



SwissLife

Investor Day 2018 Swiss Life 2021

Patrick Frost, Group CEO
Zurich, 29 November 2018

Swiss Life will reward shareholders by further enhancing earnings quality and payout

Swiss Life 2018

- We have significantly improved our **profitability** and the **quality of earnings**, strengthened our **solvency**, increased **cash remittance** and **payout** to shareholders
- We expect to **achieve or exceed our Swiss Life 2018 financial targets**

Swiss Life 2021

- We will build on our strengths, such as local execution power and capitalise on key market opportunities
- We will refine our segmentation as a basis for offering tailored solutions and advice, supporting customers in leading a self-determined life
- We will increase the **quality of earnings**, improve **operational efficiency** and enhance shareholder return by introducing a **share buyback** and by growing the **dividend** based on a higher **cash remittance**

Swiss Life to achieve or even exceed the 2018 financial targets

Swiss Life 2018 financial targets

Current assessment

Quality of earnings and earnings growth	• Fee result FY 2018: CHF 400-450 m	Ahead	✓
	• Risk result FY 2018: CHF 350-400 m	On track	✓
	• Cumulative value of new business (2016-2018): > CHF 750 m	Ahead	✓
Operational efficiency	• Cost savings FY 2018: CHF 100 m	Exceeded	✓
	• Stable operating expense ¹⁾	On track	✓
Capital, cash and dividend	• Cumulative cash remittance to Holding (2016-2018): > CHF 1.5 bn	Exceeded	✓
	• Dividend payout ratio : 30-50%	On track	✓
	• RoE²⁾ : 8-10%	On track	✓

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

Swiss Life has a unique position

Unique life insurance footprint

- Market leader in CH life insurance
- Attractive private insurance positioning in FR
- Strong niche player in DE and IN

Growing asset manager

- Strong ALM and risk management expertise backed by PAM
- Fast growing TPAM
- Top real estate manager in Europe

Broad distribution networks

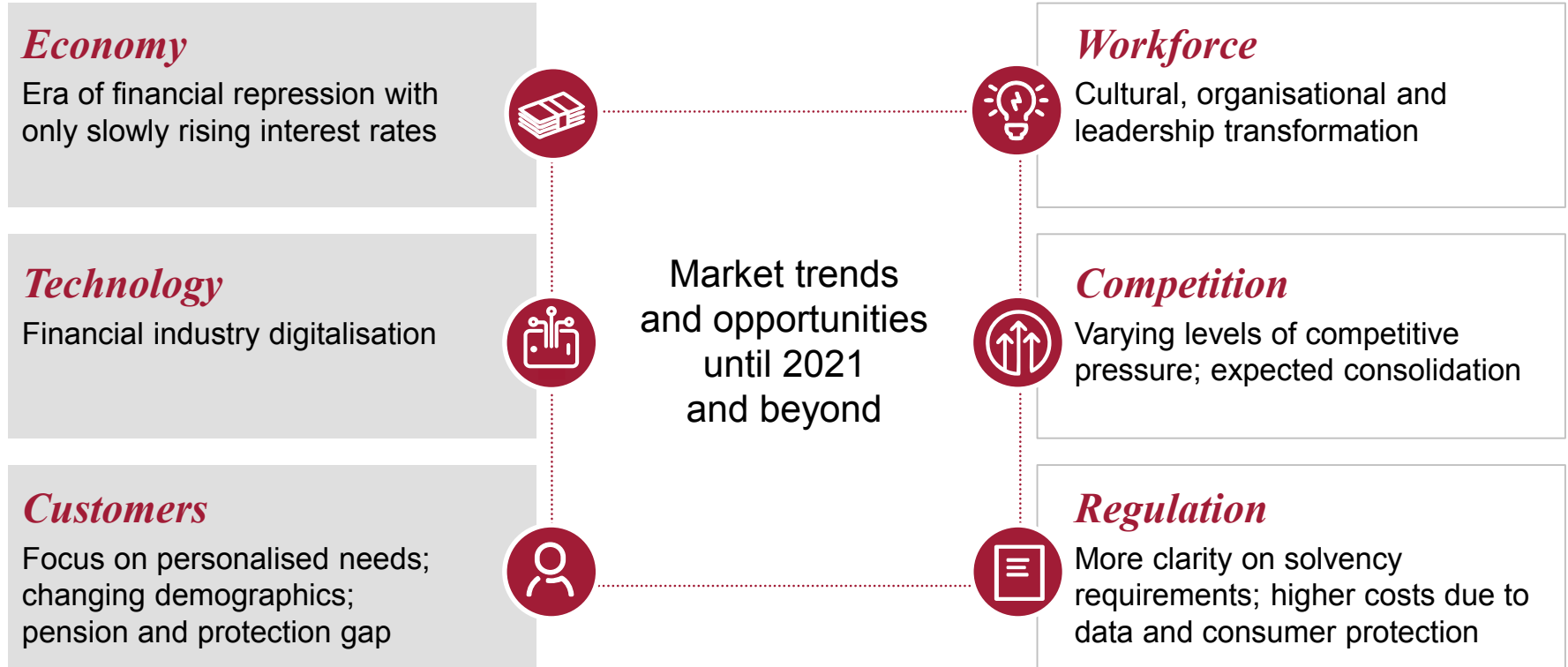
- Strong network of owned IFAs
- Large proprietary distribution in CH
- Integrated multi distribution in FR

Strong quality of earnings

- Diversified profit sources: Savings, risk, fee and cost result
- ~30% of profit from operations from fee businesses

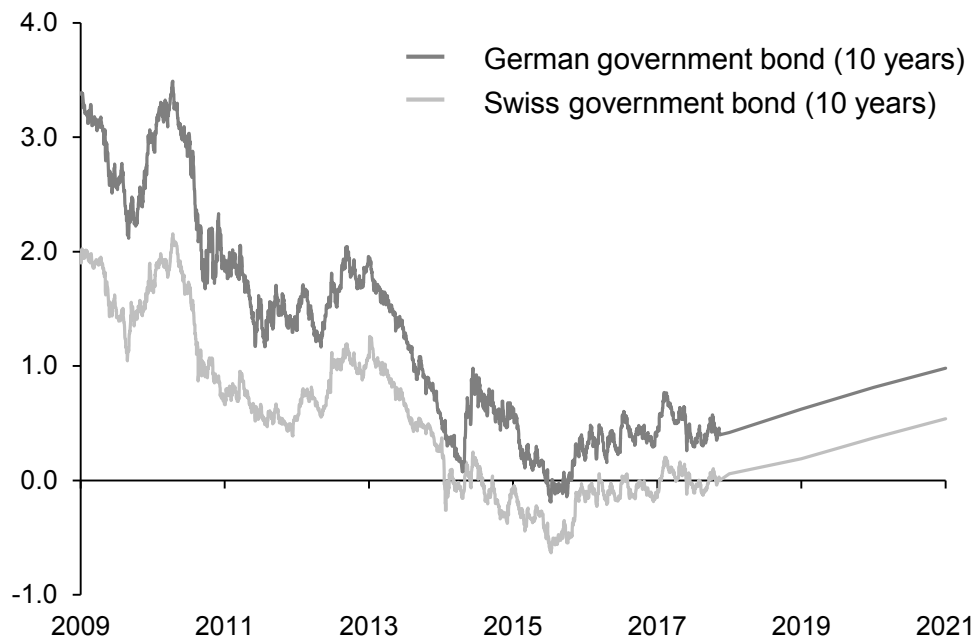
Life, pensions, financial solutions and advice for the long run

Swiss Life will address market trends and capitalise on market opportunities



We will successfully navigate through a continuously low interest rate environment

Yields on government bonds (in %)



Our current view

Swiss Life is well positioned to face still low, but slightly higher interest rates until 2021

- Resilient yields due to a long asset duration and optimised portfolio structure (real estate and equities)
- Disciplined ALM and past reserve strengthening protect interest rate margin
- Effective margin management and capital-efficient new business
- High quality of earnings with growing fee businesses
- Disciplined cost management

Alternative: Rising interest rates

- Positive for VNB and SST
- Broadly neutral for IFRS net profit and cash generation

We see digitalisation as an opportunity

Technology

Digital becomes “phygital”

We regard digitalisation as an opportunity to improve our business processes, to transform the servicing of our customers and to further develop our distribution model by combining digital tools with our people-centric advisory model

Dimensions of digitalisation

Customer interface

Examples of how Swiss Life benefits from digitalisation

- Enhance physical advice through the support of digital tools
- Integrated and digital customer service and advice process
- Digital offerings and access, e.g. platforms

Operations

- Automate interfaces to providers, intermediaries, customers
- Optimise processes, e.g. underwriting and claims management

Data analytics and machine learning

- Use customer-related data to better understand customer needs
- Translate customer data into actions to increase share of wallet

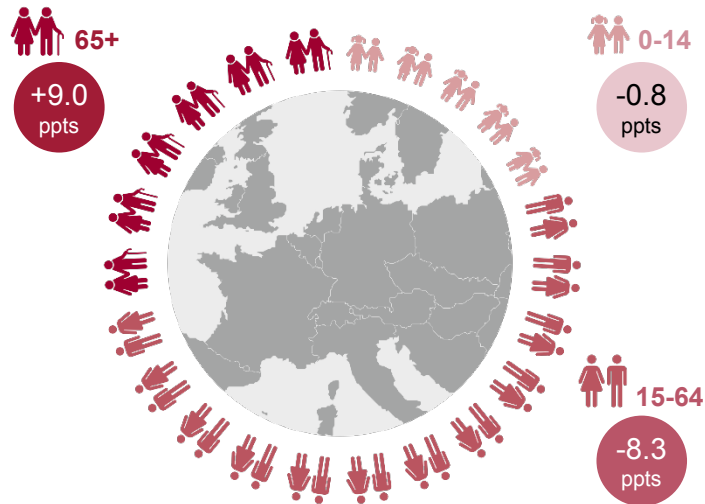
Partnerships and innovation

- Leverage partnerships with specialised technology providers
- Apply technological innovation

We are well positioned in a growing pension market as demographic change continues

Projected population structure in 2050 ...

... with fundamental impact on all dimensions of our society



Change of age structure 2050 vs. 2017¹⁾

29%

in Europe will be aged 65 or older by 2050¹⁾

3 in 4

see themselves as responsible for providing for old age³⁾

52%

of Millennials believe that older people today are living off the young³⁾

>50%

old-age dependency ratio in 2050 vs. 29.9 % in 2017¹⁾

46.6

years median age in Europe in 2050 versus 41.6 in 2015²⁾

63%

find there is insufficient acceptance of older people in society³⁾

As a leading specialist, we enable people to lead a self-determined life

People feel stressed about not having enough money in old age¹⁾

89%

see independence and self-determination as a fundamental part of their longer life

Financial resources

are the most limiting factor when it comes to self-determination

42%

are afraid of not having enough money in old age

46%

feel confident about their current financial situation

75%

of Millennials have no clue what their income will be in retirement

71%

associate financial confidence with peace of mind

Swiss Life is a preferred partner

Swiss Life is a **leading European specialist** for life, pensions, financial solutions and advice for the long run

Our purpose:

We enable people to lead a self-determined life

¹⁾ Exclusive research conducted by Swiss Life in Switzerland, Germany, France and Austria

Swiss Life 2021:

Clear strategic and financial objectives

Purpose

*We enable people
to lead a self-
determined life*

Strategic thrusts

Focus on preferred segments

Promote attractive propositions

Make customer relationships more rewarding

Improve productivity

Financial thrusts













**Quality of earnings
and earnings growth**

Operational efficiency

Capital, cash and payout

Swiss Life acts responsibly in business, as an employer, in society and towards the environment

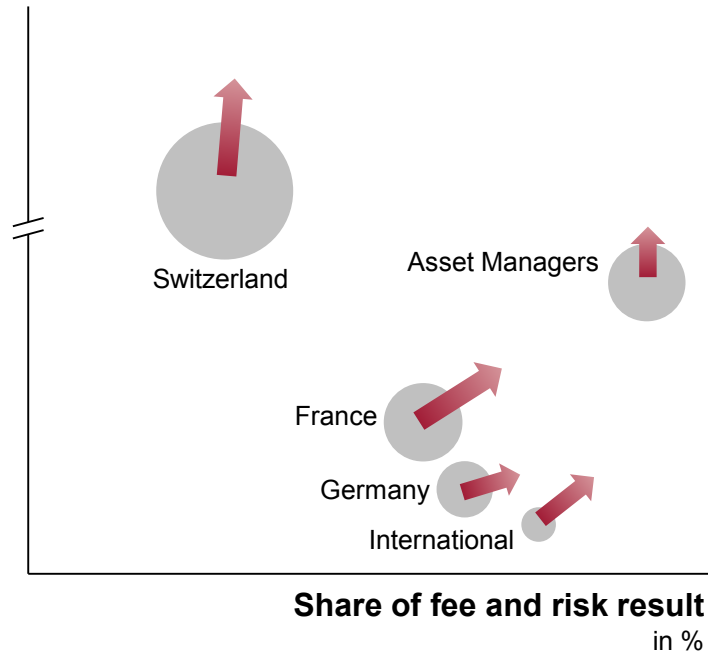
Making the most of opportunities

	Swiss Life 2021 objectives	Trends addressed	Supported financial targets
<i>Focus on preferred segments</i>	Refine our customer segmentation as a basis for offering tailored solutions and advice	  	Fee & risk result / cash VNB
<i>Promote attractive propositions</i>	Offer comprehensive and capital-efficient solutions and continue to focus on disciplined margin / product management	  	Fee & risk result / cash VNB SST
<i>Make customer relationships more rewarding</i>	Improve service and advice to customers to support business growth and productivity	  	Fee & risk result / cash VNB Operational efficiency
<i>Improve productivity</i>	Make use of technology / digitalisation to increase process automation, as well as sales and service effectiveness	  	Operational efficiency

Each division to contribute to Swiss Life 2021

Cash remittance

CHF m



Focus points by business division

CH

- Ensure growth and sustainability of cash remittance
- Increase risk result and double fee result

FR

- Increase fee result in the unit-linked business
- Grow risk result in the personal protection business

DE

- Grow fee result in the IFA business
- Increase risk result in the biometric business

IN

- Double fee result supported by all lines of business
- Increase risk result in the Global Solutions business

AM

- Grow fee result in TPAM
- Strengthen real estate business for further growth

New Swiss Life 2021 financial targets

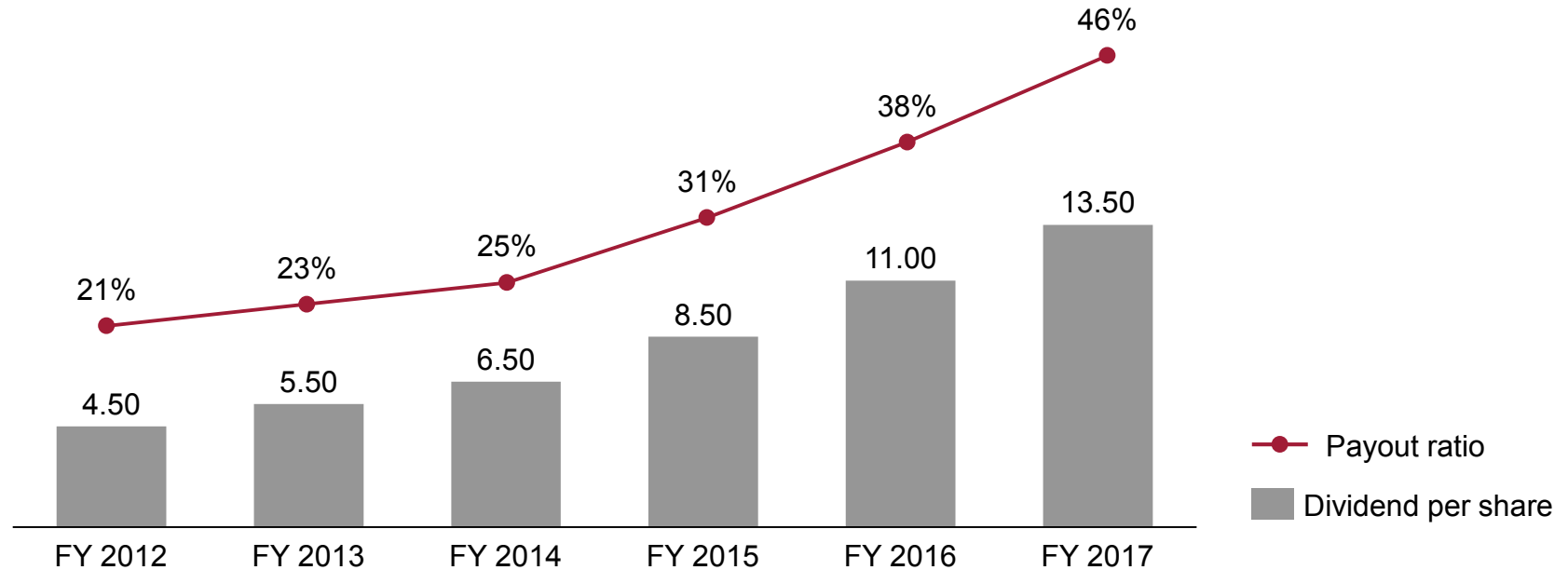
CHF

Quality of earnings and earnings growth		Operational efficiency		Capital, cash and payout	
Fee result FY 2021	600-650 m	Life efficiency ratio FY 2021	< 40 bps	SST ambition range 2019-2021	140-190%
Risk result FY 2021	400-450 m	Distribution operating expense ratio FY 2021	< 25%	Cash to Holding cumulative 2019-2021	2-2.25 bn
VNB cumulative 2019-2021	> 1.2 bn	TPAM cost income ratio FY 2021	~75%	Dividend payout ratio 2019-2021	50-60%
				Share buyback Dec 18 - Dec 19	1 bn
RoE¹⁾ of 8-10%					

1) Equity excl. unrealised gains / losses

Since 2012, we have tripled our dividend payment and doubled our payout ratio

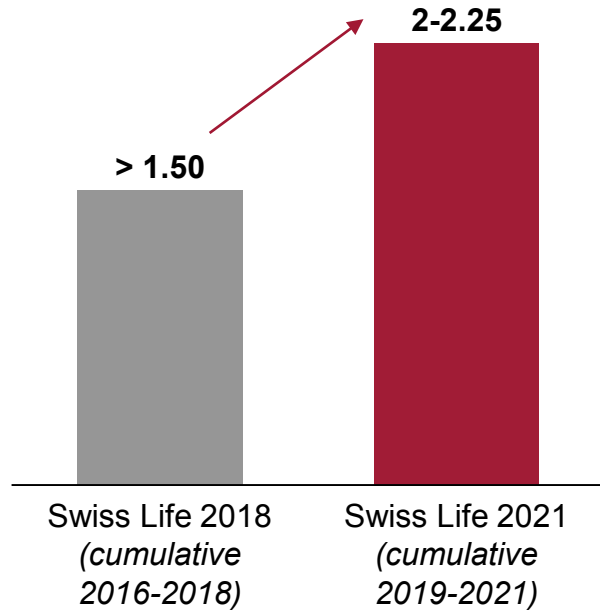
Dividend history, CHF



We will enhance shareholder return: Share buyback and higher dividend based on strong cash remittance

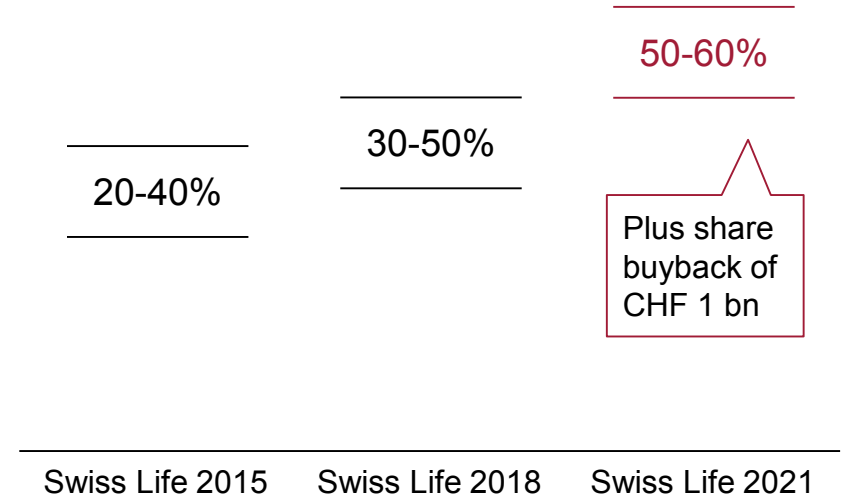
Increasing cash remittance, CHF bn

Targets as communicated



Growing payout

Targets as communicated



We are fully committed to achieving our Swiss Life 2021 strategic and financial ambitions

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Contact details and financial calendar

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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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