



Investors' Day 2015

Swiss Life 2018

Patrick Frost, Group CEO
Zurich, 25 November 2015

Swiss Life 2018

Swiss Life will strive to improve the quality of earnings and earnings growth while increasing cash remittance and dividends based on disciplined capital management

Swiss Life 2015

Swiss Life has increased profitability, efficiency and resilience through the successful execution of Swiss Life 2015

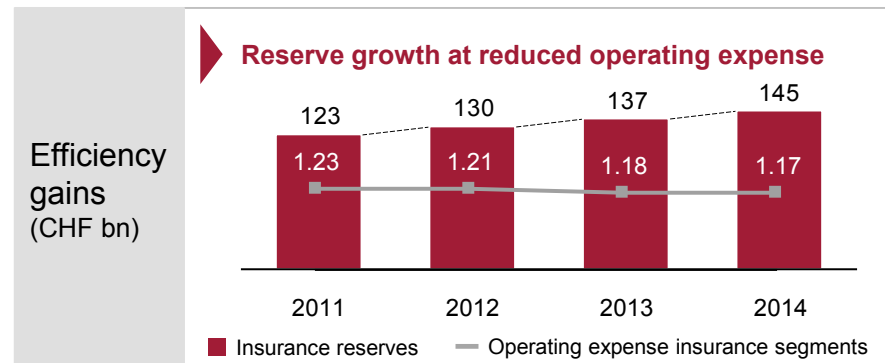
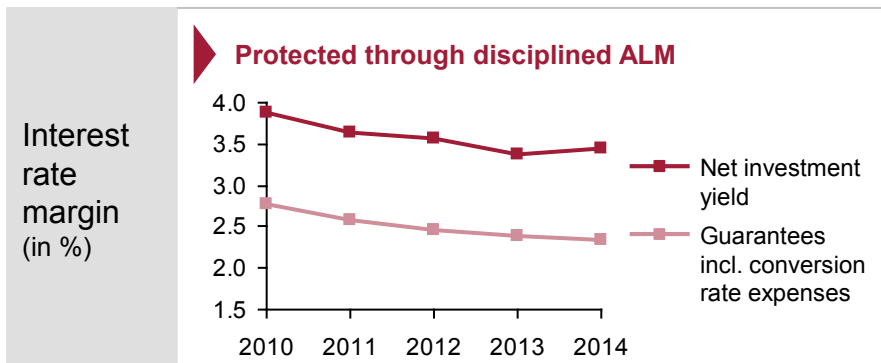
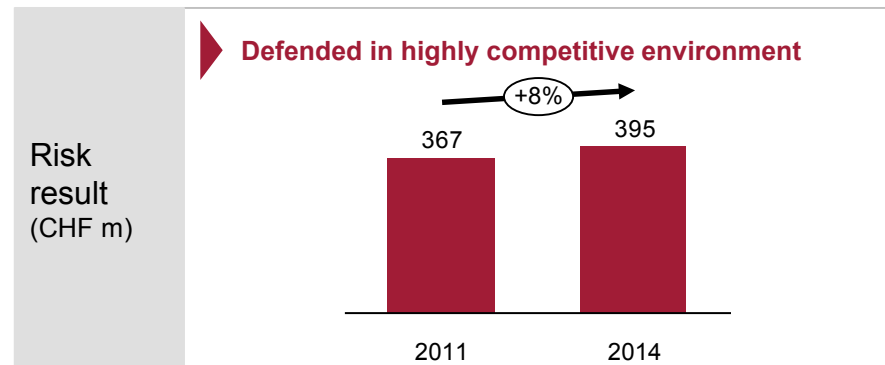
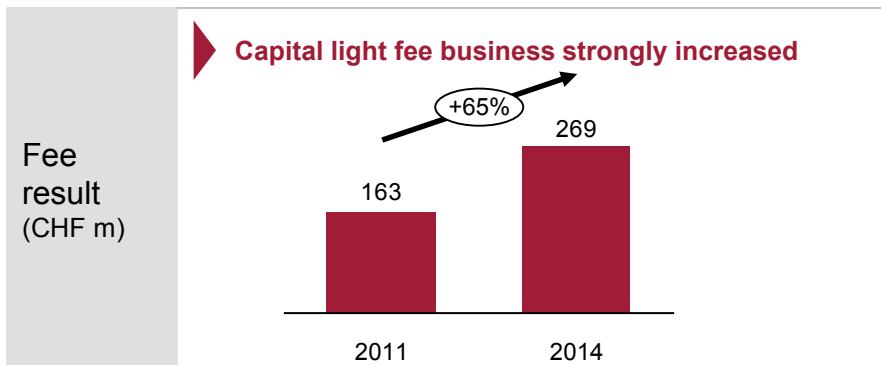
Swiss Life 2018

Swiss Life will continue to transform its business model and address key trends in the insurance industry

- Swiss Life is going to **strengthen the quality of earnings and achieve earnings growth** particularly by increasing the fee result
- Swiss Life further improves its **operational efficiency**
- Swiss Life will continue its disciplined capital management and increase **cash remittance** to its holding company and the **payout to shareholders**
- Swiss Life further develops its multi-local business approach through investing in **customer centricity and advice** initiatives

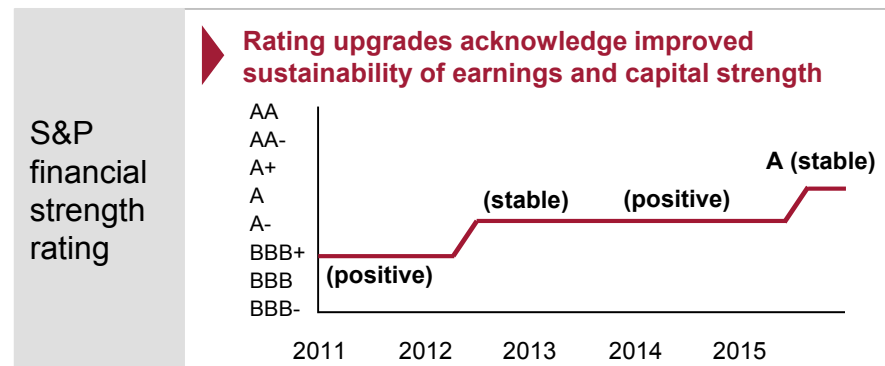
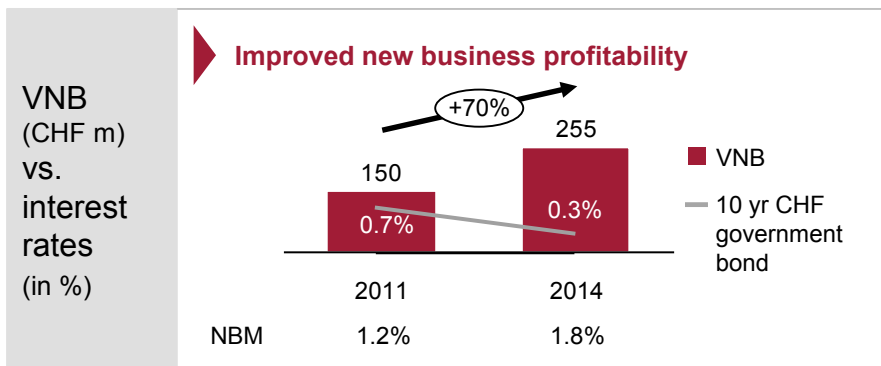
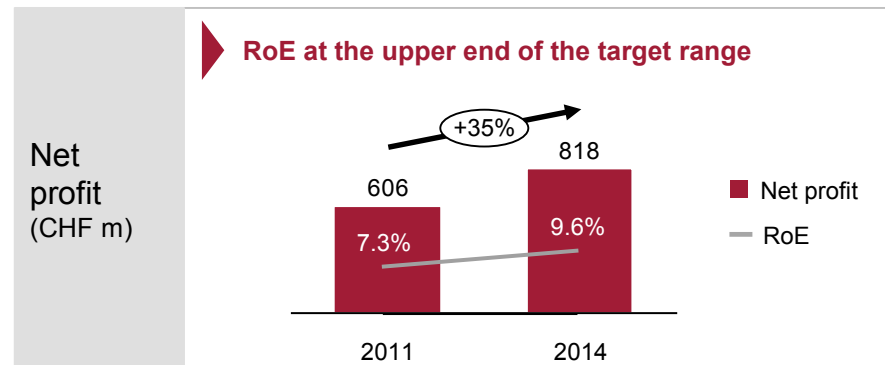
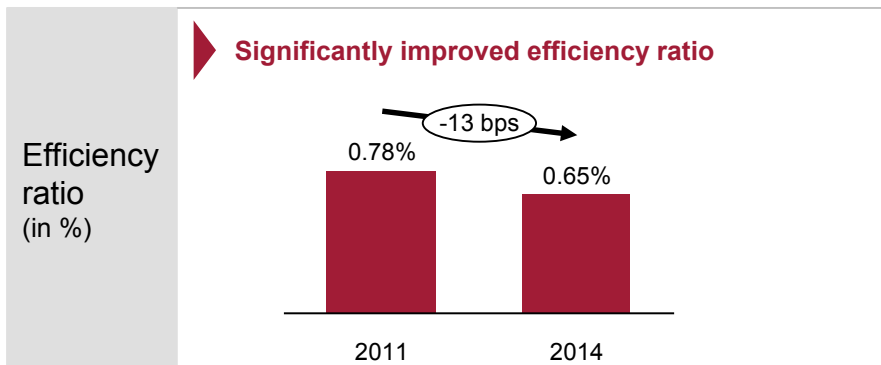
Swiss Life increased its profitability ...

Swiss Life 2015 key achievements



... and improved its financial strength through the successful execution of Swiss Life 2015

Swiss Life 2015 key achievements



Despite surpassing all key financial targets, there is room for improvement

Business focus points

- In relative terms, the quality of earnings in the profit by source composition is below the targeted 60-70% share of the fee and risk result
- Given low cash remittance to the holding company, the dividend payout ratio remained at the lower end of the 20-40% target range
- Distribution margins are below initial expectations

Regulatory environment

- High and increasing capital requirements for the life business (SST vs. Solvency II) put pressure on certain business lines

Swiss Life 2018 builds on past track record with an increased focus on selected strategic areas

Where do we sharpen our focus?

Swiss Life 2018 thrusts

Quality of earnings and earnings growth

- Strengthen the **quality of earnings** particularly by increasing the fee result
- Generate substantial new business value through margin and product management

Operational efficiency

- Finance investments and growth by implementing further **cost savings**

Capital, cash and dividend





- Disciplined **capital management** as basis to increase the cash remittance and the payout to shareholders

Customer centricity and advice

- Invest more than CHF ~100 m in **advice and digitalisation** initiatives to enhance customer centricity

Profit by source:

How does Swiss Life generate profits?

Source	Description	Capital intensity	Key contributor to profit source in 2014
 Savings result	<ul style="list-style-type: none"> Investment spread (net investment result, technical interest, reserve changes) After policyholder participation 	<ul style="list-style-type: none"> High 	<ul style="list-style-type: none"> Switzerland (61%), France (26%), Germany (11%)
 Risk result	<ul style="list-style-type: none"> Gross risk result (risk premiums less expenses, reserve changes) After policyholder participation 	<ul style="list-style-type: none"> Low-medium 	<ul style="list-style-type: none"> Switzerland (67%), France health and P&C (21%), Germany (8%)
 Fee result	<ul style="list-style-type: none"> Income from fee business less related expenses No policyholder participation 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Asset Managers (71%), France unit-linked and banking (14%), International (7%)
 Cost result	<ul style="list-style-type: none"> Gross cost result (cost premiums less expenses) After policyholder participation 		

Maintain focus on disciplined capital management to improve cash remittance and payout

Efficient and balanced use of capital to ensure healthy capitalisation

as of 1.1.2015

Group SST of 140-160%
internal model¹⁾

as of 1.1.2015

Group Solvency II > 200%²⁾
excluding any transitional measures

Capital generation

- e.g. earnings generation and value of new business

Capital allocation

- e.g. increased focus on capital efficiency in new business

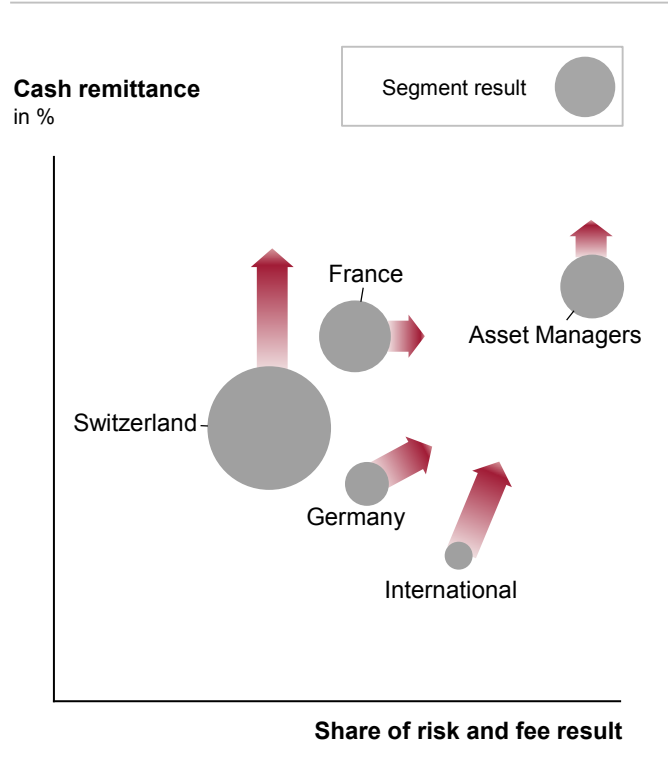
Cash remittance to holding company well supports targeted dividend payout ratio

Total cash remittance
to holding company 2016-2018
> 1.5 bn

Dividend payout ratio
30-50%

1) Model partially approved by FINMA 2) Incl. volatility adjustment; as a reminder: IFRS Group Solvency I at 257% as of 1.1.2015

Swiss Life develops its business divisions based on a multi-local approach



Business division focus points

Switzerland:

- Keep risk result at high level while growing the fee result
- Improve capital efficiency of new business
- Increase cash remittance

France:

- Increase fee result and protect risk result by reinforcing the private insurer and multi-distribution model as well as accelerating growth in corporate business
- Improve profitability and capital efficiency of in-force business

Germany:

- Grow fee result from owned IFAs and increase risk result
- Increase operational efficiency
- Improve capital efficiency

International:

- Grow fee result based on recurring revenues
- Increase cash remittance

Asset Managers:

- Grow the fee result particularly from TPAM business
- Increase cash remittance

Meeting trends in insurance industry key to capturing market potential

Regulatory / political

- Regulatory pressure on capitalisation and profitability
- Pension and health reforms
- Customer protection

Socioeconomic

- Longevity
- Dependency ratio
- Capital market environment

Changing customer behaviour

- Better informed
- Using multi-channels, mobile
- Less tolerant & loyal

How Swiss Life is addressing these trends

- Focus on capital-light products and fee-based offerings
- Disciplined capital management and ALM
- Continue to enhance the quality of earnings
- Comprehensive and high-quality advice

- High level of advice along with value-creating products and services for individual and group life customers
- Segment-specific customer journey with appropriate level of service quality
- A “longer self-determined life” as an opportunity for approaching customers

- Invest in digitalisation to expand relevant touch points with customers
- Provide a seamless customer experience according to specific needs of the strategic target groups
- Redesign business processes to increase automatisisation and efficiency

Investing in advice and digitalisation generates value for customers and Swiss Life

Customer centricity

We know our customers individually

- Gain real insights into needs, purchasing criteria and behaviour

We create a tailored customer experience

- Enlarge customer engagement by providing best services at each relevant touch point

We cultivate a customer-centric culture

- Direct customer feedback programme installed throughout the organisation

Advice

Comprehensive and high quality of advice

- Leads to expansion of product and service offering
- Supports Swiss Life's ambition to generate fee result, risk result and value of new business

Digitalisation

- Provides multiple access for a seamless customer experience
- Increases automatisisation and efficiency

Supports:

- Customer satisfaction and loyalty
- Recommendation rate
- Swiss Life's innovation, agility and productivity

Leading to improved margins

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 expenses¹⁾

Capital, cash and dividend

- Cumulative **cash remittance** to Holding (2016-2018): > CHF 1.5 bn
- **Dividend payout ratio**: 30-50%

RoE²⁾ of 8-10%

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

Today's agenda

10.30	Start of Investors' Day 2015	
10.30 – 11.00	Swiss Life 2018	Patrick Frost, Group CEO
11.00 – 11.30	Driving Performance	Thomas Buess, Group CFO
11.30 – 11.50	ALM & Product Management	Matthias R. Aellig, Group CRO
11.50 – 12.40	1st Q&A session	Members of the Corporate Executive Board
<i>12.40 – 13.30</i>	<i>Lunch</i>	
13.30 – 14.10	Swiss Life Switzerland	Ivo Furrer, CEO Switzerland
14.10 – 14.40	Swiss Life France	Charles Relecom, CEO France
14.40 – 15.10	Swiss Life Asset Managers	Stefan Mächler, Group CIO
<i>15.10 – 15.30</i>	<i>Coffee break</i>	
15.30 – 15.50	Swiss Life Germany	Markus Leibundgut, CEO Germany
15.50 – 16.10	Swiss Life International	Nils Frowein, CEO International
16.10 – 16.50	2nd Q&A session	Members of the Corporate Executive Board
16.50 – 17.00	Closing remarks	Patrick Frost, Group CEO

17.00	End of Investors' Day 2015	
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<i>As of 17.00</i>	<i>Apéro / Drinks</i>	
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Contact details and financial calendar

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Financial calendar

Full-year results 2015	01 March 2016
Annual General Meeting 2016	26 April 2016
Interim Statement Q1 2016	12 May 2016

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