

Full-year results 2021
Extract from investor presentation
for media representatives

01 March 2022

Agenda

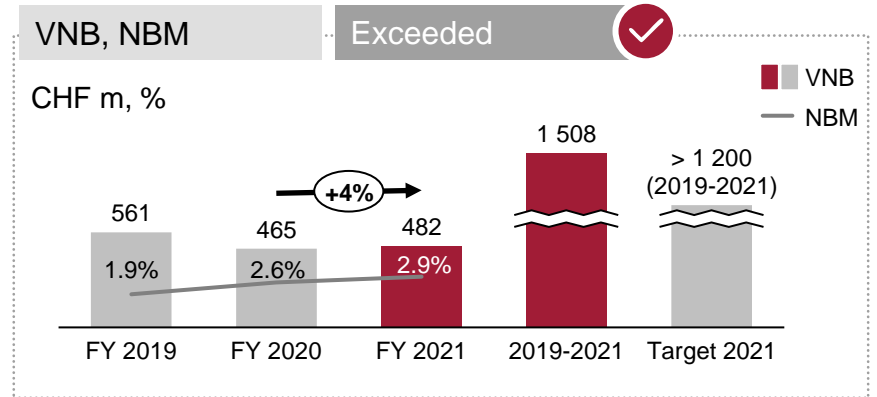
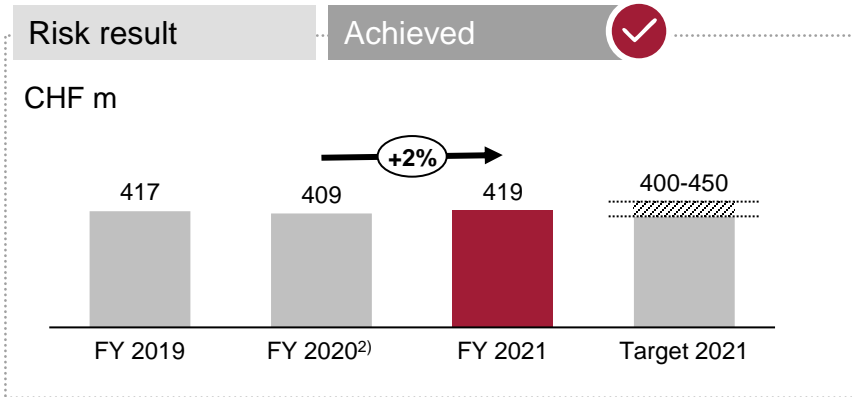
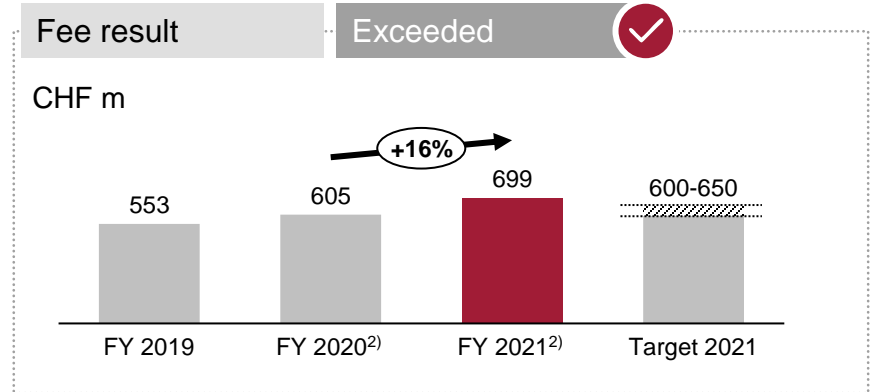
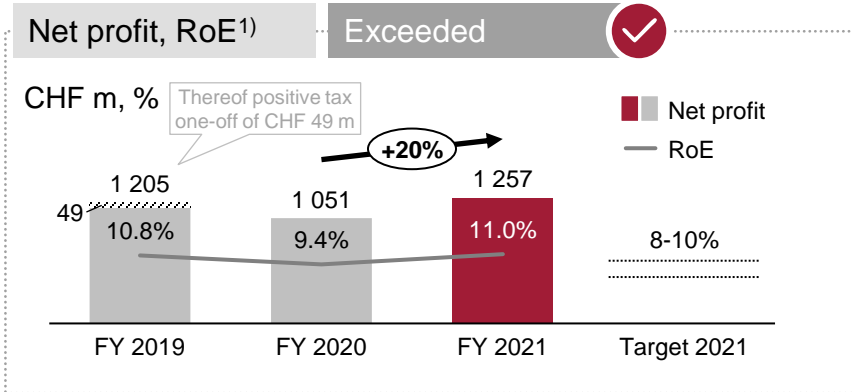
→ **Overview**

Financial results and
strategy update

Patrick Frost, Group CEO

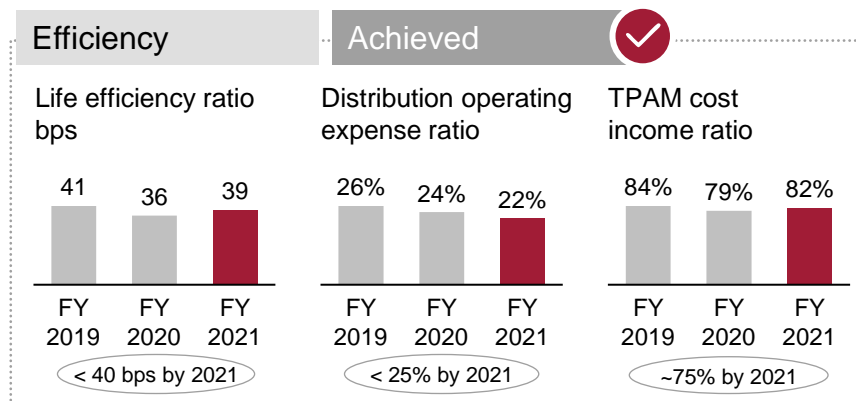
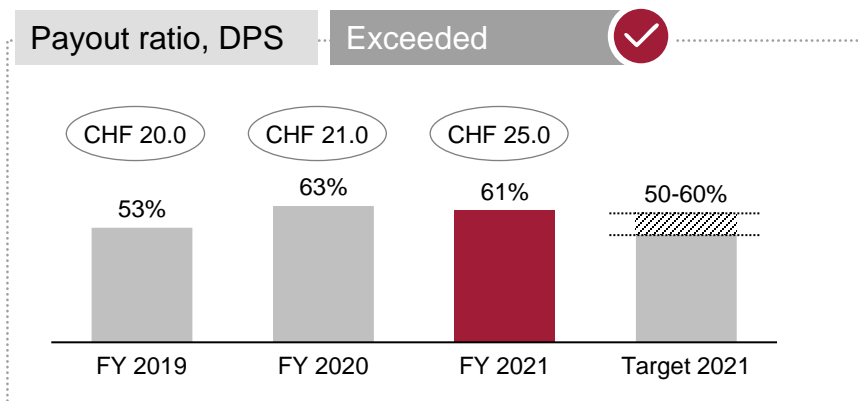
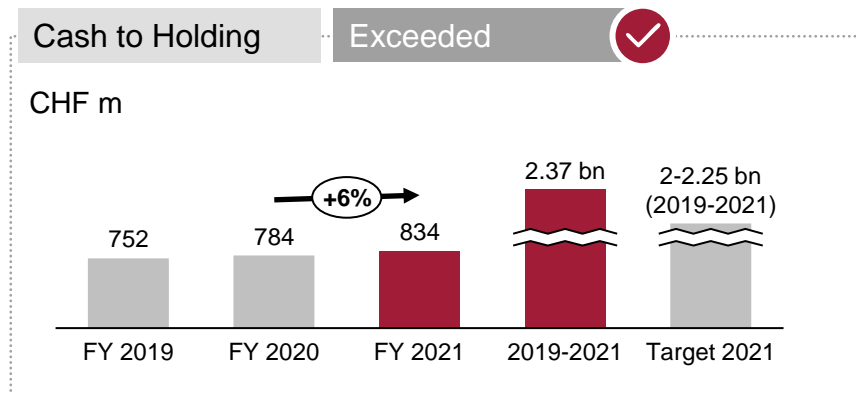
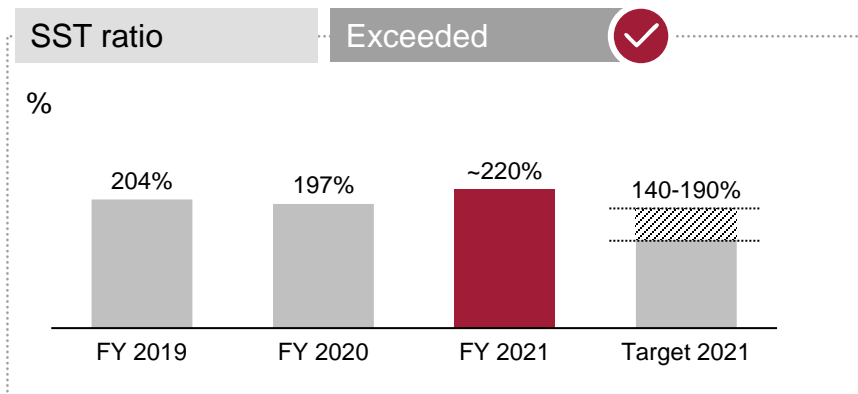
Matthias Aellig, Group CFO

Successful completion of Swiss Life 2021 ...



1) Shareholders' equity excl. unrealised gains/losses 2) Adjusted as outlined on slide 8

... with all financial targets achieved or exceeded



Agenda

Overview

→ **Financial results and
strategy update**

Patrick Frost, Group CEO

Matthias Aellig, Group CFO

Key figures FY 2021 results

- ✓ **Net profit** increased by 20% to CHF 1 257 m
- ✓ Adjusted **profit from operations** up by 15% to CHF 1 811 m
- ✓ **Fee and commission income** grew by 16% in local currency to CHF 2 296 m
- ✓ **Fee result** increased by 16% to CHF 699 m
- ✓ **Risk result** rose by 2% to CHF 419 m
- ✓ **Premiums** stable in local currency at CHF 20.2 bn
- ✓ Resilient **direct investment income** of CHF 4 020 m or 2.3%, compared to CHF 4 044 m or 2.4%
- ✓ **AuM TPAM** increased by 12% to CHF 102.8 bn with NNA of CHF 9.4 bn
- ✓ **Value of new business** rose by 4% to CHF 482 m; NBM increased from 2.6% to 2.9%
- ✓ **Return on equity**¹⁾ grew to 11.0% from 9.4%
- ✓ **SST ratio** estimated to be around 220% as of 01.01.2022
- ✓ **Cash to Holding** up by 6% to CHF 834 m
- ✓ Proposed increase of **dividend per share** by CHF 4.0 to CHF 25.0

1) Shareholders' equity excl. unrealised gains/losses

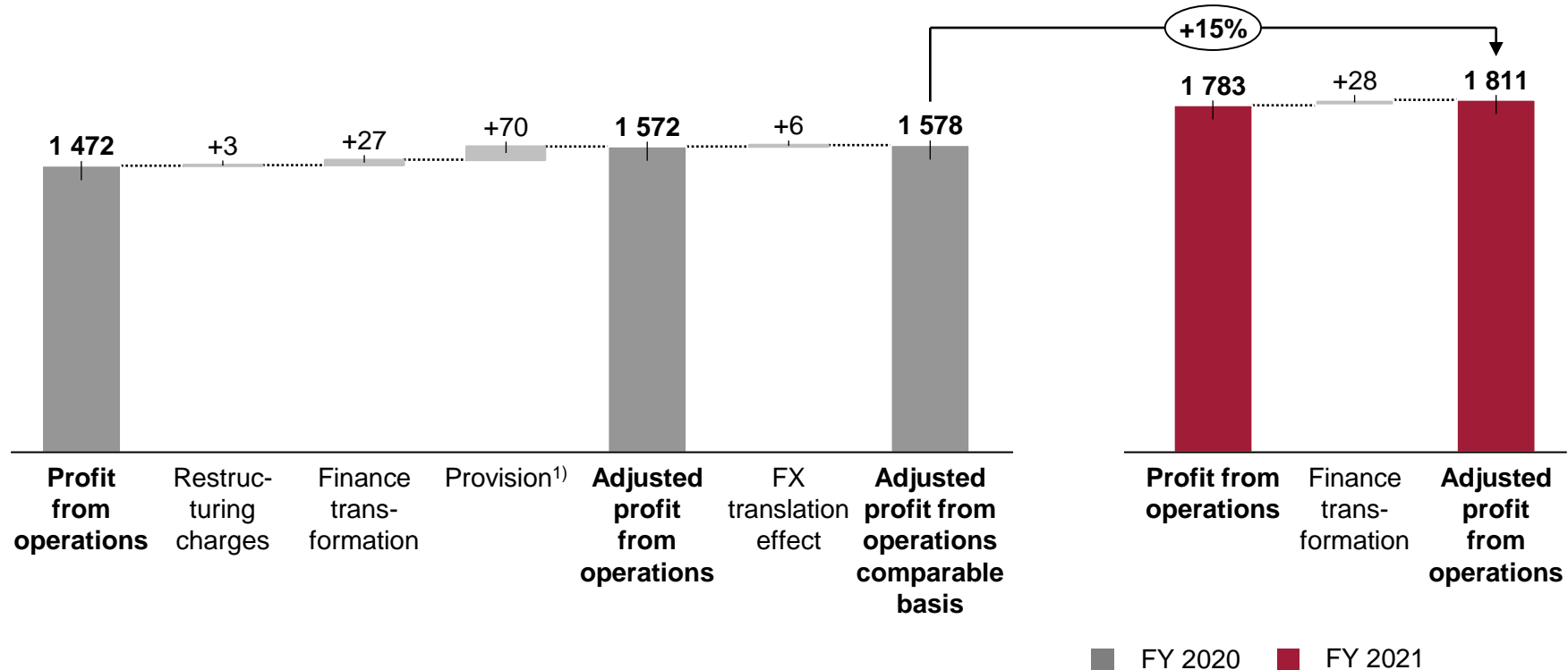
Selected P&L figures

CHF million (IFRS basis)

	FY 2020	FY 2021
Gross written premiums, fees and deposits received	20 020	20 188
Fee and commission income	1 957	2 296
Net investment result insurance portfolio for own risk	3 717	4 881
Net insurance benefits and claims	-15 629	-14 343
Policyholder participation	-910	-2 001
Operating expense	-3 463	-3 820
Profit from operations	1 472	1 783
Borrowing costs	-121	-121
Income tax expense	-300	-406
Net profit	1 051	1 257
Basic earnings per share (in CHF)	32.9	40.1

Adjusted profit from operations

CHF million (IFRS basis, adjusted)



1) In context of DoJ matter

Business review Switzerland

CHF million (IFRS basis, VNB)

	FY 2020	FY 2021	Change	
GWP incl. PHD	11 045	9 880	-11%	<ul style="list-style-type: none"> GL: -13% (market -11%); lower premiums in the full insurance business. In our semi-autonomous business AuM increased to CHF 5.6 bn (FY 20: CHF 4.8 bn) IL: +7% (market +5%); higher periodic and single premiums driven by UL products
Fee and commission income ¹⁾	298	330	+11%	<ul style="list-style-type: none"> Higher revenues from owned IFA, UL and investment solutions as well as from real estate brokerage
Operating expense	-361	-444	+23%	<ul style="list-style-type: none"> Insourcing of mortgage administration and investments in growth projects; prior year exceptionally low due to plan amendment in own pension scheme
Segment result	830	897	+8%	<ul style="list-style-type: none"> Positive development of all profit sources
Fee result	26	28	+11%	<ul style="list-style-type: none"> Higher fee result in line with income development
Risk result	266	273	+2%	<ul style="list-style-type: none"> Risk result increased mainly due to GL
Value of new business	191	189	-1%	<ul style="list-style-type: none"> Lower volumes in GL; improved business mix in both GL and IL with reduced guarantees
NBM (% PVNBP)	2.5%	3.9%		

1) Net earned policy fees and commission income

Business review France

EUR million (IFRS basis, VNB)

	FY 2020	FY 2021	Change	
GWP incl. PHD	5 857	7 108	+21%	<ul style="list-style-type: none"> • Life: +26% (market +30%); UL share 58% (market 39%) • Health & protection: +9% (market +4%) • P&C: +8% (market +4%)
Fee and commission income ¹⁾	316	383	+21%	<ul style="list-style-type: none"> • Higher UL fee income due to strong net inflows and positive market effect; strong contribution from banking business
Operating expense	-355	-367	+3%	<ul style="list-style-type: none"> • Business growth and investments in growth projects
Segment result	203	265	+31%	<ul style="list-style-type: none"> • Higher savings, fee and risk results; lower cost result
Fee result	76	103	+35%	<ul style="list-style-type: none"> • Improved fee result from UL business combined with strong contribution from banking business
Risk result	88	89	+1%	<ul style="list-style-type: none"> • Small increase in risk result due to lower claims in P&C almost fully offset by higher coverage in health
Value of new business	151	160	+6%	<ul style="list-style-type: none"> • Higher volumes in both life and health & protection; margin reduction driven by changes in operating environment
NBM (% PVNBP)	2.4%	1.9%		

1) Net earned policy fees and commission income

Business review Germany

EUR million (IFRS basis, VNB)

	FY 2020	FY 2021	Change	
GWP incl. PHD	1 297	1 347	+4%	<ul style="list-style-type: none"> Higher premiums with modern, modern-traditional and disability products (market -1%)
Fee and commission income ¹⁾	515	645	+25%	<ul style="list-style-type: none"> Increased revenues from owned IFAs due to growing number of financial advisors and specific market opportunities
Operating expense	-234	-245	+4%	<ul style="list-style-type: none"> Business growth and investments in growth initiatives such as further digitalisation of our owned IFAs
Segment result	168	228	+36%	<ul style="list-style-type: none"> Positive development of all profit sources; high level of savings result supported by exceptionally strong net investment result (e.g. ZZR related realisations)
Fee result	87	104	+21%	<ul style="list-style-type: none"> Higher fee result driven by owned IFAs
Risk result	28	33	+19%	<ul style="list-style-type: none"> Improved risk result in disability business
Value of new business	72	87	+21%	<ul style="list-style-type: none"> Higher new business volume driven by modern products and lower average guarantees
NBM (% PVNBP)	3.5%	3.9%		

1) Net earned policy fees and commission income

Business review International

EUR million (IFRS basis, VNB)

	FY 2020	FY 2021	Change	
GWP incl. PHD	1 253	1 107	-12%	<ul style="list-style-type: none"> Lower premiums with private clients partly offset by higher premiums with corporate clients
Fee and commission income ¹⁾	260	312	+20%	<ul style="list-style-type: none"> Increased revenues primarily from owned IFAs; higher revenues also with private and corporate clients
Operating expense	-97	-106	+9%	<ul style="list-style-type: none"> Regained business activity combined with investments in process optimisation and digitalisation
Segment result	73	87	+18%	<ul style="list-style-type: none"> Positive development driven by fee result
Fee result	48	65	+36%	<ul style="list-style-type: none"> Fee result increased due to higher revenues and productivity gains at owned IFAs
Risk result	15	12	-19%	<ul style="list-style-type: none"> Attractive risk result, exceptionally low claims in 2020
Value of new business	30	35	+18%	<ul style="list-style-type: none"> Higher volume of profitable risk business
NBM (% PVNBP)	2.6%	3.7%		

1) Net earned policy fees and commission income

Business review Asset Managers

CHF million (IFRS basis, AuM fair value basis)

	FY 2020	FY 2021	Change	
Commission and other net income ¹⁾	936	1 023	+9%	<ul style="list-style-type: none"> • PAM: Higher recurring income based on asset mix and additional services; stable real estate transaction income • TPAM: Higher recurring income on growing AuM; strong growth of other net income more than offset lower non-recurring income from transaction and performance fees
PAM	377	392	+4%	
TPAM ¹⁾	559	631	+13%	
Operating expense	-519	-570	+10%	<ul style="list-style-type: none"> • Business growth and investments in platforms, process harmonisation and digitalisation
Segment result	345	374	+9%	<ul style="list-style-type: none"> • PAM: In line with income development • TPAM: Increase driven by strong income development outgrowing higher operating expenses
PAM	207	215	+4%	
TPAM	137	159	+16%	
Net new assets TPAM (NNA)	7 485	9 434		<ul style="list-style-type: none"> • Strong inflows in real assets, money market funds and balanced mandates
AuM	269 720	276 339	+2%	<ul style="list-style-type: none"> • PAM: Decrease due to higher interest rates and FX • TPAM: Strong NNA and higher asset valuations partly offset by negative FX translation effects
PAM	178 144	173 499	-3%	
TPAM	91 576	102 841	+12%	

1) Incl. net income from real estate project development

Investment result

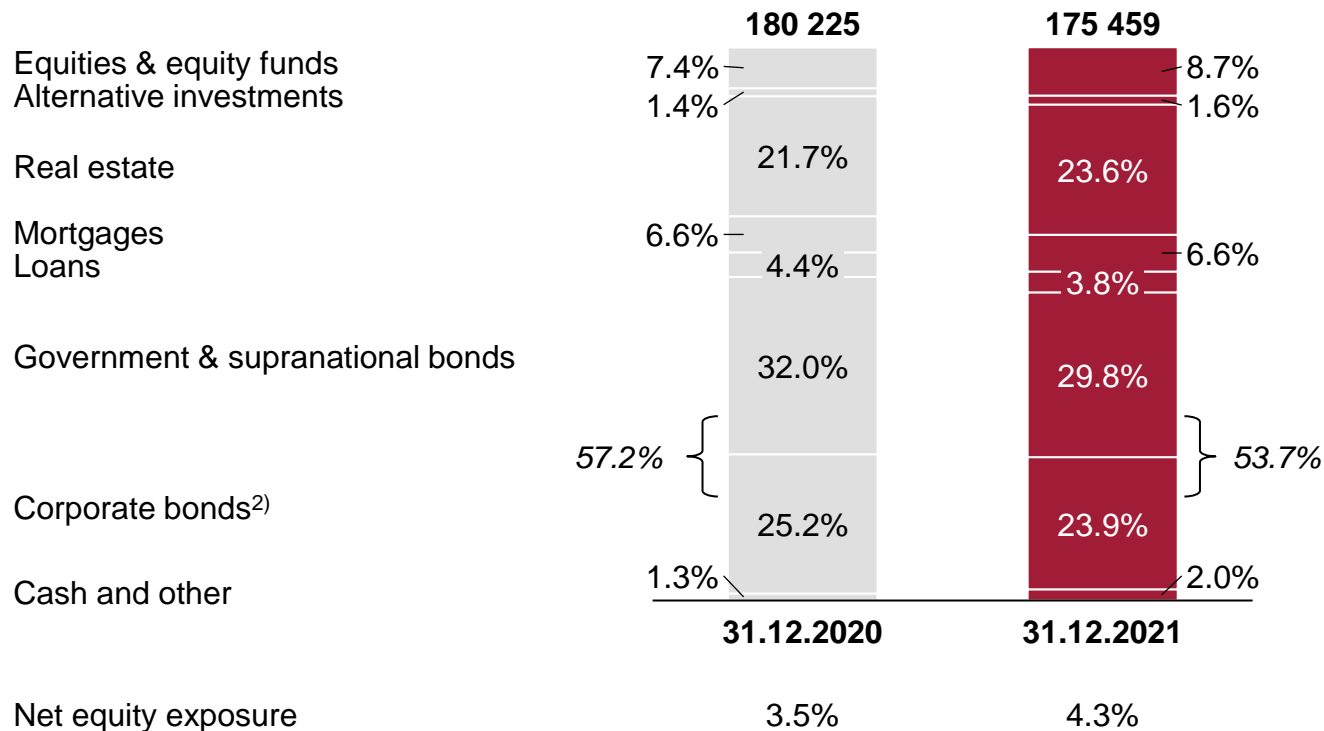
CHF million (IFRS basis), insurance portfolio for own risk

	FY 2020	FY 2021
Direct investment income	4 044	4 020
Direct investment income in %	2.4%	2.3%
Expense	-437	-452
Net capital gains/losses on investments and impairments ¹⁾	110	1 313
Net investment result	3 717	4 881
Net investment result in %	2.2%	2.9%
Changes in unrealised gains/losses on investments	3 134	-4 407
Total investment result	6 850	474
Total investment result in %	4.0%	0.3%
Average net investments	169 306	171 135

1) Incl. FX gains on hybrid of CHF 5 m in FY 2020 and CHF 78 m in FY 2021

Investment portfolio

CHF million (fair value basis), insurance portfolio for own risk¹⁾



1) Excl. repo positions of CHF -4 069 m in FY 2020 and CHF -3 902 m in FY 2021 2) Incl. senior secured loan funds

“Swiss Life 2021” financial 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) Shareholders' equity excl. unrealised gains/losses

Strong development of fee result

Quality of earnings
and earnings
growth

CHF million (IFRS basis)

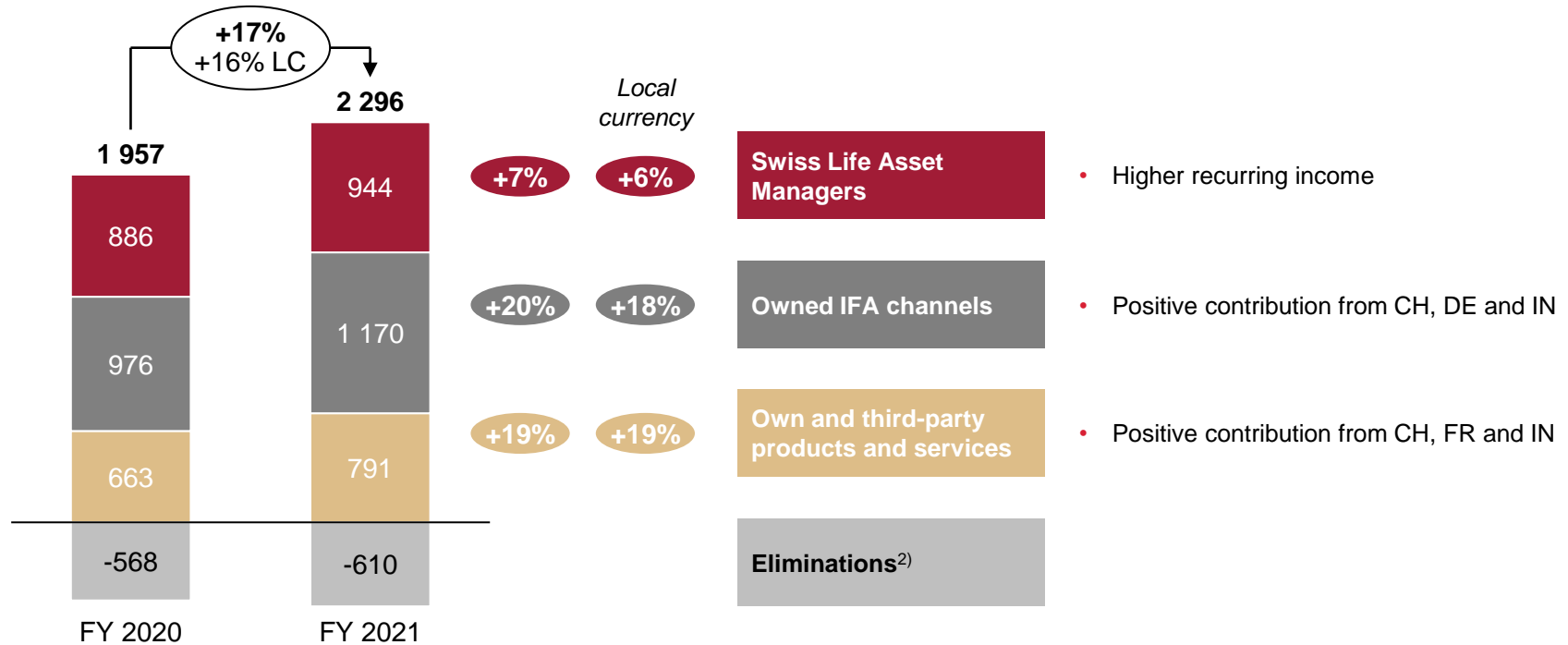
	FY 2020 adjusted ¹⁾		FY 2021 adjusted ¹⁾	
Savings result	789	47%	905	48%
Risk result	409	25%	419	22%
Fee result	605	36%	699	37%
Cost result	-135	-8%	-115	-6%
- <i>Thereof admin cost result gross²⁾</i>	200		177	
Other	-2	0%	-6	0%
Segment result	1 666	100%	1 902	100%
Unallocated corporate costs	-88		-91	
Profit from operations	1 578		1 811	

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

Strong fee and commission income

Quality of earnings and earnings growth

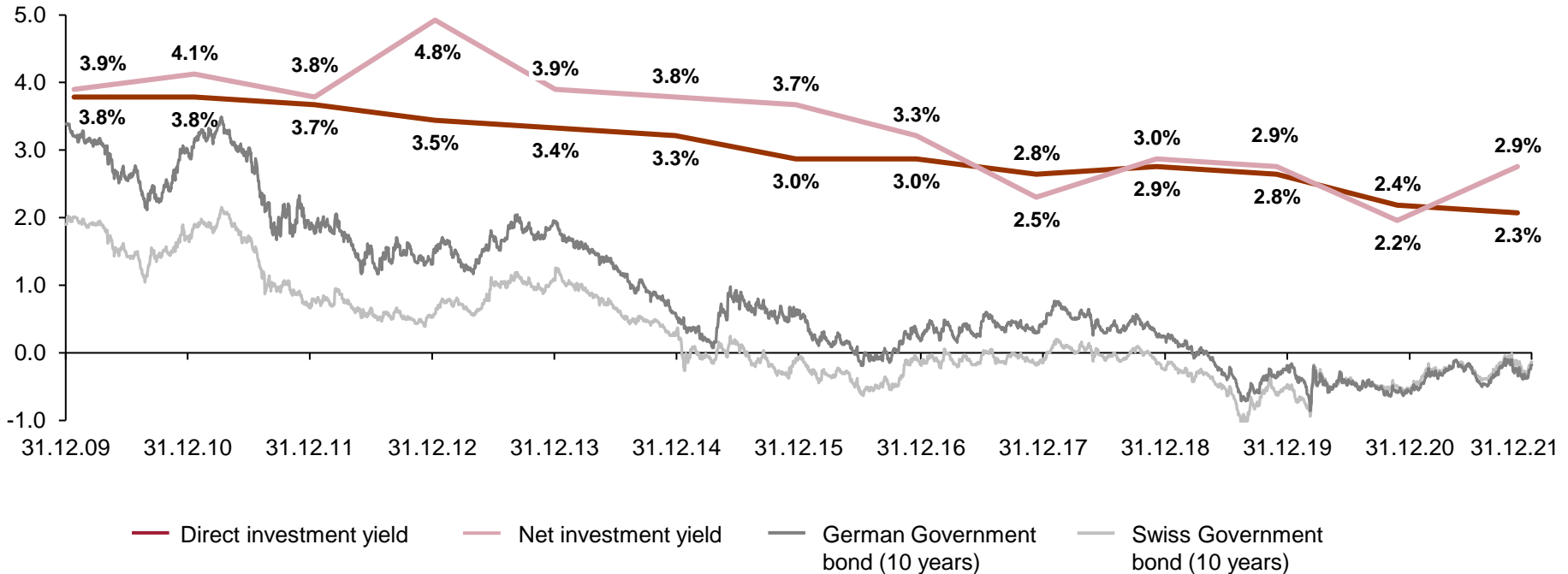
Fee and commission income¹⁾, CHF million (IFRS basis)



1) Net earned policy fees and commission income 2) Eliminations attributable to Swiss Life Asset Managers' PAM and owned IFAs

Yield development in low interest rate environment

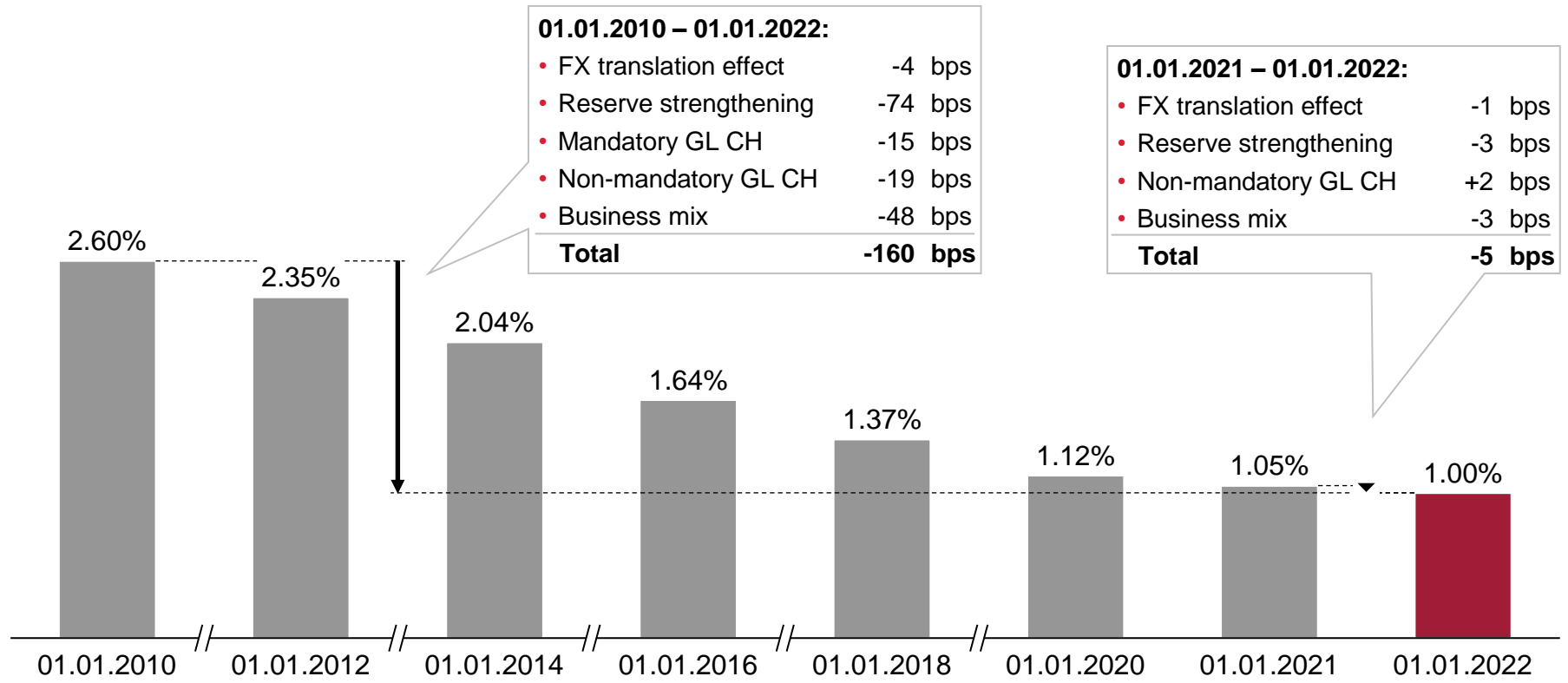
Direct and net investment yield (IFRS basis, in %)



Declining average technical interest rate

Quality of earnings and earnings growth

Statutory basis

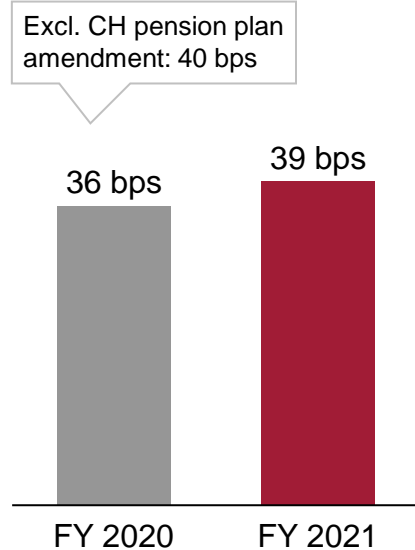


Swiss Life 2021 efficiency ratios

Operational efficiency

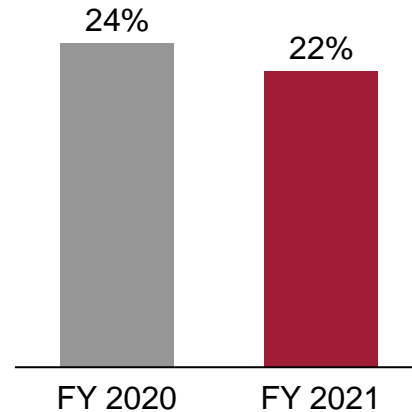
Life efficiency ratio¹⁾

Operating expense life insurance only / average life insurance reserves (excl. deferred policyholder participation)



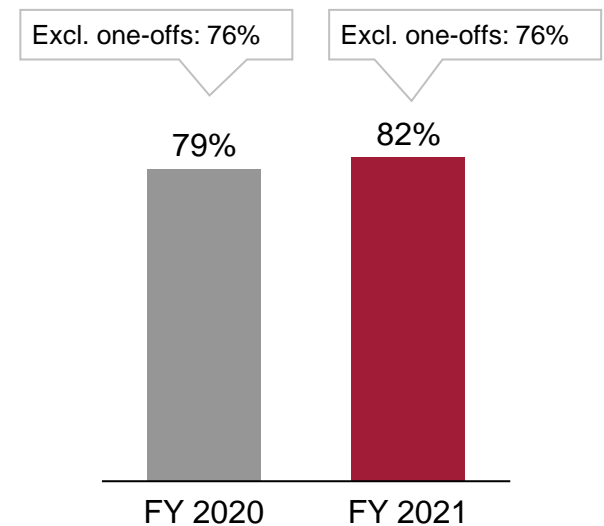
Distribution operating expense ratio²⁾

Operating expense / gross commission income



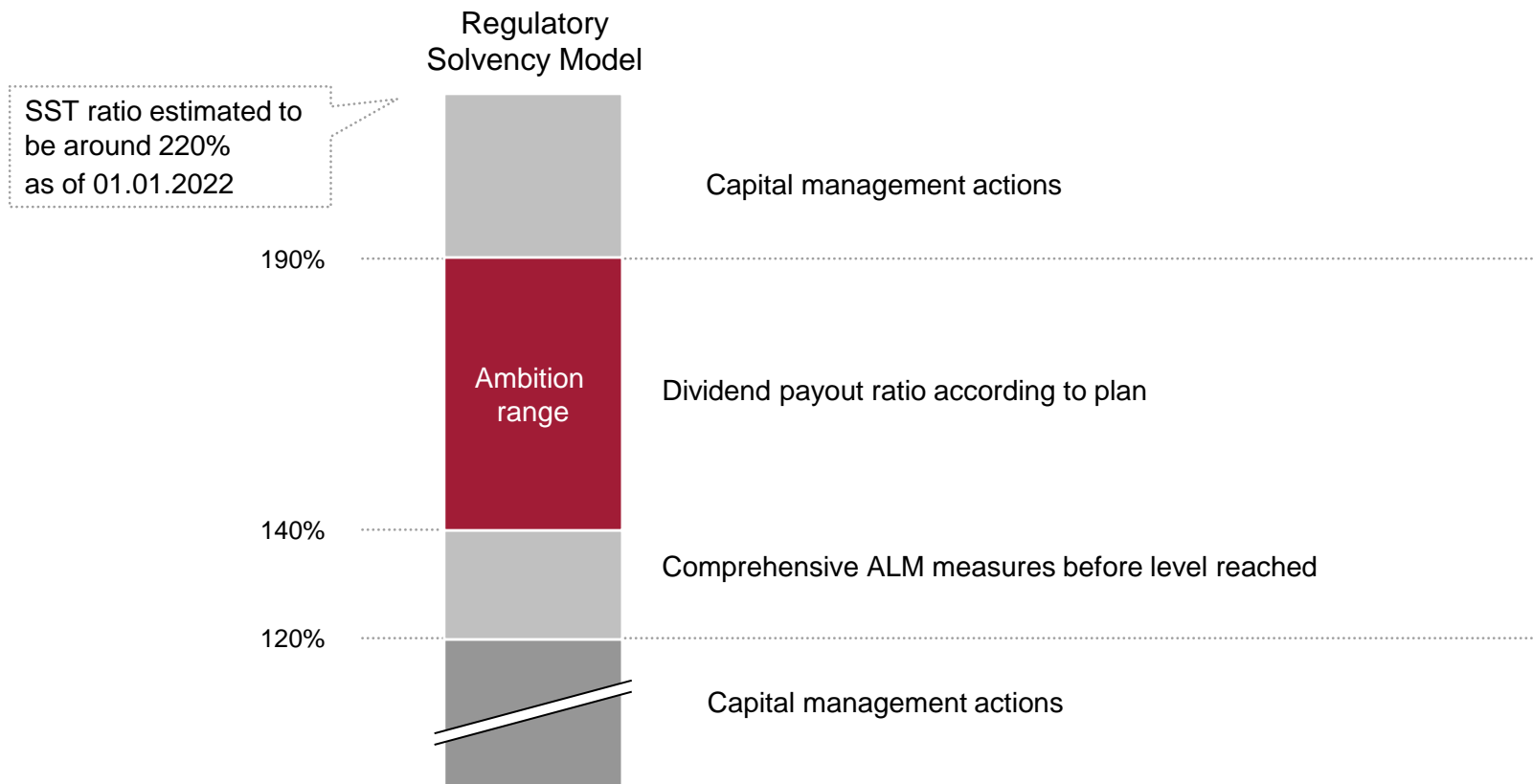
TPAM cost income ratio³⁾

Operating expense / commission income net of commission expense



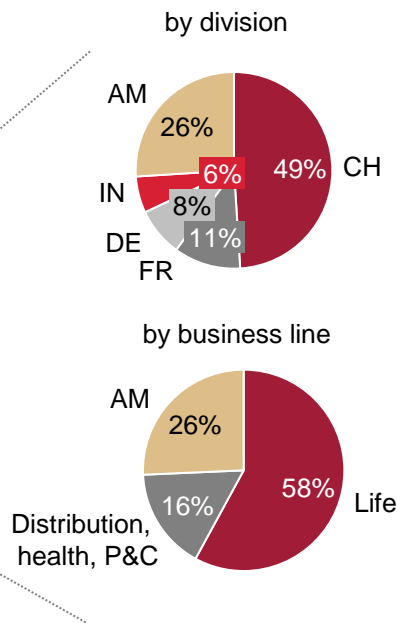
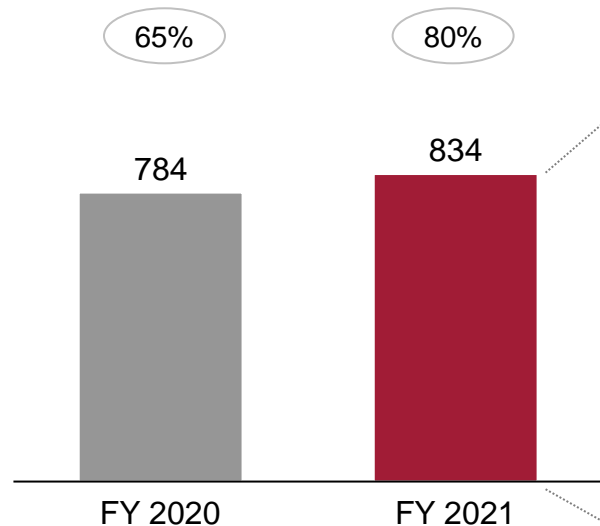
1) Excl. all non-life and distribution business 2) Owned IFAs and Agami 3) Excl. Livit

SST ratio estimated to be around 220% based on regulatory solvency model

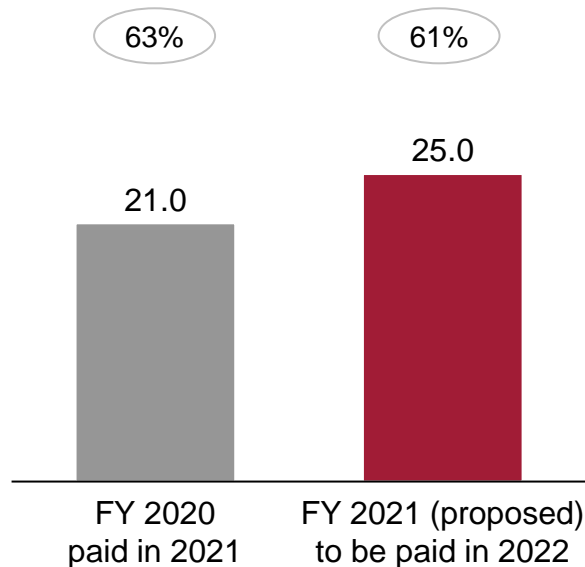


Increased cash remittance to Holding and dividend to shareholders

Cash remittance to Holding
(CHF million, cash remittance in % of previous year's IFRS net profit)



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



Swiss Life 2021 programme successfully completed

Swiss Life 2021 financial targets

Swiss Life 2021 assessment

Quality of earnings and earnings growth	• Fee result FY 2021: CHF 600-650 m	<i>CHF 699 m</i>	Exceeded ✓
	• Risk result FY 2021: CHF 400-450 m	<i>CHF 419 m</i>	Achieved ✓
	• Cumulative value of new business (2019-2021): > CHF 1.2 bn	<i>CHF 1.5 bn</i>	Exceeded ✓
Operational efficiency	• Life efficiency ratio FY 2021: < 40 bps	<i>39 bps</i>	Achieved ✓
	• Distribution operating expense ratio FY 2021: < 25%	<i>22%</i>	Exceeded ✓
	• TPAM cost income ratio FY 2021: ~75%	<i>82%¹⁾</i>	Achieved ✓
Capital, cash and payout	• SST ambition range (2019-2021): 140-190%	<i>~220%</i>	Exceeded ✓
	• Cumulative cash remittance to Holding (2019-2021): CHF 2-2.25 bn	<i>CHF 2.37 bn</i>	Exceeded ✓
	• Dividend payout ratio: 50-60%	<i>61%</i>	Exceeded ✓
	• Share buyback Dec 18 – Dec 19: CHF 1 bn	<i>CHF 1 bn + 0.4 bn²⁾</i>	Exceeded ✓
	• RoE³⁾ : 8-10%	<i>11.0%</i>	Exceeded ✓

1) Excl. one-offs: 76% 2) CHF 1 bn from Dec 18 to Dec 19; CHF 0.4 bn from Mar 20 to May 21 3) Shareholders' equity excl. unrealised gains/losses

Abbreviations

ALM	Asset and liability management	IL	Individual Life
AM	Business division Asset Managers	IN	Business division International
APE	Annual premium equivalent	LC	Local currency
AuM	Assets under management	M	Million
bn	Billion	MCEV	Market consistent embedded value
bps	Basis points	NBM	New business margin
BVG	Swiss federal law on occupational retirement, survivors' and disability pension plans	NBP	New business production
CAD	Canadian dollar	n.a.	Not available/applicable
CH	Business division Switzerland	n.m.	Not mentioned
CHF	Swiss francs	NNA	Net new assets
DAC	Deferred acquisition costs	PAM	Proprietary insurance asset management
DoJ	Department of Justice	P&C	Property and casualty
DE	Business division Germany	P&L	Profit and loss
ESG	Environmental, Social and Governance	PHD	Policyholder deposits
EUR	Euro	PVNB	Present value of new business premiums
FR	Business division France	RoE	Return on equity
FX	Foreign exchange	TCFD	Task Force on Climate-Related Financial Disclosures
FY	Full-year	TPAM	Third-party asset management
GBP	British pound	SST	Swiss Solvency Test
GL	Group life	UK	United Kingdom
GWP	Gross written premiums	UL	Unit-linked
IFA	Independent financial advisor	USD	US dollar
IFRS	International Financial Reporting Standard	VNB	Value of new business
		ZZR	Zinszusatzreserve (Additional interest reserve)

Segment Other: Includes Swiss Life Holding and finance/service companies

Owned IFAs: Includes Swiss Life Select, tecis, Horbach, Proventus, Chase de Vere, Pôle Agami and Fincentrum

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a self-determined life.*