



Investor Day 2018 Swiss Life International

Nils Frowein, CEO International
Zurich, 29 November 2018

Key messages Swiss Life International

Where we are today

- **Global Solutions:** We are a leading player in cross-border insurance solutions for U/ HNWIs and corporates
- **International IFAs:** We provide financial planning services for retail and affluent clients in UK and CEE

What we will do

- Leverage **cross-border wealth transfer solutions**
- Strengthen **affinity business** and our **Central Eastern European (CEE)** markets
- Further develop **innovative solution offering**
- Introduce **hybrid / phygital distribution model**
- Drive digital and scalable **target operating model**
- Grow high-quality **distribution network**

What we will achieve with Swiss Life 2021

- We will deliver **sustainable growth** of high-quality **fee and risk result** by 2021
- Double **fee result** to EUR 65-70 m
 - Increase **risk result** by ~50% to EUR 8-12 m
 - Increase **VNB** to > EUR 110 m (cumulative 2019-2021)
 - Reduce **life efficiency ratio** to 20-22 bps & **distribution operating expense ratio** to 22-24%

Swiss Life International as an important contributor to a growing fee and risk result

Two lines of business:

Global Solutions & International IFAs

Global Solutions:

- 250 global experts with insurance carriers in Luxembourg, Liechtenstein and Singapore
- 80+ countries covered with our solutions together with the Swiss Life Network
- Number 1 pension provider in Luxembourg
- Among the leading global insurance networks

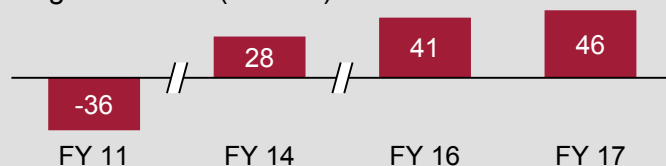
International IFAs:

- Among the leading UK IFAs for almost 50 years
- Number 1 IFA in Austria
- Number 1 IFA in Czech Republic
- Top 3 IFA in Slovakia

Achieved turnaround and delivery of profitable growth

- Swiss Life 2015: Managed turnaround
- Swiss Life 2018: Delivering profitable growth

Segment result (EUR m)



Expect to successfully deliver on Swiss Life 2018

Swiss Life 2018 financial targets

- Fee result FY 2018: EUR 40-50 m
- Risk result FY 2018: EUR 5-10 m
- VNB cumulative (2016-2018): EUR > 105 m
- Cost savings (2015-2018): EUR 10-15 m

FY 2017

EUR 32 m
EUR 6 m
EUR 39¹⁾ m
EUR 13²⁾ m

Current assessment

On track ✓
On track ✓
Challenging
On track ✓

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

Sustainable growth of high-quality fee and risk result by 2021

	 <p>Global Solutions Leading brand and business partner for cross-border insurance solutions servicing U/ HNWI and corporates</p>	 <p>International IFAs Leading IFA platform in UK and Central Eastern Europe</p>
Focus on preferred segments	<ul style="list-style-type: none"> • U/ HNWI • Corporates 	<ul style="list-style-type: none"> • Retail clients • Affluent clients
Promote attractive propositions	<p>Enhance cross-border insurance solutions (B2B):</p> <ul style="list-style-type: none"> • Wealth transfer and protection of family assets and estate • Group pension, protection and health 	<p>Strengthen offering:</p> <ul style="list-style-type: none"> • Wealth accumulation, preservation, decumulation and transfer • Investment, pension, insurance and financing
Make relationships more rewarding	<ul style="list-style-type: none"> • Present comprehensive B2B partner services: Assistance, reports / intelligence, digital interaction, compliance and training 	<ul style="list-style-type: none"> • Introduce hybrid / phygital distribution model
Improve productivity	<ul style="list-style-type: none"> • Drive digital and scalable target operating model • Enhanced servicing through digital business partner platforms 	<ul style="list-style-type: none"> • Drive digital and scalable target operating model • Realise operational synergies in CEE

Leveraging brand and cross-border expertise

Global Solutions

Private wealth offering

Client offering



U/ HNWI's

- Leverage wealth transfer solutions
- Support succession & estate planning
- Manage comprehensive cross-border needs

Employee benefits offering



Corporates

- Tailored solutions for local & mobile employees: Life insurance, health & pension
- Cross-border solutions combined with local Swiss Life Network expertise

B2B distribution

- Presence in key wealth transfer centres with carriers in Luxembourg, Liechtenstein, Singapore
- Partnerships with leading private banks, family offices, asset managers and brokers
- Global footprint through Swiss Life Network with headquarters in Luxembourg
- Established relationships with major European corporates

Outstanding value proposition for business partners with excellent cross-border services



Assistance for
wealth transfer &
legal services



**Reports and
intelligence**



**Digital
interaction**



Compliance
with full
transparency



**Customised
training**

Leading business partner for cross-border insurance solutions

Market opportunities

UHNWIs expected to transfer **USD 3.9 tn** to next generation within next decade (equal to 13% of all UHNW assets)

Global private **financial wealth** projected to grow by **~6%** annually until 2021

Growing globalisation increases demand for cross-border employee benefits

Longevity & instability of state-owned **pension solutions** favour private solutions

Initiatives

Leverage cross-border wealth transfer solutions

Further develop innovative solution offering

Introduce hybrid / phygital distribution model

Drive digital and scalable target operating model

Target state

Leading brand & business partner

- Servicing **U/ HNWI**s through
 - Flexible and innovative cross-border **wealth transfer** solutions
 - Strategic **business partnerships** supported by digital platforms
- Servicing **corporates** centrally through Luxembourg with
 - Tailored, modular cross-border **insurance solutions** (pension, risk and health)
 - Digital interaction with **business partners**

Major initiatives to capture growth opportunities

Cross-border wealth solutions

- Grow **footprint in Asia**
- Increase penetration of **European markets**

Innovative solution offering

- Leverage **high death cover** solutions for U/ HNWIs in **Europe and Asia**
- Increase **risk plan offering** for corporates in **Europe**
- Launch **international medical** plans for corporates

Hybrid distribution model

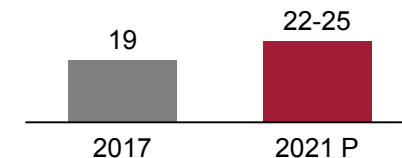
- Leverage **business partner platform** for U/ HNW cross-border solutions
- Build **digital interface to banking platforms** with selected partners
- Develop **digital distribution of risk offering** to corporates

Digital / scalable operating model

- Optimise **target operating model** with centralised responsibilities and **joint IT platform** for all insurance carriers

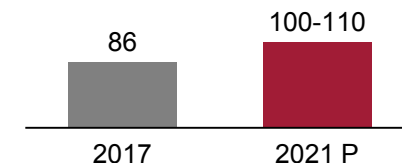
Assets under control

EUR bn



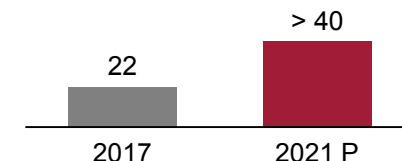
Fee income

EUR m



VNB

EUR m



Offering comprehensive financial advice

International IFAs

Financial planning for affluent and retail clients based on face-to-face advice combined with digital tools covering:

Investment

Pension

Insurance

Financing

Leading IFA in UK and CEE

UK:

250+ financial advisors

CEE:

(Austria, Czech Republic, Slovakia)

1 200+ financial advisors



Trusted advisor for a self-determined life

Self-determined life
with financial
confidence



Holistic protection
with best-select
approach



Tailored investment
and pension
planning



Financial home
providing full
transparency on the
personal situation



Dedicated strategies for both leading IFA platforms

International IFAs

UK

Chase de Vere

Comprehensive **financial advice** with focus on **investment** and **pension** and with specialist advice for **medical professionals**

Among the leading UK IFAs for almost 50 years

Current number of financial advisors: > **250**

Strategic approach

- Exclusive partnership with British Medical Association
- Continuously grow distribution network

**Central
Eastern
Europe**



Comprehensive **financial advice** with focus on **investment** and **pension** (**Austria** and **Czech Republic**)

#1 IFA in Czech Republic

#1 IFA in Austria

#3 IFA in Slovakia

Current number of financial advisors: > **1 200**

Strategic approach

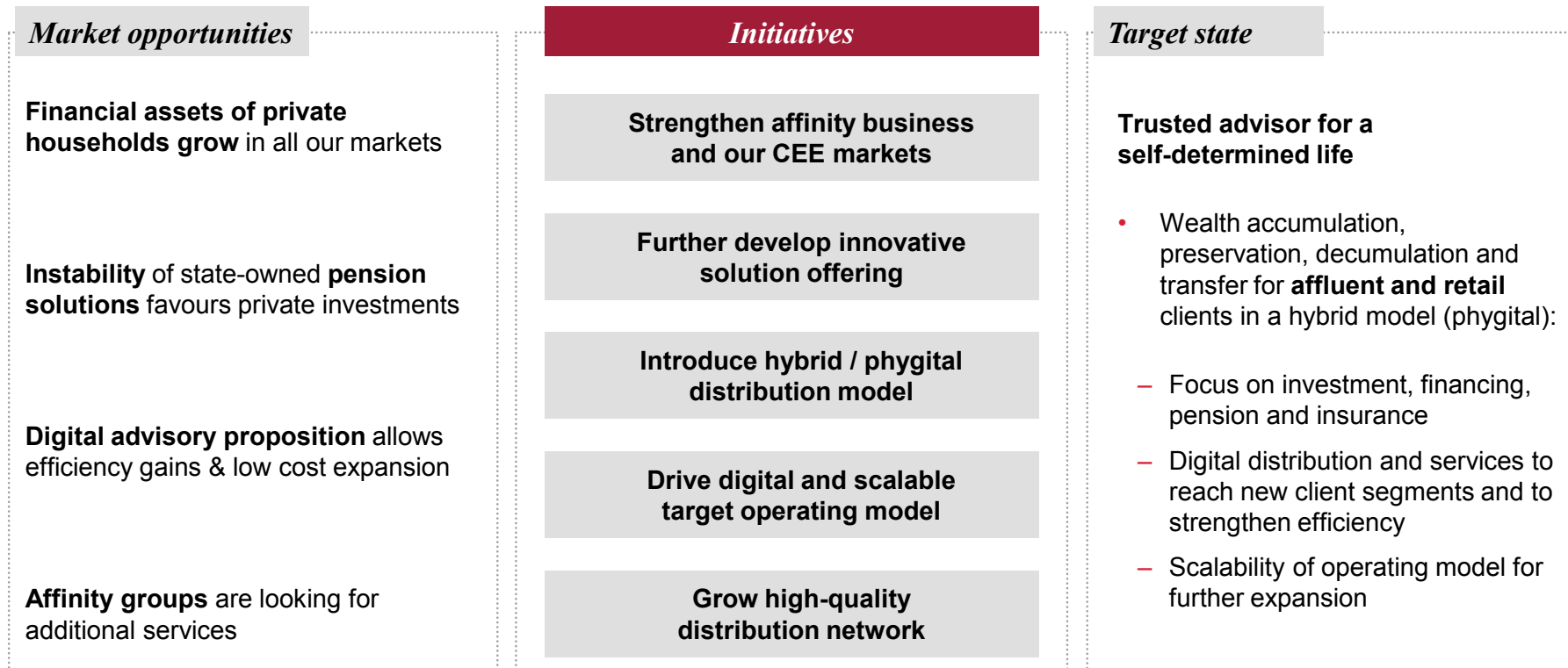
- Realise operational synergies
- Combine strengths in client coverage
- Leverage investment offering
- Develop and expand online proposition



Quality advice addressing specific client needs (**Czech Republic** and **Slovakia**)

Leading IFA platform in UK and CEE

International IFAs



Sources: Wealth-X, 2016 / BCG Global Wealth Report, 2017

Major initiatives to capture growth opportunities

Affinity business and CEE markets

- Leverage business with **affinity groups** (e.g. professional associations)
- Strengthen **CEE markets** through harmonised set-up

Innovative solutions

- Leverage **discretionary portfolio management** service in the UK
- Push new digital **investment offering** in CEE

Hybrid distribution model

- Develop **multichannel distribution** and offer **phygital advice**
- Further **develop online portals** with client self-servicing functionalities

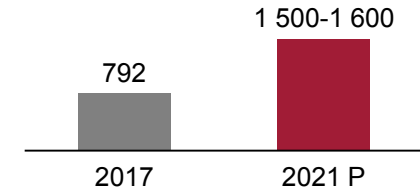
Digital / scalable operating model

- Realise **operational synergies in CEE**, harmonise IT back-end systems
- Leverage new **UK client portal** and back-end system

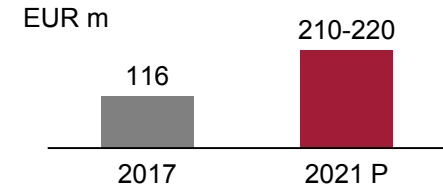
High-quality distribution network

- Attract **independent financial advisory teams** to strengthen existing markets

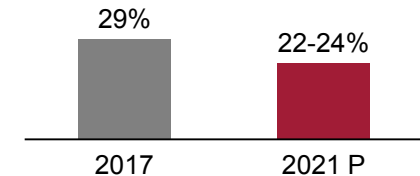
Number of financial advisors



Fee and commission income



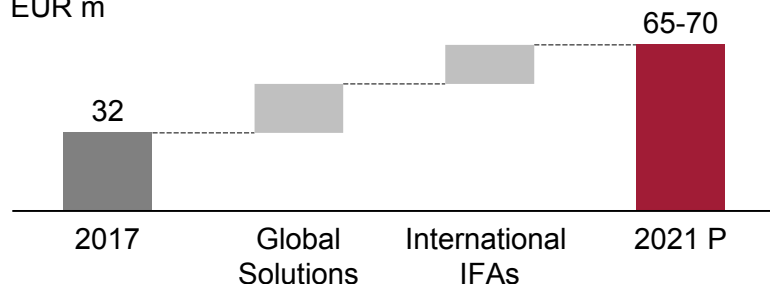
Distribution operating expense ratio



Significant growth contribution from both Global Solutions and International IFAs by 2021

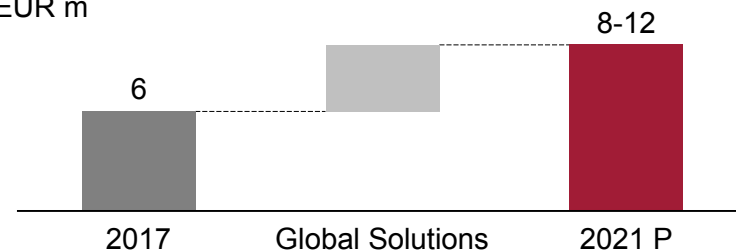
Double **fee** result

EUR m



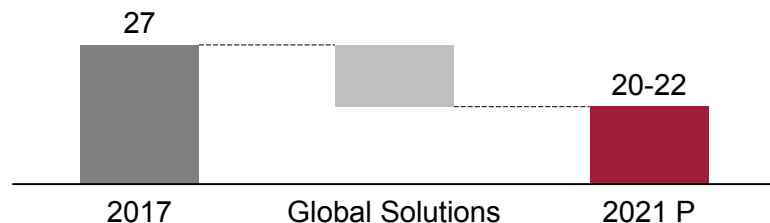
Increase **risk** result by ~50%

EUR m



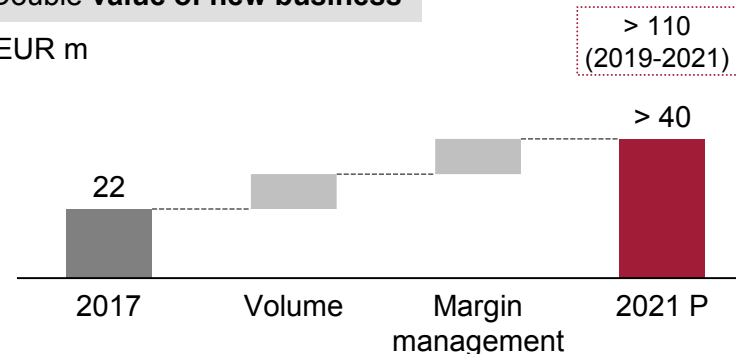
Life efficiency ratio improving by growing portfolio

bps



Double **value** of new business

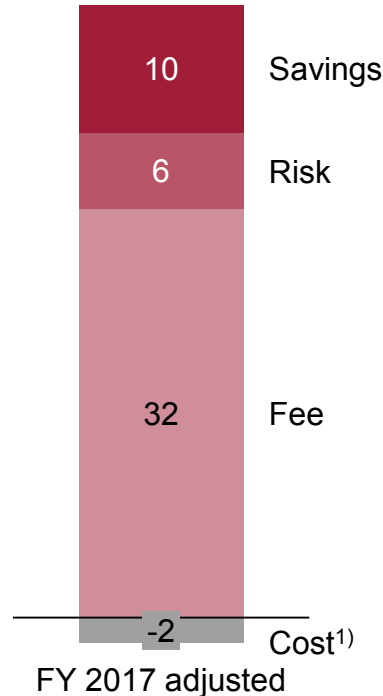
EUR m



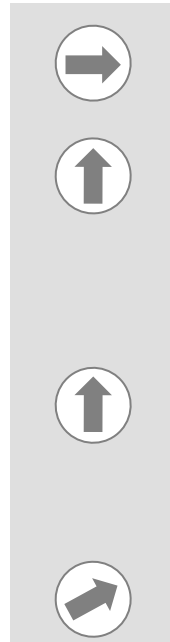
Double fee result and increase risk result by ~50%

Profit by source

EUR 46 m



Trend 2018-2021



Comments

- **Savings result:** Protect savings result
- **Risk result**
Growth driven by Global Solutions:
 - High death cover solutions for U/ HNWI
 - Risk plan offering for corporates in Europe
- **Fee result**
Growth driven by Global Solutions and International IFAs:
 - Growing footprint of Global Solutions in Asia and increased penetration of European markets
 - Strengthen International IFAs with leverage from new CEE set-up and hybrid distribution models
- **Cost result:** Sustainably manage the cost result

1) Thereof admin cost result gross: EUR -1 m

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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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