



Baader Helvea Swiss Equities Conference  
**Swiss Life**

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13 January 2022

# Key messages

1

*Attractive starting position with Swiss Life 2021 targets to be achieved or exceeded*

- Excellent **market positions** and **advisory networks**
- **Resilient business model** based on strong **earnings quality**
- Disciplined **local execution**
- Successfully **executed three strategic programmes** in a row and **about to deliver on Swiss Life 2021**

2

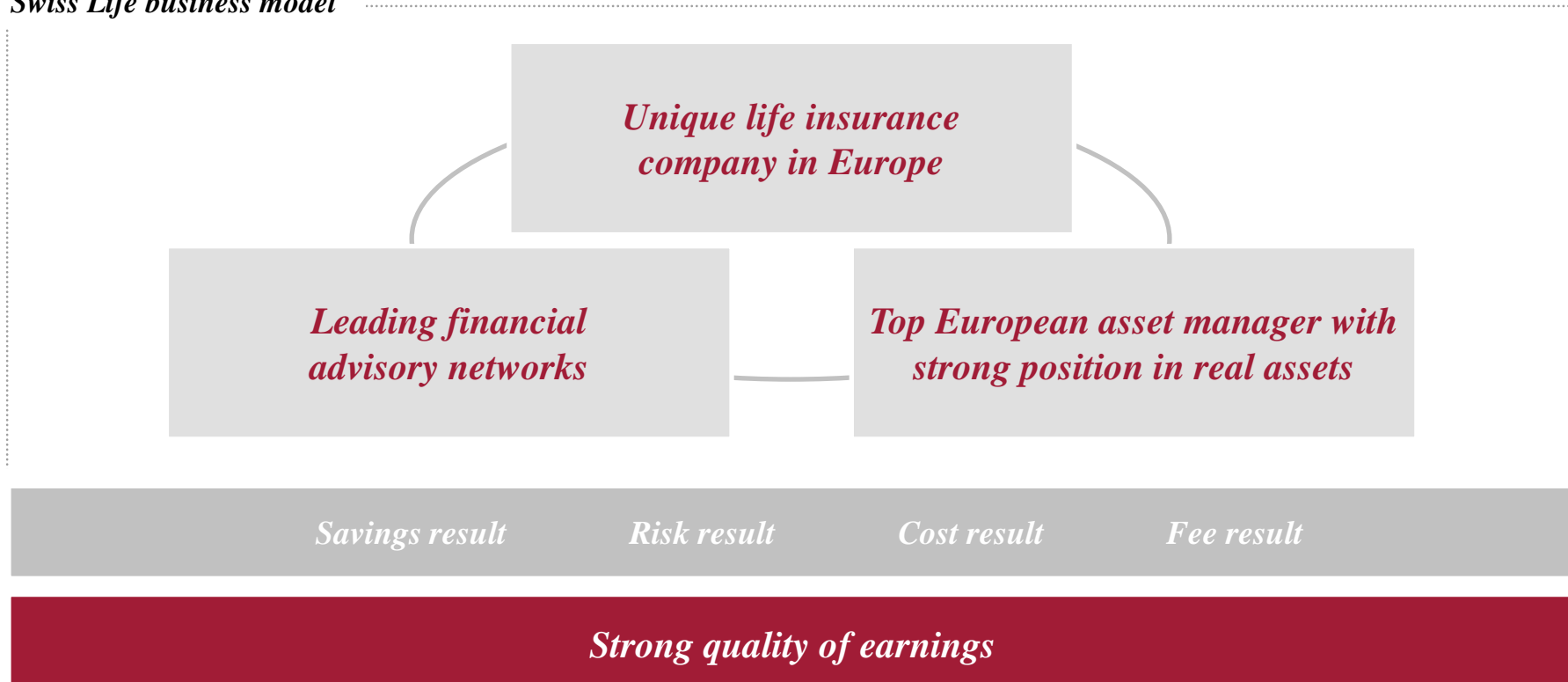
*Swiss Life 2024 to set direction for profitable growth path*

- Swiss Life 2024 **strategic actions** to drive profitable growth
- Ambitious **financial targets**
  - Strengthen **quality of earnings** and **earnings growth** by growing the fee result and the RoE
  - Higher **cash returns to shareholders** (dividend payout ratio and share buyback) based on growing cash remittance to the Holding

# Swiss Life has a unique and strong position

1 *Attractive starting position*

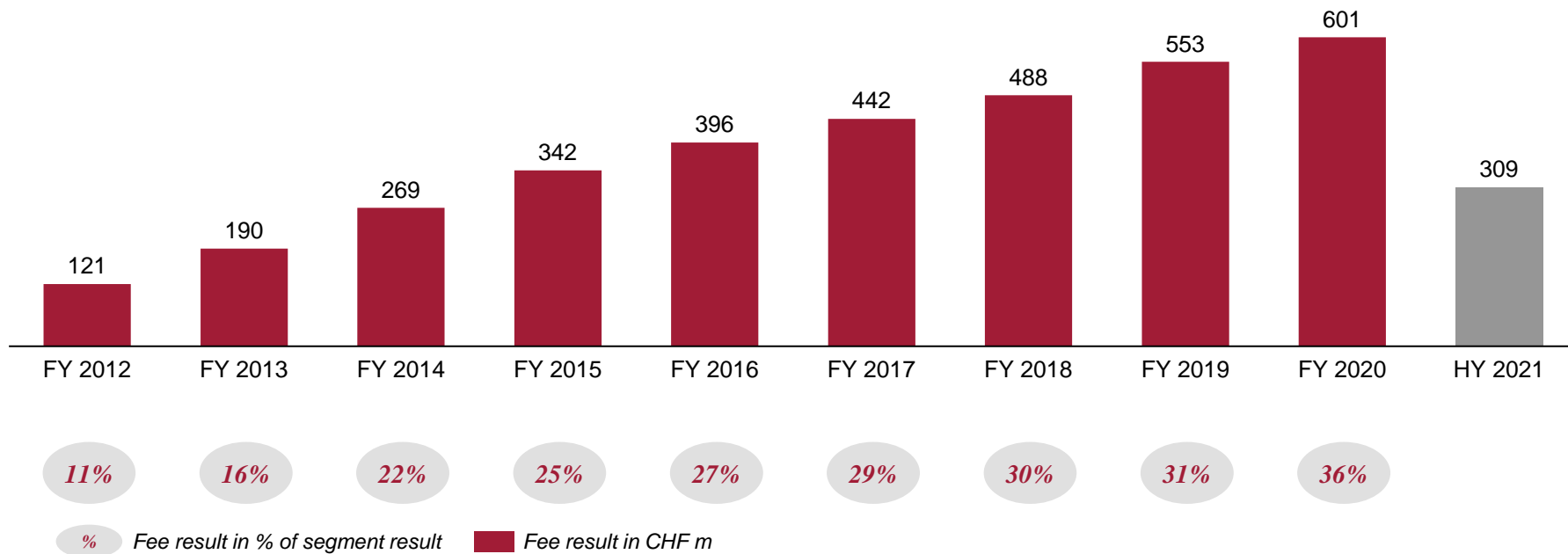
## *Swiss Life business model*



# Since 2012, we have substantially improved the earnings quality by growing the fee result, ...

1 Attractive starting position

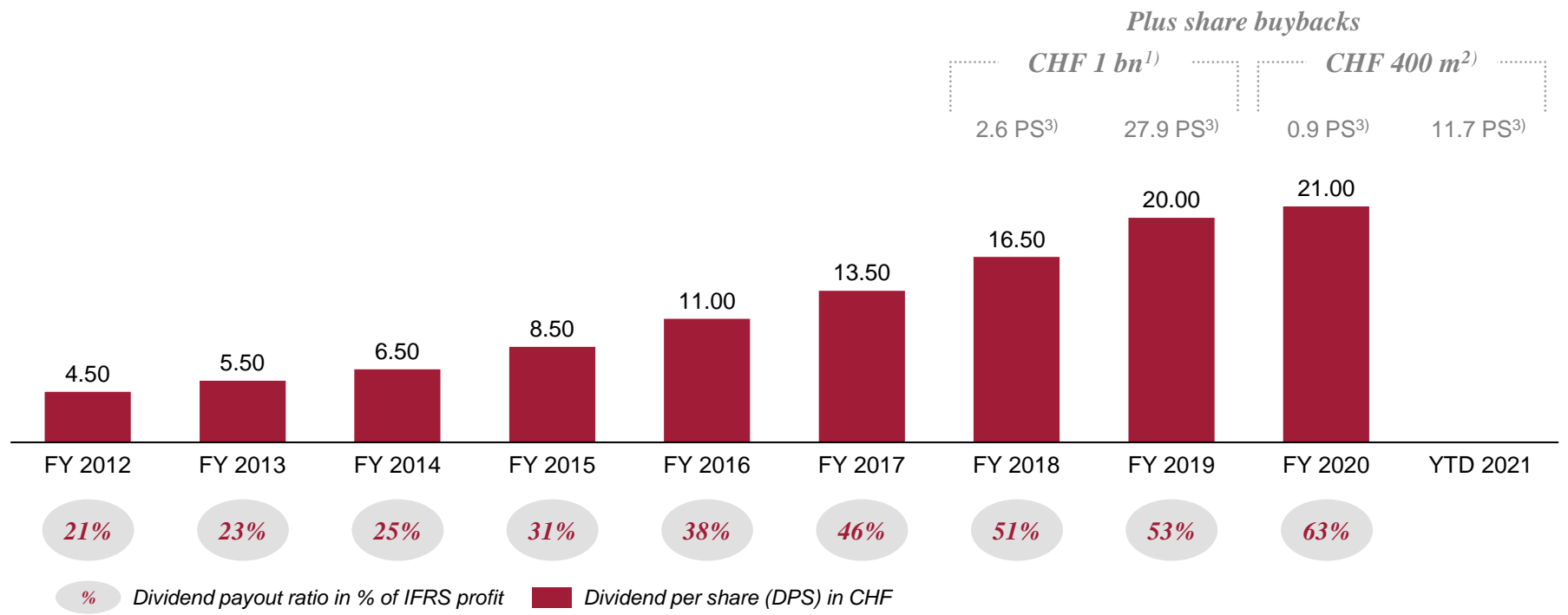
## Fee result<sup>1)</sup>



1) As reported in respective FY and HY

# ... more than quadrupled the dividend per share and implemented two share buybacks

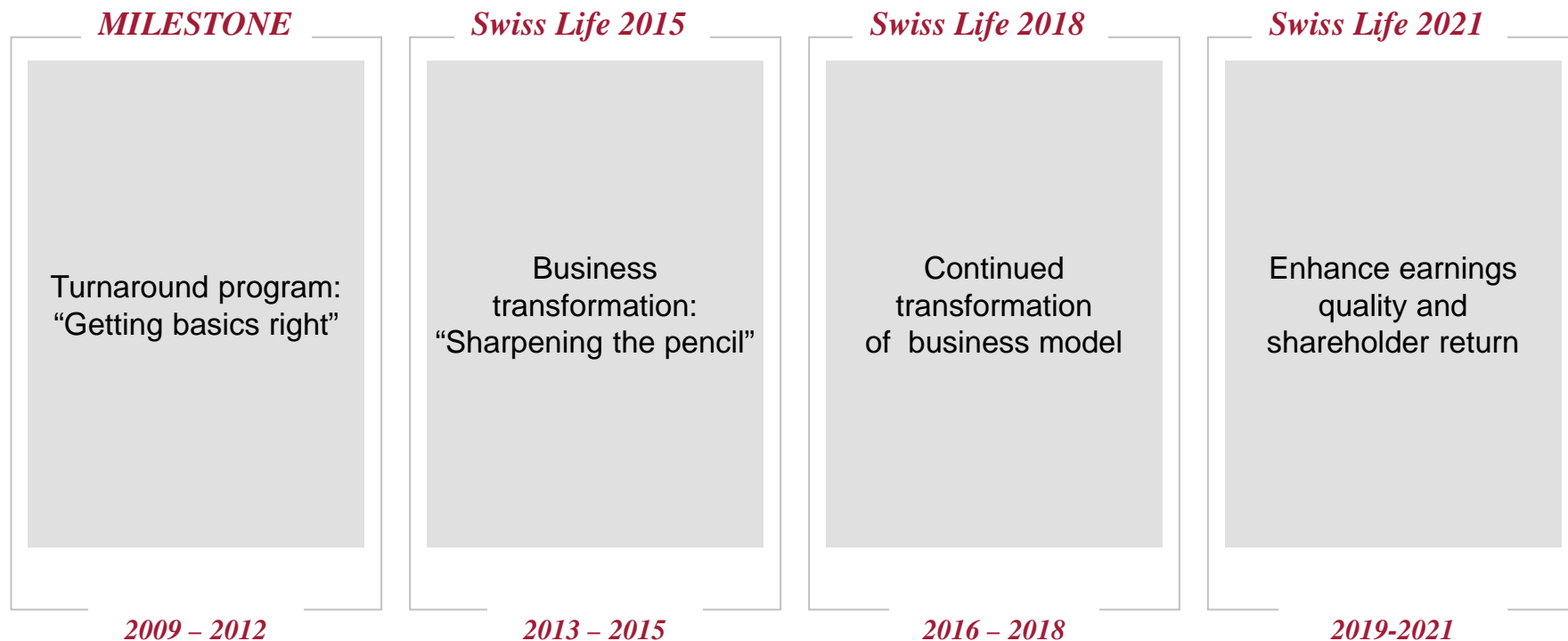
## Dividend and share buybacks



1) From December 2018 to December 2019    2) From March 2020 to May 2021    3) PS = Per share (share buyback per shares outstanding in CHF)

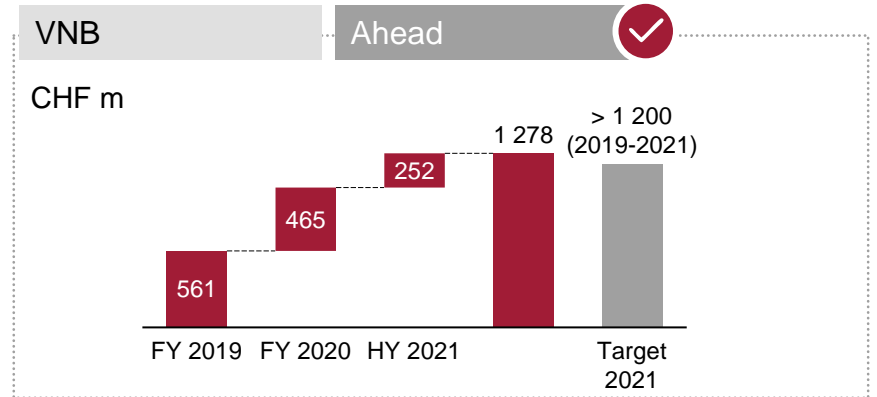
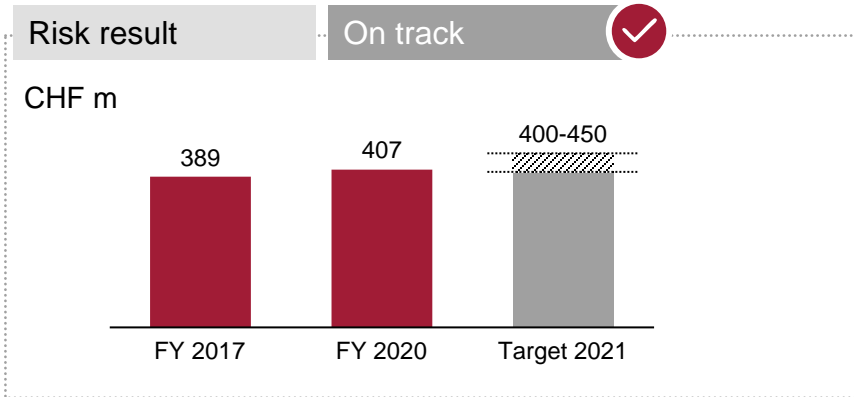
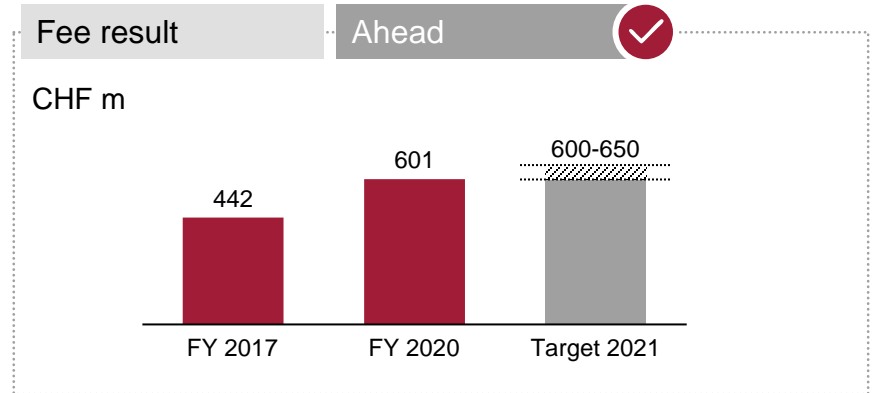
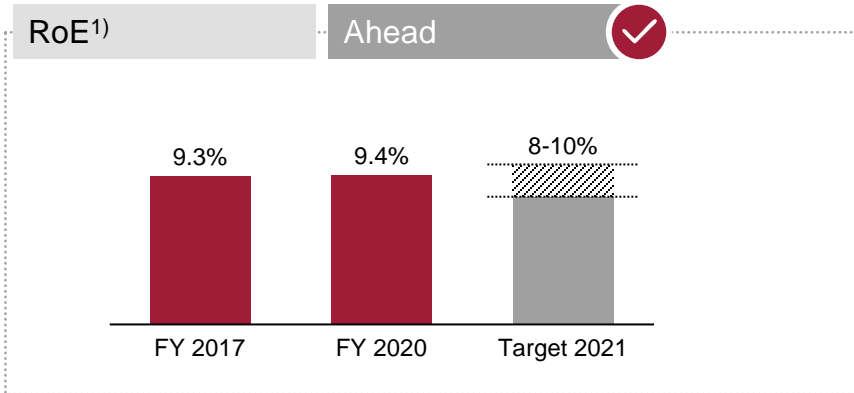
# Successfully executed three programmes in a row and about to deliver on Swiss Life 2021

1 *Attractive starting position*



# Swiss Life 2021 financial targets ...

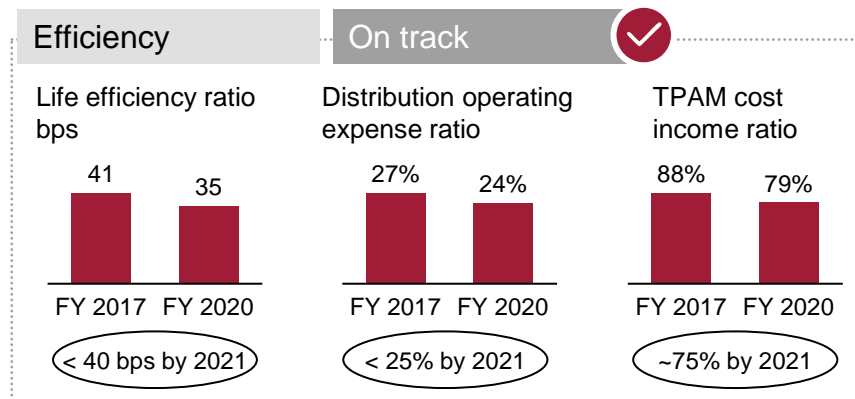
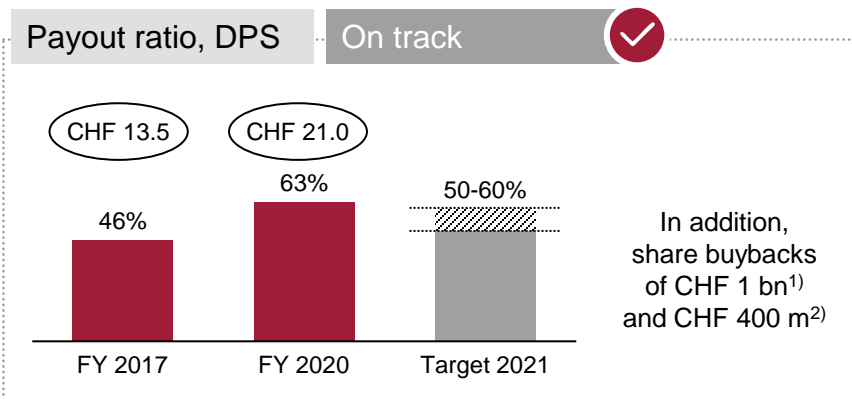
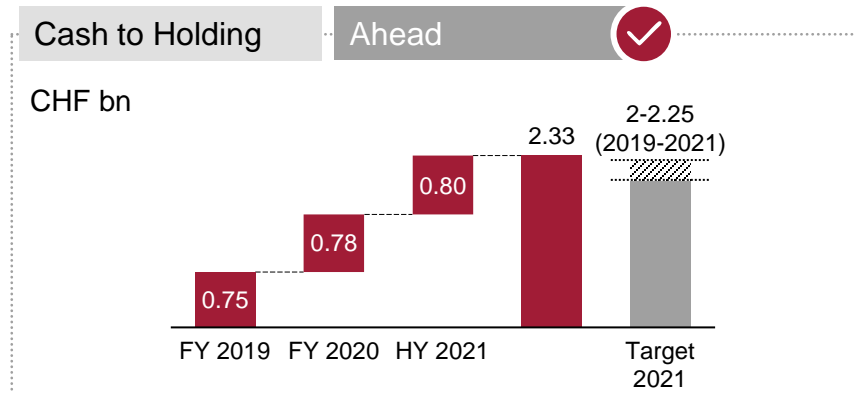
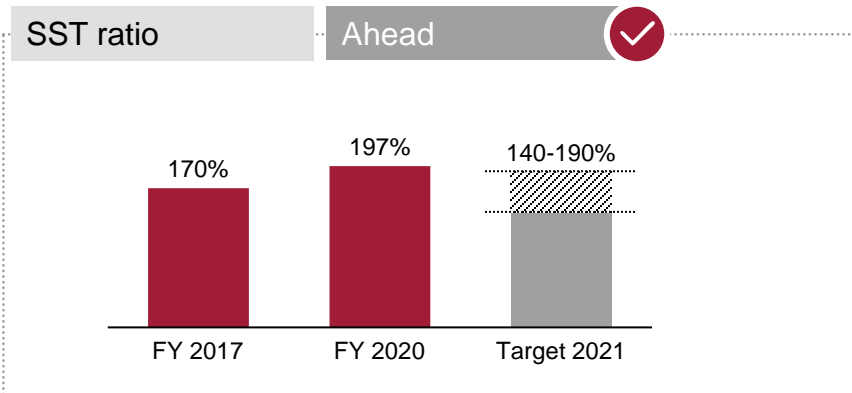
**1** *Attractive starting position*



1) Shareholders' equity excl. unrealised gains/losses

# ... to be achieved or exceeded

1 *Attractive starting position*



1) From December 2018 to December 2019 2) From March 2020 to May 2021



# Swiss Life well positioned to be on top of long-term trends and to seize opportunities

## Long-term trends

*Increasing pension and protection gaps*

*Customer need for financial advice*

*Low interest rate environment*

*Sustainable value creation*

## Swiss Life's position

- **Swiss Life** provides **life, pensions and financial solutions** for the long run to address growing pension and protection gaps
- **Swiss Life's** more than **17 000 advisors** offer high-quality “phygital” advice based on state-of-the-art tools and services
- **Swiss Life Asset Managers** achieve resilient yields and growing results based on optimised portfolio including **real assets**
- **Sustainability** is an integral part of our business and at the heart of what we do

## Our purpose

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

# Swiss Life 2024 strategic actions contribute to future financial results

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

## *Strategic actions*



*Deepen customer relationships*



*Strengthen advisory power*



*Expand operational scalability*



*Anchor sustainability in our business*

## *Financial ambitions*

*Quality of earnings and earnings growth*

*Capital, cash and payout*

# Sustainability is anchored in our business and at the heart of what we do

*Sustainability is an integral part of our business and at the heart of what we do*

## ***Our actions***

in business behaviour



as an asset owner & manager



in insurance & advisory



as an employer



## ***Our contribution***



to society



to people's lives



to the environment

# Sustainability actions and targets will support further stakeholder value creation

## Our sustainability targets

### Business behaviour

Reduce CO<sub>2</sub> emissions per FTE by 35% by 2024<sup>1)</sup> and compensate emissions to reach net-zero operations

- Reduction of **business travel**
- Further improvement of **energy efficiency**
- Reach **net-zero operations** by 2022 through compensation of all unavoidable CO<sub>2</sub> emissions in own business behaviour

### Asset owner & manager

Reduce CO<sub>2</sub> emission intensity for directly owned real estate by 20% by 2030<sup>1)</sup>

- Strong **ESG integration**: Responsible investment strategy covers **90% of AuM**
- Maintain strong **ESG risk management** while seizing opportunities and solutions
- **Securities portfolio**: Maintain lower carbon intensity than relevant benchmarks

### Insurance products

Expand offering with sustainability solutions

- Respond to increasing market demand and **expand value-creating offering** with sustainable solutions
- Continue to integrate sustainability criteria in the **underwriting process**

### Advice

Integrate sustainability in the advisory process

- Adapt **advisory processes** and tools to meet growing customer sustainability expectations
- Systematically **enhance competencies** and integrate new own and 3rd-party sustainability offerings

1) Compared to 2019

# With Swiss Life 2024, we are building on proven strengths and success factors

## *What remains key*

### *Quality of earnings and earnings growth*

- Continued focus on **growing fee result** and on **return on equity**
- Disciplined **ALM** and **capital-efficient** investments
- Active **margin management** on back-book and new business
- Significant **value of new business** creation in insurance
- Ongoing **cost management**

### *Capital, cash and payout*

- Strong **SST ratio** and confirmed **SST ambition range**
- Active **capital management** and **cash remittance** to Holding
- Attractive **cash returns to shareholders**

*Increase in ambitions for quality of earnings and cash returns to shareholders*

# Ambitious 2024 financial targets for Swiss Life Group

## Swiss Life 2024 financial ambitions and targets

### Quality of earnings and earnings growth

- **Fee result**  
FY 2024  
CHF 850-900 m
- **RoE<sup>1) 2)</sup>**  
2022-2024  
10-12%

### Capital, cash and payout

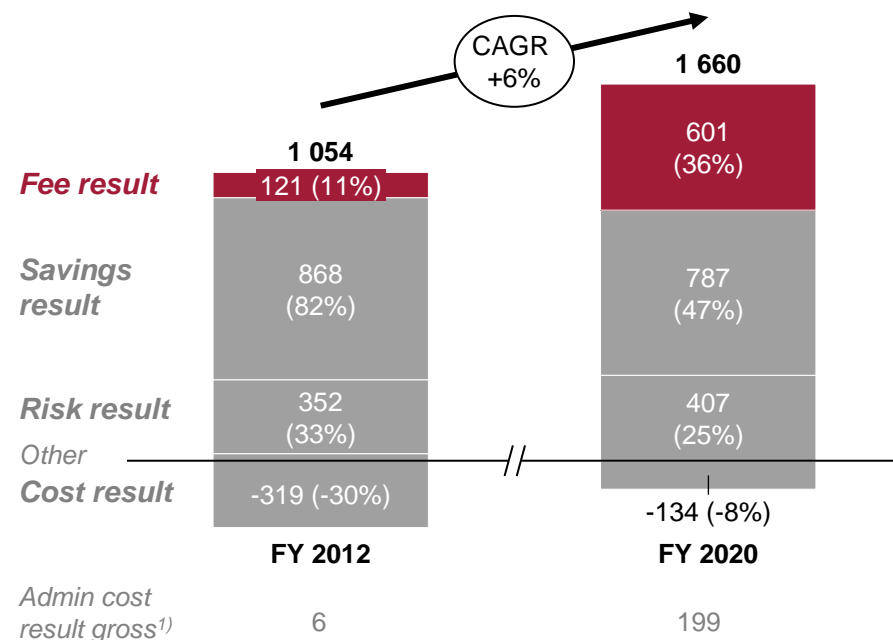
- **Cash to Holding**  
Cumulative 2022-2024  
CHF 2.8-3.0 bn
- **Dividend payout ratio<sup>2)</sup>**  
2022-2024  
> 60%
- **Share buyback**  
Dec 2021 – May 2023  
CHF 1 bn

1) Shareholders' equity excl. unrealised gains/losses 2) Targets based on IFRS 4 / IAS 39 accounting standard

# Fee result as key driver of earnings quality and resilience of business model

## Long-term profit by source development

CHF m, share of profit contribution in %



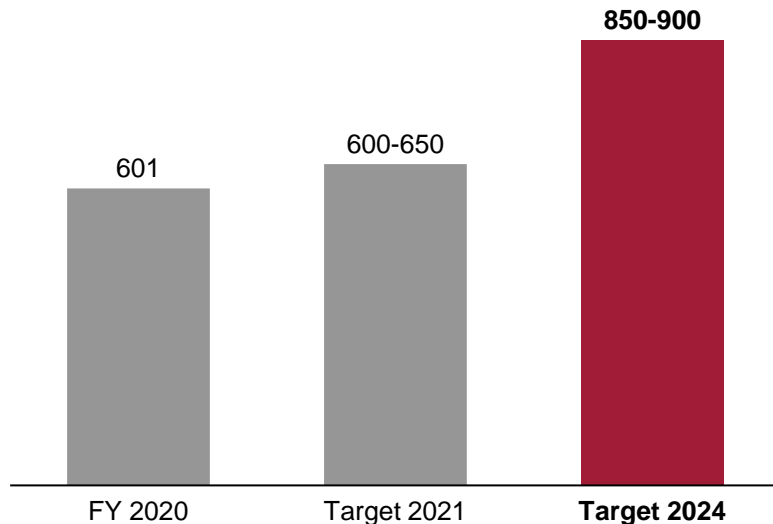
## Importance of fee result to Swiss Life

- Strong contributor to profit growth
- Low capital intensity, no policyholder sharing, limited capital market dependency, cash accretive
- Earnings quality and resilience of business model improve with higher share of fee result

1) Gross = before policyholder participation

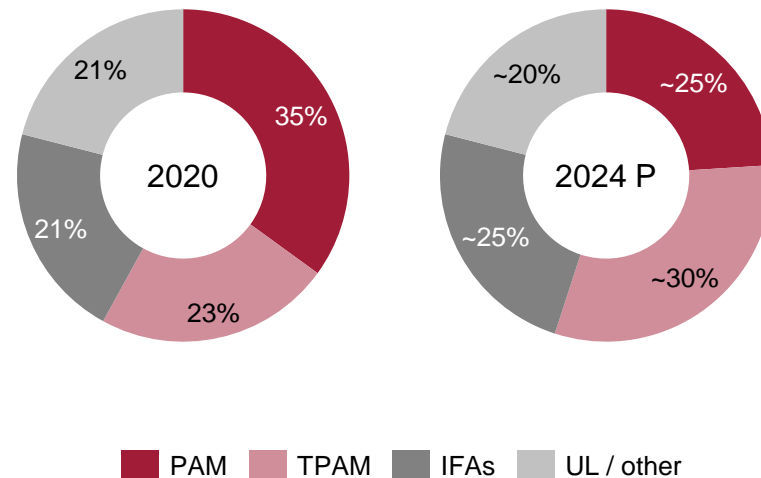
# Fee result target to grow significantly by about 40% to CHF 850-900 m

**Fee result**  
CHF m



**Fee result by business line**

Contribution in % of total fee result



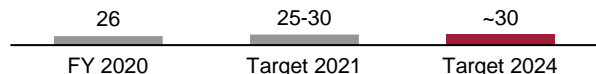


# Each business division to contribute to a growing fee result

## Fee result targets by business division

**CH**

CHF m



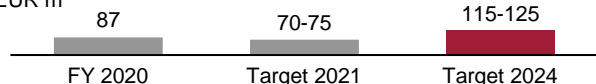
**FR**

EUR m



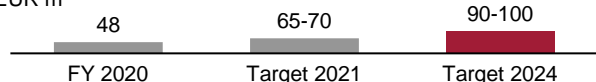
**DE**

EUR m



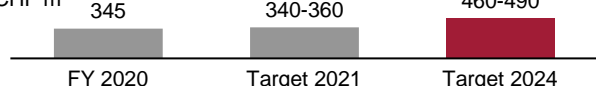
**IN**

EUR m



**AM**

CHF m



## Main drivers / initiatives

- Increase in fee result while investing in growth initiatives

- Lever private insurer model and multi-distribution to further grow UL business

- Grow owned IFA network based on a higher number of advisors and further digitise the advisory platform

- Scale private wealth and employee benefit businesses
- Expand owned IFA advisory power and increase productivity

- Expand TPAM offering across asset classes
- Growing contribution from real estate project development

# Savings, risk and cost results remain important profit sources

## *Expected development until 2024<sup>1)</sup>*

### *Savings result*

- Important **profit and cash contributor**; savings result expected to **grow** from FY 2020 level, which was negatively impacted by Covid-19 market volatility
- Continues to be managed in a **capital-efficient** way focusing on **disciplined ALM**
  - Long asset duration and optimal portfolio structure support **resilient yields**
  - Reserve strengthening and focus on profitable new business **reduce guarantees**
  - Positive **interest rate margin** secured for more than three decades

### *Risk result*

- Expected to **grow** from FY 2020 level in all business divisions

### *Cost result*

- Expected to **further improve** while growing and investing in the business

1) Expectations based on IFRS 4 / IAS 39 accounting standard

# Operational scalability to be further increased across businesses

## Scalability in fee businesses<sup>1)</sup>

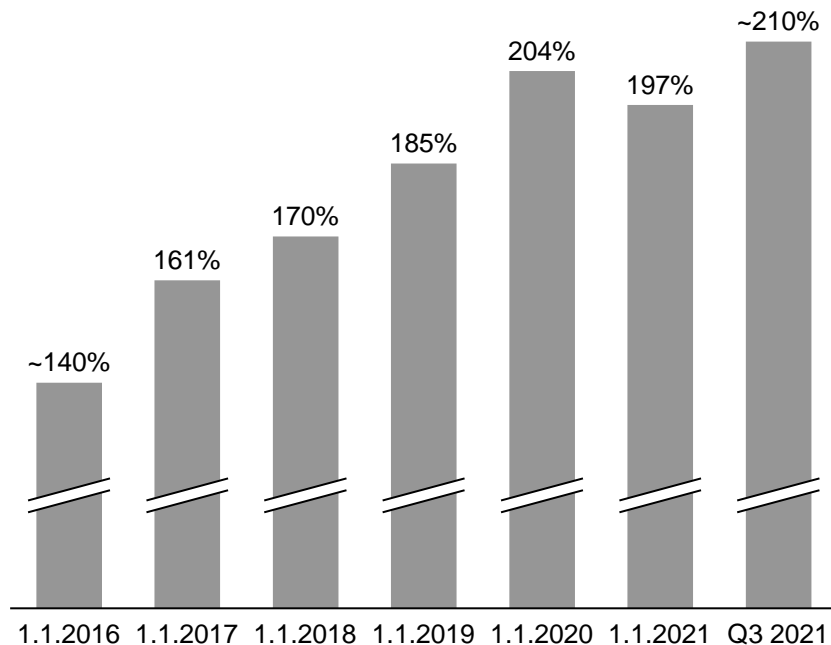
	Scalability in fee businesses <sup>1)</sup>		Main drivers / initiatives		
<b>CH</b>	<b>Fee income<sup>2)</sup> growth</b> CAGR 2020-2024	+ 4-6%	<b>Fee result growth</b> CAGR 2020-2024	+ ~4%	<ul style="list-style-type: none"> <li>Investments for expansion in affluent / digitally savvy customer segments affect growth of fee result</li> </ul>
<b>FR</b>	<b>Fee income growth</b> CAGR 2020-2024	+ 6-8%	<b>Fee result growth</b> CAGR 2020-2024	+ 13-15%	<ul style="list-style-type: none"> <li>Lever private insurer model and increase advisory power while optimising customer service processes</li> </ul>
<b>DE</b>	<b>Fee income<sup>2)</sup> growth</b> CAGR 2020-2024	+ 7-8%	<b>Fee result growth</b> CAGR 2020-2024	+ 7-10%	<ul style="list-style-type: none"> <li>Achieve business growth combined with further digitalisation of advisory platform and back office</li> </ul>
<b>IN</b>	<b>Fee income growth</b> CAGR 2020-2024	+ 11-13%	<b>Fee result growth</b> CAGR 2020-2024	+ 17-20%	<ul style="list-style-type: none"> <li>Grow volumes and lever digital advisory and servicing capabilities</li> </ul>
<b>TPAM</b>	<b>Income growth</b> CAGR 2020-2024	+ 10-12%	<b>Fee result growth</b> CAGR 2020-2024	+ 16-19%	<ul style="list-style-type: none"> <li>Grow TPAM volumes and further invest in digitalisation</li> </ul>

1) For more information, see separate Investor Day presentations of business divisions 2) Standalone, incl. owned IFA income with Swiss Life

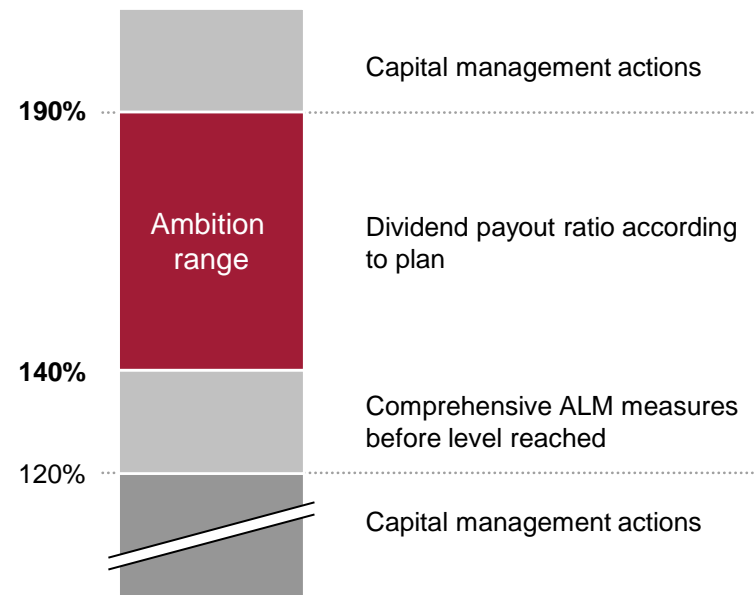
# Strong capitalisation and confirmation of the SST ambition range

## Group SST development

In %



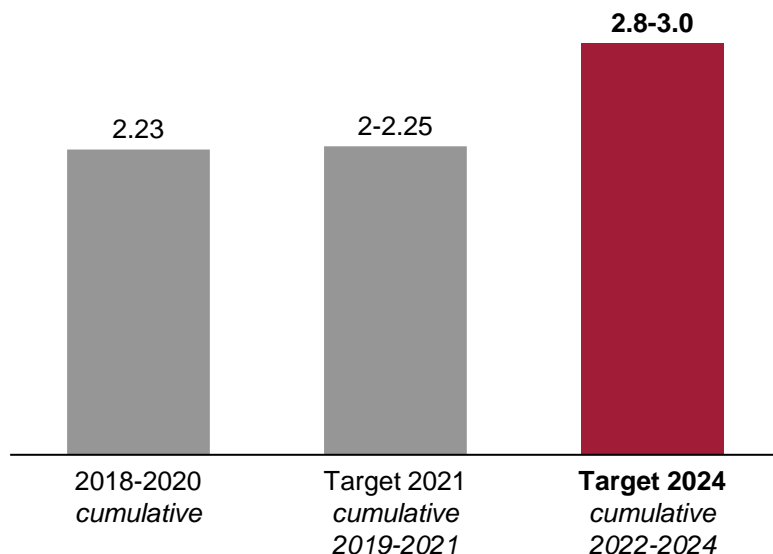
## SST ambition range



# Significantly increase cash remittance to Holding by about 35% ...

## Cash remittance to Holding

CHF bn

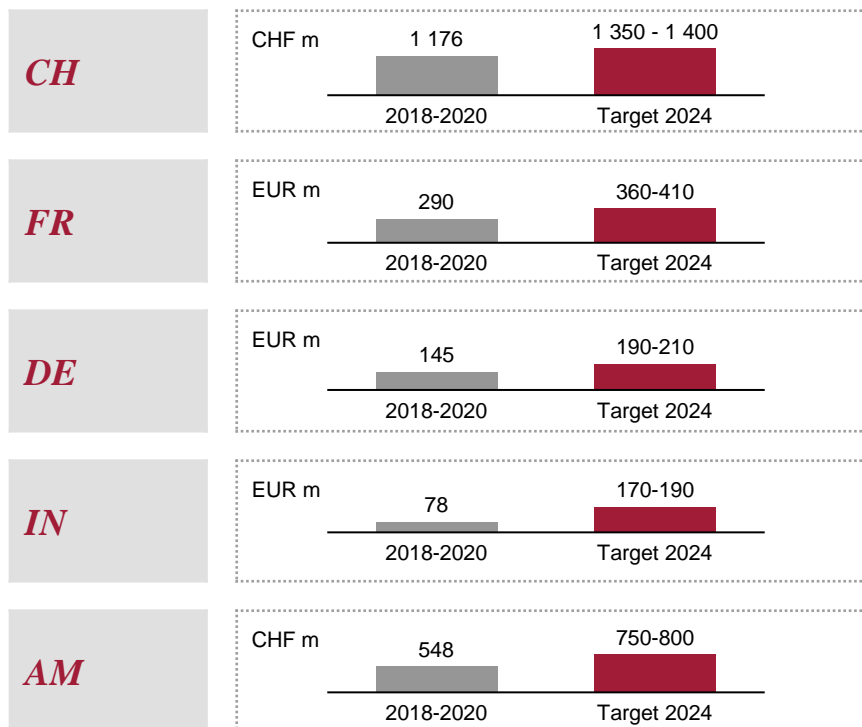


## Drivers of cash remittance

- Increase in cash remittance primarily due to growing fee result
- Additional increase in cash remittance driven by other profit sources
- Cash remittance based on local statutory accounts of Swiss Life Holding subsidiaries

# ... with a growing contribution from every business division

## Cumulative cash remittance<sup>1)</sup> targets



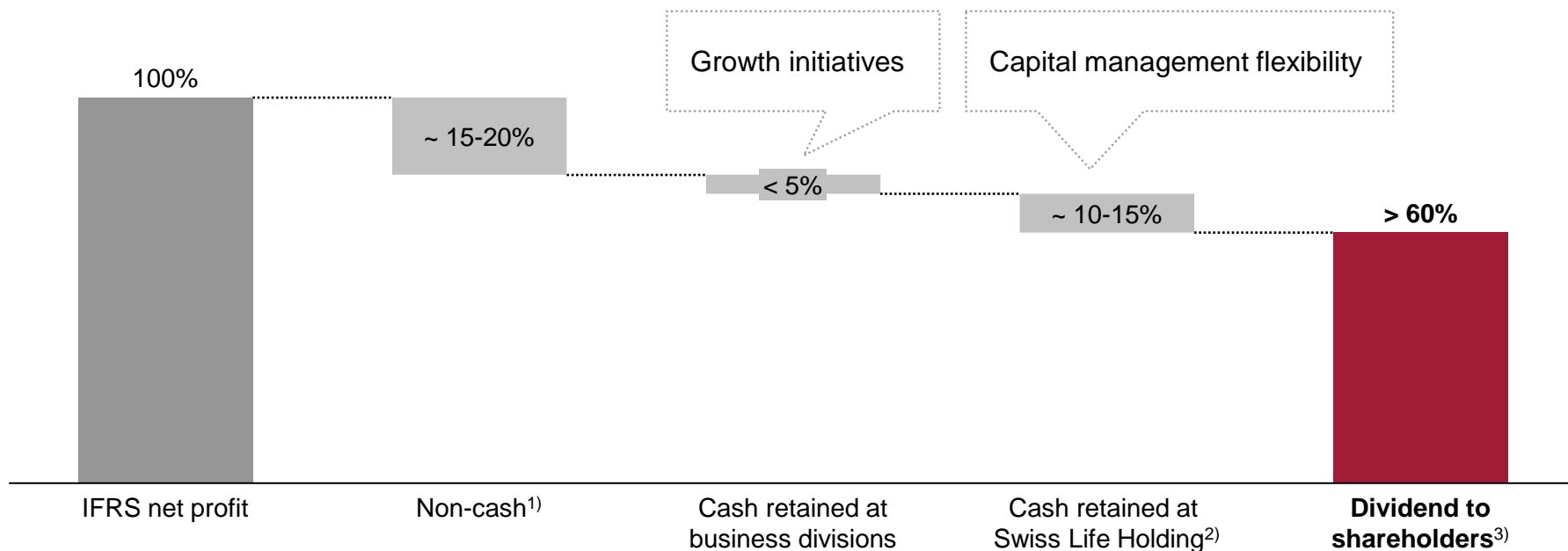
## Main drivers / initiatives

- Strong growth of savings result
- Positive contributions also from other profit sources
- Higher fee result from UL and banking businesses
- Growing risk and savings results
- Scalable and capital-efficient advisory model
- Higher fee result from owned IFAs
- Scalable business model with low investment needs
- Higher fee and risk results based on capital-light offerings
- Growth of TPAM across all asset classes
- Stable contribution from PAM

1) Three-year cumulative, before eliminations

# Attractive dividend payout ratio while maintaining capital management flexibility

## Cash remittance and dividend

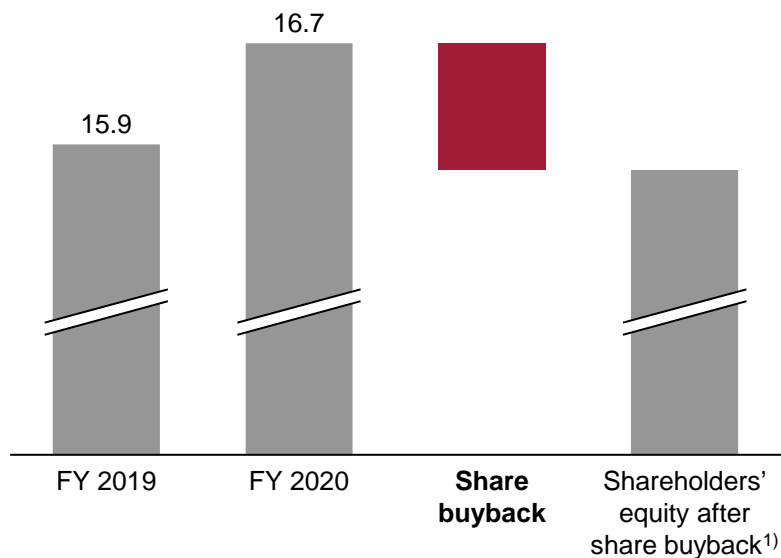


1) Mainly real estate revaluations and DAC 2) Hybrid and overhead expenses are borne by opcos 3) Target based on IFRS 4 / IAS 39 accounting standard

# Additional cash return to shareholders with share buyback of CHF 1 bn

## Shareholders' equity

CHF bn



## Share buyback

Additional details

### Amount

- CHF 1 bn

### Timing

- Dec 2021 – May 2023

### Execution

- Purchases on 2<sup>nd</sup> trading line delegated to partner bank
- Cancellation of repurchased shares to be approved at AGMs

### Disclosure

- Weekly transaction disclosure on Swiss Life website

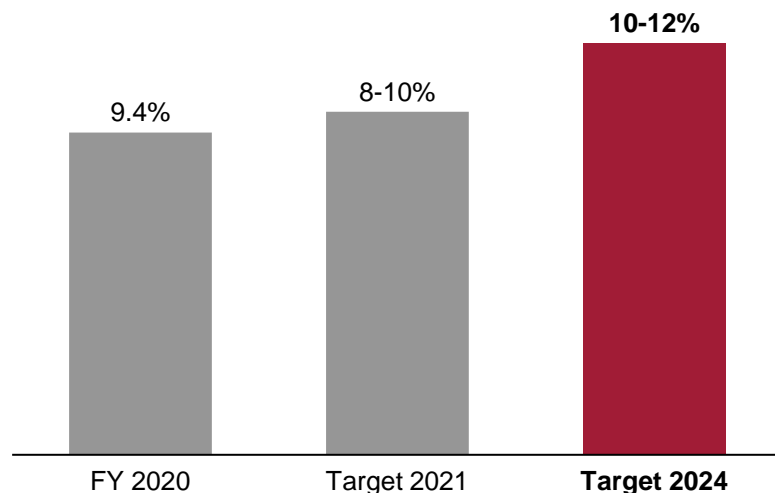
1) Illustrative, without considering future retained earnings and impact from future capital market movements



# Swiss Life 2024 to further improve the return on equity

## Return on equity (RoE)<sup>1) 2)</sup>

%



## Key drivers of RoE development

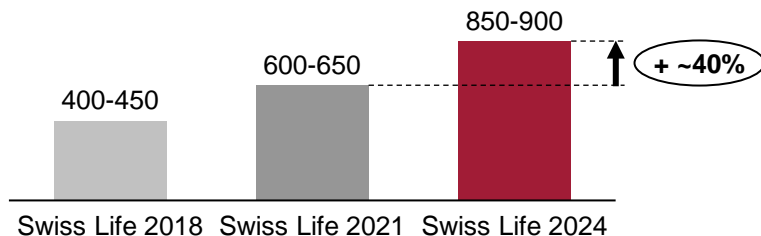
- Improved quality of earnings from growing fee businesses
- Operational scalability and efficiency at business division level
- Healthy interest rate margin through disciplined ALM and capital-efficient new business
- Strong capitalisation and optimised capital structure of ~70% shareholders' equity<sup>1)</sup>
- Higher dividend payout ratio and share buyback

1) Shareholders' equity excl. unrealised gains/losses 2) Based on IFRS 4 / IAS 39 accounting standard

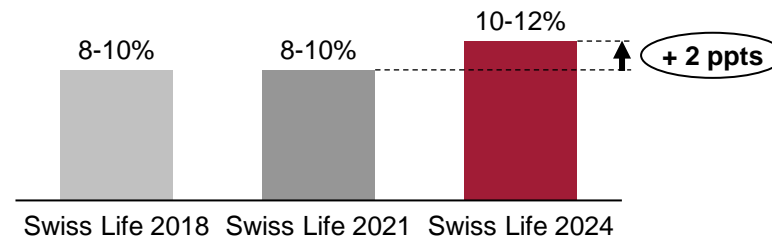
# With Swiss Life 2024, we again raise our ambitions

## Fee result

CHF m

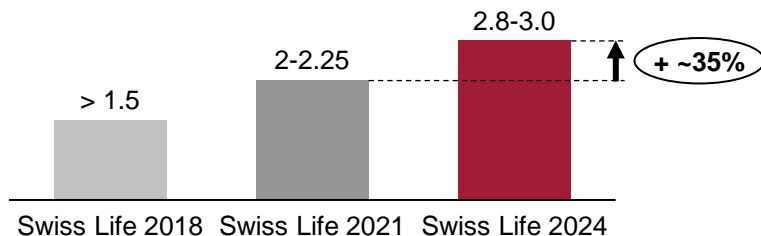


## RoE<sup>1) 2)</sup>

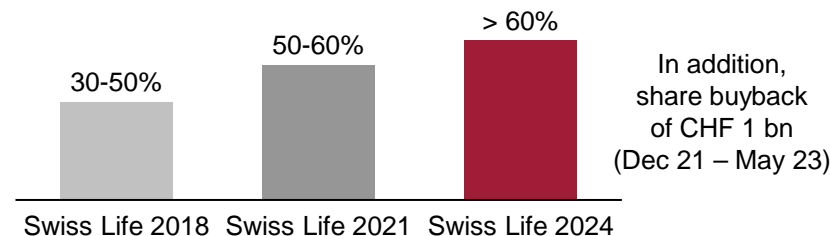


## Cash remittance

CHF bn, three years cumulative



## Dividend payout ratio<sup>2)</sup>



1) Shareholders' equity excl. unrealised gains/losses 2) Targets based on IFRS 4 / IAS 39 accounting standard

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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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