



SwissLife

Investors' Day 2015 Swiss Life Switzerland

Ivo Furrer, CEO Switzerland
Zurich, 25 November 2015



Swiss Life Switzerland 2018

Our customers recognize us as a leading provider of comprehensive life and pensions and financial solutions for a longer self-determined life

To fulfil this ambition we...

**A Strengthen
core business**

We will maintain high discipline regarding margin, cost and efficiency management in order to ensure the long-term profitability of our life insurance business

**B Expand
business model**

We will expand our service and product offering through comprehensive financial advice, investment products, real estate brokerage, pension services and partner-packaged solutions for property and/or health insurance

**C Expand
customer access**

Our customers benefit from an effective advisor network combined with digital tools and services
We will develop into a leading omnichannel life and pensions and financial solutions provider to win new customers

Swiss Life Switzerland with a strong and leading market position

Strategic positioning and key financials (FY 2014)

- **Leading life insurer** in Switzerland:
 - No. 1 in individual life and group life
 - Top 4 in pension services and real estate brokerage
- GWP: CHF 10 bn
- Segment result: CHF 657 m
- NBM: 2.2%
- VNB: CHF 155 m

Distribution

- **Balanced distribution mix:**
 - 1 370 Swiss Life advisors at 55 locations
 - Cooperation with 760 brokers / banks
 - Digital and direct sales channels
- Sales competencies in life, P&C, health, investments and mortgages

Customer base

- **> 1.3 million customers**
- > 40 000 companies and 600 000 insured persons, including an increasing proportion through the digital channel
- Net promoter score (NPS) above industry average

Achievements Swiss Life 2015 (as of FY 2014)

- **Offering:** New business production of Swiss Life own products at CHF 4.5 bn, above Swiss Life 2015 target
- **Margin:** Protected new business margin – above hurdle rate despite low interest rate environment
- **Efficiency and quality:** Improved efficiency ratio from 0.56% to 0.47% (2011-2014)

Swiss Life 2015 goals fully achieved

	Objectives	Achievements	
Customer promise	Transformation towards customer satisfaction	Customers (2014 vs. 2011)	<p>Corporate customers: +8% Private customers: +6%</p> <ul style="list-style-type: none"> ↗ Number of new customers ↗ Recommendation rate
Offering	New business margin	NBM (%)	<p>2011: 0.3% Pricing Bus.Mix: 1.0% Costs: 0.3% Other (including economy): 0.6% 2014: 2.2%</p> <ul style="list-style-type: none"> ↗ Product margin > 2% in 2014 despite challenging economic environment
Distribution	Well-balanced distribution mix	NBP	<p>2011: Tied agents 66%, SL Select 23%, Brokers, banks & others 11% 2014: Tied agents 51%, SL Select 38%, Brokers, banks & others 11%</p> <ul style="list-style-type: none"> ↗ Market penetration ↗ Introducing new customer segments ↗ Distribution margin
Efficiency and quality	Maintaining high cost discipline	Efficiency ratio (%)	<p>2011: 0.56% 2014: 0.47%</p> <ul style="list-style-type: none"> ↗ Efficiency by reducing operating expenses (-1% p.a.) ✓ Cost savings on track

Swiss Life Switzerland strategy at a glance

Objectives

A Strengthen core business

- Profitable growth through modern guarantee concepts
- Protect risk business through competitive pricing and attractive risk components
- Disciplined cost management to generate savings in order to invest in growth initiatives such as digitalisation or real estate brokerage

B Expand business model

- Broaden product and service offering with additional package & advice solutions
- Diversify profit sources, further strengthening fee business
- Brand positioning as leading provider of comprehensive life and pensions and financial solutions with new brand promise and theme-specific campaigns

C Expand customer access

- Strengthen competence of advice and roll out comprehensive advice concepts
- Enhance omnichannel approach and digital access to expand digital interface for customers, distribution channels and partners
- Foster customer relationships and drive customer centricity and customer experience management

Main contribution to Group KPIs

Quality of earnings and earnings growth

Fee result FY 2018:
CHF 10-15 m

Risk result FY 2018:
CHF 240-265 m

VNB cumulative (2016-2018):
CHF > 325 m

Operational efficiency

Cost savings (2015-2018):
CHF 25-30 m

Customer centricity and advice

Individual customers: Swiss Life will further reduce level of guarantees

Strategic objectives

- Profitable growth
- Protect risk
- Cost management

Initiatives

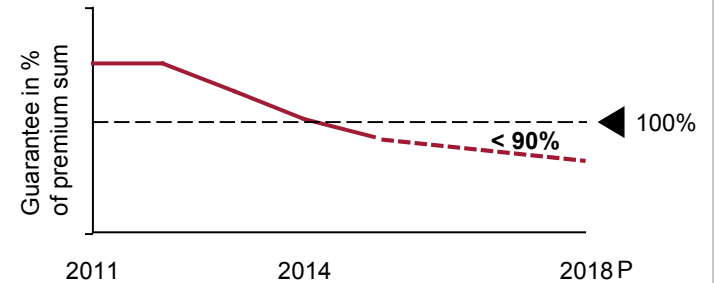
Shift from traditional to modern product concepts

- Modern product concepts with lower initial guaranteed benefits
- Lower guarantees require less capital and decrease risk for shareholders (de-risking)
- Attractive upside potential for customer through index participation (e.g. SMI)
- High sales volume proves attractive value proposition of modern concepts
- New product with integrated biometric risk component

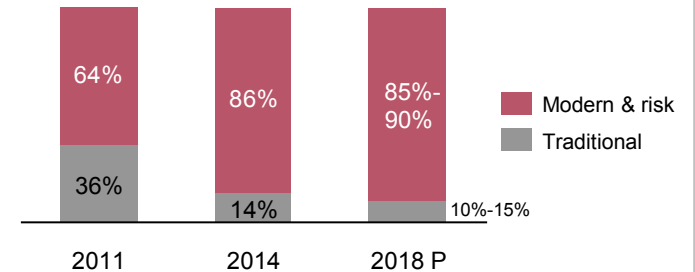
Ambition: Keep or increase share of modern and risk products to 85% - 90% by 2018

Contribution

Guaranteed benefits (savings products)



Shift to modern products (in % of NBP)



Corporate customers: Effective and efficient management of in-force and new business

Strategic objectives

- Profitable growth
- Protect risk
- Cost management

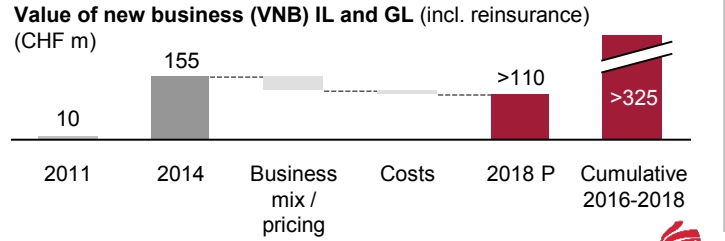
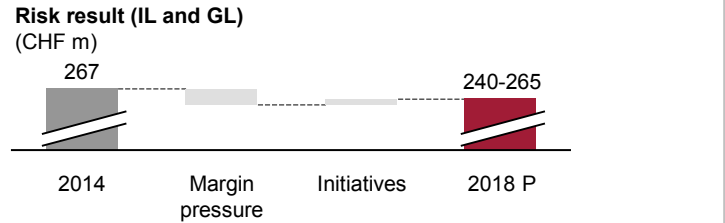
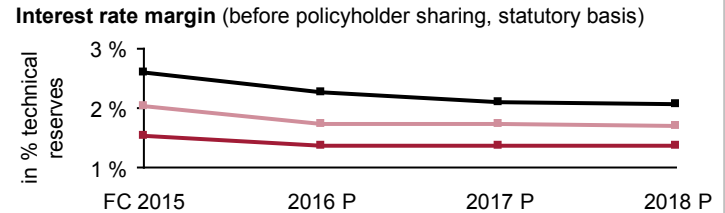
Initiatives

Successful steering of guarantees and profitability

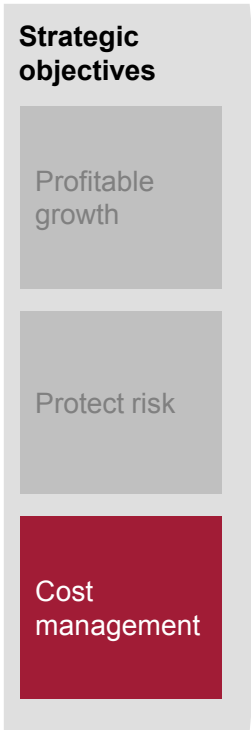
- Positive interest rate margin even under current conditions:
 - Unique in-force book with dynamic guarantees
 - Keeping duration gap low through active steering of guarantee level
- Effective steering of new and in-force business quality:
 - Continuously adapt underwriting and renewal rules and strict monitoring
 - Commissions reflecting quality of written business
- Intensify market activities for risk business by adjusting pricing for pure risk solutions

Ambition: Maintain positive interest rate margin as well as risk margin and ensure new business margin above the minimum hurdle rate of 1%

Contribution



Continuous cost discipline allows investments in growth and innovation



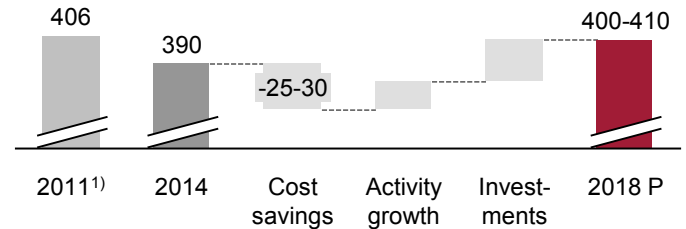
Initiatives

- More cost savings realised by 2015 than promised (2014 CHF > 30 m vs. 2015 target of CHF 25-30 m)
- Efficiency ratio further enhanced
- Disciplined cost management allows investments in digitalisation and brand enhancement, e.g.:
 - Customer portal / CRM (myWorld / myClient)
 - Real estate brokerage (Immopulse)

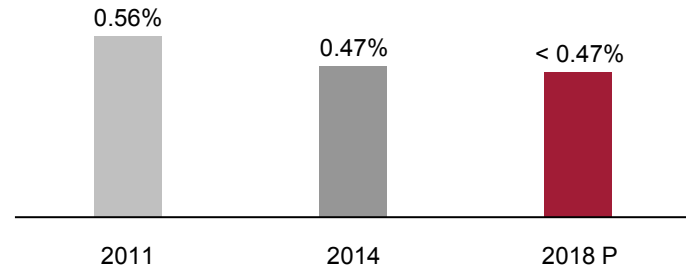
Ambition: Additional efficiency gains of CHF 25-30 m to compensate for investments in digitalisation and brand enhancement

Contribution

Operating expense adjusted
(CHF m)



Efficiency ratio
(in %)



1) Accounting, scope changes

From a pure life insurer to a provider of comprehensive pensions and financial solutions

Broaden product & service offering

Initiatives

- Launch of retail investment solutions: Package and modular solutions, incl. pure digital solution as well as personal advice
- Strengthen distribution collaboration with third-party offering provider
- Enlarge package solution offering to reduce complexity for customers

Diversify profit sources

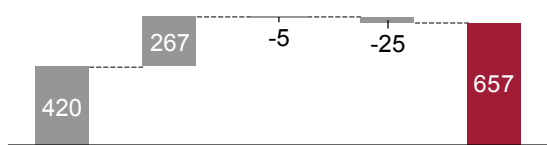
- Introduce new investment solutions for retail and affluent customers
- Establish comprehensive real estate services (joint solutions of real estate brokerage and insurance solutions)
- 2nd pillar consulting, risk management and administration for companies

Brand positioning

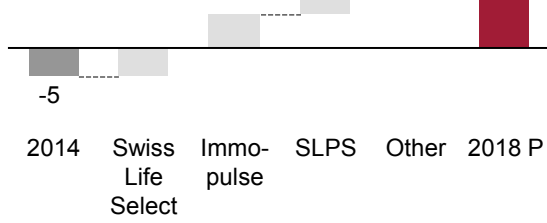
- Strengthen Swiss Life's position as the leading provider of comprehensive life and pensions and financial solutions, e.g.:
 - Real estate brokerage (Swiss Life Immopulse)
 - 2nd pillar consulting (Swiss Life Pension Services, SLPS)
- Theme-specific marketing campaigns

Contribution

Profit by source 2014 (CHF m)
Trend of development over 2016 – 2018 (arrows)



Fee result (CHF m)



Individual customers: Investment solutions and real estate brokerage services

Strategic objectives

Broaden product & service offering

Diversify profit sources

Brand positioning

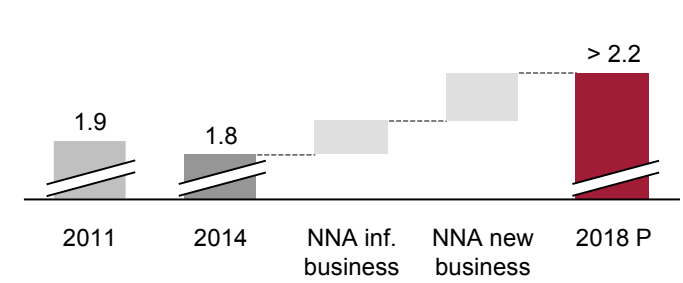
Initiatives

- Introduce new, state-of-the-art investment solutions for retail and affluent customers:
 - Investment solutions offer flexible “delegator” and “participator” options for customers
 - Offered through classical and digital distribution channels (complete integration in myWorld portal)
- Further growth of real estate broker business Swiss Life Immopulse:
 - 50 real estate advisors at 40 locations (Sep 2015)
 - 333 properties sold in 2015 (Jan – Sep 2015)
 - 703 mandates in pipeline (end of Sep 2015)

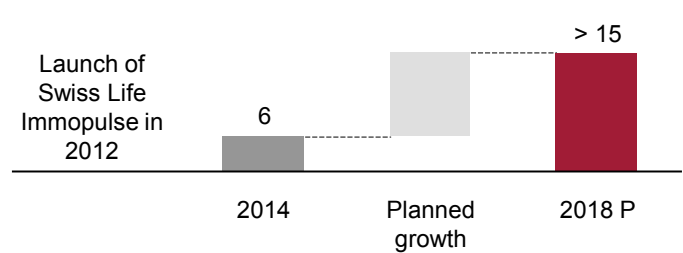
Ambition: Increase net new assets by > CHF 400 m and fee income from real estate brokerage to over CHF 15 m by 2018

Contribution

Investment solutions (AuM CHF bn)



Fee income real estate brokerage (CHF m)



Corporate customers: Successful implementation of full-range provider

Strategic objectives

Broaden product & service offering

Diversify profit sources

Brand positioning

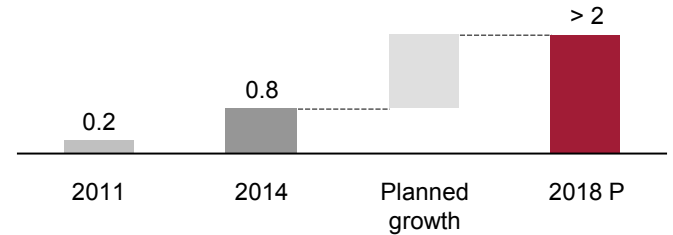
Initiatives

- Further implement and develop our full-range provider strategy (e.g. new services for SMEs)
- Offer the whole product range under one brand and with a positive impact on P&L in all dimensions
- Increase assets under management and fee income through growth in semi-autonomous business
- Strengthen the position of the investment foundation and Swiss Life Pension Services

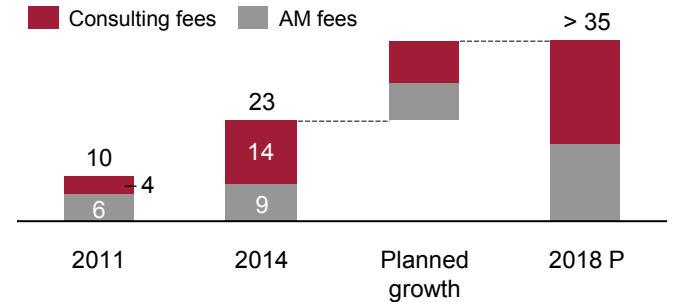
Ambition: Double new business in semi-autonomous solutions and increase consulting and asset management fees to over CHF 35 m by 2018; further diversify business mix

Contribution

Semi-autonomous business (AuM CHF bn)



Consulting and asset management fees (CHF m)



All distribution channels enhance their advisory competence

Advisory competence

Strategic objectives

- Continuous certification of advisor education
- Standardised consulting and offering process
- Enhanced advisory skills for investment solution products

Omnichannel approach

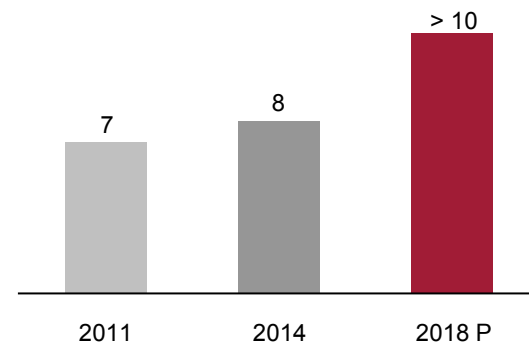
- Foster seamlessness among channels
- Effective lead management
- Consistent brand experience

Customer relationship

- Digital platforms enable consistent customer experience, self-service access, personalised simulations
- From customer relationship to customer experience management

Contribution

Net promoter score¹⁾ (in %)



Additional KPIs

- Number of active users
- Number of transactions

¹⁾ Net promoter score (NPS) can be used to gauge the loyalty of the firm's customer relationships. The present data focus on the touchpoint "digital interaction". NPS can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). A positive NPS is considered good.

Strong link between analogue sales and digital tools strengthens customer experience

Digital platforms and tools

Initiatives

- myWorld: Online portal for individual and corporate customers
- myClient: Online portal for sales, broker and customer support staff
- myPresentation: App for advisors to foster interaction with customers

Comprehensive customer experience

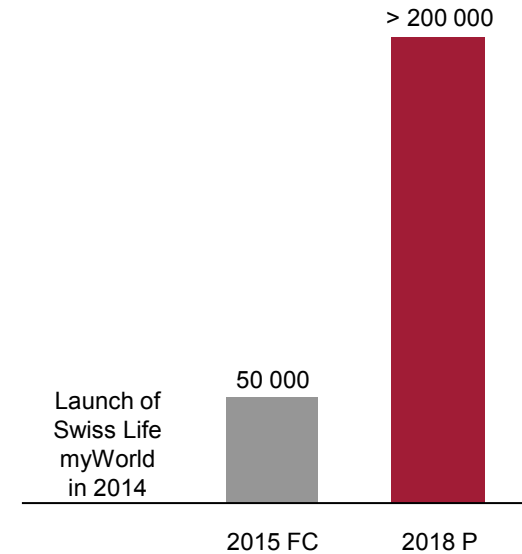
- Self-determined experience along the whole customer journey
- myWorld community: Moderated exchange of experience among customers

Enabling distribution channels and customer support

- Enables strong analog and digital distribution networks
- Enables omnichannel workflows
- Strengthens customer-centricity skills

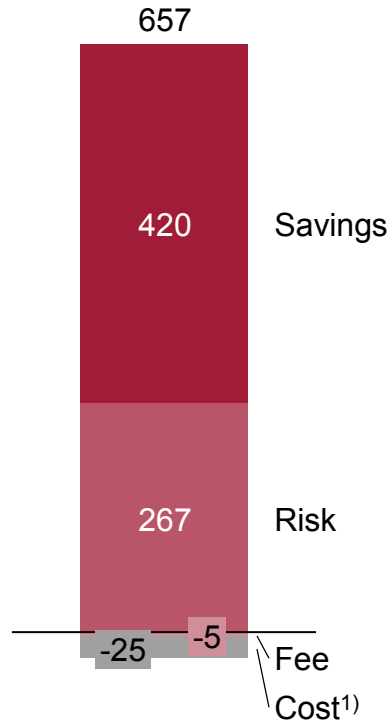
Contribution

Number of active users on the portals

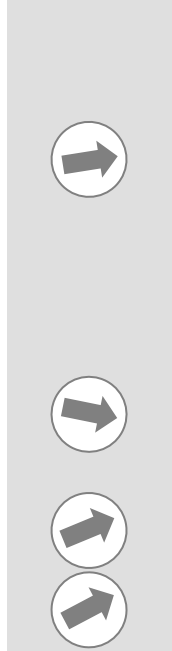


Stronger future fee result to enhance the quality of earnings

Profit by source
(FY 2014 adjusted, CHF m)



Trend 2016-2018



Comments

- **Savings result** slightly increasing mainly due to strict asset liability management despite low interest rates
- **Risk result** with attractive margins, slightly decreasing due to adjustments in own pricing in order to keep competitiveness in the market
- Growth in **fee result** is driven by insurance & financial services brokerage (Swiss Life Select), various initiatives like real estate brokerage (Swiss Life Immopulse), expansion of pension consulting and services (Swiss Life Pension Services) and new retail investment solutions
- **Cost result** is improving due to further efficiency gains, which enable investments in new initiatives

1) Thereof admin cost result gross: CHF 68 m

Swiss Life Switzerland 2018

Our customers recognize us as a leading provider of comprehensive life and pensions and financial solutions for a longer self-determined life

To fulfil this ambition we...

**A Strengthen
core business**

We will maintain high discipline regarding margin, cost and efficiency management in order to ensure the long-term profitability of our life insurance business

**B Expand
business model**

We will expand our service and product offering through comprehensive financial advice, investment products, real estate brokerage, pension services and partner-packaged solutions for property and/or health insurance

**C Expand
customer access**

Our customers benefit from an effective advisor network combined with digital tools and services
We will develop into a leading omnichannel life and pensions and financial solutions provider to win new customers

Cautionary statement regarding forward-looking information

This presentation is made by Swiss Life and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Swiss Life. Although all reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Swiss Life. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Swiss Life as being accurate. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as is reasonably possible and may be subject to revision in the future. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. This presentation may contain projections or other forward-looking statements related to Swiss Life that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to Swiss Life on the date of its posting and Swiss Life assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of Swiss Life.

Contact details and financial calendar

Contact

Heidi Hinterhuber
Head of Investor Relations

Phone +41 (43) 284 67 67
E-mail heidi.hinterhuber@swisslife.ch

Rolf Winter
Senior Investor Relations Manager

Phone +41 (43) 284 49 19
E-mail rolf.winter@swisslife.ch

Financial calendar

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

Visit our website for up-to-date information
www.swisslife.com



SwissLife

The future starts here.