



SwissLife

Kepler Cheuvreux Swiss Seminar 2014
Swiss Life: Continued disciplined execution

Thomas Buess, Group CFO
Zurich, 1 April 2014

Agenda

→ **Swiss Life Group**

FY 2013 results

Swiss Life 2015

Wrap-up

Swiss Life Group is a leading provider of life and pensions and financial solutions...

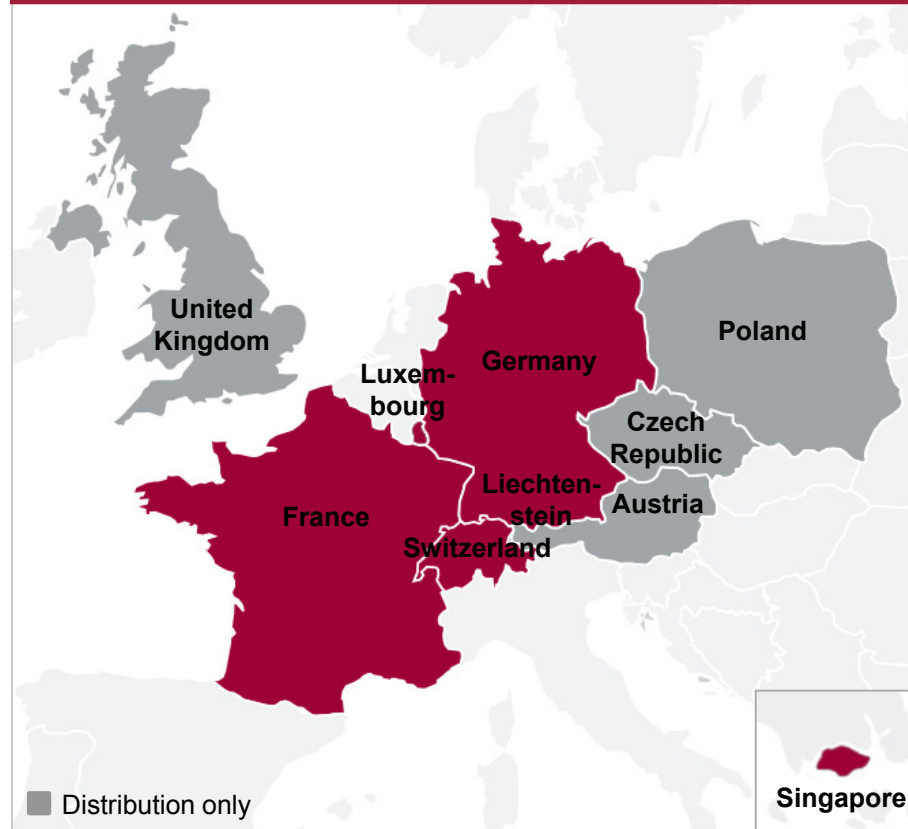


FY 2013

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- / stable

Business units



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



FY 2013, in CHF, based on new segment structure (IFRS)

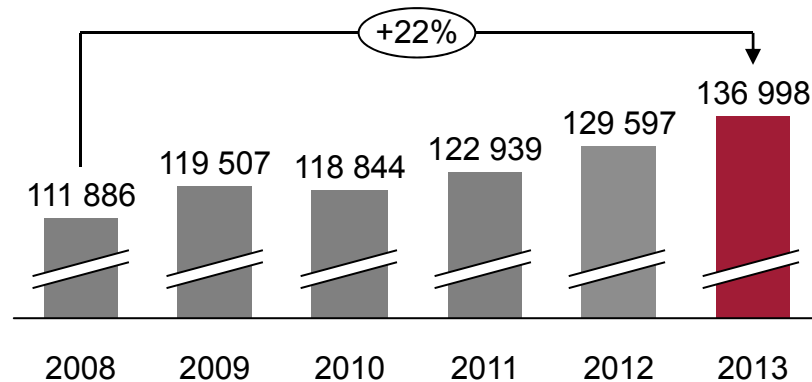
Business segments	Market position	Insurance reserves (excl. PH liabilities)	GWP & PHD	Fee & commission income ⁸⁾	Adjusted profit from operations ⁸⁾
		137.0 bn	18.0 bn	1 157 m	1 143 m
Switzerland	- Individual Life: No 1 ¹⁾ - Group Life: No 2 ¹⁾ - Swiss Life Select: Largest IFA	55%	49%	14%	57%
France	- 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) Q3 2013 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)

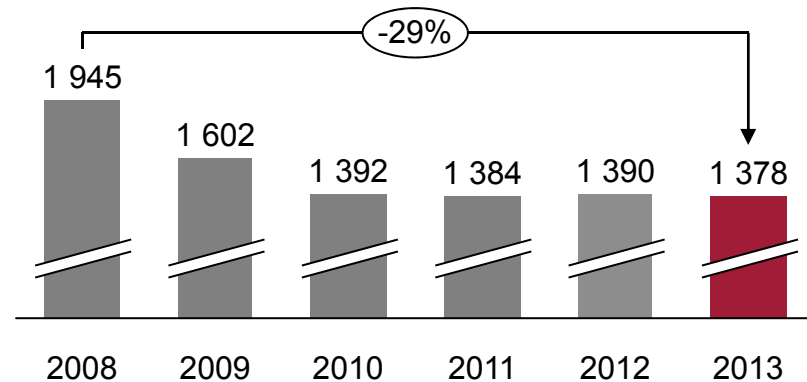
Development of key figures demonstrate progress of our strategy

CHF million (IFRS basis)

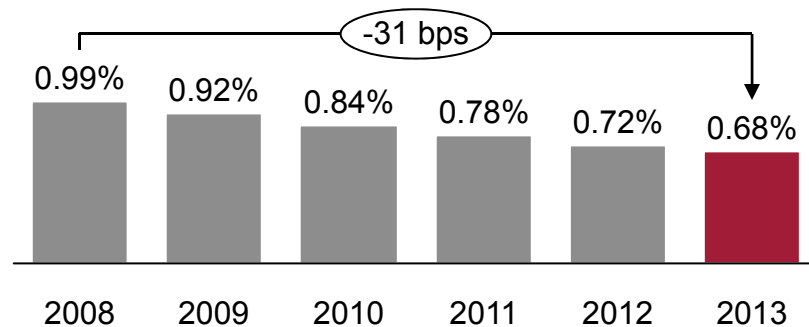
Insurance reserves
(w/o policyholder participation liabilities)



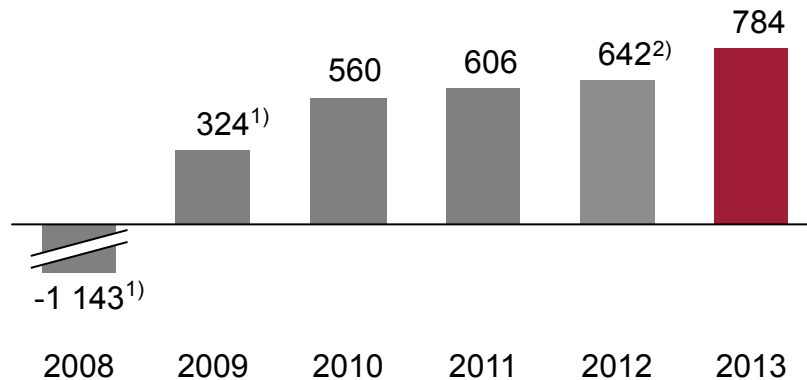
Operating expense adjusted



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)

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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

FY 2013: Profitable growth and strong cost discipline in all market units



IFRS basis, MCEV

	FY12 vs. FY13	CH	FR	DE	IN	AM	
Business growth^{1,2)} (in bn)		+9%	+8%	-0%	-9%	+11%	<p>Topline growth with higher new business margins in all market units</p>
New business margin (in pts)		+1.1	+0.3	+2.1	-0.0	n.a.	
Adj. operating expense²⁾ (in bn)		-3%	+1%	-2%	-10%	+8%	<p>Business growth and continued cost discipline led to further improved efficiency ratios</p>
Efficiency ratios^{2,3)} (in bps)		-4	-8	-3	-2	n.a.	
Adj. profit from operations (in bn)		-0%	+18%	+34%	n.m.	+21%	<p>Operational progress and strong investment result</p>

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

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Swiss Life Group

FY 2013 results and Q3 interim statement

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Wrap-up

Swiss Life 2015: Continue 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)

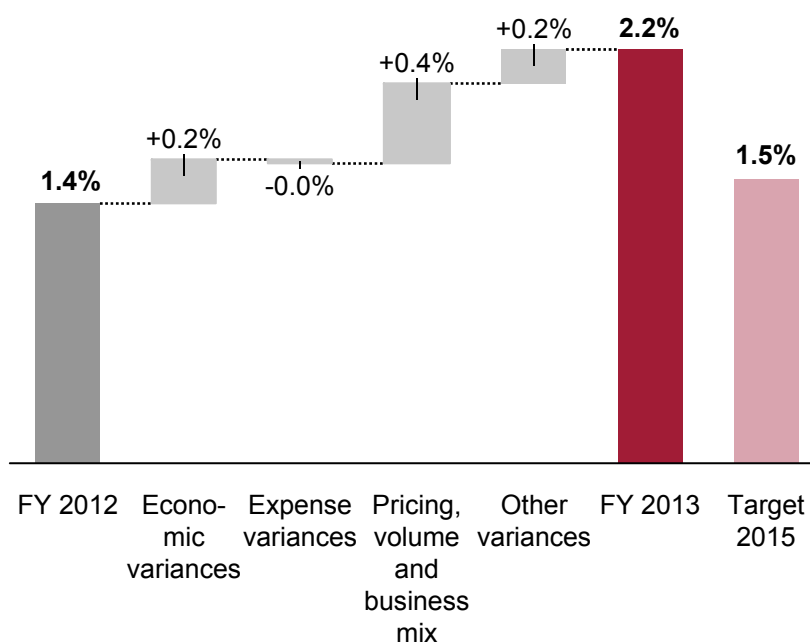
2009 – 2012

2013 – 2015

Continued pricing discipline and margin management



New business margin development
(VNB as % of PVNBP)



PVNBP	11 276	12 929
APE	1 100	1 184
VNB	158	289
NBM (APE)	14.4%	24.4%

Economic variances

- Higher interest rates

Expense variances

- Lower admin expenses offset by structural re-assessments

Pricing, volume and business mix

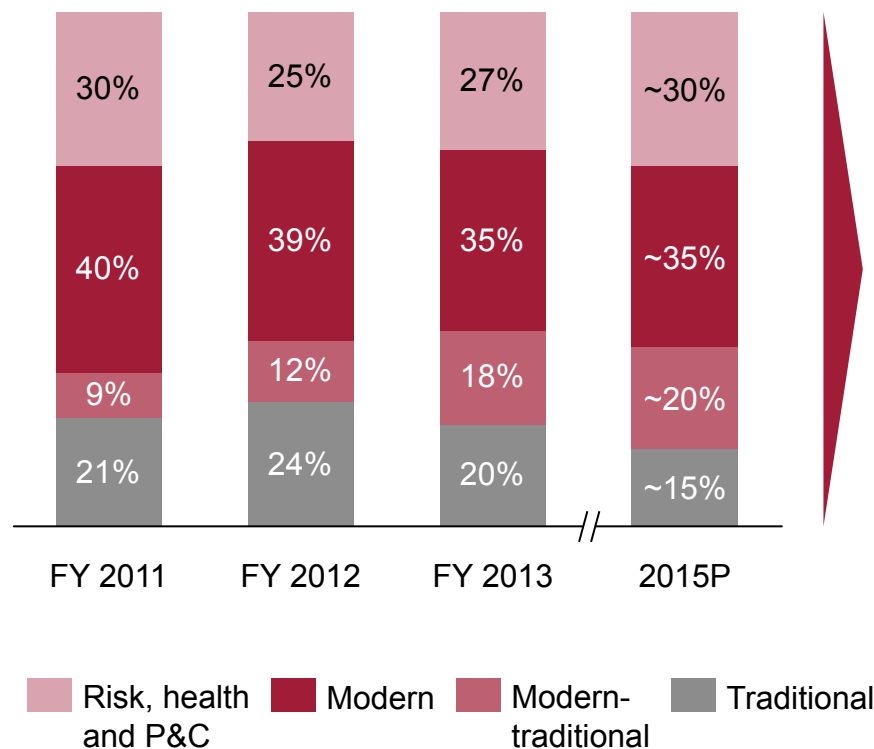
- CH: Continued pricing discipline, new modern-traditional products in individual life and real estate funds in group life
- FR: Strong UL business in life and scale effects more than offset margin pressure in health driven by ANI
- DE: Increasing risk business, targeted de-emphasis of products and disciplined approach towards guarantee levels and surplus sharing
- IN: New business focus on two carriers and cost reductions contain impacts from lower volumes

Other variances

- Driven by persistency improvement in Swiss group life business

New business mix heading towards 2015 target

New business production (NBP)



Risk, health and P&C

- FR: Lower sales of individual health in anticipation of ANI
- DE: Increased production in disability and long-term care

Modern

- CH: Withdrawal of low margin savings product in Q4 2012
- FR: UL share supported by HNWI positioning and product management strategy
- IN: HNWI production below previous year

Modern-traditional

- CH: Strong production of a savings product

Traditional

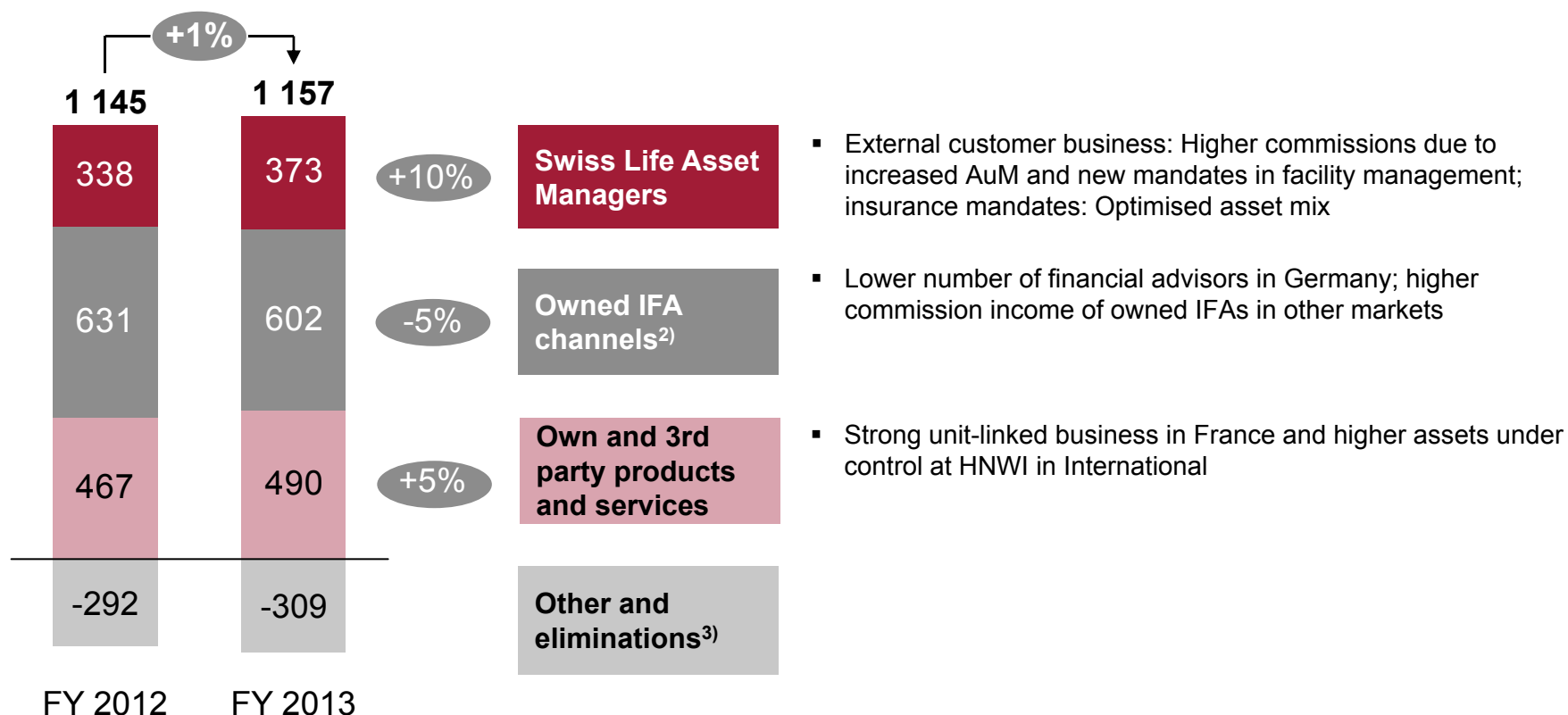
- CH: Shift to modern-traditional after re-pricings in individual life, continued demand for full insurance solutions in group life
- DE: Lower share of traditional products following stricter underwriting with focus on margins

3. Distribution

Asset Managers and unit-linked business supporting fee and commission income



Fee and commission income¹⁾, CHF million



1) Net earned policy fees as well as commission income gross which includes asset management fees

2) Swiss Life Select, Tecis, Horbach, Proventus, Chase de Vere and Pôle Agami

3) Eliminations attributable to Swiss Life Asset Managers' insurance mandates and owned IFA channels

3. Distribution

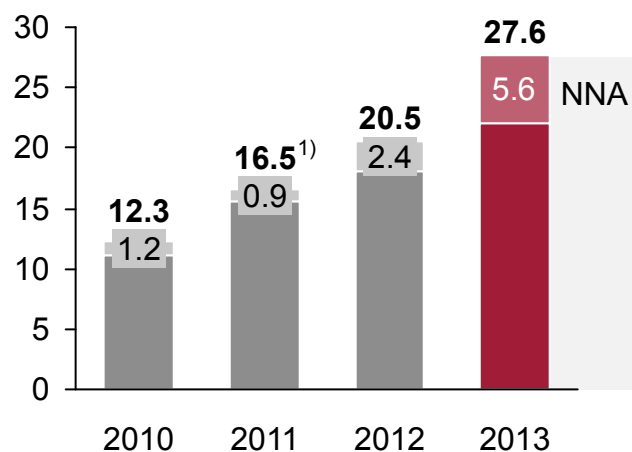
Proven expertise and strong performance as basis for AuM growth at external customer business



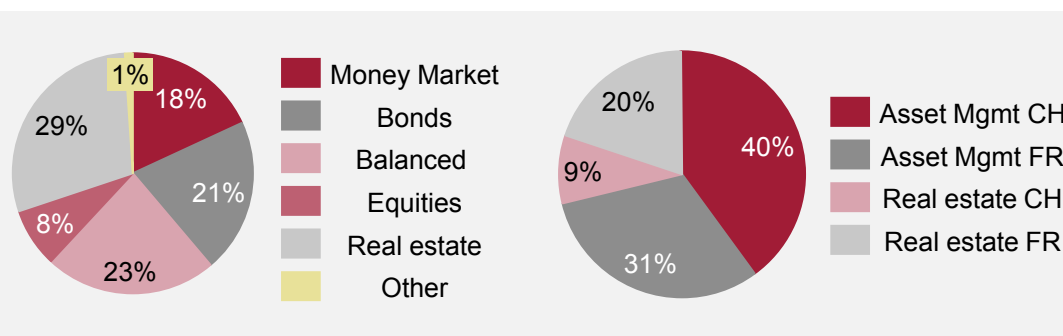
SwissLife

Assets under Management external customer business
CHF billion (fair value basis)

AuM development



AuM split as per FY 2013



- Strong NNA inflows and performance
- Proven expertise in particular in fixed income and real estate at Mandates leveraged in third-party AM Business

- Excellent performance supports NNA inflows and AuM
 - 79% of investment funds in first or second quartile
 - 80% of investment groups of Swiss Life Investment Foundation (SL-AST) in the first or second quartile
 - 92% of mandates above benchmark

1) Including CHF 2.6 bn from acquisition of Viveris REIM

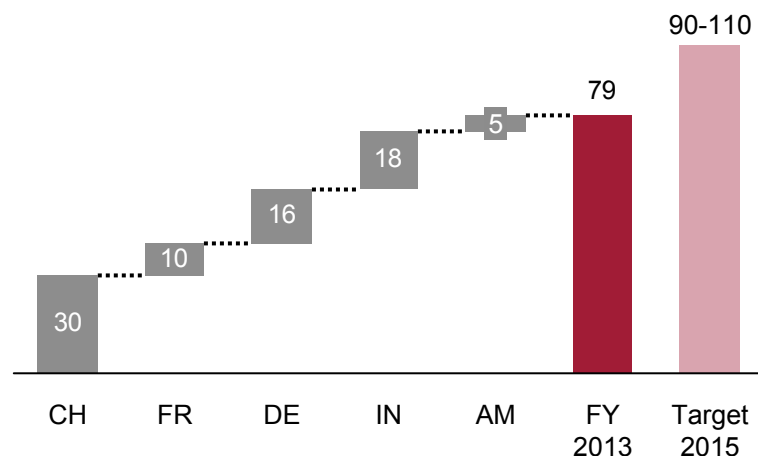
4. Efficiency



About 75% of targeted cost savings implemented

CHF million (project view), vs. cost base FY 2011

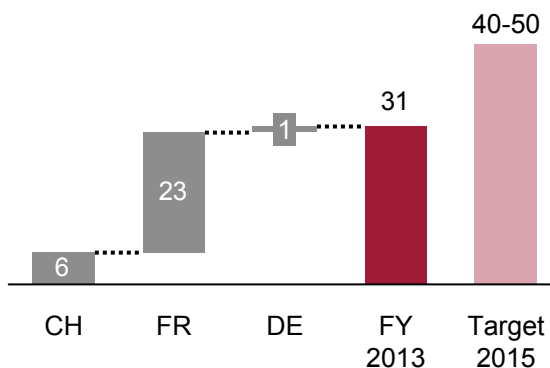
Operating cost savings¹⁾



About 80% of targeted 2015 operating cost savings implemented by FY13

- CH: Staff reduction, mainly in IT
- FR: Process optimisations
- DE: Lower back office expenses, mainly in owned IFAs
- IN: Cost reductions particularly due to two carrier strategy
- AM: Group-wide asset management system implemented
- ▶ Total non-recurring restructuring costs of CHF 100 m incurred by FY 2013 (28% in 2012 and 72% in 2013)

Variable acquisition cost savings¹⁾



Nearly 70% of targeted 2015 variable acquisition cost savings implemented by FY13

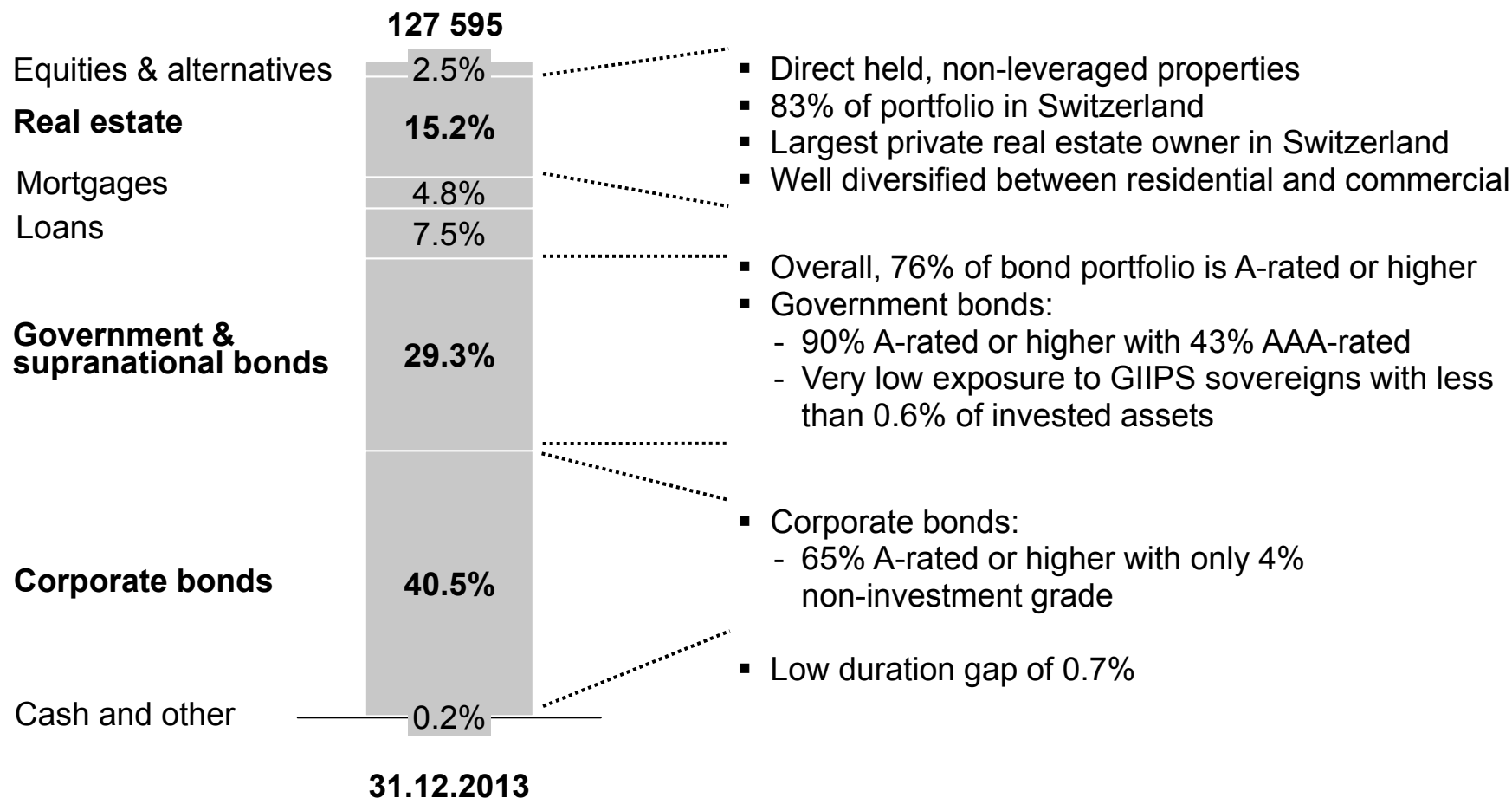
- CH: Adjustments in own sales force compensation
- FR: Revised broker commission scheme in health
- DE: Optimisation of sales structure

1) At constant EUR CHF FX rate of 1.20



Well diversified investment portfolio

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

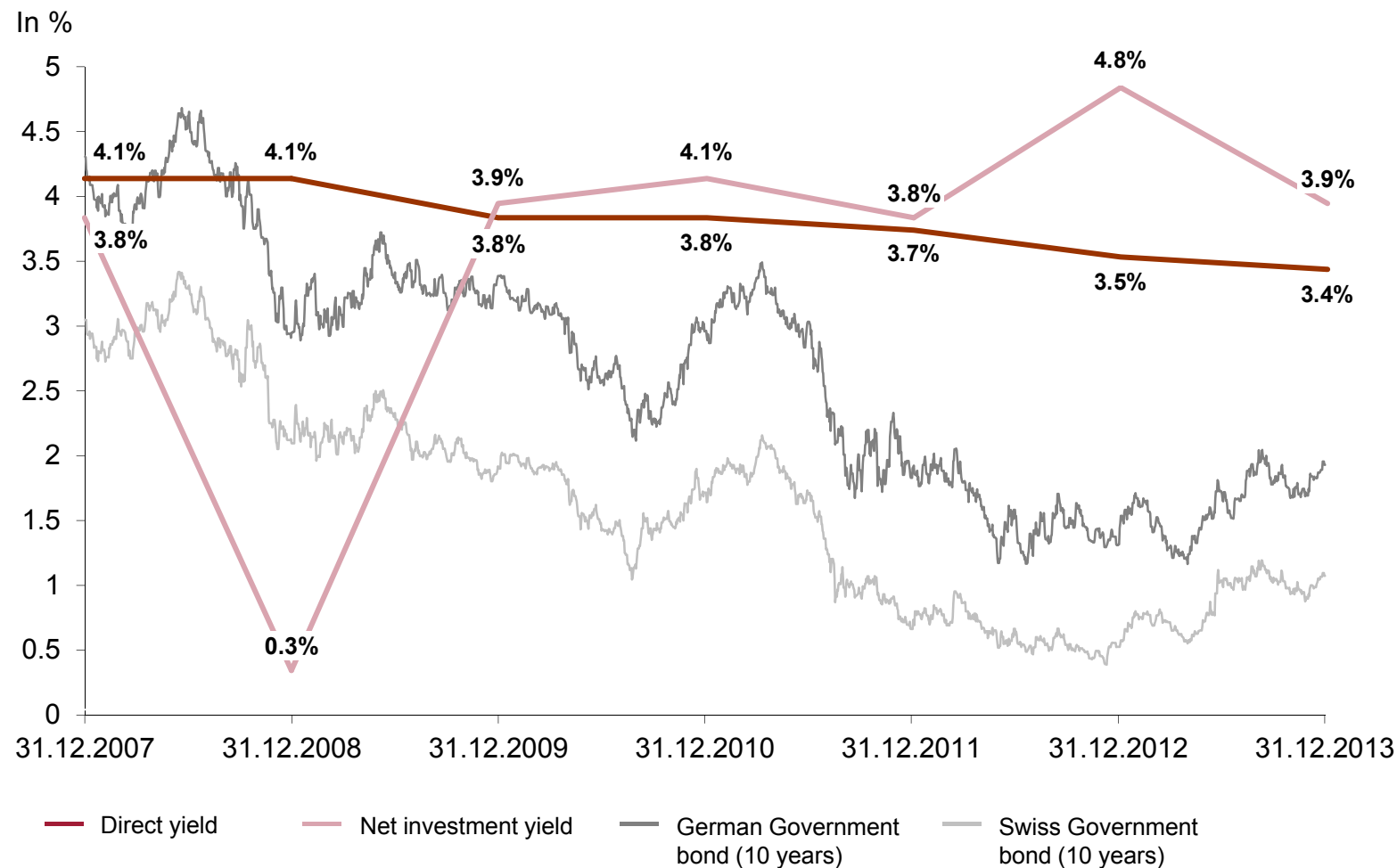


5. Financial strength

Continued strong returns in a low interest rate environment



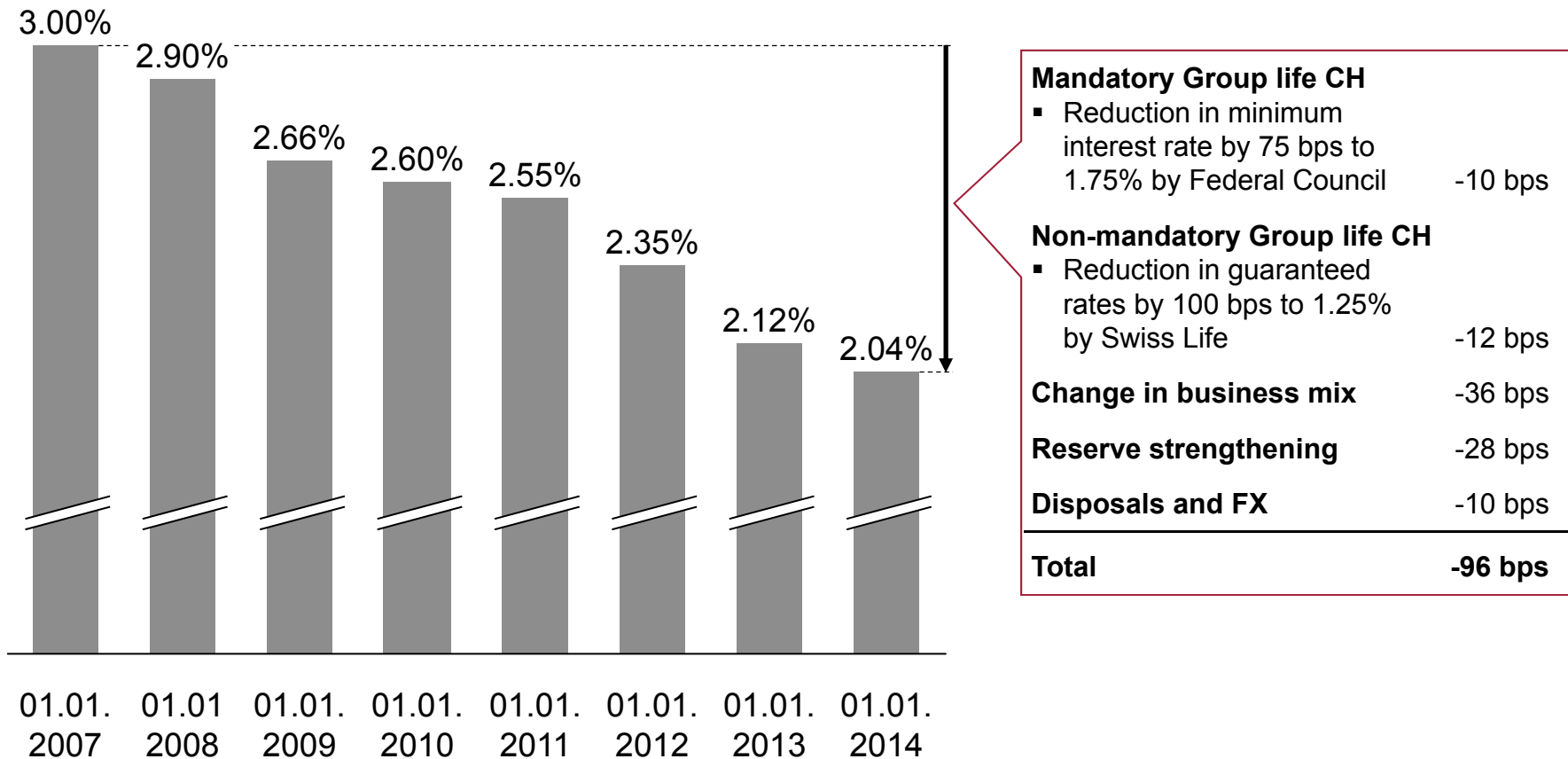
Direct yield and net investment yield (IFRS basis)



Development of average technical interest rate



Statutory basis



Profit by source driven by improved efficiency and fee business result



CHF million (IFRS basis)

	FY 2012 adjusted		FY 2013 adjusted	
Savings result	879	82%	839	69%
Risk result	354	33%	272	22%
Cost result	-314	-29%	-143	-12%
- <i>Thereof admin cost result gross¹⁾</i>	24	+2%	67	+6%
Fee result	122	11%	190	16%
Others & eliminations	35	3%	51	4%
Segment result	1 075	100%	1 208	100%
- Unallocated corporate costs	-61		-65	
Profit from operations	1 014		1 143	

1) Gross = before policyholder participation

Agenda

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→ **Wrap-up**



Well on track with Swiss Life 2015

Strategic thrust

Target

Status

Customer promise

1 Increase quality and quantity of touch points with customers



2 Offering

- New business margin: >1.5%
- New business shift: ~85% of NBP from risk, modern and modern-traditional products



3 Distribution

- Fee and commission income: Increase by 20-25%



4 Efficiency and quality

- Cost savings: CHF 130-160 m (project view)
- Efficiency: Improve efficiency ratios



5 Financial strength

- Adjusted RoE: 8-10%
- Dividend payout ratio: 20-40%



Profit by source:

- Savings result <50%
- Fee and risk result 60-70%
- Admin cost result >0%

Cautionary statement regarding forward-looking information



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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

Annual General Meeting 2014	23 April 2014
Interim statement Q1	13 May 2014
Half-year results 2014	13 August 2014

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