



SwissLife

Octavian Seminar 2021

Swiss Life

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14 January 2021

Agenda

- Swiss Life's unique position
- HY 2020 results
- Update on Q3 2020
- Asset allocation and real estate risk premium
- Restart of the share buyback programme
- Confirmation of Swiss Life 2021 financial targets

Swiss Life has a unique position

Unique position

Unique life insurance footprint

- Market leader in **Switzerland** in life insurance
- Attractive private insurance positioning in **France**
- Strong niche player in **Germany** and at our **International** division

Growing asset manager

- Strong ALM and risk management expertise backed by our **proprietary asset management (PAM)**
- Fast growing **third-party asset management (TPAM)**
- Top real estate manager in Europe

Broad distribution networks

- Strong network of owned IFAs, primarily in **Germany**
- Large proprietary distribution in **Switzerland**
- Integrated multi distribution in **France**

Strong quality of earnings

- Diversified profit sources: **Savings, risk, fee and cost result**
- >30% of profit from operations from fee businesses (asset management, IFAs, UL business)

Life, pensions, financial solutions and advice for the long run

Proven resilience of our business model despite Covid-19 headwinds

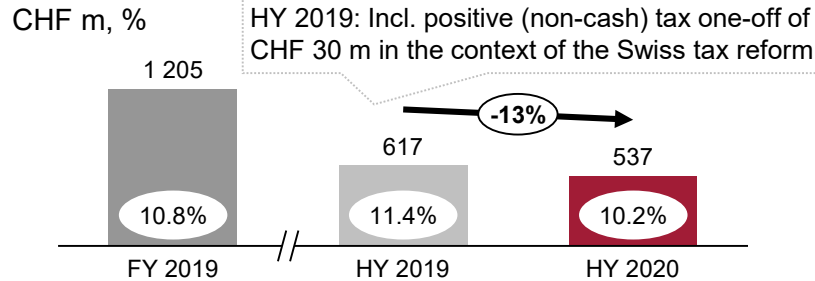
- **Business activity:**
 - Remained open for business without interruption while ensuring safety and security for employees and customers
 - Impact on new business activity mitigated by digital advisory networks
- **Financial markets:**
 - Net equity exposure lowered to protect statutory results and thereby cash remittance
 - Real estate continues to be attractive
 - Interest rate margin remains safeguarded for more than three decades
- **Insured risks:**
 - Balanced portfolio of mortality and longevity risks
- **Strong solvency and capitalization**
 - S&P rating of A+ with stable outlook

HY 2020: Solid results despite Covid-19

HY 2020

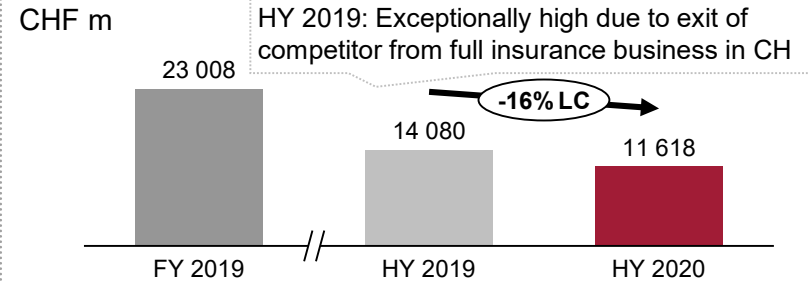
Net profit, RoE¹⁾

CHF m, %



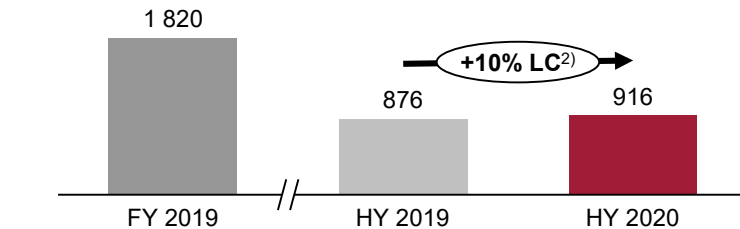
Premiums

CHF m



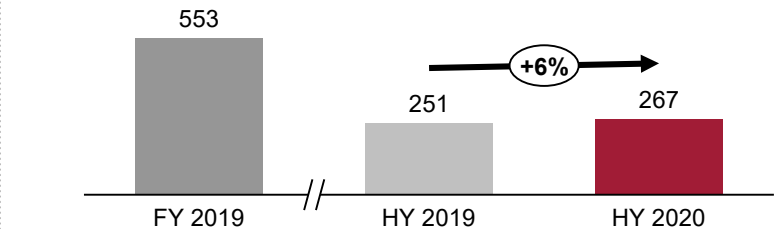
Fee income

CHF m



Fee result

CHF m



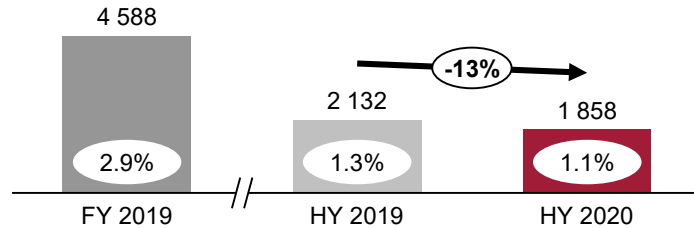
1) Equity excl. unrealised gains / losses 2) LC = local currency

HY 2020: Solid results despite Covid-19

HY 2020

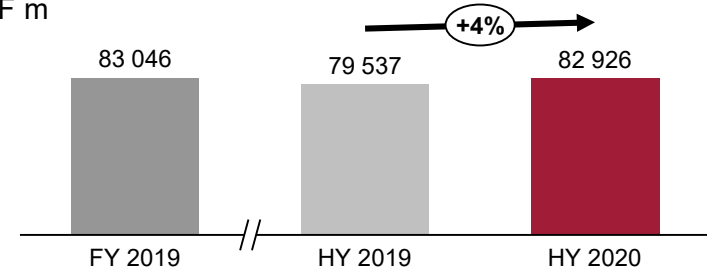
Net investment result, yield

CHF m, % (HY yields not annualised)



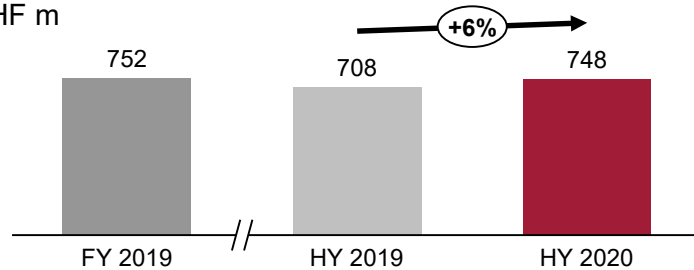
TPAM AuM

CHF m



Cash to Holding

CHF m



Capital and solvency

- **Dividend** per share of CHF 20 for FY 2019 fully paid in 2020, resulting in a payout ratio of 53%
- **SST ratio** of above 185% as of end of June 2020 and therefore at the upper end of the ambition range of 140-190% (FY 2019: 204%)

Covid-19 impact on our profit sources

HY 2020

Profit source

HY 2020 Covid-19 impact

Savings result

- Most impacted profit source due to high capital market dependency
- Negative effects of equity exposure partly offset by realised gains on bonds, real estate revaluations and lower hedging costs

Risk result

- Increase due to a positive development in non-life with lower claims in health and P&C, stable development in life due to a balanced portfolio of mortality and longevity risks

Fee result

- Increase due to AM, DE and FR despite financial market developments and lockdowns

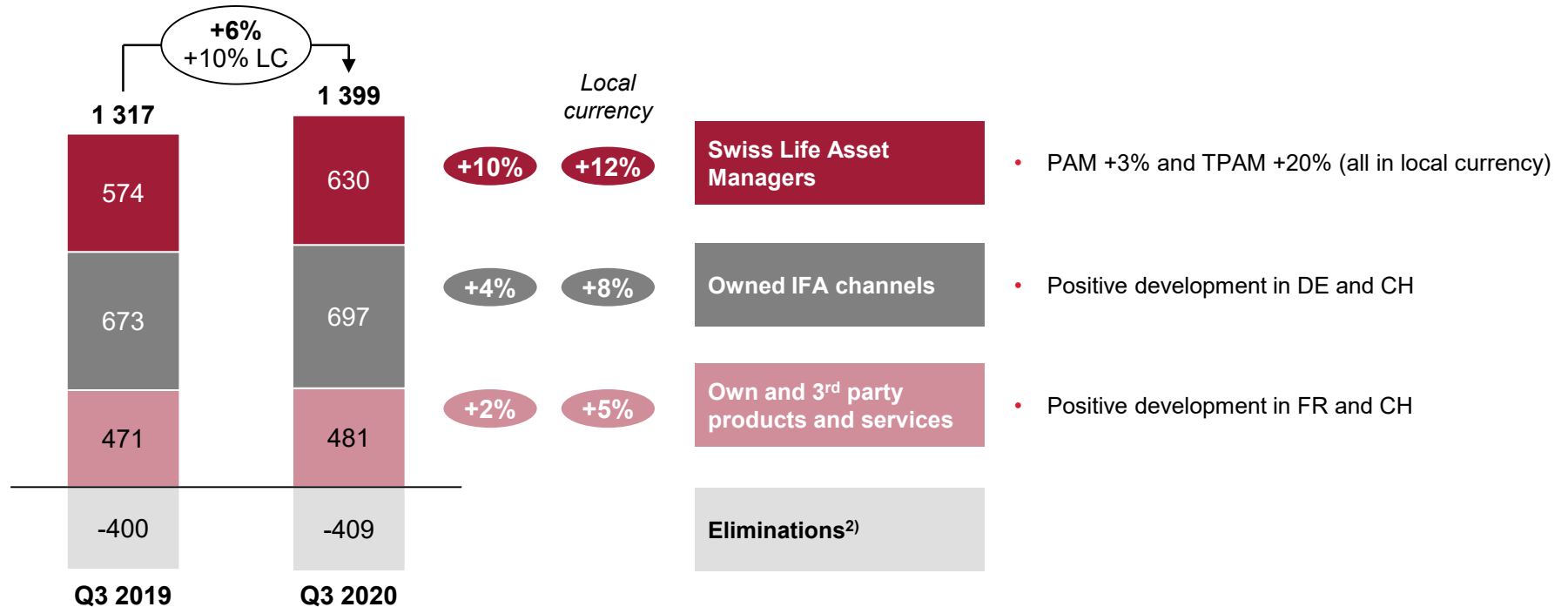
Cost result

- No major impact as lower administration costs were offset by higher acquisition costs

Q3 2020: Growing fee and commission income

Q3 2020

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

Q3 2020: Additional details

Q3 2020

Premiums and insurance reserves

- **Premiums** (GWP, fees, deposits) decreased by 13% in local currency to CHF 15.4 bn (2019 exceptionally high due to exit of competitor from full insurance business in Switzerland)
- **Insurance reserves** (excl. PHD) increased by 1% in local currency to CHF 168 bn

Investment income

- **Direct investment income** of CHF 3.0 bn at 1.8% (Q3 19: CHF 3.3 bn, 2.0%) and **net investment yield** of 1.4% (Q3 19: 1.9%); yields not annualised

Asset Managers

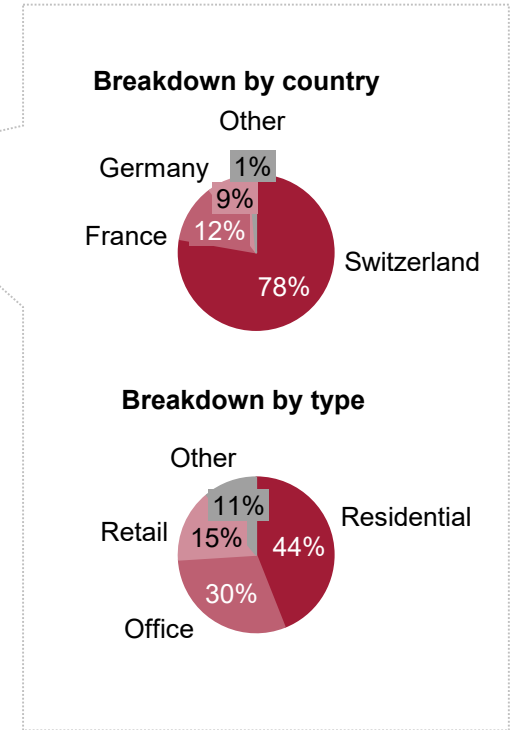
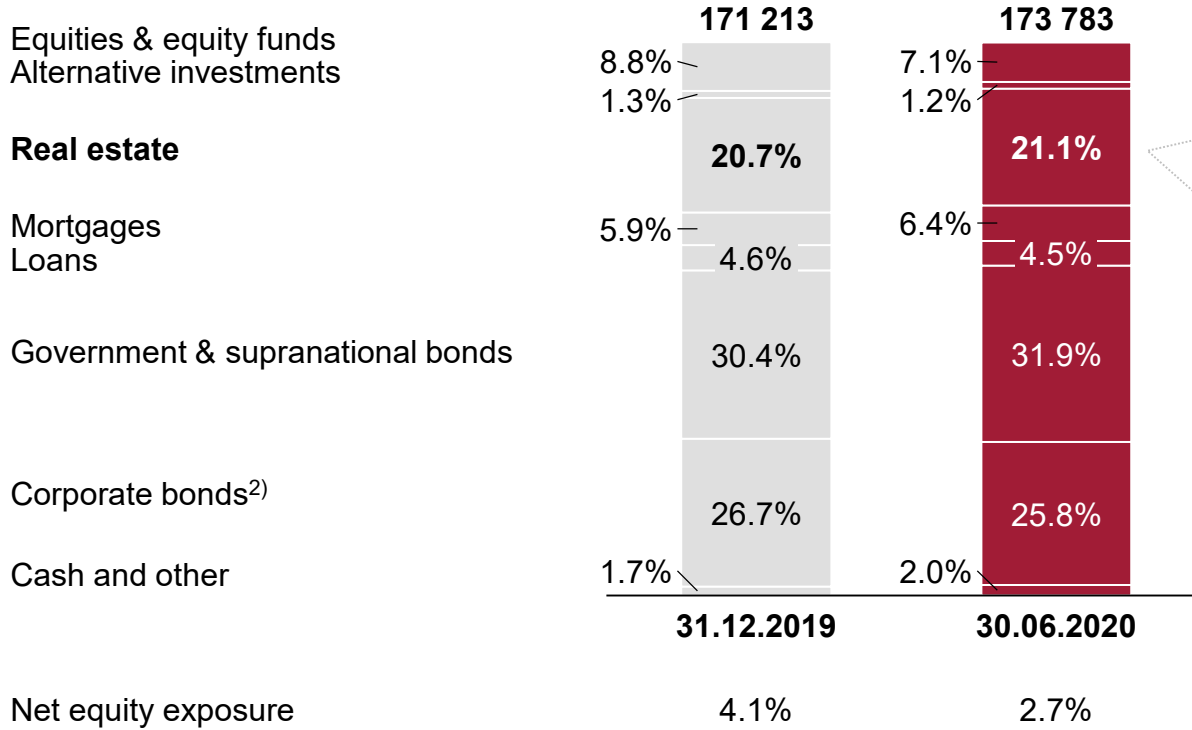
- Asset Managers TPAM **net new assets** of CHF 3.8 bn (Q3 19: CHF 6.5 bn), excluding money market funds this corresponds to CHF 3.5 bn (Q3 19: CHF 5.8 bn)
- **AuM TPAM** of CHF 86.7 bn (FY 19: CHF 83.0 bn)

Solvency and capital

- **SST ratio** of around 190% as of 30 September 2020
- Swiss Life resumes the **CHF 400 m share buyback** on 4 January 2021 (which was temporarily suspended in March 2020) with the original volume and end date; this means that Swiss Life will repurchase shares for the remaining amount of CHF 371 m by the end of May 2021

Investment portfolio with lower net equity exposure

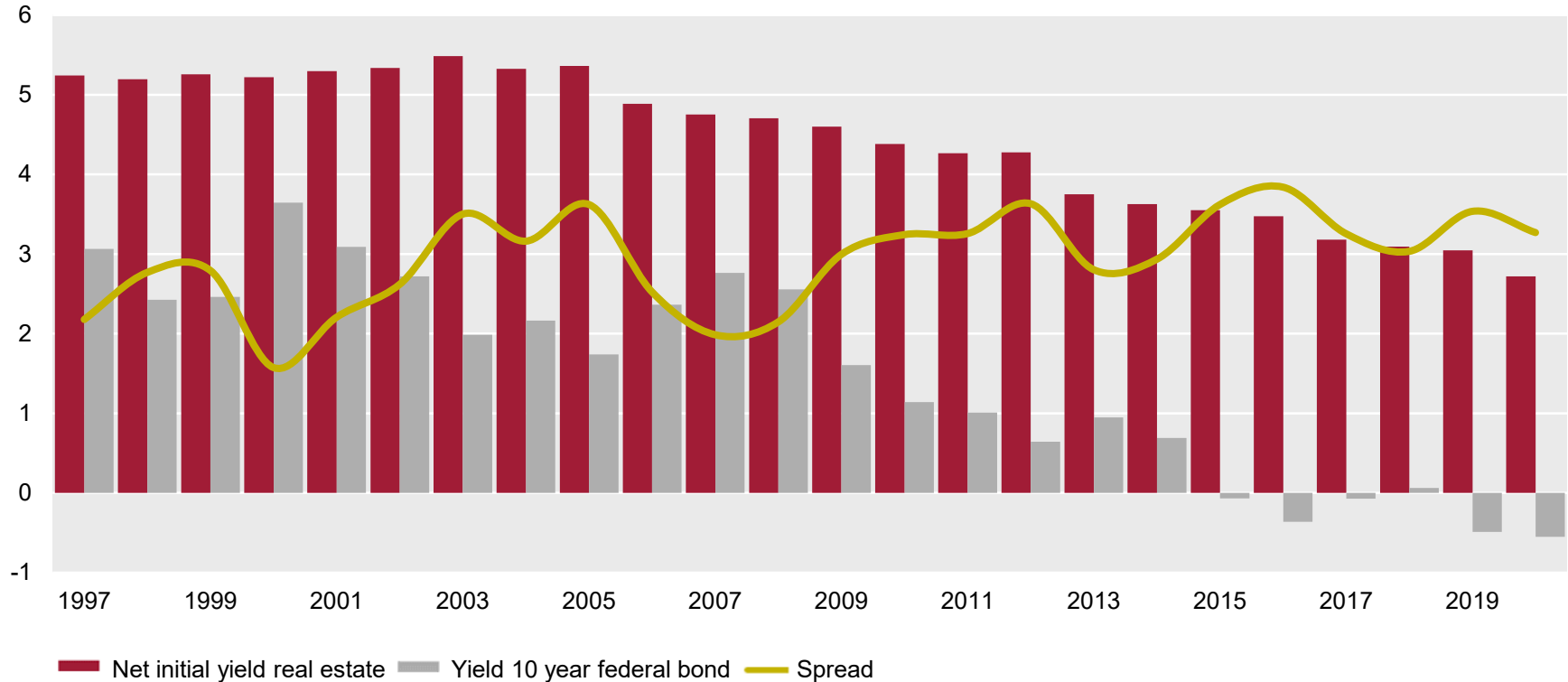
CHF million (fair value basis), insurance portfolio for own risk¹⁾



1) Excl. repo positions of CHF -2 305 m in FY 2019 and CHF -3 882 m in HY 2020 2) Incl. senior secured loan funds

Attractive real estate risk premium

Yields and spread in %)



Source: Prof. Studer, University Basel to 2004, from 2005 Wüest & Partner AG, SNB, own calculations

CHF 400 m share buyback restarted on 4 January 2021

Share buyback

Total amount

- CHF 400 m (CHF 29 m already repurchased in March 2020)

Remaining amount

- CHF 371 m

Timing

- Share buyback to be completed by the end of May 2021

Purpose

- Cancellation of shares

Execution

- Execution delegated to partner bank
- Purchases on 2nd trading line

Share buyback restarted with original volume and end date

We confirm our targets for Swiss Life 2021

Swiss Life 2021
targets

Swiss Life 2021 financial targets

Current assessment

Swiss Life 2021 financial targets	Current assessment
Quality of earnings and earnings growth <ul style="list-style-type: none"> • Fee result FY 2021: CHF 600-650 m • Risk result FY 2021: CHF 400-450 m • Cumulative value of new business (2019-2021): > CHF 1.2 bn 	On track
	On track
	Ahead
Operational efficiency <ul style="list-style-type: none"> • Life efficiency ratio FY 2021: < 40 bps • Distribution operating expense ratio FY 2021: < 25% • TPAM cost income ratio FY 2021: ~75% 	On track
	On track
	On track
Capital, cash and payout <ul style="list-style-type: none"> • SST ambition range (2019-2021): 140-190% • Cumulative cash remittance to Holding (2019-2021): CHF 2-2.25 bn • Dividend payout ratio: 50-60% • Share buyback Dec 18 – Dec 19: CHF 1 bn • RoE¹⁾: 8-10% 	On track
	On track
	On track
	Completed
	Ahead

1) Equity excl. unrealised gains / losses

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Contact details and financial calendar

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Financial calendar

Full-year results 2020	02 March 2021
Annual General Meeting 2021	23 April 2021
Interim statement Q1 2021	11 May 2021

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a self-determined life.*