



SwissLife

Investor Day 2018 Swiss Life Switzerland

Markus Leibundgut, CEO Switzerland
Zurich, 29 November 2018

Key messages Swiss Life Switzerland

Where we are today

- We are **the market leading provider** of comprehensive life, pension and financial solutions
- We **enable people** to lead a self-determined life with expert advice
- We are **delivering** on our Swiss Life 2018 shareholder promise, including cash remittance

What we will do

- Our **new advisory model**, building on digital technologies, will enhance customer experience and advisory effectiveness, **leading to more business** with existing and new customers
- We will **increase our market share** with a full-range offering while focusing on margin management and capital efficiency

What we will achieve with Swiss Life 2021

- We aim to **raise the fee and risk result and increase cash remittance** by 2021
 - Double **fee result** to CHF 25-30 m
 - Enhance **risk result** to CHF 260-270 m
 - Increase **VNB** to CHF > 480 m (cumulative 2019-2021)
 - Improve **life efficiency ratio** to 34-36 bps
 - Increase **cash remittance** to CHF > 400 m

Swiss Life Switzerland builds on strong and leading market position

<p><i>Strong positioning in Swiss market</i></p>	<p>Market position in CH</p> <ul style="list-style-type: none"> # 1 provider of comprehensive life and pension solutions Market leader with a 20% share in IL and 34% in GL 	<p>Customer base</p> <ul style="list-style-type: none"> > 1.4 million insured persons > 40 000 companies with > 600 000 insured employees 	<p>Market access</p> <ul style="list-style-type: none"> 1 300 advisors at 60 locations Collaboration with 850 brokers Expert advisors in life, P&C, health, mortgages and investment solutions 	
<p><i>Further strengthened core business and expanded business model</i></p>	<ul style="list-style-type: none"> Further strengthened the core business and protected profitability by applying disciplined margin management and improving the business mix Expanded the business model and grew the fee business with additional services / offerings Successfully developed into a leading omnichannel provider of life, pensions and financial solutions Improved life efficiency ratio thanks to strict cost management 			
<p><i>Expect to successfully deliver on Swiss Life 2018</i></p>	<p>Swiss Life 2018 financial targets</p> <ul style="list-style-type: none"> Fee result FY 2018: Risk result FY 2018: VNB cumulative (2016-2018): Cost savings (2015-2018): 	<p>FY 2017</p> <ul style="list-style-type: none"> CHF 10-15 m CHF 240-265 m CHF > 325 m CHF 25-30 m 	<p>FY 2017</p> <ul style="list-style-type: none"> CHF 14 m CHF 251 m CHF 302¹⁾ m CHF 20²⁾ m 	<p>Current assessment</p> <ul style="list-style-type: none"> Ahead ✓ On track ✓ Ahead ✓ On track ✓

1) Cumulative 2016-2017 2) Cumulative 2015-2017

Swiss Life 2021 leverages key strengths

Private customers

Corporate customers

Focus on preferred segments

Leverage market access in attractive segments:

- Young families and couples (DINKS¹⁾)
- Best agers²⁾
- Employees of corporate customers

Build on strong position

- **SME:** Product offering with / without guarantees
- **Large corporates / pension funds:** Modular range of product components

Promote attractive propositions

- Expand our **full-range provider strategy** with guarantee, capital-light and investment products
- Package solutions in health, P&C, private wealth and living
- Continued margin management & capital efficiency

- Strengthen our **full-range provider strategy**
 - Full insurance and semi-autonomous solutions
 - Pension consulting, risk management and administration
- Continued margin management & capital efficiency

Make customer relationships more rewarding

- Integrated and digitally supported advisory and service process
- Market management to define focused segment strategies
- Package solutions to cover all life events enabling our customers to lead a self-determined life

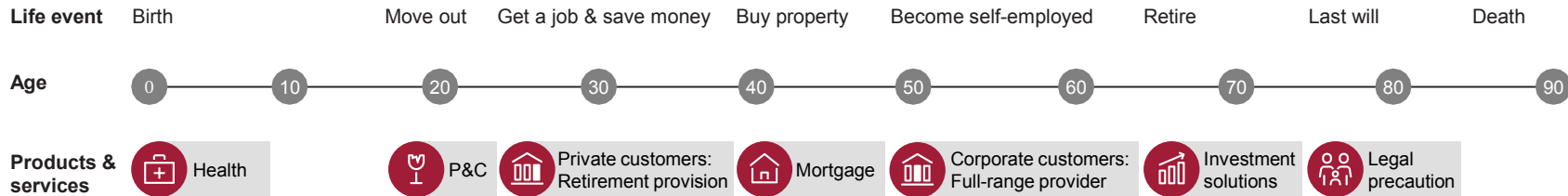
Improve productivity

- Enhanced effectiveness and efficiency in sales through digitally supported customer process
- Further development of administration and self-service platforms
- Profit from 'pay as you use' IT services, first mover in private and public cloud

1) Double Income No Kids 2) People between the age of 50 and 60

Swiss Life poised to seize market potential

Average individual buys ~70 financial contracts throughout life to strive for financial confidence



Customers¹⁾ understand the need to make financial provisions, cover risks and are prepared to act

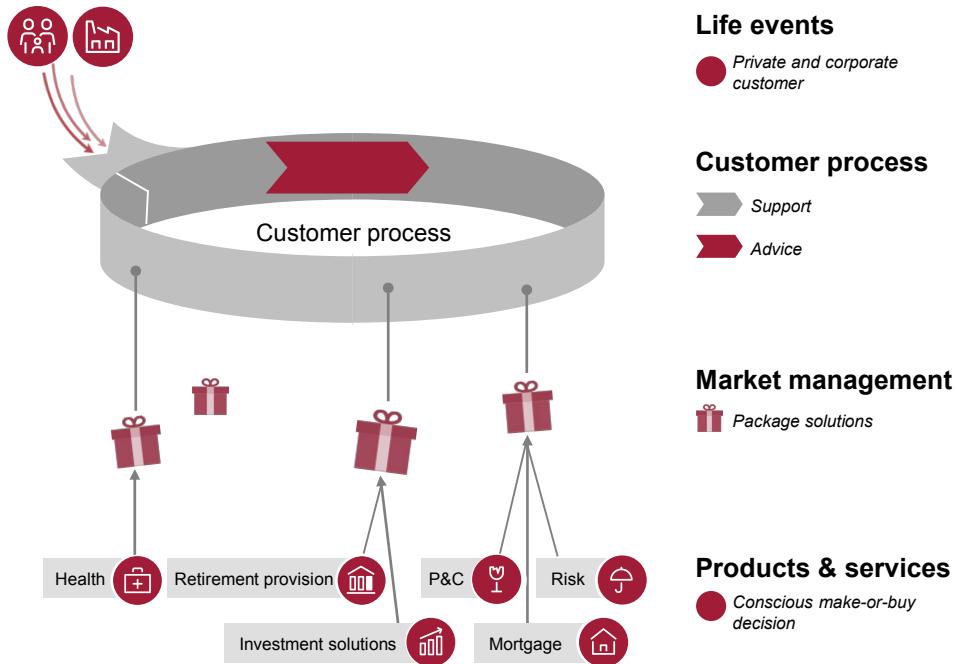
- **91%** see independence and self-determination as a fundamental part of their longer life
- **86%** see themselves as being responsible for providing for their old age
- Only **65%** feel confident about their current financial situation

Swiss Life has market access and offering to support people in their deep-rooted desire for financial security

1) Exclusive research conducted by Swiss Life in Switzerland

Advisory model makes relationships more rewarding and increases the share of wallet

Advisory model



- **Phygital advisory model** building on digital technologies, enhancing **customer experience** and **advisory effectiveness** leading to more business
- **Efficiency increases** through digitalisation of end-to-end processes
- Coordinated **market management** process develops segment strategies and orchestrates:
 - Offering
 - Price
 - Customer access
 - Marketing communication
- **Make-or-buy decisions** are based on profitability and capital-efficiency considerations at product / service level

Focus on capital efficiency in broad product range

Private customers

Our broad product offering to fulfil customer needs

Continue capital-light strategy and modern traditional offering

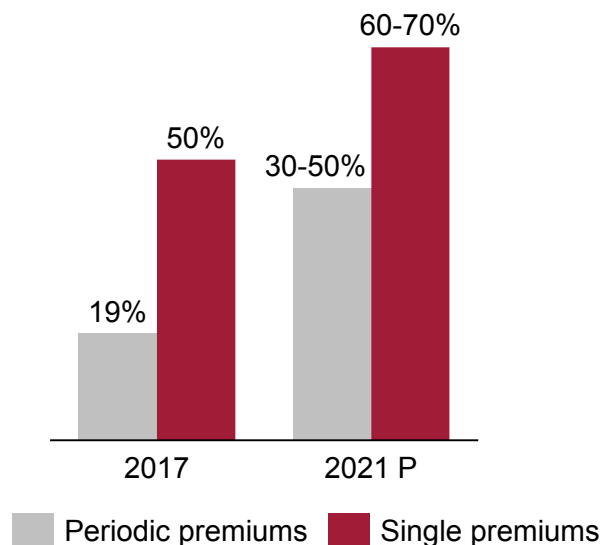
- Expanding offering of guarantee and capital-light life products
 - Attractive VNB and new business margin
 - Future profit streams: Savings-, risk- and cost results
 - Capital efficiency
- Example of a **new capital-light product**:
 - Swiss Life Dynamic Elements: Dynamic split of premium investment in managed equity funds portfolio and an interest-bearing security element
 - Target segments: Young families and couples (DINKs)

New package solutions in health, P&C, private wealth and living pursuing the best-select strategy

- Broaden product & service offering with additional package and advice solutions for tied agents / owned IFAs to grow fee result

Grow share of capital-light production

in % of total individual life new business



Deep dive: Private wealth for retail and affluent customers

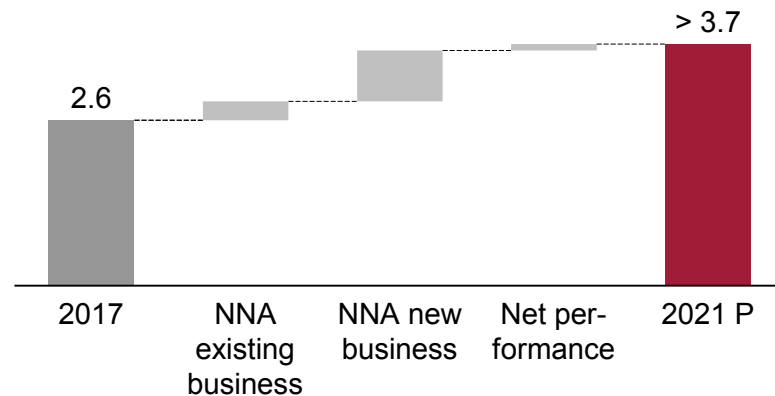
Deep dive: Investment package solutions

Fulfil customer demand for more flexibility and ultimately grow fee business

- Provide solutions for expiring insurance contracts
- Make use of the longstanding expertise of Swiss Life Asset Managers to ensure sustainable asset growth
- Example of an implemented **investment package solution**:
 - Swiss Life Premium Delegate / Preference: Best-Select approach with Swiss Life and third-party funds on the basis of a systematic selection and monitoring process
 - Target segments: DINKs and best agers
 - Available via physical and digital sales channels

Assets under management and net new assets (NNA)

CHF bn

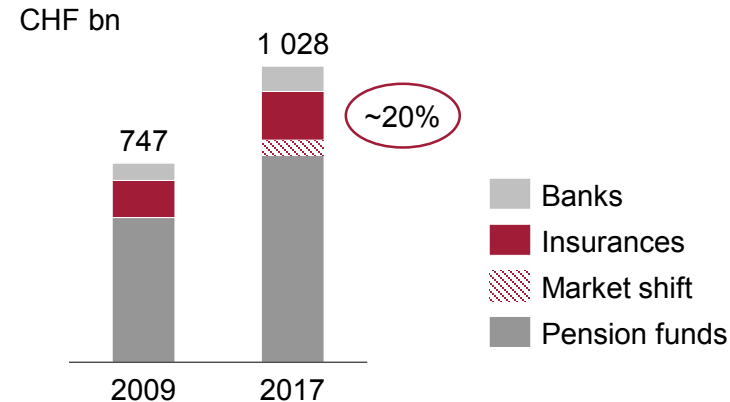


Swiss Life seizing opportunity to grow in 2nd pillar market

The 2nd pillar market in Switzerland

- Totals around **CHF 1 028 bn** of which around 20% are in insurance books
- **48% growth** between 2009 - 2017 driven by
 - Intrinsic reserve growth
 - Employment and salary growth
 - Asset performance
- **Consolidation tendencies** of small and mid-sized pension funds
- Market shift due to **competitor move**

Total assets in the 2nd pillar



Swiss Life opportunity

Competitor move opens up substantial assets, offering unique opportunity for Swiss Life

Swiss Life market leader with decade-long outperformance of peers

Corporate customers

Swiss Life a true full-range provider ...

Swiss Life attractive to customers due to

- Outperforming peers' investment results
- Very competitive AM costs
- High convenience through digital self-service platform

Full insurance solutions

- Market leader with 34% market share (2017)
- Selective growth to protect profitability & capital efficiency with positive impact on: Savings-, risk-, cost- and fee result (AM)

Autonomous / semi-autonomous pension funds

- 30% of NBP with semi-autonomous pension funds in 2017
- Grow business to increase risk-, cost- and fee result (pension consulting and AM)

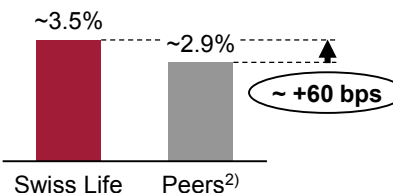
Broad range of advisory and other services

- Fee income for specific and individual advisory services for employees and their relatives
- Expert mandates in the areas of investment, risk, advice and implementation for pension schemes: Strengthen fee result

... with a strong performance

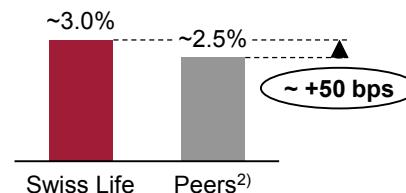
Annual direct investment yield

Average 2010-2017¹⁾



Annual net investment yield

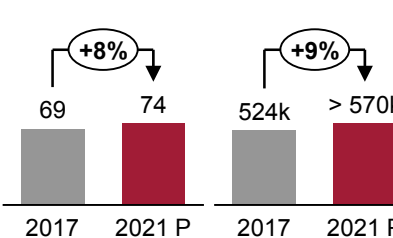
Average 2008-2017



Full insurance solutions

AuM in CHF bn

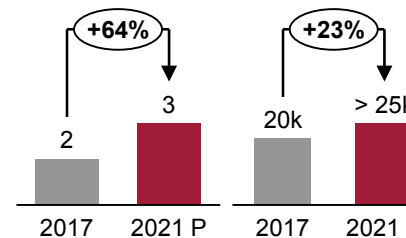
of insured persons



Semi-autonomous solutions

AuM in CHF bn

of insured persons



1) 2008-2009 not disclosed 2) Unweighted average of Axa, Baloise, Helvetia, Allianz; source: Betriebsrechnungen BVG

BVG business key and stable contributor to Swiss Life

Corporate customers

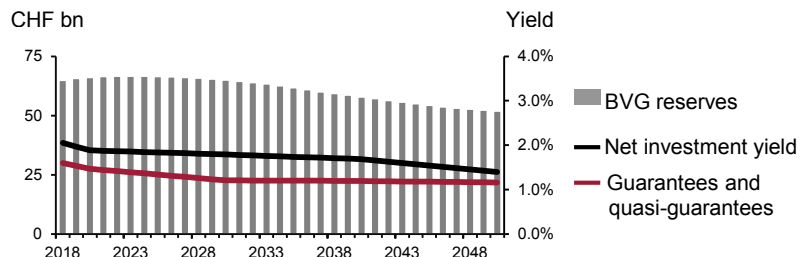
Optimised new business

Balanced mix of guaranteed and non-guaranteed business

- Incremental net profit
- VNB
- Capital efficiency
- Quality of future profits

Stable back-book

Structurally healthy interest rate margin for decades due to active steering of guarantees and ALM



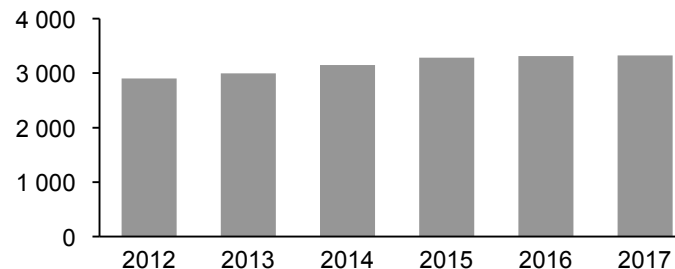
Contribution of BVG portfolio to Swiss Life Group

FY 2017

- **~25%** contribution to risk result
- **~25%** contribution to asset management income
- Cost premium covers **~20%** of total costs

Predictable periodic premium

CHF m



Swiss Life deepens 2nd pillar coverage

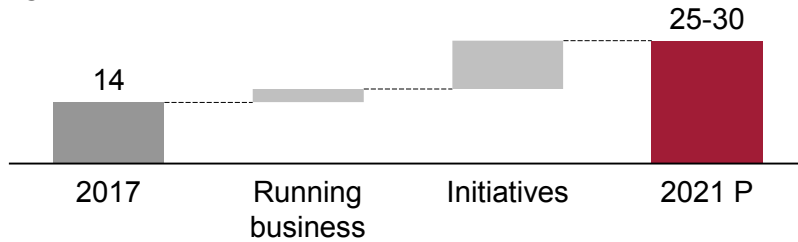
Corporate customers

Solution	Best of peers	Swiss Life	Further ambitions of Swiss Life until 2021
<i>Full insurance</i>	✓	✓	Selective, capital-efficient growth with positive impact on entire profit by source
<i>Semi-autonomous solutions</i> • <i>pooled on foundation level</i> • <i>pooled on corporate level</i>	✓ ✓	✓ ✓	Grow capital-light offering ensuring stable customer base and strengthening fee business (AM) as well as capital efficiency
<i>Semi-autonomous investments on individual level (1e solutions)</i>		✓	Leverage unique offering to capture attractive high-end customer segments strengthening fee business and capital efficiency
<i>Expert mandates for pension funds</i>		✓	Grow fee result and strengthen expertise
<i>Administration for pension funds</i>		✓	Grow fee result and leverage infrastructure
<i>IT and projects for pension funds</i>		✓	Grow fee result and drive innovation

Swiss Life Switzerland well positioned to achieve our financial 2021 targets

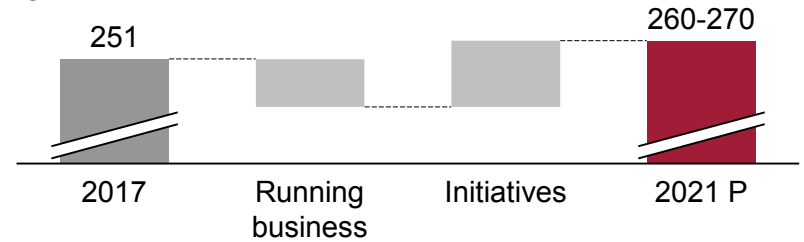
Double the fee result

CHF m



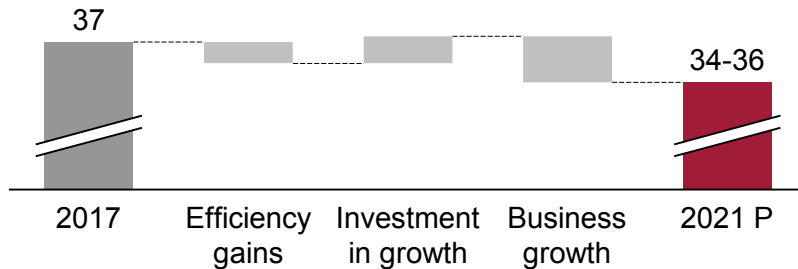
Increase the risk result

CHF m



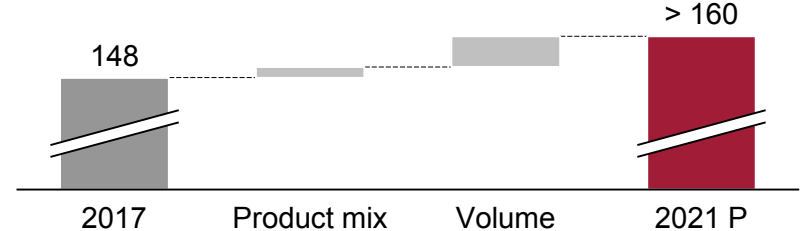
Improve an already strong life efficiency ratio

bps

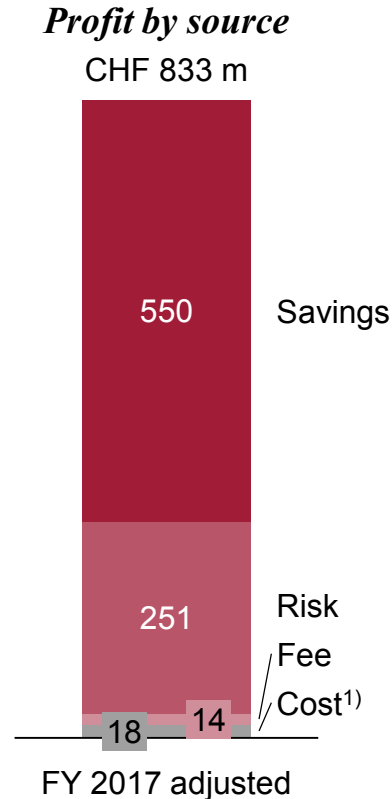


Enhance the value of new business

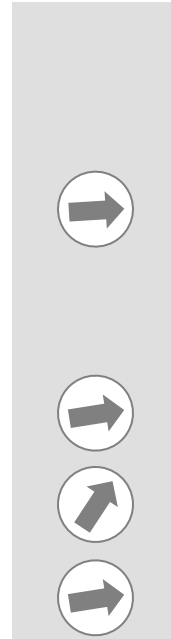
CHF m, incl. reinsurance



Solid savings result with more growth in the fee and risk results seen by 2021



Trend 2018-2021



Comments

- **Savings result**
Stable savings result despite ongoing low interest rate environment
- **Risk result**
Enhance risk result
- **Fee result**
Strong increase in fee result due to growth in existing initiatives, such as investment solutions, real estate brokerage and new fee-based services and products
- **Cost result**
Strengthen positive cost result by promoting efficiency gains and a comprehensive offering

1) Thereof admin cost result gross: CHF 101 m

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Financial calendar

Full-year results 2018	26 February 2019
Annual General Meeting 2019	30 April 2019
Interim statement Q1 2019	9 May 2019
Half-year results 2019	13 August 2019

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