Select, tecis, Horbach, Proventus, Chase de Vere and Pôle Agami

3) Eliminations attributable to Swiss Life Asset Managers' PAM and owned IFAs

# Profit by source: Improved fee result

Quality of earnings  
and earnings  
growth

CHF million (IFRS basis)

	FY 2016 adjusted <sup>1)</sup>		FY 2017 adjusted <sup>1)</sup>	
Savings result	808	55%	817	53%
<b>Risk result</b>	<b>391</b>	<b>26%</b>	<b>389</b>	<b>25%</b>
<b>Fee result</b>	<b>399</b>	<b>27%</b>	<b>442</b>	<b>29%</b>
Cost result	-112	-8%	-106	-7%
- <i>Thereof admin cost result gross<sup>2)</sup></i>	119	8%	129	8%
Other	-10	-1%	2	0%
<b>Segment result</b>	<b>1 476</b>	<b>100%</b>	<b>1 544</b>	<b>100%</b>
Unallocated corporate costs	-66		-68	
<b>Profit from operations</b>	<b>1 409</b>		<b>1 475</b>	

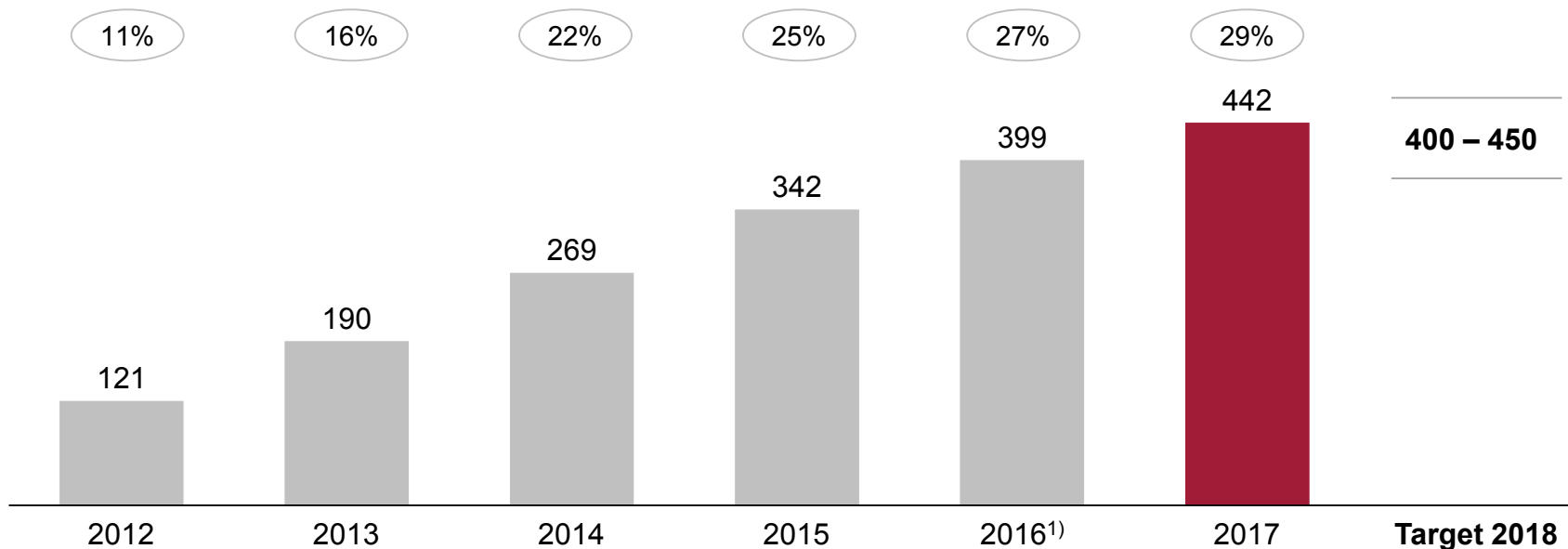
1) Adjusted as outlined on slide 8    2) Gross = before policyholder participation



# Strong growth of fee result with positive impact on quality of earnings

Quality of earnings and earnings growth

Fee result  
(CHF million, in % of adjusted segment result)

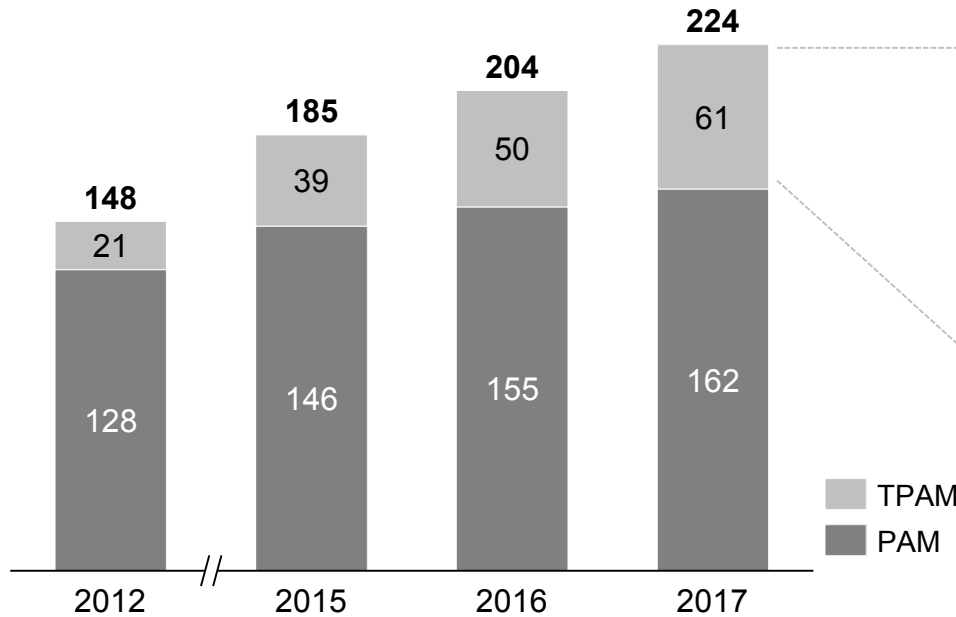


1) As reported in FY 2017; other figures as reported in respective FY

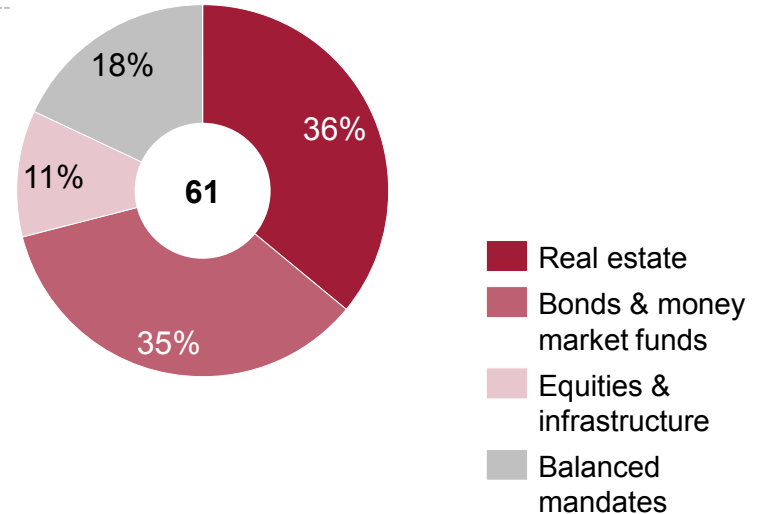
# Growing assets under management as one of the drivers of the fee result

Quality of earnings and earnings growth

Swiss Life Asset Managers: Total AuM (CHF billion)



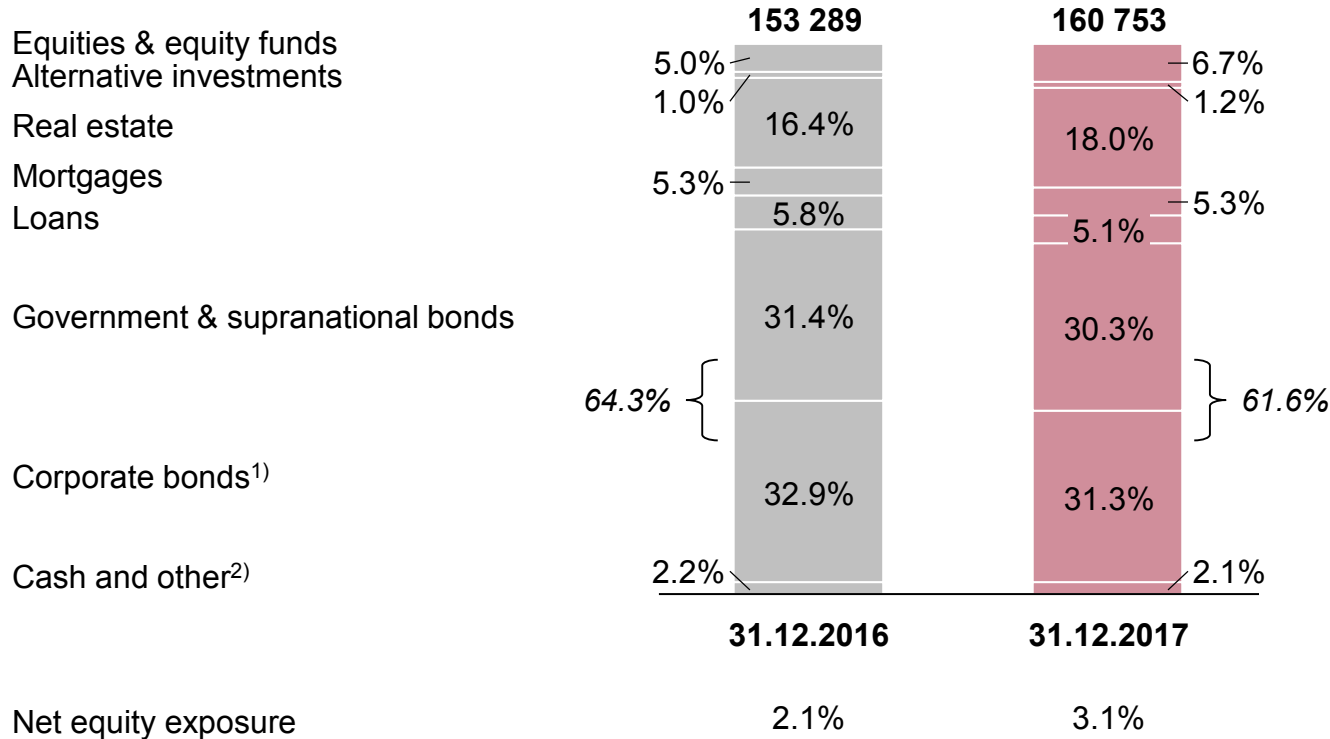
TPAM AuM per asset class (CHF billion)



# Investment portfolio in an ALM context

Quality of earnings  
and earnings  
growth

CHF million (fair value basis), insurance portfolio for own risk

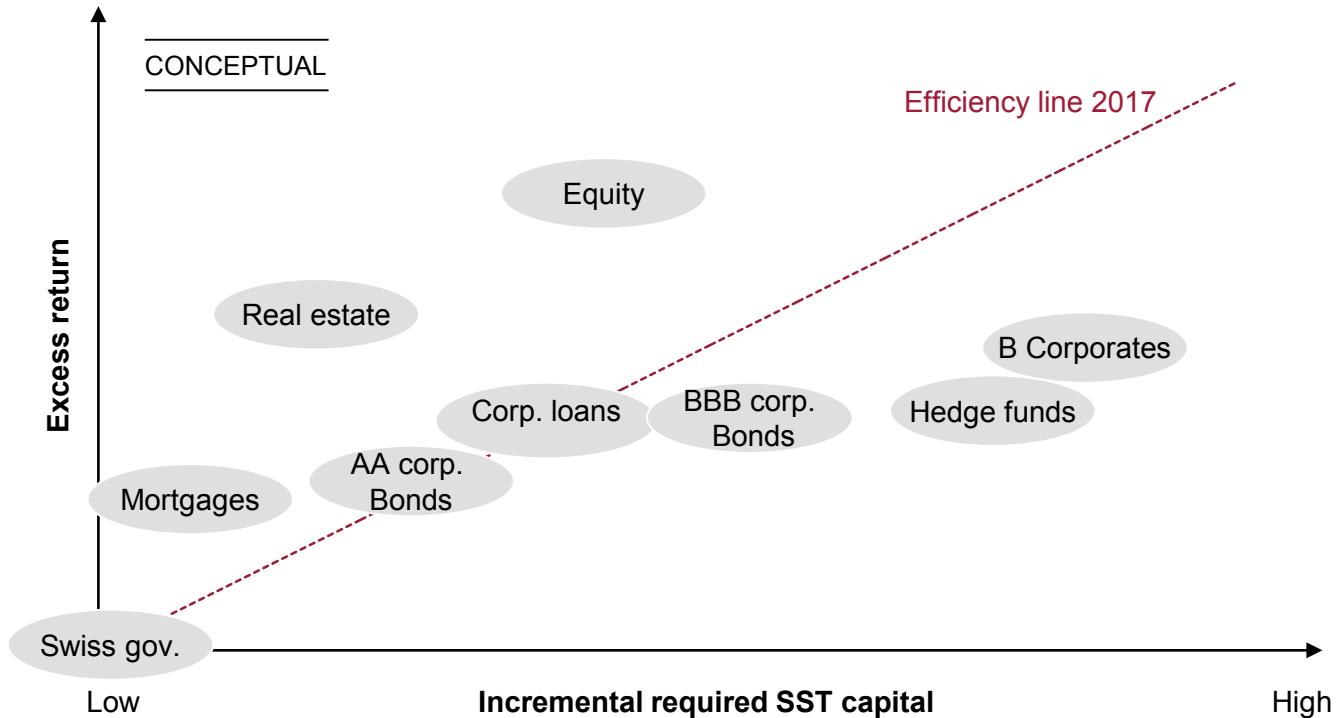


1) Incl. senior secured loan funds 2) Excl. repo positions of CHF -3 622 m in FY 2017 and CHF -2 970 m in FY 2016

# Capital efficiency considerations key in investing new money

Quality of earnings and earnings growth

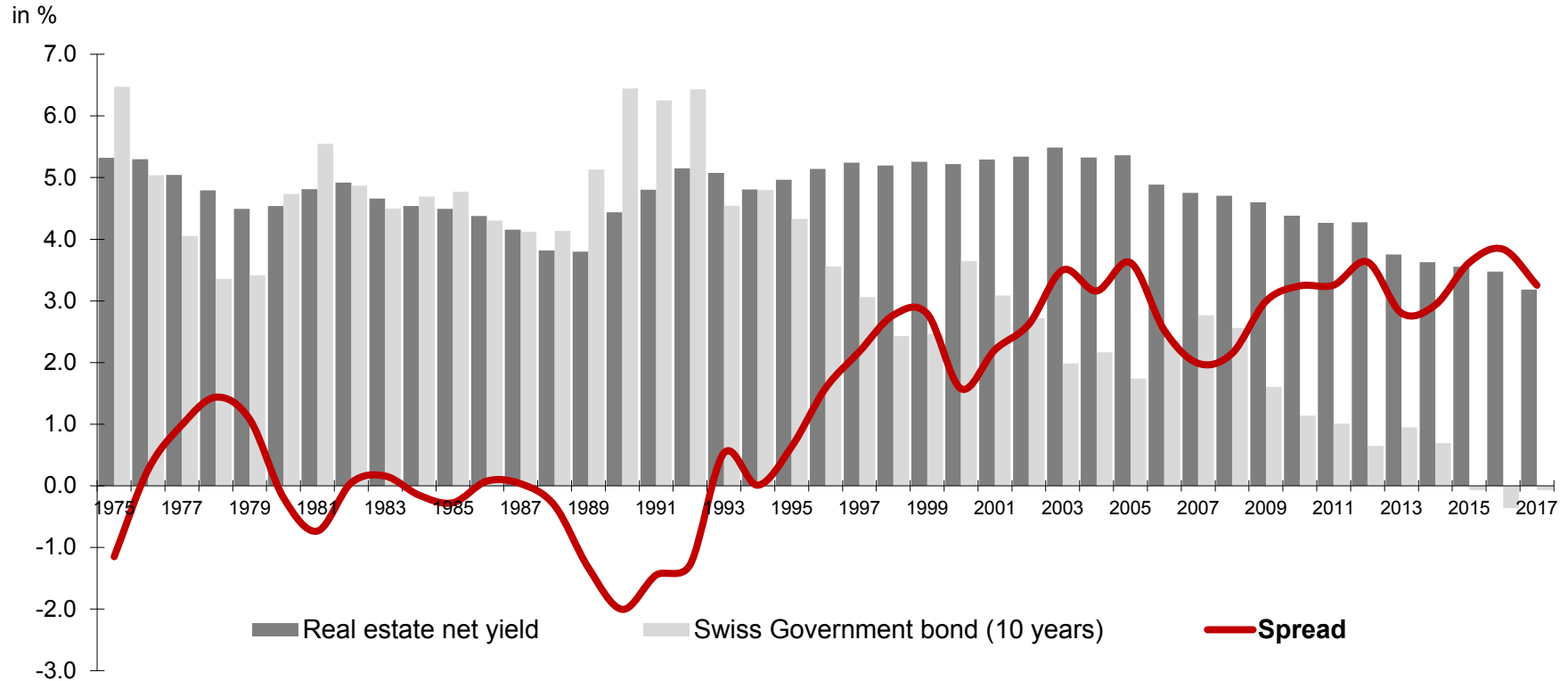
Swiss portfolio, marginal investment (Q3 2017)



- Risk / return considerations to optimise asset return in view of required solvency capital
- Other considerations such as local statutory and IFRS accounting also important

# Real estate attractive due to historically high risk premium (spread)

Quality of earnings and earnings growth

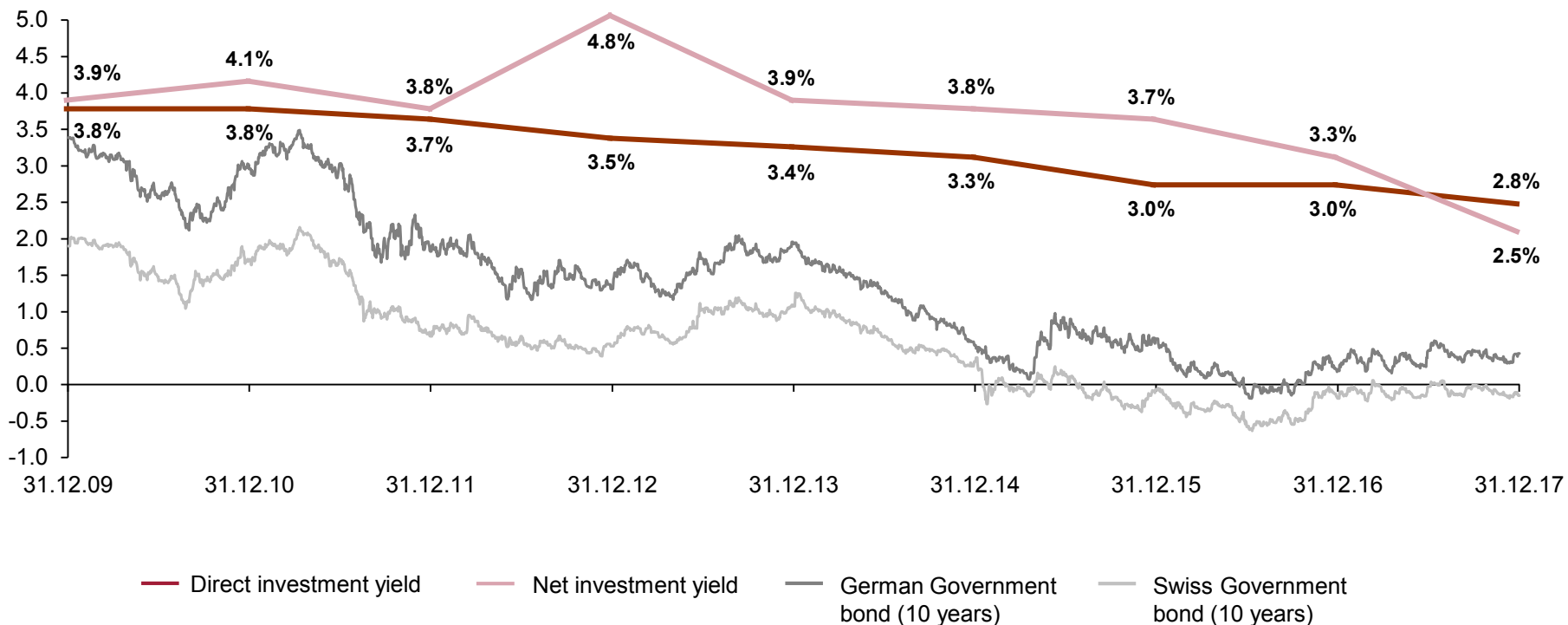


Source: Prof. Studer, University of Basel until 2004, from 2005 Wüest & Partner, SNB, own calculations

# Continued strong returns in a low interest rate environment

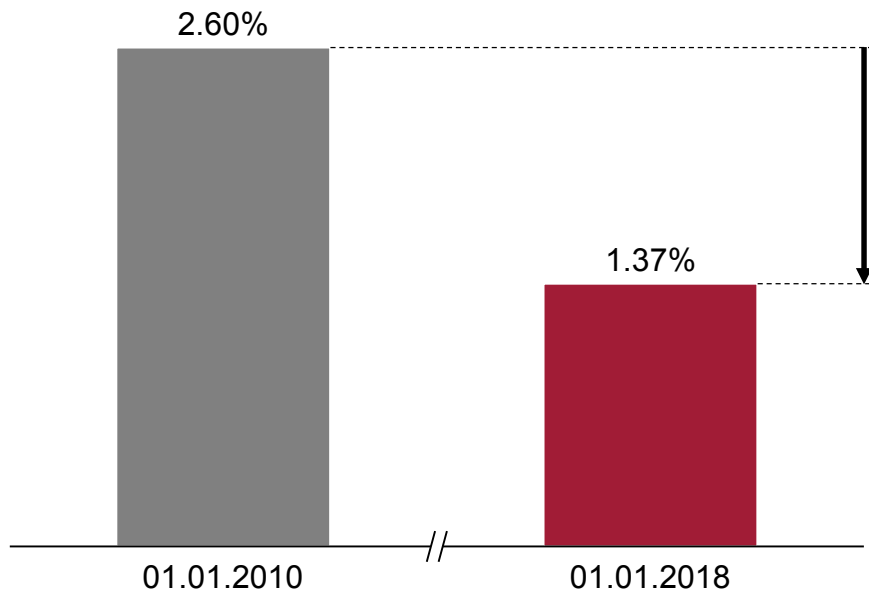
Quality of earnings and earnings growth

Direct and net investment yield (IFRS basis, in %)



# Average technical interest rate decreased further

Statutory basis



**01.01.2010 – 01.01.2018:**

- FX translation effect -1 bps
- Reserve strengthening -53 bps
- Mandatory group life CH -15 bps
- Non-mandatory group life CH -19 bps
- Business mix -35 bps

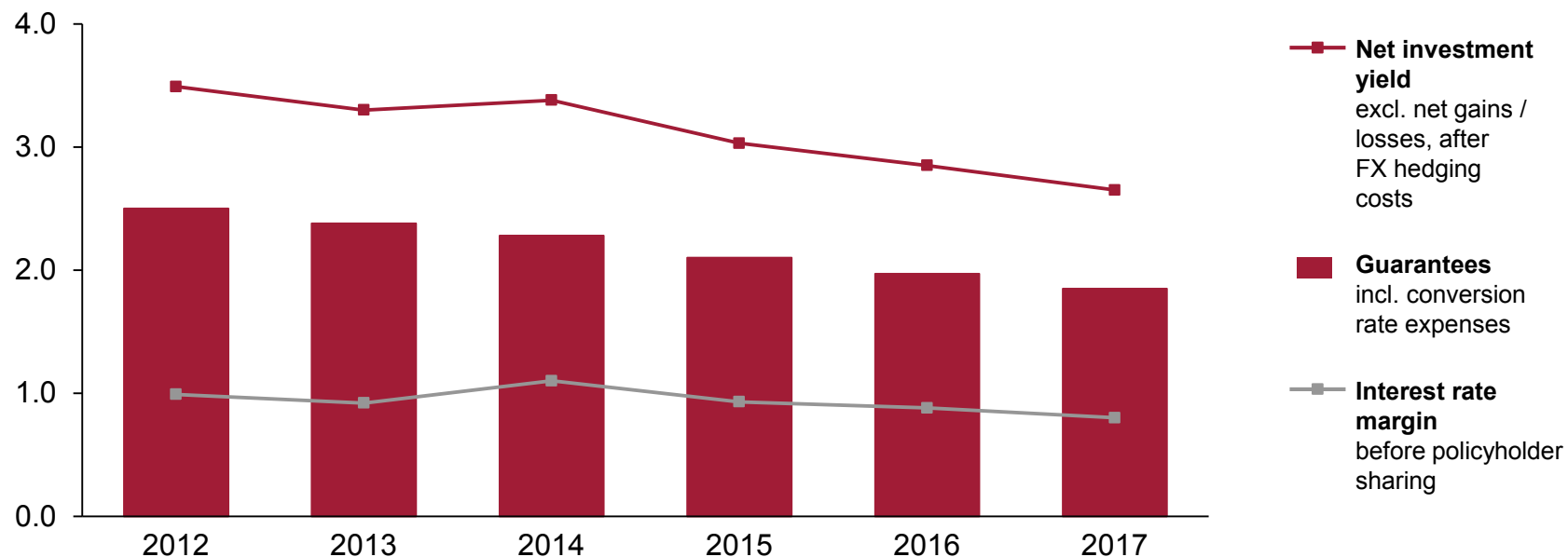
---

**Total -123 bps**

- CHF: 1.03%
- EUR: 2.16%
- USD: 2.18%
- GBP: 2.38%

# Disciplined ALM has safeguarded the interest rate margin

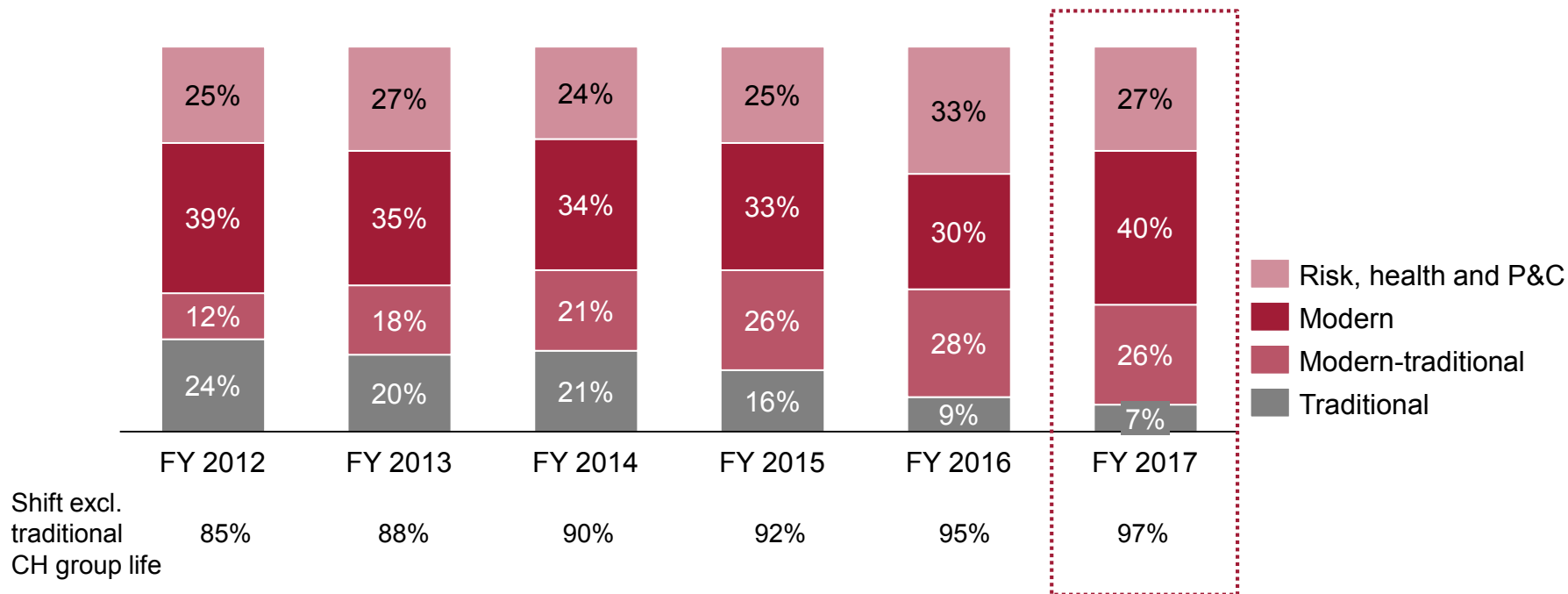
Aggregated view, IFRS basis, in % of technical reserves





# Focus on non-traditional products in new business production

New business production (NBP)



# Further improved efficiency ratios

Operational  
efficiency

Adjusted operating expense in % of average technical reserves, excl. deferred PHP (IFRS basis)  
Excluding expense from owned IFAs

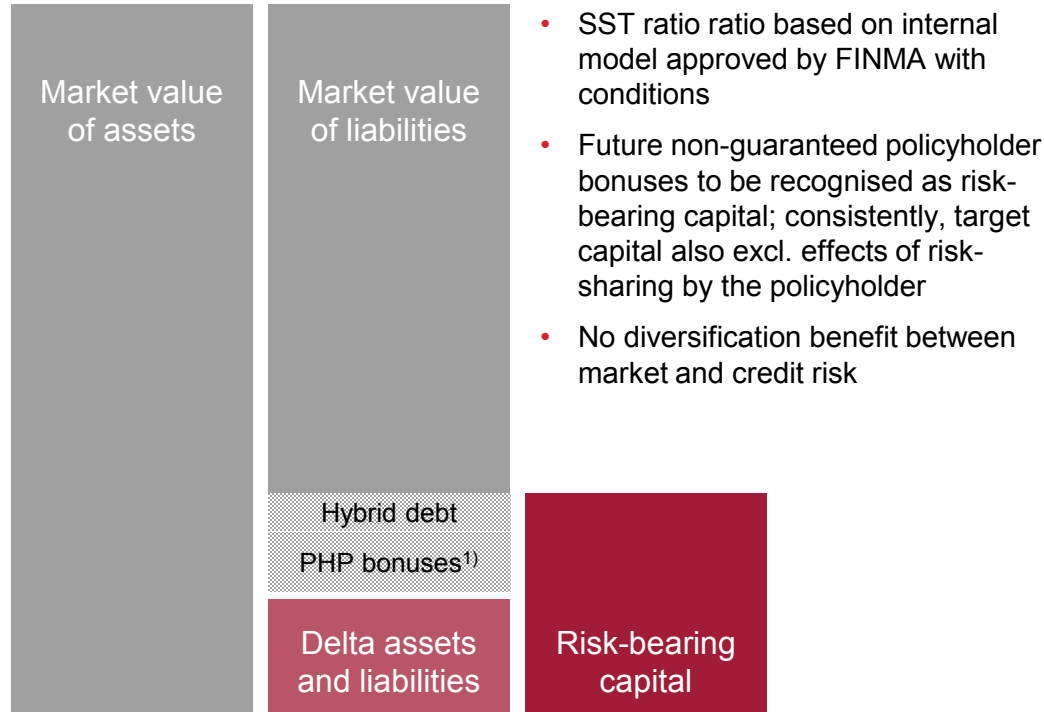
	FY 2014	FY 2015	FY 2016	FY 2017	Change vs. FY 2016
Switzerland	0.46%	0.44%	0.43%	0.42%	-1 bps
France	1.41%	1.34%	1.27%	1.19%	-8 bps
<i>France Life</i>	0.59%	0.57%	0.52%	0.48%	-4 bps
Germany	0.74%	0.71%	0.69%	0.68%	-1 bps
International	0.33%	0.31%	0.31%	0.31%	0 bps
<b>Total Insurance<sup>1)</sup></b>	<b>0.62%</b>	<b>0.60%</b>	<b>0.58%</b>	<b>0.56%</b>	<b>-2 bps</b>

1) FX adjusted

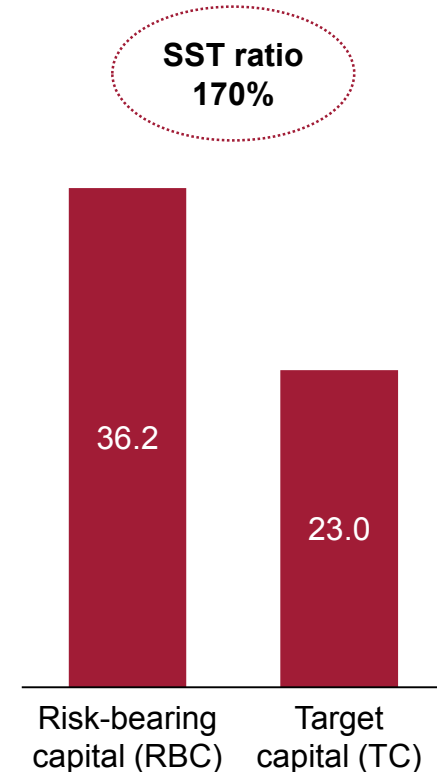
# Solvency model for Swiss Life Group

Capital, cash and dividend

## Swiss Life Group: SST model (illustrative)



## Swiss Life Group: SST ratio <sup>2)</sup> (as of 01.01.2018)



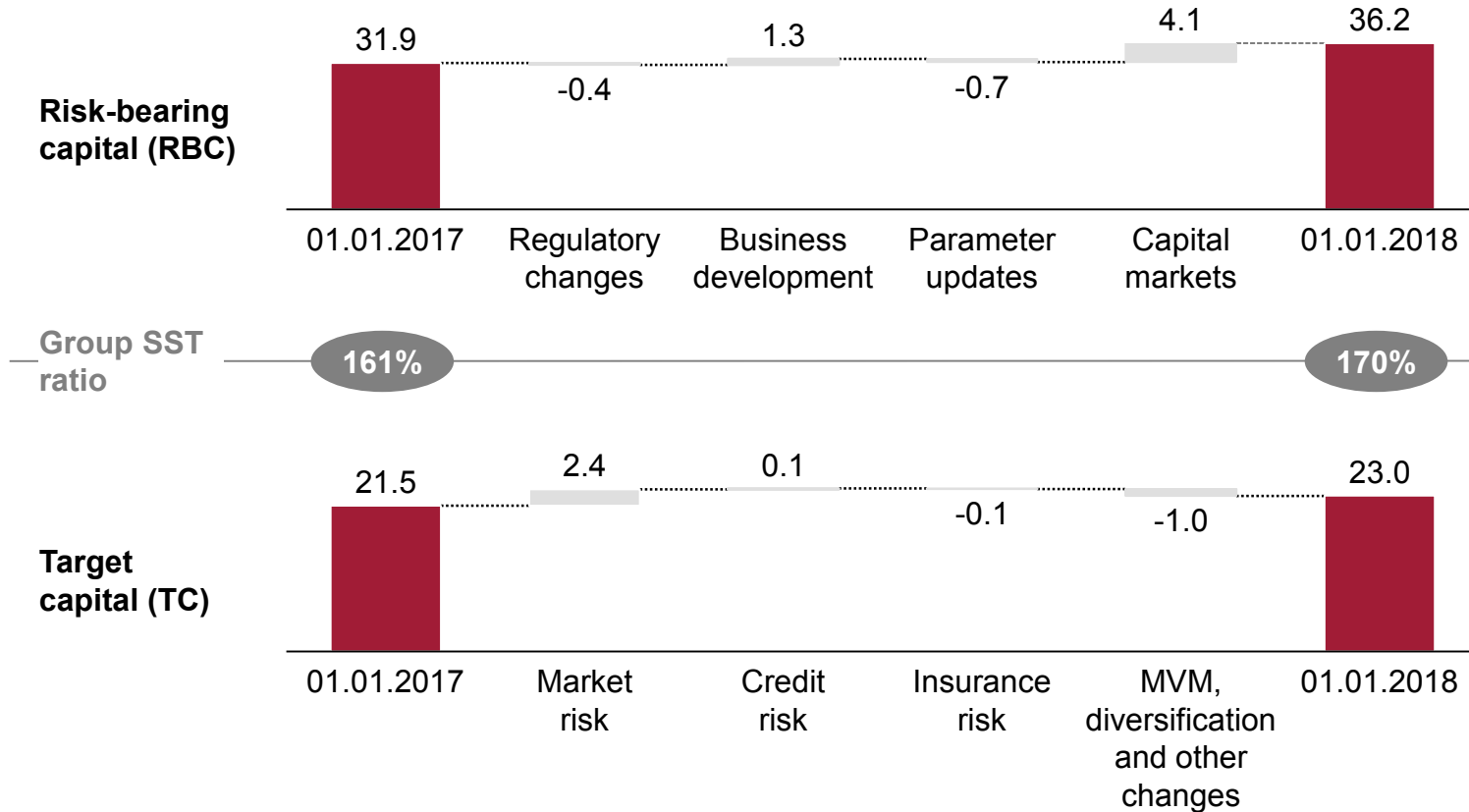
1) Future non-guaranteed policyholder bonuses included in the RBC

2) SST ratio calculated as (RBC-MVM) / (TC-MVM); market value margin (MVM) of CHF 4.1 bn as of 01.01.2018

# Improved SST ratio for Swiss Life Group

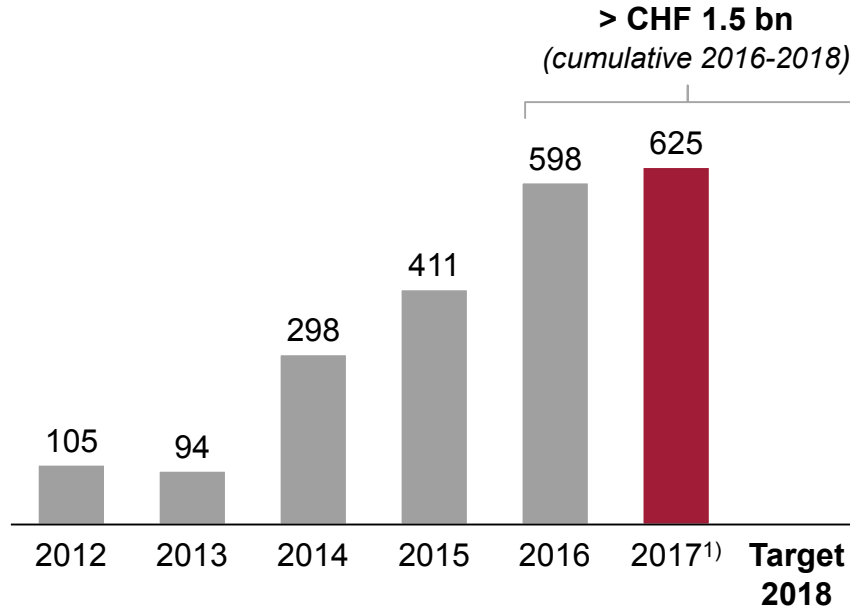
Capital, cash and dividend

Swiss Life Group (CHF billion, %)

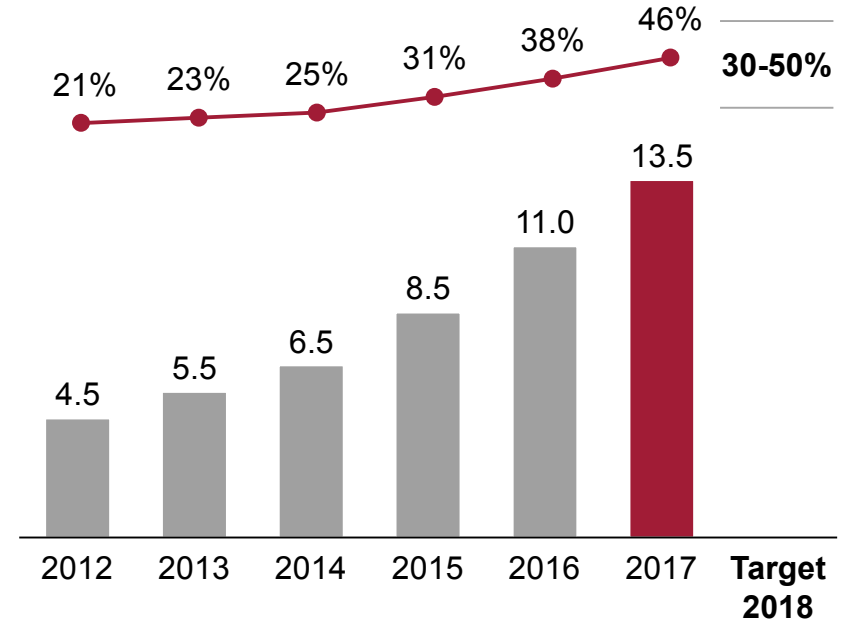


# Increased cash remittance to Holding and dividends to shareholders

Cash remittance to Holding  
(CHF million)



Dividend per share  
(CHF, payout ratio in % of IFRS net profit)



1) FY 2017 business line contribution: 57% from Life, 43% from Asset Managers, distribution, health and P&C

# Execution of Swiss Life 2018 well on track

## Swiss Life 2018 financial targets

## Current assessment

### Quality of earnings and earnings growth

- **Fee result** FY 2018: CHF 400-450 m
- **Risk result** FY 2018: CHF 350-400 m
- Cumulative **value of new business** (2016-2018): > CHF 750 m

*Ahead*

*On track*

*Ahead*

### Operational efficiency

- **Cost savings** FY 2018: CHF 100 m
- Stable operating expense<sup>1)</sup>

*On track*

*On track*

### Capital, cash and dividend

- Cumulative **cash remittance** to Holding (2016-2018): > CHF 1.5 bn
- **Dividend payout ratio**: 30-50%
- **RoE<sup>2)</sup>**: 8-10%

*Ahead*

*On track*

*On track*

1) Excl. Asset Managers 2) Equity excl. unrealised gains/losses on bonds

# Disclaimer and cautionary statement

This presentation is made by Swiss Life and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Swiss Life. Although all reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Swiss Life. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Swiss Life as being accurate. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as is reasonably possible and may be subject to revision in the future. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. This presentation may contain projections or other forward-looking statements related to Swiss Life that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to Swiss Life on the date of its posting and Swiss Life assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of Swiss Life.

*Please note: Sums in this presentation are based on unrounded figures and may not add up due to rounding differences. Year-on-year changes are calculated on the basis of unrounded figures.*

# Contact details and financial calendar

## Contact

Heidi Hinterhuber  
Head of Investor Relations

Phone +41 (43) 284 67 67  
E-mail [heidi.hinterhuber@swisslife.ch](mailto:heidi.hinterhuber@swisslife.ch)

Rolf Winter  
Senior Investor Relations Manager

Phone +41 (43) 284 49 19  
E-mail [rolf.winter@swisslife.ch](mailto:rolf.winter@swisslife.ch)

Olga Schmidtberger  
Investor Relations Manager

Phone +41 (43) 284 49 74  
E-mail [olga.schmidtberger@swisslife.ch](mailto:olga.schmidtberger@swisslife.ch)

## Financial calendar

Half-year Results 2018  
Interim Statement Q3 2018

14 August 2018  
7 November 2018

Investor Day 2018

29 November 2018

Visit our website for up-to-date information [www.swisslife.com](http://www.swisslife.com)





*The future starts here.*