



Octavian Seminar 2020 Swiss Life

Matthias Aellig, Group CFO

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Key messages

1 *Unique position*

- Unique life insurance company with diversified profit sources
- Growing asset management and distribution businesses

2 *Successful strategy execution*

- Successfully executed three strategic programmes in a row
- All financial targets achieved or exceeded

3 *Ambitious 2021 targets*

- Raising ambitions for quality of earnings, operational efficiency and payout
- Good start to Swiss Life 2021 programme

4 *Navigate low rate environment*

- Well positioned to face an ongoing low interest rate environment

5 *Attractive shareholder return*

- Further enhancing shareholder return by growing the dividend payout ratio
- CHF 1 bn share buyback completed in December 2019

Swiss Life has a unique position

1

Unique position

Unique life insurance footprint

- Market leader in CH life insurance
- Attractive private insurance positioning in FR
- Strong niche player in DE and IN

Growing asset manager

- Strong ALM and risk management expertise backed by PAM
- Fast growing TPAM
- Top real estate manager in Europe

Broad distribution networks

- Strong network of owned IFAs
- Large proprietary distribution in CH
- Integrated multi distribution in FR

Strong quality of earnings

- Diversified profit sources: Savings, risk, fee and cost result
- 30% of profit from operations from fee businesses

Life, pensions, financial solutions and advice for the long run

Attractive and diversified geographic footprint with strong local market positions

1

Unique position

Geographies



Switzerland

Market leader in life insurance for private and corporate clients

France

Unique private insurer for HNWI and affluent customers

Germany

Niche provider of biometric products
Second largest independent financial advisor (IFA) network

International

Cross-border insurance solutions for U/HNWIs and corporates
Owned IFAs in UK, Austria, Czech Republic and Slovakia

Asset Managers

Top institutional asset manager for proprietary and third-party clients
Leading asset manager in European real estate

2018 financial year

1 080 m
Net profit

19 bn
Premiums

233 bn
Total assets under
management

71 bn
Third-party assets
under management







“A+”
Rating from S&P
with stable outlook

185%
SST ratio as of
01.01.2019

Strong quality of earnings based on four profit sources

1

Unique position

Source	Description	Capital intensity ¹⁾	Capital market dependency ¹⁾	Policyholder participation	Profit share ²⁾
Savings result	Net investment result less technical interest and policyholder participation			Yes	55%
Risk result	Risk premiums less claims / expenses and policyholder participation			Yes	25%
Fee result	Income from fee businesses less related expenses			No	30%
Cost result	Cost premiums less expenses and policyholder participation			Yes	-10%

1) Very high ● very low ○ 2) Based on adjusted segment result of CHF 1.6 bn, FY 2018

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Disciplined and successful execution of past strategic programmes

2

Successful
strategy execution

MILESTONE

Turnaround program: “Getting basics right”

- Cost savings of > CHF 400 m
- New business mix shifted to < 30% traditional
- Disciplined ALM with low duration gap to protect interest rate margin
- Regained ‘A-’ rating

2009 – 2012

Swiss Life 2015

Business transformation: “Sharpening the pencil”

- Diversified profit sources
- Cost savings of CHF 130-160 m
- New business margin of > 1.5%
- Achieved RoE of 8-10%
- Upgrade to ‘A’ rating

2013 – 2015

Swiss Life 2018

Continued transformation of business model

- Strengthened the quality of earnings and earnings growth
- Improved operational efficiency
- Increased cash remittance and payout to shareholders
- Achieved RoE of 8-10%

2016 – 2018

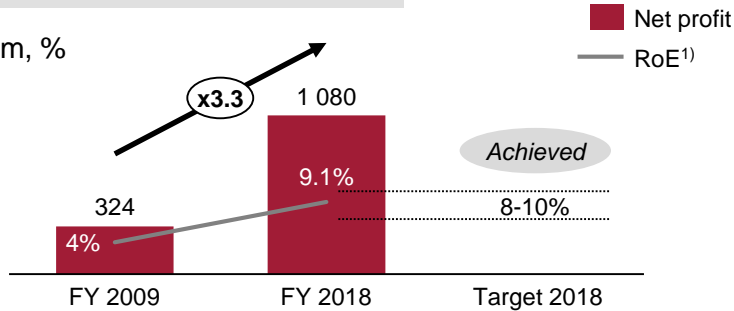
Since 2009, we increased profitability and earnings quality resulting in a higher dividend

2

Successful strategy execution

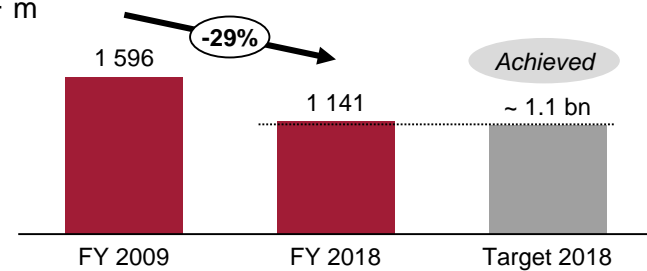
Net profit, RoE

CHF m, %



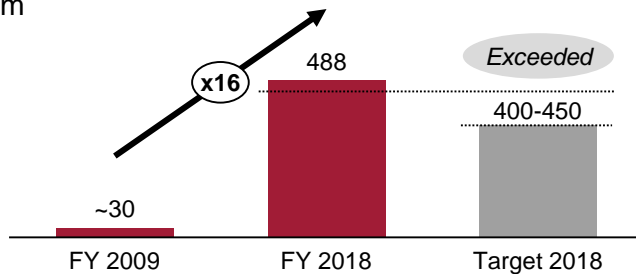
Adjusted operating expense, excl. AM

CHF m

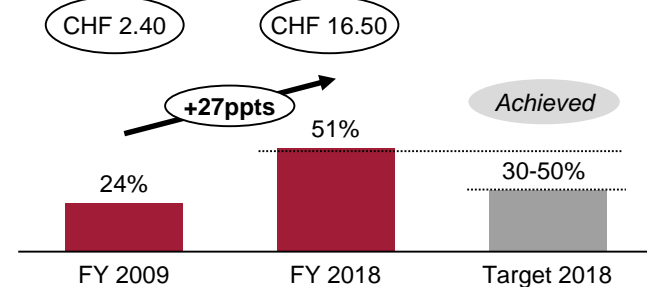


Fee result

CHF m



Dividend per share, payout ratio



1) Equity excl. unrealised gains/losses on bonds

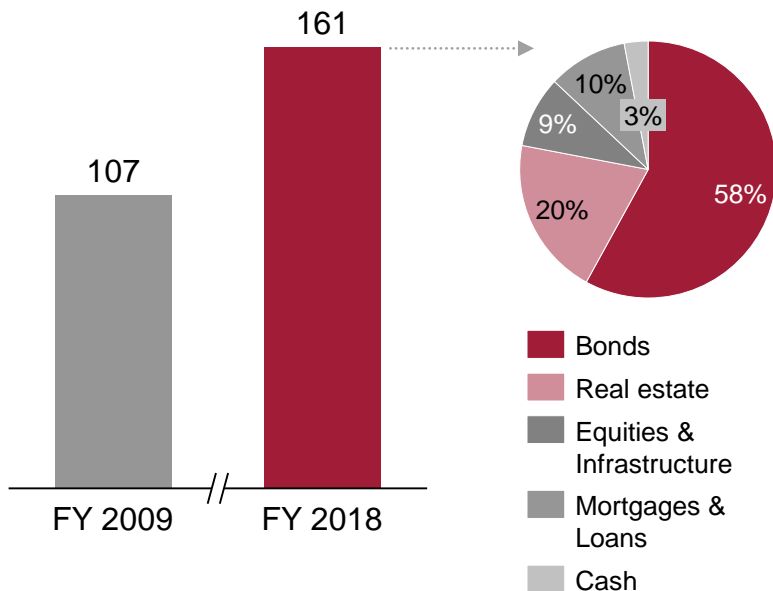
Over the same period, we significantly grew assets under management

2

Successful
strategy execution

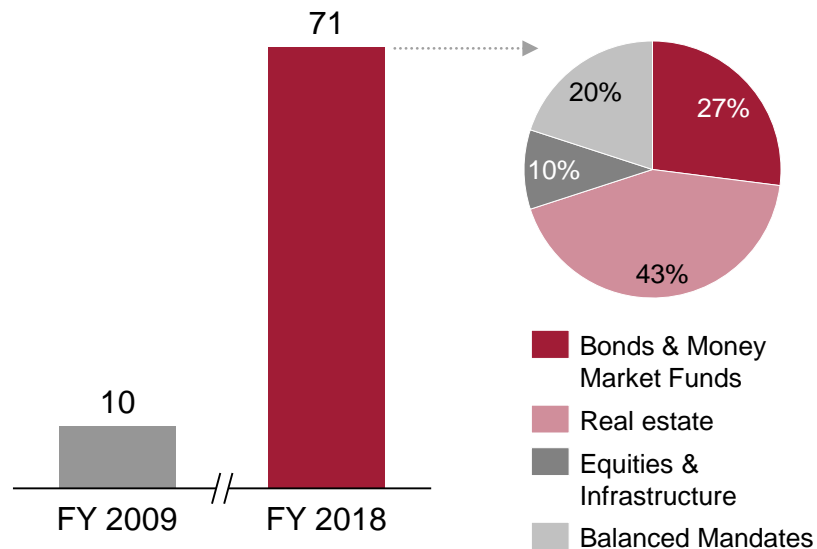
Proprietary assets under management

CHF bn



Third-party assets under management

CHF bn



We achieved or even exceeded all financial targets of our Swiss Life 2018 programme

2

Successful
strategy execution

Swiss Life 2018 financial targets

		FY 2018	Assessment
Quality of earnings and earnings growth	• Fee result FY 2018: CHF 400-450 m	488 m	Exceeded ✓
	• Risk result FY 2018: CHF 350-400 m	410 m	Exceeded ✓
	• Cumulative value of new business (2016-2018): > CHF 750 m	1 033 m	Exceeded ✓
Operational efficiency	• Cost savings FY 2018: CHF 100 m	111 m	Exceeded ✓
	• Stable operating expense ¹⁾	stable	Achieved ✓
Capital, cash and dividend	• Cumulative cash remittance to Holding (2016-2018): > CHF 1.5 bn	1.9 bn	Exceeded ✓
	• Dividend payout ratio : 30-50%	51%	Achieved ✓
	• RoE²⁾ : 8-10%	9.1%	Achieved ✓

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

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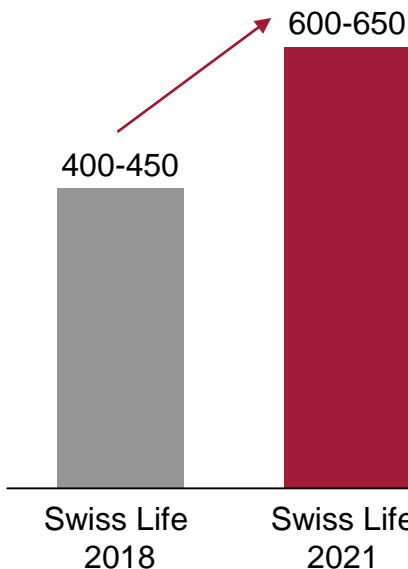
Swiss Life 2021: Raising our ambitions in terms of quality of earnings and earnings growth

3

Ambitious
2021 targets

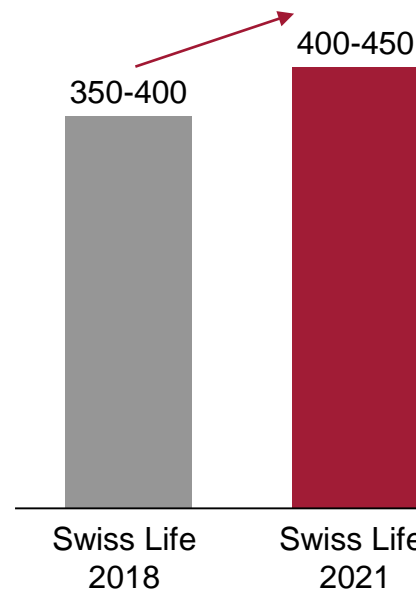
Grow fee result

CHF m



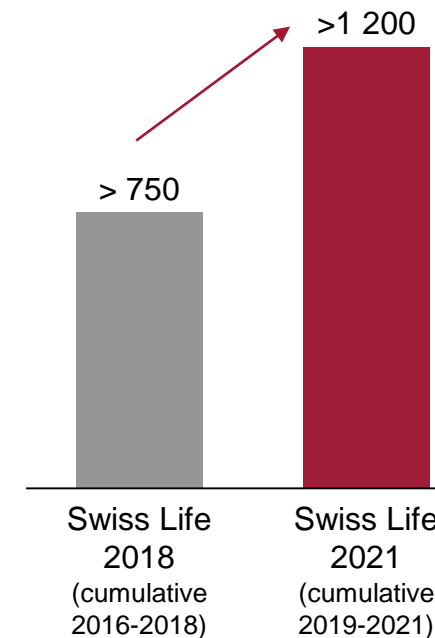
Increase risk result

CHF m



Grow value of new business

CHF m



Operational efficiency remains key in all our lines of businesses

3

Ambitious
2021 targets

Life efficiency ratio

by FY 2021

< 40 bps

Swiss Life
2021

Distribution operat. exp. ratio

by FY 2021

< 25%

Swiss Life
2021

TPAM cost income ratio

by FY 2021

~ 75%

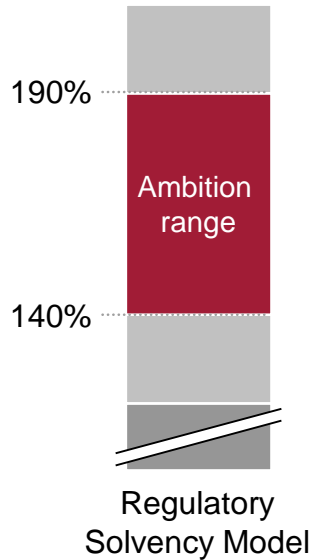
Swiss Life
2021

Higher dividend payout ratio based on increasing cash remittance and solid capitalisation

3

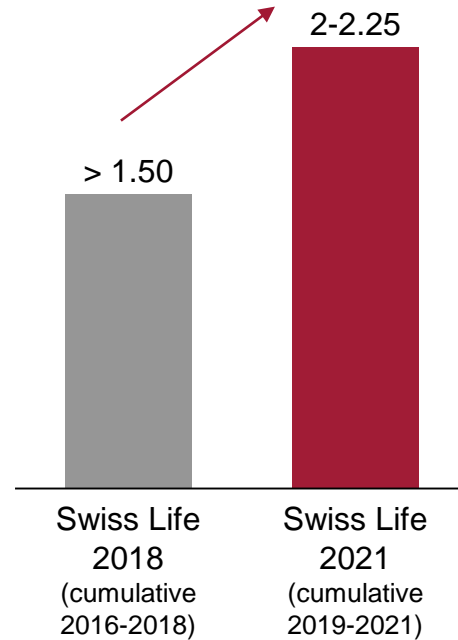
Ambitious
2021 targets

SST ambition range



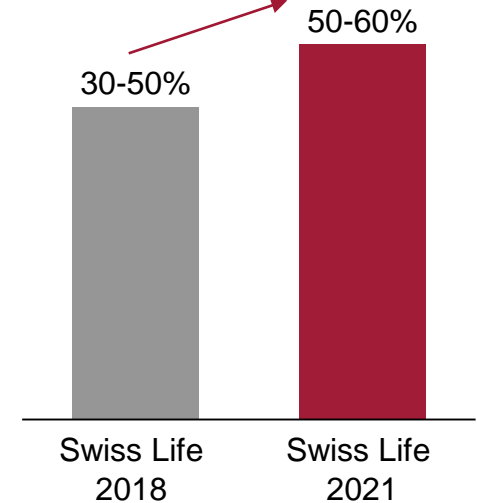
Higher cash remittance

CHF bn



Dividend payout ratio

+ CHF 1 bn
share buyback
until Dec 2019



Overview of all Swiss Life 2021 financial targets

3

Ambitious
2021 targets

CHF

Quality of earnings and earnings growth		Operational efficiency		Capital, cash and payout	
Fee result FY 2021	600-650 m	Life efficiency ratio FY 2021	< 40 bps	SST ambition range 2019-2021	140-190%
Risk result FY 2021	400-450 m	Distribution operating expense ratio FY 2021	< 25%	Cash to Holding cumulative 2019-2021	2-2.25 bn
VNB cumulative 2019-2021	> 1.2 bn	TPAM cost income ratio FY 2021	~75%	Dividend payout ratio 2019-2021	50-60%
				Share buyback Dec 18 - Dec 19	1 bn
RoE¹⁾ of 8-10%					

1) Equity excl. unrealised gains / losses

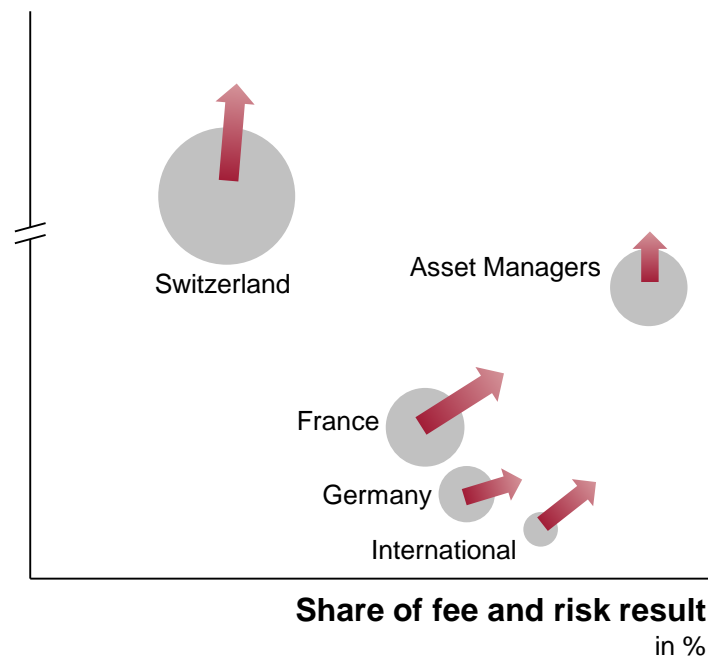
Swiss Life 2021 financial targets backed by initiatives in each business division

3

Ambitious
2021 targets

Cash remittance

CHF m



● Segment result

Focus points by business division

CH

- Ensure growth and sustainability of cash remittance
- Increase risk result in GL and double fee result

FR

- Increase fee result in the unit-linked business
- Grow risk result in the personal protection business

DE

- Grow fee result in the IFA business
- Increase risk result in the biometric business

IN

- Double fee result supported by all lines of business
- Increase risk result in the Global Solutions business

AM

- Grow fee result in TPAM
- Strengthen real estate business for further growth

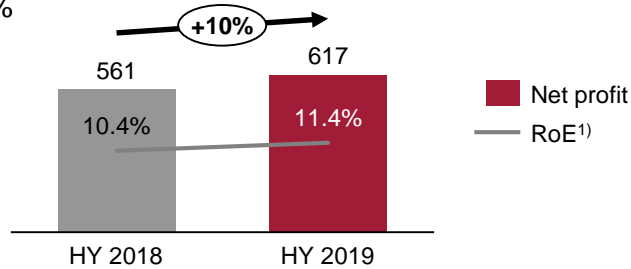
HY 2019: Good start to the Swiss Life 2021 programme

3

Ambitious
2021 targets

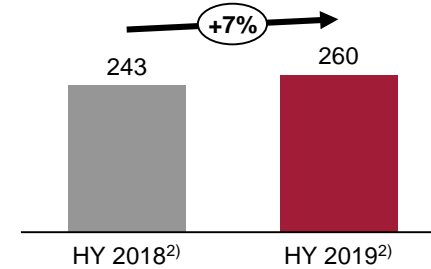
Net profit, RoE

CHF m, %



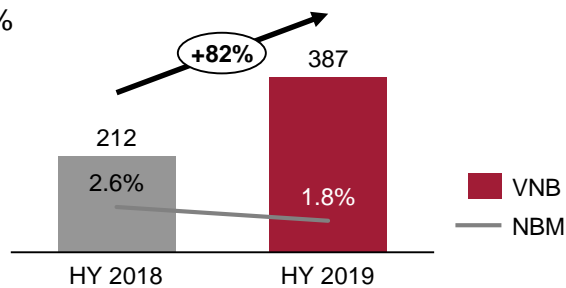
Fee result

CHF m



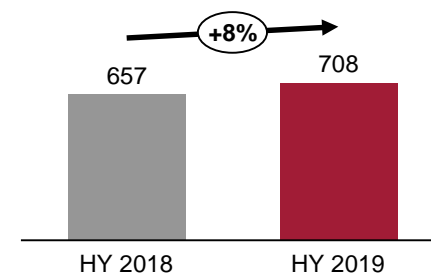
VNB, NBM

CHF m, %



Cash to Holding

CHF m



1) Equity excl. unrealised gains/losses 2) Adjusted for restructuring charges and FX translation effect

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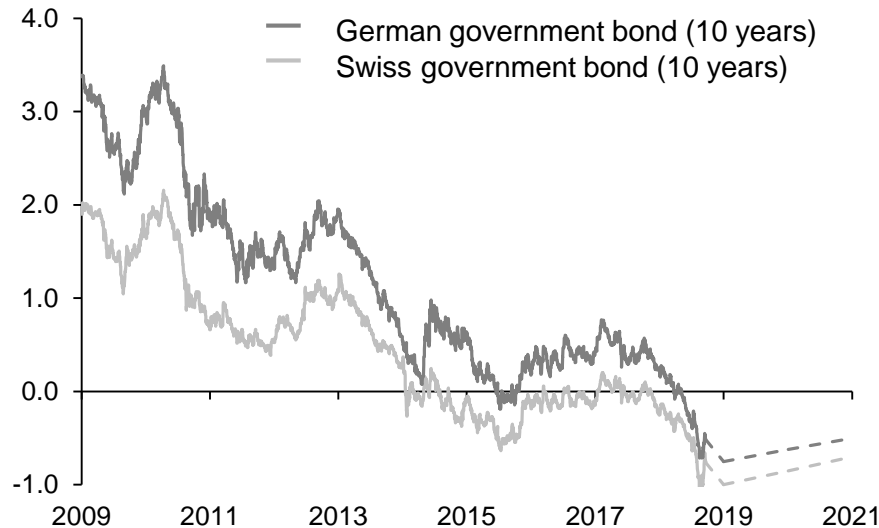
- Further enhancing shareholder return by growing the dividend payout ratio
- CHF 1 bn share buyback completed in December 2019

We will successfully navigate through a continuously low interest rate environment

4

Navigate low rate environment

Yields on government bonds (in %)



Swiss Life is well positioned to face an ongoing low interest rate environment:

- Resilient yields due to long asset duration and optimised portfolio structure (real estate and equities)
- Disciplined Asset-Liability-Management (ALM) and past reserve strengthening protect interest rate margin
- Effective margin management and capital-efficient new business
- High quality of earnings with growing fee businesses
- Disciplined cost management

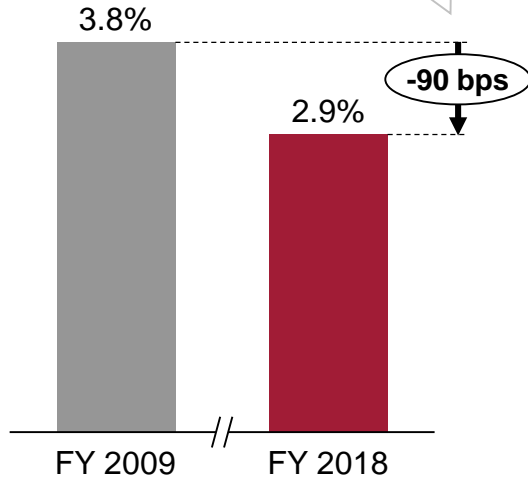
Disciplined ALM safeguards our interest rate margin and protects our savings result

4

Navigate low rate environment

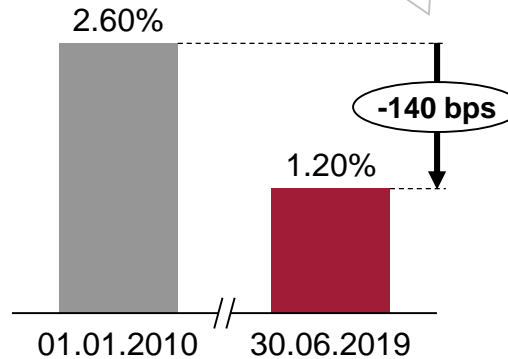
Assets: Direct investment yield

Includes “basis effect” of higher asset valuations due to falling yields



Liabilities: Average guarantee

- FX translation effect -3 bps
- Reserve strengthening -63 bps
- Mandatory GL CH -15 bps
- Non-mandatory GL CH -19 bps
- Business mix -41 bps



Interest rate margin protected

- Robust direct investment yield in continuously declining interest rate environment
- Average technical interest rate (guarantees) consistently lowered
- Interest rate margin and savings result thus protected
- Savings result remains an important profit contributor in Swiss Life 2021

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With Swiss Life 2021 we strive for a more attractive shareholder return

5

Attractive
shareholder return

Starting point of Swiss Life 2021

- Solid capitalisation
- Improved quality of earnings
- Attractive new business mix
- Clarity on SST model
- Strong liquidity

New / increased focus on

- SST ambition range
- Enhance cash remittance
- Increase payout ratio

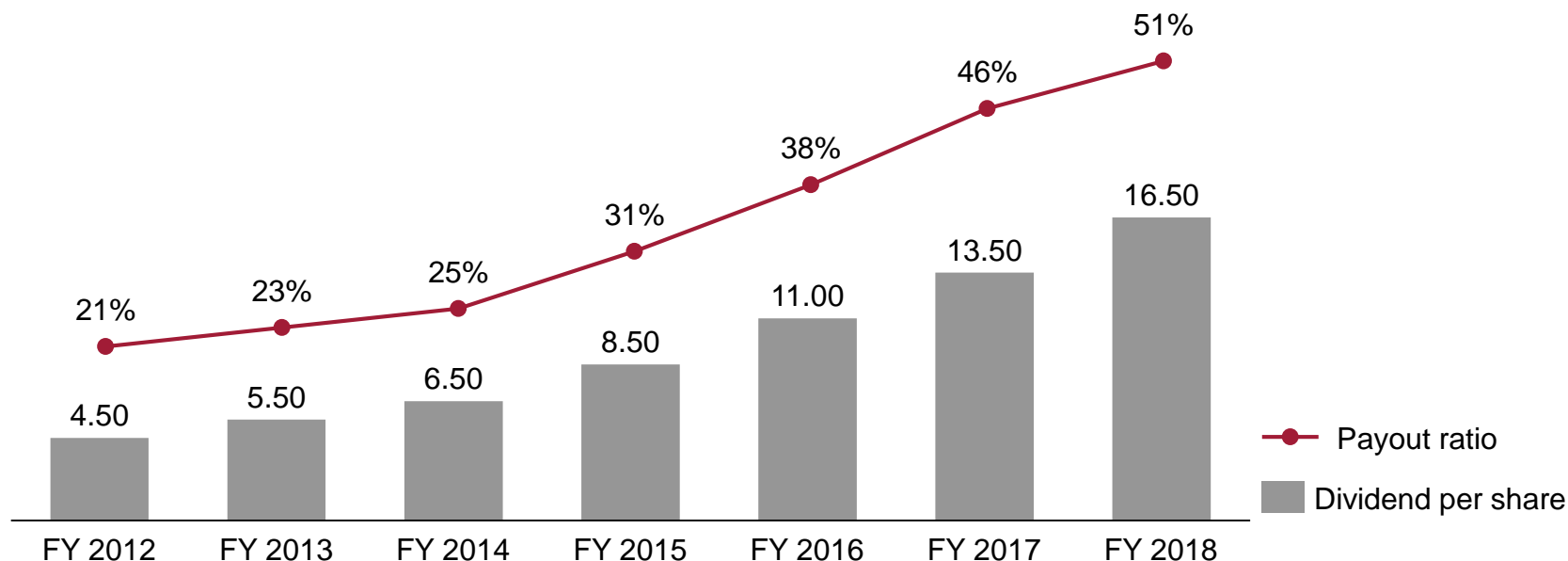
**Attractive
shareholder
return**

Since 2012, we significantly increased dividend payment and doubled our payout ratio

5

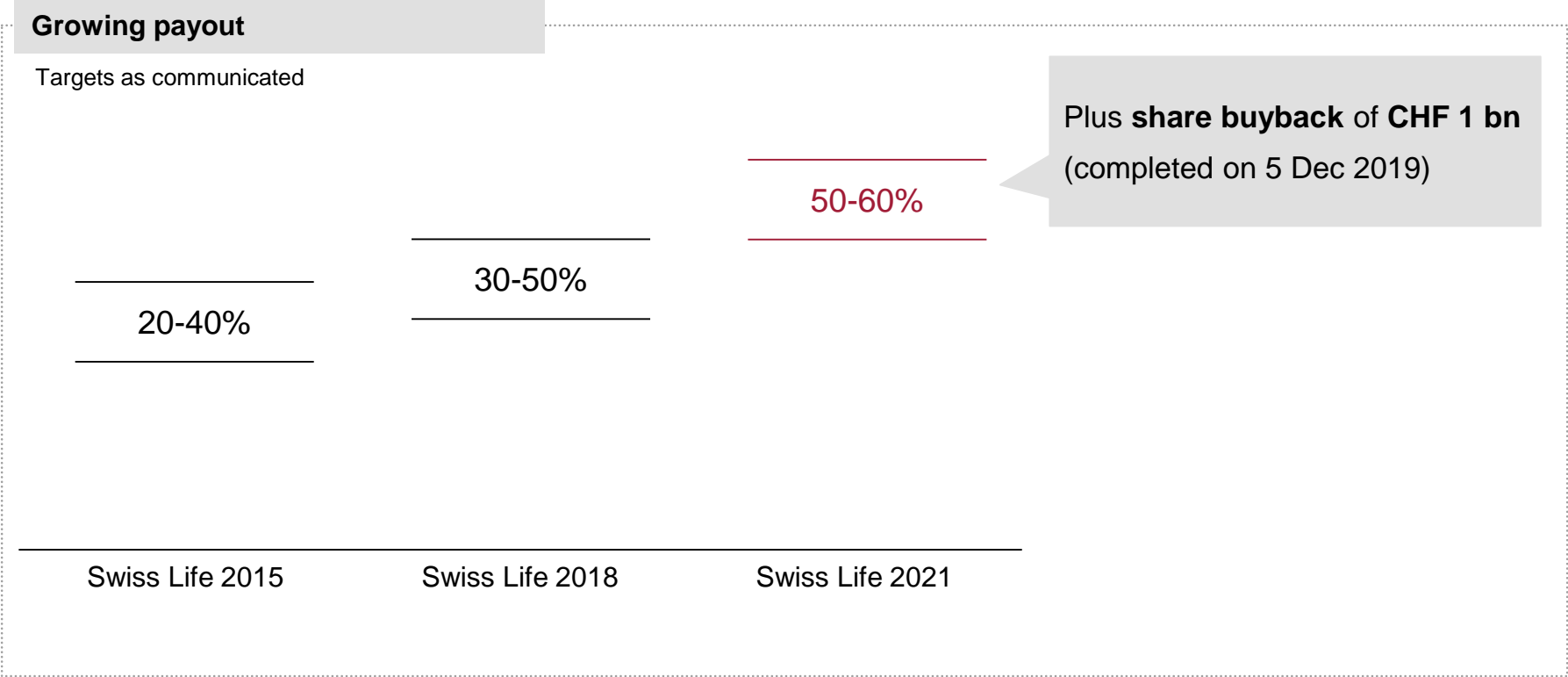
Attractive
shareholder return

Dividend history, CHF



Attractive shareholder return:

Share buyback and higher dividend



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Contact details and financial calendar

Contact

Heidi Hinterhuber
Head of Investor Relations

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

Rolf Winter
Senior Investor Relations Manager

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

Olga Schmidtberger
Investor Relations Manager

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

Financial calendar

Full-year results 2019	28 February 2020
Annual General Meeting 2020	28 April 2020
Interim statement Q1 2020	12 May 2020
Half-year results 2020	13 August 2020

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