



SwissLife

Investors' Day 2015 Swiss Life France

Charles Relecom, CEO France
Zurich, 25 November 2015

Swiss Life France 2018

Swiss Life France is a premium provider of comprehensive wealth and protection solutions to high-value customers seeking to secure a better future financially in their personal and professional lives

A Reinforce and leverage our Private Insurer model

We will strengthen our position in the HNWI and Affluent segment, which makes a major contribution to our ability to outperform the French market

We will further develop cross-selling between the personal and corporate lines

B Further develop our multi-distribution model

We will maintain targeted investments in our successful multi-distribution model to improve our coverage of all distribution channels and our ability to deliver high-quality advice to our customers through segmented commercial approaches

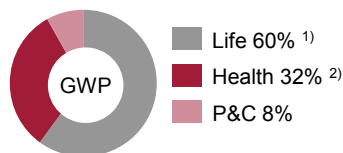
C Increase our operational efficiency, while investing in digitalisation

We will further improve our operational efficiency ratio through strict cost management while continuing to invest in profitable growth and in digitalisation to offer a better service quality and a fluid cross-channel journey to our clients and distributors

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

Strategic positioning and key financials (FY 2014)

- Niche private insurer for HNWI and Affluent customers
- Key protection insurance player in health, disability, pension
- Strong brand and reputation (Swissness)
- GWP: EUR 4.2 bn
- Segment result: EUR 178 m
- Insurance reserves: EUR 24 bn
- VNB: EUR 52 m, NBM: 1.4 %



Customer base

- Customers: 1.3 million, of which
 - ~ 19 000 HNWI customers accounting for 45% of life individual reserves
 - ~ 200 000 group contracts

Distribution

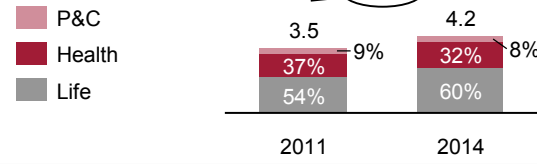
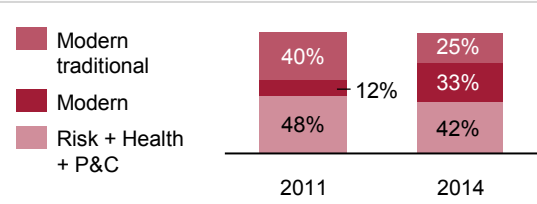
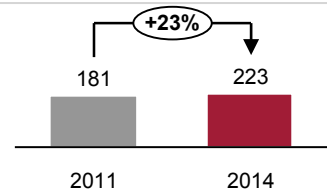
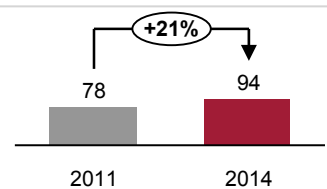
- Integrated multi-distribution network model with customized value proposition by client segment
- Distribution:
 - 350 tied agents
 - 400 in salaried sales force
 - 3 800 brokers / IFAs
 - 60 bank partnerships, 20 private bankers

Achievements Swiss Life 2015 (as of FY 2014)

- Strong growth in volumes with capital-efficient business mix
- Number of HNWI clients increased due to successful segmentation policy
- Achieved both absolute costs and commissions savings and improved efficiency ratios
- Segment result almost doubled

1) o/w corporate lines: 11% 2) o/w corporate lines: 38%

Swiss Life France delivered well-diversified and strong quality growth and ...

	Objectives	Achievements
<p>Growth</p>	<p>Outperform the French market GWP growth in our core business</p>	<p>GWP (EUR bn)</p>  <p> ■ P&C ■ Health ■ Life </p> <p>CAGR 11-14: +6%</p> <p>CAGR market: 0%</p>
<p>Diversification (NBP shift)</p>	<p>Increase the share of our non-traditional business (UL + risk + health + P&C)</p>	<p>NBP shift</p>  <p> ■ Modern traditional ■ Modern ■ Risk + Health + P&C </p> <p>75% of non-traditional NBP</p>
<p>Diversification (fee and commission income)</p>	<p>Increase the share of our fee business (private bank + distribution + UL)</p>	<p>Fee and commission income (EUR m)</p>  <p>+ AuM contribution to TPAM</p>
<p>HNWI + Affluent</p>	<p>Increase our positioning with HNWI and Affluent customers</p>	<p>Number of HNWI + Affluent customers (thousand)</p>  <p>CAGR 11-14: +7%</p>

... improved its profitability with Swiss Life 2015

	Objectives	Achievements
Efficiency and quality	Continuously improve our efficiency in order to enhance our competitiveness and enable investments	<p>Efficiency ratio (%)</p> <p>Absolute costs development (EUR m)</p> <p>in life, % of reserves</p> <p>2011 2014</p> <p>68 bps 61 bps</p> <p>-7 bps</p> <p>274 291</p> <p>Cost savings Investments Growth + inflation</p> <p>Costs +2% GWP +6% Reserve +8%</p>
NBM	New business margin supported by margin management initiatives despite unfavorable economic conditions	<p>NBM (%)</p> <p>1.8% 1.4%</p> <p>2011 2014</p> <p>Economic variances Volume & business mix Expenses Others</p> <p>Management actions</p> <p>-1.0% +0.2% +0.2% +0.2%</p>
Segment result	Increase segment result driven by risk, fee and savings result	<p>Segment result (EUR m)</p> <p>100 178</p> <p>2011 2014</p> <p>Risk Acq. cost Adm. cost Fee Savings</p> <p>+30 -14 -6 +24 +43</p>

Swiss Life France strategy at a glance

Objectives

A Reinforce and leverage our Private Insurer model

- Further improve share of UL reserves through net inflows and asset transformations
- Increase number of HNWI and Affluent customers
- Leverage our access to these clients to cross-sell group solutions

B Further develop our multi-distribution model

- Outperform French insurance market growth
- Improve business mix: defend risk and push fee business

C Increase our operational efficiency, while investing in digitalisation

- Further improve our efficiency and cost ratios
- Enhance operational efficiency and service quality
- Provide our premium clients and distributors with a fluid and simple customer journey experience

Main contribution to Group KPIs

Quality of earnings and earnings growth

Fee result FY 2018:
EUR 55-65 m (double vs. 2014)

Risk result FY 2018:
EUR 65-75 m (stabilise vs. 2014)

VNB cumulative (2016-2018):
> EUR 235 m

Operational efficiency

Cost savings (2015-2018):
EUR 15-20 m

Customer centricity and advice

A differentiated approach combining life insurance and private banking



Private Insurer: Successful model

SL 2018 initiatives to go further

An attractive client segment

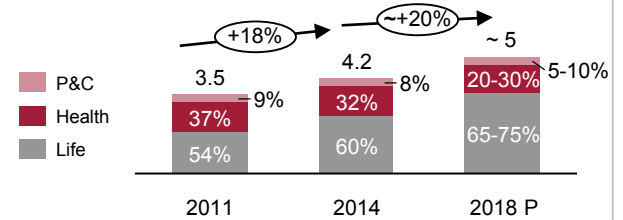
- Growing (in terms of financial wealth), more loyal, higher risk/return appetite (UL share), higher average premiums

Swiss Life France with well-established strengths

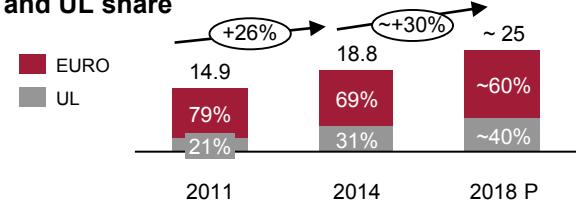
- Dedicated organisation (Private Insurer division) creating a link between e.g. insurance, private bank, AM, operations
- Specialised proprietary sales forces and access to a whole range of specialised distributors (e.g. IFAs)
- Strong and growing HNWI customer base that already accounts for 45% of individual assets with ~45% of UL in inflows

- Further improve asset transformation of our own client base and cross-selling opportunities
- Further develop our “not yet SL-HNWI” clients segment, through a dedicated commercial approach
- Develop private banking partnerships, IFA channel, credit life
- Develop cross-selling of group business (pension, protection, banking, asset management)

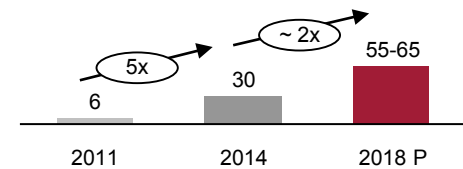
GWP (EUR bn)



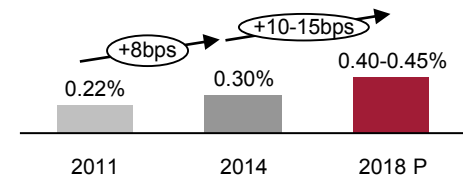
Life reserves and UL share (EUR bn)



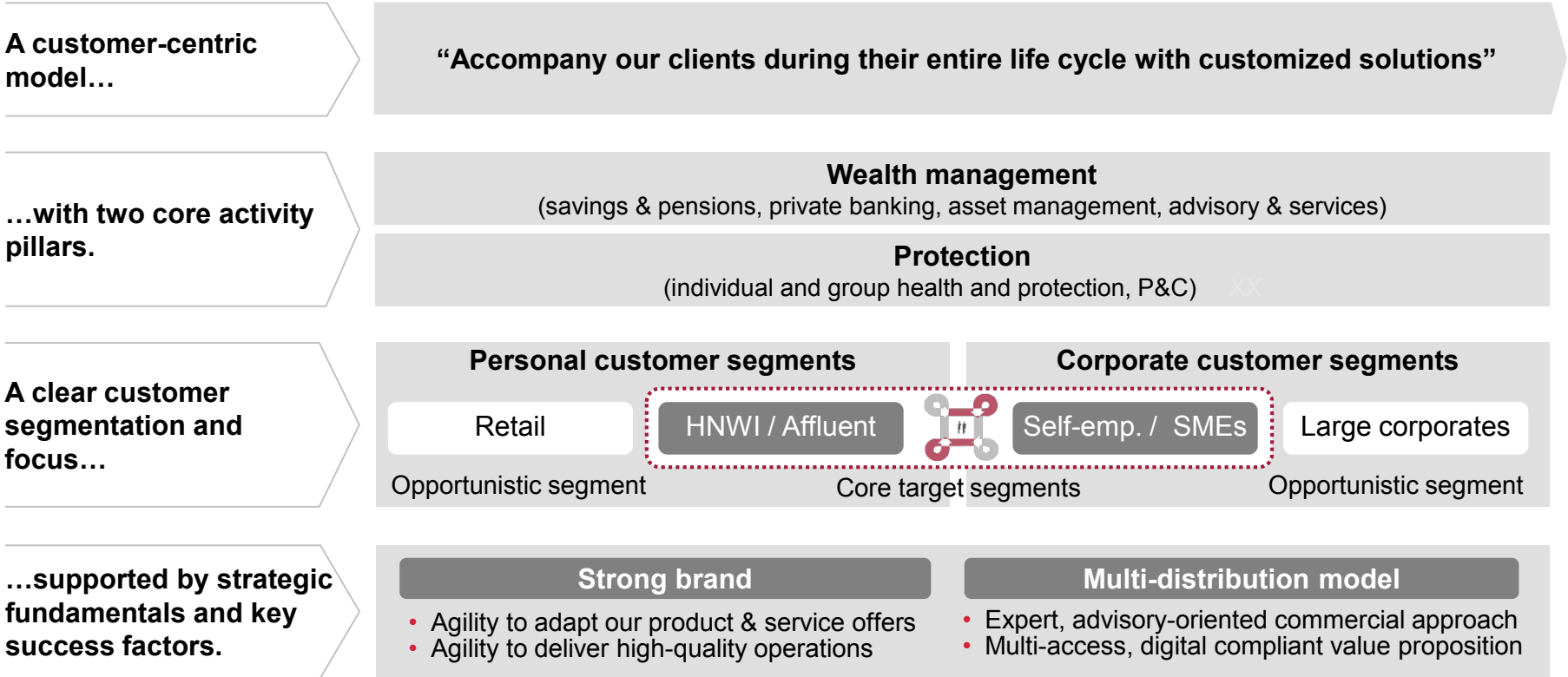
Fee result (EUR m)



Financial margin (in %)

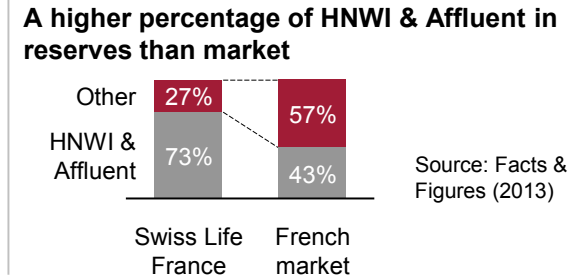
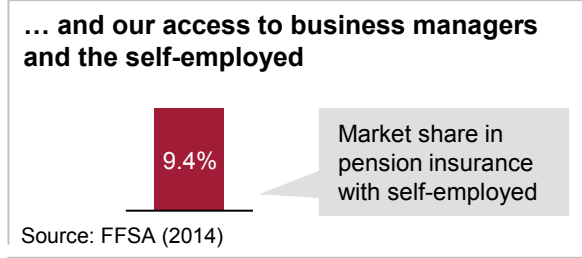
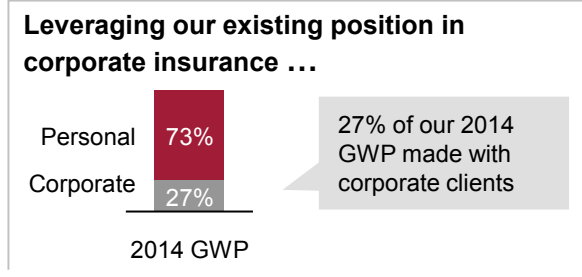
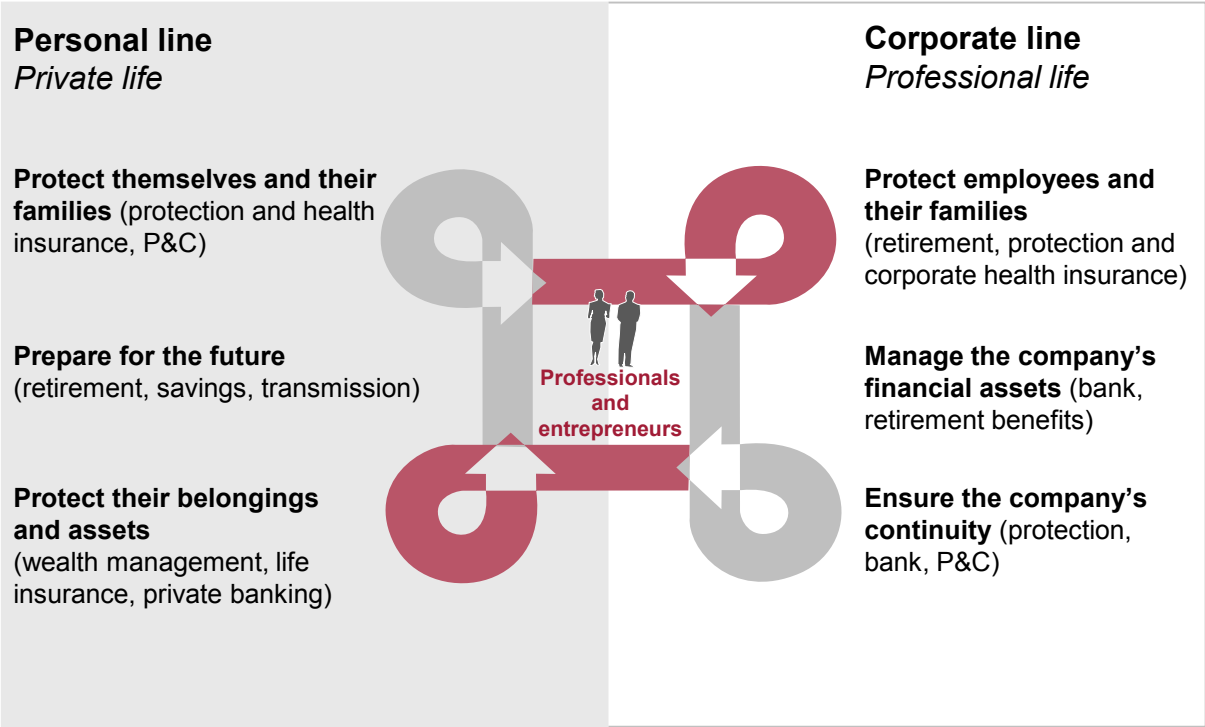


We will leverage our Private Insurer position to reinforce our corporate business ...



... by building a comprehensive approach covering both private & professional needs

Becoming a reference in corporate insurance and for entrepreneurs covering both personal and professional needs

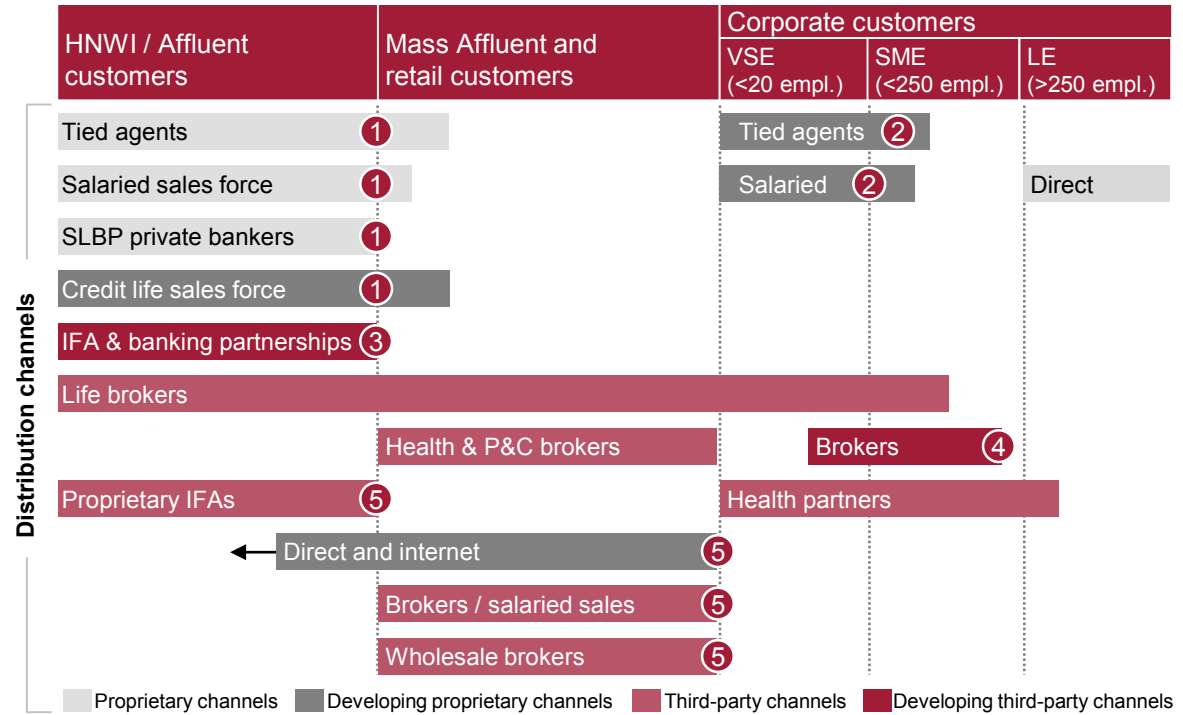


Pursue our multi-distribution strategy focusing on our target customer segments

Distribution strategy

- 1 **Maintain investments in our proprietary channels** to support our Private Insurer strategy
- 2 **Push our proprietary networks on corporate client segments**
- 3 **Further develop new IFAs and private bank partnerships**
- 4 **Re-develop broker network** to accompany shift from individual to group contracts in health and protection
- 5 **Pursue investment in alternative proprietary network** to sustain development of risk and fee business

Swiss Life France multi-distribution target model



Our multi-distribution model will strongly contribute to the Group strategy

Initiatives

Strengthen our Private Insurer model

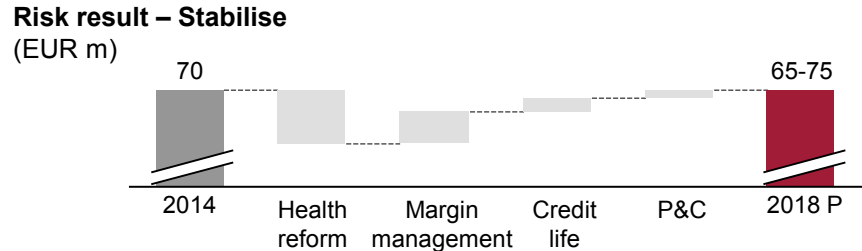
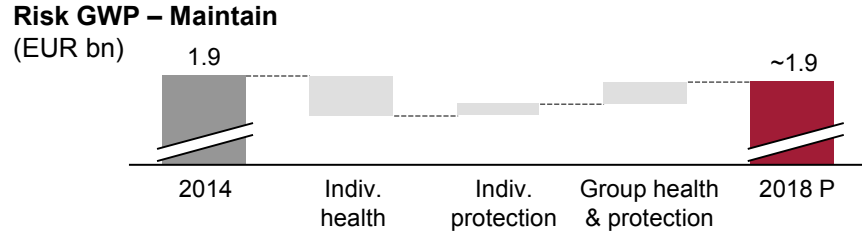
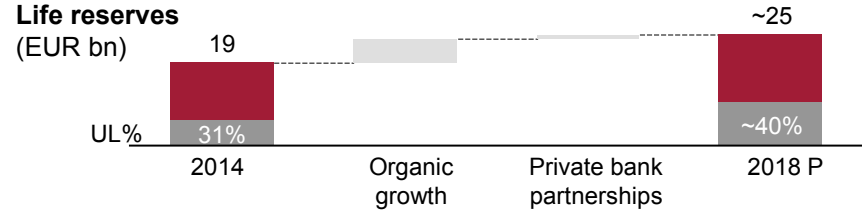
- Further invest in our multi-distribution model
- Recruit new salaried sales and tied agents
- Recruit new private bankers at Swiss Life Banque Privée
- Build new IFA and private bank partnerships

Defend risk business

- Keep focus on profitability
- Redevelop and adapt our brokers network to health market conditions in order to increase our market share in group business
- Leverage our access to business managers to cross-sell individual protection and group business through our proprietary networks

Invest in new distribution capacities

- Create a dedicated in-house asset management distribution team
- Create a dedicated credit life sales team
- Develop online distribution



Maintain strict cost management to continue investing in profitable growth

Strict cost management and attention to operational efficiency

Savings of EUR 15-20 m

- Absorb inflation and activity growth
- Optimise IT and other overhead expenses

Investments in growth

- Pursue investments in particular in new initiatives in credit life, private bank partnerships
- Prepare our organisation to face regulatory changes
- Increase quality and efficiency of operations and IT
- Adapt sales forces to sustain profitable growth

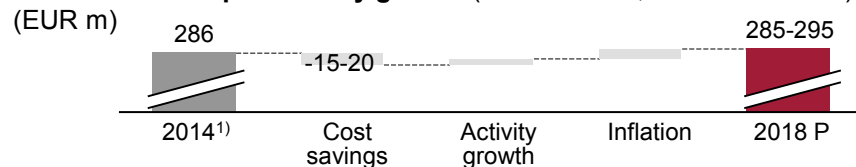
Investments in digitalisation

- Meet new client/distributor expectations: simple & fluid experience, ATAWAD, multi-access/cross-channel
- Invest in process digitalisation to further improve our operational efficiency

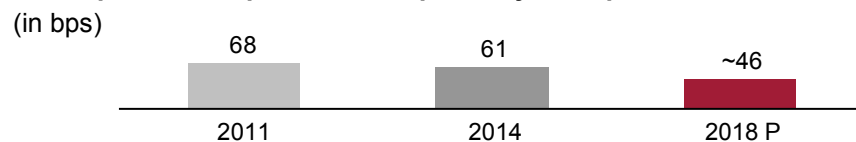
Enhancement of quality and efficiency

- New services offering and electronic signature
- Operational performance in line with best practices
- Further reinforce procedural compliance

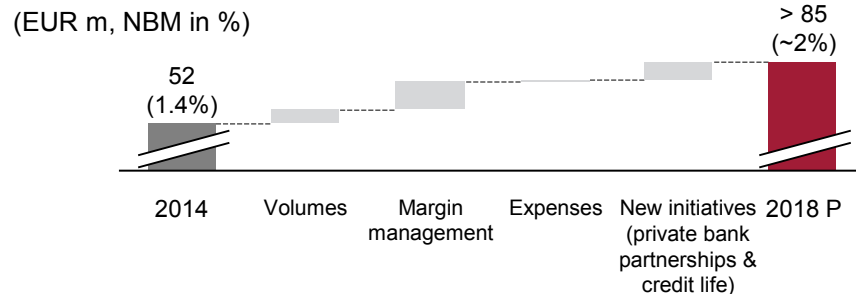
Stable costs despite activity growth (~+20% GWP, ~+30% reserves)



Life expense ratio planned to improve by ~15 bps



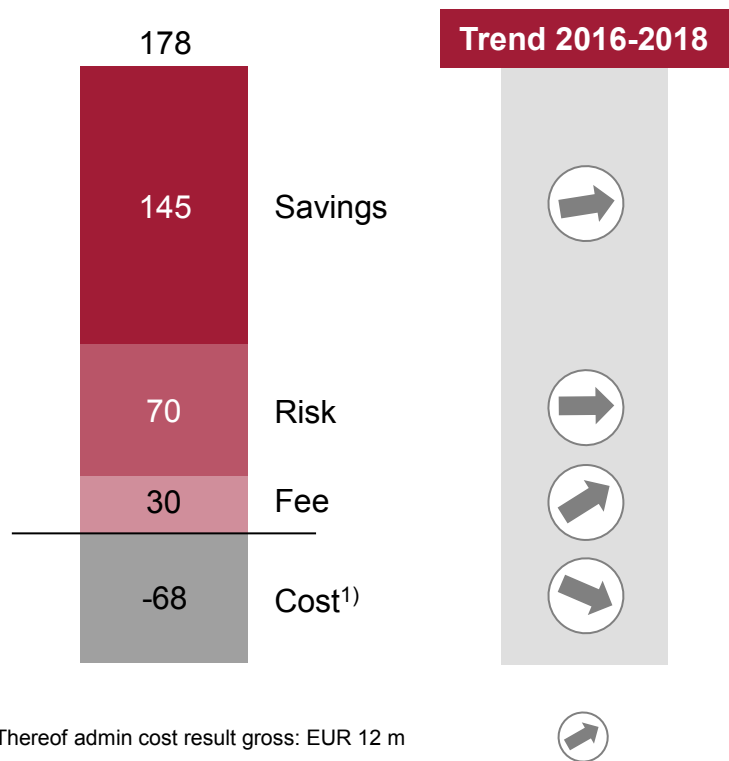
VNB substantial increase



1) 2014-2018 scope change

Keep diversified business model in line with the Group strategy

Profit by source
(FY 2014 adjusted, EUR m)



1) Thereof admin cost result gross: EUR 12 m

Comments

- **Savings result:** Increasing life financial margin from 30 bps to 40-45 bps despite low interest rate level, driven by decrease in served rate while maintaining buffers
- **Risk result:** Stable despite the shift from profitable individual to group health (driven by underwriting policy and tariff indexation) and thanks to the development of a new credit life initiative
- **Fee result:** Increase driven by UL business including new initiatives, private banking and proprietary network development
- **Cost result:**
 - Improvement of **administration cost** result driven by efficiency gains
 - Higher **acquisition costs** due to increase in volumes and capital-efficient business mix development in life

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Financial calendar

Full-year results 2015	01 March 2016
Annual General Meeting 2016	26 April 2016
Interim Statement Q1 2016	12 May 2016

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