Helvea Financials Seminar 2014
Swiss Life: Continued disciplined execution

Thomas Buess, Group CFO
Zurich, 4 June 2014
Agenda

→ Swiss Life Group at a glance

   Recent financial developments

   Swiss Life 2015 and wrap-up
Swiss Life Group is a leading provider of life and pensions and financial solutions...

FY 2013

Swiss Life Group – Facts and figures

- GWP incl. PHD: CHF 18.0 bn
- Net profit: CHF 784 m
- Adjusted profit from operations: CHF 1 143 m
- Asset under Management: CHF 155.1 bn
- Shareholders’ equity: CHF 8.9 bn
- Group MCEV: CHF 11.4 bn
- FTEs: 7 000
- Certified financial advisors: 4 500
- S&P financial strength rating of Swiss Life Ltd: A- / positive
... with an attractive and diversified business portfolio based on strong market positions

FY 2013, in CHF (IFRS basis)

<table>
<thead>
<tr>
<th>Business segments</th>
<th>Market position</th>
<th>Insurance reserves (excl. PH liabilities)</th>
<th>GWP &amp; PHD</th>
<th>Fee &amp; commission income&lt;sup&gt;8)&lt;/sup&gt;</th>
<th>Adjusted profit from operations&lt;sup&gt;8)&lt;/sup&gt;</th>
</tr>
</thead>
</table>
| Switzerland       | - Individual Life: No 1<sup>1)</sup>  
   - Group Life: No 2<sup>1)</sup>  
   - Swiss Life Select: Largest IFA | 55% | 49% | 14% | 57% |
| France            | - Individual Health: No 2<sup>2)</sup>  
   - Life: No 13; focus on HNWI and affluent | 17% | 26% | 22% | 17% |
| Germany           | - BU<sup>3)</sup>: A market leader  
   - BAV<sup>4)</sup>: No 8  
   - IFA network: No 3 | 13% | 10% | 33% | 11% |
| International     | - PPLI: No 2<sup>5)</sup>  
   - SL Network: Market leader<sup>6)</sup>  
   - Leading IFA in UK and AT | 15% | 15% | 20% | 1% |
| Asset Managers    | - Leading insurance asset manager in CH with large portfolios in FR & DE | 155.1 bn<sup>7)</sup> | n.a. | 32% | 15% |

1) Q1 2014  
2) Excl. mutuals  
3) Disability insurance  
4) Occupational pension scheme  
5) Providers with global exposure (Europe and Asia)  
6) Among non-reinsurance networks  
7) AuM  
8) Percentage figures do not sum up to 100% mainly due to elimination effects (fee & comm. income) and unallocated corp. costs (adj. profit from operations)
Development of key figures demonstrate progress of our strategy

CHF million (IFRS basis)

Insurance reserves
(w/o policyholder participation liabilities)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>111.886</td>
<td>119,507</td>
<td>118,844</td>
<td>122,939</td>
<td>129,597</td>
<td>136,998</td>
</tr>
</tbody>
</table>

+22%

Operating expense adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,945</td>
<td>1,602</td>
<td>1,392</td>
<td>1,384</td>
<td>1,390</td>
<td>1,378</td>
</tr>
</tbody>
</table>

-29%

Efficiency ratios
(Owned IFAs expense excluded)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>0.99%</td>
<td>0.92%</td>
<td>0.84%</td>
<td>0.78%</td>
<td>0.72%</td>
<td>0.68%</td>
</tr>
</tbody>
</table>

-31 bps

Net profit

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-1,1431)</td>
<td>3241)</td>
<td>560</td>
<td>606</td>
<td>6422)</td>
<td>784</td>
</tr>
</tbody>
</table>

1) Continuing operations  2) Adjusted for impairments at owned IFAs and IN of total CHF 543 m (post tax)
Agenda

Swiss Life Group at a glance

→ Recent financial developments

Swiss Life 2015 and wrap-up
## FY 2013: Operational progress and strong investment result

**FY 2013 vs. FY 2012**

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted profit from operations</td>
<td>CHF 1 143 m</td>
<td>+13%</td>
</tr>
<tr>
<td>Net profit</td>
<td>CHF 784 m</td>
<td>+685 m</td>
</tr>
<tr>
<td>GWP incl. PHD (in local currency)</td>
<td>CHF 18.0 bn</td>
<td>+4%</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>CHF 1 157 m</td>
<td>+1%</td>
</tr>
<tr>
<td>New business margin (% PVNBP)</td>
<td>2.2%</td>
<td>+0.8 ppts</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>CHF 8.9 bn</td>
<td>-12%</td>
</tr>
<tr>
<td>Return on equity¹)</td>
<td>10.0%</td>
<td>+8.7 ppts</td>
</tr>
<tr>
<td>Group solvency</td>
<td>210%</td>
<td>-29 ppts</td>
</tr>
<tr>
<td>Dividend (proposed)</td>
<td>CHF 5.50</td>
<td>CHF +1.00</td>
</tr>
</tbody>
</table>

¹) Equity excl. unrealised gains/losses on bonds
Recent financial developments

Q1 2014: Continued operational progress

CHF million (IFRS basis, unaudited)

- **Premium development** (in CHF bn)
  - CHF 4.9 (Q1 2014) vs. CHF 4.6 (Q1 2013: +7%)
  - CHF 1.2 (Q1 2014) vs. CHF 1.2 (Q1 2013: -4%)
  - CHF 0.4 (Q1 2014) vs. CHF 0.5 (Q1 2013: -14%)
  - CHF 0.4 (Q1 2014) vs. CHF 0.7 (Q1 2013: -41%)

- **Fee and commission income**
  - CHF 298 m (+9% vs. Q1 2013)
  - 226% (+16 ppts vs. FY 2013)
  - 196% excluding unrealised gains/losses on bonds (unchanged vs. FY 2013)

- **Investment return** (non-annualised)
  - Direct investment yield of 0.8% (Q1 2013: 0.8%)
  - Net investment yield of 1.0% (Q1 2013: 1.4%)

- **IFRS group solvency**
  - 226% (+16 ppts vs. FY 2013)
  - 196% excluding unrealised gains/losses on bonds (unchanged vs. FY 2013)

- **Swiss Life 2015**
  - 80% of planned cost savings implemented (FY 2013: 75%)
  - Share of risk, modern and modern-trad. products at 79% (FY 2013: 80%)
Well-diversified investment portfolio

CHF million (fair value basis), insurance portfolio for own risk

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Value (CHF million)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities &amp; alternatives</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Real estate</td>
<td>15.2%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Mortgages</td>
<td>4.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Loans</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Government &amp; supranational bonds</td>
<td>29.3%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>40.5%</td>
<td>40.5%</td>
</tr>
<tr>
<td>Cash and other</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>127 595</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- Directly owned, non-leveraged properties
- 83% of portfolio in Switzerland
- Largest private real estate owner in Switzerland
- Well-diversified between residential and commercial

Government bonds:
- 90% A-rated or higher with 43% AAA-rated
- Very low exposure to GIIPS sovereigns with less than 0.6% of invested assets

Corporate bonds:
- 65% A-rated or higher with only 4% below BBB

Low duration gap of 0.7%

31.12.2013
Continued strong returns in a low interest rate environment

Direct and net investment yield (IFRS basis)

- Direct investment yield
- Net investment yield
- German Government bond (10 years)
- Swiss Government bond (10 years)

Recent financial developments

Helvea Financials Seminar 2014, Zurich
Recent financial developments

Development of average technical interest rate

Statutory basis

Mandatory Group life CH
- Reduction in minimum interest rate by 75 bps to 1.75% by Federal Council: -10 bps

Non-mandatory Group life CH
- Reduction in guaranteed rates by 100 bps to 1.25% by Swiss Life: -12 bps

Change in business mix: -36 bps

Reserve strengthening: -28 bps

Disposals and FX: -10 bps

Total: -96 bps
Agenda

Swiss Life Group at a glance

Recent financial developments

→ Swiss Life 2015 and wrap-up
Swiss Life 2015: Continue on the successful path of MILESTONE

MILESTONE

- Balance sheet significantly strengthened
- Cost savings of > CHF 400 m realised
- New business margin substantially improved
- New business mix shifted to < 30% traditional
- Disciplined ALM keeps duration gap low and protects interest rate margin
- Regained A- rating

Swiss Life 2015

- Diversify profit sources
- Cost savings of CHF 130 – 160 m
- Achieve new business margin > 1.5%
- Further improve new business mix
- Strengthen solvency through retained earnings
- Achieve 8 – 10% RoE (adjusted)

2009 – 2012

2013 – 2015
## Swiss Life 2015 well on track

<table>
<thead>
<tr>
<th>Strategic thrust</th>
<th>Target</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Customer promise</strong></td>
<td>Increase quality and quantity of touch points with customers</td>
<td></td>
</tr>
</tbody>
</table>
| **2 Offering** | ▪ New business margin: >1.5%  
▪ New business shift: ~85% of NBP from risk, modern and modern-traditional products | ▪ At 2.2% as per FY 2013  
▪ 79% of NBP from risk, modern and modern-traditional products as per Q1 2014 |
| **3 Distribution** | ▪ Fee and commission income: Increase by 20-25% | ▪ Up by 9% as per Q1 2014 vs. Q1 2013 |
| **4 Efficiency and quality** | ▪ Cost savings: CHF 130-160 m (project view)  
▪ Efficiency: Improve efficiency ratios | ▪ ~80% of overall targeted cost savings implemented as per Q1 2014  
▪ Efficiency ratio at 0.68% as per FY 2013 (FY 2012: 0.72%) |
| **5 Financial strength** | ▪ Adjusted RoE: 8-10%  
▪ Dividend payout ratio: 20-40%  
▪ Profit by source (PbS):  
  – Savings result <50%  
  – Fee & risk result 60-70%  
  – Admin cost result >0% | ▪ At 10.0% as per FY 2013  
▪ At 23% as per FY 2013  
▪ PbS as per FY 2013; savings result 69%, fee & risk result 38% and cost result -12% (admin cost result +6%) |
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Financial calendar

Half-year results 2014 13 August 2014
Interim statement Q3 12 November 2014

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