



Investor Day 2018 Swiss Life France

Charles Relecom, CEO France
Zurich, 29 November 2018

Key messages Swiss Life France

Where we are today

- We are a unique **private insurer** for HNWI and affluent customers with an integrated “pensions & savings – private banking – asset management” model
- We offer strong expertise in **personal protection** in individual and group businesses
- We expect to deliver on our Swiss Life 2018 profitable growth promises

What we will do

- We aim to reinforce our position in our **preferred customer segments** (HNWI / affluents and SMEs / self-employed) while leveraging our **multi-distribution model**
- We will **enrich our products and services** mainly through digital marketing to pursue our fee and risk strategy while keeping a focus on capital efficiency
- We will take a **phygital approach** to enhance customer experience and improve efficiency

What we will achieve with Swiss Life 2021

- We will further **improve earnings growth and diversification** by 2021
 - Significantly increase **fee result** by ~50% to EUR 85-95 m
 - Grow the **risk result** to EUR 95-105 m in a competitive environment
 - Grow **VNB** to above EUR 400 m (cumulative 2019-2021)
 - Further improve **life efficiency ratio** to 40-42 bps

Swiss Life France – a unique business model with a strong brand ...

Attractive insurance portfolio with strong multi-distribution network

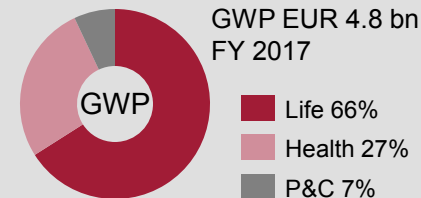
Positioning

- Successful private insurer for HNWI and affluent customers
- Key player in pensions & savings and health & protection
- Integrated multi-distribution network

Customer base

- ~1.5 m insured persons
- ~135 000 companies with ~325 000 employees

Diversification



Sustainable growth due to strong focus on preferred segments while investing in digital transformation

- Successful development of our **market position** towards our preferred customer segments
- Improved **share of unit-linked** life insurance premiums (twice as high as market) and reserves
- Strengthened expertise in **profitable risk business** (credit life, health & protection)
- Further expanded our **distribution** networks
- Started with a **phygital** approach to capitalise on advice and enhance customer experience

Expect to successfully deliver on Swiss Life 2018

Swiss Life 2018 financial targets

- | | |
|-------------------------------|-------------|
| • Fee result FY 2018: | EUR 55-65 m |
| • Risk result FY 2018: | EUR 65-75 m |
| • VNB cumulative (2016-2018): | EUR > 235 m |
| • Cost savings (2015-2018): | EUR 15-20 m |

FY 2017

| |
|-------------------------|
| EUR 60 m |
| EUR 91 m |
| EUR 202 ¹⁾ m |
| EUR 15 ²⁾ m |

Current assessment

| | |
|----------|---|
| On track | ✓ |
| Ahead | ✓ |
| Ahead | ✓ |
| Ahead | ✓ |

1) Cumulative 2016-2017 2) Cumulative 2015-2017

... that will be even more developed by 2021

| | <i>Private insurer (Wealth management)</i> | <i>Personal protection (Health & protection, credit life, P&C)</i> |
|---|---|---|
| <i>Focus on preferred segments</i> | <ul style="list-style-type: none">• Further develop our positioning towards HNWI and affluent clients | <ul style="list-style-type: none">• Increase penetration rate with SMEs and self-employed |
| <i>Promote attractive propositions</i> | <ul style="list-style-type: none">• Leverage our multi-distribution model by reinforcing presence with IFAs, brokers and proprietary networks• Boost our digital marketing distribution capacity and target other customer segments | <ul style="list-style-type: none">• Exploit our positioning in health & protection in individual, group and international business• Further pursue our “push risk” strategy through group protection, credit life, P&C and the launch of an international health platform |
| <i>Make customer relationships more rewarding</i> | <ul style="list-style-type: none">• Maintain and foster our unit-linked outperformance• Promote our in-house asset management solutions in unit-linked contracts and enrich third-party asset management offering | <ul style="list-style-type: none">• Design a new customer journey in a phygital approach, capitalising on portals and face-to-face interactions• Develop the use of portals and self-care amongst clients and distributors (incl. e-signature) |
| <i>Improve productivity</i> | <ul style="list-style-type: none">• Foster digital transformation to further increase efficiency and process automation• Implement data science and artificial intelligence; explore innovation opportunities (e.g. cognitive technologies) | |

Customer and market opportunities to be exploited in both our lines of business

Customer opportunities¹⁾

Our preferred customer segments understand challenges and are willing to act

- **94%** see independence and **self-determination** as a fundamental part of their longer life
- **Only 57%** feel **confident** about their current financial situation
- **75%** see themselves as being responsible for **providing for old age**

Private insurer market opportunities

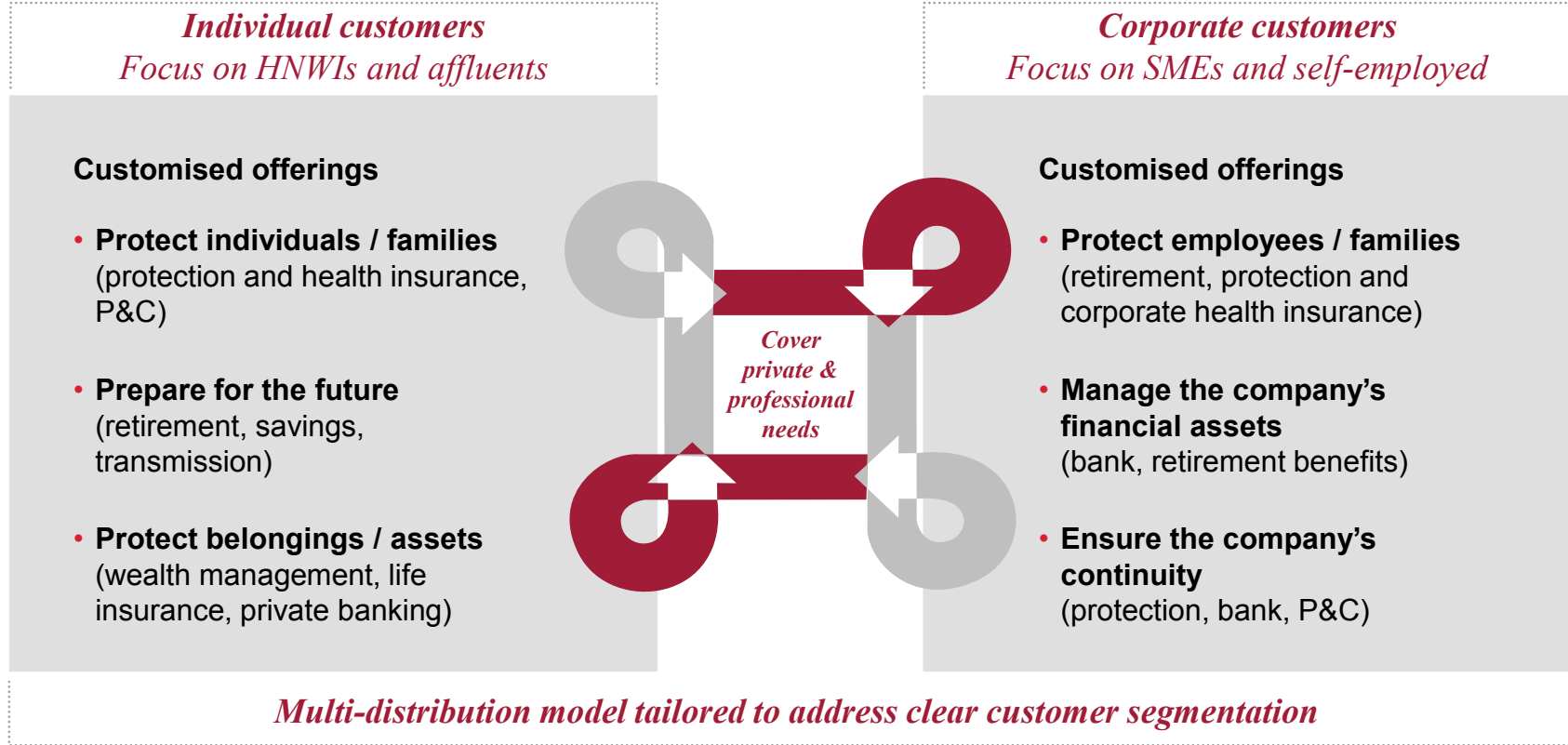
- **Growing public pension gap** generating new opportunities in pension / long-term savings life insurance
- **Complex regulation** increasing need for seamless, digital-based **advisory / expertise / support**
- Growing client **mobility** requiring **international solutions**
- **Low interest rate environment** generating strong expectations for asset management solutions / unit-linked
- **New affluent and HNWI profiles**

Personal protection market opportunities

- **Growing public protection gap** generating opportunities in health & protection
- Evolving **regulation** requiring more agility
- Increasing **globalisation** requiring international solutions
- **Legal and tax** environment complexity leading to growing client expectations for a **global advice-based** approach
- New **digital tools** to address retail customer segments with limited / no physical sales presence

1) Source: LINK Institute, based on 85 interviews in France among affluents with a monthly income of > EUR 4 000

Support self-determination by providing relevant advice and tailored solutions

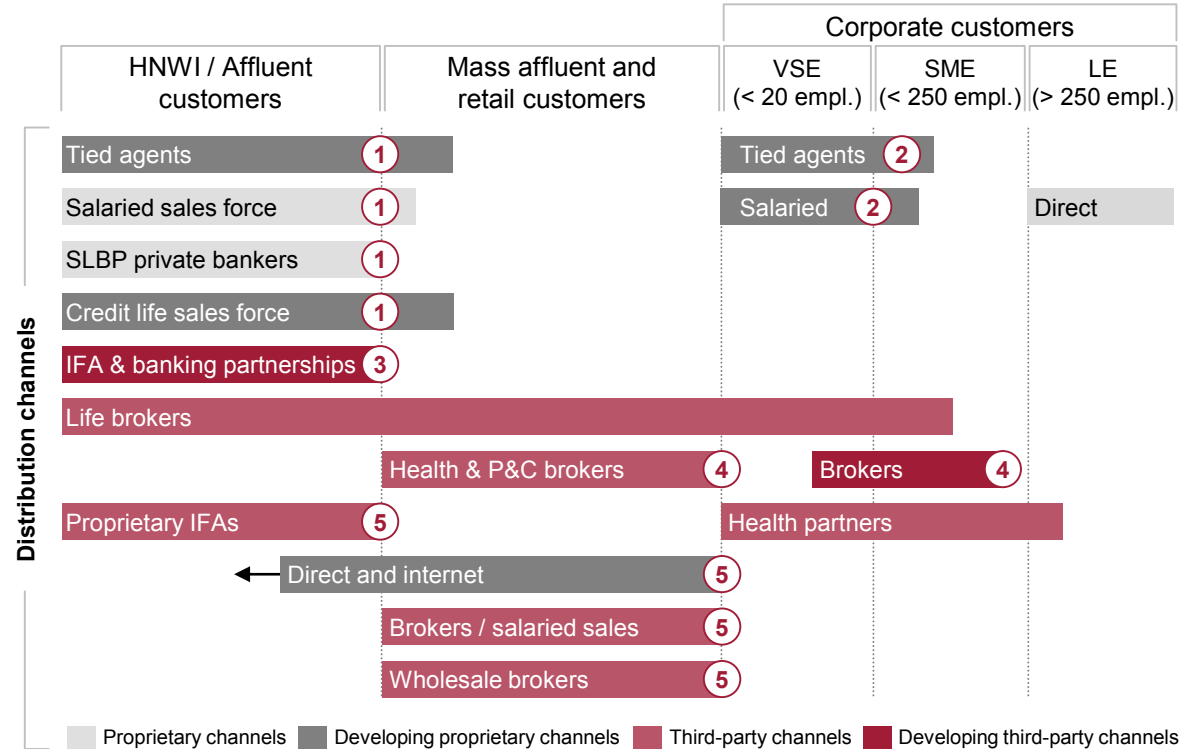


We will leverage our multi-distribution model focusing on our target customer segments

Distribution strategy

- 1 Maintain investments in our proprietary channels
- 2 Push our proprietary networks on corporate client segments
- 3 Further develop new IFAs and private banking partnerships
- 4 Redevelop broker network in health and P&C
- 5 Pursue investment in alternative proprietary network

Swiss Life France multi-distribution target model



Strong market position and successful private insurer model

Private insurer

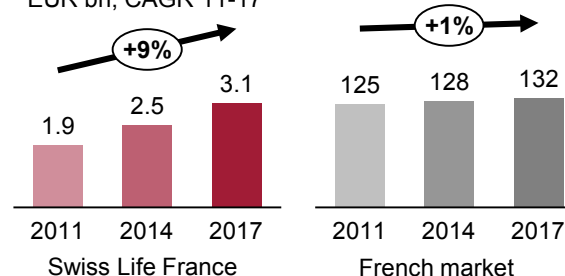
Our strengths as private insurer

- Strong, successful **private insurer** model
- Recognised and **legitimate brand** leveraging "Swissness" attributes
- Clear **customer segmentation** as a key success factor
- Comprehensive range of **advisory services** and **wealth management offers** addressing all customer needs
- Well positioned to outperform thanks to **customised in-house solutions**
- **High-quality distribution network** delivering tailor-made advice

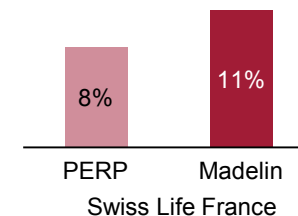
Swiss Life outperformed the French life market¹⁾

Life GWP growth

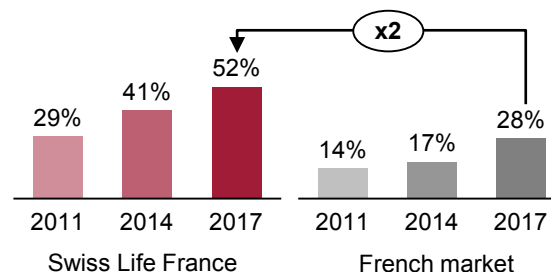
EUR bn, CAGR 11-17



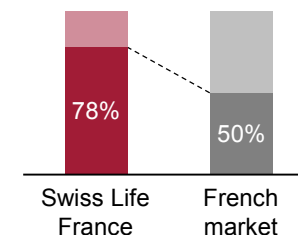
Market share pensions products



Unit-linked share in GWP



HNWI and affluent life reserves



1) Source: Accounting studies from Fédération Française de l'Assurance (FFA), 2011, 2014 and 2017

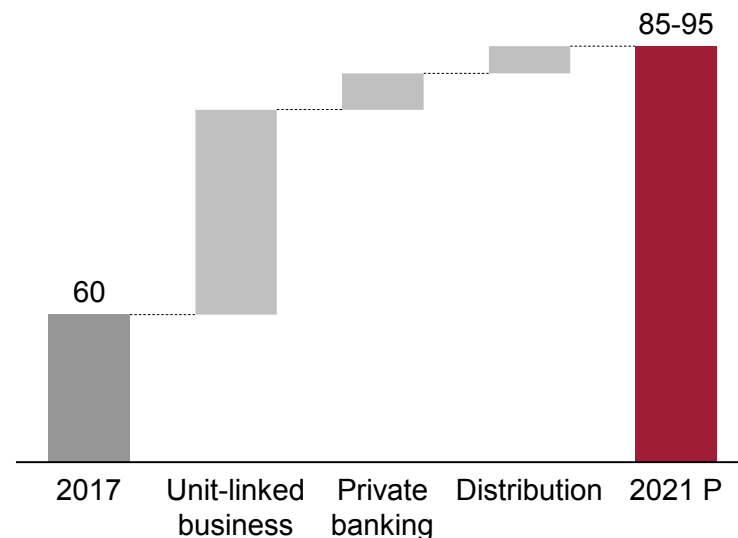
Private insurer model to be leveraged through our Swiss Life 2021 initiatives

Strategic initiatives for 2021

- **Focus on target customer segments**
 - Unique private insurer set-up, also covering cross-border needs
 - Grow and improve penetration rate with HNWI / affluents (loyal clients, high risk appetite, high average premiums)
- **Further promote pension products**
- **Enhance distribution capacity and quality**
 - Deliver high-level wealth management and planning advice
 - Further outperform market growth
- **Increase share of unit-linked GWP and reserves:**
 - Enriched range of both third party and in-house asset management solutions
 - Enhance capital efficiency
- **Expand customers' portfolio and enhance a phygital customer journey** by leveraging digital marketing opportunities

Fee result benefits from high quality of production

EUR m



We are a recognised expert in health & protection

Personal protection

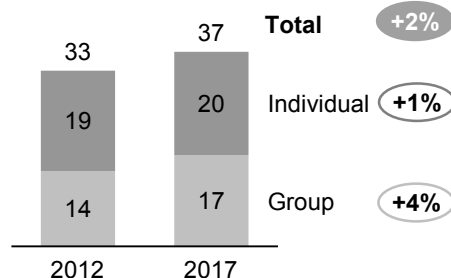
Our strengths in health & protection

- **Well positioned** player with **strong expertise** (#10 – 1.5m clients)
- Strong **complement** to our private insurer business
- **Focused customer segment** approach (seniors, self-employed, SMEs and expats)
- Successful **multi-distribution model** recognised as preferred long-term partner by **brokers**
- Proven **agility to innovate and adapt** more quickly than our competitors
- Successfully managed the shift from individual to **group health** business

Swiss Life successfully dealt with health reform, defended volumes

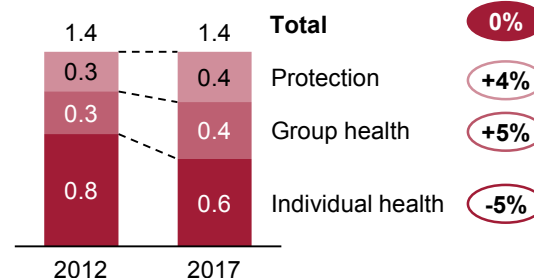
French health market¹⁾

EUR bn, CAGR 12-17



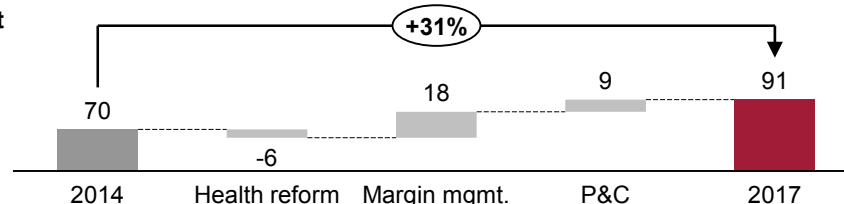
Swiss Life France health & protection GWP

EUR bn, CAGR 12-17



and strongly improved profitability in a very competitive market

Risk result
EUR m



1) Source: Yearly reports from Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques (DREES), 2012 and 2017

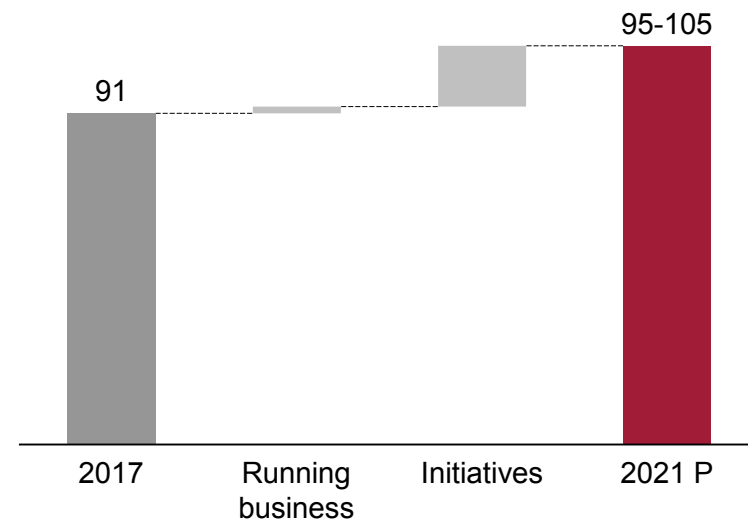
We will reinforce our positioning in the health & protection market

Strategic initiatives for 2021

- **Focus on target segments of clients**
 - Grow in **group health** business both on standard products for SMEs and business with large brokers
 - Redevelop the profitable **individual health** business with brokers and partners including a digital marketing approach
 - Develop **protection** business for individuals and groups
- **Pursue our credit life initiative**
 - Further develop our fully digital credit life offering, supported by a specialised commercial organisation
- **Leverage our relationship with brokers / partners in P&C**
 - Capitalise on delivering expert and advice-based solutions
- **Launch an international health offer platform**
 - Fully leverage Swiss Life International network for (large) corporate clients

Grow **risk result** in a competitive market

EUR m



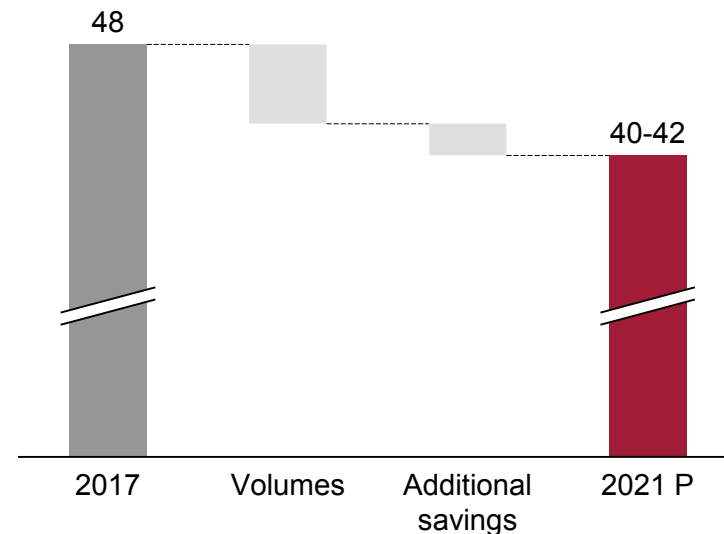
We use technology to increase operational efficiency and make the customer journey more rewarding

Strategic initiatives for 2021

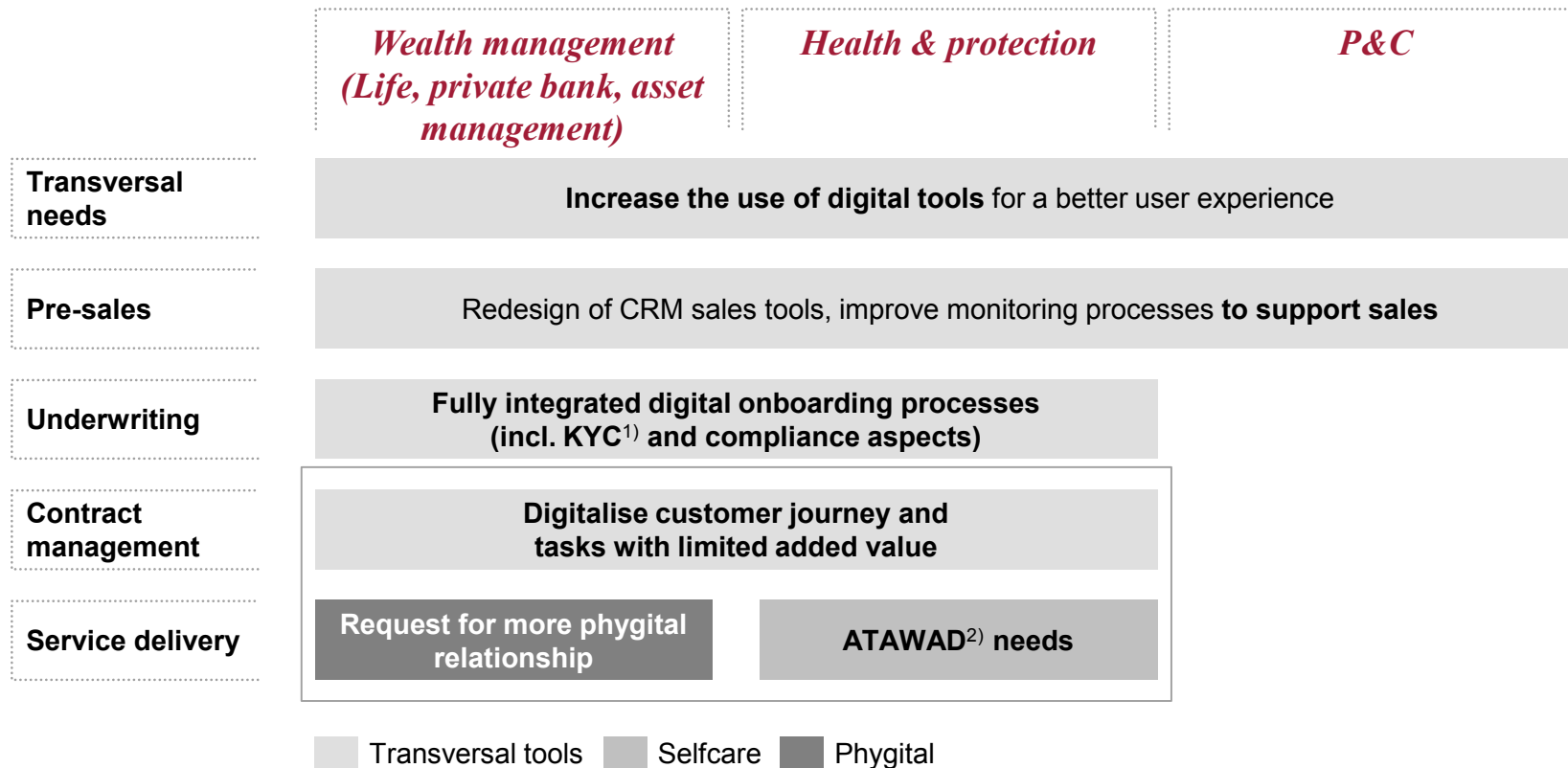
- **Implement our phygital approach**
 - Combine digital and physical interaction between customers, distributors, back office
 - Invest in digital client / distribution portal to foster self-care and electronic signature
- **Foster digital transformation to further increase efficiency**
 - Explore data management / cognitive technologies to improve operations
 - Enable “intelligent process-driven automation”
- **Tackle new market segments based on digital marketing**
- **Promote innovation and investment in fintechs**
 - Internal innovation squads selecting innovative initiatives along the value chain
 - Invest in aggregators, robo-advisors (LaFinBox) and “voicebot” to enrich user experience

Improve life efficiency ratio

bps



We will use a phygital approach along the value chain both for advisors and customers

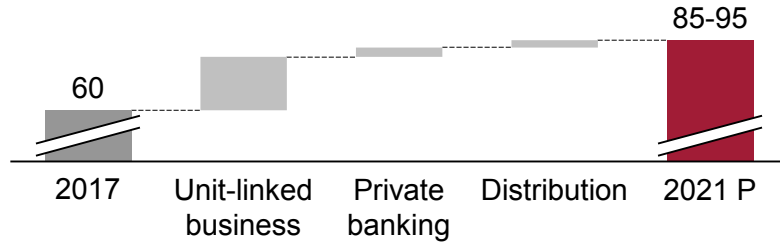


1) Know Your Customer 2) Any Time Any Where Any Device

We will significantly increase our contribution to key Swiss Life 2021 financial targets

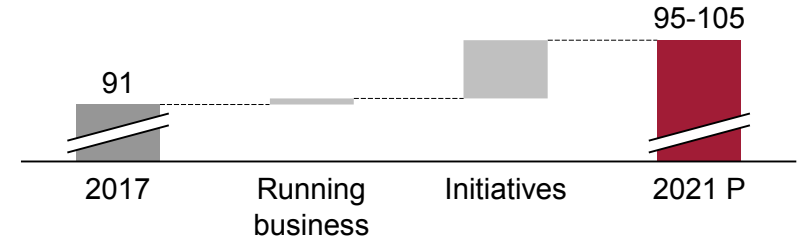
Grow the fee result by 50%

EUR m



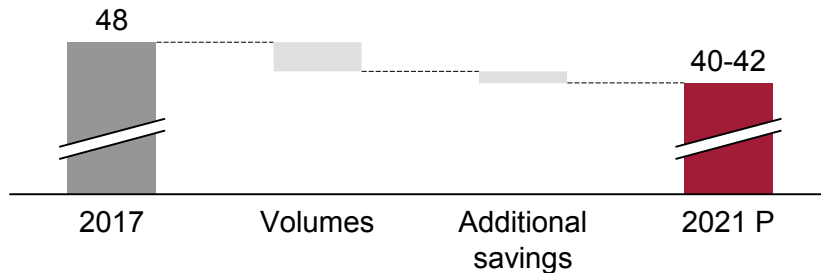
Grow risk result in a competitive market

EUR m



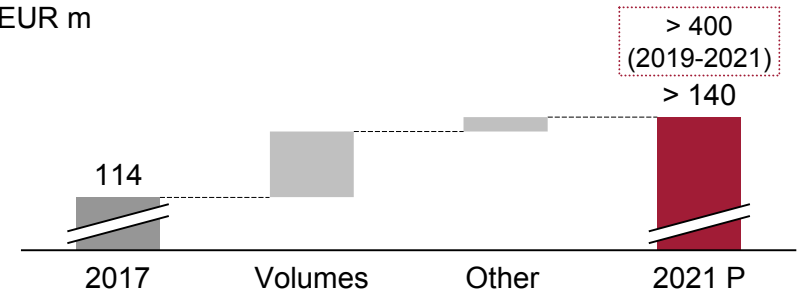
Improve life efficiency ratio

bps



Increase quality of new business and grow VNB

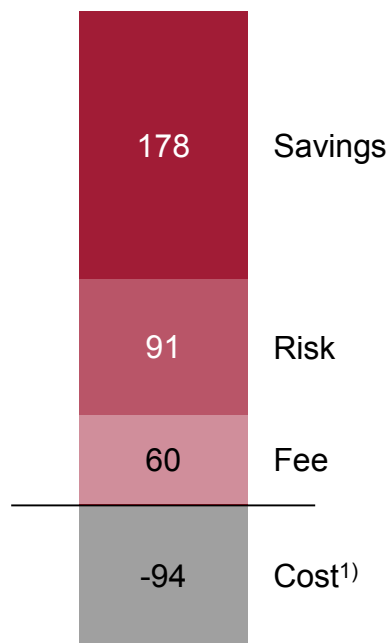
EUR m



Deliver strong and diversified earnings growth, mainly driven by fee and risk result

Profit by source

EUR 236 m



FY 2017 adjusted

Trend 2018-2021



Comments

- **Savings result**
Stable life financial margin in a low interest rate environment, supported by a decrease in served rates
- **Risk result**
Increase in a competitive environment in credit life, health & protection and P&C
- **Fee result**
Strong increase driven by unit-linked and private banking businesses
- **Cost result**
Improvement of **admin costs** driven by efficiency gains; higher **acquisition costs** due to increase in volumes and higher share of life and individual health products

1) Thereof admin cost result gross: EUR 13 m

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Contact details and financial calendar

Contact

Heidi Hinterhuber
Head of Investor Relations

Phone +41 (43) 284 67 67
E-mail heidi.hinterhuber@swisslife.ch

Rolf Winter
Senior Investor Relations Manager

Phone +41 (43) 284 49 19
E-mail rolf.winter@swisslife.ch

Olga Schmidtberger
Investor Relations Manager

Phone +41 (43) 284 49 74
E-mail olga.schmidtberger@swisslife.ch

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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