

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...

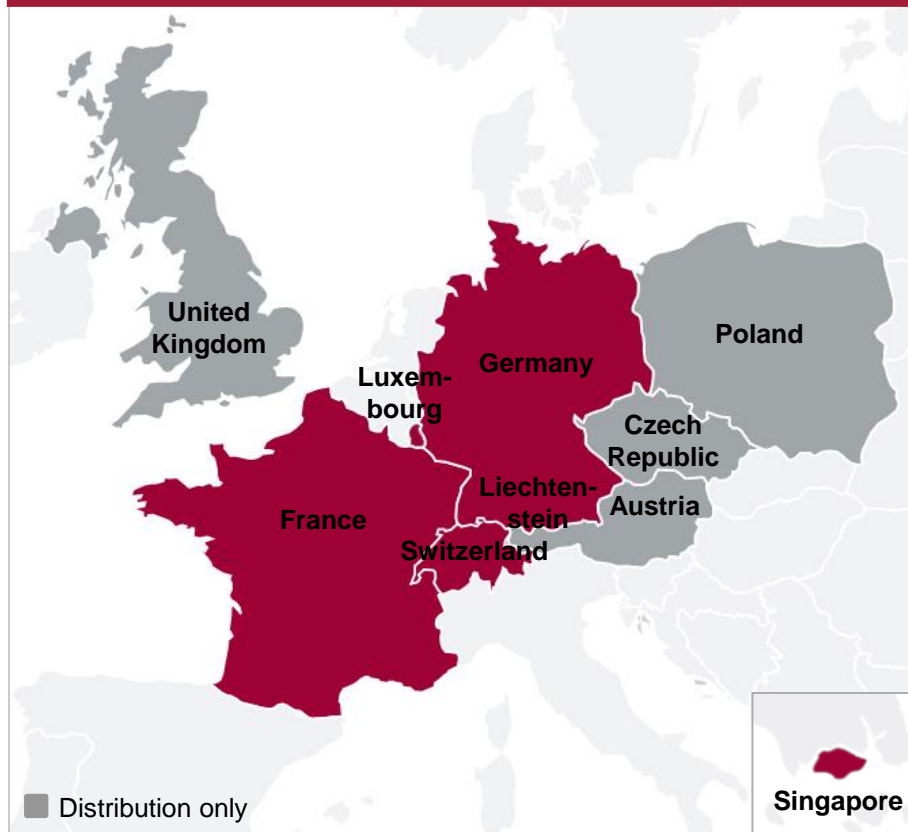


FY 2013

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

Business units



... with an attractive and diversified business portfolio based on strong market positions



FY 2013, in CHF (IFRS basis)

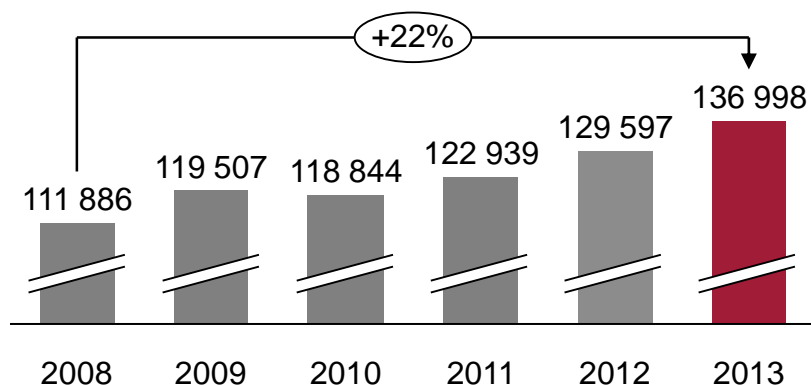
Business segments	Market position	Insurance reserves (excl. PH liabilities)	GWP & PHD	Fee & commission income ⁸⁾	Adjusted profit from operations ⁸⁾
		137.0 bn	18.0 bn	1 157 m	1 143 m
Switzerland	- Individual Life: No 1 ¹⁾ - Group Life: No 2 ¹⁾ - Swiss Life Select: Largest IFA	55%	49%	14%	57%
France	- Individual Health: No 2 ²⁾ - Life: No 13; focus on HNWI and affluent	17%	26%	22%	17%
Germany	- BU ³⁾ : A market leader - BAV ⁴⁾ : No 8 - IFA network: No 3	13%	10%	33%	11%
International	- PPLI: No 2 ⁵⁾ - SL Network: Market leader ⁶⁾ - 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 ⁷⁾	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)

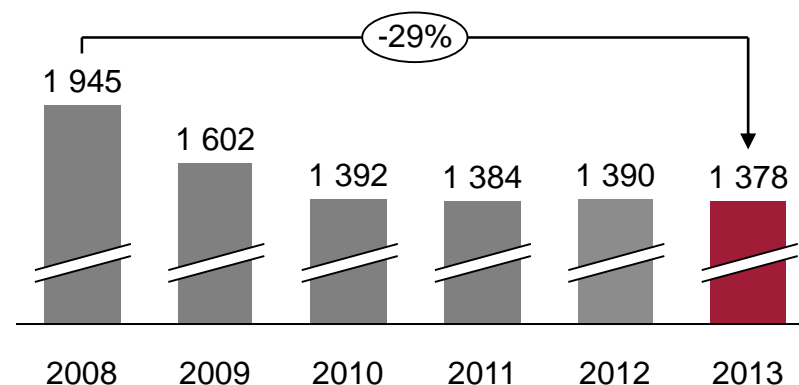
Development of key figures demonstrate progress of our strategy

CHF million (IFRS basis)

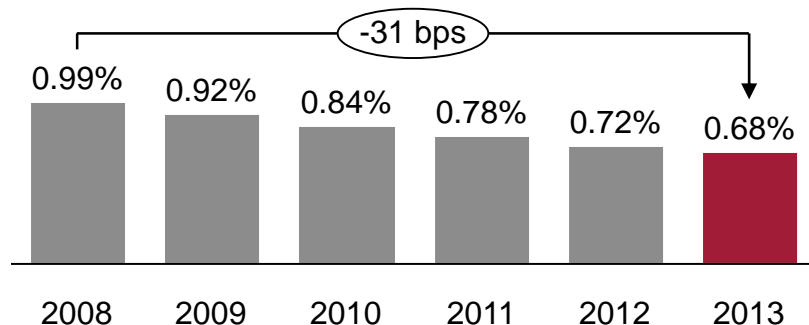
Insurance reserves
(w/o policyholder participation liabilities)



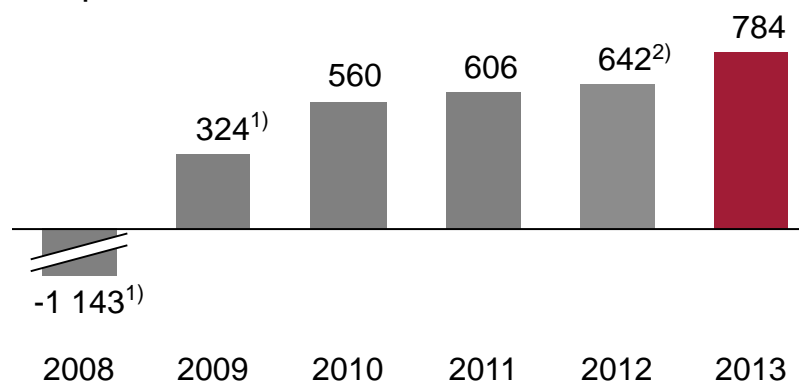
Operating expense adjusted



Efficiency ratios
(Owned IFAs expense excluded)



Net profit



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

Adjusted profit from operations	➔	CHF 1 143 m	+13%
Net profit	➔	CHF 784 m	+685 m
GWP incl. PHD (in local currency)	➔	CHF 18.0 bn	+4%
Fee and commission income	➔	CHF 1 157 m	+1%
New business margin (% PVNBP)	➔	2.2%	+0.8 pts
Shareholders' equity	➔	CHF 8.9 bn	-12%
Return on equity ¹⁾	➔	10.0%	+8.7 pts
Group solvency	➔	210%	-29 pts
Dividend (proposed)	➔	CHF 5.50	CHF +1.00

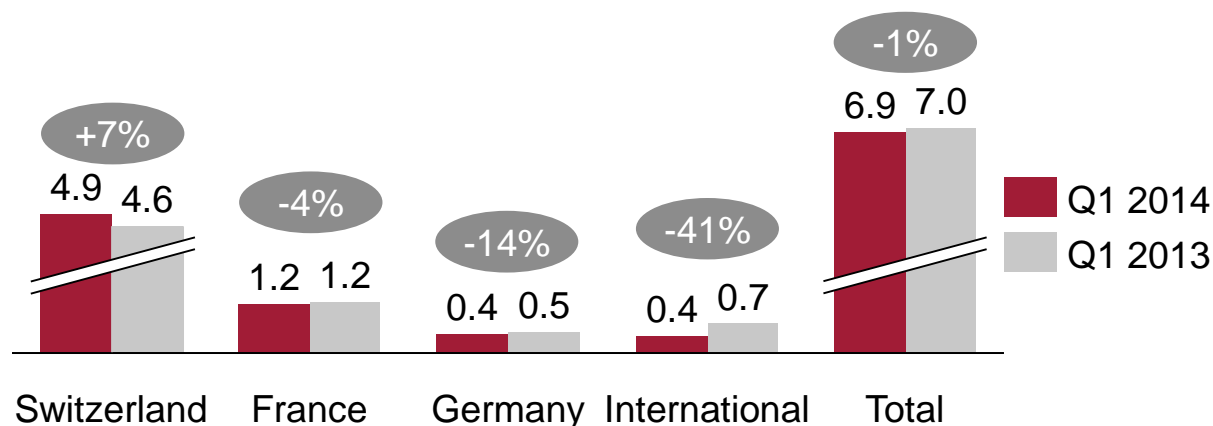
1) Equity excl. unrealised gains/losses on bonds



Q1 2014: Continued operational progress

CHF million (IFRS basis, unaudited)

Premium development (in CHF bn)



Fee and commission income

- CHF 298 m (+9% vs. Q1 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

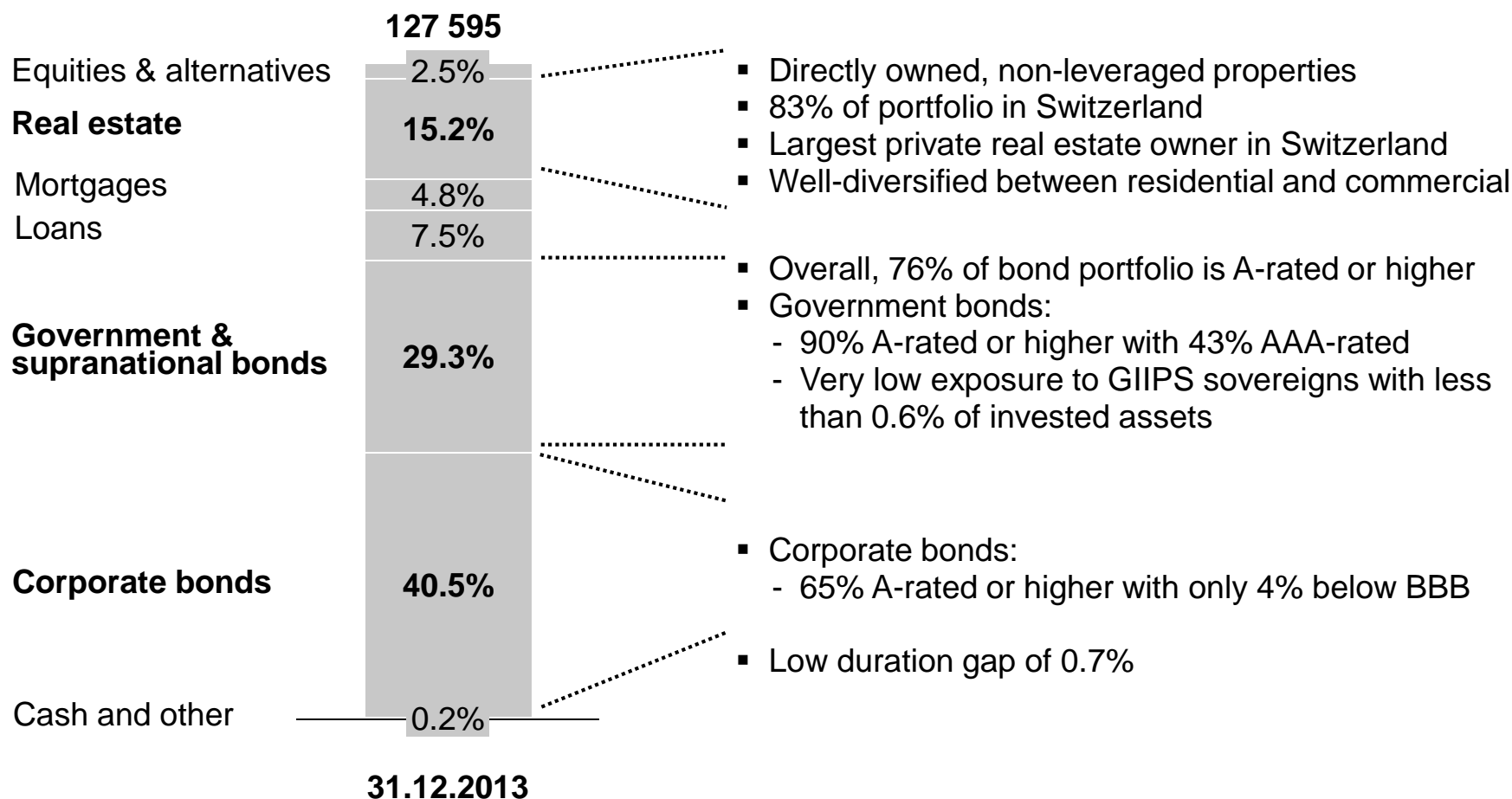
- 226% (+16 pts vs. FY 2013)
- 196% excluding unrealised gains/losses on bonds (unchanged vs. FY 2013)

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%)

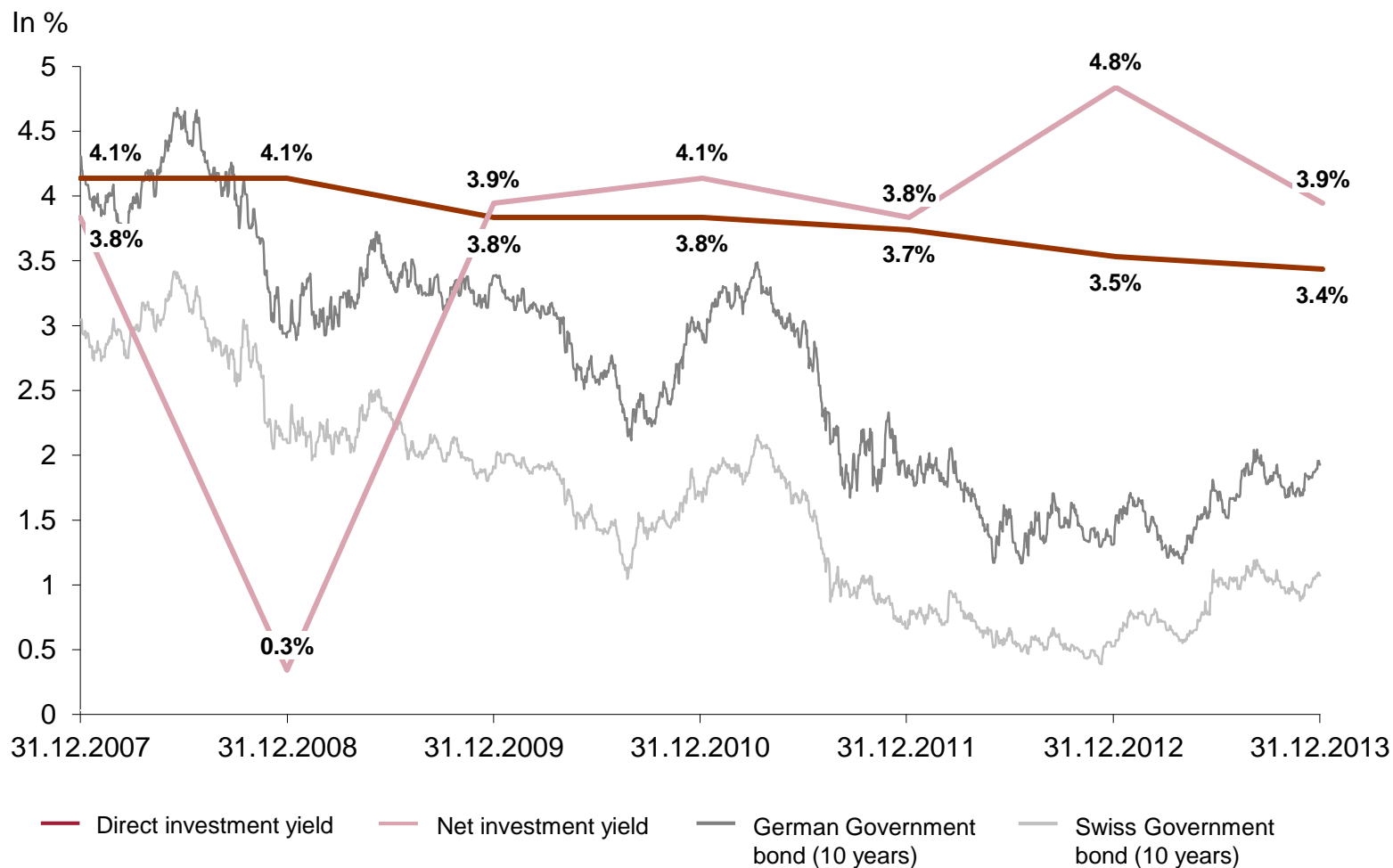
Well-diversified investment portfolio

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



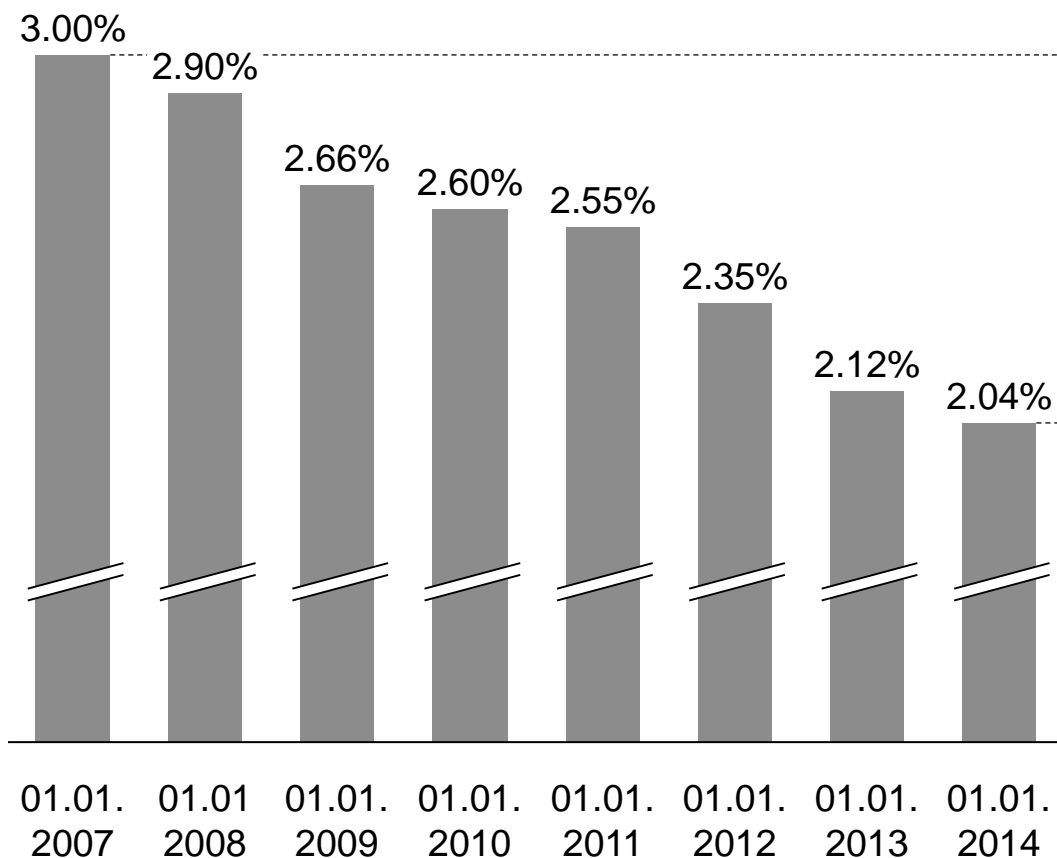
Continued strong returns in a low interest rate environment

Direct and net investment yield (IFRS basis)



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

Strategic thrust	Target	Status
Customer promise 1 Increase quality and quantity of touch points with customers	2 Offering <ul style="list-style-type: none"> New business margin: >1.5% New business shift: ~85% of NBP from risk, modern and modern-traditional products 	<ul style="list-style-type: none"> At 2.2% as per FY 2013 79% of NBP from risk, modern and modern-traditional products as per Q1 2014
	3 Distribution <ul style="list-style-type: none"> Fee and commission income: Increase by 20-25% 	<ul style="list-style-type: none"> Up by 9% as per Q1 2014 vs. Q1 2013
	4 Efficiency and quality <ul style="list-style-type: none"> Cost savings: CHF 130-160 m (project view) Efficiency: Improve efficiency ratios 	<ul style="list-style-type: none"> ~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 <ul style="list-style-type: none"> Adjusted RoE: 8-10% Dividend payout ratio: 20-40% Profit by source (PbS): <ul style="list-style-type: none"> Savings result <50% Fee & risk result 60-70% Admin cost result >0% 	<ul style="list-style-type: none"> 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%)

Cautionary statement regarding forward-looking information



This presentation is made by Swiss Life and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Swiss Life. Although all reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Swiss Life. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Swiss Life as being accurate. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as is reasonably possible and may be subject to revision in the future. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. This presentation may contain projections or other forward-looking statements related to Swiss Life that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to Swiss Life on the date of its posting and Swiss Life assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of Swiss Life.

Contact details and financial calendar

Contact

Robert Moser
Head of Investor Relations

Phone +41 (43) 284 67 67
E-mail robert.moser@swisslife.ch

Rolf Winter
Senior Investor Relations Manager

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

Financial calendar

Half-year results 2014
Interim statement Q3

13 August 2014
12 November 2014

Visit our website for up-to-date information
www.swisslife.com



The future starts here.