

Investors' Day 2012

Swiss Life France

Charles Relecom, CEO France
Zurich, 28 November 2012

Key messages

Swiss Life France has built a well-balanced business portfolio over time with strong market positions which it will strengthen further through its “Private and Personal insurer” strategy

Swiss Life is a niche private insurer in life and the **second largest private individual health** insurer with overall 1.3 million customers and an annual premium volume of EUR 3.5 billion

Swiss Life has **successfully implemented the MILESTONE programme** in a challenging environment and emphasised the “new business profitability” and “distribution” workstreams

Swiss Life will **reinforce its unique positioning** through a holistic customer-centric value proposition and offering and approach new customers with its further strengthened proprietary and multi-channel distribution

Swiss Life will continue to pursue a **comprehensive financial products and services strategy** with a broad in-house offering incl. life, private banking and asset management solutions, health and non-life

Swiss Life will maintain strict cost management while continuing to **invest in profitable growth and service quality**

Swiss Life France has built an attractive and well-balanced portfolio

FY 2011, in EUR

Strategic positioning

- Niche private insurer for HNWI and affluent customers with a broad range of wealth management solutions in life, private banking, protection, asset management, advisory and services
- Key personal insurance player for retail/mass affluent customers in health, disability, pension and savings products, P&C and services
- Market position:
2 in individual health¹⁾
14 in life (with focus on HNWI and affluent)

Key strengths

- HNWI and affluent customer base in life and Private Banking
- Leading individual health insurer
- High quality of products and service level
- Integrated multi-distribution network with strong proprietary sales force (tied agents)

Financials

- GWP: 3.5 bn



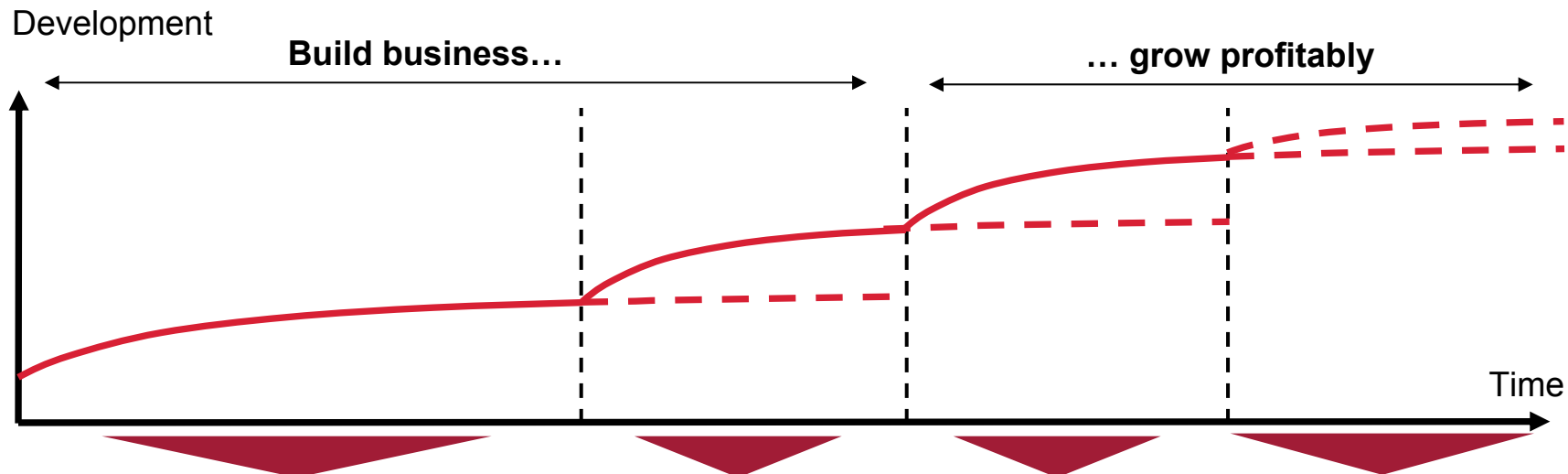
- Segment result: 100 m
- Insurance reserves: 17.3 bn

Other key figures

- Customers: 1.3 million
- Distribution power:
- 360 tied agents, 360 salaried sales force,
3 200 brokers/IFAs, 60 bank partnerships
- FTEs: 2 075

1) Excl. mutuals

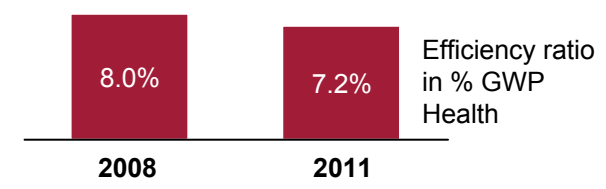
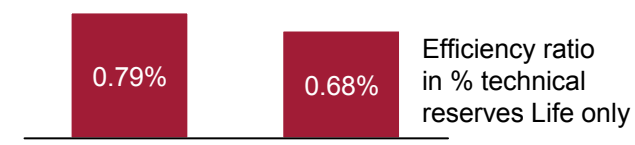
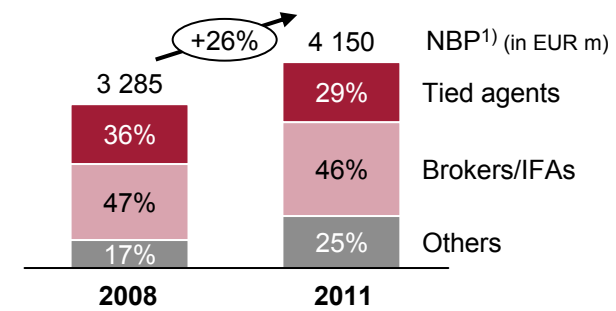
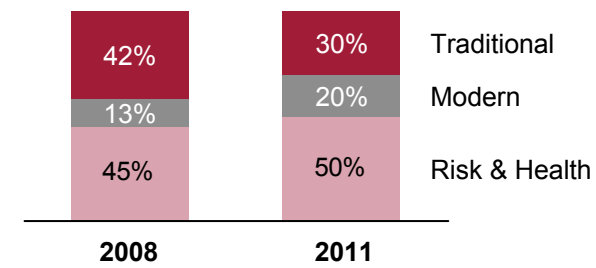
Swiss Life France has developed its strong and sustainable market position over time...



1990s - 2005				2005 - 2009		2009-2012		2013- 2015	
Building of the group and its unique brand				Investing in multi-distribution		MILESTONE and its benefits		Swiss Life 2015 – The way forward	
Acquisitions	Life	Health	P&C	- IFAs - Internet - Partnerships		- Comprehensive financial product and services strategy - Growth based on multi-distribution - Enhanced margin management - Improved efficiency		- Implement holistic customer centric value proposition and offering - Further leverage quality of service	
- Société Suisse	✓			and its premium positioning					
- La Suisse	✓		✓	- Strengthened by creation of Swiss Life Banque Privée					
- Sociafrance		✓							
- UPE	✓		✓						
- La Baloise	✓		✓						
- Lloyd Continental	✓	✓	✓						
- Ass. du Griffon	✓								

...and strengthened it in recent years through the successful execution of MILESTONE

Workstream	Achievements
Enhance customer value & new business profitability	<ul style="list-style-type: none"> Introduction of policyholder participation incentives supporting investments in UL and HNWI strategy No guaranteed rates on savings in new business Share of modern and risk increased: new modern, risk and health products successfully launched New business margin increased from 1.3% in FY08 to 1.8% in FY11
Increase distribution quality and power	<ul style="list-style-type: none"> Number of active IFAs more than doubled Around 60 bank partnerships Alternative proprietary distribution networks launched Innovative distribution concepts combining direct and classic distribution channels created
Improve operational excellence	<ul style="list-style-type: none"> Cost base in life decreased through optimisation of back office processes, front office centralisation and relocation Improved efficiency ratio in health mainly driven by premium growth



1) New business production

Its unique and differentiating premium positioning is based on two pillars

Wealth management and personal protection

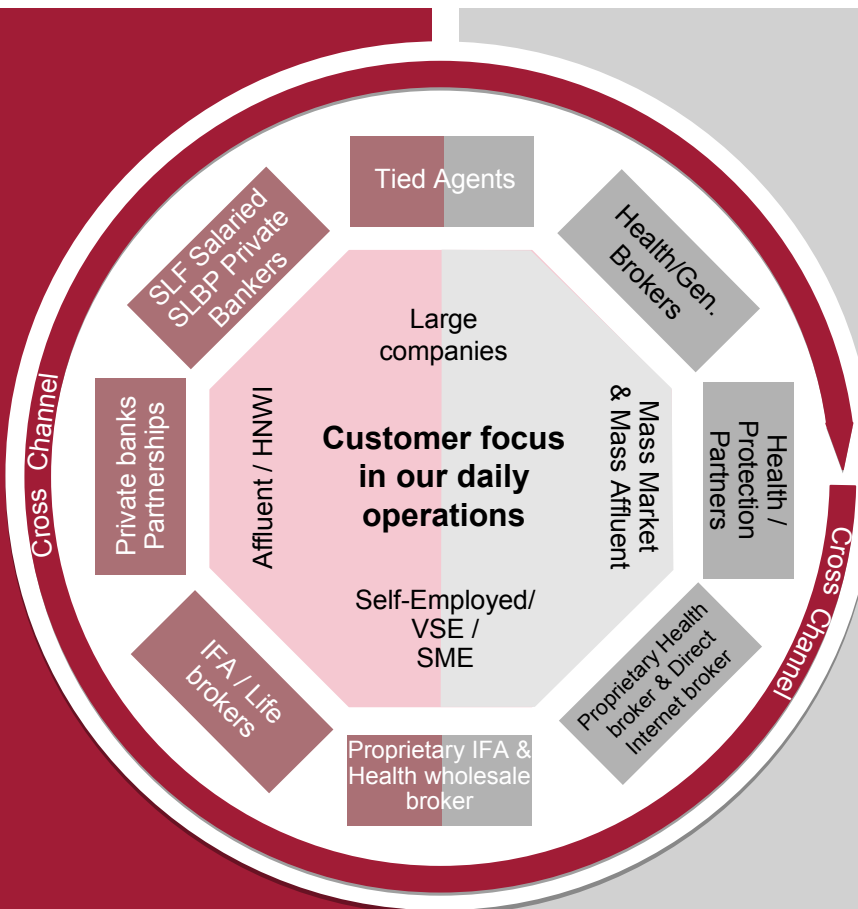
A Private Insurer

Key business lines:

- Pension & Savings, and Protection
- Private Banking
- Asset Management incl. Real Estate
- Advisory & Services

Loyalty businesses:

- Health
- P&C



A key player in personal insurance

Key business lines:

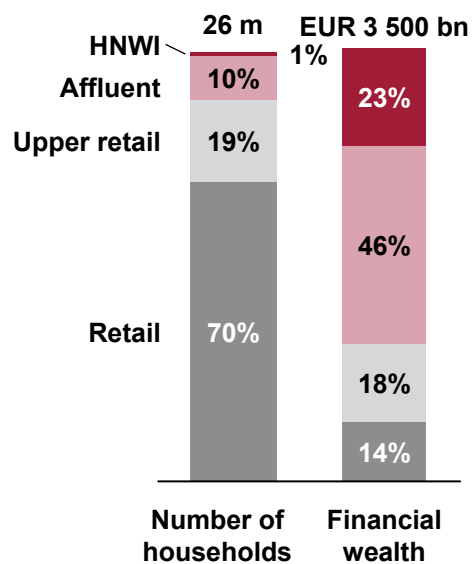
- Pension & Savings and Protection
- Health
- Services

Loyalty businesses:

- P&C

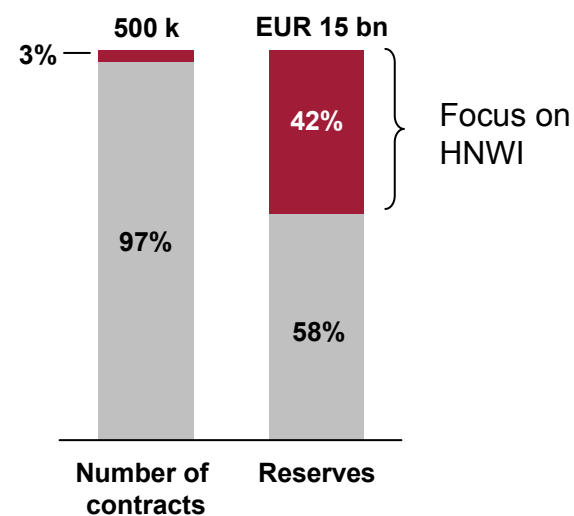
The Private Insurer strategy focuses on HNWI and affluent segments...

Life insurance market



Swiss Life portfolio (life only)

Share of contracts > EUR 250k



- HNWI and affluent customers represent 11% of French population but 69% of the financial wealth
- Swiss Life brand, reputation and position as Private Insurer offering integrated services with a Private bank as a unique and differentiating positioning to attract HNWI and affluent customers
- Swiss Life portfolio with higher share of HNWI than overall life insurance market



... and has led to a better performance in life

Swiss Life France's affluent position is reflected in its customers' portfolio ...

... which results in higher premiums per customer than the market ...

... increased loyalty compared to retail customers ...

... and a higher share of non-traditional products

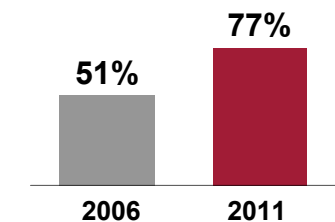
Share of affluent and HNWI customers

Average single premium per new contract 2011, EUR

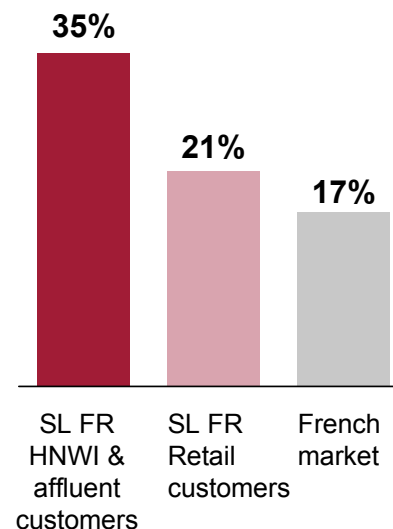
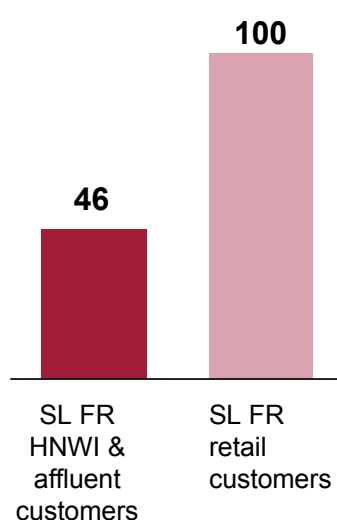
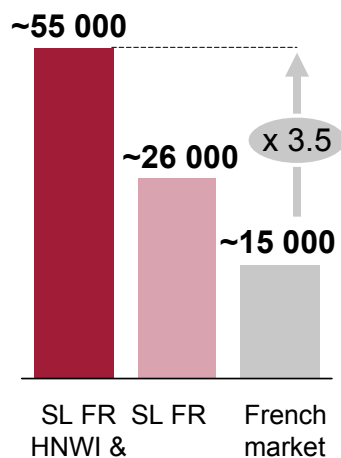
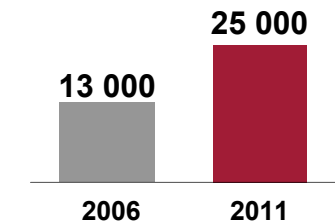
Lapse rate, indexed to 100, 2011

SL FR GWP share of UL products in reserves¹⁾, YE 2011

Share in SL portfolio:



Number of HNWI & affluent customers:



1) Individual life only

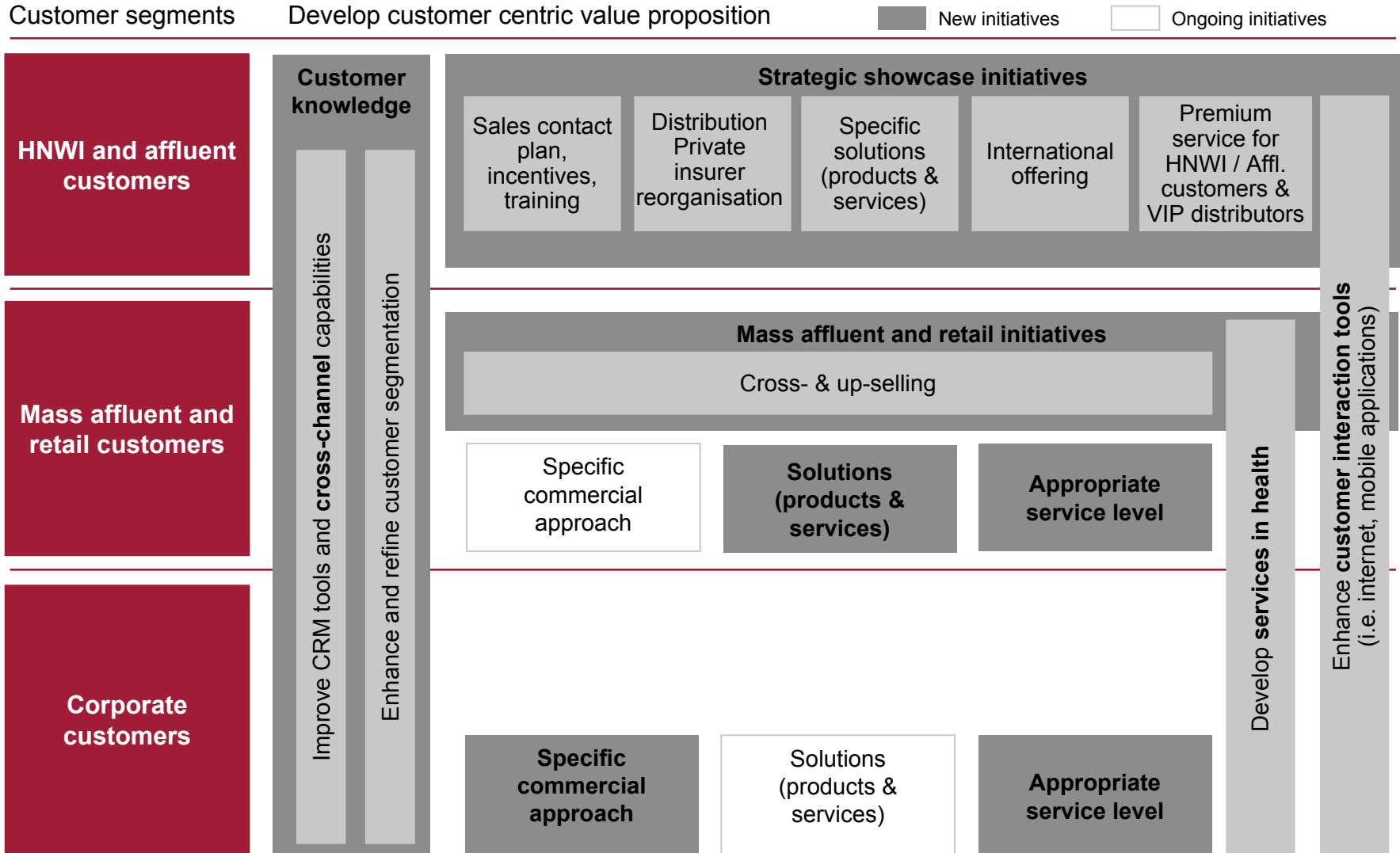
Taking the next step by enhancing customer centric value proposition and offering



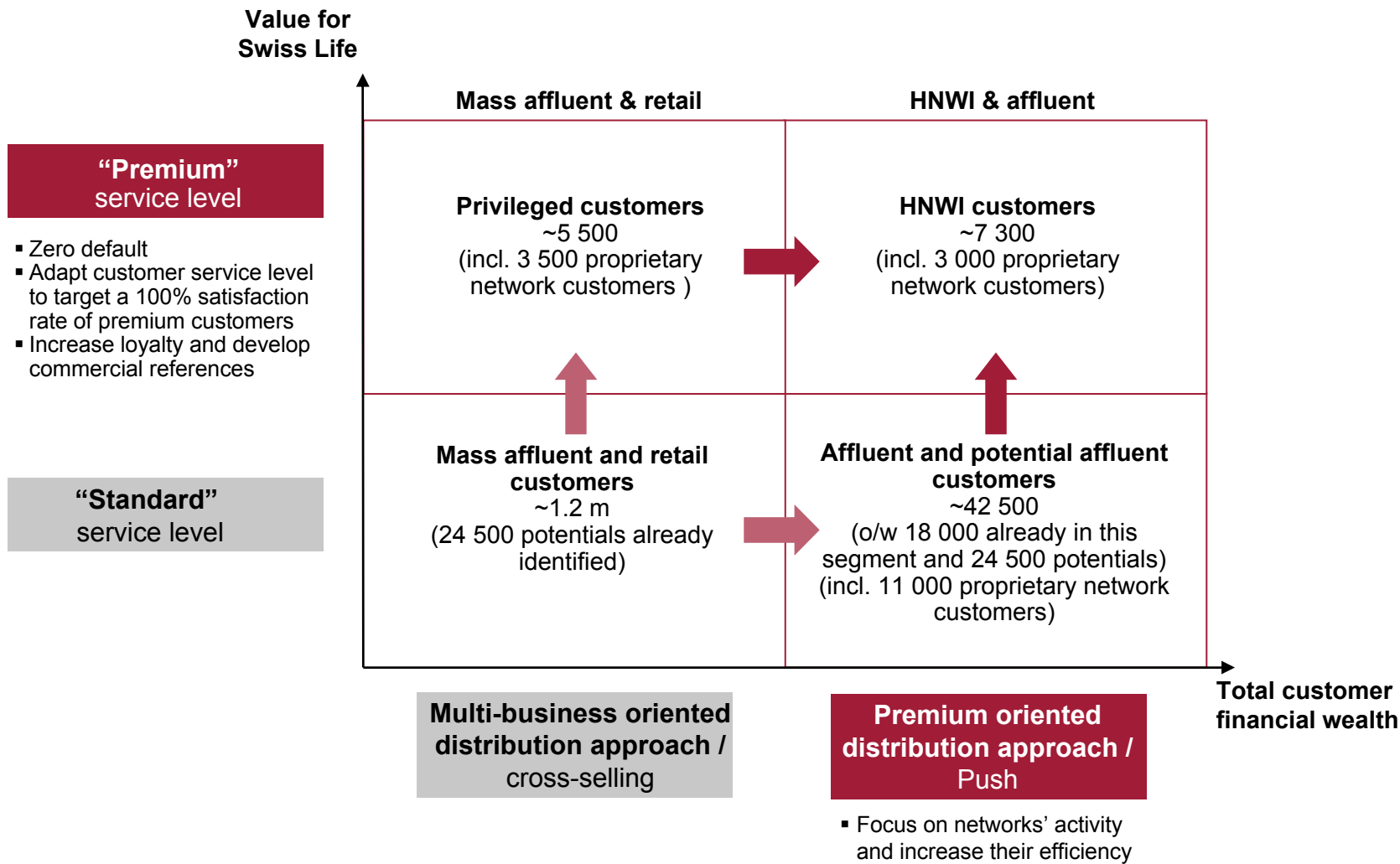
SwissLife

	Objectives	Initiatives	Impact
1	Customer promise Develop the customer centric value proposition	<ul style="list-style-type: none"> Further improve customer segmentation, cross-channel capacities and CRM tools Strengthen Private Insurer positioning with strategic showcase initiatives Focus on advisory and develop services 	<ul style="list-style-type: none"> Increase volumes: NBP_{CAGR11-15} = +3% Get more customers Cross- and up-selling
2	Offering Further develop non-traditional and risk businesses Strengthen the premium positioning	<ul style="list-style-type: none"> Push UL and protection business Further develop pension products and corporate offers (with strong focus on SMEs) Develop fee business (Private banking, AM, REIM) Improve combined ratio in health and P&C 	<ul style="list-style-type: none"> Increase value of new business to 2% Strengthen fee income by 40-50% (vs. FY11 EUR 181 m)
3	Distribution Pursue the development of the multi-channel distribution model	<ul style="list-style-type: none"> Further reinforce proprietary networks Further develop alternative proprietary networks Reduce distribution costs 	<ul style="list-style-type: none"> Sustain growth Improve control on new business Increase profitability
4	Efficiency and quality Improve customer service quality and efficiency	<ul style="list-style-type: none"> Further develop operations process industrialisation Implement an appropriate sourcing strategy Continue to invest to meet best practices 	<ul style="list-style-type: none"> Better quality of operations Improve efficiency ratios (Life ~-10 bps; health -40-45 bps)

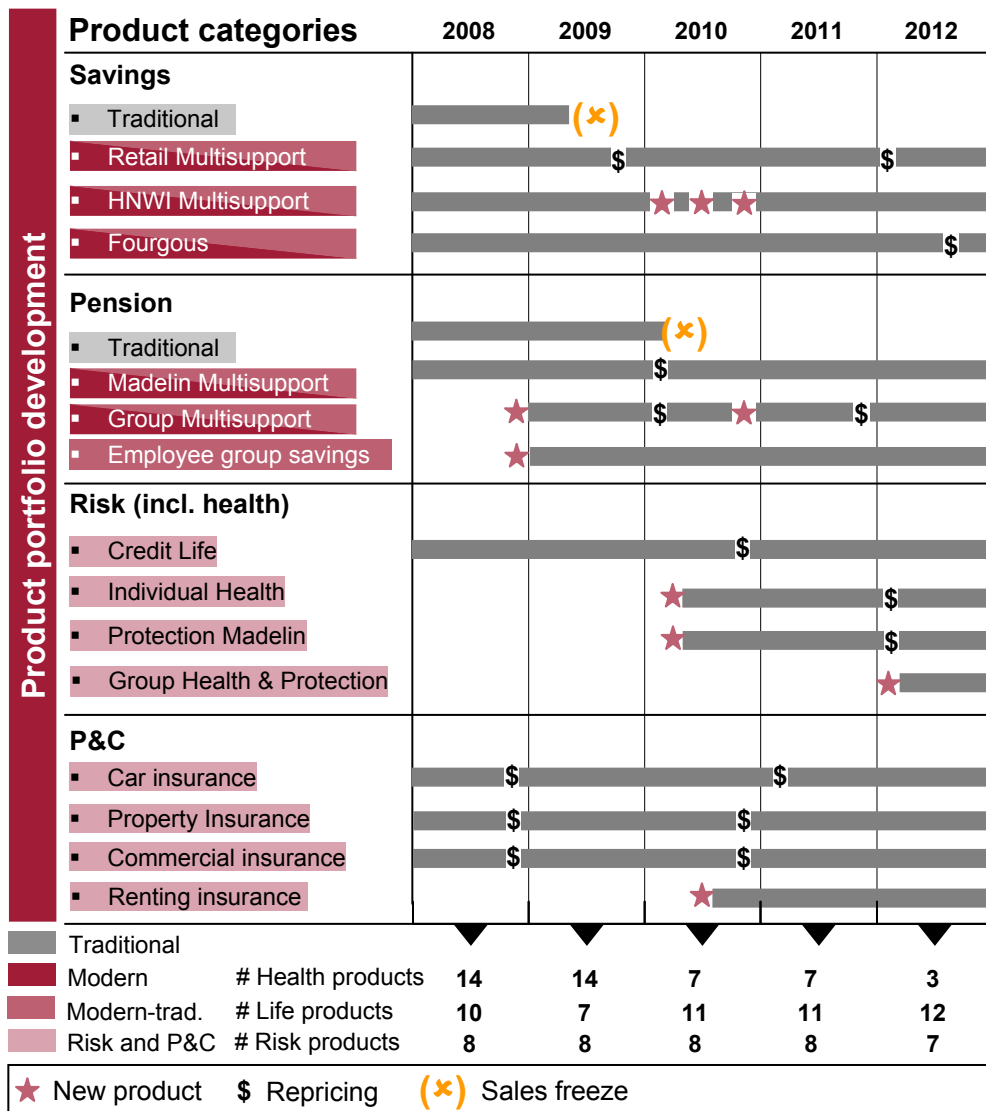
Customer segment-specific initiatives will increase the offering quality



Distribution approach and service level driven by specific customer segmentation



Development and outlook of product portfolio



Focus areas

- Streamline number of products
- Clear focus on profitable growth: push UL and risk products
- Expand services
- New innovative health solutions and develop offer for new segments
- Develop a comprehensive approach of the corporate segment

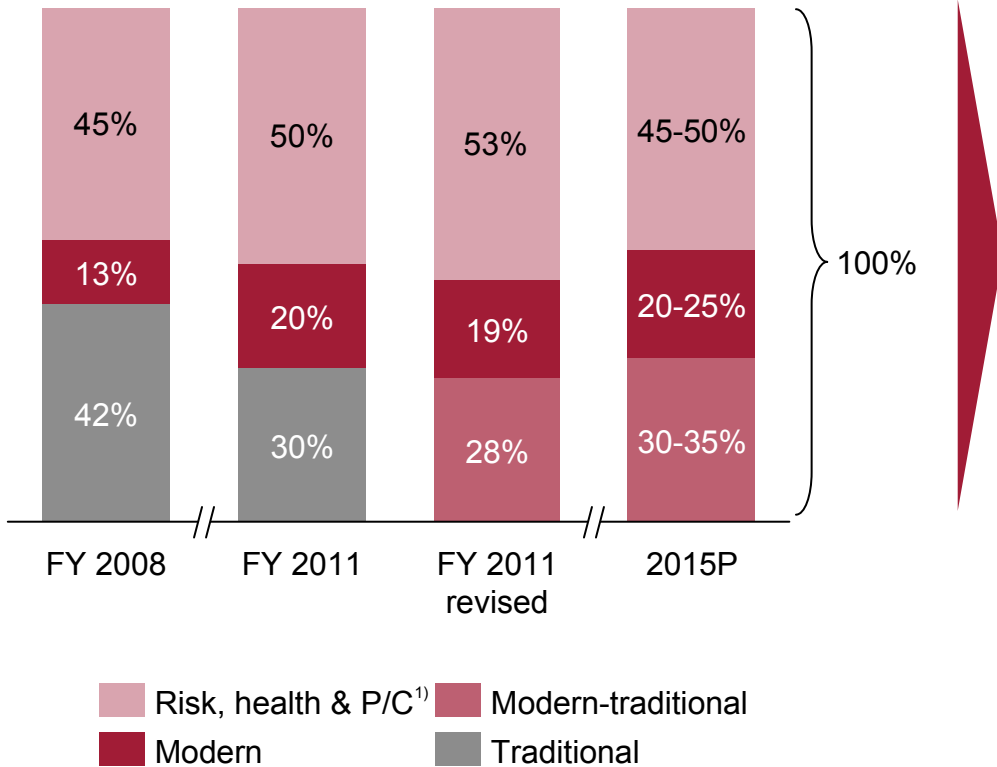
Impact

- New business margin target 2015: 2%

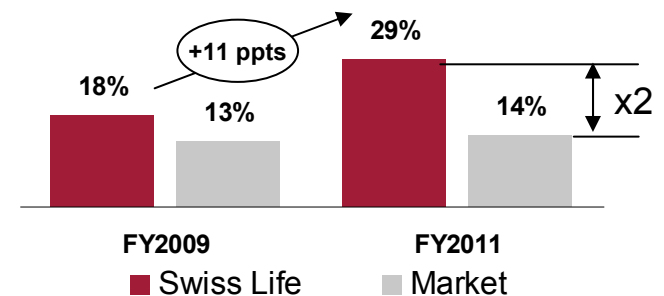
Attractive and stable new business mix going forward supported by new product initiatives



New business mix (in NBP)



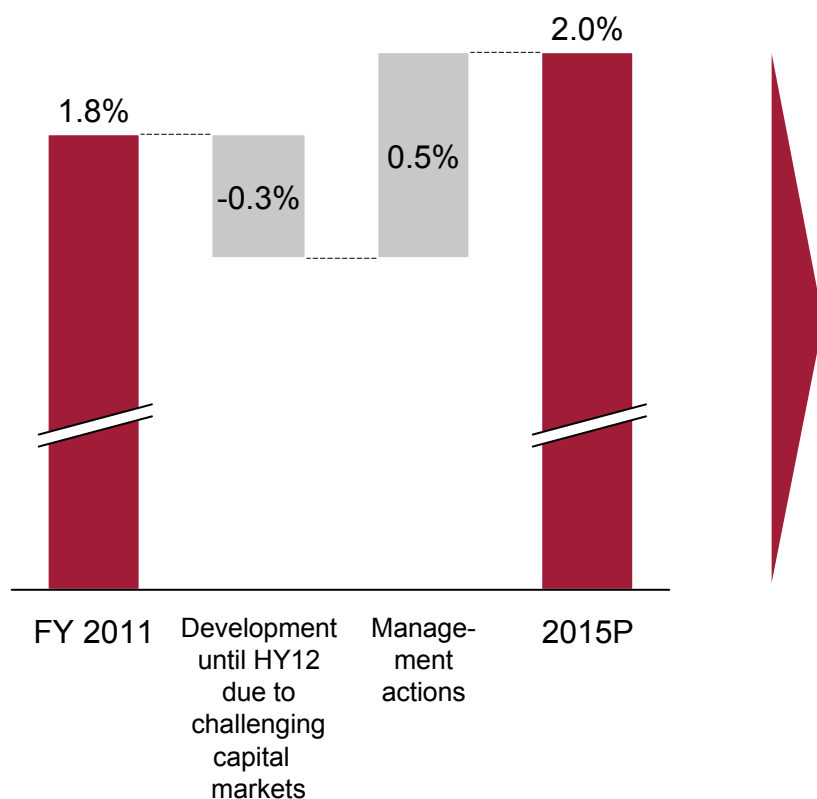
- Net inflow sustained by Private Insurer strategy
- Well-balanced portfolio with a share of risk products around 50% of NBP
- Growth of modern and modern-traditional supported by customer need-driven solutions and unrivalled consulting approach
- Development of modern-traditional products without guaranteed interest rate
- Pursue sales of structured products
- Keep high UL share in GWP:



1) P/C included from "FY 2011 revised" onwards

Improve new business margin through continued disciplined margin management

New business margin target 2015



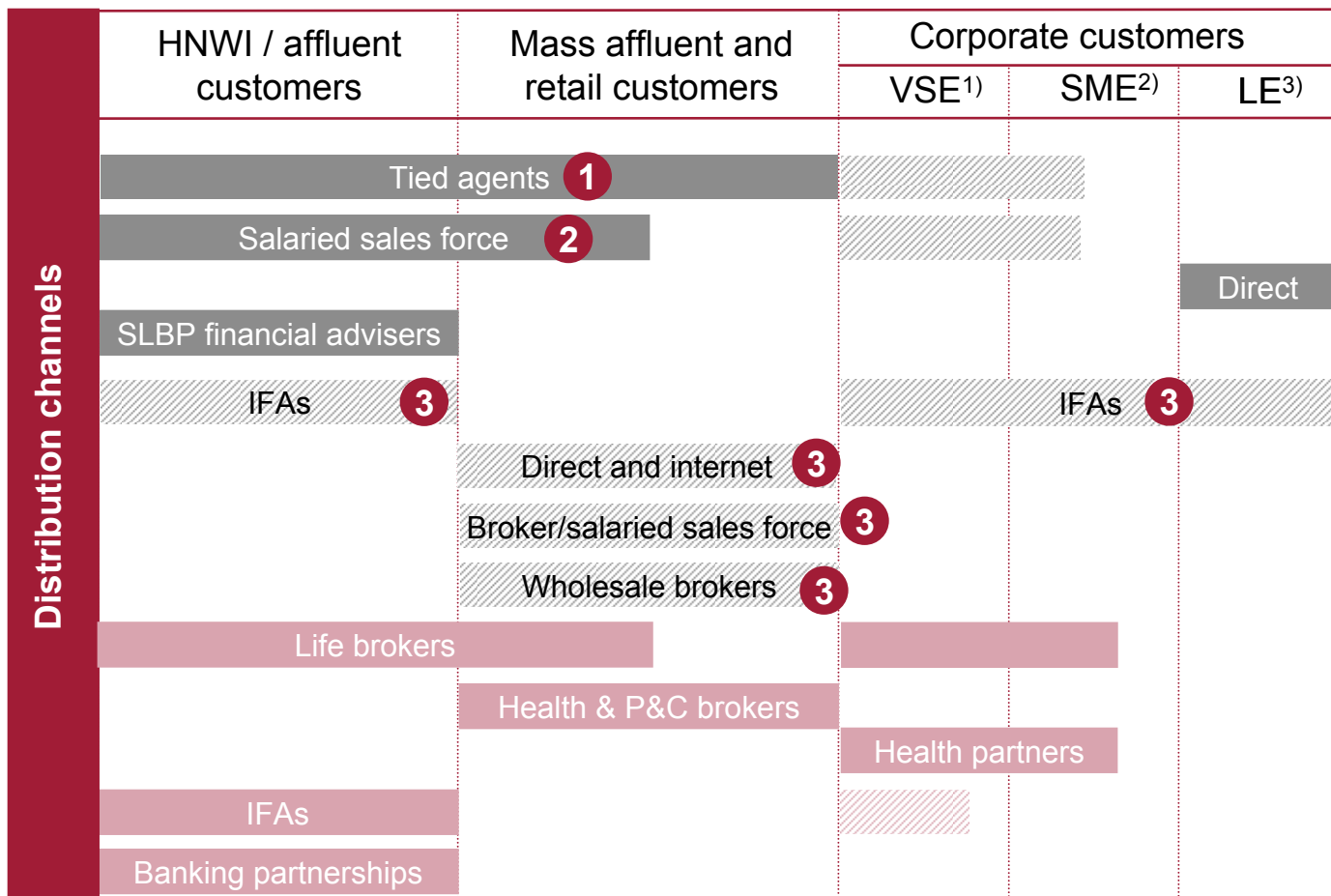
Supporting initiatives

- Improve product mix (focus on risk and UL products, wealth management)
- Decrease distribution costs and implement cost efficiency measures
- Life:
 - Promote HNWI portfolio
 - Maintain level of financial margin despite decreasing financial revenues
 - Keep 0% guaranteed rates on individual savings
 - Policyholder participation policy sustaining strategy
 - Preserve buffers
- Health and P&C: Strengthen underwriting policy and implement tariff indexation to improve combined ratios
- Protection: Adapt underwriting policy in order to sustain development



Continue to develop the multi-distribution strategy by expanding proprietary network...

Customer segments - channels



1 **Ambition 500**
Increase tied agents points of sale by 20% to 500

2 **Ambition 400**
Increase salaried sales force by 10% to 400

3 **Alternative proprietary network**
Further develop alternative proprietary network to sustain profitable growth and address specific customers

1) Very small enterprises (<20 employees)
 2) Small and medium-sized enterprises (<250 employees)
 3) Large enterprises (>250 employees)

... with a particular focus on investing in the alternative proprietary network



FTE 2011 EoP



Active shops

Life
fee income

IFA

35 

Develop HNWI segment:

- Providing savings solutions and expertise to HNWI customers and to companies
- Fast growing IFA with a leading position
- Growth: Further develop IFA proprietary channel, already 2 acquisitions made

Direct and internet

34 

All LoB

Increase growth of internet sales:

- Selling life, health, protection, P&C products through internet
- Bringing new prospects to tied agents
- Selling multi-brand products; underwriting directly on internet

Health &
protection

Wholesale brokers

64 

Push health and protection business:

- Wholesale broker, specialised in health & protection
- Third party management of health insurance contracts: outsourcing solutions, high quality services
- Growth: Target small and local brokers

Salaried forces

14  74 

Health

Develop a dedicated salaried network:

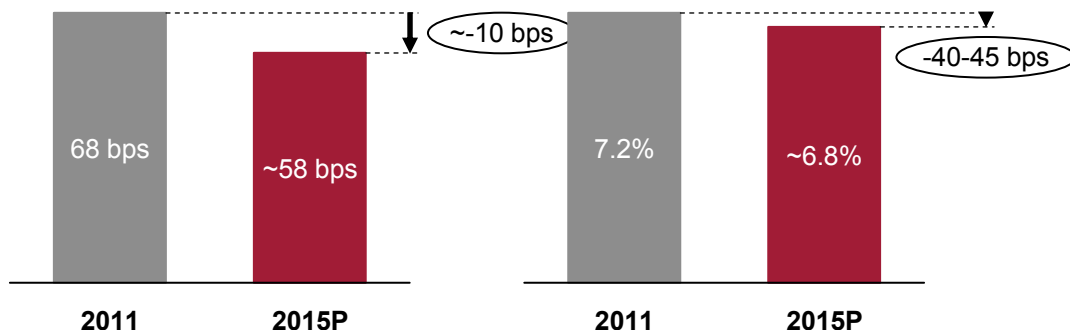
- Selling health products with a new brand
- Providing complete and innovative health product range
- Providing advice and services (e.g. newsletter)
- Growth: Opening new shops and recruit sales people

Address new customers through multi-channel distribution strategy and generate CAGR +20% in fee income of alternative proprietary networks

Maintain strict cost management in order to continue investing in profitable growth

Life efficiency ratio¹⁾

Health efficiency ratio²⁾



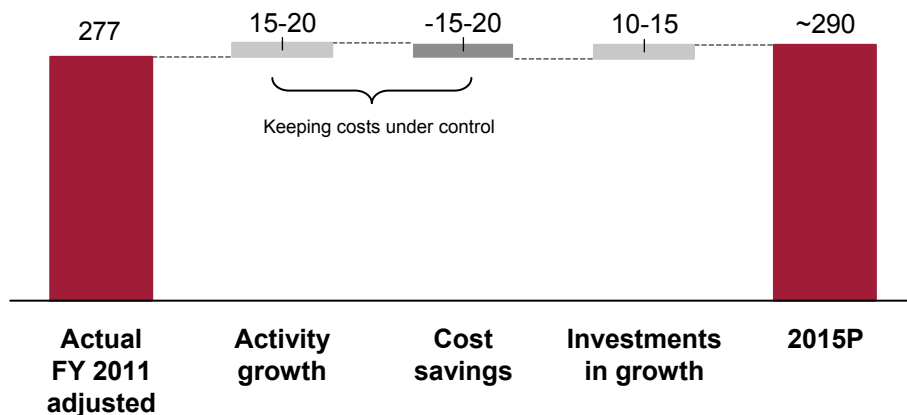
Savings

- Operating expense savings of EUR -15 to -20 m
- Variable expense savings of EUR -25 to -30 m

Investments in growth

- Tools improving customer centricity
- Financing development of proprietary network
- Development of online facilities, upgrade of IT tools

Operating expense adjusted (in EUR m)



Enhancement of quality and efficiency

- Implementation of “strategic showcase” for affluent customers
- New services offer
- Operational performance in line with market best practices
- Further reinforcement of operations compliance

1) Operating expense in % of average technical reserves
 2) Operating expense in % of GWP

Key messages

Swiss Life France has built a well-balanced business portfolio over time with strong market positions' which it will strengthen further through its "Private and Personal insurer" strategy

Swiss Life is a niche private insurer in life and the **second largest private individual health** insurer with overall 1.3 million customers and an annual premium volume of EUR 3.5 billion

Swiss Life has **successfully implemented the MILESTONE programme** in a challenging environment and emphasised the "new business profitability" and "distribution" workstreams

Swiss Life will **reinforce its unique positioning** through a holistic customer-centric value proposition and offering and approach new customers with its further strengthened proprietary and multi-channel distribution

Swiss Life will continue to pursue a **comprehensive financial products and services strategy** with a broad in-house offering incl. life, private banking and asset management solutions, health and non-life

Swiss Life will maintain strict cost management while continuing to **invest in profitable growth and service quality**

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

Robert Moser
Head of Investor Relations

Phone +41 (43) 284 67 67
E-mail robert.moser@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 2012	27 February 2013
Publication of Annual Report 2012	18 March 2013
Annual General Meeting	23 April 2013
Interim Statement Q1 2013	23 May 2013

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