Vontobel Summer Conference
Swiss Life: Continued disciplined execution

Thomas Buess, Group CFO
Interlaken, 12 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

Distribution only
... 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</th>
<th>Adjusted profit from operations</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)

2008 2009 2010 2011 2012 2013
111 886 119 507 118 844 122 939 129 597 136 998
+22%

Operating expense adjusted

2008 2009 2010 2011 2012 2013
1 945 1 602 1 392 1 384 1 390 1 378
-29%

Efficiency ratios (Owned IFAs expense excluded)

2008 2009 2010 2011 2012 2013
0.99% 0.92% 0.84% 0.78% 0.72% 0.68%
-31 bps

Net profit

2008 2009 2010 2011 2012 2013
-1 1431) 3241) 560 606 6422) 784

1) Continuing operations 2) Adjusted for impairments at owned IFAs and IN of total CHF 543 m (post tax)
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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</td>
<td>CHF 5.50</td>
<td>CHF +1.00</td>
</tr>
</tbody>
</table>

¹) Equity excl. unrealised gains/losses on bonds
FY 2013: Profitable growth and strong cost discipline in all market units

IFRS basis, MCEV

<table>
<thead>
<tr>
<th>FY12 vs. FY13</th>
<th>CH</th>
<th>FR</th>
<th>DE</th>
<th>IN</th>
<th>AM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business growth$^{1,2}$ (in bn)</td>
<td>+4%</td>
<td></td>
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<tr>
<td>17.0</td>
<td>18.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New business margin (in ppts)</td>
<td>+57%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. operating expense$^2$ (in bn)</td>
<td>-1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.39</td>
<td>1.38</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency ratios$^{2,3}$ (in bps)</td>
<td>-4 bps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>68</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. profit from operations (in bn)</td>
<td>+13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.01</td>
<td>1.14</td>
<td></td>
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</tr>
</tbody>
</table>

Topline growth with higher new business margins in all market units

Business growth and continued cost discipline led to further improved efficiency ratios

Operational progress and strong investment result

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1) GWP, fees and deposits for CH, FR, DE, IN; total income for AM
2) Total currency adjusted; CH, FR, DE, IN in local currency
3) Adjusted operating expense (excl. owned IFAs) in % of average technical reserves (excl. deferred PHP) for CH, FR, DE, IN; AM with stable cost-income ratio
Q1 2014: Continued operational progress

CHF million (IFRS basis, unaudited)

### Premium development (in CHF bn)

<table>
<thead>
<tr>
<th>Country</th>
<th>Q1 2014</th>
<th>Q1 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>4.9</td>
<td>4.6</td>
<td>+7%</td>
</tr>
<tr>
<td>France</td>
<td>1.2</td>
<td>1.2</td>
<td>-4%</td>
</tr>
<tr>
<td>Germany</td>
<td>0.4</td>
<td>0.5</td>
<td>-14%</td>
</tr>
<tr>
<td>International</td>
<td>0.4</td>
<td>0.7</td>
<td>-41%</td>
</tr>
<tr>
<td>Total</td>
<td>6.9</td>
<td>7.0</td>
<td>-1%</td>
</tr>
</tbody>
</table>

### 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 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%)
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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)
Disciplined margin management: Higher margins and VnB despite lower interest rates

New business margin vs. interest rate development

New business margin in % of PVNBP vs. interest rates:
- German government bond (10 years)
- Swiss government bond (10 years)
- New business margin

Value of new business in CHF m:

<table>
<thead>
<tr>
<th></th>
<th>119</th>
<th>123</th>
<th>209</th>
<th>150</th>
<th>158</th>
<th>289</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>76</td>
<td>71</td>
<td>104</td>
<td>59</td>
<td>141</td>
<td></td>
</tr>
</tbody>
</table>
## Well-diversified investment portfolio

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

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

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

### Government & supranational bonds
- Overall, 76% of bond portfolio is A-rated or higher
- 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
- 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 yield and net investment yield (IFRS basis)

- Direct investment yield
- Net investment yield
- German Government bond (10 years)
- Swiss Government bond (10 years)
Average technical interest rate significantly decreased

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
Profit by source driven by improved efficiency and fee business result

CHF million (IFRS basis)

<table>
<thead>
<tr>
<th></th>
<th>FY 2012 adjusted</th>
<th>FY 2013 adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings result</td>
<td>879 82%</td>
<td>839 69%</td>
</tr>
<tr>
<td>Risk result</td>
<td>354 33%</td>
<td>272 22%</td>
</tr>
<tr>
<td>Cost result</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Thereof admin cost result gross(^1)</td>
<td>24 +2%</td>
<td>67 +6%</td>
</tr>
<tr>
<td>Fee result</td>
<td>122 11%</td>
<td>190 16%</td>
</tr>
<tr>
<td>Others &amp; eliminations</td>
<td>35 3%</td>
<td>51 4%</td>
</tr>
<tr>
<td>Segment result</td>
<td>1 075 100%</td>
<td>1 208 100%</td>
</tr>
<tr>
<td>- Unallocated corporate costs</td>
<td>-61</td>
<td>-65</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>1 014</td>
<td>1 143</td>
</tr>
</tbody>
</table>

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

Half-year results 2014
13 August 2014

Interim statement Q3
12 November 2014

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