

Letter to Shareholders

Financial Year 2013

Dear Shareholders



Rolf Dörig and Bruno Pfister

2013 proved to be a successful financial year for Swiss Life. All our business units contributed to the excellent overall result, achieving further operational advances. We outperformed the market in Switzerland and in France. In Germany we maintained premium income at the prior-year level, generating a good segment result despite strict margin management. Overall we grew total premium volume by a healthy 4% in local currency compared with 2012 to CHF 18 billion. The new business margin, which is important to our future success, expanded from 1.4% to 2.2%. In external customer business we recorded a net new asset inflow of CHF 5.6 billion. Total volume in asset management business with external customers now stands at CHF 27.6 billion (+34%). Costs are also under control: even with substantial investment in our growth initiatives we reduced costs by a further 1% in 2013.

Adjusted profit from operations rose by a remarkable 13% in 2013 to CHF 1.1 billion. Net profit came to CHF 784 million – compared to CHF 99 million in the previous year, which was impacted by one-off impairments. In light of this positive overall result, the Board of Directors will propose that the Annual General Meeting on 23 April 2014 approve an increase in the dividend from CHF 4.50 to CHF 5.50 per share in the form of a withholding tax-free distribution from the capital contribution reserves. The very good net investment result by peer comparison of 3.9% (2012: 4.8%) enabled us to further strengthen the insurance reserves in the year under review.

All these facts demonstrate clearly that we have further enhanced our efficiency and competitiveness as a Group over the past year. This is also confirmed by the capital market. The continuing positive performance of our share price in recent months is a sign of growing confidence in our company. This recognition is thanks to the efforts and hard work of all our employees. Their above-average engagement and expertise continue to be key to Swiss Life's success.

Our goals under our Group-wide programme “Swiss Life 2015” remain challenging. We want to gear ourselves more closely to the needs of our customers, including launching new products and services. Faced with persistent low interest rates we want to achieve solid investment results and further improve our profitability – against the backdrop of a challenging environment. We face further regulatory interventions. Demographic and socio-political changes will be ongoing and will pose major challenges

to our industry. For instance in Switzerland the “Pensions 2020” reform programme initiated by the Federal Council will spark huge and no doubt controversial debate, the outcome of which is still uncertain. With our experience and expertise, Swiss Life will of course have a role to play in discussions surrounding this undeniably essential reform process. We will do our best to ensure that our proven 3-pillar system in Switzerland can be reformed in a systematic way. We must not inflict massive pension debt onto future generations. It is crucial that our pension system should continue to be based on the principles of social equilibrium and solidarity, as well as economic realism. We are optimistic that this goal will be achieved.

We would like to thank you, our shareholders, for your loyalty and your interest in our work.



Rolf Dörig
Chairman of the Board of Directors



Bruno Pfister
CEO

Thank you Bruno Pfister!

In mid-November 2013 we announced that our CEO Bruno Pfister will be handing over operational management of the company to younger leadership on 1 July 2014. On behalf of the Board of Directors, and indeed personally, I would like to thank Bruno Pfister for his major contribution to our company's overall performance. With his engagement, expertise and vision, Bruno Pfister has made a huge difference to Swiss Life over the past 12 years in a number of management positions – as CFO, then as CEO Swiss Life International and, since 2008, as Group CEO. As the 2013 financial year result clearly shows, Bruno Pfister is handing over a company which is well placed and has the capacity to not just maintain its market position but to purposefully expand it. I would like to wish Bruno Pfister all the best for the future, both professionally and privately.

The Board of Directors has appointed Patrick Frost as the new CEO. We are particularly pleased that a younger member of our Corporate Executive Board will be taking over the operational management of Swiss Life. 45-year-old Patrick Frost has been Chief Investment Officer of our Group since 2006 and with his team has achieved excellent results, which have been indispensable in strengthening Swiss Life. I wish Patrick Frost fortitude and every success in his new role.

Rolf Dörig
Chairman of the Board of Directors

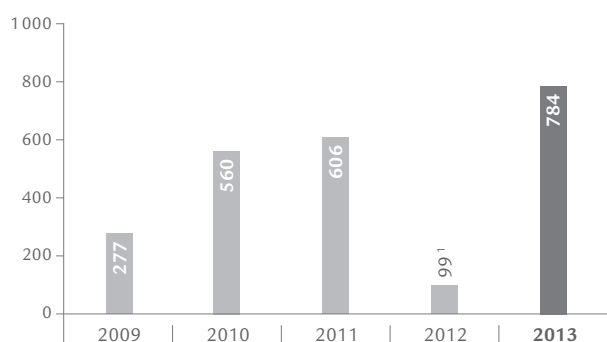
Historical comparison

Swiss Life Group

In CHF million (if not stated otherwise)	restated				
	2013	2012	2011	2010	2009
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	17 969	17 046	17 143	20 191	20 219
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	12 944	11 871	11 599	11 753	11 867
Fee and commission income	1 143	1 135	1 188	1 220	1 202
Financial result	5 376	6 051	4 459	4 368	4 588
TOTAL INCOME	19 462	19 082	17 291	17 844	17 816
Net insurance benefits and claims	-13 920	-13 819	-12 614	-12 704	-11 884
Policyholder participation	-1 361	-1 115	-791	-1 073	-1 539
Operating expense	-2 809	-3 534	-2 913	-3 062	-3 478
TOTAL EXPENSE	-18 312	-18 721	-16 592	-17 150	-17 254
PROFIT FROM OPERATIONS	1 149	361	699	694	562
Net result from continuing operations	784	99	606	560	324
Net result from discontinued operations	-	-	-	-	-47
NET PROFIT	784	99	606	560	277
Net profit attributable to					
Equity holders of Swiss Life Holding	781	98	605	557	278
Non-controlling interests	3	1	1	3	-1
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	9 018	10 155	9 162	7 437	7 245
Insurance reserves	142 479	137 736	128 089	122 279	122 616
Balance sheet total	170 530	164 461	151 875	147 203	143 948
FURTHER KEY FIGURES					
Return on equity (in %)	8.2	1.0	7.3	7.6	4.0
Assets under control	192 855	180 785	164 604	149 899	148 186
Year-end embedded value	11 378	9 628	7 728	7 595	6 877
Value of new business	289	158	150	209	123
Number of employees (full-time equivalents)	6 992	7 046	7 168	7 483	7 820

Net profit

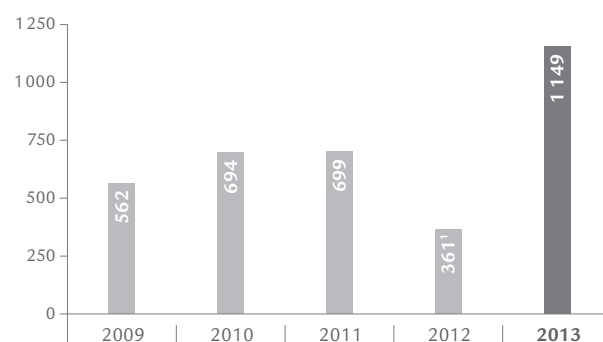
In CHF million



¹ restated

Profit from operations

In CHF million



¹ restated

Share performance

Amounts in CHF

	as at 2013	2013	2012	2011	2010	2009
Number of shares	31.12.	32 081 054	32 081 054	32 081 054	32 081 054	32 081 054
Annual high	18.11.	192.60	130.70	164.50	152.70	140.20
Annual low	03.01.	124.60	75.85	83.65	100.30	43.00
Year-end price	30.12.	185.20	121.40	86.40	135.20	132.00
Performance Swiss Life (in %)		+53	+41	-36	+2	+82
Swiss Market Index (SMI)	30.12.	8 203	6 822	5 936	6 436	6 546
Performance Swiss Market Index (SMI) (in %)		+20	+15	-8	-2	+18
Dow Jones STOXX 600 Insurance Index (in EUR)	31.12.	228.22	177.11	133.25	154.45	152.08
Performance of Dow Jones STOXX 600 Insurance Index (in %)		+29	+33	-14	+2	+13
Average trading volume		140 007	172 732	140 620	220 061	264 910
Market capitalisation (in CHF million)	30.12.	5 941	3 895	2 772	4 337	4 235
Basic earnings per share		24.45	2.88	18.97	17.46	8.86
Diluted earnings per share		24.22	2.86	18.87	17.37	8.83
Dividend paid per share ¹	30.04.	4.50	4.50	4.50	2.40	5.00
Total dividend payout to shareholders (in CHF million)	30.04.	144	144	144	77	160
Dividend yield on year-end price (in %)	30.12.	2.43	3.71	5.21	1.78	3.79

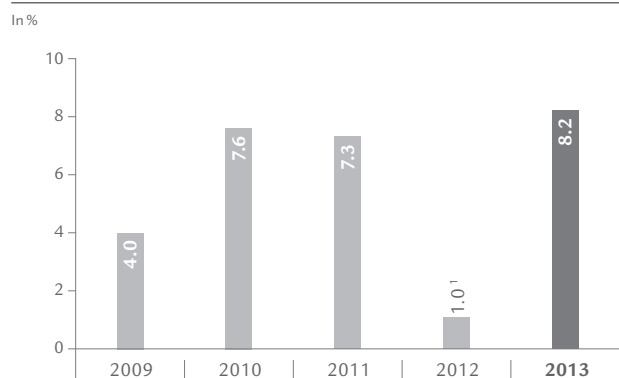
Source: Bloomberg

¹ For the 2013 financial year the Board of Directors proposes a distribution from the capital contribution reserve of CHF 5.50 per share.

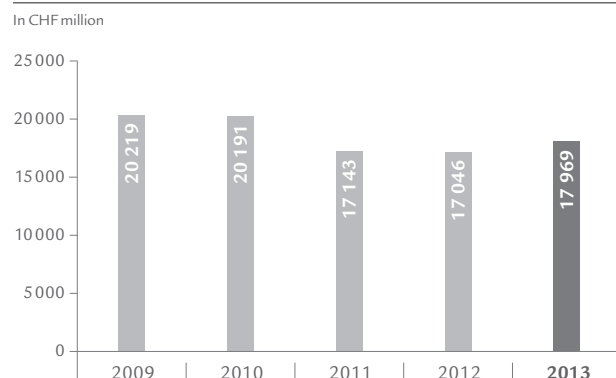
Swiss Life share details

Swiss security number	1 485 278
ISIN	CH 001 485 278 1
Ticker symbol SIX	SLHN
Reuters	SLHN.VX
Bloomberg	SLHN VX

Return on equity

¹ restated

Gross written premiums, policy fees and deposits received

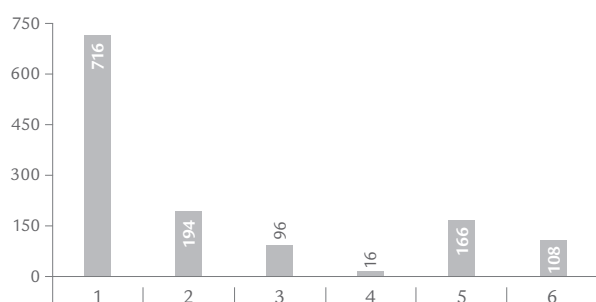


Key figures segments

In CHF million	restated		+/-
	2013	2012	
SWITZERLAND			
Gross written premiums, policy fees and deposits received	9 020	8 292	8.8%
Fee and commission income	166	167	-0.8%
Segment result	716	613	16.7%
FRANCE			
Gross written premiums, policy fees and deposits received	4 685	4 260	10.0%
Fee and commission income	235	203	15.6%
Segment result	194	161	20.5%
GERMANY			
Gross written premiums, policy fees and deposits received	1 724	1 692	1.9%
Fee and commission income	383	424	-9.6%
Segment result	96	-190	n/a
INTERNATIONAL			
Gross written premiums, policy fees and deposits received	2 643	2 892	-8.6%
Fee and commission income	231	227	1.8%
Segment result	16	-334	n/a
ASSET MANAGERS			
Fee and commission income	373	338	10.5%
Segment result	166	138	20.5%
OTHER			
Fee and commission income	74	60	23.7%
Segment result	108	100	8.4%

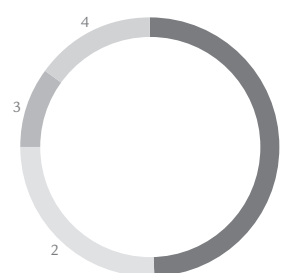
Segment results

In CHF million



- 1 Switzerland
2 France
3 Germany
4 International
5 Asset Managers
6 Other

Gross written premiums, policy fees and deposits received by segment



- 1 Switzerland 50%
2 France 26%
3 Germany 10%
4 International 15%

Important Dates**Annual General Meeting 2014**

23 April 2014, Hallenstadion Zurich

Interim Statement Q1 2014

13 May 2014

Half-Year Results 2014

13 August 2014

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This **Letter to Shareholders** is also available in German, French and Italian.
The German text is definitive.

Annual Report 2013The Annual Report 2013 can be found at: www.swisslife.com/report**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This document may contain projections or other forward-looking statements related to Swiss Life that are subject to known and unknown risks, uncertainties and other important factors. The reader should be aware that these statements are only projections which could differ materially from the actual results, financial situation, development, performance or expectations and that therefore no undue reliance should be placed on such forward-looking statements. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document. All forward-looking statements are based on the data available to Swiss Life at the time the present document was compiled. Unless otherwise required by applicable law, Swiss Life assumes no responsibility to publicly update or alter its forward-looking statements or to adapt them, whether as a result of new information, future events or developments or any other reason.

There may be minor discrepancies in total figures and percentages in this report due to rounding effects.

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The future starts here.

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