

# Half-year results 2018

## Investor presentation

14 August 2018

# Agenda



## **Overview**

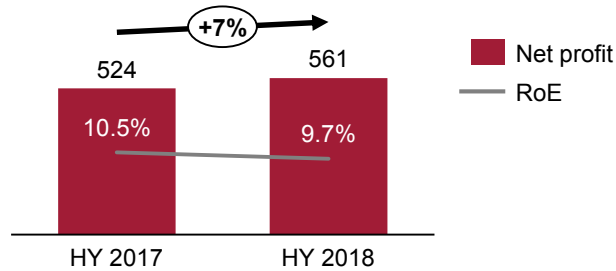
Financial results and  
strategy update

**Patrick Frost**

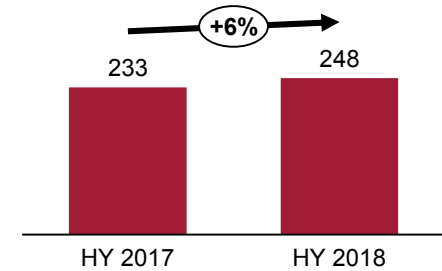
Thomas Buess

# Swiss Life HY 2018: Strong set of results

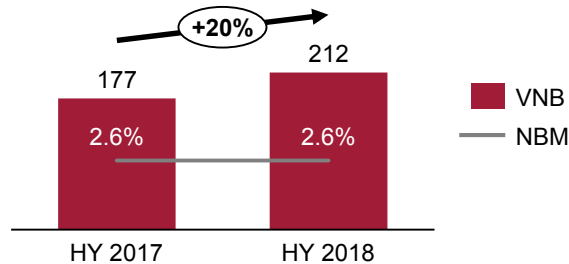
Net profit,  
RoE  
(CHF m, %)



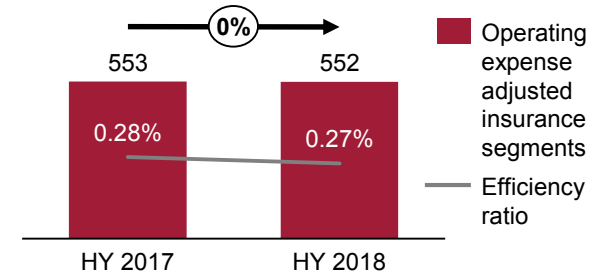
Fee result  
(CHF m)



VNB,  
NBM  
(CHF m, %)



Operating  
expense,  
efficiency  
ratio  
(CHF m, %)



# Agenda

Overview

Patrick Frost



**Financial results and  
strategy update**

**Thomas Buess**

# Key figures HY 2018 results

- ✓ **Net profit** increased by 7% to CHF 561 m
- ✓ Adjusted **profit from operations** improved by 3% to CHF 808 m
- ✓ **Fee and commission income** grew by 10% in local currency to CHF 798 m
- ✓ **Fee result** increased by 6% to CHF 248 m (HY 17: CHF 233 m)
- ✓ **Premiums** increased by 4% in local currency to CHF 10.7 bn
- ✓ Resilient **direct investment income** of CHF 2 235 m at 1.5% (HY 17: CHF 2 186 m at 1.5%); yields not annualised
- ✓ **AuM TPAM** up by 5% to CHF 64.6 bn
- ✓ **Value of new business** increased to CHF 212 m with NBM of 2.6% (HY 17: CHF 177 m and 2.6%)
- ✓ Annualised **return on equity**<sup>1)</sup> at 9.7% (HY 17: 10.5%)
- ✓ **SST ratio** was above 170% as of 30.06.2018, **Solvency II** ratio of > 200%
- ✓ **Cash** to Holding increased by 11% to CHF 657 m (HY 17: CHF 591 m)

1) Equity excl. unrealised gains/losses on bonds

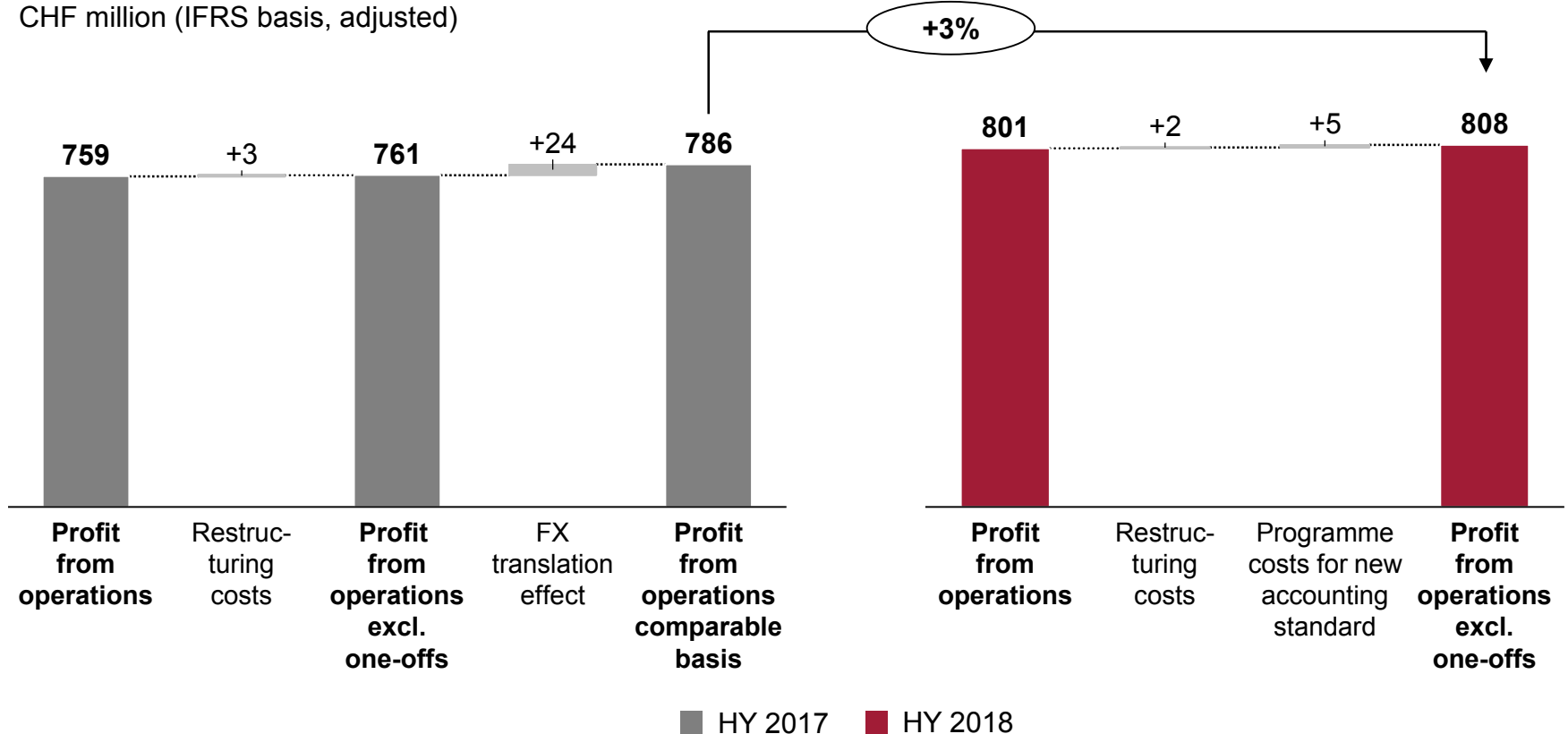
# Selected P&L figures

CHF million (IFRS basis)

	HY 2017	HY 2018
Gross written premiums, fees and deposits received	9 982	10 741
Fee and commission income	681	798
Net investment result insurance portfolio for own risk	2 050	2 637
Net insurance benefits and claims	-7 958	-8 138
Policyholder participation	-452	-1 135
Operating expense	-1 328	-1 472
<b>Profit from operations</b>	<b>759</b>	<b>801</b>
Borrowing costs	-82	-71
Income tax expense	-152	-169
<b>Net profit</b>	<b>524</b>	<b>561</b>
Basic earnings per share (in CHF)	16.22	16.39
Diluted earnings per share (in CHF)	15.37	16.35

# Profit from operations excluding major one-off effects

CHF million (IFRS basis, adjusted)



# Business review Switzerland

CHF million (IFRS basis, VNB)

	HY 2017	HY 2018	Change	
GWP incl. PHD	5 932	6 129	+3%	<ul style="list-style-type: none"> <li>GL: +4% (market -1%); higher single premiums from existing clients and stable periodic premiums; growing semi-autonomous business</li> <li>IL: -1% (market 0%); lower single premiums partly offset by higher periodic premiums</li> </ul>
Fee and commission income <sup>1)</sup>	115	125	+9%	<ul style="list-style-type: none"> <li>Increased revenues from owned IFA, real estate brokerage, sale of mortgages and investment solutions</li> </ul>
Operating expense adjusted	-191	-190	-1%	<ul style="list-style-type: none"> <li>Disciplined cost management</li> </ul>
<b>Segment result</b>	<b>424</b>	<b>439</b>	<b>+4%</b>	<ul style="list-style-type: none"> <li>Positive development of savings, fee and cost result</li> </ul>
Fee result	11	14	+21%	<ul style="list-style-type: none"> <li>Fee result improved from owned IFA, real estate brokerage, sale of third-party products and pension consulting</li> </ul>
Value of new business	91	105	+15%	<ul style="list-style-type: none"> <li>Margin increase especially in IL; large transactions at lower margins in assumed reinsurance business</li> </ul>
NBM (% PVNBP)	2.9%	2.6%		

1) Net earned policy fees and commission income



# Business review France

EUR million (IFRS basis, VNB)

	HY 2017	HY 2018	Change	
GWP incl. PHD	2 218	2 550	+15%	<ul style="list-style-type: none"> <li>Life: +24% (market +6%); UL share of 54% (market 30%)</li> <li>Health &amp; protection: +1% (market +4%); individual protection +6% (market +4%)</li> <li>Non-Life: stable (market +2%)</li> </ul>
Fee and commission income <sup>1)</sup>	130	141	+8%	<ul style="list-style-type: none"> <li>Higher UL fees due to strong net inflows and higher banking fees</li> </ul>
Operating expense adjusted	-146	-149	+2%	<ul style="list-style-type: none"> <li>Strict cost discipline offset by strong business growth</li> </ul>
<b>Segment result</b>	<b>134</b>	<b>130</b>	<b>-3%</b>	<ul style="list-style-type: none"> <li>Lower contribution from cost and savings result partly offset by higher fee result</li> </ul>
Fee result	30	37	+25%	<ul style="list-style-type: none"> <li>Improved fee result from UL business and banking</li> </ul>
Value of new business	48	61	+26%	<ul style="list-style-type: none"> <li>Higher volumes in life and health with related efficiency gains on acquisition expenses</li> </ul>
NBM (% PVNBP)	2.4%	2.6%		

1) Net earned policy fees and commission income

# Business review Germany

EUR million (IFRS basis, VNB)

	HY 2017	HY 2018	Change	
GWP incl. PHD	577	589	+2%	• Higher premiums with modern-traditional and disability products partly offset by lower traditional premiums (market +4%)
Fee and commission income <sup>1)</sup>	169	198	+17%	• Strong contribution from owned IFAs due to increasing number of financial advisors and higher policy fees
Operating expense adjusted	-96	-93	-3%	• Lower external expenses partly offset by costs related to strong new business growth
<b>Segment result</b>	<b>65</b>	<b>79</b>	<b>+22%</b>	• Positive development of fee and cost result
Fee result	32	41	+26%	• Strong fee result due to higher contribution from our owned IFAs
Value of new business	19	22	+19%	• Increase in volume and reduced guarantees
NBM (% PVNBP)	3.3%	3.7%		

1) Net earned policy fees and commission income

# Business review International

EUR million (IFRS basis, VNB)

	HY 2017	HY 2018	Change	
GWP incl. PHD	977	810	-17%	<ul style="list-style-type: none"> <li>Higher premiums with corporate clients more than offset by lower single premiums with private clients</li> </ul>
Fee and commission income <sup>1)</sup>	104	106	+2%	<ul style="list-style-type: none"> <li>Higher commission income from owned IFAs partly offset by negative FX impact (GBP)</li> </ul>
Operating expense adjusted	-44	-44	-1%	<ul style="list-style-type: none"> <li>Disciplined cost management</li> </ul>
<b>Segment result</b>	<b>23</b>	<b>29</b>	<b>+26%</b>	<ul style="list-style-type: none"> <li>Positive contribution from fee and risk result</li> </ul>
Fee result	17	20	+17%	<ul style="list-style-type: none"> <li>Fee result improved at private clients and owned IFAs due to higher gross margins</li> </ul>
Value of new business	12	10	-14%	<ul style="list-style-type: none"> <li>Reduced new business volume with private clients</li> </ul>
NBM (% PVNBP)	1.4%	1.4%		<ul style="list-style-type: none"> <li>Improved value of new business and margin with corporate clients</li> </ul>

1) Net earned policy fees and commission income

# Business review Asset Managers

CHF million (IFRS basis, AuM fair value basis)

	HY 2017	HY 2018	Change	
Commission and other net income <sup>1)</sup>	316	326	+3%	• PAM: Increased real estate assets and related management fees
PAM	144	151	+5%	• TPAM: Higher recurring fees on growing AuM, lower transaction fees and income from project development
TPAM <sup>1)</sup>	172	175	+2%	
Operating expense adjusted	-159	-179	+12%	• Business growth in TPAM, mainly in real estate
<b>Segment result</b>	<b>123</b>	<b>118</b>	<b>-4%</b>	• PAM: Higher income at stable costs
PAM	88	94	+7%	• TPAM: Lower transaction fees and income from project development combined with higher costs
TPAM	36	24	-34%	
Net new assets TPAM (NNA)	3 290	3 655		• Strong inflows from balanced mandates, bonds and real estate outweighing substantial money market outflows
AuM	223 649 <sup>2)</sup>	225 122	+1%	• PAM: Negative FX translation effect
PAM	162 244 <sup>2)</sup>	160 535	-1%	• TPAM: Strong NNA partly offset by negative FX translation effect
TPAM	61 405 <sup>2)</sup>	64 586	+5%	

1) Incl. net income from real estate project development 2) As of 31.12.2017

# Expense development

CHF million (IFRS basis)

	HY 2017	HY 2018	Change
<b>Total operating expense</b>	<b>1 328</b>	<b>1 472</b>	<b>+11%</b>
Commissions and DAC amortisation	-614	-697	
<b>Operating expense (before FX)</b>	<b>714</b>	<b>775</b>	<b>+9%</b>
Restructuring costs and one-offs	-7	-10	
Programme costs for new accounting standard		-6	
Scope changes	-8	-20	
FX translation effect	33		
<b>Operating expense adjusted</b>	<b>732</b>	<b>739</b>	<b>+1%</b>
of which – Insurance segments	553	552	0%
– Asset Managers	169	183	+8%

# Investment result

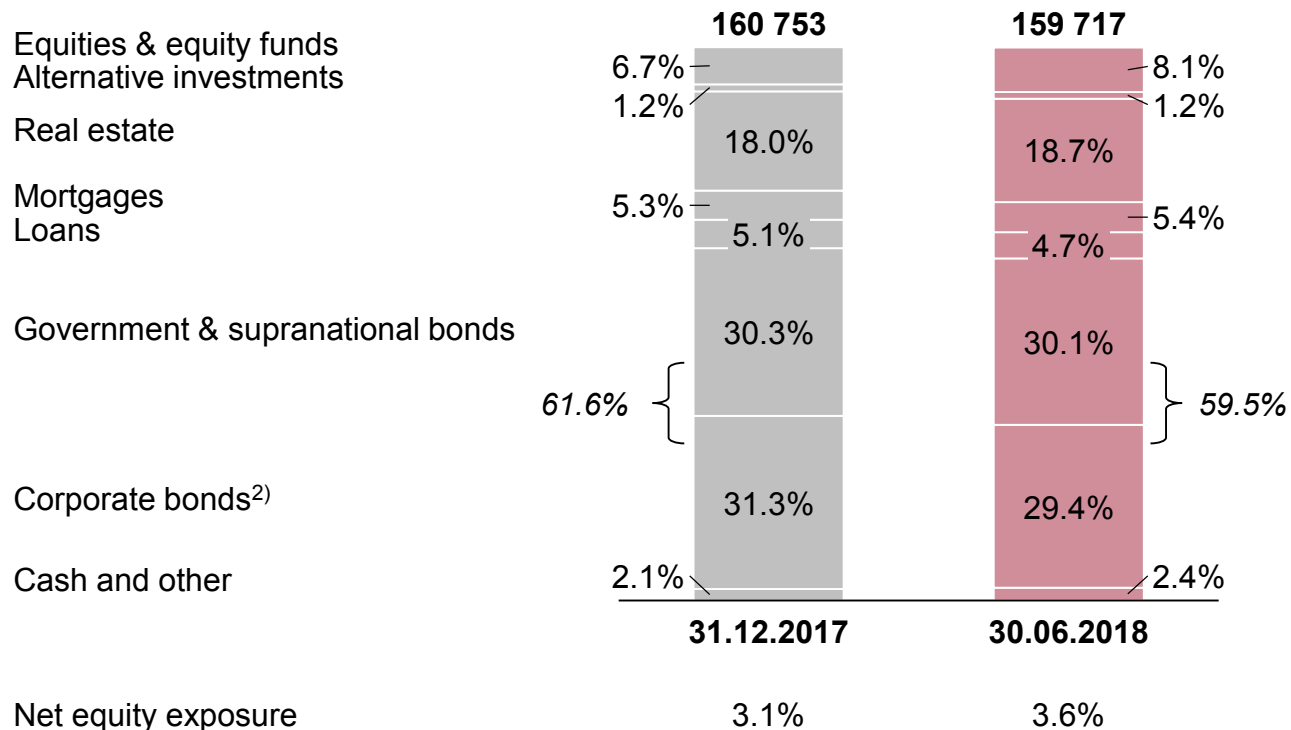
CHF million (IFRS basis), insurance portfolio for own risk

	HY 2017	HY 2018
Direct investment income	2 186	2 235
Direct investment income in %	1.5%	1.5%
Expense	-171	-176
Net capital gains/losses on investments and impairments <sup>1)</sup>	35	578
Net investment result	2 050	2 637
Net investment result in %	1.4%	1.7%
Changes in unrealised gains/losses on investments	-613	-2 245
Total investment result	1 438	392
Total investment result in %	1.0%	0.3%
Average net investments	148 236	154 086

1) Incl. FX gains/losses on hybrid of CHF 23 m in HY 2018 and CHF -39 m in HY 2017

# Investment portfolio

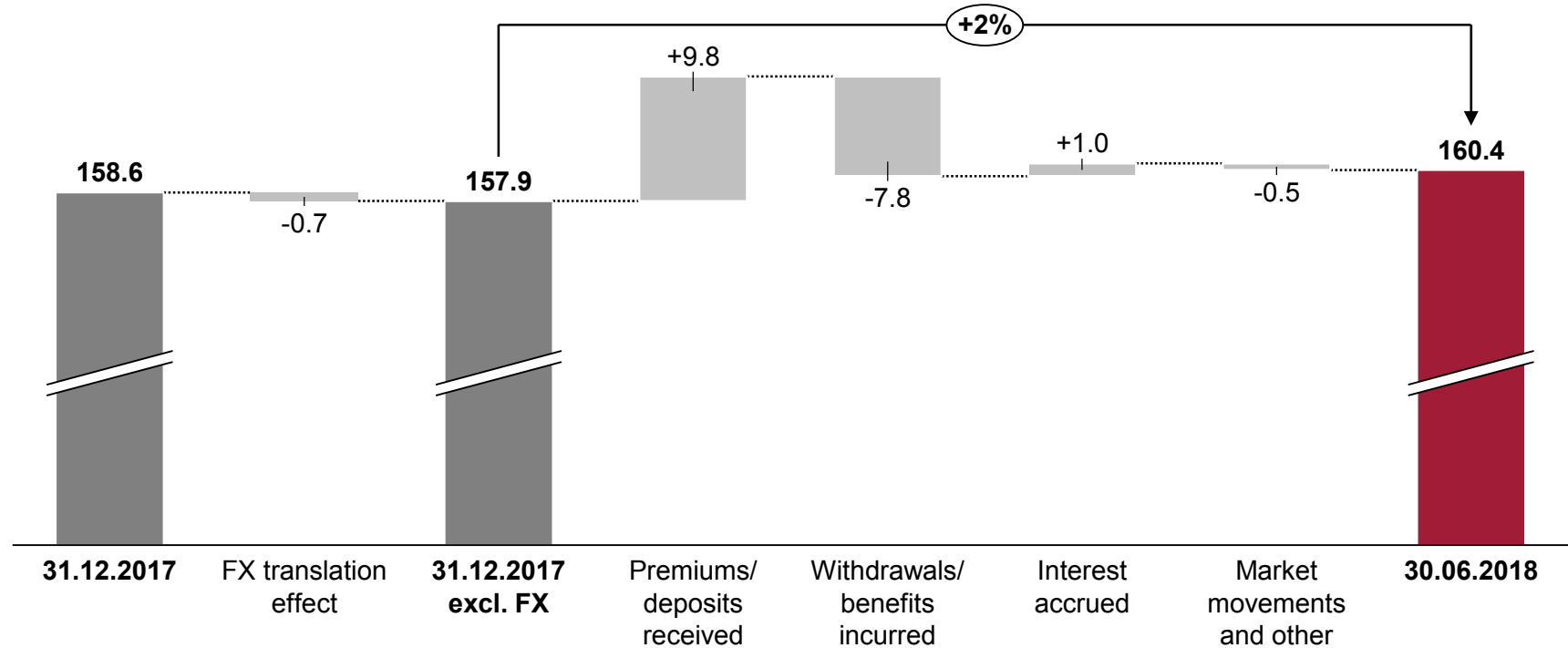
CHF million (fair value basis), insurance portfolio for own risk<sup>1)</sup>



1) Excl. repo positions of CHF -3 622 m in FY 2017 and CHF -3 822 m in HY 2018 2) Including senior secured loan funds

# Insurance reserves excluding policyholder participation liabilities

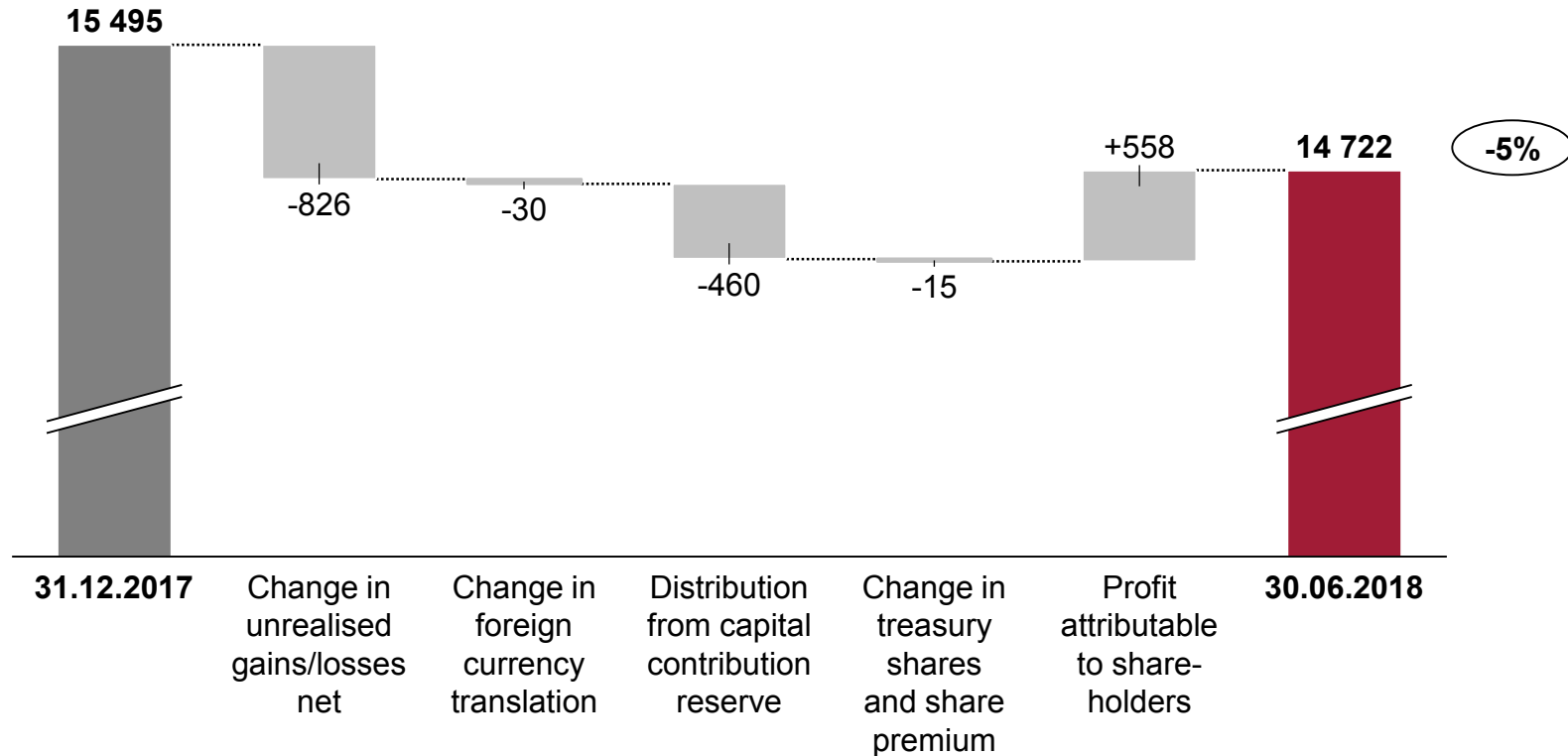
CHF billion (IFRS basis)





# Shareholders' equity

CHF million (IFRS basis)



# 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%

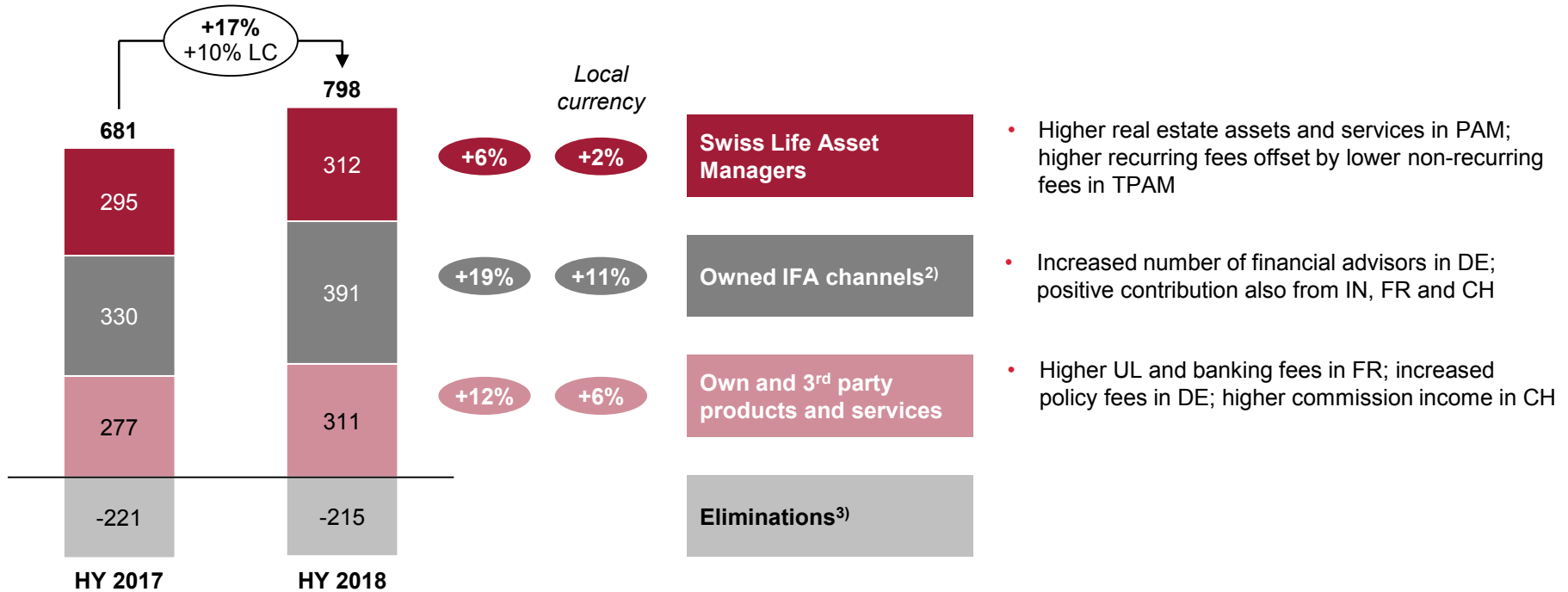
**RoE<sup>2)</sup>** of 8-10%

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

# Strong fee and commission income

Quality of earnings  
and earnings  
growth

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



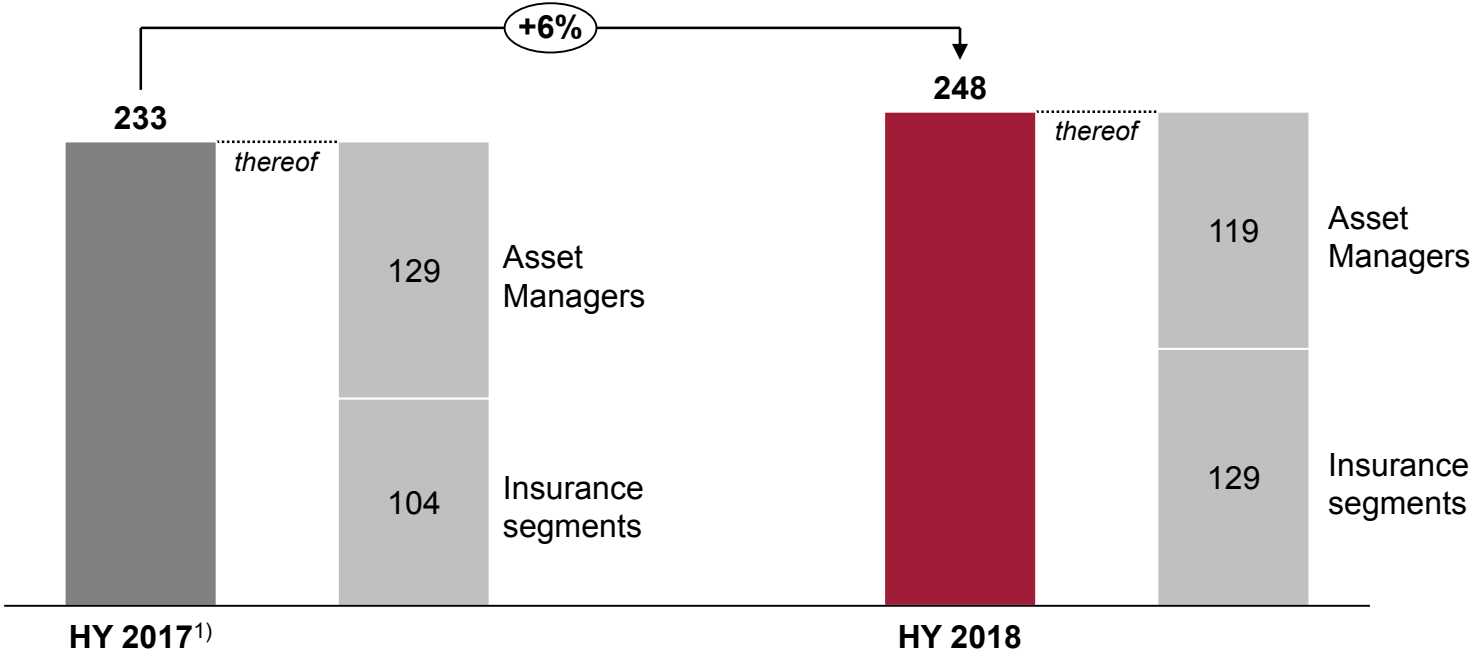
1) Net earned policy fees and commission income 2) Swiss Life Select, tecis, Horbach, Proventus, Chase de Vere and Pôle Agami

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

# Improved fee result

Quality of earnings  
and earnings  
growth

Fee result, CHF million (IFRS basis)

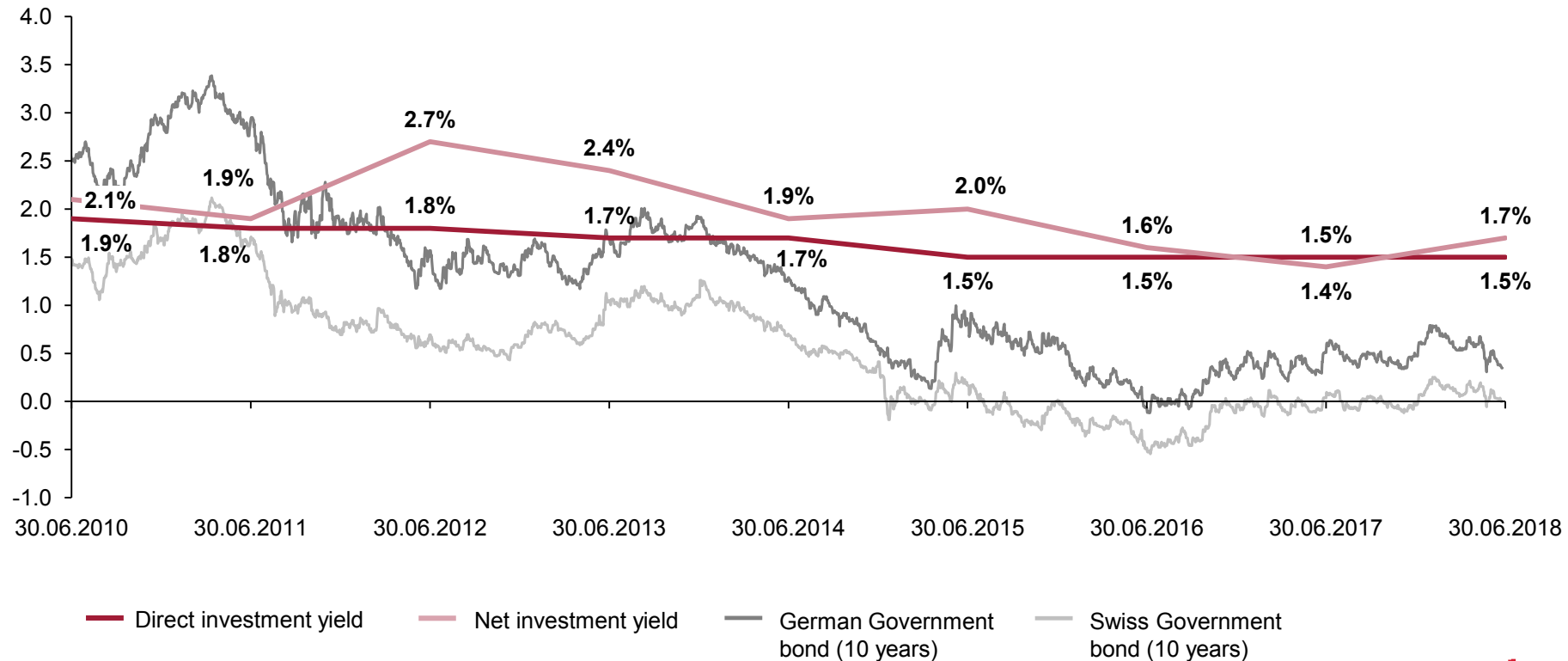


1) FX adjusted

# Resilient yields in the low interest rate environment

Quality of earnings  
and earnings  
growth

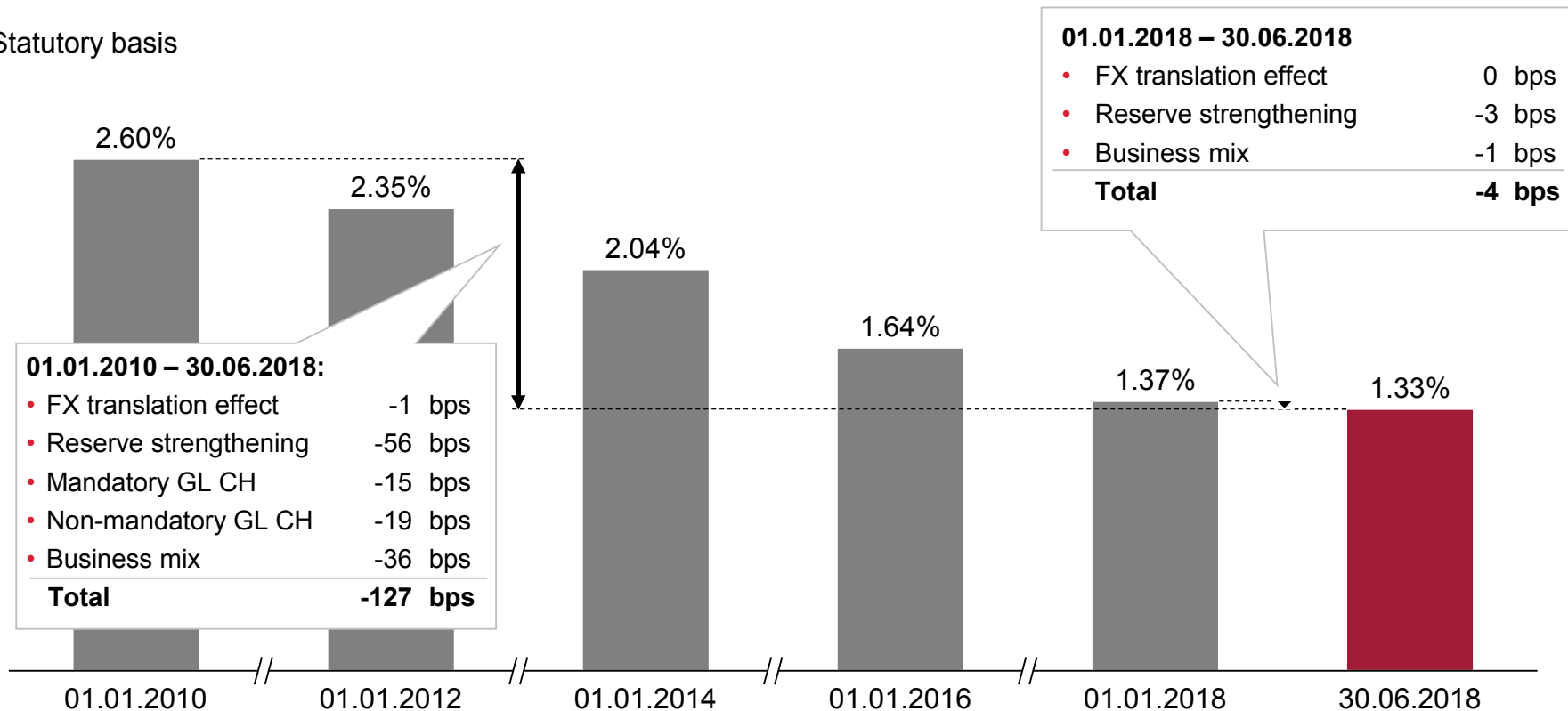
Direct and net investment yield (IFRS basis, in % not annualised)



# Average technical interest rate further decreased

Quality of earnings  
and earnings  
growth

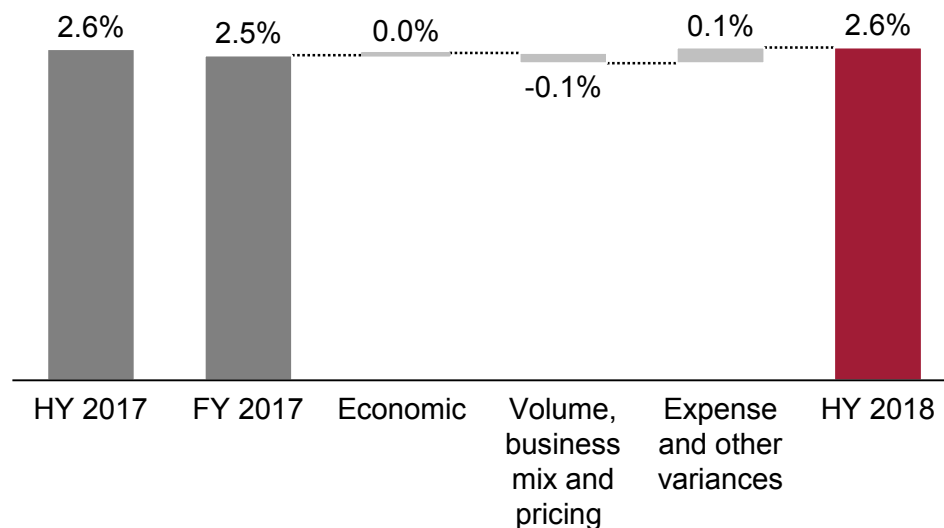
Statutory basis



# Continued margin management

Quality of earnings  
and earnings  
growth

New business margin (NBM) development (VNB in % PVNBP)



## Economic variances

- Marginally higher interest rates

## Volume, business mix and pricing variances

Continued focus on margin management

- CH: Slightly improved business mix in group life and individual life more than offset by large assumed reinsurance transactions (and seasonality effects)
- FR: Continued high UL share, strong production of life single premiums and of individual health
- DE: Growth of modern-traditional products with further reduced guarantees, lower share of risk products
- IN: Higher fee levels in business with private clients, efficiency gains in business with corporate clients

## Expense & other variances

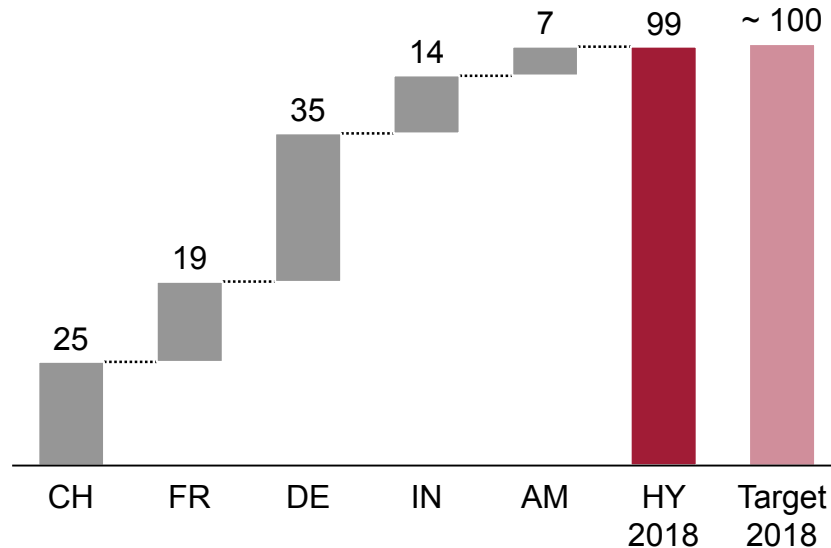
- Maintenance costs stable
- True-ups of actuarial items

177	351	VNB	212
6 928	13 969	PVNBP	8 270
606	1 265	APE	727
29.3%	27.7%	New business margin (% APE)	29.2%

# Implemented cost savings of CHF 99 m

Operational  
efficiency

Non-variable cost savings<sup>1)</sup>, gross  
CHF million (project view), vs. cost base FY 2014



- CH: Optimisation of business processes
- FR: Internalisation of resources, renegotiation of supplier contracts
- DE: Reorganisation of sales and finance departments, internalisation of resources, synergies across locations
- IN: Adapted operating model
- AM: Optimisation of organisational structure
- Restructuring costs of CHF 45 m (CHF 3 m booked in 2018)

1) At constant EUR/CHF FX rate of 1.05



# 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 2016	FY 2017	HY 2017 <sup>2)</sup>	HY 2018 <sup>2)</sup>	Change vs. HY 2017
Switzerland	0.43%	0.42%	0.20%	0.19%	-1 bps
France	1.27%	1.19%	0.60%	0.56%	-4 bps
<i>France Life</i>	<i>0.52%</i>	<i>0.48%</i>	<i>0.25%</i>	<i>0.24%</i>	-1 bps
Germany	0.69%	0.68%	0.34%	0.32%	-2 bps
International	0.31%	0.31%	0.16%	0.13%	-3 bps
<b>Total Insurance<sup>1)</sup></b>	<b>0.60%</b>	<b>0.58%</b>	<b>0.28%</b>	<b>0.27%</b>	<b>-1 bps</b>

1) FX adjusted 2) Not annualised

# Healthy solvency ratios

Capital, cash and dividend

Swiss Life Group: Economic solvency  
(as of 01.01.2018)

## SST

internal model  
approved by FINMA with conditions

170%

## Solvency II

standard model  
incl. volatility adjustment  
excl. any transitional measures

> 200%

SST sensitivities  
(as of 01.01.2018)

Real estate -10%

-14 ppts

Credit spreads<sup>1)</sup> +100 bps

-8 ppts

Interest rates<sup>2)</sup> -50 bps

-14 ppts

Equities -30%

-9 ppts

Insurance 1 in 10 year event

-8 ppts

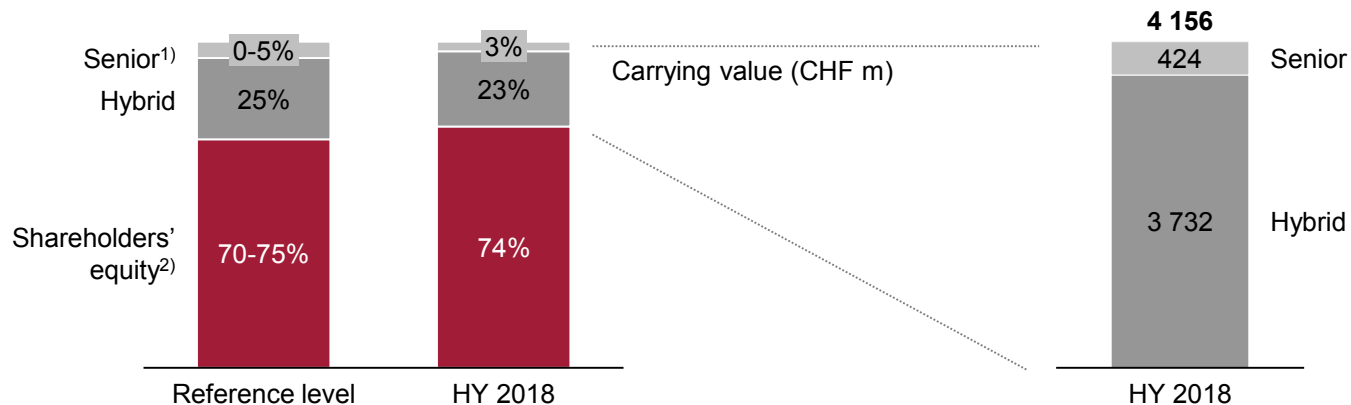
1) Corporate bonds and GIPS (excluding covered / guaranteed bonds)

2) Excludes benefit of dynamic duration management

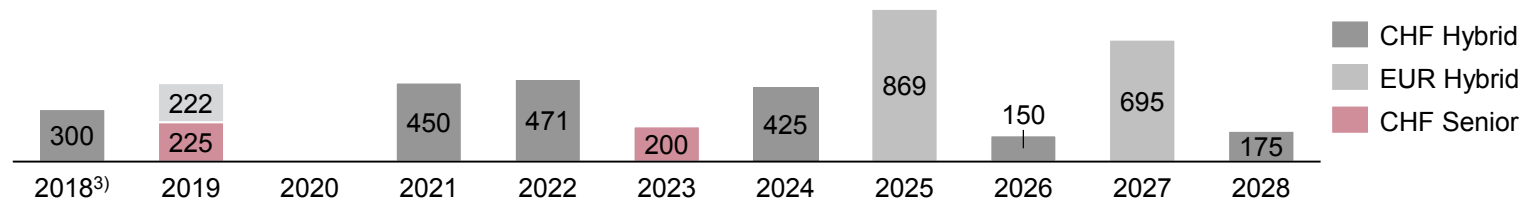
# Well-balanced capital structure

Capital, cash and dividend

## Capital structure (IFRS basis)



## Maturities (senior) and next optional call dates (hybrid); nominal value, CHF million

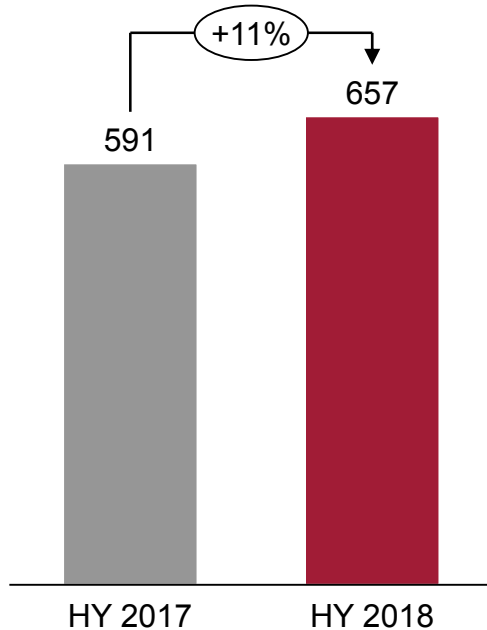


1) Financing debt only 2) Excl. unrealised gains/losses on bonds 3) To be called in August 2018

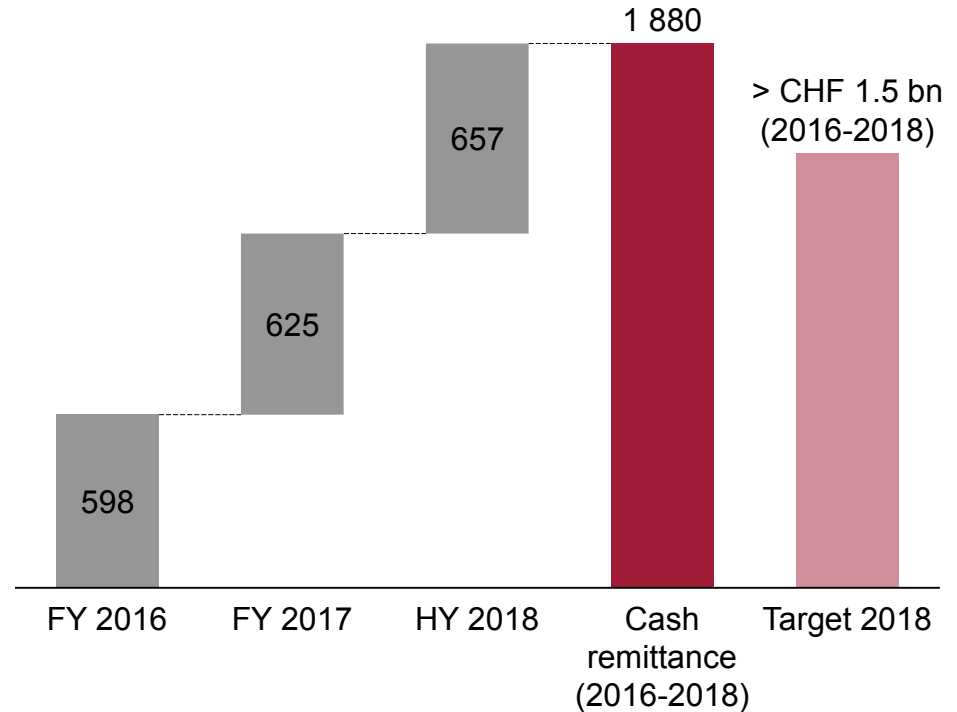
# Increased cash remittance to Holding

Capital, cash and dividend

Cash remittance to Holding (CHF million)



Cumulative cash remittance to Holding (CHF million)



# Execution of Swiss Life 2018 well on track

## Swiss Life 2018 financial targets

## Current assessment

<b>Quality of earnings and earnings growth</b>	<ul style="list-style-type: none"><li>• <b>Fee result</b> FY 2018: CHF 400-450 m</li><li>• <b>Risk result</b> FY 2018: CHF 350-400 m</li><li>• Cumulative <b>value of new business</b> (2016-2018): &gt; CHF 750 m</li></ul>	<i>Ahead</i> <i>On track</i> <i>Ahead</i>
<b>Operational efficiency</b>	<ul style="list-style-type: none"><li>• <b>Cost savings</b> FY 2018: CHF 100 m</li><li>• Stable operating expense<sup>1)</sup></li></ul>	<i>On track</i> <i>On track</i>
<b>Capital, cash and dividend</b>	<ul style="list-style-type: none"><li>• Cumulative <b>cash remittance</b> to Holding (2016-2018): &gt; CHF 1.5 bn</li><li>• <b>Dividend payout ratio</b>: 30-50%</li><li>• <b>RoE<sup>2)</sup></b>: 8-10%</li></ul>	<i>Exceeded</i> <i>On track</i> <i>On track</i>

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

Half-year results 2018  
Investor presentation  
Supplementary information

# Supplementary information

## → **Profit and loss**

Balance sheet

Investments

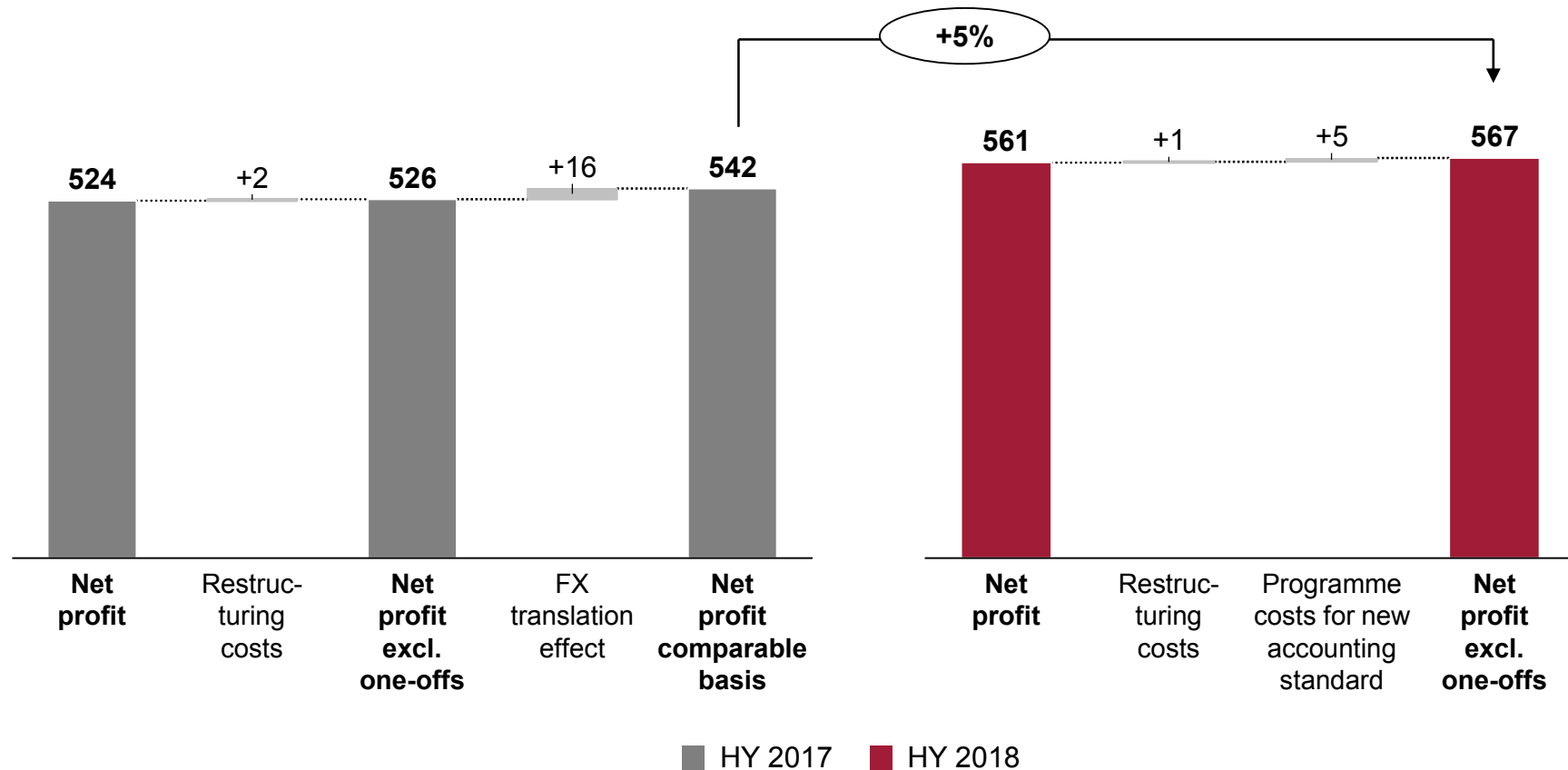
Value of new business (VNB)

Abbreviations

Contact details and financial calendar

# Net profit

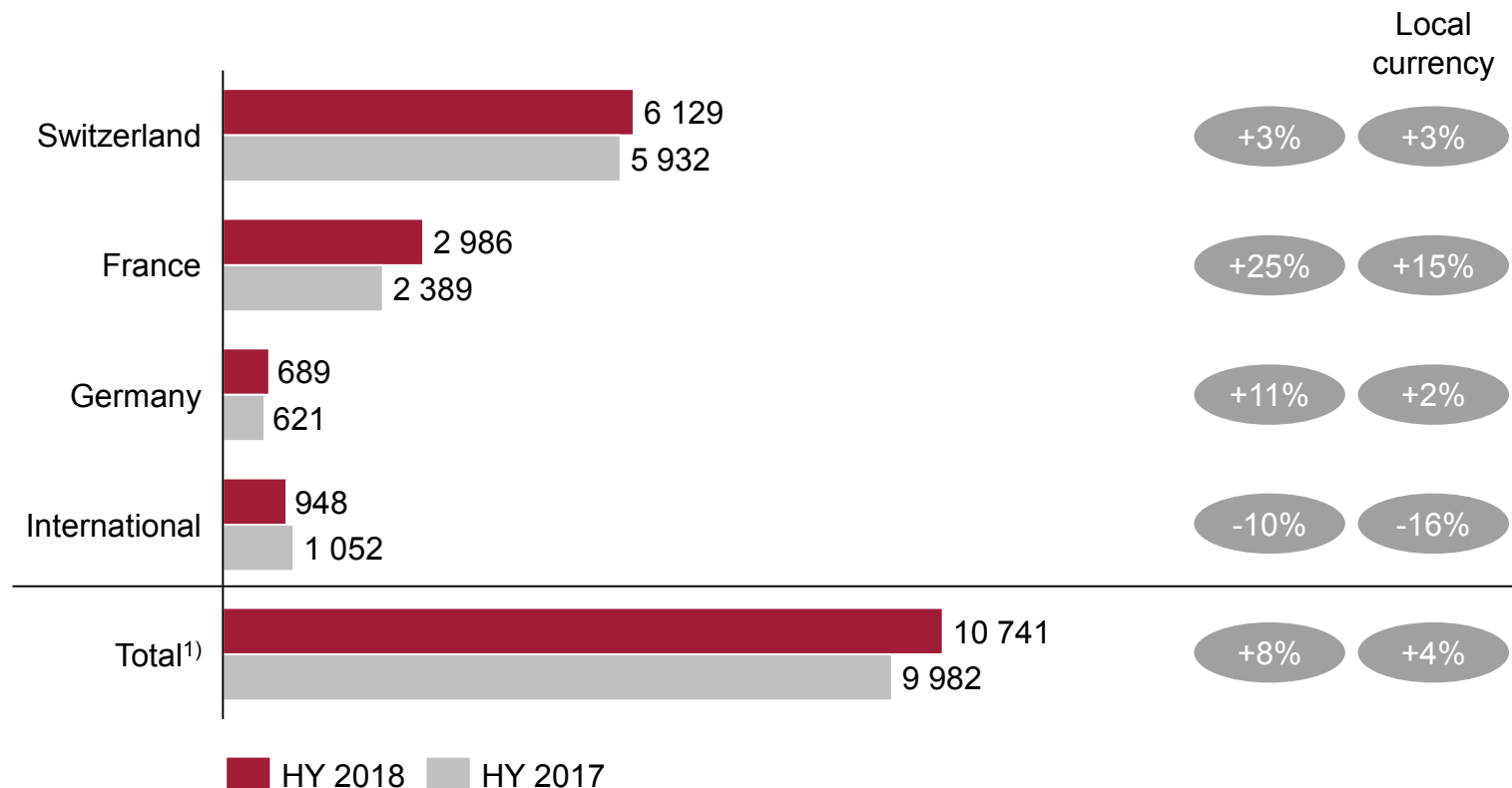
CHF million (IFRS basis, adjusted)





# Premium development

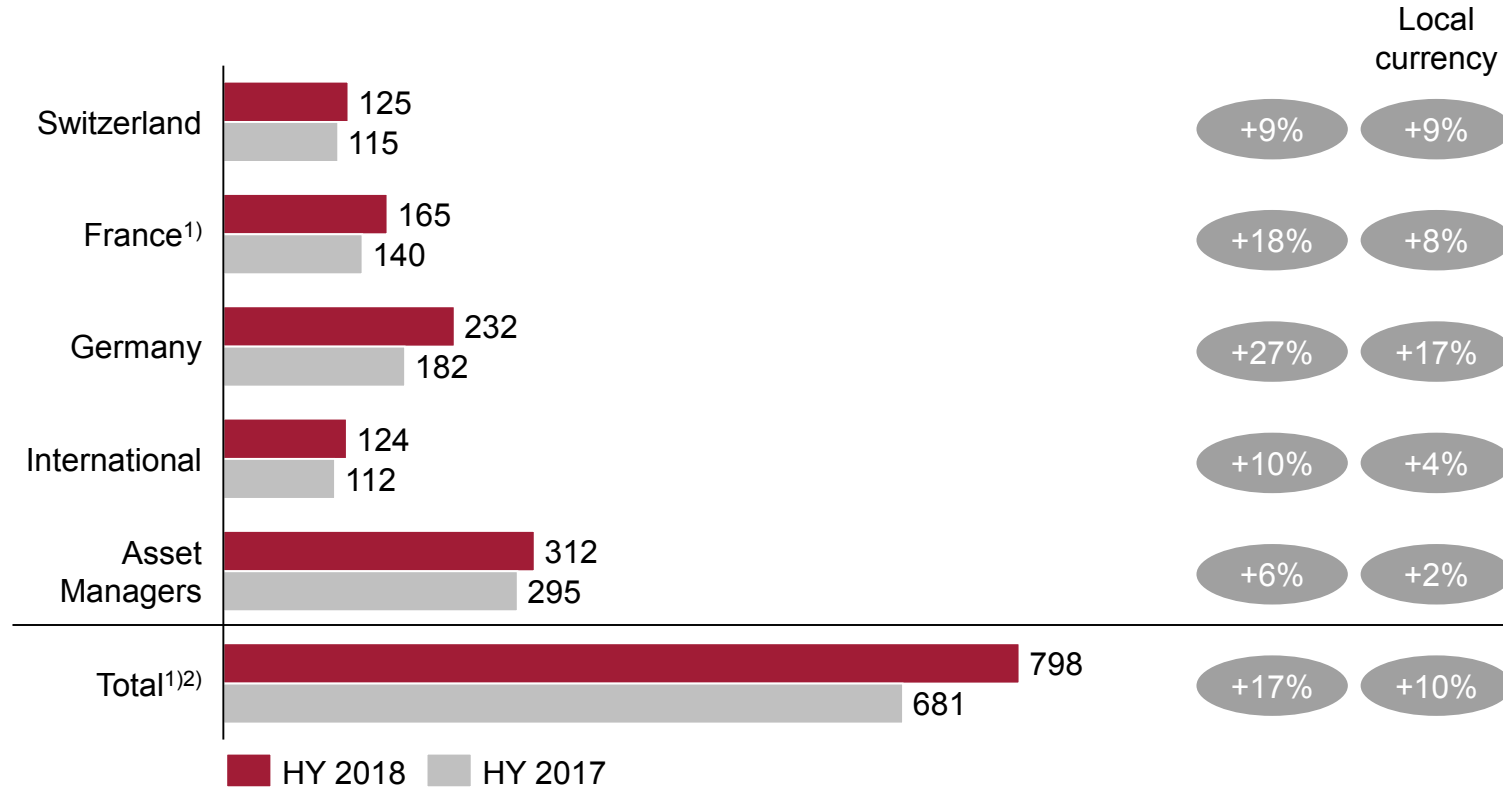
CHF million (IFRS basis); GWP, fees and deposits



1) Total includes Other and intersegment eliminations of CHF -11 m in HY 2018 and CHF -12 m in HY 2017

# Fee and commission income development

CHF million (IFRS basis)



1) Incl. banking and Pôle Agami 2) Total includes Other and intersegment eliminations of CHF -160 m in HY 2018 and CHF -163 m in HY 2017

# Switzerland: Premium development

CHF million (IFRS basis)

	HY 2017	HY 2018	Change
<b>Total life GWP incl. PHD</b>	<b>5 932</b>	<b>6 129</b>	<b>+3%</b>
Single premiums	2 636	2 837	+8%
Periodic premiums	3 296	3 292	0%
<b>Group life</b>	<b>5 240</b>	<b>5 443</b>	<b>+4%</b>
Single premiums	2 437	2 653	+9%
Periodic premiums	2 803	2 790	0%
<b>Individual life</b>	<b>692</b>	<b>686</b>	<b>-1%</b>
Single premiums	199	184	-7%
Periodic premiums	493	502	+2%

# Details of net investment result

CHF million (IFRS basis), insurance portfolio for own risk HY 2018

	Direct investment income	Impair- ments	Gains and losses through income statement			Net investment result
			On underlying	On derivatives	Net	
Bonds	1 335	-33	301	44	345	1 646
Equities	245		-144	109	-35	210
Loans	92		153	-0	152	244
Mortgages	78	-0				78
Alternative investments	25	-7	175		175	194
Real estate	451	-1	259		259	710
Cash & other	9					9
<b>Total before FX</b>	<b>2 235</b>	<b>-41</b>	<b>744</b>	<b>153</b>	<b>896</b>	<b>3 091</b>
FX hedging costs and gains/losses			59	-336	-277 <sup>1)</sup>	-277
<b>Total after FX</b>	<b>2 235</b>	<b>-41</b>	<b>802</b>	<b>-183</b>	<b>619</b>	<b>2 814</b>
Expense						-176
<b>Net investment result</b>						<b>2 637</b>

Net capital gains/losses  
on investments of **578**

1) Incl. FX hedging costs of CHF -346 m (CHF -302 m in HY 2017)

# Profit from operations

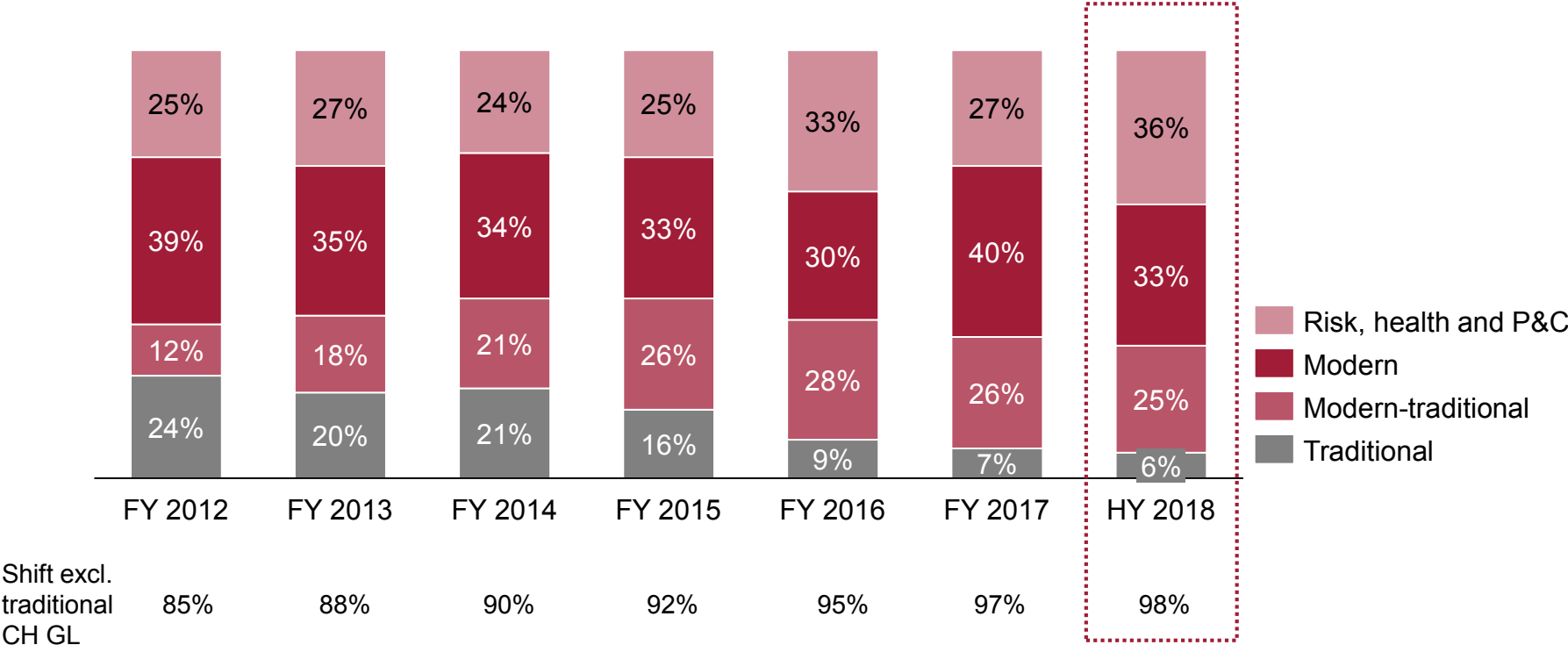
CHF million (IFRS basis), segment results (reported vs. adjusted)

Segments	HY 2017		HY 2018		Change	
	reported	adjusted <sup>1)</sup>	reported	adjusted <sup>1)</sup>	reported	adjusted
Switzerland	424	424	439	442	+4%	+4%
France	145	158	152	152	+5%	-4%
Germany	70	77	93	93	+32%	+22%
International	25	26	34	34	+37%	+28%
Asset Managers	123	129	118	119	-4%	-7%
Other	5	5	2	2	-60%	-60%
Unallocated corporate costs	-33	-33	-36	-34	-11%	-5%
<b>Profit from operations</b>	<b>759</b>	<b>786</b>	<b>801</b>	<b>808</b>	<b>+6%</b>	<b>+3%</b>

1) Adjusted as outlined on slide 7

# New business mix

New business production (NBP)



# Supplementary information

Profit and loss

→ **Balance sheet**

Investments

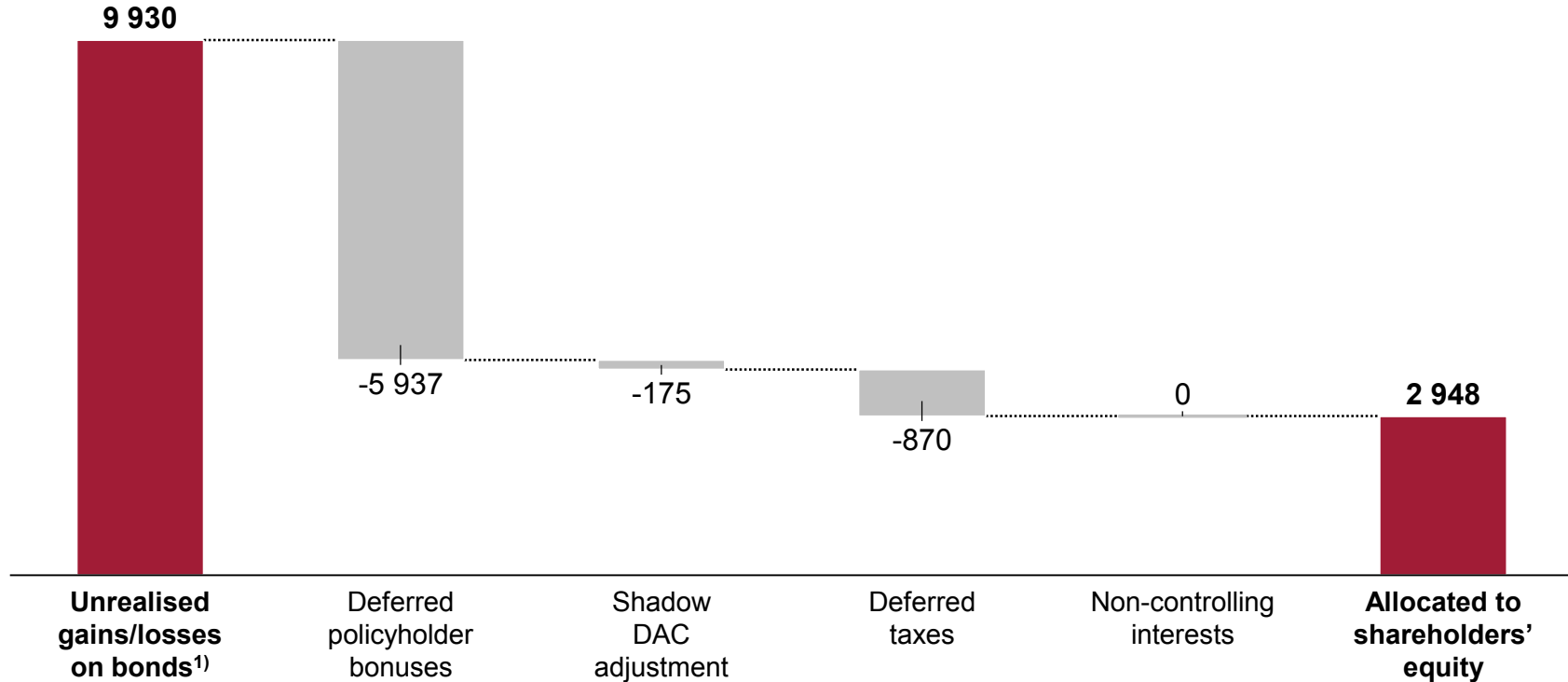
Value of new business (VNB)

Abbreviations

Contact details and financial calendar

# Allocation of unrealised gains/losses on bonds

CHF million (IFRS basis), as of 30.06.2018



1) Including cash flow hedge reserve of CHF 811 m in HY 2018 and CHF 803 m in HY 2017



# Return on equity

CHF million (IFRS basis)

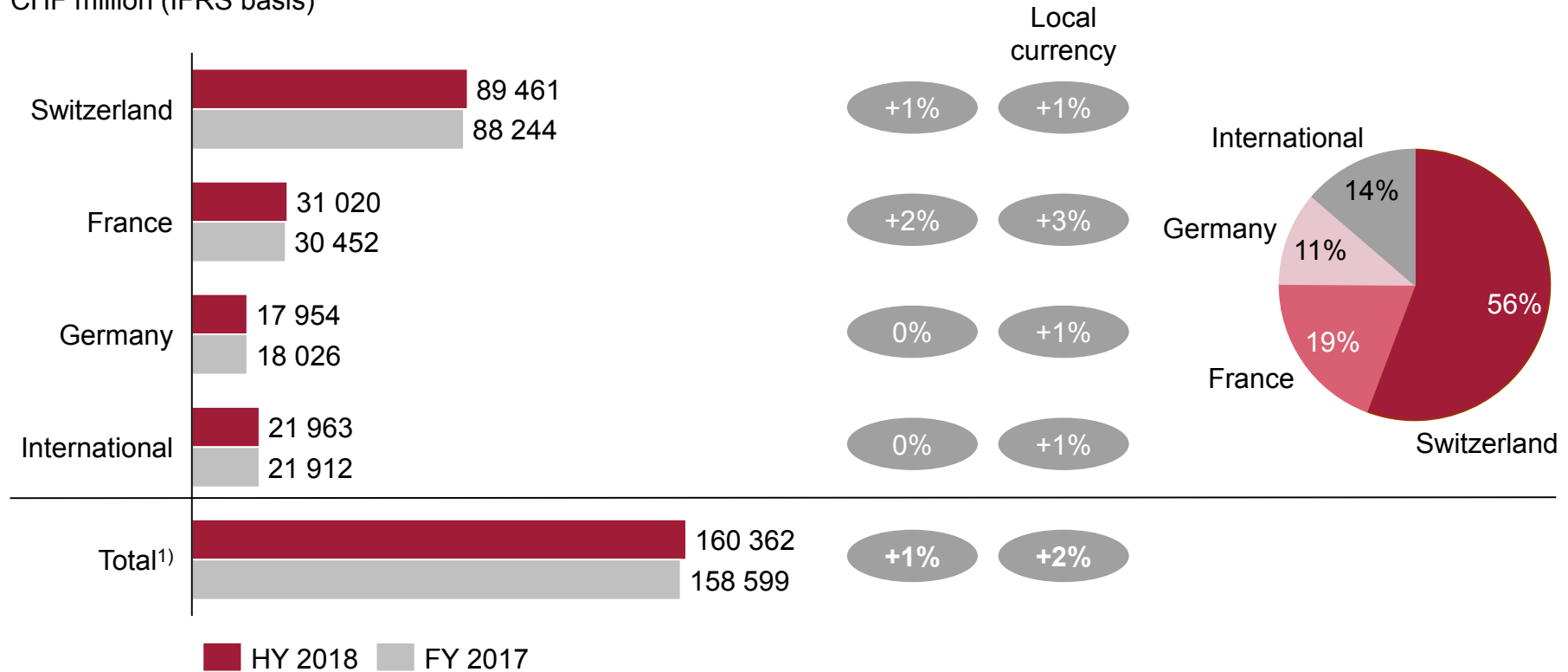
	FY 2017	HY 2018
<b>Shareholders' equity</b>	<b>15 495</b>	<b>14 722</b>
Unrealised gains/losses on bonds allocated to shareholders' equity	-3 727	-2 948
<b>Adjusted shareholders' equity</b>	<b>11 767</b>	<b>11 774</b>

## HY 2018 RoE calculation (annualised)

Net profit HY 2018 (shareholder part)	558
Average adjusted shareholders' equity	11 771
<b>Return on equity</b>	<b>9.7%</b>

# Insurance reserves excluding policyholder participation liabilities

CHF million (IFRS basis)



1) Total includes intersegment eliminations of CHF -36 m in HY 2018 and CHF -35 m in FY 2017

# Insurance reserves and borrowings

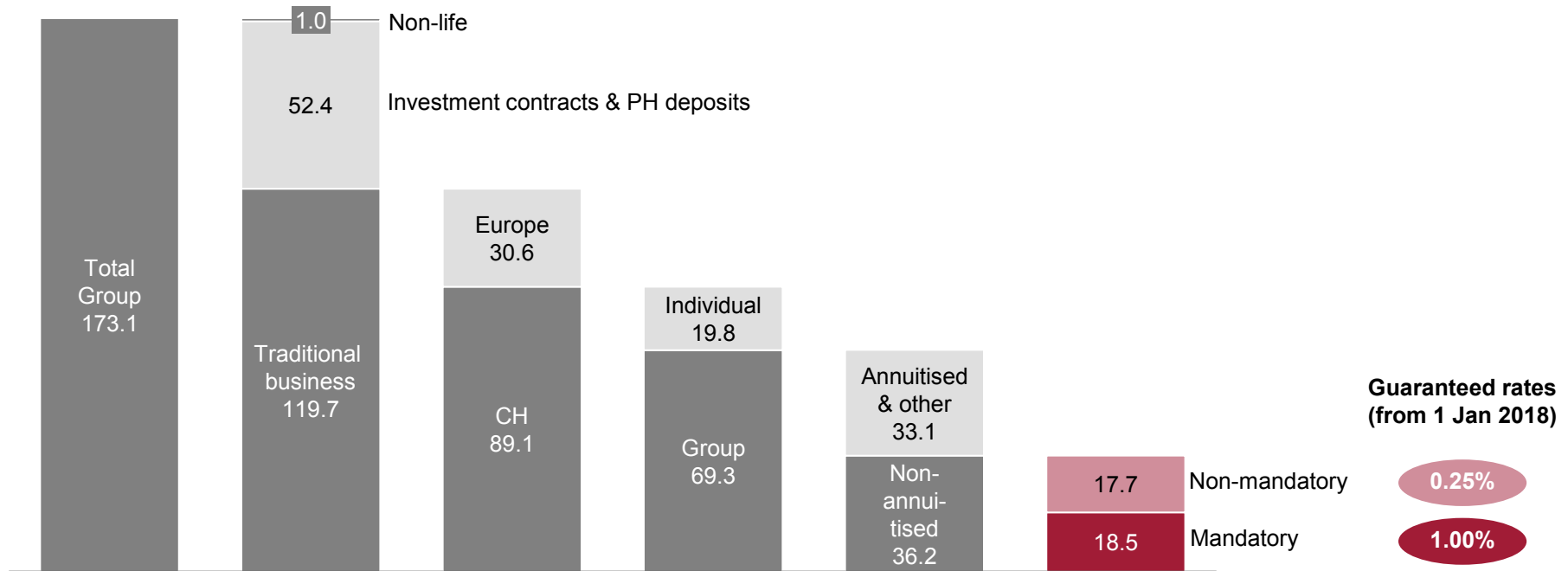
CHF million (IFRS basis)

	31.12.2017	30.06.2018		Local currency
<b>Insurance reserves</b>	<b>171 649</b>	<b>173 119</b>	<b>+1%</b>	<b>+1%</b>
Policyholder participation liabilities	13 050	12 756		-2%
<b>Insurance reserves w/o PHP liabilities</b>	<b>158 599</b>	<b>160 362</b>	<b>+1%</b>	<b>+2%</b>
Insurance liabilities	116 844	118 866		+2%
Investment contracts	16 626	16 354		-1%
Unit-linked contracts	25 130	25 142		+1%
<b>Borrowings</b>	<b>3 577</b>	<b>3 735</b>	<b>+4%</b>	

# Swiss Life Group reserves subject to BVG minimum interest rates

CHF billion (IFRS basis)

Breakdown of insurance reserves (incl. unit-linked) as of 30.06.2018



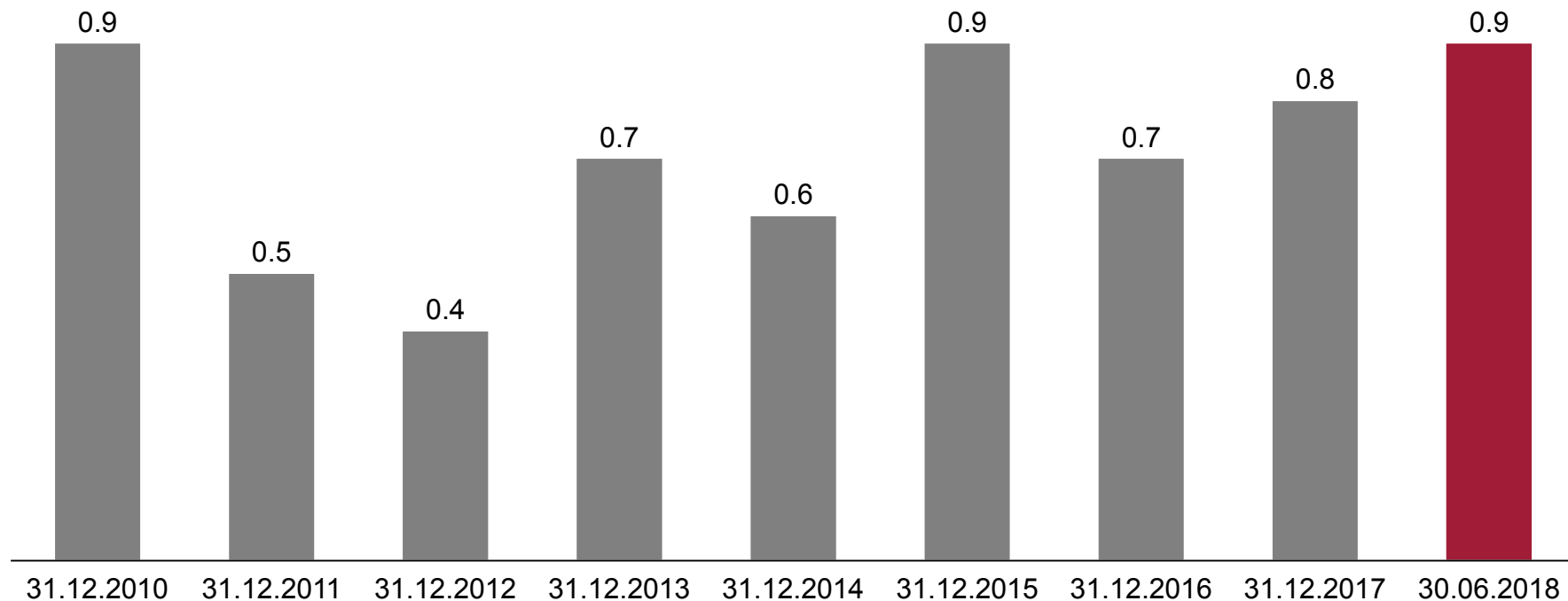
# Average technical interest rate

CHF / EUR / USD / GBP million (statutory basis), as of 30.06.2018

	CHF	EUR	USD	GBP
Total reserves	85 969	31 330	162	12
Average technical interest rate	0.99%	2.11%	2.17%	2.23%

Overall: 1.33%  
(01.01.2018: 1.37%)

# Weighted duration gap



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# Change analysis of assets under management

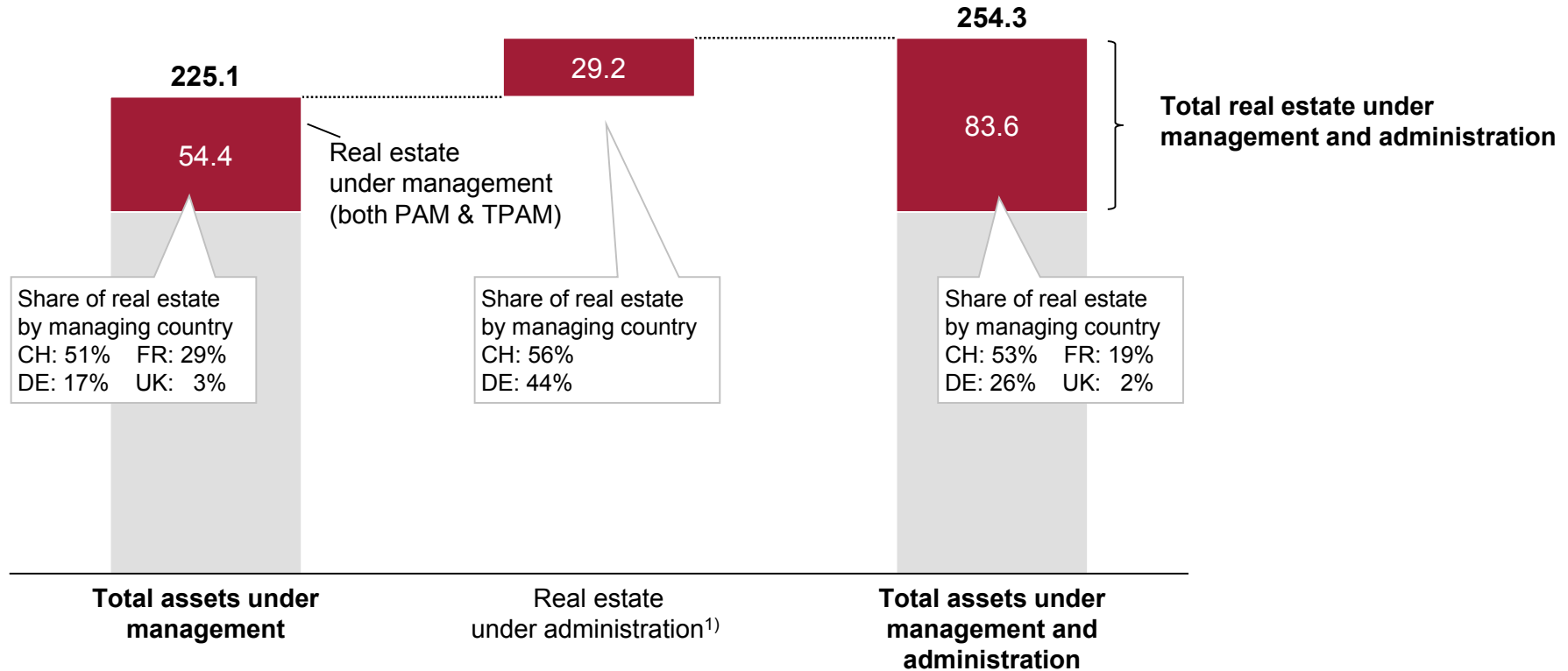
CHF billion (fair value basis)

Assets under management	HY 2017	HY 2018	Change (bn)
<b>Total beginning of period</b>	204.2	223.6	+19.4
<b>Net new assets</b>			
PAM	-1.2	-1.4	
TPAM	3.3	3.7	
Market performance	2.1	0.0	
FX translation effects	1.4	-0.8	
<b>Total end of period</b>	209.8	225.1	+15.3
<b>PAM</b>	155.5	160.5	+5.0
<b>TPAM</b>	54.3	64.6	+10.3
– Collective investments	44.5	53.8	
– Institutional mandates	9.8	10.8	
Double counts	14.5	17.9	



# Assets under management and administration

CHF billion, as of 30.06.2018



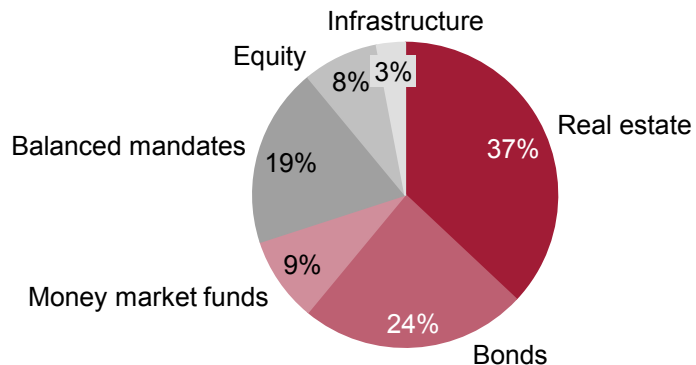
1) Not included in Swiss Life AuM definition

# TPAM: AuM and NNA

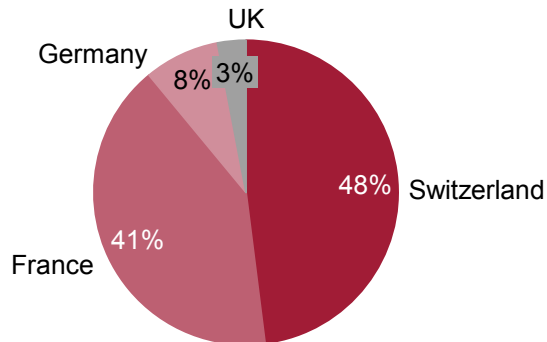
TPAM

**TPAM AuM:** CHF 64.6 bn as of 30.06.2018  
(fair value basis)

**Breakdown by asset class**

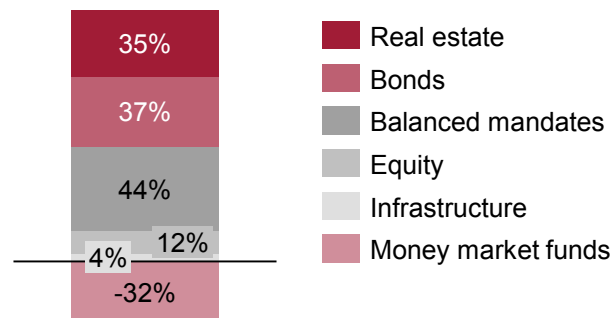


**Breakdown by managing country**

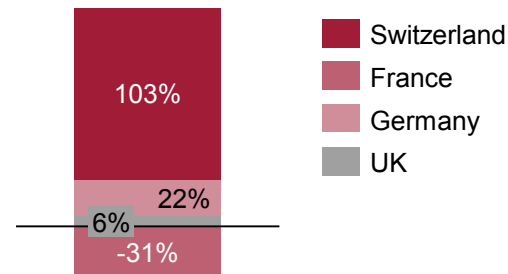


**TPAM NNA:** CHF 3.7 bn as of 30.06.2018  
(fair value basis)

**Breakdown by asset class**



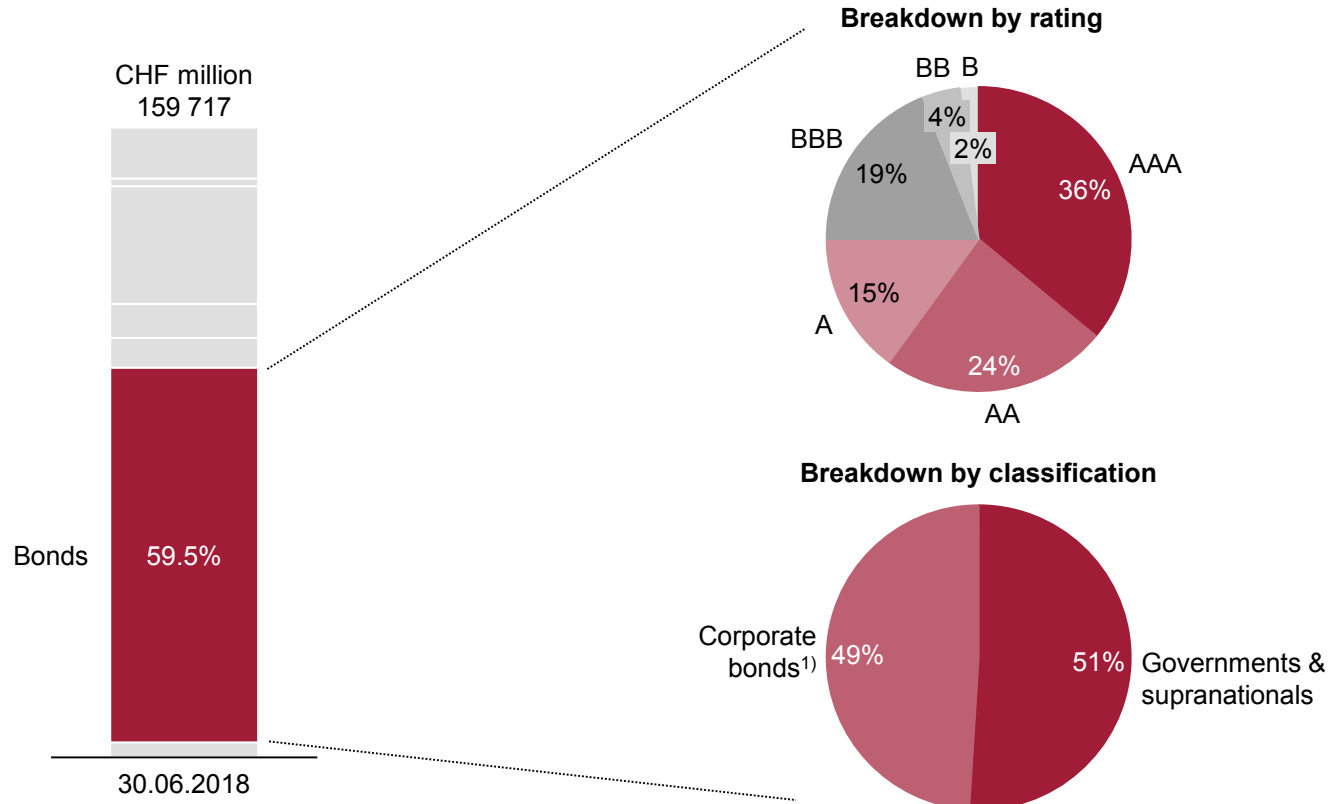
**Breakdown by managing country**



# Bond portfolio: Ratings and classification

PAM

Insurance portfolio for own risk (fair value basis)

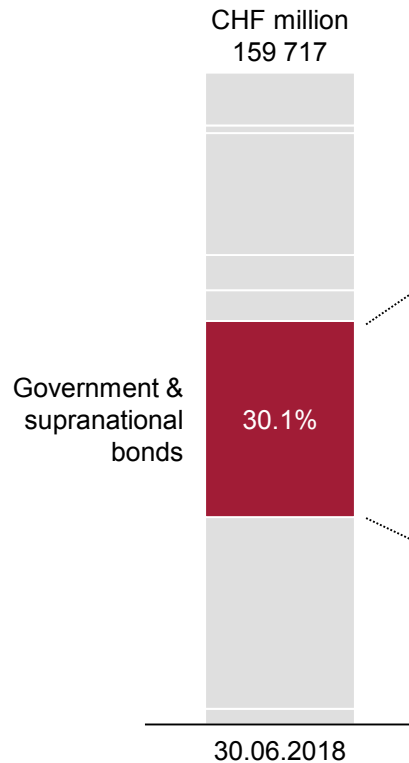


1) Including senior secured loan funds

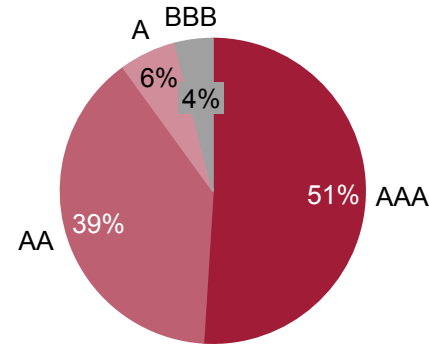
# Government & supranational bonds: Ratings and currency

PAM

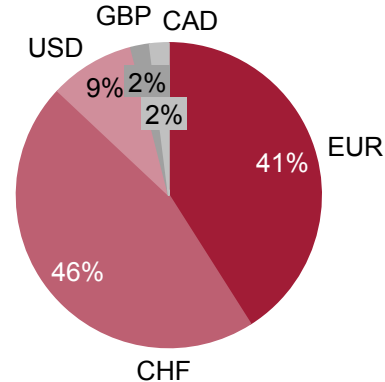
Insurance portfolio for own risk (fair value basis)



Breakdown by rating



Breakdown by currency



# Government & supranational bonds:

## Country split

Government and supranational bond portfolio (fair value basis), as of 30.06.2018,  
30.1% of insurance portfolio for own risk (CHF 48.1 bn)

### % of total government and supranational bond portfolio

Switzerland	34%
France	12%
Netherlands	10%
Germany	9%
Austria	4%
Supranationals	6%
Other	11%
<b>Europe</b>	<b>86%</b>
USA	5%
Canada	4%
Supranationals	1%
Other	4%
<b>Rest of the world</b>	<b>14%</b>
<b>Total</b>	<b>100%</b>

# Corporate bond portfolio: Ratings and currency

PAM

Insurance portfolio for own risk (fair value basis)

CHF million  
159 717

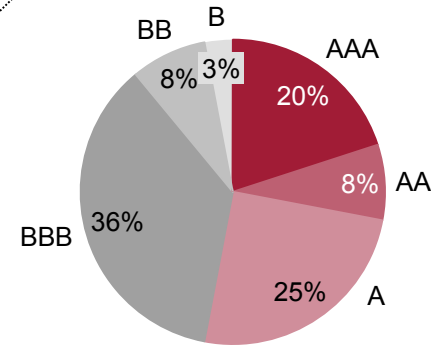
Corporate  
bonds<sup>1)</sup>

29.4%

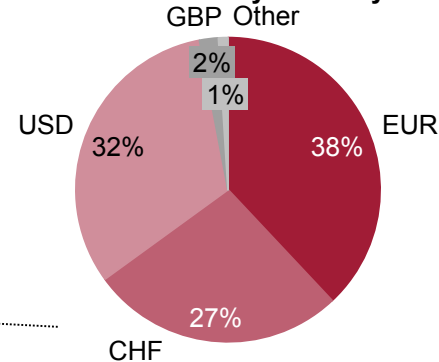
30.06.2018

1) Including senior secured loan funds

Breakdown by rating



Breakdown by currency



# Corporate bond portfolio: Industry split

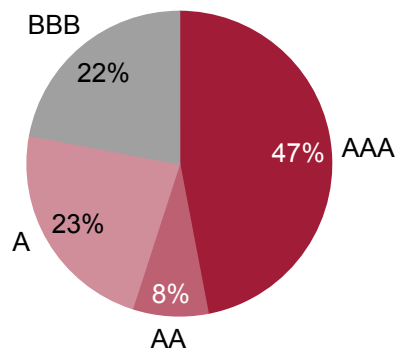
PAM

Corporate bond portfolio<sup>1)</sup> (fair value basis), as of 30.06.2018,  
29.4% of insurance portfolio for own risk (CHF 47.0 bn)

## Breakdown by industry

	% of total corporate bond portfolio
Banks	37%
Other financials	5%
Utilities	8%
Industrial	6%
Consumer non-cyclical	7%
Energy	5%
Communication	6%
Consumer discretionary	7%
Health	4%
Material	4%
Other	11%
<b>Total</b>	<b>100%</b>

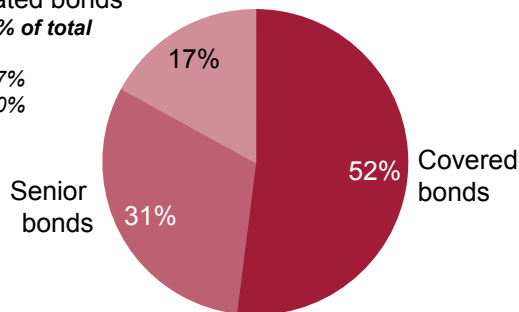
## Breakdown by rating



## Breakdown by structure

Subordinated bonds  
*Thereof in % of total  
banks:*

- Tier 2: 17%
- Tier 1: 0%

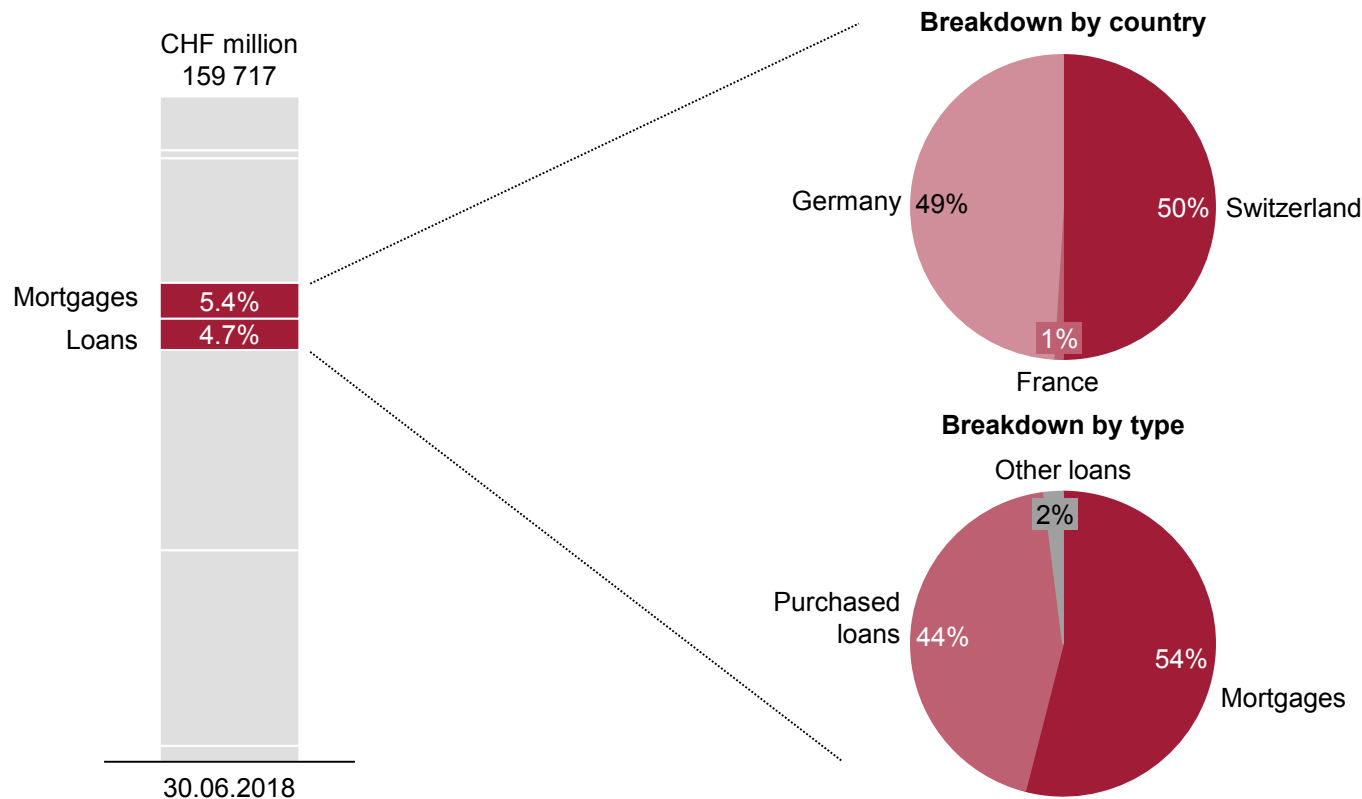


1) Including senior secured loan funds

# Loan and mortgage portfolio

PAM

Insurance portfolio for own risk (fair value basis)

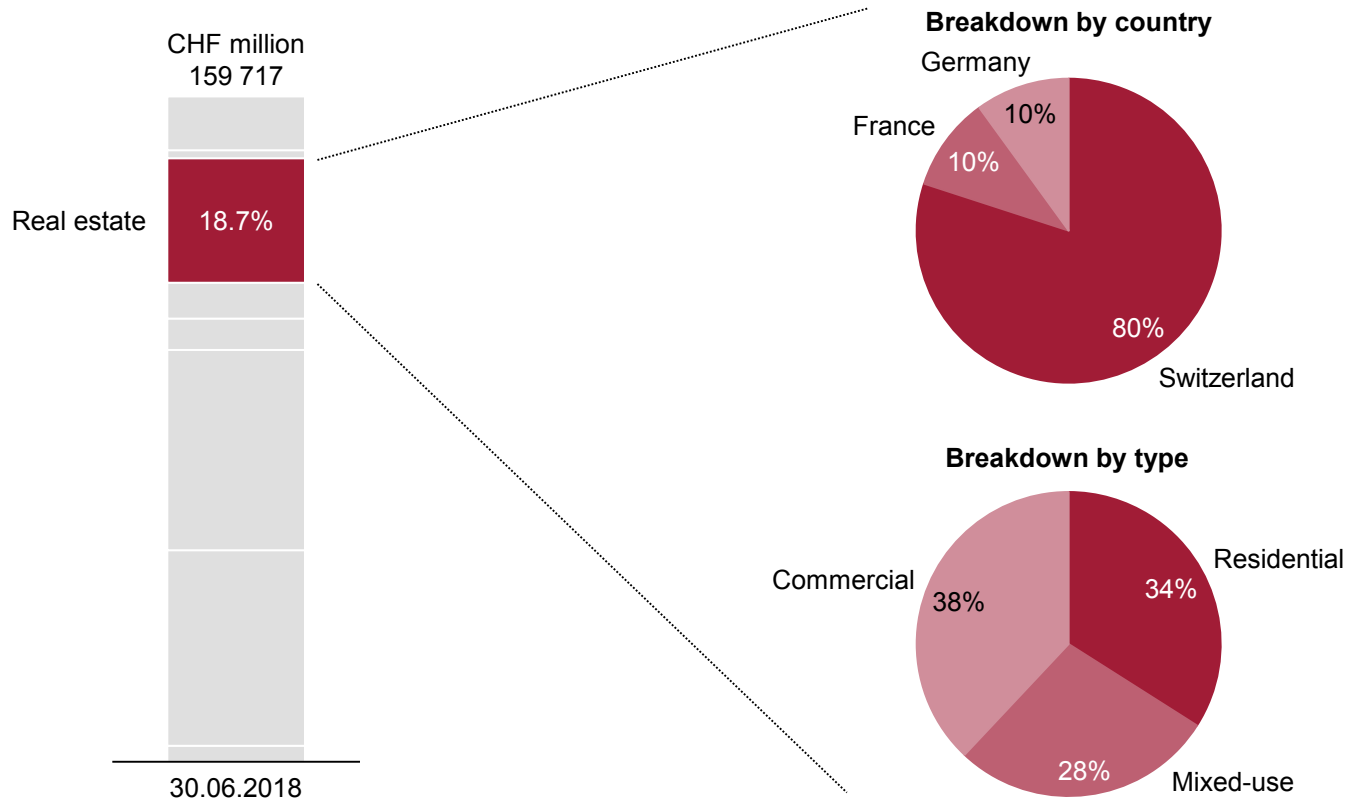




# Real estate portfolio

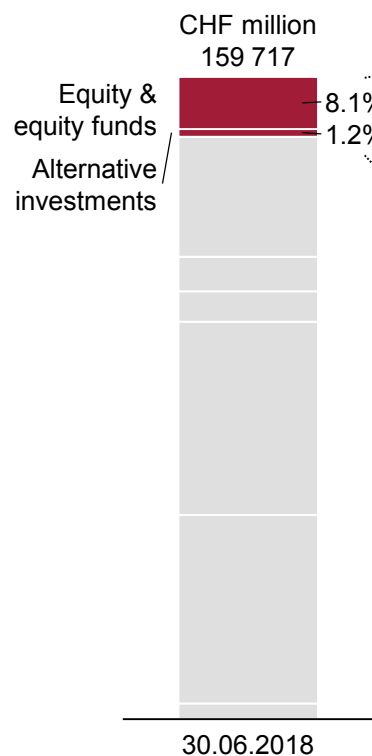
PAM

Insurance portfolio for own risk (fair value basis)

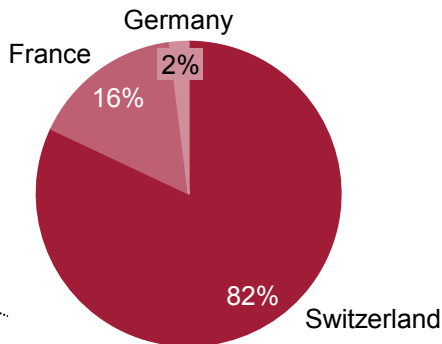


# Equities and alternative investments: Gross exposure

Insurance portfolio for own risk (fair value basis)

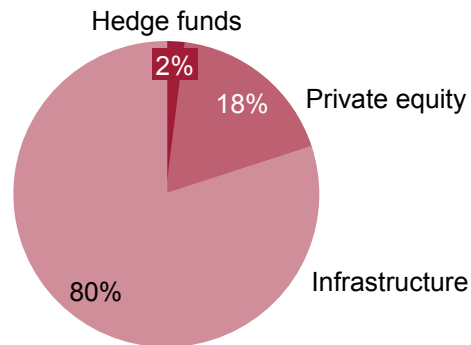


**Breakdown by country**



*Net equity exposure 3.6%*

**Breakdown by investment type**



# Forex and interest rates

## Foreign currency exchange rates

	30.06.17	31.12.17	30.06.18
EUR	1.0946	1.1704	1.1583
GBP	1.2475	1.3167	1.3088
USD	0.9591	0.9736	0.9920

01.01. – 30.06.17	01.01. – 30.06.18
1.0770	1.1707
1.2522	1.3307
0.9944	0.9671

## Interest rates (10-year government bond)

	30.06.17	31.12.17	30.06.18
CHF	-0.023	-0.149	-0.062
EUR	0.466	0.427	0.302
GBP	1.257	1.190	1.278
USD	2.304	2.405	2.860

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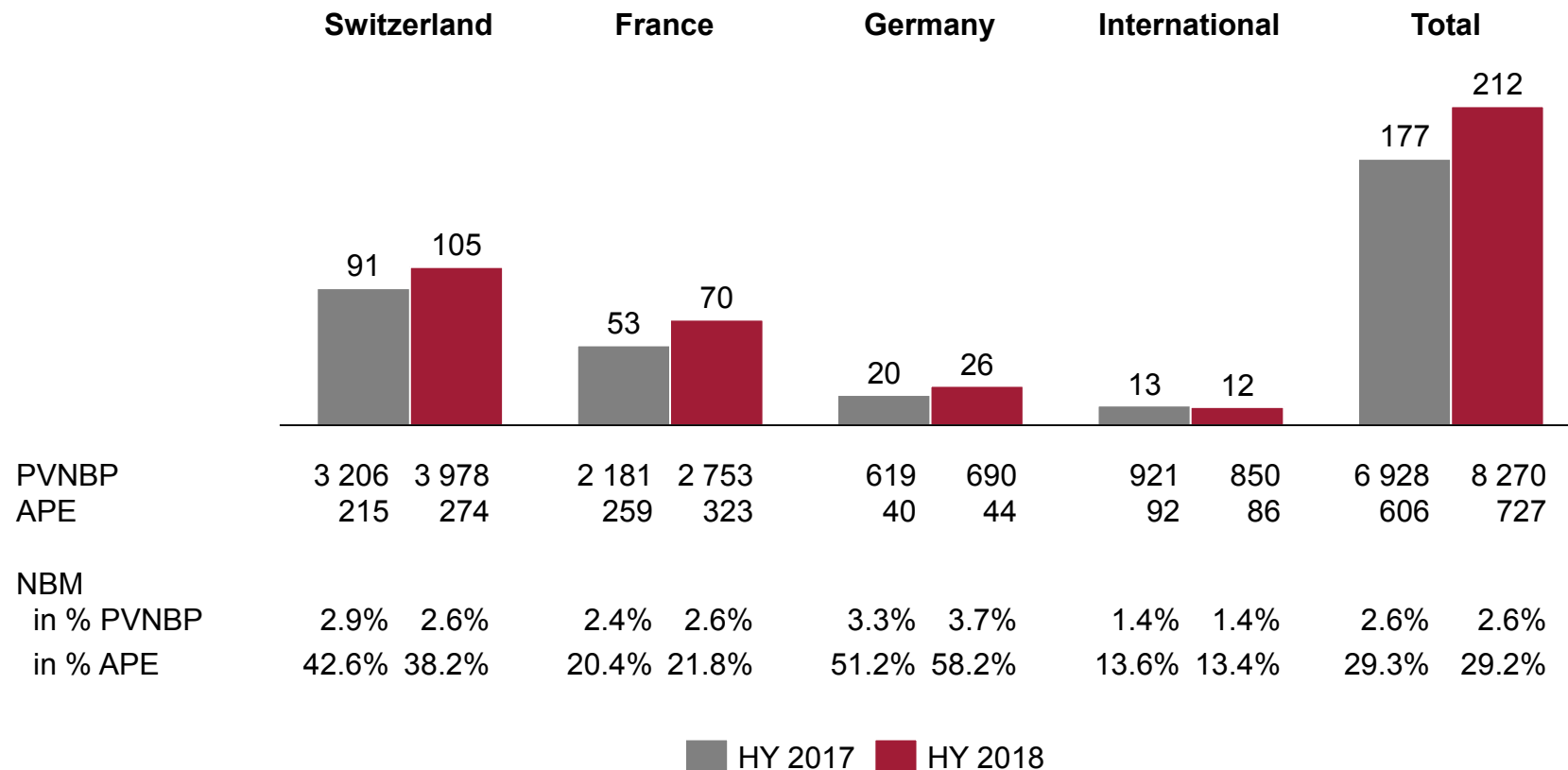
→ **Value of new business (VNB)**

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# Value of new business per segment

CHF million (MCEV basis)



# Value of new business

CHF million (MCEV basis), as per HY 2018

	Switzerland	France	Germany	International	Total
Value of new business	105	70	26	12	212
New business strain	-35	-40	-2	-3	-80
VNB before new business strain	139	111	28	15	292
Annual premiums	219	133	42	9	402
Single premiums	554	1 899	21	773	3 247
Present value of new premiums (PVNBP)	3 978	2 753	690	850	8 270
Average annual premium multiplier	15.6	6.4	16.0	8.9	12.5
New business annual premium equivalent (APE) change from HY 2017	274 +28%	323 +25%	44 +10%	86 -7%	727 +20%
New business margin (% PVNBP) change from HY 2017 in ppts	2.6% -0.2	2.6% +0.1	3.7% +0.4	1.4% 0.0	2.6% 0.0
New business margin (% APE) change from HY 2017 in ppts	38.2% -4.4	21.8% +1.4	58.2% +7.0	13.4% -0.2	29.2% -0.1

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# Abbreviations

AM	Business division Asset Managers	IL	Individual life
APE	New business annual premium equivalent	IN	Business division International
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
DE	Business division Germany	P&C	Property and casualty
EUR	Euro	P&L	Profit and loss
FINMA	Swiss financial market supervisory authority	PHD	Policyholder deposits
FR	Business division France	PHP	Policyholder participation
FX	Foreign exchange	PVNB	Present value of new business premium
FY	Full-year	RoE	Return on equity
GBP	British pound	TPAM	Third-Party Asset Management
GL	Group life	SST	Swiss Solvency Test
GWP	Gross written premiums	UK	United Kingdom
HY	Half-year	UL	Unit-linked
IFA	Independent financial advisor	USD	US dollar
IFRS	International Financial Reporting Standard	VNB	Value of new business

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

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



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# Contact details and financial calendar

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## Financial calendar

Interim statement Q3 2018

7 November 2018

Investor Day 2018

29 November 2018

Full-year results 2018

26 February 2019

Annual General Meeting 2019

30 April 2019

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