

Investors' Day 2012

Swiss Life Germany

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Key messages

New Swiss Life Germany: Jointly stronger – Swiss Life, Swiss Life Select, tecis, Horbach and Proventus revive growth and increase profits through a transformation into a unique financial advisory and insurance company under one roof

Swiss Life will increase **competitiveness and efficiency** by managing German operations under one roof

Swiss Life will further **strengthen the Best-Select approach** for end-customers and the **open platform approach remains paramount** with product partners

Swiss Life's high-quality brand will support and strengthen Swiss Life Select, tecis, Horbach and Proventus in the German market

Swiss Life will **optimise market management**, building on strong distribution channels and product expertise

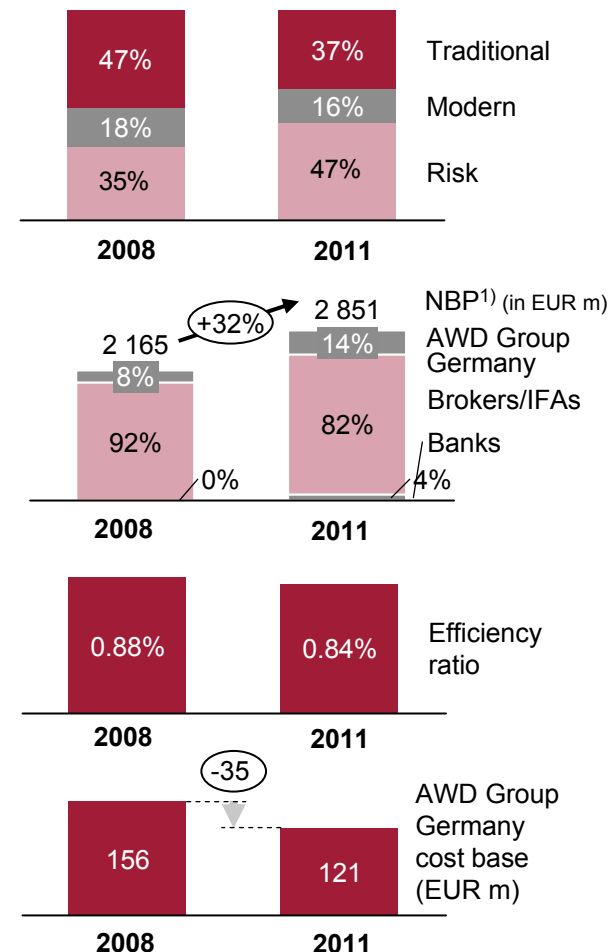
Swiss Life will further **enhance market positioning** in biometric risk, employee benefits and modern savings products with a focused and optimised offering

Swiss Life will **reduce costs** through synergies, harmonisation and standardisation

New Swiss Life Germany provides an even **more attractive platform for advisors and intermediaries** with best-in-class service and support

Swiss Life and AWD Group Germany have successfully implemented MILESTONE

Workstream	Achievements
Enhance customer value & new business profitability	<ul style="list-style-type: none"> ▪ New modern life and care products successfully launched ▪ Several traditional products withdrawn ▪ New business margin increased from 0.9% in FY08 to 1.7% in FY11 despite decreasing interest rates
Increase distribution quality and power	<ul style="list-style-type: none"> ▪ New business production through AWD Group Germany increased due to innovative modern and risk products ▪ Excellent reputation in broker market retained ▪ New bank distribution channel implemented
Improve operational excellence	<ul style="list-style-type: none"> ▪ Improved efficiency ratio supported by insurance reserves growth and lower cost base as a result of front office centralisation and improved back office processes ▪ Cost base of AWD Group Germany lowered through <ul style="list-style-type: none"> - Refocusing of marketing activities - Streamlining of management structure - Integration of administrative processes of AWD Germany and Horbach



1) New business production (excl. consortia and pension funds)

New Swiss Life Germany positioned to weather challenging market environment



Market situation in Germany

- Public social security system is at its limit while individual and corporate pension solutions become more and more essential, making this market fundamentally attractive in the medium and long-term
- Financial institutions and distributors are generally under substantial pressure (e.g. Solvency II, MIFID II, increasing transparency requirements)
- Customers are alienated by uncertain development of capital markets, general economic situation, and negative public perception of financial services providers
- Fundamental change in values: importance of financial strength and trust in institutions is ever increasing
- High-quality financial advice is becoming even more important; however, increasing regulatory cost will drive consolidation

New Swiss Life Germany jointly stronger to address challenges and exploit opportunities by combining strengths

New Swiss Life Germany builds on strong distribution and product expertise

FY 2011, in EUR

Strategic positioning and market share

Swiss Life Germany:

- A leading specialised life product factory in the German market for private and employee benefit business
- New business: 1.4% market share
- GWP: 1.6% market share
- A market leader in disability (BUZ) and occupational pension schemes (bAV)

AWD Group Germany:

- Third largest financial advisory network in Germany
- Commissions: ~12% market share (IFAs in total)

Key strengths



- Strong track record in biometric risk and employee benefit solutions as well as modern saving concepts, proven by external ratings and awards
- Professional local sales support and high service orientation with regard to brokers, banks and IFAs



- Clear competitive advantage based on proven Best-Select approach and close collaboration with strong partners



- Strong customer orientation with many awards from independent institutions

Financials

Swiss Life Germany:

- Life NBP: 2.9 bn
- GWP: 1.4 bn
(68% individual life, 32% group life)
- Segment result: 47 m
- Insurance reserves: 14.7 bn

AWD Group Germany:

- Revenues: 376 m
- Operational EBIT: 50 m¹⁾

Other key figures

Swiss Life Germany:

- ~650 000 customers²⁾
- ~6 500 active business partners (brokers, IFAs, banks)

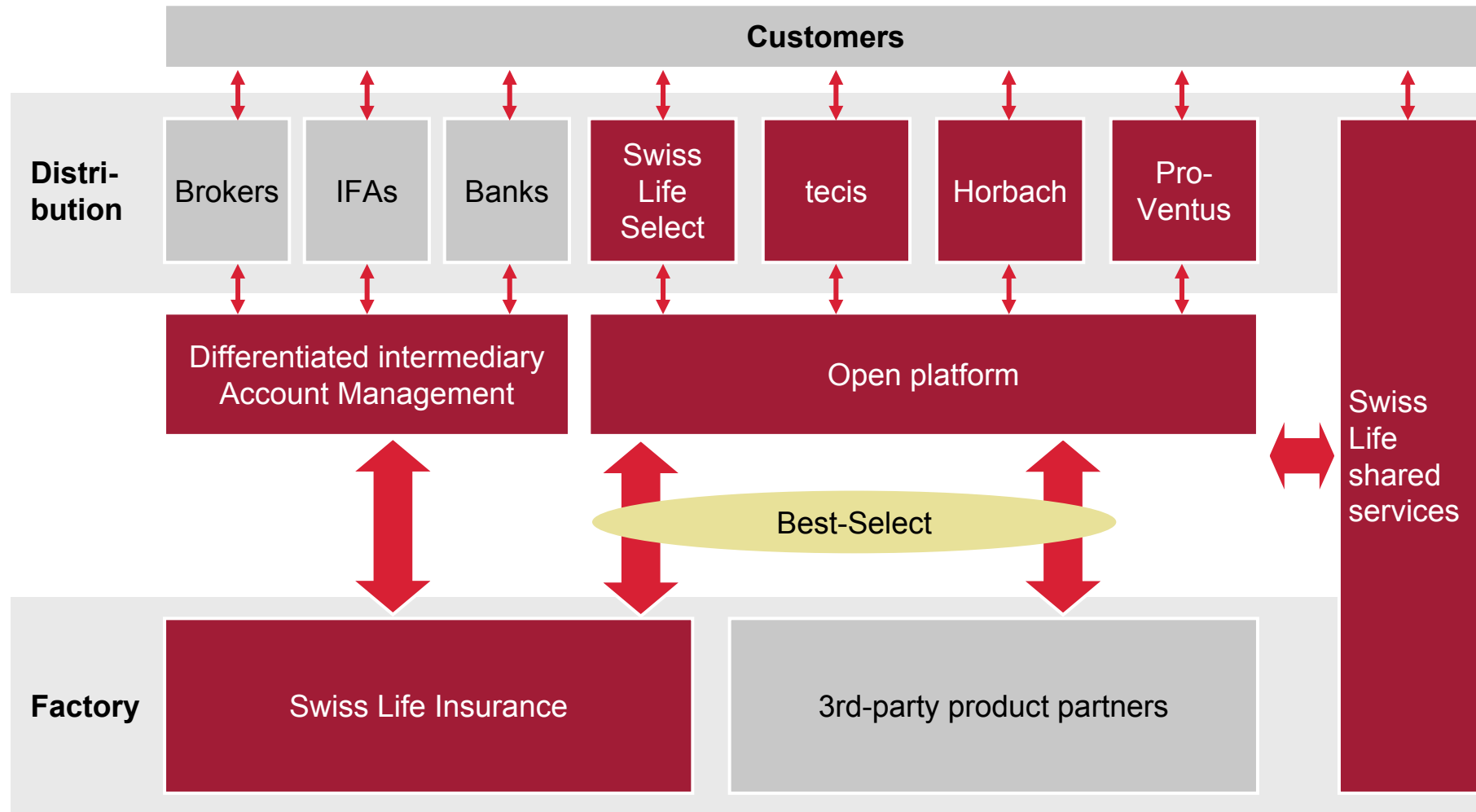
AWD Group Germany:

- 234 000 customers³⁾
- 3 432 advisors

1) Excl. special items of EUR 20 m and incl. holding costs for AWD Group of EUR 17 m 2) Thereof 400 000 individual and 250 000 group customers

3) Customers with new contracts in 2011 only. Total number of new contracts in 2011: 536 000

New Swiss Life Germany becomes a unique financial advisory and insurance company





Strategic thrusts to increase competitiveness

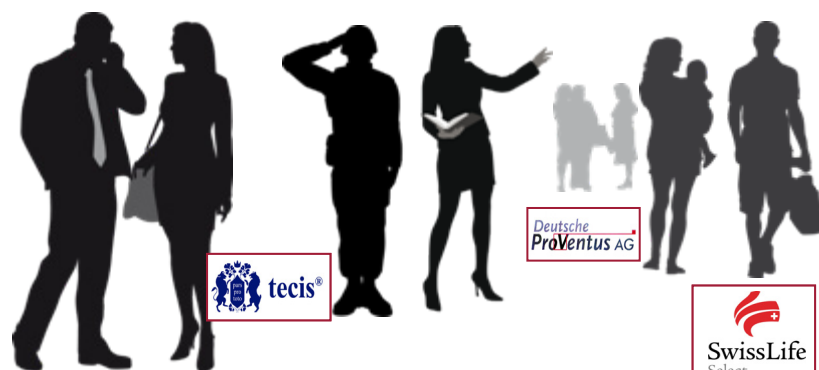
SwissLife

	Objectives	Initiatives	Impact	
1	Customer promise	Customer centricity as basis for all activities	<ul style="list-style-type: none"> Improve segment alignment of multilevel and advisory sales forces Differentiate service levels for broker, bank and IFA channels 	<ul style="list-style-type: none"> Increase customer satisfaction through improved quality and lifelong service
2	Offering	Further strengthening of Best-Select approach for customers and focusing own production on core fields of expertise	<ul style="list-style-type: none"> Apply Best-Select approach for consistent partner and product selection in end-customer channels Focus own production on core fields of expertise: <ul style="list-style-type: none"> Biometric risks (disability, long-term care) Employee benefit solutions Modern guarantee concepts 	<ul style="list-style-type: none"> New business margin (NBM) targets 2.5% New business mix: Launch modern-trad. products and reduce trad. products
3	Distribution	Optimise market management and geographic footprint	<ul style="list-style-type: none"> Grow multilevel sales forces and customer base by systematically targeting attractive mass segments, focusing on “part time” and “additional income” recruiting models and modern training concepts Increase cross-selling on in-force customer base through activity-based management and coaching of advisory sales forces Strengthen multi-channel approach in intermediary channels through optimised services and technical support Re-brand AWD channel to Swiss Life Select Optimise regional footprint in end-customer channels 	<ul style="list-style-type: none"> Enhance fee income by 10-15% (vs. FY FC 2012 EUR 369 m) Increase number of end-customer advisors to ~3 600 Improve distribution margin Grow end-customer channels in under-penetrated regions
4	Efficiency and quality	Leverage synergies and optimise distribution platforms	<ul style="list-style-type: none"> Use shared services for all channels and review number of locations Harmonise processes across all channels and differentiate service levels 	<ul style="list-style-type: none"> Further reduction of cost base by EUR 35-40 m by 2015

New Swiss Life Germany with even stronger focus on customer needs



Segment specific needs of end-customers/intermediaries



Trainees/Young professionals

Savings (UL product with flexible guarantees), disability solutions

Specific professional groups

Dependent on approach to professional networks such as soldiers, teachers, etc.

Families

Financial security for today and for the future (care protection; UL products with flexible guarantees)

Academics

Protection against financial consequences of disability

Affluent

Wealth management and protection (care protection; pension schemes with tax benefits)

Brokers and IFAs

Strong brand, convincing product story, elevated level of support, e.g. short processing time

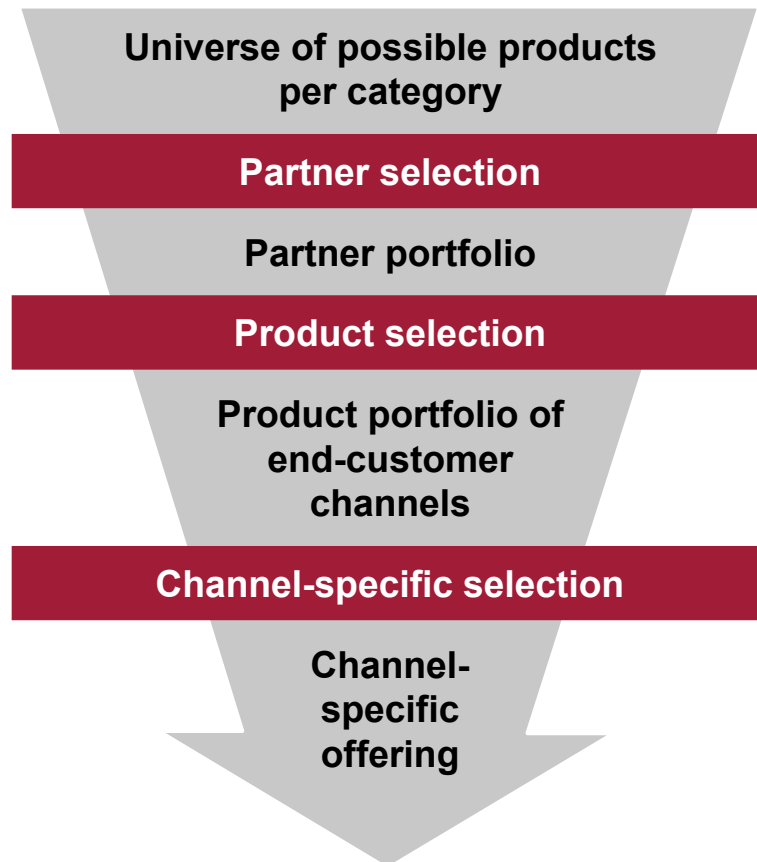
Banks

Reputable product partner, simple though differentiated products and fully-fledged technical and back-office support



Best-Select for products and partners through open platform remains paramount

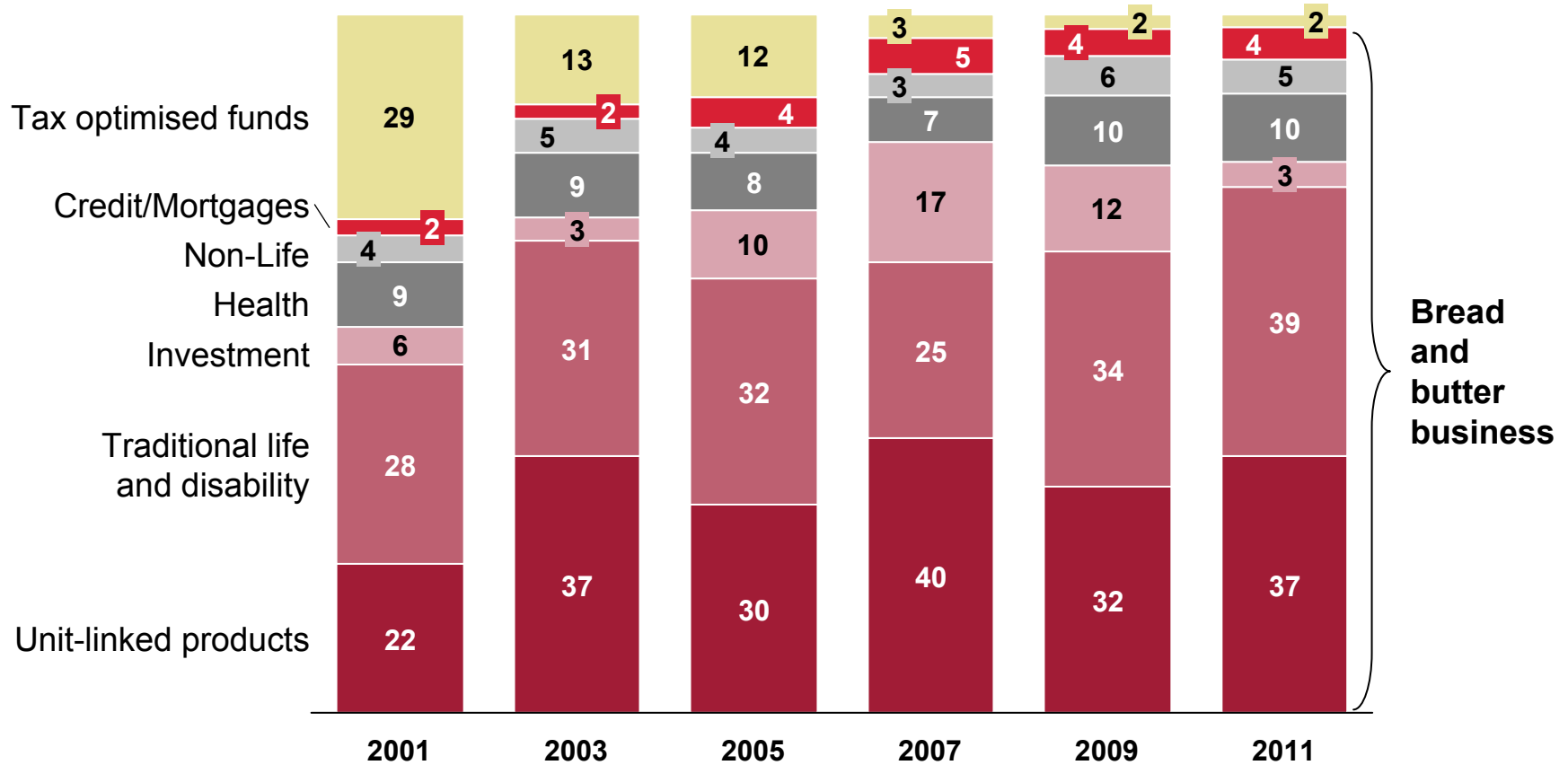
Partner and product selection as basis of Best-Select approach for end-customers



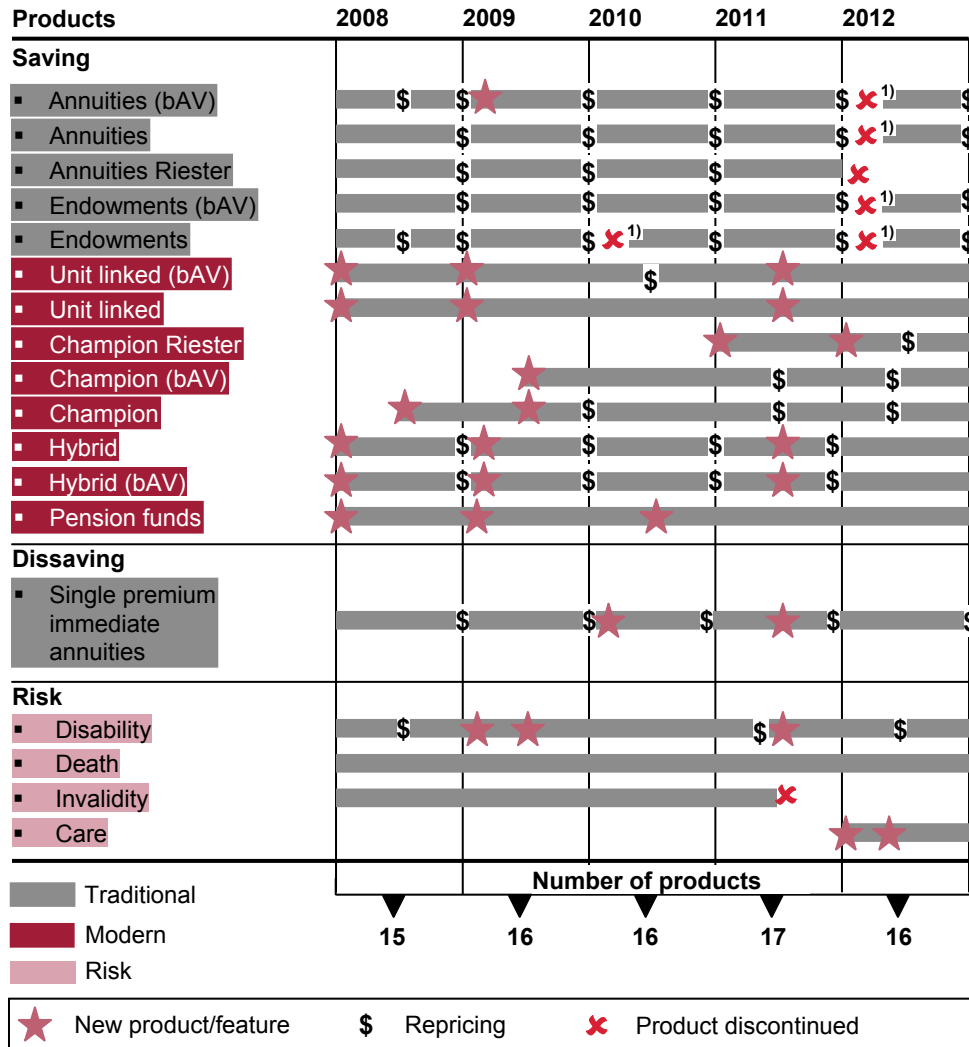
- **Stringent partner and product selection** through Best-Select approach for end-customer channels, resulting in a recommended “product set”
- **High-quality advice** at point of sale, i.e. combination of customer characteristics with the “product set”
- **Focus of own production** on core fields of expertise, i.e. biometric risks, employee benefits and modern guarantee concepts

End-customer channels with de-risked offering

AWD Group Germany commissions 2001 – 2011 (in %)



Swiss Life production continuously optimised in recent years



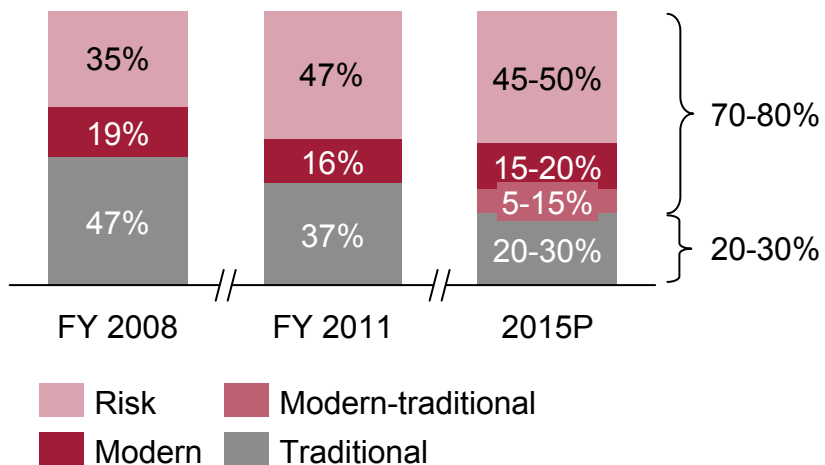
- Focus 2013 - 2015**
- Discontinuation of non-competitive tariffs
 - Re-pricing to balance profitability and volumes
 - Development of new products (e.g. long-term care product)
 - Mid-term replacement of traditional guarantee products through modern (modern-traditional) guarantee concepts
 - Application of NBM²⁾ minimum hurdle rate of 1%

- Impact**
- NBM²⁾ target 2.5%

1) Closure of individual product variants 2) New business margin

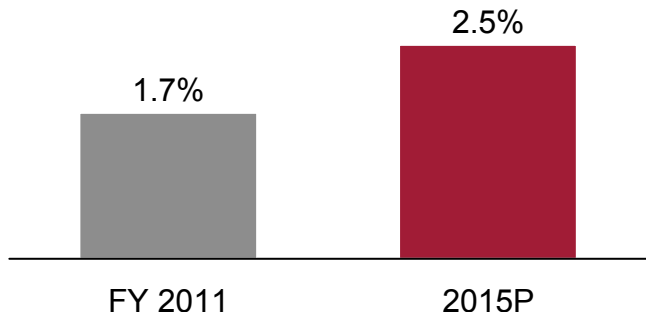
Increase of risk products and shift towards modern and modern-traditional concepts

New business mix (in NBP)



- Increase of risk products driven by recurring product improvements
- Modern-traditional guarantee concepts partially replacing traditional products; focus on products with low solvency/capital requirements

New business margin



- Ongoing margin management through re-pricings
- Development of new products (e.g. long-term care product)
- Replacement of traditional products through modern and modern-traditional products
- Application of new NBM minimum hurdle rate of 1%

Further enhance productivity and quality of advice in end-customer channels

Key elements of initiatives

Value proposition for advisors

Advisory sales forces

- **Boost cross-selling and lifelong customer care**, through existing tecis coaching-programme, proved to generate productivity boost of up to 30%

- **State-of-the-art productivity tools** support advice in customer interest while allowing advisors to make the most of their in-force book
- **New leadership and coaching model** helps advisors to identify and exploit development opportunities

Call centre & centralised back office support

- **Support long-term customer care** and generation of leads through central call centre
- **Source back office support** from shared service centre

- **Focus on advisory time with customers**
- **Improve effectiveness** through professional customer lifecycle management

Multilevel sales forces

- **Grow sales force and customer base** through systematic targeting of mass segments and regions with potential, additionally supported through “part-time” and “additional income” models

- **Attractive “part-time” approaches**
- Officially **recognised degrees** based on formal and “on the job” training
- **Variety of career paths** allows for development into leadership or senior advisory roles

Increase effectiveness of broker, IFA and banking channels

Key elements of initiatives

Brokers/IFAs

Increase effectiveness of account managers through

- Quantitative segmentation of partners
- Segment specific service levels
- Strengthened performance-oriented compensation
- Optimised regional footprint

Banks

Increase of banking distribution due to

- Engagement of new local non-exclusive partners and focus on strategic partnerships
- Significant increase in share of wallet based on specialised product offering
- Introduction of key account management

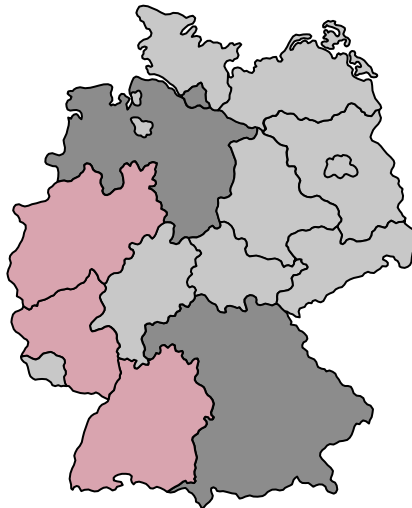
Value proposition for partners

- **Best-in-class service offering** tailored to segment specific needs
- **High-quality advice** through convenient channels (phone, e-mail, internet)
- **Fast quoting and decision making**
- **Simple and reliable technical support**

Significant potential in currently underpenetrated regions

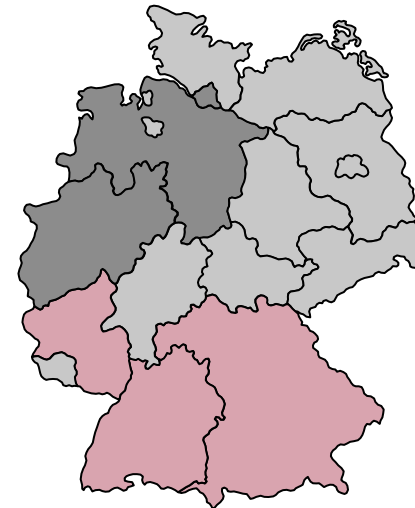


Intermediary channels



- Solid footprint in Bavaria with more than 20% of new business and three representative offices as well as in Hamburg (ca. 10% of new business)
- Strong relationships to broker pools, especially in Hessen and North Rhine Westphalia – latter contributes in excess of 15% of new business
- Pro-active business development efforts in North Rhine Westphalia through the mix of channels including banks, broker pools and IFAs

End-customer channels

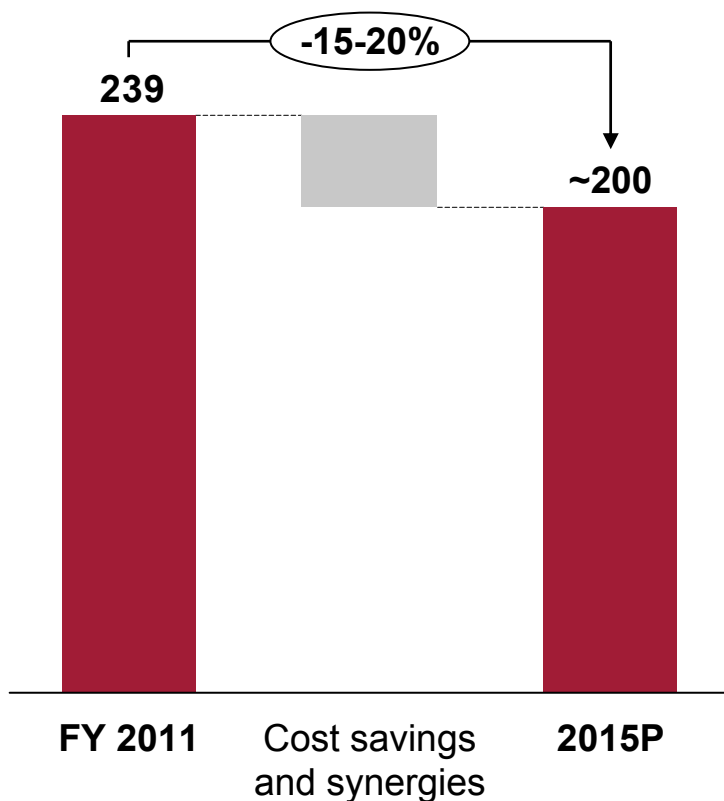


- Historical focus on North-West of Germany – Hamburg, North Rhine Westphalia and Lower Saxony (more than 50% of new business)
- Dynamic customer acquisition in new federal states, mostly economically stronger Berlin, Brandenburg and Saxony (~13% of new business)
- Focus for geographical expansion particularly on the south

Below-average penetration
 Average penetration
 Above-average penetration

Further reduction of cost base through closer integration of AWD and SL Germany

Pro forma¹⁾, operating expense adjusted
(in EUR m)



- Harmonise back-office processes across all distribution channels
- Optimise geographic footprint
- Capture synergies through implementing a strict functional organisational model, integrating administrative functions and removing duplications
- Internalise to reduce administration costs
- Standardise IT platforms and applications across the organisations

1) Pro forma incl. Swiss Life Select, tecis, Horbach and Proventus

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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

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