



Investor Day 2021

Swiss Life Switzerland

Markus Leibundgut, CEO Switzerland
Zurich, 25 November 2021

Swiss Life Switzerland to increase its significant contribution to the Group

Market-leading position with attractive growth potential

- Leading provider of **comprehensive life, pension and financial solutions**
- Increased **earnings power and cash remittance**
- Grew profitable and capital-efficient **individual life** and **semi-autonomous** new business
- Expanded into **retail investment market**
- Scaled own **financial advisory organisations**

Key priorities of Swiss Life 2024

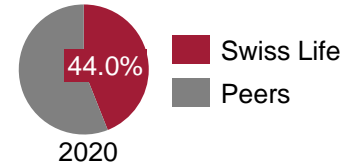
- Capitalise on strong current position in life and pensions to **realise potential in the growing personal financial assets market**:
 - Grow **advisor base and effectiveness**
 - Access **affluent and digitally savvy customer segments**
 - Further optimise **back-book** and manage **new business** for value
- Significantly grow **large contribution** to Swiss Life Group:
 - Grow **cash to Holding** to CHF 1 350 – 1 400 m (cumulative 2022-2024)
 - Increase **segment result** to CHF ~1 bn and **VNB** to CHF > 200 m by 2024
 - Achieve **fee result** of CHF ~30 m by 2024 while investing in growth

Build on strong market position to deliver on Swiss Life 2021 targets

Strong market position

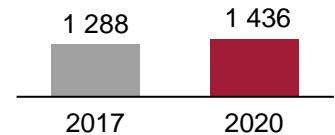
Combined share of addressable life and pensions market

- GL¹⁾: No. 1 with a sizeable share
- IL: Continuously no. 1



Number of total advisors

Tied agents and owned IFA, in #



Well positioned for further growth

- Successfully introduced **investment solutions** for retail customers and grew **semi-autonomous pension solutions** for corporate customers (incl. individualised 1e investment solutions)
- **Strengthened market access** through implementation of end-to-end customer / advisory process

Expect to successfully deliver on Swiss Life 2021

Swiss Life 2021 financial targets

• Fee result FY 2021:	CHF 25-30 m	CHF 26 m
• Risk result FY 2021:	CHF 260-270 m	CHF 266 m
• Life efficiency ratio FY 2021:	0.34%-0.36%	0.28% ²⁾
• VNB cumulative (2019-2021):	CHF > 480 m	CHF 191 m
• Cash remittance FY 2021:	CHF > 400 m	CHF 414 m

FY 2020

Current assessment

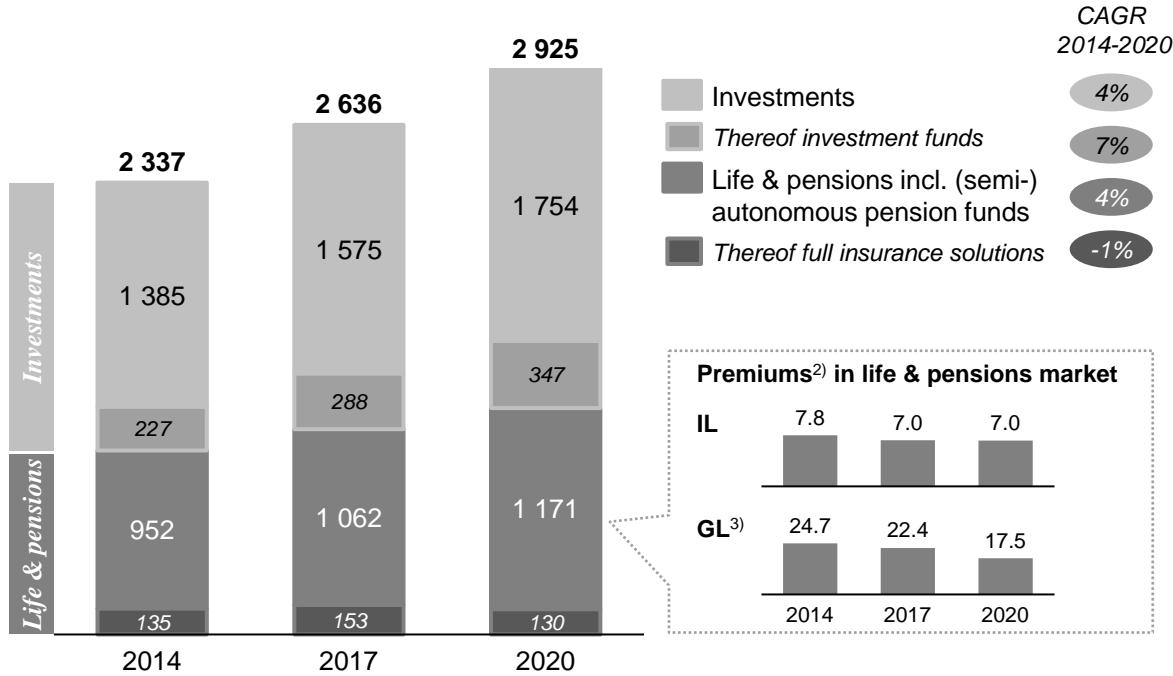
On track	✓
Ahead	✓
On track	✓
Ahead	✓
Ahead	✓

1) On-balance-sheet business only 2) Positively impacted by pension plan amendment in 2020

Market for personal financial assets offers future growth potential

Market for personal financial assets

Including life insurance and corporate pensions¹⁾, excluding real estate, CHF bn



Swiss market for personal financial assets is attractive for Swiss Life

- Personal financial assets market is large and continues to grow with investment funds rising above average
- Assets in life insurance and corporate pensions grow in line with the market, driven by intrinsic growth
- However, premiums in IL and GL decline as customers shift to investment and autonomous pension funds

Swiss Life with strong market position

- Market leader in GL with growing position in semi-autonomous corporate pensions
- Market leader in IL with profitably growing new business volume
- Built foothold in retail investment products

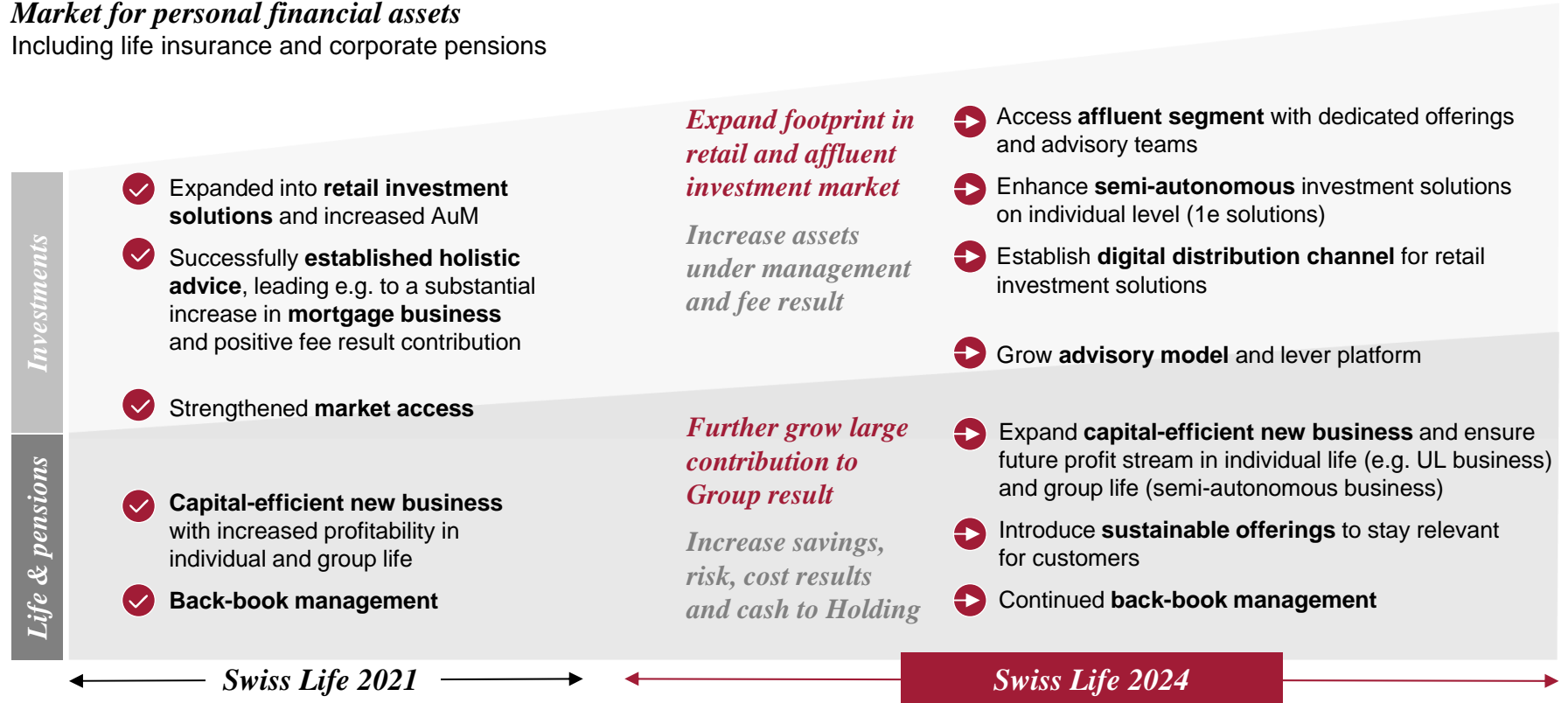
1) Sources SNB, FINMA, Federal Statistical Office; corporate pensions are included given their availability for financing of private homes and self-employment

2) GWP, CHF bn 3) On-balance-sheet business only

Capture opportunities in both areas of the Swiss personal financial assets market

Market for personal financial assets

Including life insurance and corporate pensions



Swiss Life 2021

Swiss Life 2024

Attractive 2024 growth ambitions

Swiss Life 2024 divisional priorities

- 1** *Optimise business mix and back-book*

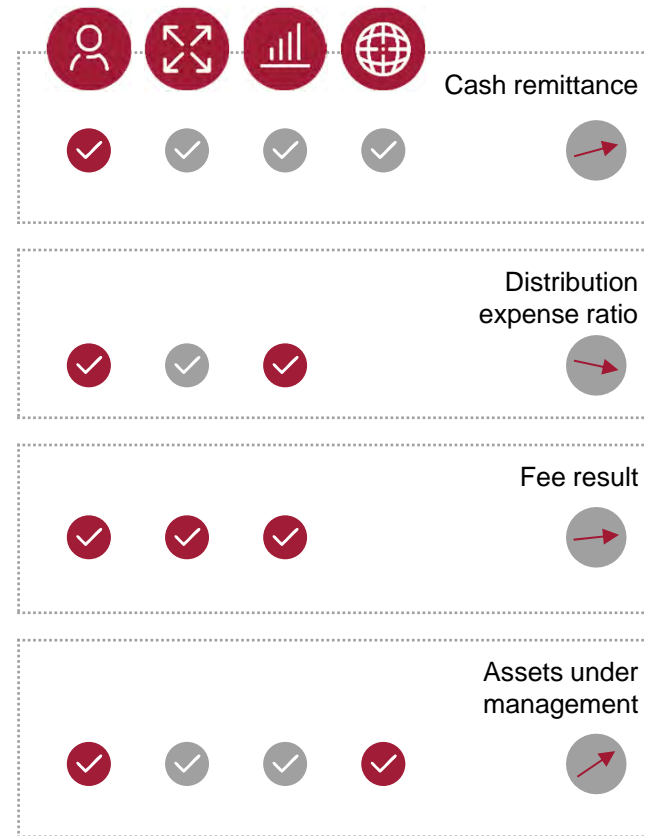
 - Expand **new business** with capital-efficient solutions
 - Anchor **sustainable offerings** in all business lines
 - Further manage **back-book** and increase cash to Holding
- 2** *Ensure scalability and productivity*

 - Enhance **operational efficiency in back office** through structured process and strict cost management
 - Increase **advisory efficiency** in own operations
- 3** *Increase advisory effectiveness*

 - Increase the **number of advisors** to further grow fee business from advice and investment solutions
 - Leverage “**phygital**” **advisory model** (end-to-end)
- 4** *Attract customers in new segments*

 - Grow in the **personal financial assets market** with a new offering for **affluent customers** to increase AuM
 - Establish **digital distribution channel** with a mobile-first solution focusing on **sustainability**

Supported Group strategic actions & KPIs



Customer relationships
 Advisory power
 Operational scalability
 Sustainability

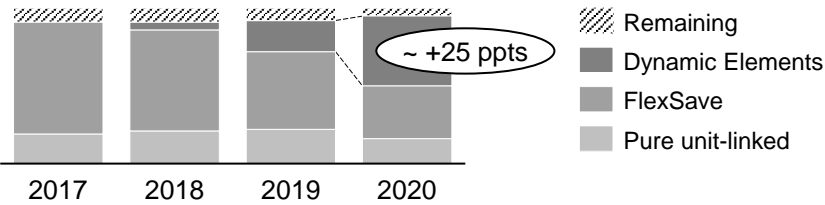
Direct impact
 Indirect impact
 CAGR 2020-2024

Strong starting position with significantly lower guarantees in individual life

New business guarantees significantly reduced

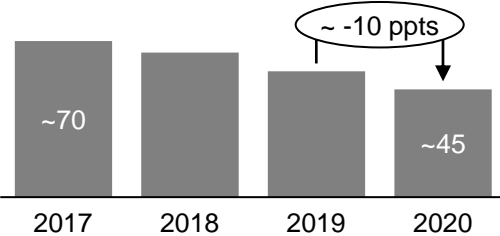
New business production

100%



Average guaranteed endowment benefit of new business

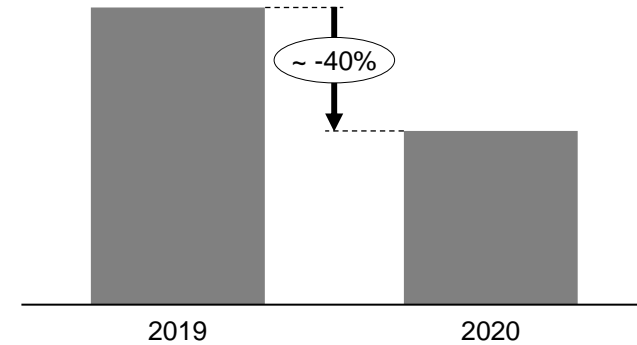
In % new business premiums



Leading to lower economic capital required

Incremental required economic capital for new business

In % of PVNBP for new CH IL business



- Offering shifted towards **products with reduced average guarantees** in periodic and single premium business
- Maintained **earnings power** and increased new business volume and margin in life insurance

Attractive full-range offering ensures capital efficiency in individual life going forward

Swiss Life 2024 initiatives

- Further **increase capital-light ratio** in periodic and single premium new business to enhance new business margin and capital efficiency
- Further **grow value of new business** despite declining accessible market
- **Launch sustainable product offerings** in all lines of business, such as investment and individual life green mortgage solutions
- Optimise offering in **P&C and health insurance** with “Best Select” third-party products

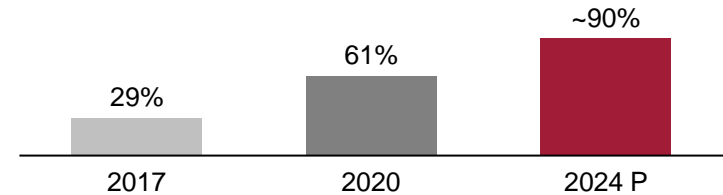
What remains key

- Stick to **full-range offering**
- Keep focus on **capital-efficient new business** and **margin management**

Supported KPIs

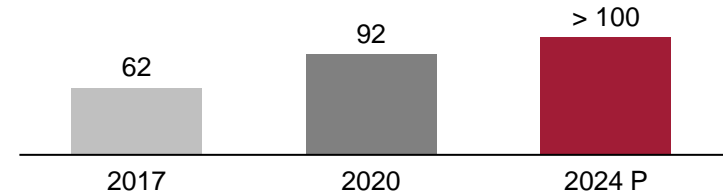
Individual life capital-light ratio

In % of new business single and periodic premiums



Individual life value of new business

CHF m



Steady contribution from disciplined management of group life full insurance business

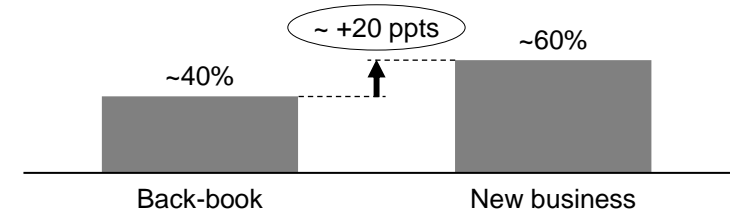
Contribution to Swiss Life Group

FY 2020

- **~30%** contribution to risk result
- **~20%** contribution to asset management income
- Cost premium covers **~15%** of total costs

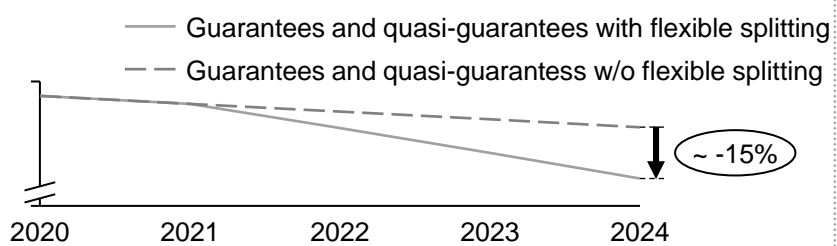
High quality of new business

Higher share of non-mandatory coverage within savings premiums in 2020



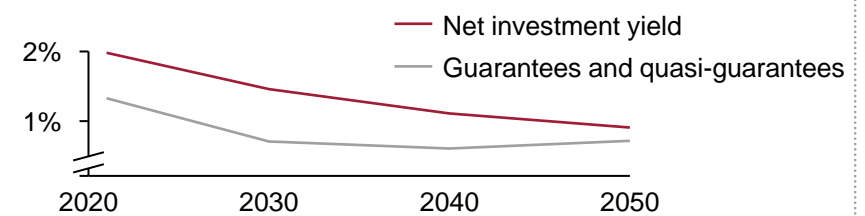
Decreased guarantees and quasi-guarantees

Lower overall guarantees in pension portfolio



Constantly optimised back-book

Positive interest rate margin secured for decades due to active steering of guarantees and ALM



Further expand group life business with semi-autonomous solutions

Swiss Life 2024 initiatives

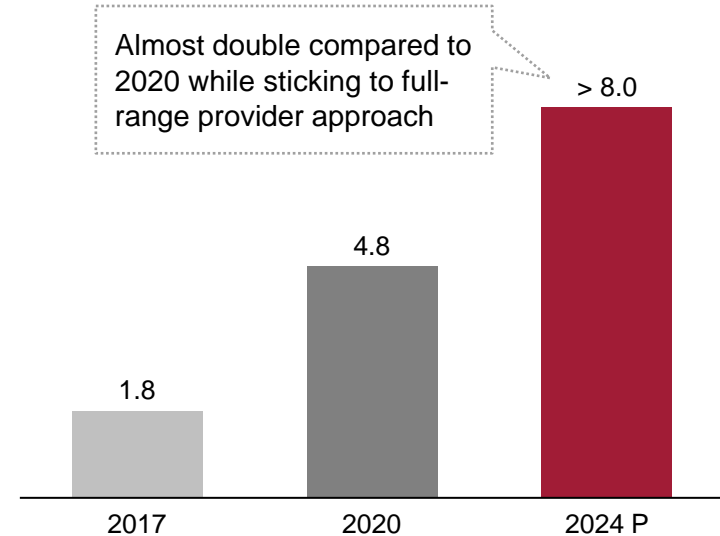
- Further grow **semi-autonomous** solutions
- Increase market share in **semi-autonomous** investment solutions on **individual level** (1e solutions)
- Develop existing customer relationships from back-book by servicing policyholders in the **affluent segment** with dedicated offerings

What remains key

- Stick to **full-range provider** approach to address all segment and customer needs
- Continue disciplined underwriting in **full insurance business** in line with interest rate level and reduce **cross-financing** of new pensioners
- Secure positive **interest rate margin** for the long run

Supported KPIs

AuM in semi-autonomous solutions CHF bn



Enhance operational efficiency across advisory and back-office organisations

Swiss Life 2024 initiatives

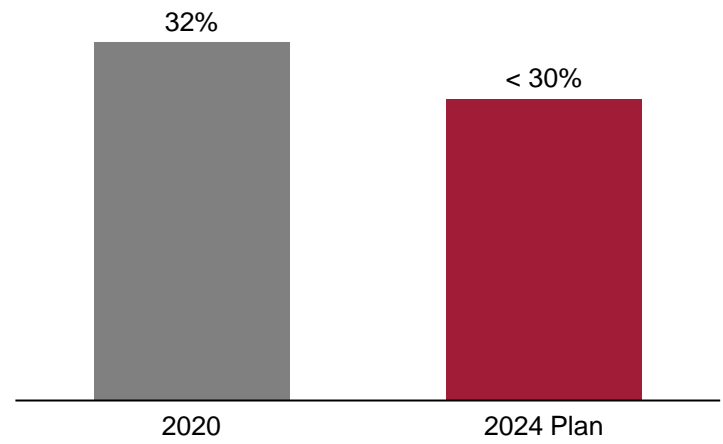
- Improve **advisory efficiency** and **scalability** by deploying systems and tools and by realising synergies across the advisory and back-office organisations
- Further increase **operational efficiency** and customer satisfaction through consistent application of **process and lean management**

What remains key

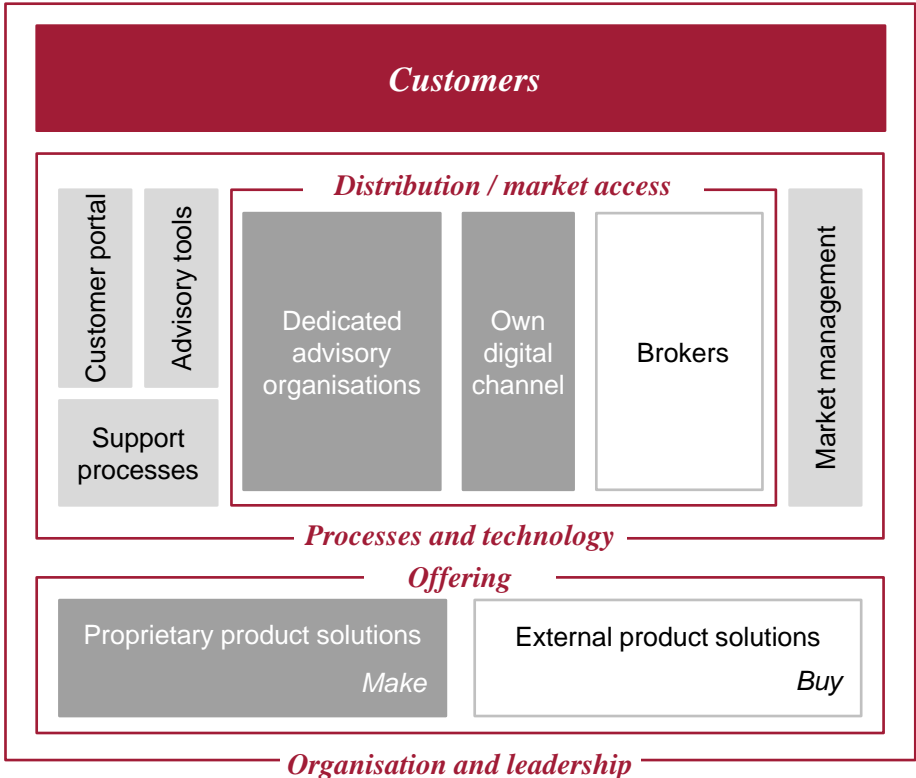
- Stick to the approach of a **single platform** in both advisory organisations for customer advice and support
- **Operational efficiency** in back office
- Comprehensive **process management** and process ownership with clear responsibilities

Supported KPIs

Distribution operating expense ratio
Administrative costs in distribution channels (tied agents + owned IFA) in % of revenues



Platform business model established to deepen customer relationships



Our purpose:
We enable our customers to lead a self-determined life

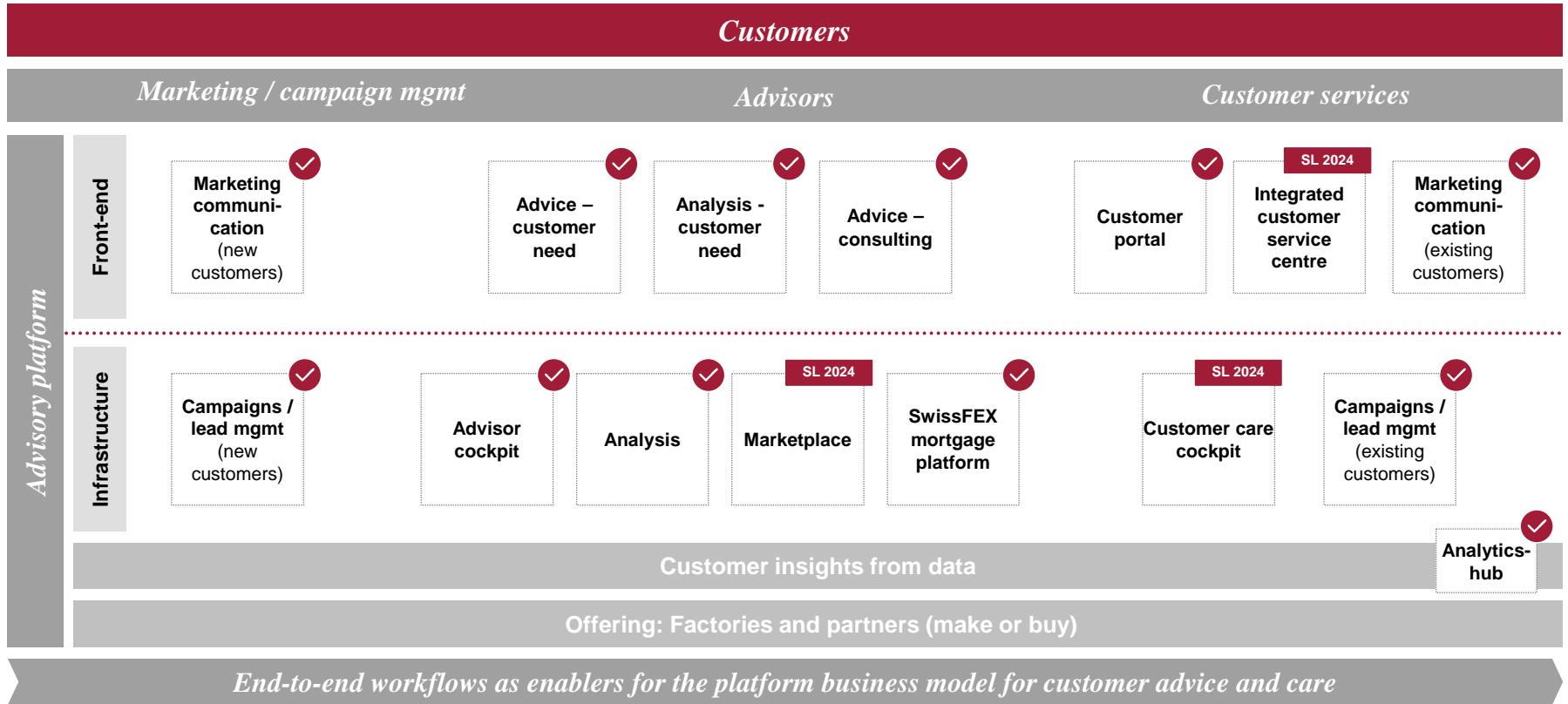
- Further **enhance strong advisory power** with a pure digital distribution channel as well as a dedicated advisory organisation for affluent customers
- Enhance **phygital customer and advisory process** based on a scalable platform business model
- Ensure **profitability in own product offering** and continue make-or-buy approach

■ Proprietary ■ Technology □ Third-party



End-to-end customer process to increase productivity

3 Increase advisory effectiveness



Grow advisory model and lever platform

3 Increase advisory effectiveness

Swiss Life 2024 initiatives

- Grow **advisors** to > 1 650 to expand fee business
- Enhance financial **advisory effectiveness** and further realise potential in **holistic advice** with tied agents
- Implement **optimised career & compensation models**
- Strengthen **entrepreneurship** in advisory organisations to **attract talents** and enhance productivity

What remains key

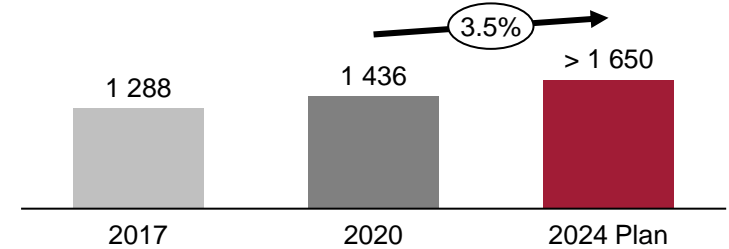
- Unique **competitive advantage** with two own advisory organisations (tied agents and Swiss Life Select) of > 1 400 advisors
- **Offering personal financial advice** based on broad range of life and other solutions¹⁾
- **Phygital customer & advisory process** scaled across owned advisory organisations and customer segments

1) E.g. investment solutions, mortgages, P&C and health insurance

Supported KPIs

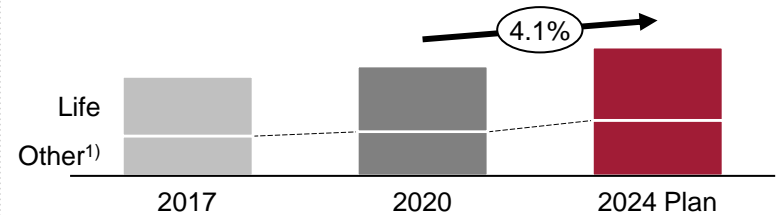
Number of total advisors

Tied agents + owned IFA in #, CAGR



Distribution efficiency and effectiveness

Distribution income tied agents + owned IFA, CHF m, CAGR



Successfully addressing broad customer needs, in particular retail investments

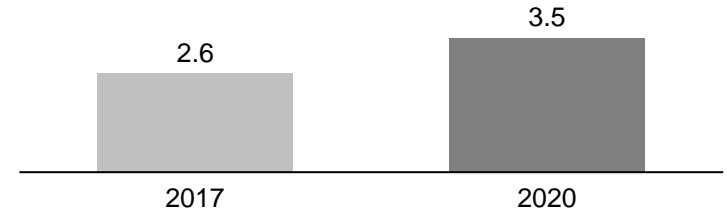
Expanded into investment market

- Successfully built a **strong foothold in retail investment offerings** based on high credibility for life and pension solutions
- Expanded into offering customers **holistic financial advice and solutions**
- Strengthened the **mortgage business** and built a **mortgage brokerage platform**
- Established a **real estate broker**

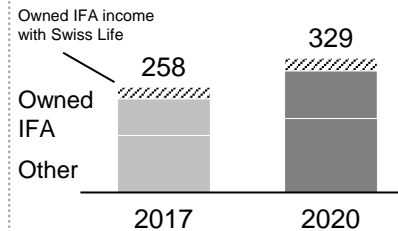
- **Growing personal financial assets market** provides further growth potential
- **Attracting customers in new segments** will also increase fee income and AuM going forward (details on following slide)

Increased AuM as well as fee income and fee result

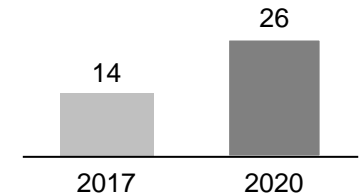
AuM with private customers
CHF bn



Total fee income
CHF m



Fee result
CHF m



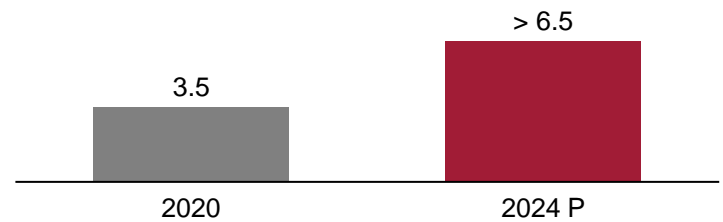
Increase footprint in the personal financial assets market and attract digitally savvy customers

Swiss Life 2024 initiatives

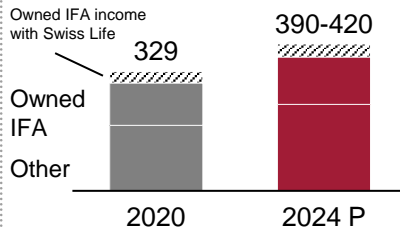
- Systematically **develop affluent customer segment** to grow **assets under management** and **fee business**
 - Provide **holistic advice** with dedicated advisory teams and expand segment access of existing advisory organisations
 - Expand investment offerings to fit segment needs
- Introduce **pure digital distribution channel** to target the **digitally savvy customer segment**
 - Dedicated products developed for online / mobile distribution focusing on sustainability
 - Focus on sustainable investments, starting with a pillar 3a solution
- Fee result to grow to about CHF 30 m while investing in abovementioned growth initiatives

Supported KPIs

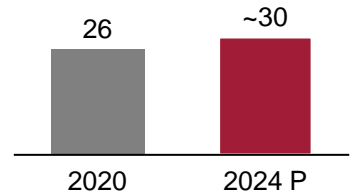
AuM with private customers
CHF bn



Total fee income
CHF m



Fee result
CHF m



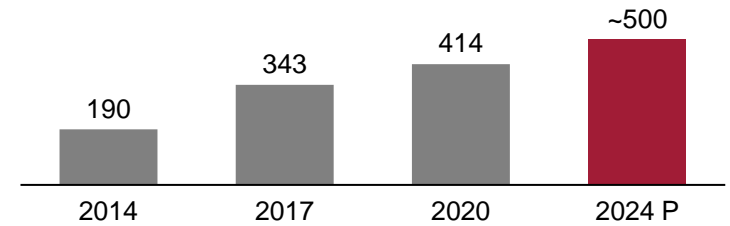
Substantially contributing to growth of Group KPIs based on Swiss Life 2024 initiatives

Grow large contribution to Group result

- **Profitable new business** secures growing risk & cost results and protects the quality of the back-book
- **Disciplined back-book management** based on ALM further increases the savings result
- **New initiatives** in the market for personal financial assets grow assets under management and fee result

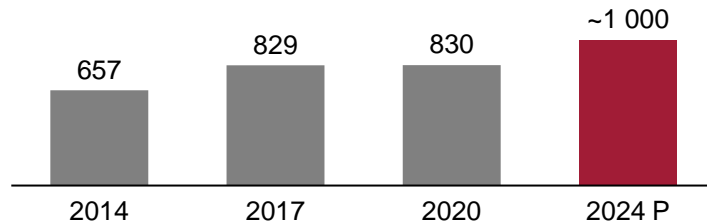
Cash remittance¹⁾

CHF m



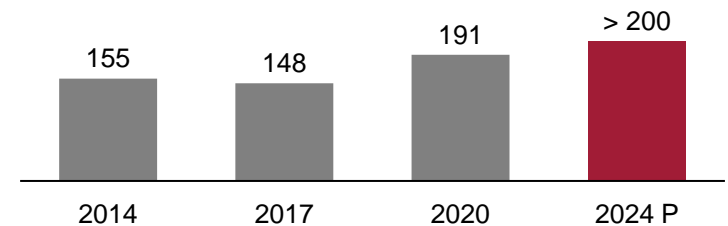
Segment result²⁾

CHF m



Value of new business

CHF m

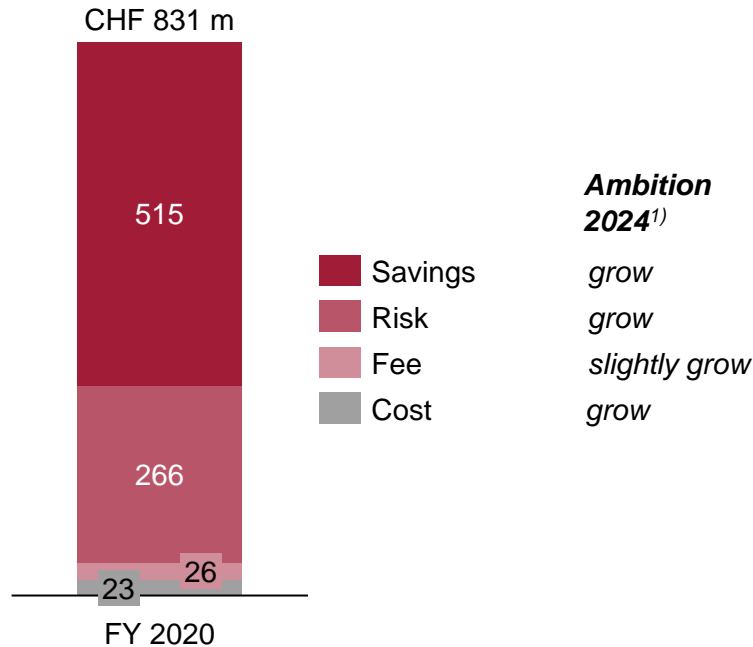


1) CHF 1 350 – 1 400 m (cumulative 2022-2024) and CHF 1 176 m (cumulative 2018-2020)

2) Based on IFRS 4 / IAS 19 accounting standard

Swiss Life 2024 will result in profit growth, especially from savings and cost results

Profit by source driven by savings and cost results



- **Savings result** expected to grow from FY 2020 level, which was impacted by Covid-19 market volatility
 - Disciplined and capital-efficient management of back-book and new business focusing on ALM
 - Positive interest rate margin secured for more than three decades
- Increase in **fee result** mostly offset by investments in future growth initiatives such as exploiting affluent and digitally savvy segments
- **Risk result** growth due to strict underwriting
- **Cost result** further growing through efficiency gains in advisory organisations and back office
- Growing savings, risk, fee and cost results with positive impact on **cash remittance** to Holding

1) PbS guidance based on IFRS 4 / IAS 39 accounting standard

Swiss Life Switzerland to increase its significant contribution to the Group

Market-leading position with attractive growth potential

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Contact details and financial calendar

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Financial calendar

Full-year results 2021	01 March 2022
Annual General Meeting 2022	22 April 2022
Interim statement Q1 2022	11 May 2022
Half-year results 2022	17 August 2022

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