



SwissLife

The Octavian Seminar 2022

Swiss Life

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14 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

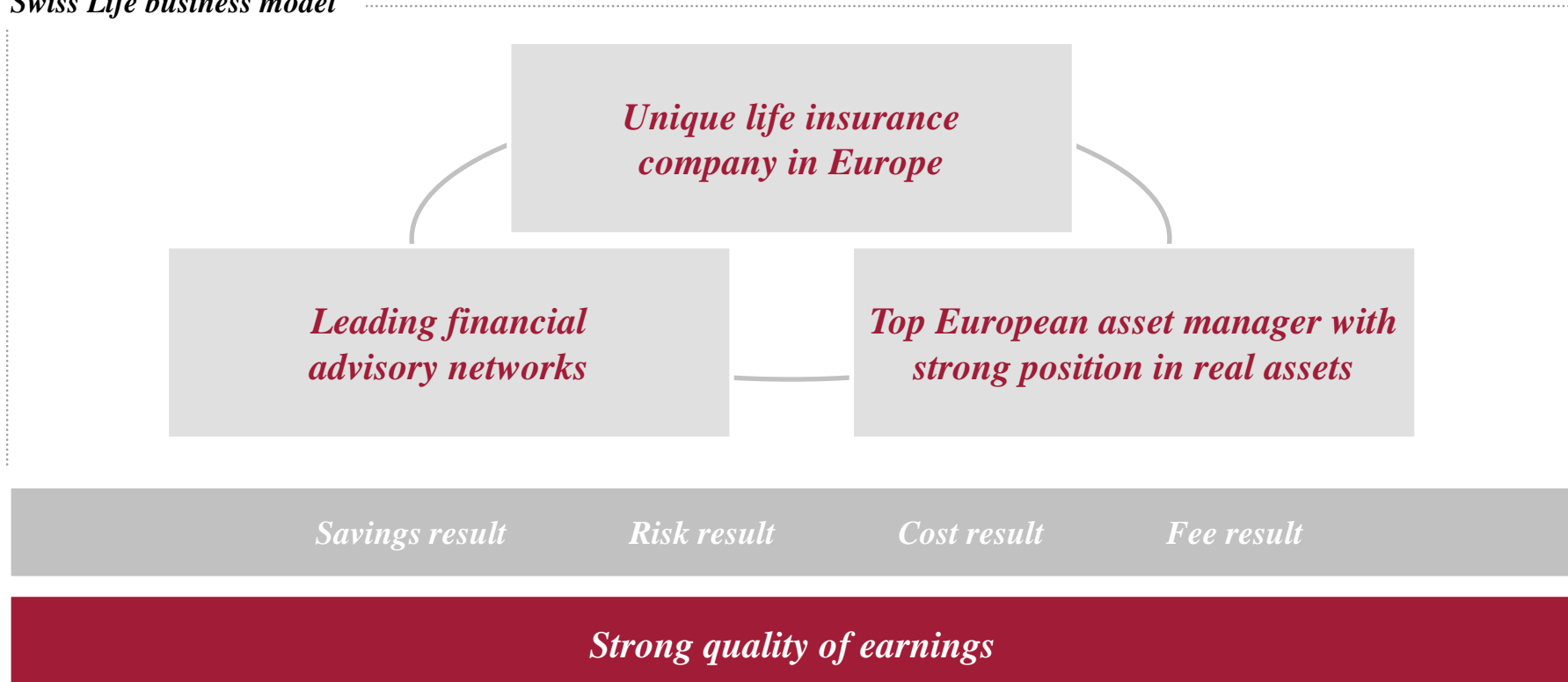
Swiss Life 2024 to set direction for profitable growth path

- 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*

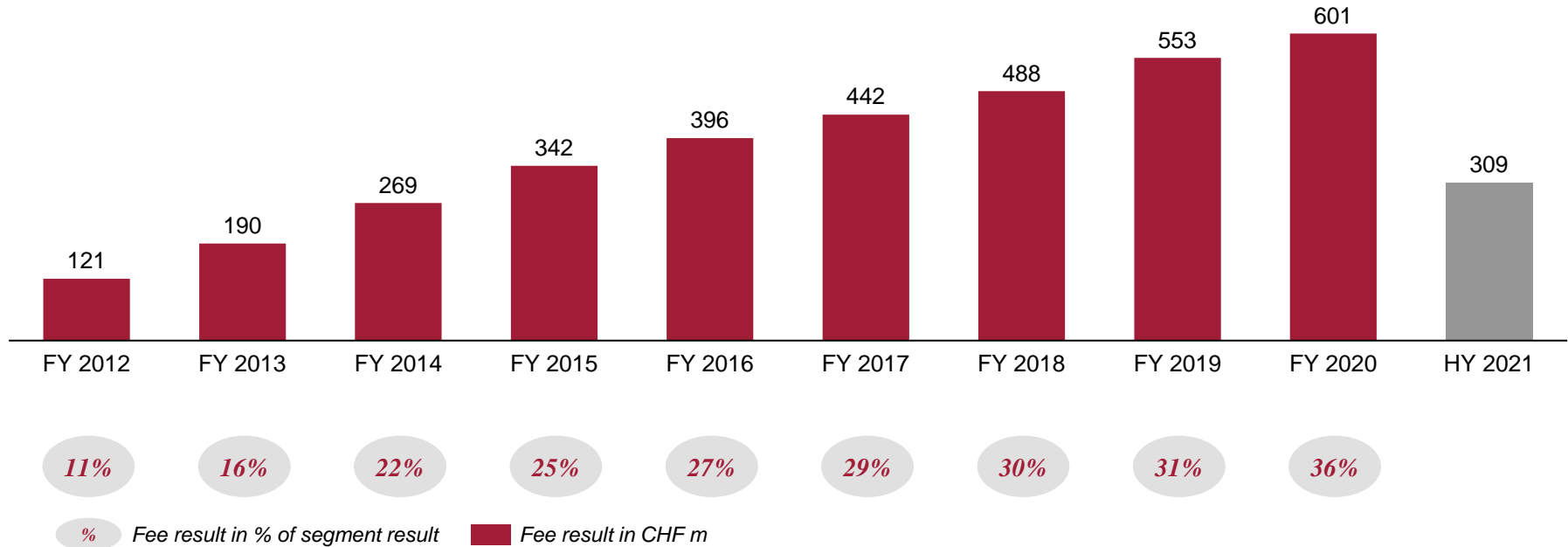
Swiss Life business model



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

1 Attractive starting position

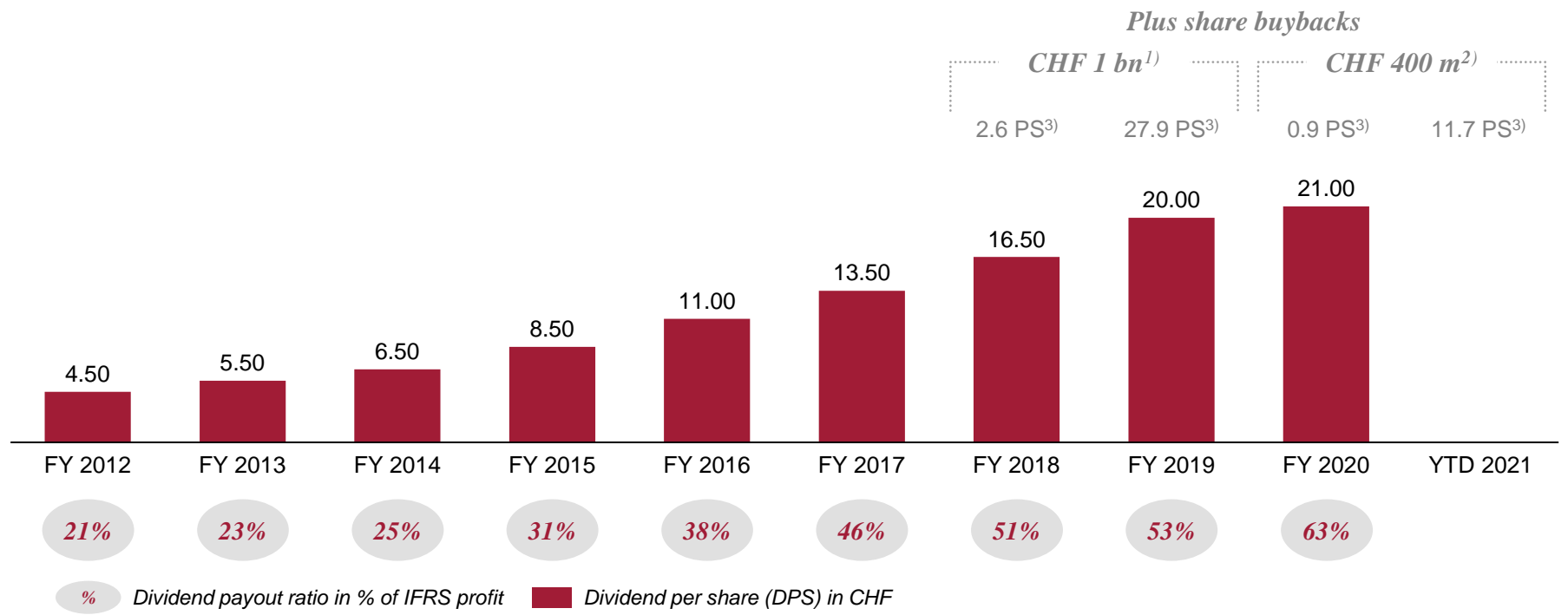
Fee result¹⁾



1) As reported in respective FY and HY

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

Dividend and share buybacks

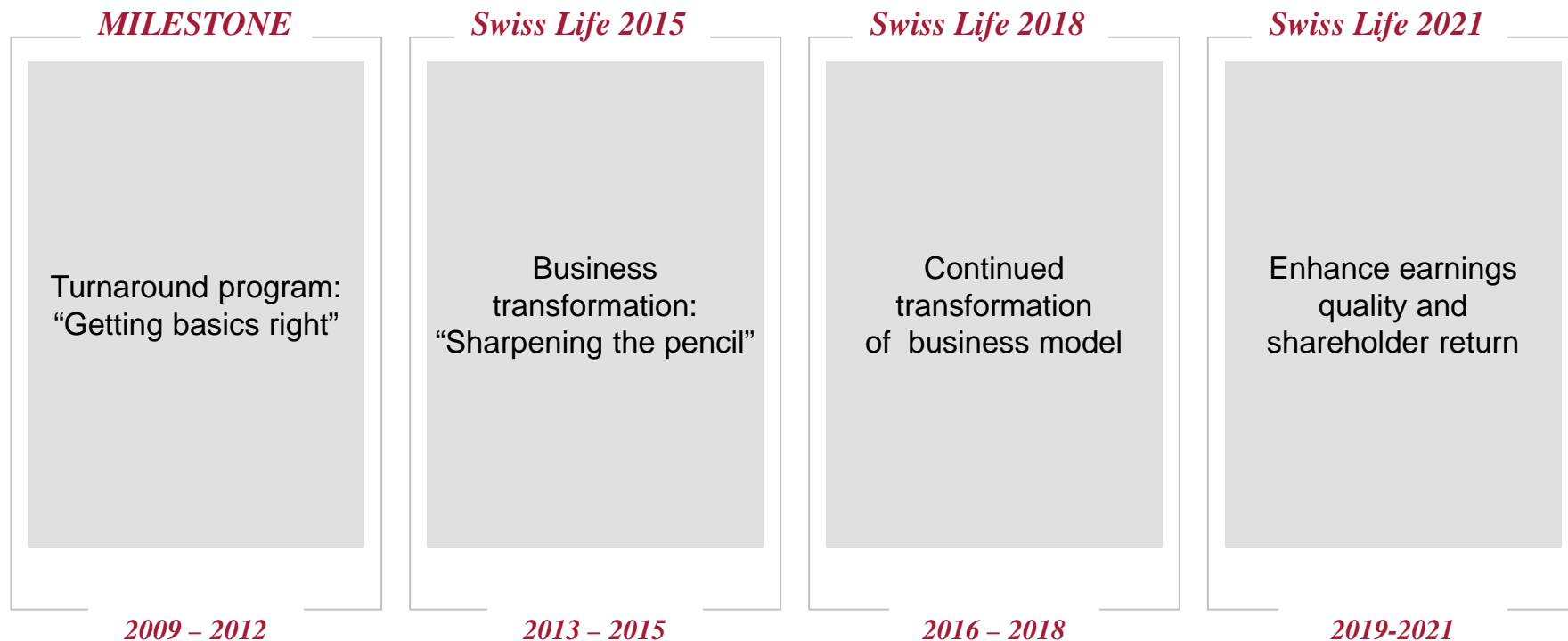


1) From December 2018 to December 2019 2) From March 2020 to May 2021 3) PS = Per share (share buyback per shares outstanding in CHF)



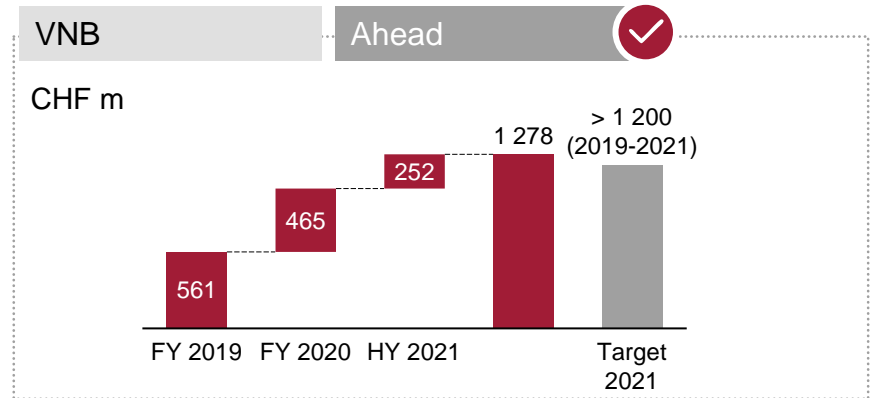
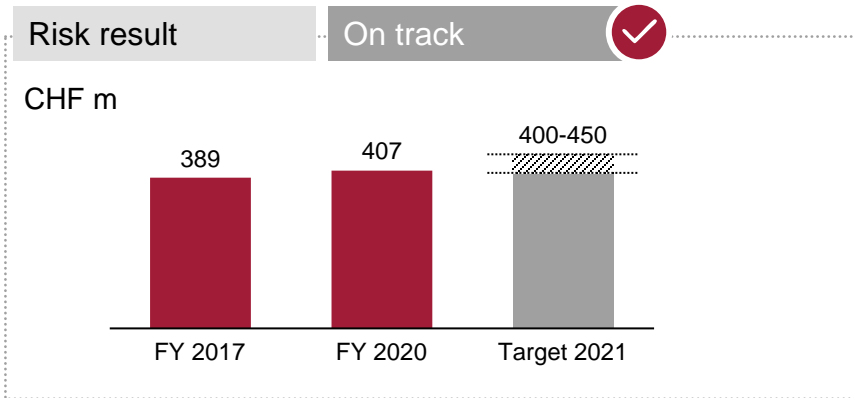
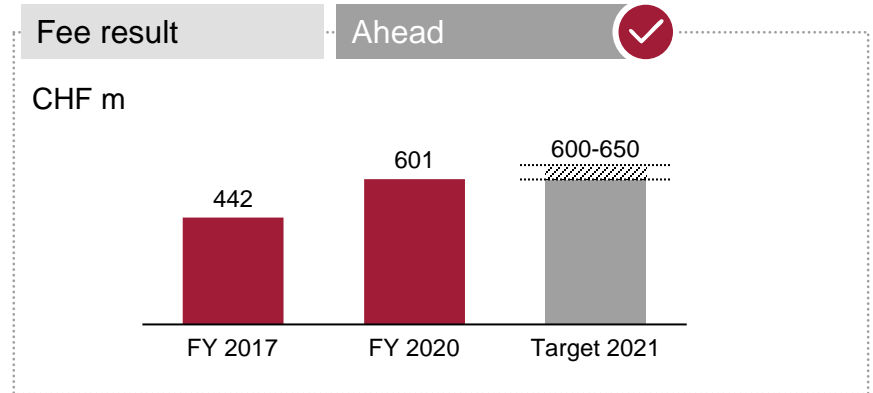
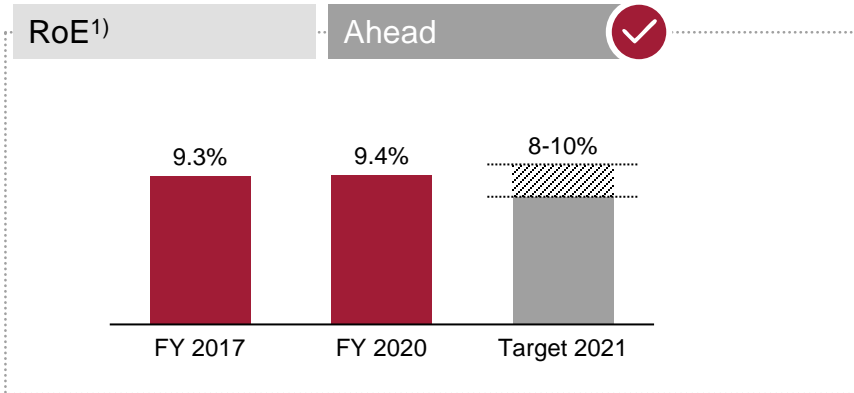
Successfully executed three programmes in a row and about to deliver on Swiss Life 2021

1 *Attractive starting position*



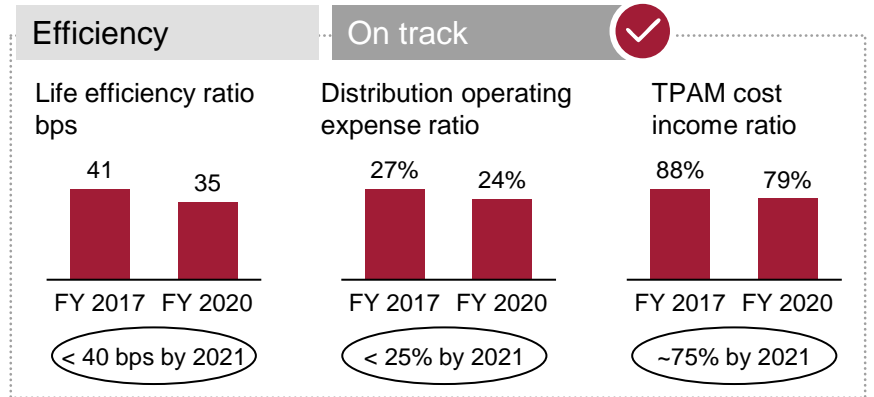
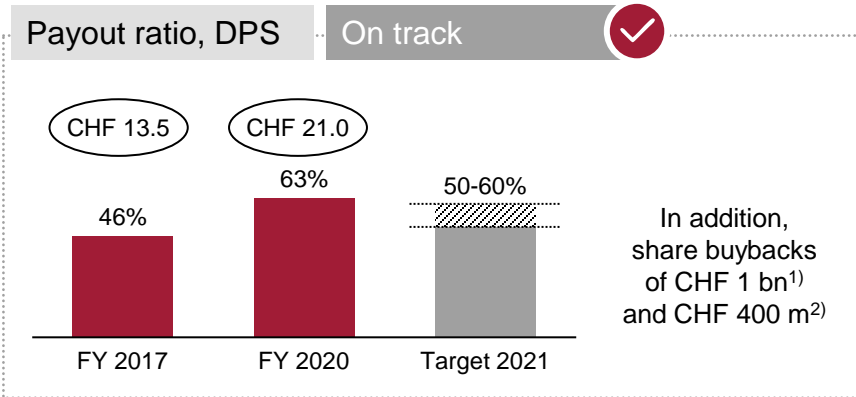
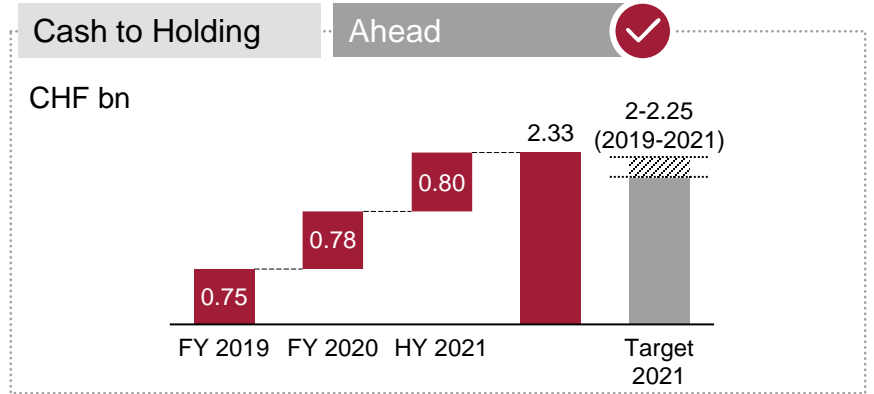
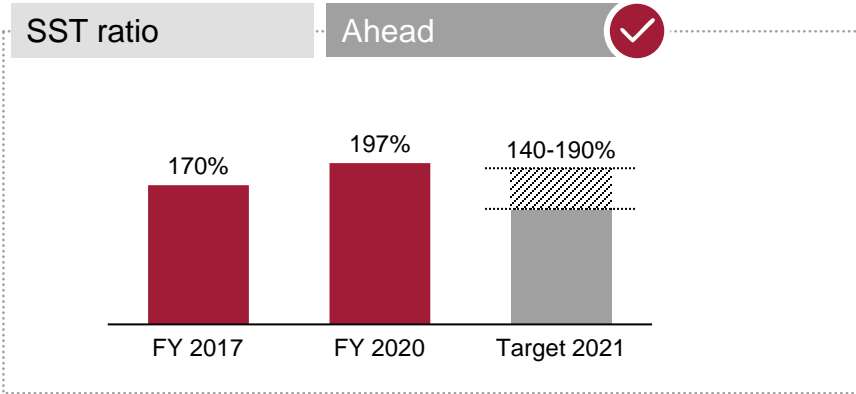
Swiss Life 2021 financial targets ...

1 *Attractive starting position*



1) Shareholders' equity excl. unrealised gains/losses

... to be achieved or exceeded



1) 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 CO₂ emissions per FTE by 35% by 2024¹⁾ 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 CO₂ emissions in own business behaviour

Asset owner & manager

Reduce CO₂ emission intensity for directly owned real estate by 20% by 2030¹⁾

- 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
- **RoE^{1) 2)}**
2022-2024

CHF 850-900 m

10-12%

Capital, cash and payout

- **Cash to Holding**
Cumulative 2022-2024
- **Dividend payout ratio²⁾**
2022-2024
- **Share buyback**
Dec 2021 – May 2023

CHF 2.8-3.0 bn

> 60%

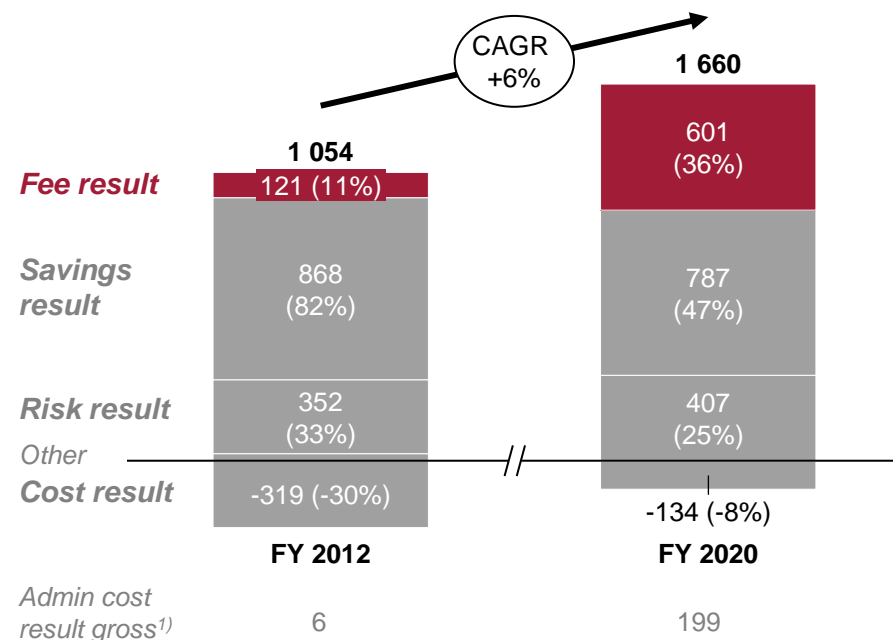
CHF 1 bn

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 %



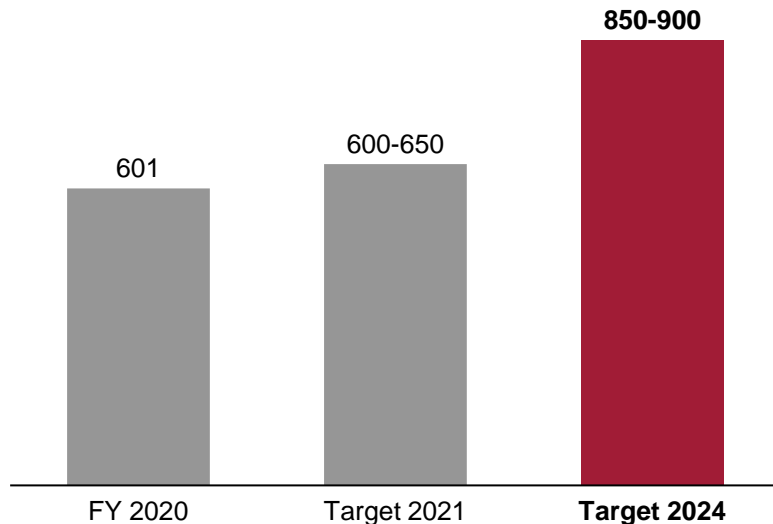
Importance of fee result to Swiss Life

- 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

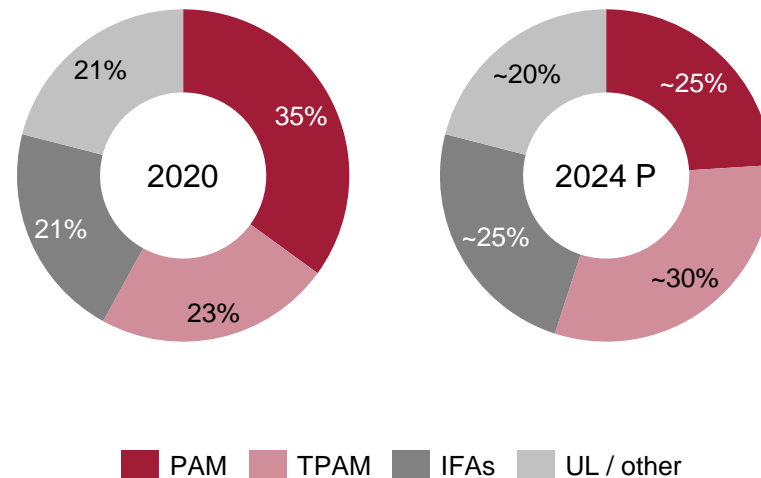
Fee result target to grow significantly by about 40% to CHF 850-900 m

Fee result
CHF m



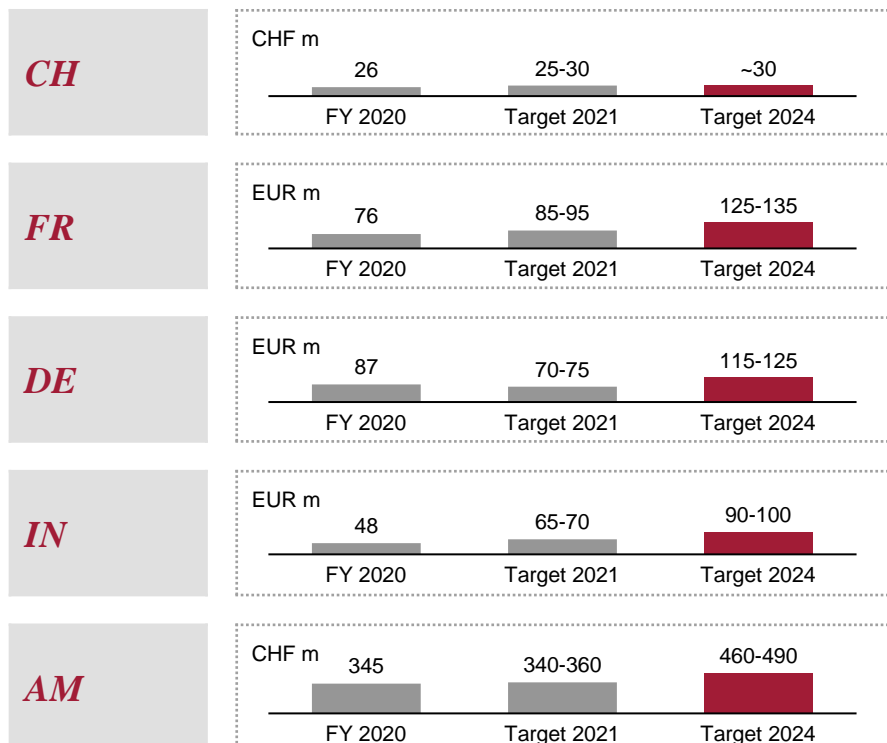
Fee result by business line

Contribution in % of total fee result



Each business division to contribute to a growing fee result

Fee result targets by business division



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 2024¹⁾

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 businesses¹⁾

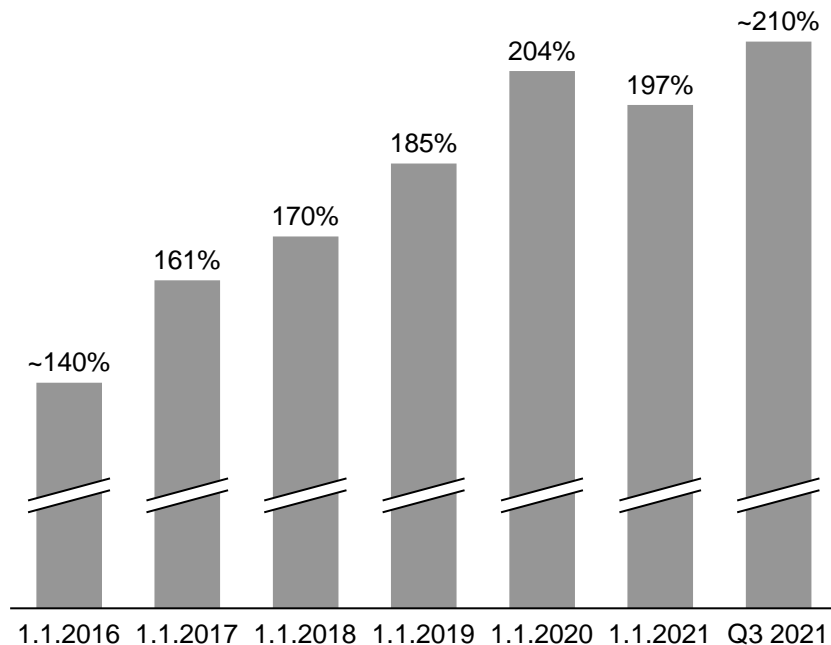
	Scalability in fee businesses ¹⁾		Main drivers / initiatives		
CH	Fee income²⁾ growth CAGR 2020-2024	+ 4-6%	Fee result growth CAGR 2020-2024	+ ~4%	<ul style="list-style-type: none"> Investments for expansion in affluent / digitally savvy customer segments affect growth of fee result
FR	Fee income growth CAGR 2020-2024	+ 6-8%	Fee result growth CAGR 2020-2024	+ 13-15%	<ul style="list-style-type: none"> Lever private insurer model and increase advisory power while optimising customer service processes
DE	Fee income²⁾ growth CAGR 2020-2024	+ 7-8%	Fee result growth CAGR 2020-2024	+ 7-10%	<ul style="list-style-type: none"> Achieve business growth combined with further digitalisation of advisory platform and back office
IN	Fee income growth CAGR 2020-2024	+ 11-13%	Fee result growth CAGR 2020-2024	+ 17-20%	<ul style="list-style-type: none"> Grow volumes and lever digital advisory and servicing capabilities
TPAM	Income growth CAGR 2020-2024	+ 10-12%	Fee result growth CAGR 2020-2024	+ 16-19%	<ul style="list-style-type: none"> Grow TPAM volumes and further invest in digitalisation

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

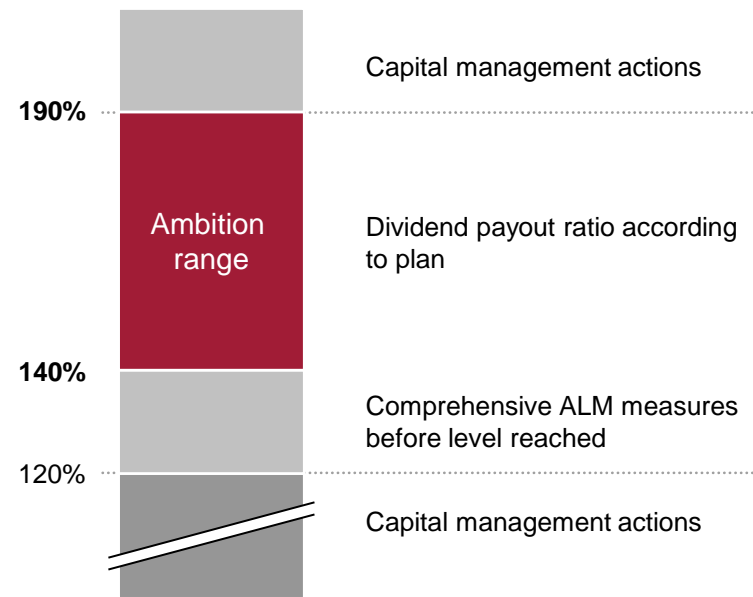
Strong capitalisation and confirmation of the SST ambition range

Group SST development

In %



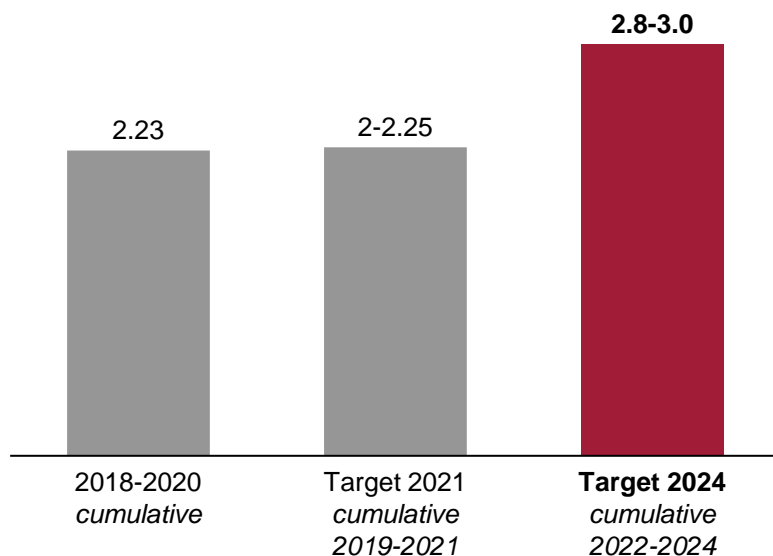
SST ambition range



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

Cash remittance to Holding

CHF bn

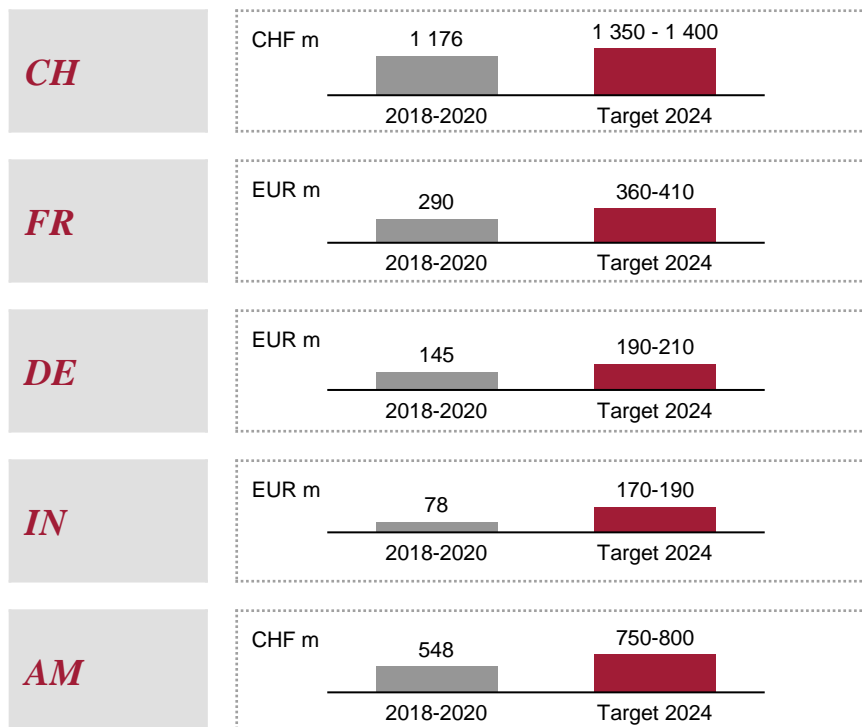


Drivers of cash remittance

- 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 remittance¹⁾ targets



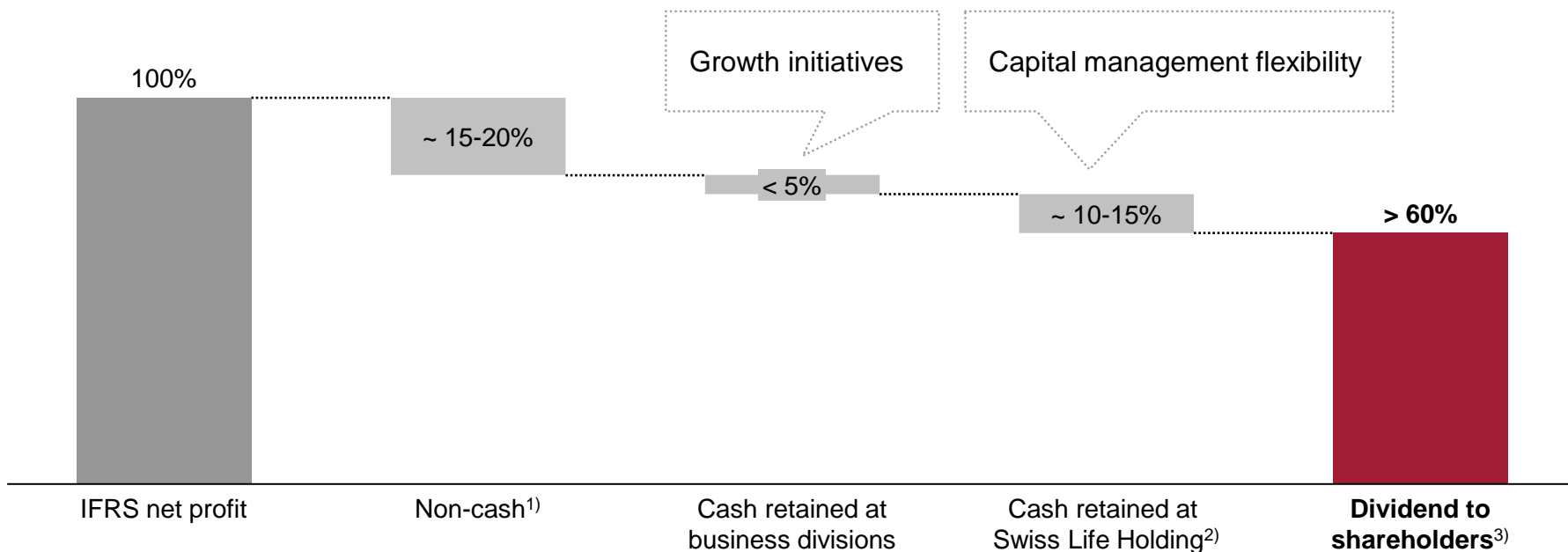
Main drivers / initiatives

- 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

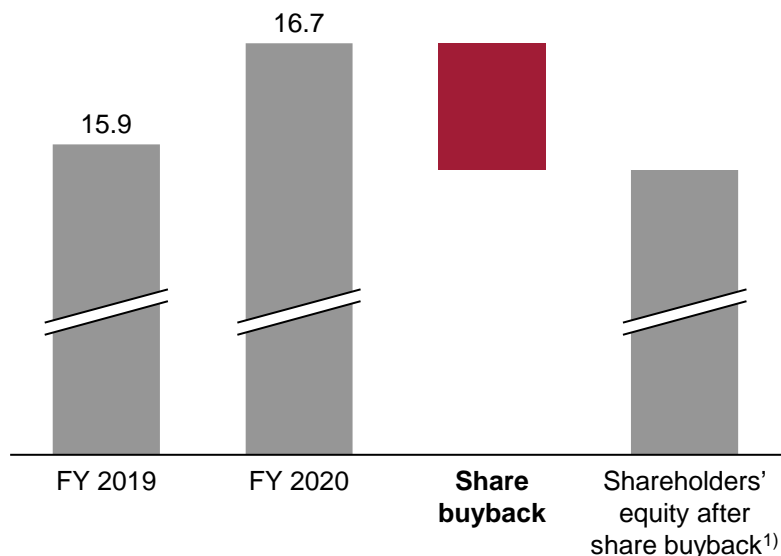


1) Mainly real estate revaluations and DAC 2) Hybrid and overhead expenses are borne by opcos 3) Target based on IFRS 4 / IAS 39 accounting standard

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 2nd trading line delegated to partner bank
- Cancellation of repurchased shares to be approved at AGMs

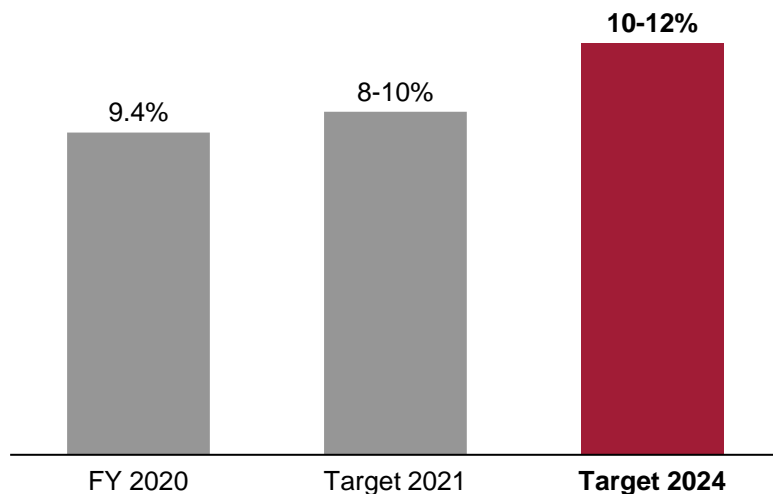
Disclosure

- 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)^{1) 2)}
%



Key drivers of RoE development

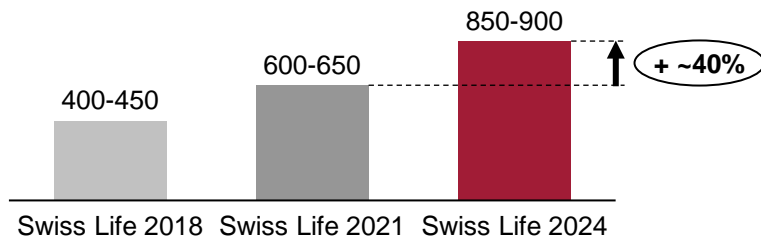
- Improved quality of earnings from growing fee businesses
- Operational scalability and efficiency at business division level
- Healthy interest rate margin through disciplined ALM and capital-efficient new business
- Strong capitalisation and optimised capital structure of ~70% shareholders' equity¹⁾
- Higher dividend payout ratio and share buyback

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

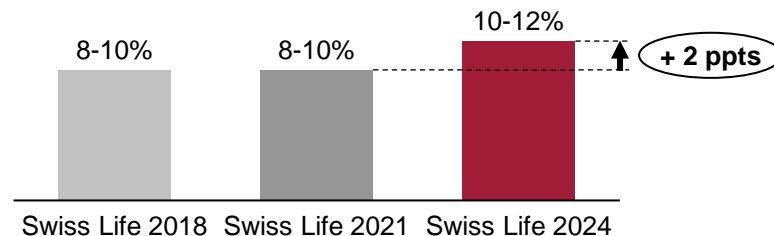
With Swiss Life 2024, we again raise our ambitions

Fee result

CHF m

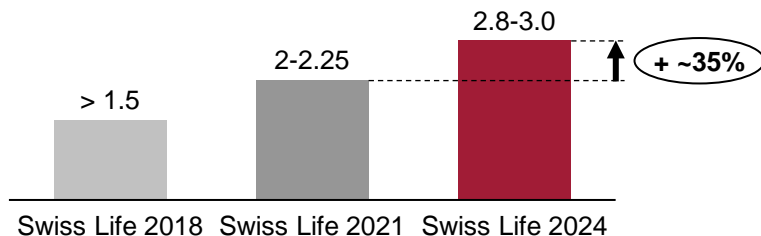


RoE^{1) 2)}

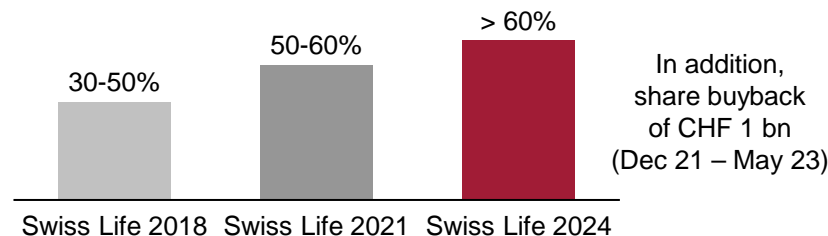


Cash remittance

CHF bn, three years cumulative



Dividend payout ratio²⁾



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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a self-determined life.*