



SwissLife

Investor Day 2018

Swiss Life 2021 – Financial aspirations

Thomas Buess, Group CFO
Zurich, 29 November 2018

We plan to enhance our earnings quality and shareholder return

Swiss Life 2018

We have significantly improved our profitability and the quality of earnings, strengthened our solvency, increased cash remittance and payout to shareholders

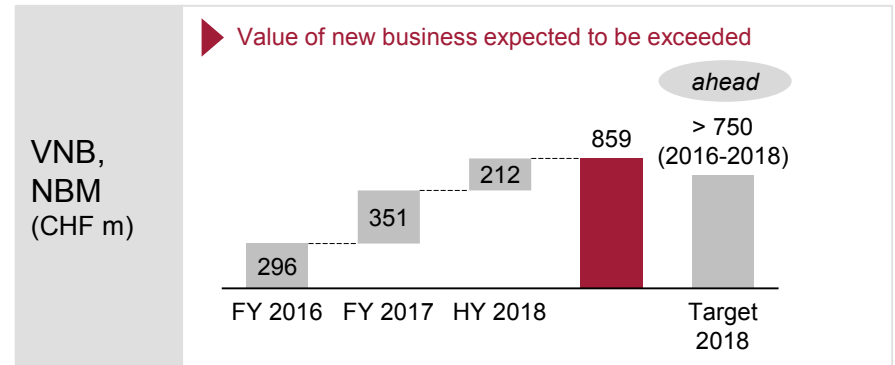
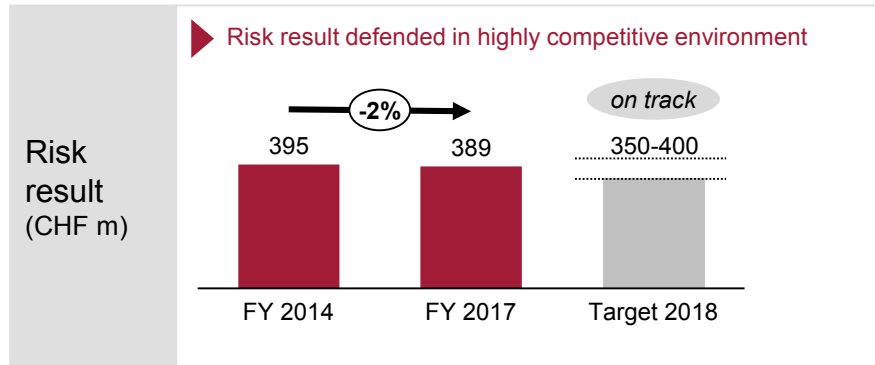
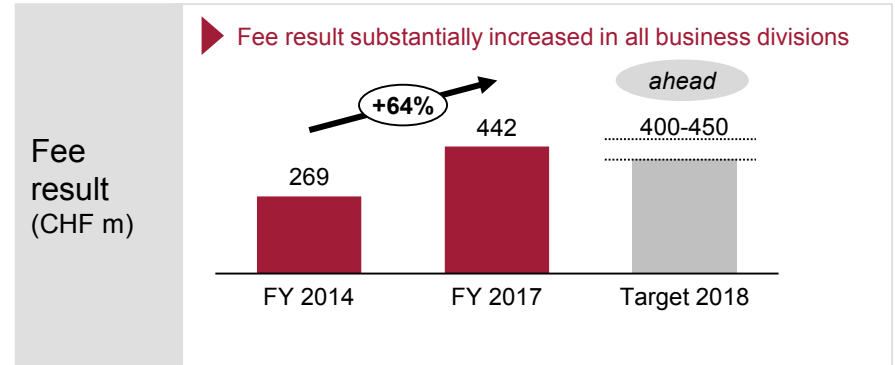
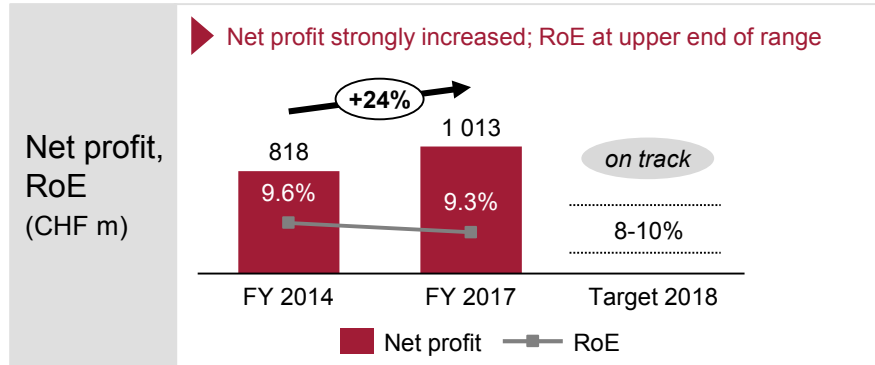
We expect to achieve or exceed our Swiss Life 2018 financial targets

Swiss Life 2021

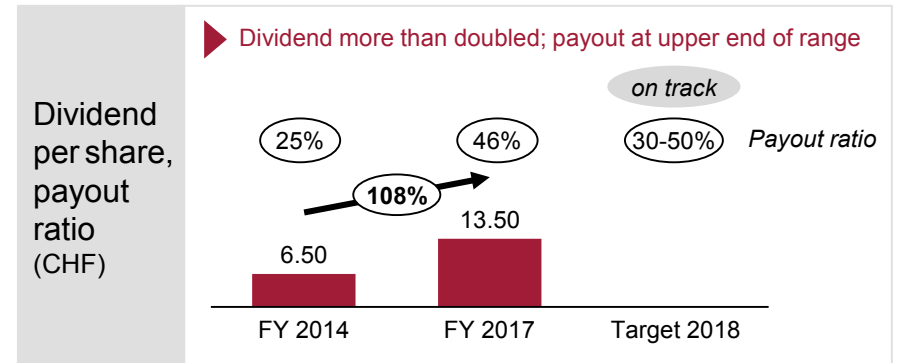
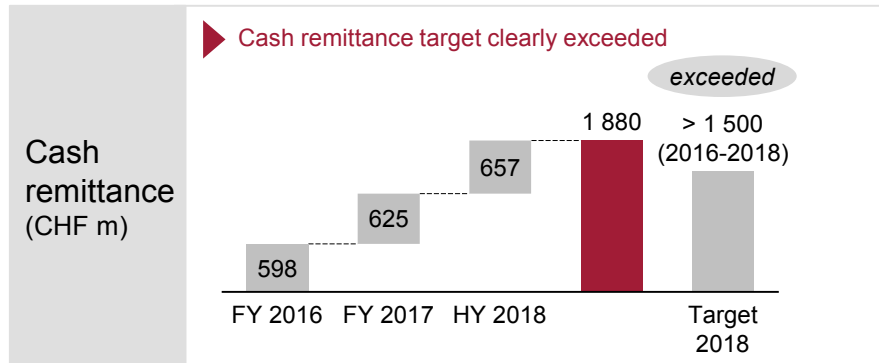
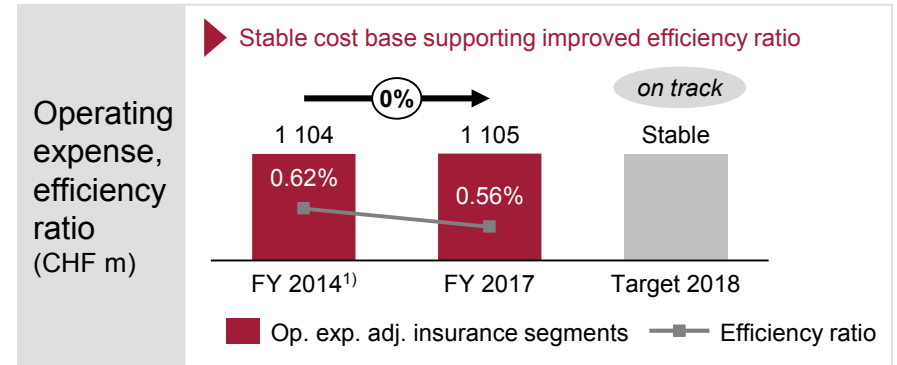
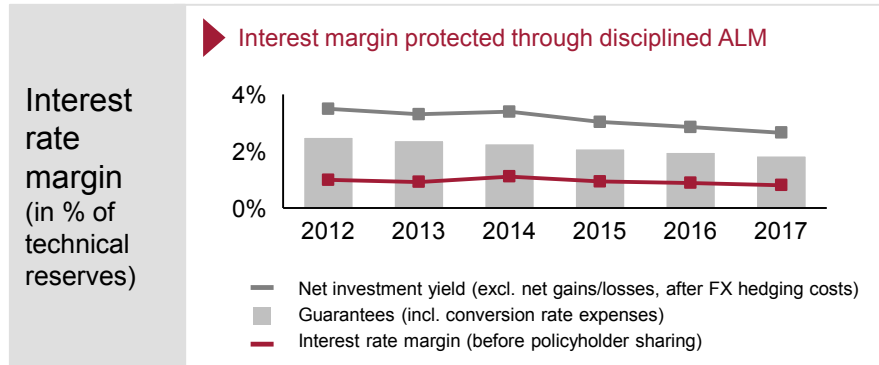
Swiss Life will continue on the successful path of Swiss Life 2018 by focusing on the following financial thrusts:

- **Quality of earnings and earnings growth**
We will strive to strengthen our earnings quality and grow our earnings, particularly by increasing the fee result
- **Operational efficiency**
We will aim to further improve operational efficiency through cost discipline, increased process automation and digitalisation
- **Capital, cash and payout**
We will pursue an attractive shareholder return based on solid capital management and increased cash remittance

Swiss Life has increased profitability and earnings quality ...



... which resulted in a substantial increase of cash remittance and dividend

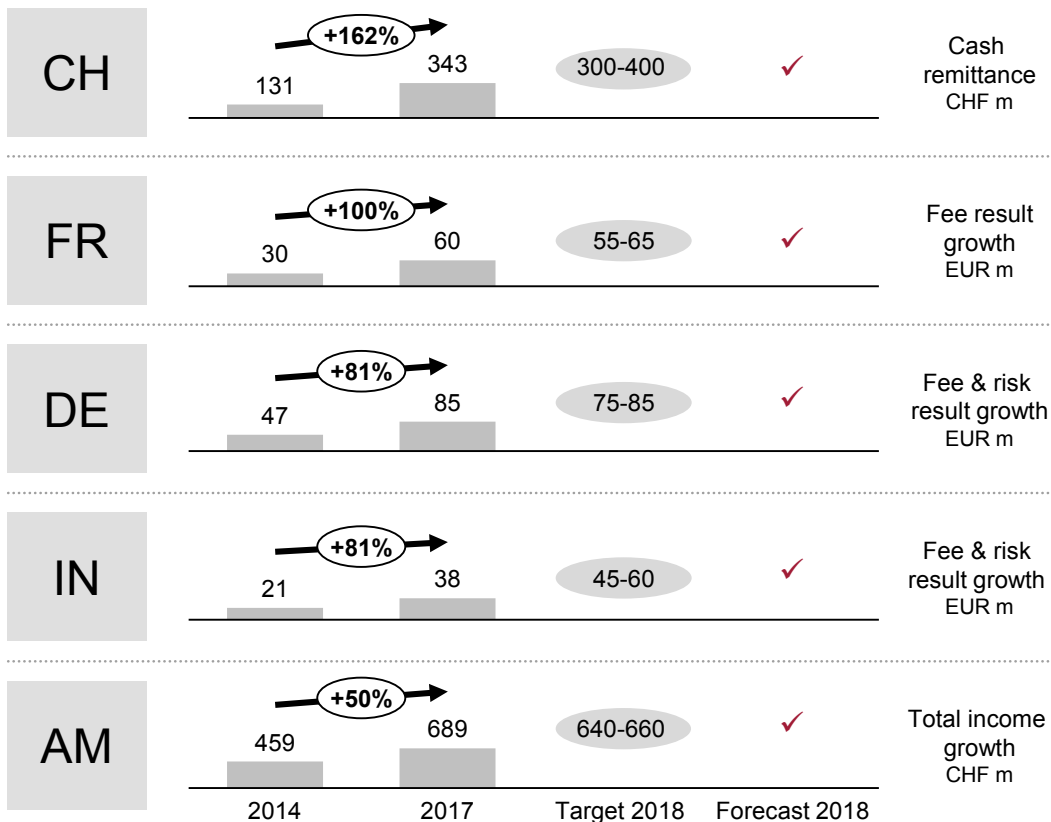
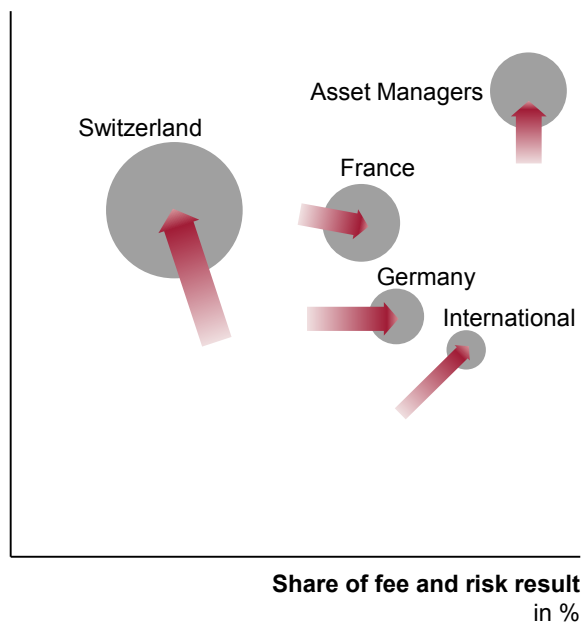


1) FX adjusted at 2017 exchange rate

All business divisions expected to achieve their 2018 targets

Cash remittance
in %

Segment result



Focus points of Swiss Life 2021

What remains key

Increased focus on

Quality of earnings and earnings growth

- Protect savings result through disciplined ALM

- Substantial increase in ambition for fee result, risk result and value of new business

Operational efficiency

- Maintain cost discipline and process automation

- Further leverage digitalisation to increase operational efficiency
- Increase productivity and scalability in distribution and asset management

Capital, cash and payout

- Maintain solid capital management and increase cash generation

- Manage capital within SST ambition range
- Increase dividend payout ratio covered by strong cash remittance to Holding
- Return CHF 1 bn through a share buyback

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

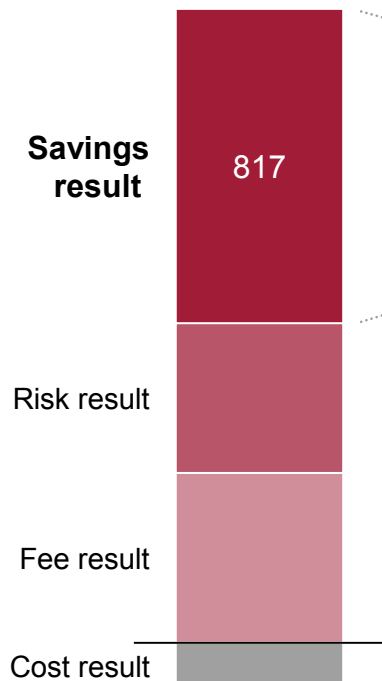
We will pursue higher quality of earnings

Source ¹⁾	Description	Capital intensity ²⁾	Capital market dependency ²⁾	Policyholder participation	Expected development until 2021
53% Savings result	Net investment result less technical interest and policyholder participation			Yes	Protect through disciplined ALM
25% Risk result	Risk premiums less claims / expenses and policyholder participation			Yes	Increase to CHF 400-450 m
29% Fee result	Income from fee business less related expenses			No	Substantially grow to CHF 600-650 m
-7% Cost result	Insurance cost premiums less expenses and policyholder participation			Yes	Further improve admin cost result

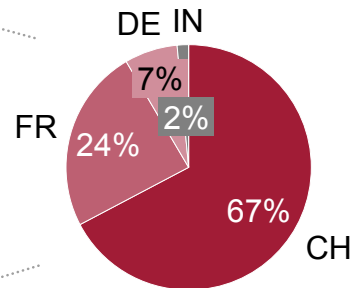
1) Based on adjusted segment result of CHF 1.5 bn, FY 2017 2) Very high ● very low ○

Savings result will remain an important profit contributor

Profit by source
FY 2017 adjusted¹⁾ (CHF m)



Savings result by division



Savings result managed in a capital-efficient way

- Resilient yields due to a long asset duration and optimised portfolio structure
- Reserve strengthening and focus on profitable new business have led to lower guarantees
- Interest rate margin protected by our disciplined ALM and narrow duration gap
- In group life Switzerland, savings result is bundled with attractive risk and cost result
- The comprehensive offering including full insurance solutions is capital efficient

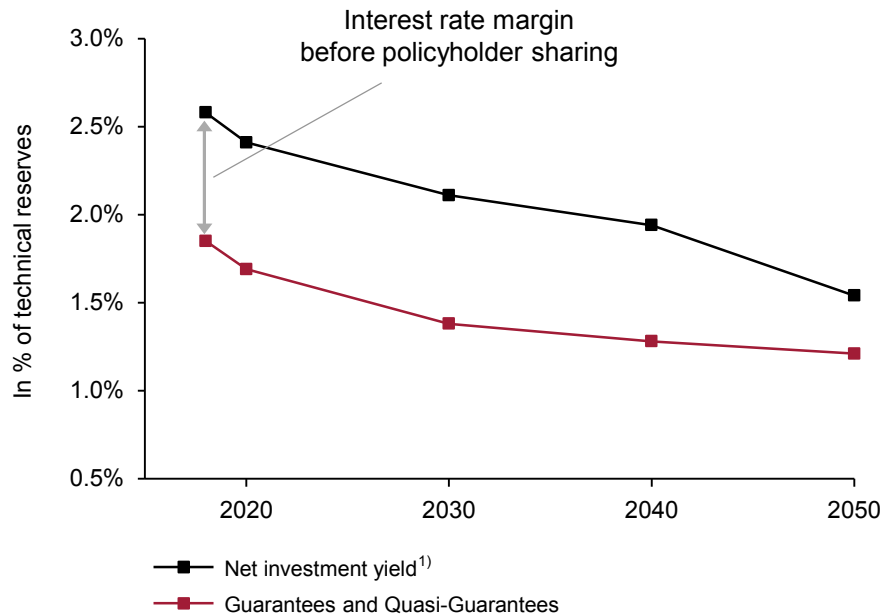
1) Based on adjusted segment result of CHF 1.5 bn

Disciplined ALM to safeguard savings result going forward

Structurally healthy interest rate margin

Statutory basis

PROJECTION



- Resilient for more than three decades even if rates stay low
- Reserve strengthening from current income has positive impact on long-term resilience
- Assumed reinvestment rates²⁾
 - Switzerland: 1.0%
 - France: 1.5%
 - Germany: 1.7%
- No new business assumed
- Risk and fee income not considered

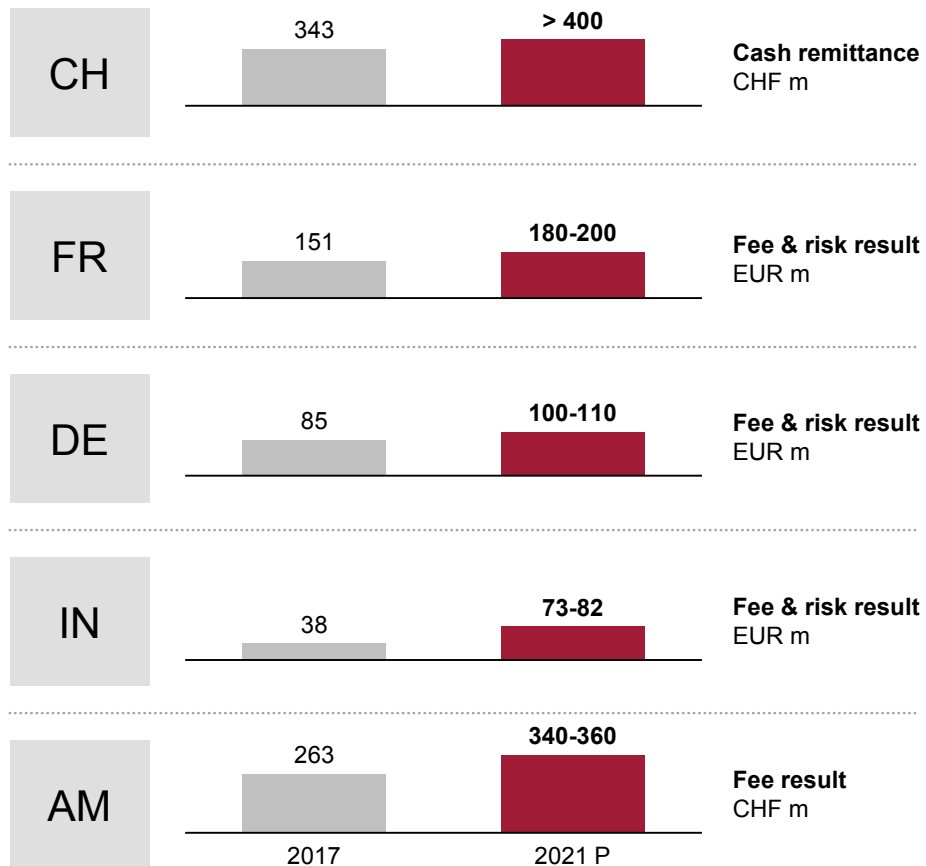
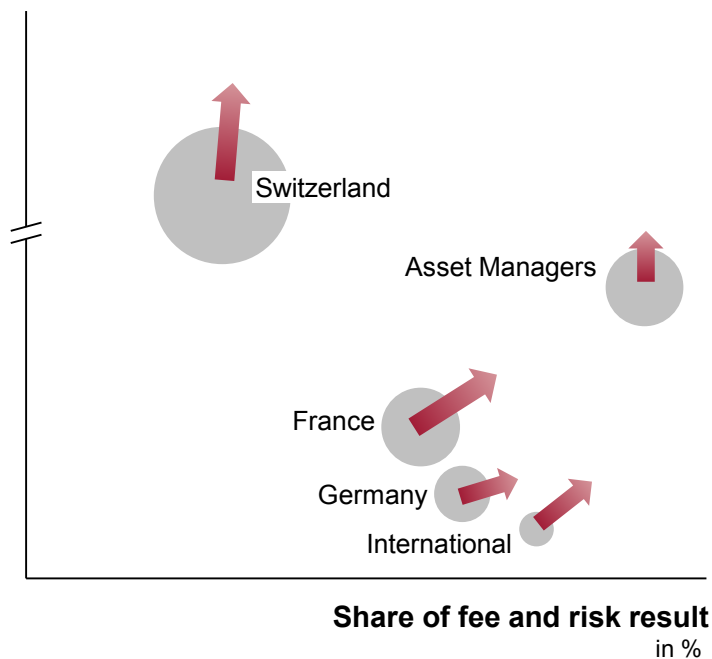
1) Net investment yield excl. realisations on fixed income investments except for ZZR build-up (“Zinszusatzreserve”) in Germany (which is also included in guarantees)

2) Based on forward rates as of end of July 2018; values shown for 2020

Every division will play its part in Swiss Life 2021

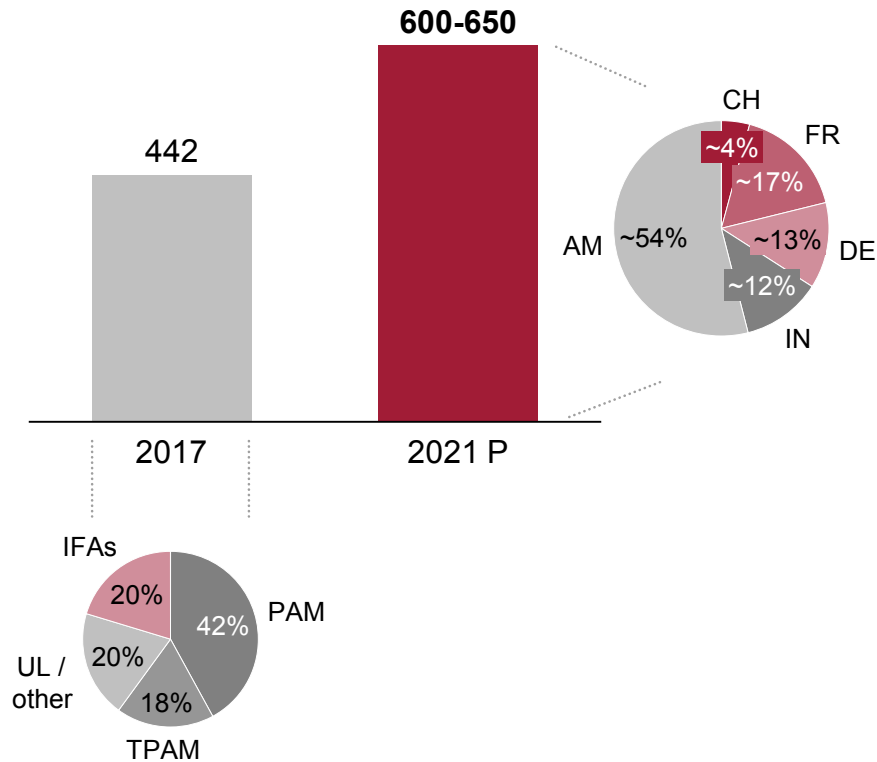
Cash remittance CHF m

Segment result ●



We aim to further grow the fee result

Fee result, CHF m



Main drivers

- | | |
|----|--|
| CH | <ul style="list-style-type: none"> • Further develop existing offerings, e.g investment solutions for private customers and pension consulting |
| FR | <ul style="list-style-type: none"> • Further grow in UL business above market by leveraging private insurer positioning |
| DE | <ul style="list-style-type: none"> • Increase the number of advisors • Make advisors more productive thanks to an attractive platform |
| IN | <ul style="list-style-type: none"> • Leverage cross-border wealth transfer solutions • Strengthen business with affinity groups |
| AM | <ul style="list-style-type: none"> • Strengthen distribution capabilities • Provide international clients with access to European real estate market |

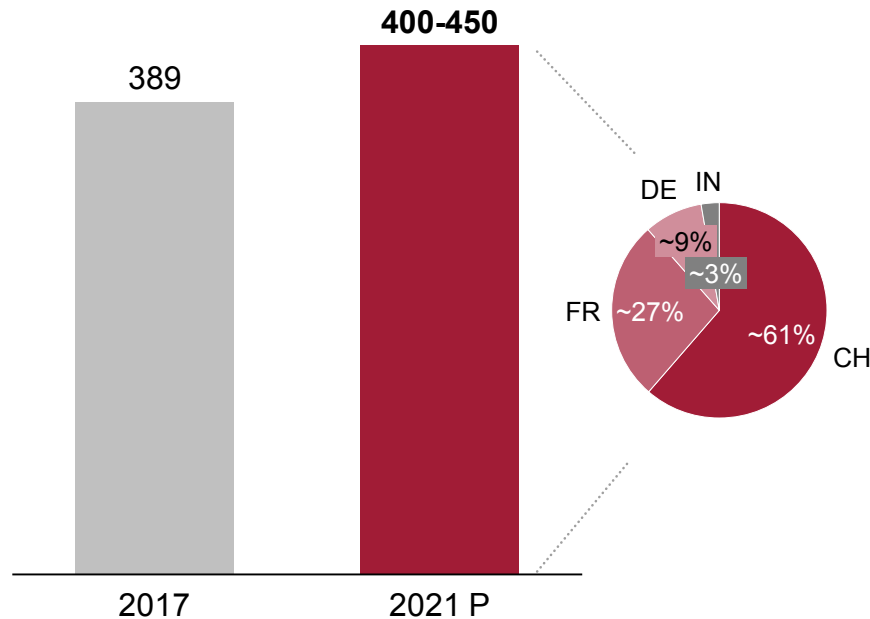
Growth contribution



We will increase the risk result despite competitive pressure

Quality of earnings and earnings growth

Risk result, CHF m



Main drivers

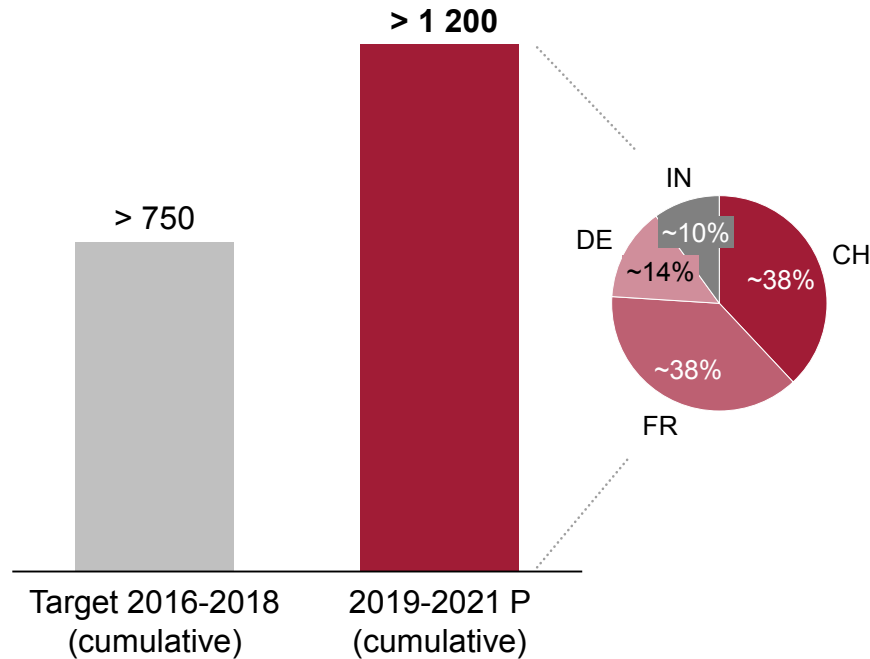
- | | | |
|----|--|--|
| CH | <ul style="list-style-type: none"> • Exploit market opportunities in GL | |
| FR | <ul style="list-style-type: none"> • Enhance positioning in health and protection • Further develop credit life and P&C business | |
| DE | <ul style="list-style-type: none"> • Further grow biometric risk business • Intensify solutions for specific industries | |
| IN | <ul style="list-style-type: none"> • Sell more large case death cover solutions • Increase risk plan offering for corporates | |

Growth contribution

We will grow the value of new business

Quality of earnings
and earnings growth

Value of new business, CHF m



Main drivers

- | | |
|----|--|
| CH | <ul style="list-style-type: none"> • Further develop full-range offering in GL • Continue capital-light strategy and modern traditional offering for private customers |
| FR | <ul style="list-style-type: none"> • Pursue growth in UL and risk business • Maintain the attractive business mix |
| DE | <ul style="list-style-type: none"> • Grow biometric solutions as well as modern and modern-traditional solutions |
| IN | <ul style="list-style-type: none"> • Leverage cross-border wealth transfer solutions and further develop tailored solutions for corporates |

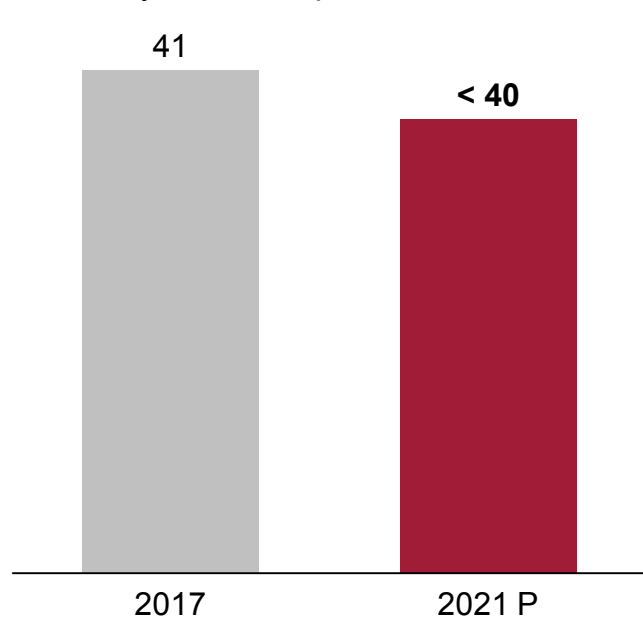
Growth contribution



Our goal is to further improve the life efficiency ratio ...

Life

Efficiency ratio¹⁾, in bps



Main drivers

CH

- Enhance administration and self-service platforms
- Digitalise customer processes

FR

- Foster digital transformation to increase process automation
- Promote portals and self-care for clients and distributors

DE

- Further automate underwriting and enhance digital interfaces to improve admin cost result

IN

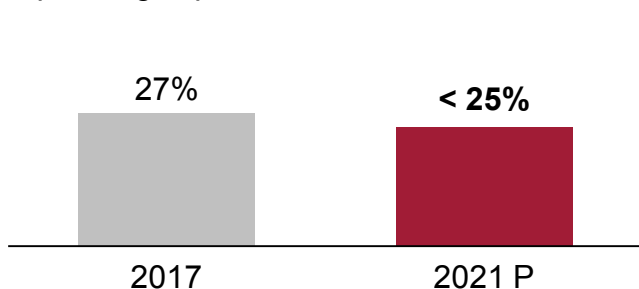
- Introduce hybrid / phygital distribution model
- Optimise target operating model

1) Excl. all non-life and distribution businesses

... and reduce cost ratios at our owned IFAs and in our TPAM business

Distribution

Operating expense ratio¹⁾



Main drivers

DE

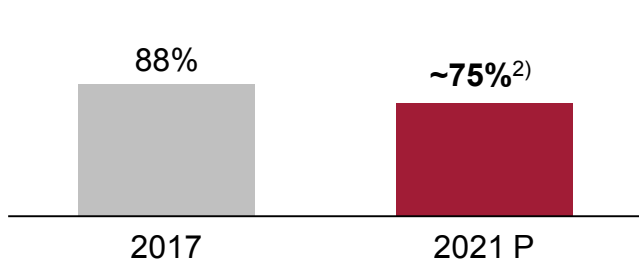
- Further develop scalable platform
- Improve self-service functionalities

IN

- Realise operational synergies in Central Eastern Europe
- Leverage digital client portals in UK

TPAM

Cost income ratio



AM

- Improve scalability by further growing TPAM
- Adapt operating model and simplify legal structures

1) Owned IFAs and Agami 2) Excl. Livit

We will strive for more attractive shareholder return

Capital, cash and
payout

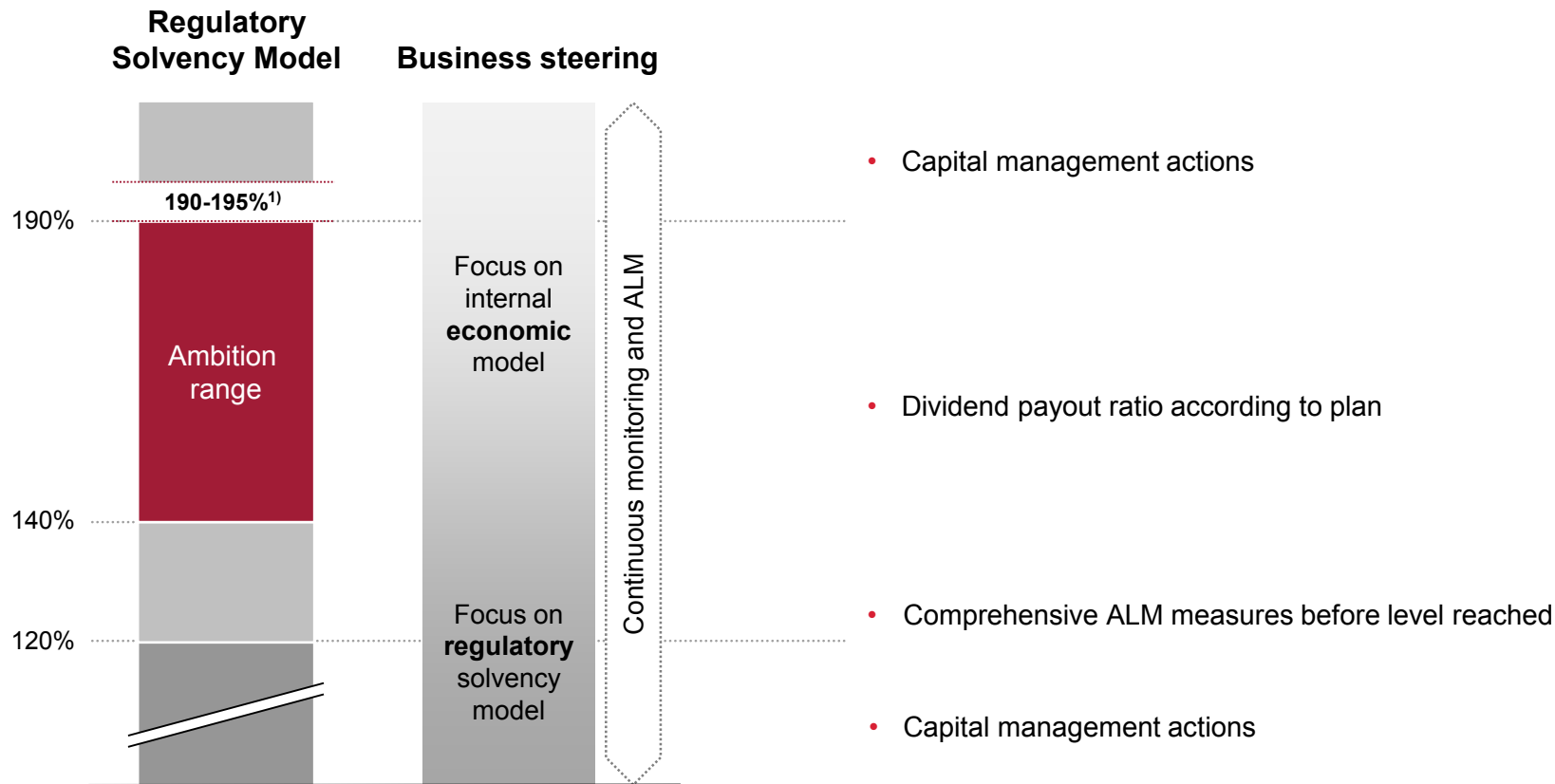
Starting point

New / increased focus on

- Solid capitalisation
 - Improved quality of earnings
 - Attractive new business mix
 - Clarity on SST model
 - Strong liquidity
- SST ambition range
 - Enhance cash remittance
 - Increase payout ratio

**Attractive
shareholder
return**

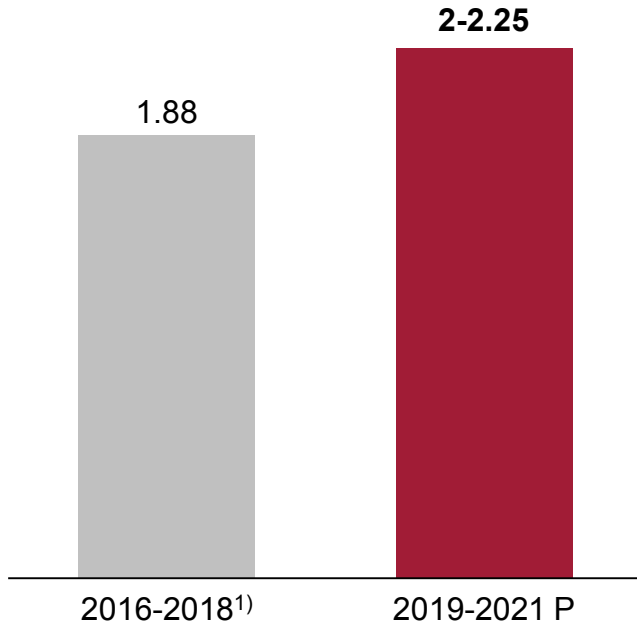
We are introducing an SST ambition range



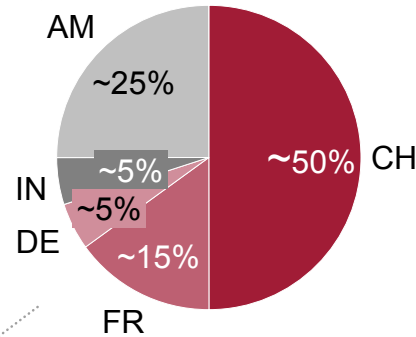
1) As of 30.6.2018, pro-forma new model

We plan to increase cash remittance ...

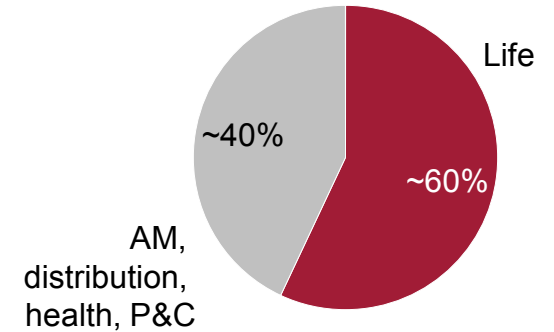
Cash remittance to Holding, CHF bn



by division



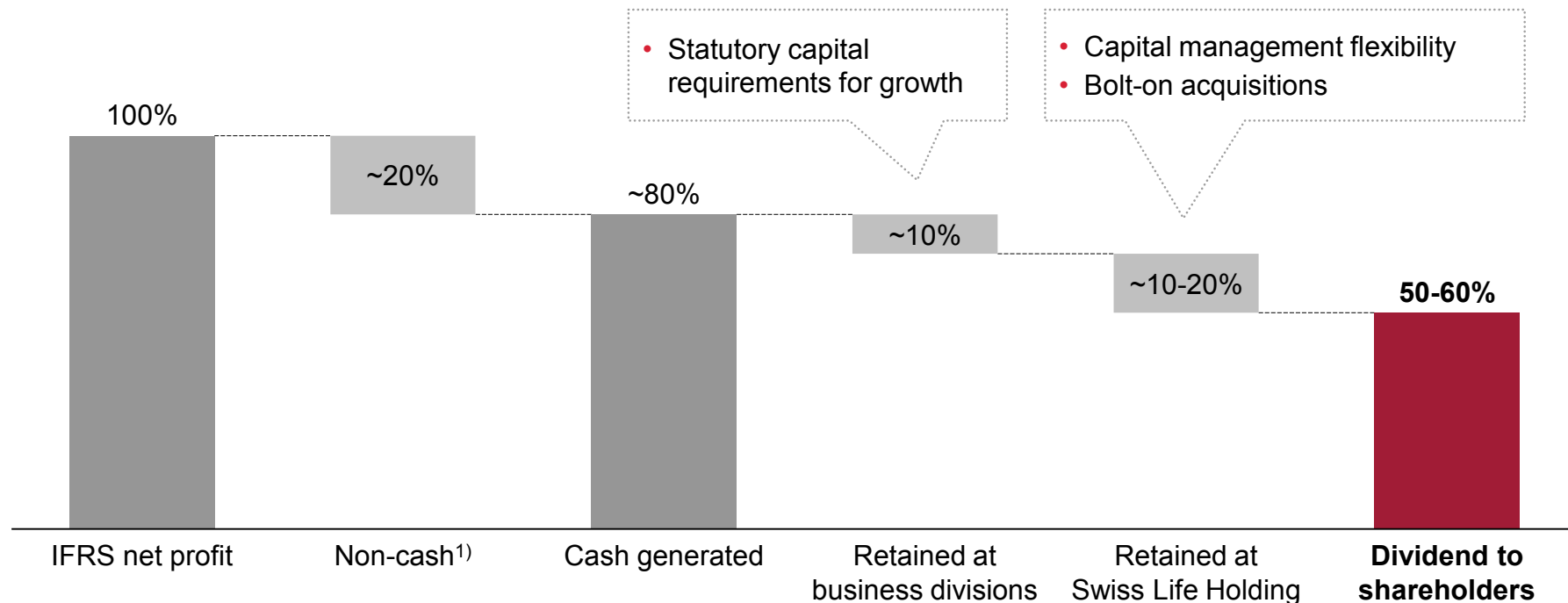
by business mix



1) FY 2016, FY 2017 and HY 2018

... with the majority of cash being returned to shareholders

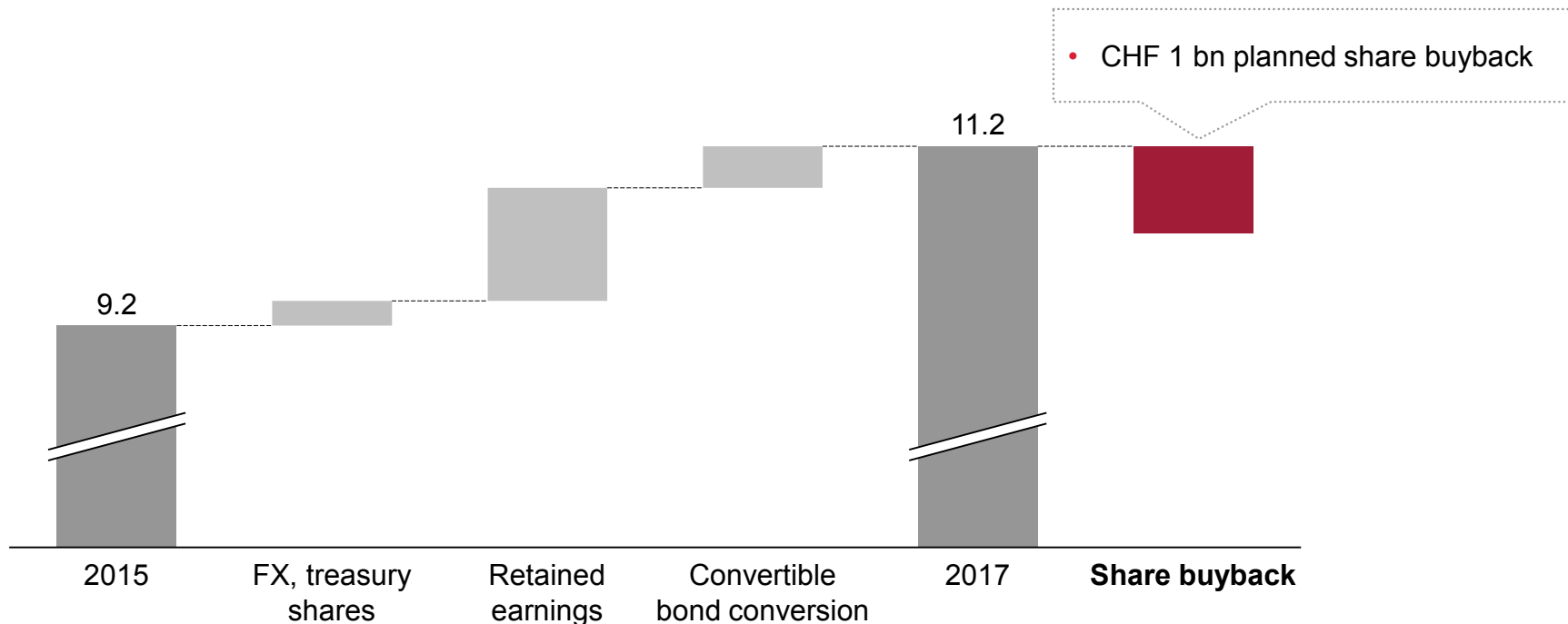
Capital, cash and payout



1) Mainly real estate revaluations and DAC

CHF 1 bn share buyback to more than offset dilution by convertible bond

Development of shareholders' equity¹⁾, CHF bn



1) Adjusted for unrealised gains/losses

Share buyback to be completed by the end of 2019

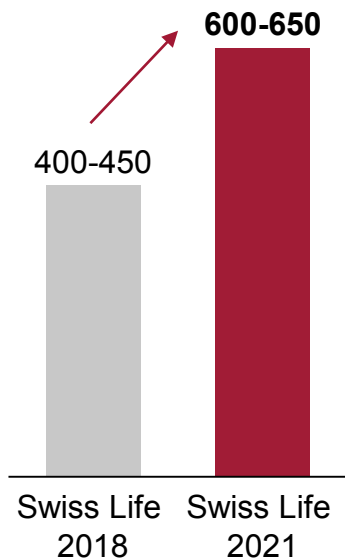
Swiss Life share buyback programme

Conditions	<ul style="list-style-type: none">• CHF 1 bn (corresponds to approx. 2.6 million¹⁾ shares)• Purchases at market price
Execution	<ul style="list-style-type: none">• Purchases on 2nd trading line• Execution delegated to partner bank• Cancellation of repurchased shares: Request will be made at AGMs 2019 / 2020
Timing	<ul style="list-style-type: none">• Starts in December 2018• To be completed by the end of 2019
Disclosure	<ul style="list-style-type: none">• Number of shares purchased per day to be disclosed weekly on Swiss Life website

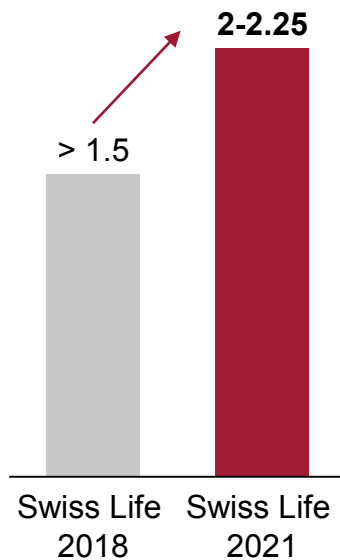
1) Based on share price on 26 November 2018

Swiss Life 2021: Raising our ambitions

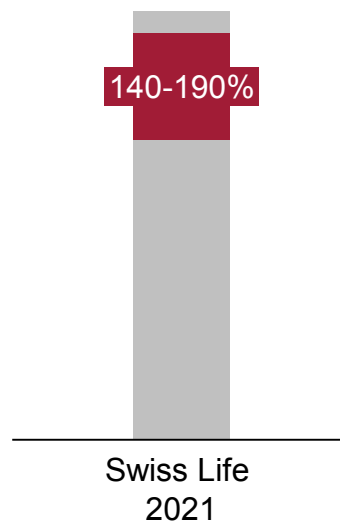
Fee result CHF m



Cash remittance 3 years cumulative, CHF bn



SST ambition range



Strong cash remittance based on growing fee result and healthy solvency lead to **attractive shareholder return** under Swiss Life 2021

- Dividend payout ratio: **50-60%**
- Share buyback: **CHF 1 bn**

We plan to enhance our earnings quality and shareholder return

Swiss Life 2018

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We expect to achieve or exceed our Swiss Life 2018 financial targets

Swiss Life 2021

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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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