

**Full-year results 2012  
Investors' presentation**

**Zurich, 27 February 2013**

# Agenda

## → Overview

Financial results

Strategy implementation

Wrap-up

## Bruno Pfister

Thomas Buess

Thomas Buess

Bruno Pfister

# Highlights FY 2012 results

FY 2012 vs. FY 2011

- Adjusted profit from operations improved 26% to CHF 993 m
- Net profit declined by 85% to CHF 93 m due to impairments at AWD
- Premium income of CHF 17.0 bn remained stable in local currency
- Resilient direct yield of 3.6% and very strong net investment yield of 4.8%
- Cost base under control with further improved efficiency ratios
- New business margin increased to 1.4% from 1.2% and VNB went up to CHF 158 m from CHF 150 m
- Return on equity at 0.9%; at 8.6%<sup>1)</sup> when profit adjusted for major one-offs
- Group solvency rose to 242% (FY 2011: 213%); SST in the green based on our internal model<sup>2)</sup>

1) Equity excluding unrealised gains/losses on bonds 2) Model is still being reviewed by FINMA

# Key figures FY 2012 results

FY 2012 vs. FY 2011

Profit from operations (adjusted)	➔	CHF 993 m	+26%
Net profit	➔	CHF 93 m	-85%
New business margin (% PVNBP)	➔	1.4%	+0.2 pts
GWP incl. PHD (in local currency)	➔	CHF 17.0 bn	+0%
Shareholders' equity	➔	CHF 10.3 bn	+12%
Return on equity	➔	0.9%	-6.4 pts
Return on equity (adjusted <sup>1)</sup> )	➔	8.6%	+1.0 pts
Group solvency	➔	242%	+29 pts
Dividend (proposed)	➔	CHF 4.50	unchanged

1) Net profit excluding major one-off effects; equity excl. unrealised gains/losses on bonds

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→ **Financial results**

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**Thomas Buess**

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# Income statement

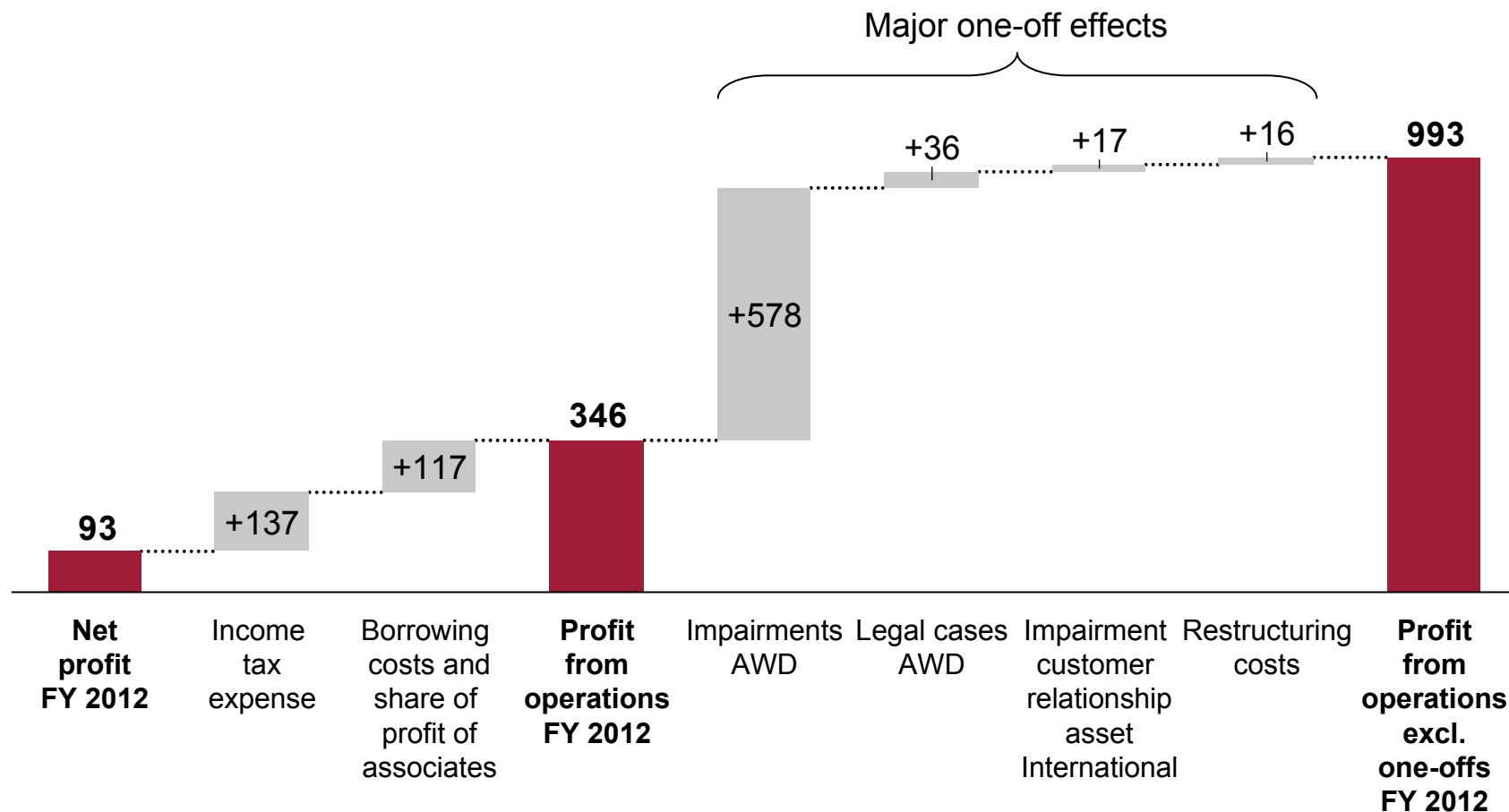
CHF million (IFRS basis)

	FY 2011	FY 2012
Gross written premiums, fees and deposits received	17 143	17 046
Commission income	893	826
Financial result for own risk	4 447	6 015
<i>Net investment result insurance portfolio for own risk</i>	4 263	5 729
Net insurance benefits and claims	-12 614	-13 819
Policyholder participation	-791	-1 104
Operating expense	-2 913	- 3 552
<b>Profit from operations</b>	<b>699</b>	<b>346</b>
Borrowing costs	-120	-125
Share of profit or loss of associates	6	8
Income tax expense	21	-137
<b>Net profit</b>	<b>606</b>	<b>93</b>
<b>Earnings per share (in CHF)<sup>1)</sup></b>	<b>18.87</b>	<b>2.86</b>

1) Diluted, based on 32 060 313 shares in FY 2011 and 32 044 682 shares in FY 2012

# Profit from operations excluding major one-off effects

CHF million (IFRS basis)



Detailed reconciliations from 2011 to 2012 net profit and profit from operations excluding major one-off effects can be found on pages 35 and 36



# Business review Insurance Switzerland

CHF million (IFRS basis, MCEV)

	FY 2011	FY 2012	Change
GWP incl. PHD	8 123	8 292	+2% <ul style="list-style-type: none"> <li>GL: +2%; driven by higher periodic premiums</li> <li>IL: +1%; growth mainly with modern single premium products</li> </ul>
Operating expense adjusted <sup>1)</sup>	-385	-382	-1% <ul style="list-style-type: none"> <li>Further savings more than offset investments in growth projects</li> </ul>
Segment result	476	634	+33% <ul style="list-style-type: none"> <li>Strong investment result and improved admin cost result</li> </ul>
New business volume (PVNBP)	3 875	3 915	+1% <ul style="list-style-type: none"> <li>Stable new business production despite comprehensive re-pricing measures</li> </ul>
New business margin (% PVNBP)	0.3%	1.9%	+1.6 pts <ul style="list-style-type: none"> <li>Disciplined re-pricing and new products in individual life</li> </ul>
MCEV	2 689	5 053	+88% <ul style="list-style-type: none"> <li>Strong operating earnings; better persistency and efficiency gains</li> <li>Capital market development very positive</li> </ul>

1) Excluding unallocated corporate costs





# Business review Insurance France

EUR million (IFRS basis, MCEV)

	FY 2011	FY 2012	Change
GWP incl. PHD	3 547	3 533	-0% <ul style="list-style-type: none"> <li>Overall, better vs. personal insurance market (-6%) <ul style="list-style-type: none"> <li>- Life: -2% (market -8%); high UL share of 28% (market 13%)</li> <li>- Health &amp; disability: +2% (market +4%)</li> </ul> </li> </ul>
Operating expense adjusted <sup>1)</sup>	-275	-282	+2% <ul style="list-style-type: none"> <li>Improved efficiency ratios despite investments in infrastructure and growth initiatives</li> </ul>
Segment result	100	131	+31% <ul style="list-style-type: none"> <li>Higher financial result; improved loss ratio in health &amp; disability</li> </ul>
New business volume (PVNBP)	3 681	3 040	-17% <ul style="list-style-type: none"> <li>Lower volumes in life, health &amp; disability due to strong focus on profitability</li> </ul>
New business margin (% PVNBP)	1.8%	1.4%	-0.4 pts <ul style="list-style-type: none"> <li>Lower interest rate levels</li> <li>Improved cost ratio in health and decreased commissions</li> </ul>
MCEV	1 559	1 735	+11% <ul style="list-style-type: none"> <li>Improved margin in life and better loss ratios; lower persistency</li> <li>Capital market development positive</li> </ul>

1) Excluding unallocated corporate costs



# Business review Insurance Germany

EUR million (IFRS basis, MCEV)

	FY 2011	FY 2012	Change
GWP incl. PHD	1 409	1 403	-0% <ul style="list-style-type: none"> <li>▪ Slightly below market</li> <li>▪ Periodic premiums increased in GL and IL in total by 2%</li> <li>▪ Single premiums declined by 8%</li> </ul>
Operating expense adjusted <sup>1)</sup>	-115	-111	-3% <ul style="list-style-type: none"> <li>▪ Result of strict cost management</li> <li>▪ Improved efficiency ratios</li> </ul>
Segment result	47	57	+21% <ul style="list-style-type: none"> <li>▪ Higher financial result following portfolio optimisation measures</li> </ul>
New business volume (PVNBP)	1 429	861	-40% <ul style="list-style-type: none"> <li>▪ Re-pricing measures led to lower volumes</li> </ul>
New business margin (% PVNBP)	1.7%	0.6%	-1.1 pts <ul style="list-style-type: none"> <li>▪ Smaller share of profitable risk products and volume effect</li> <li>▪ Lower interest rate levels affect long-term guarantee products</li> </ul>
MCEV	432	420	-3% <ul style="list-style-type: none"> <li>▪ Operating earnings positive</li> <li>▪ Capital market development negative (long-term guarantees)</li> </ul>

1) Excluding unallocated corporate costs



# Business review Insurance International

CHF million (IFRS basis, MCEV)

	FY 2011	FY 2012	Change
GWP incl. PHD	3 033	2 892	-5% ▪ Lower volume in HNWI business
Operating expense adjusted <sup>1)</sup>	-82	-82	0% ▪ Improved efficiency ratios
Segment result	-10	-34	n.m. ▪ Stable segment result excl. impairment of customer relationship asset and restructuring costs of CHF 24 m
New business volume (PVNBP)	2 822	2 653	-6% ▪ Lower volume in HNWI business
New business margin (% PVNBP)	1.1%	1.0%	-0.1 ppts ▪ Updated outlook in HNWI business ▪ Improved business mix in Corporate Clients
MCEV	249	234	-6% ▪ Updated outlook in HNWI business ▪ Positive developments in Corporate Clients

1) Excluding unallocated corporate costs, currency adjusted



# Business review Investment Management

CHF million (IFRS basis, AuM fair value basis)

	FY 2011	FY 2012	Change	
Total income	302	339	+12%	▪ Higher asset base; new mandates in facility management
Operating expense adjusted <sup>1)</sup>	-144	-160	+11%	▪ Investments in growth initiatives
Segment result	130	138	+6%	▪ Revenues outgrew operating expenses
Assets under management	134 264	148 466	+11%	
– of which SL Mandates	117 723	127 957	+9%	▪ Increase driven by market valuation
– of which AM Business	16 541	20 509	+24%	▪ Strong net new money and market performance
Average assets under management	128 117	141 365	+10%	

1) Excluding unallocated corporate costs



# Business review AWD

EUR million (IFRS basis), AWD, stand-alone

	FY 2011	FY 2012	Change	
<b>Revenues</b>	<b>560.9</b>	<b>488.5</b>	<b>-13%</b>	<ul style="list-style-type: none"> <li>▪ Lower sales performance; recurring commissions above prior year</li> <li>▪ Changed product mix; more P&amp;C and less investment funds and UL</li> </ul>
Germany	375.6	305.6		
Austria & CEE	64.4	56.9		
United Kingdom	48.7	54.8		
Switzerland	72.2	71.2		
<b>EBIT (excl. one-offs)</b>	<b>54.2</b>	<b>40.3</b>	<b>-26%</b>	<ul style="list-style-type: none"> <li>▪ Decrease in revenues and shift to lower margin business</li> </ul>
Germany	66.8	47.7		
Austria & CEE	-5.0	-1.9		
United Kingdom	3.8	3.3		
Switzerland	5.7	7.4		
Holding	-17.1	-16.2		
<b>EBIT margin in % (excl. one-offs)</b>	<b>9.7</b>	<b>8.2</b>	<b>-1.5 pts</b>	
<b>EBIT (incl. one-offs)</b>	<b>7.0</b>	<b>1.6</b>	<b>-77%</b>	<ul style="list-style-type: none"> <li>▪ Additional provisions for legal cases and extraordinary costs</li> </ul>
<b>Segment result</b>	<b>-10.9</b>	<b>-490.4</b>	<b>n.m.</b>	<ul style="list-style-type: none"> <li>▪ Impairment of intangible assets</li> </ul>
<b>Financial advisors</b>	<b>4 932</b>	<b>4 545</b>	<b>-8%</b>	

# Expense development

CHF million (IFRS basis)

	FY 2011	FY 2012	Change
<b>Operating expense excl. impairments</b>	<b>2 913</b>	<b>2 958<sup>1)</sup></b>	<b>+2%</b>
Commissions and DAC amortisation adjusted	-1 477	-1 487	
<b>Operating expense (before FX)</b>	<b>1 436</b>	<b>1 470</b>	<b>+2%</b>
Restructuring costs and one-offs	-36	-65	
Scope changes	2	-2	
Currency effect	-17		
<b>Operating expense adjusted</b>	<b>1 384</b>	<b>1 403</b>	<b>+1%</b>

1) FY 2012: Operating expense CHF 3 552 m – impairments CHF 595 m = CHF 2 958 m



# Investment result

CHF million (IFRS basis), insurance portfolio for own risk

	FY 2011	FY 2012
Direct investment income	4 182	4 269
Direct investment income in %	3.7%	3.6%
Expense	-231	-242
Net capital gains/losses on investments and impairments <sup>1)</sup>	312	1 702
Net investment result	4 263	5 729
Net investment result in %	3.8%	4.8%
Changes in unrealised gains/losses on investments	3 348	3 998
Total investment result	7 611	9 727
Total investment result in %	6.7%	8.1%
Average net investments	113 183	120 237
Total investment performance (fair value) in %	7.5%	8.5%

1) Including FX gains on hybrid (FY11 CHF 51 m; FY12 CHF 15 m)

# Investment portfolio

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

Equities & equity funds  
Alternative investments  
Real estate

Mortgages

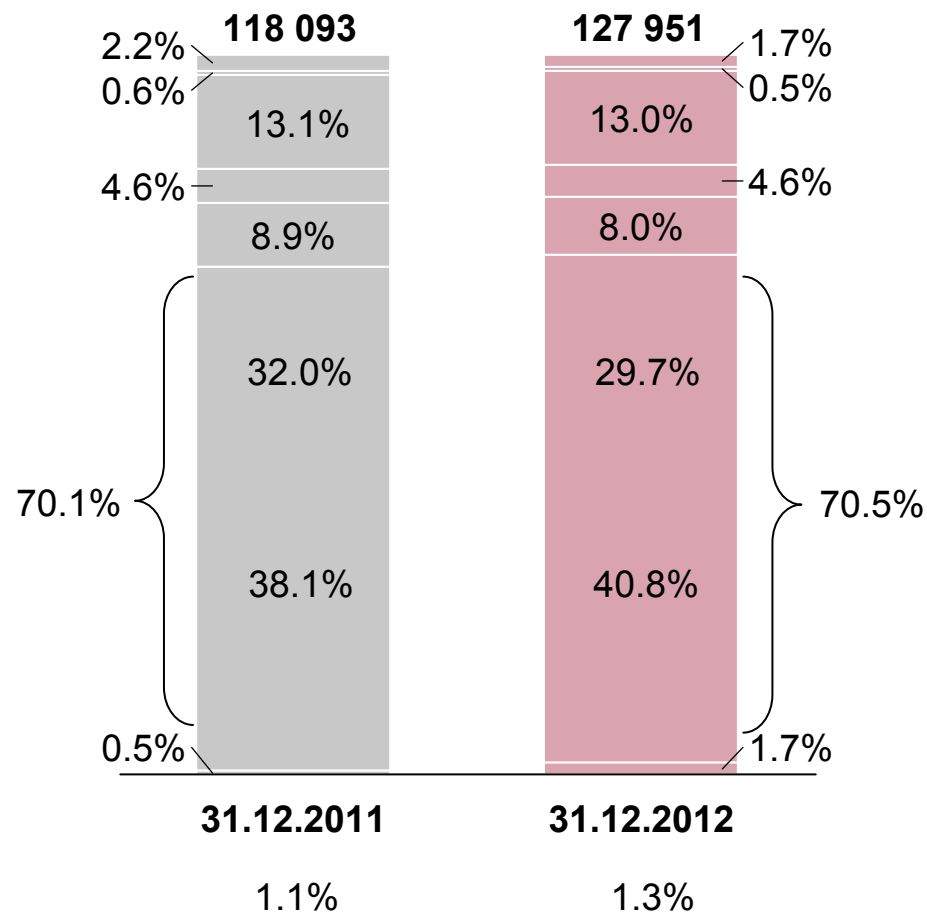
Loans

Governments & supranationals

Corporates

Cash and other

Net equity exposure







# Insurance reserves and borrowings

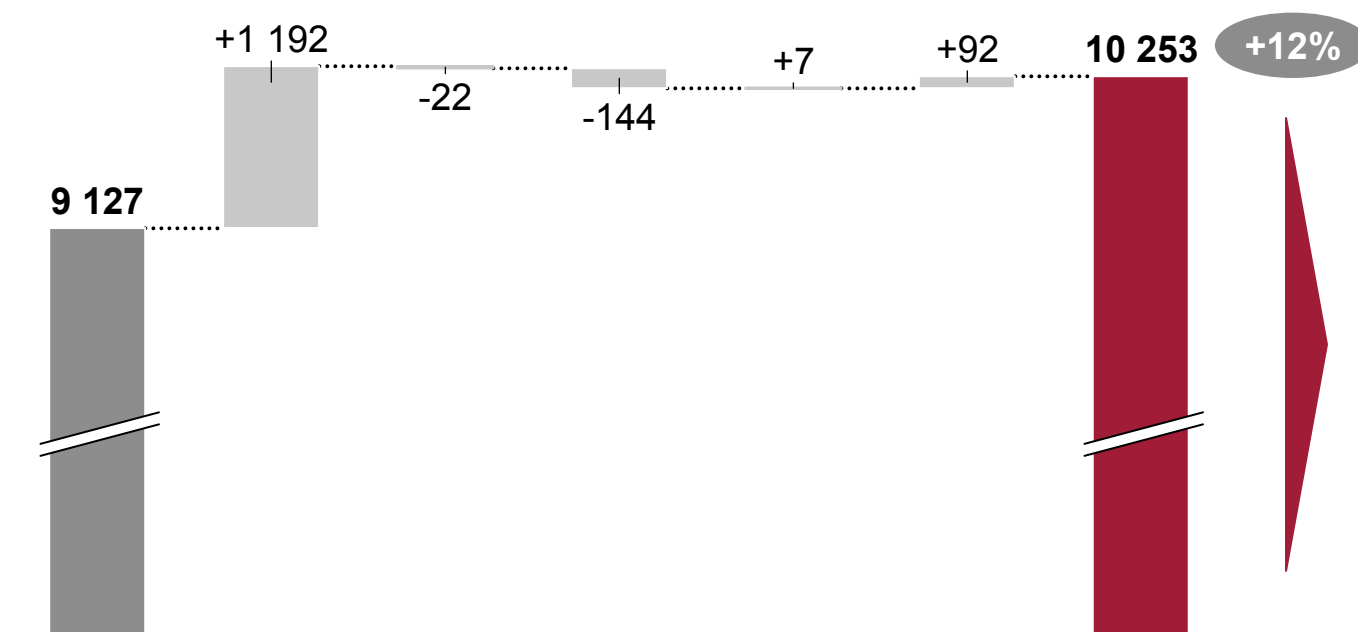
CHF million (IFRS basis)

	31.12.2011	31.12.2012	Change	Local currency
<b>Insurance reserves</b>	<b>128 089</b>	<b>137 972</b>	<b>+8%</b>	<b>+8%</b>
Insurance liabilities	93 365	97 474		
Investment contracts	11 358	11 553		
Unit-linked contracts	18 216	20 570		
Policyholder participation liabilities	5 150	8 376		
<b>Borrowings</b>	<b>2 624</b>	<b>2 768</b>	<b>+5%</b>	

# Shareholders' equity and group solvency

CHF million (IFRS basis)

## Shareholders' equity



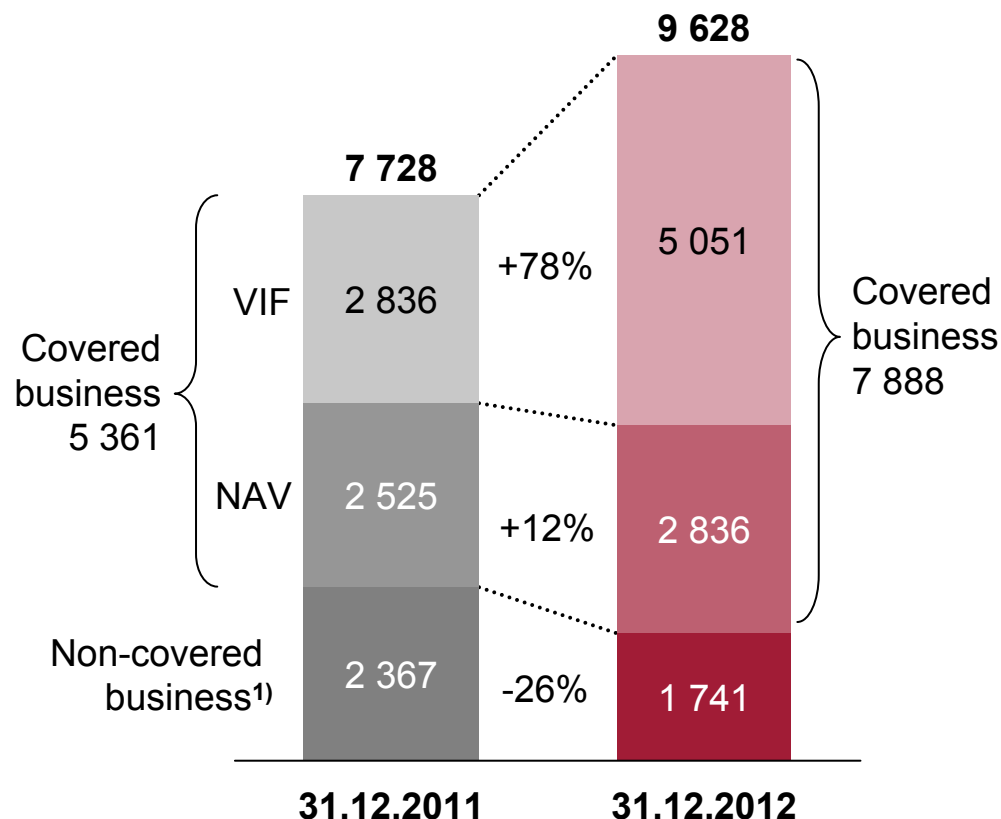
### Group solvency

- At 242% from 213% as per FY 2011
- 188% excl. unrealised gains/losses on bonds (FY 2011: 183%)

31.12.2011	Change in unrealised gains/losses net	Change in foreign currency translation	Distribution from capital contribution reserve	Change in treasury shares and share premium	Profit attributable to shareholders	31.12.2012
9 127	+1 192	-22	-144	+7	+92	10 253

# Group MCEV

CHF million



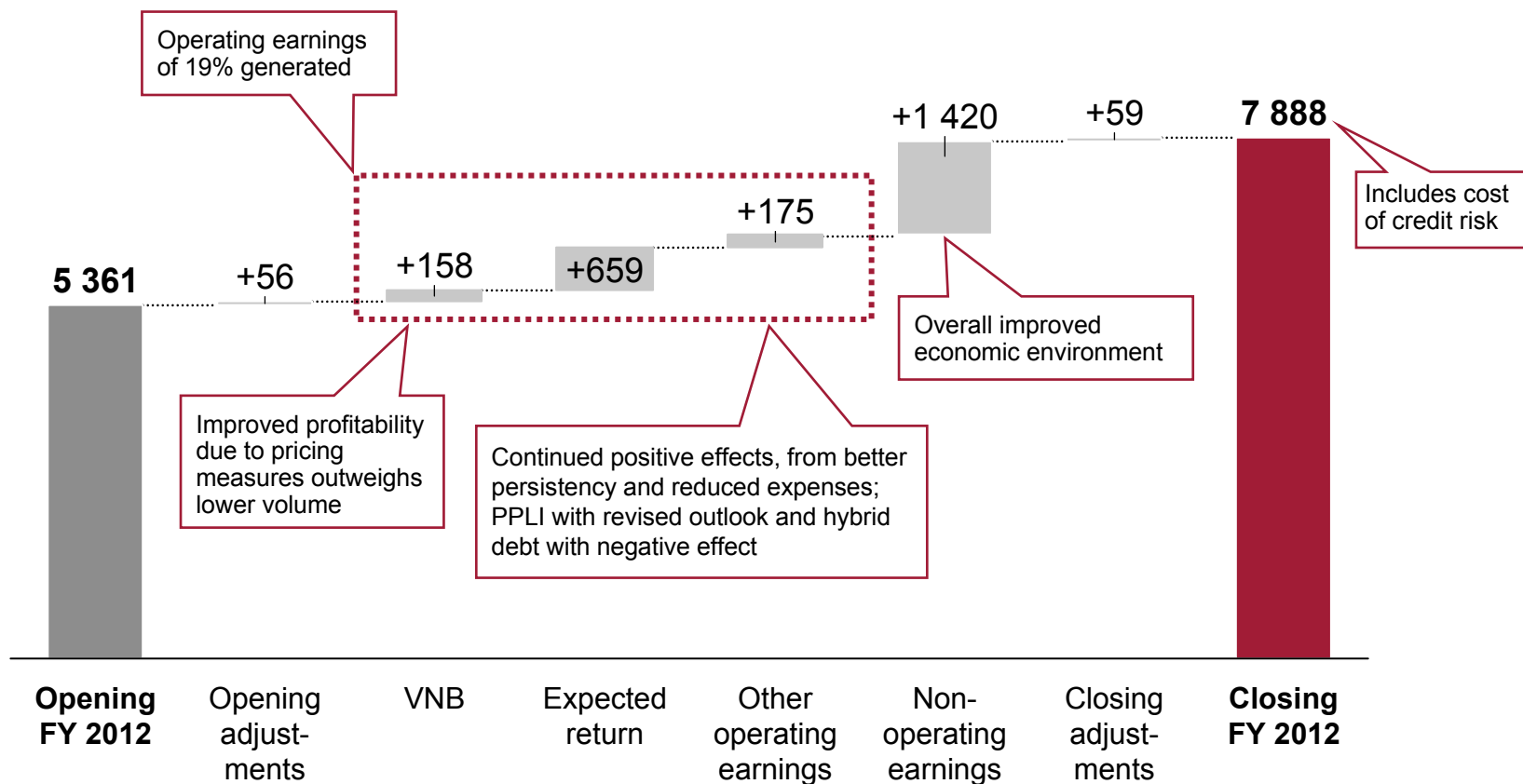
- Group MCEV:  
Increased by 25% or CHF 1 900 m
- Value of covered business:
  - Up 47% or CHF 2 527 m
  - Strong operating earnings of CHF 992 m
  - Positive economic variances of CHF 1 468 m
- Value of non-covered business:  
Impairment of AWD intangibles of CHF 578 m
- MCEV per share<sup>2)</sup>:  
CHF 302 from CHF 243 (FY11)

1) Non-covered business consists mainly of Swiss Life Holding and AWD

2) Based on 31.9 m shares outstanding at 31.12.2012

# MCEV covered business

CHF million, MCEV covered business



# Agenda

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Financial results

Thomas Buess

→ **Strategy implementation**

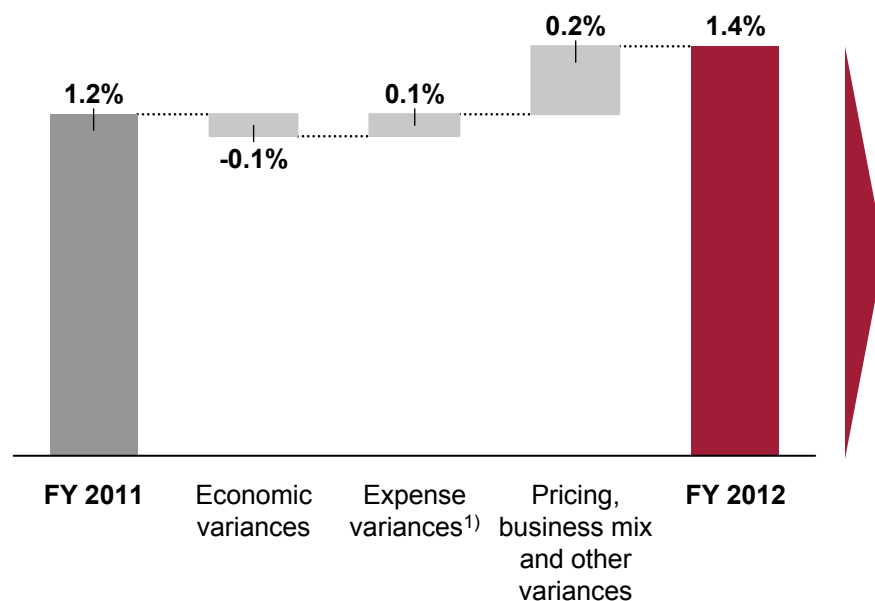
**Thomas Buess**

Wrap-up

Bruno Pfister

# Pricing measures more than offset challenging economic environment

New business margin development  
(VNB as % of PVNBP)



<b>PVNBP</b>	12 914	11 276
<b>APE</b>	1 269	1 100
<b>VNB</b>	150	158
<b>NBM (APE)</b>	11.9%	14.4%

## Economic variances

- Development of economic environment with negative impact
- Lower credit spreads not material to new business

## Expense variances

- Expense reductions in the context of continued margin management

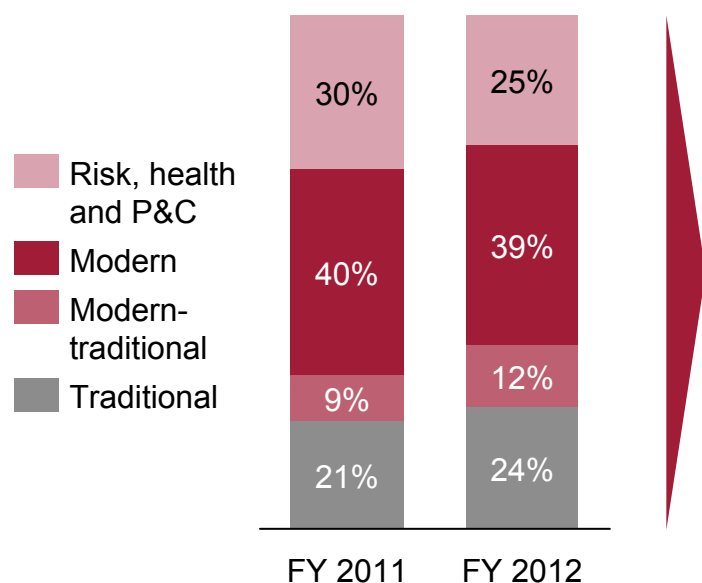
## Pricing, business mix and other variances

- Re-pricing measures with positive effects on margins across market units
- CH: Re-pricing measures and launch of new modern-traditional products in individual life with strong positive contribution
- FR: Reduction of acquisition expenses for life and for health business, and higher tariffs for health business
- DE: Improved tariffs for disability business did not offset volume reduction and negative impact relating to traditional business
- IN: Revised outlook led to a margin reduction. Corporate Clients with improved business mix

1) Effect relating to revised outlook for PPLI business moved from expense variance to other variance

# Higher share in modern and modern-traditional products, lower risk volumes

New Business Production (NBP)



## Risk, health and P&C

- DE: Lower sales of disability insurance in a competitive market; new long-term care insurance supporting shift
- FR: Lower health & risk production due to challenging market and adjusted commission scheme with specialised health brokers

## Modern

- IN: HNWI production below previous year
- CH: New tranche 'Swiss Life Premium Immo'
- FR: Strong sales of periodic premium pension products in Q4 with further improved share of UL, additional tranche of structured products sold by December 2012

## Modern-traditional

- CH: Successful launch of new savings product 'Swiss Life FlexSave' with alternative guarantee concept

## Traditional

- CH: Ongoing high demand for full insurance solutions in group life

# Cost discipline and growth led to improved efficiency ratios in FY 2012

In local currency (adjusted IFRS basis)

Operating expense in % of average technical reserves (excl. deferred PHP)

	FY 2008	FY 2011	FY 2012	Change vs. FY08
Insurance Switzerland	0.81%	0.56%	0.54%	-33%
Insurance France	1.96%	1.64%	1.60%	-18%
<i>Life France</i>	0.79%	0.68%	0.67%	-15%
Insurance Germany	0.88%	0.84%	0.78%	-11%
Insurance International	0.91%	0.49%	0.45%	-51%
<b>Total Insurance<sup>1)</sup></b>	<b>0.99%</b>	<b>0.78%</b>	<b>0.74%</b>	<b>-25%</b>

1) Currency adjusted



# Realised gains from asset de-risking largely used for reserve strengthening

## 1<sup>st</sup> HY 2012 – Reduction of euro exposure

- **Pro-active risk management**
  - Reassessment of situation around the euro and related risk-return considerations resulted in a substantial reduction of the overall euro-zone sovereign exposure on the Swiss balance sheet
- **Action taken**
  - Particularly German, French and Dutch sovereign bonds with a market value of CHF 7.8 bn sold in May/June which generated realised gains of CHF 0.9 bn
  - Proceeds mainly invested in US Treasuries

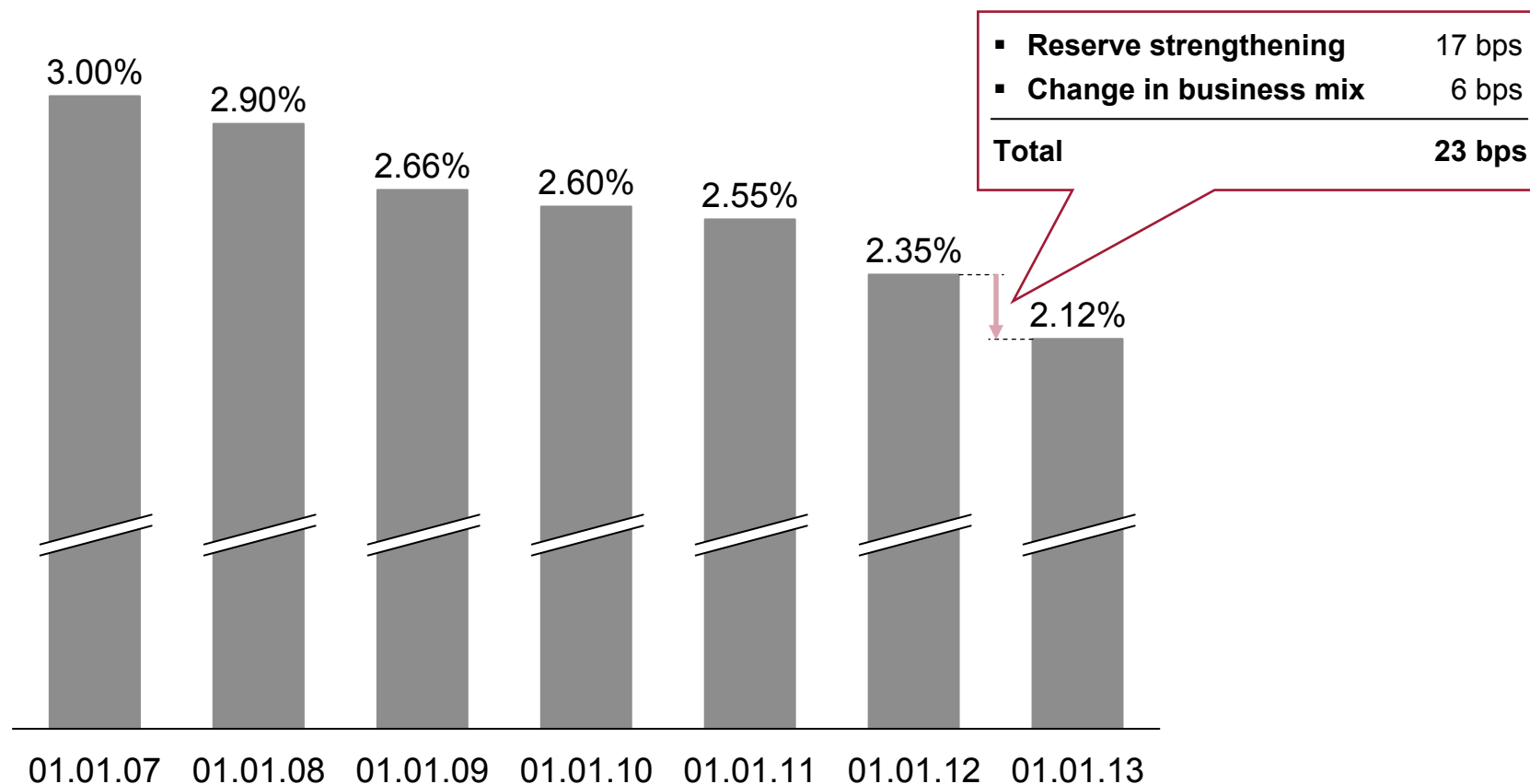
## 2<sup>nd</sup> HY 2012 – Reduction of US Treasuries and high-yield bonds

- **Pro-active risk management**
  - On the basis of diversification and risk-return considerations exposure in US Treasuries and high-yield bonds on Swiss balance sheet reduced
  - Continued duration management
- **Action taken**
  - Proceeds including realised gains mainly reinvested in Swiss government and investment grade corporate bonds on Swiss balance sheet
  - Part of the loan portfolio in Germany switched to longer dated corporate bonds

- 
- **Excess investment result used for further reserve strengthening**
  - **Protects interest rate margin**

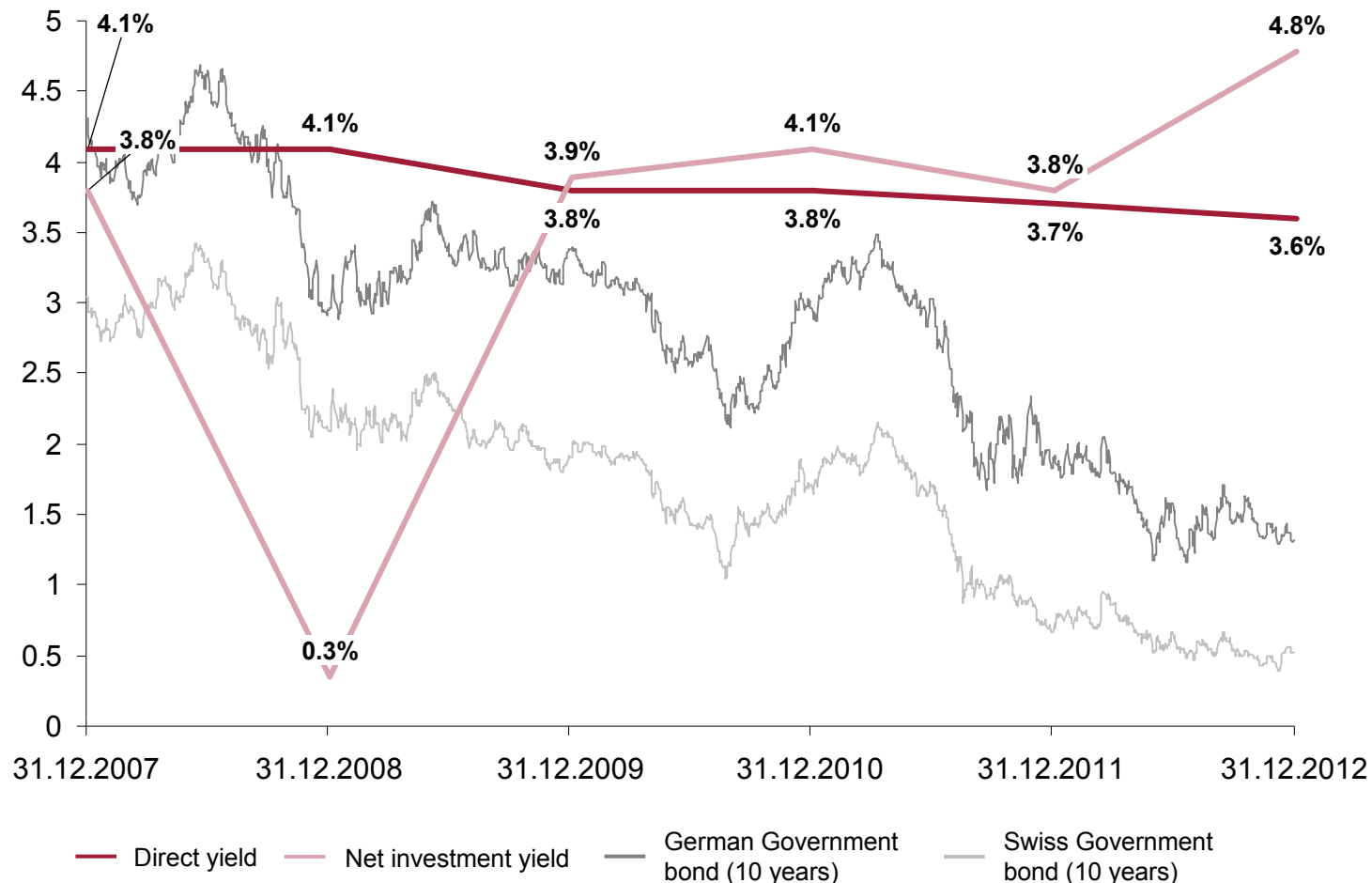
# Reserve strengthening and change in business mix lowers average technical interest rate

Statutory basis



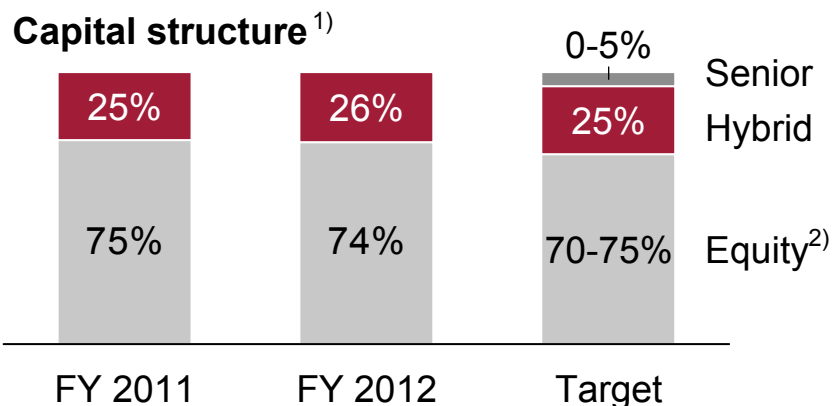
# Continued strong returns despite decreasing interest rates

IFRS basis

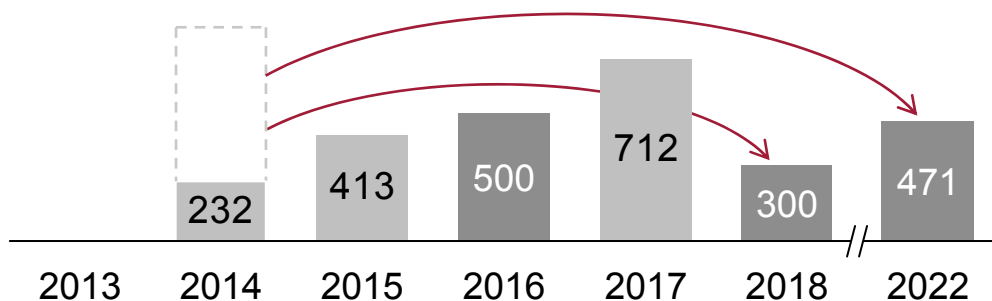


# Well-balanced capital structure and maturity profile

IFRS basis, as per 31.12.2012



**Hybrid debt: Next optional call dates**  
Nominal value, CHF million



■ EUR denominated ■ CHF denominated □ → Refinanced in 2012

**2012 highlights**

- Successful pro-active refinancing/exchange of subordinated hybrid loan issued in 1999
- Call dates extended and proportion of CHF-denominated hybrids increased

**Objective going forward**

- Focus on ensuring financial flexibility

1) Financing debt only; excluding mortgage loans of CHF 156 m 2) Excluding unrealised gains/losses on bonds

# Profit by source impacted by strong savings result

CHF million (IFRS basis)

	FY 2011 adjusted		FY 2012 adjusted	
Savings result	485	58%	868	82%
Risk result	367	44%	352	33%
Cost result	-198	-24%	-319	-30%
- <i>Thereof admin cost result gross<sup>1)</sup></i>	-20	-2%	6	1%
Fee result	163	19%	121	11%
Others & eliminations	24	3%	33	3%
<b>Segment result</b>	<b>841</b>	<b>100%</b>	<b>1 054</b>	<b>100%</b>
- Unallocated corporate costs	-54		-61	
<b>Profit from operations</b>	<b>788</b>		<b>993</b>	

1) Gross = before policyholder participation

# Future reporting to be aligned with Swiss Life 2015



## Q1 2013 (23 May 2013)

- Usual Q1 interim statement based on new segment structure
- Additionally, HY 2012 and FY 2012 results in new segment structure including IAS 19 restatement effects

## HY 2013 (14 August 2013)

- Disclosure in new segment structure

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**Bruno Pfister**

# Swiss Life 2015: Increase earnings and improve resilience through disciplined execution



Strategic thrust	Objective	Target	Profit by source:	
<b>Customer promise</b>  <b>1</b> Increase quality and quantity of touch points with customers	<b>2 Offering</b>	Focus own solutions on profitable and flexible products and expand third-party offering	<ul style="list-style-type: none"> <li>▪ <b>New business margin: &gt;1.5%</b></li> <li>▪ New business shift: ~85% of NBP from risk, modern and modern-traditional products</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Savings result &lt;50%</b></li> <li>▪ <b>Fee and risk result 60-70%</b></li> <li>▪ <b>Admin cost result &gt;0%</b></li> </ul>
	<b>3 Distribution</b>	Strengthen advisory expertise and manage production & distribution organisations in each market under one roof	<ul style="list-style-type: none"> <li>▪ <b>Fee income:</b> Increase by 20-25%</li> </ul>	
	<b>4 Efficiency and quality</b>	Continue to strengthen operational effectiveness	<ul style="list-style-type: none"> <li>▪ <b>Cost savings: CHF 130-160 m (project view)</b></li> <li>▪ <b>Efficiency:</b> Improve efficiency ratios</li> </ul>	
	<b>5 Financial strength</b>	Enhance financial strength and the resilience of the business model	<ul style="list-style-type: none"> <li>▪ <b>Adjusted RoE: 8-10%</b></li> <li>▪ <b>Dividend payout ratio: 20-40 %</b></li> </ul>	



**Full-year results 2012**  
**Investors' presentation**  
**Supplementary information**

## Supplementary information

### → Profit and loss

Balance sheet

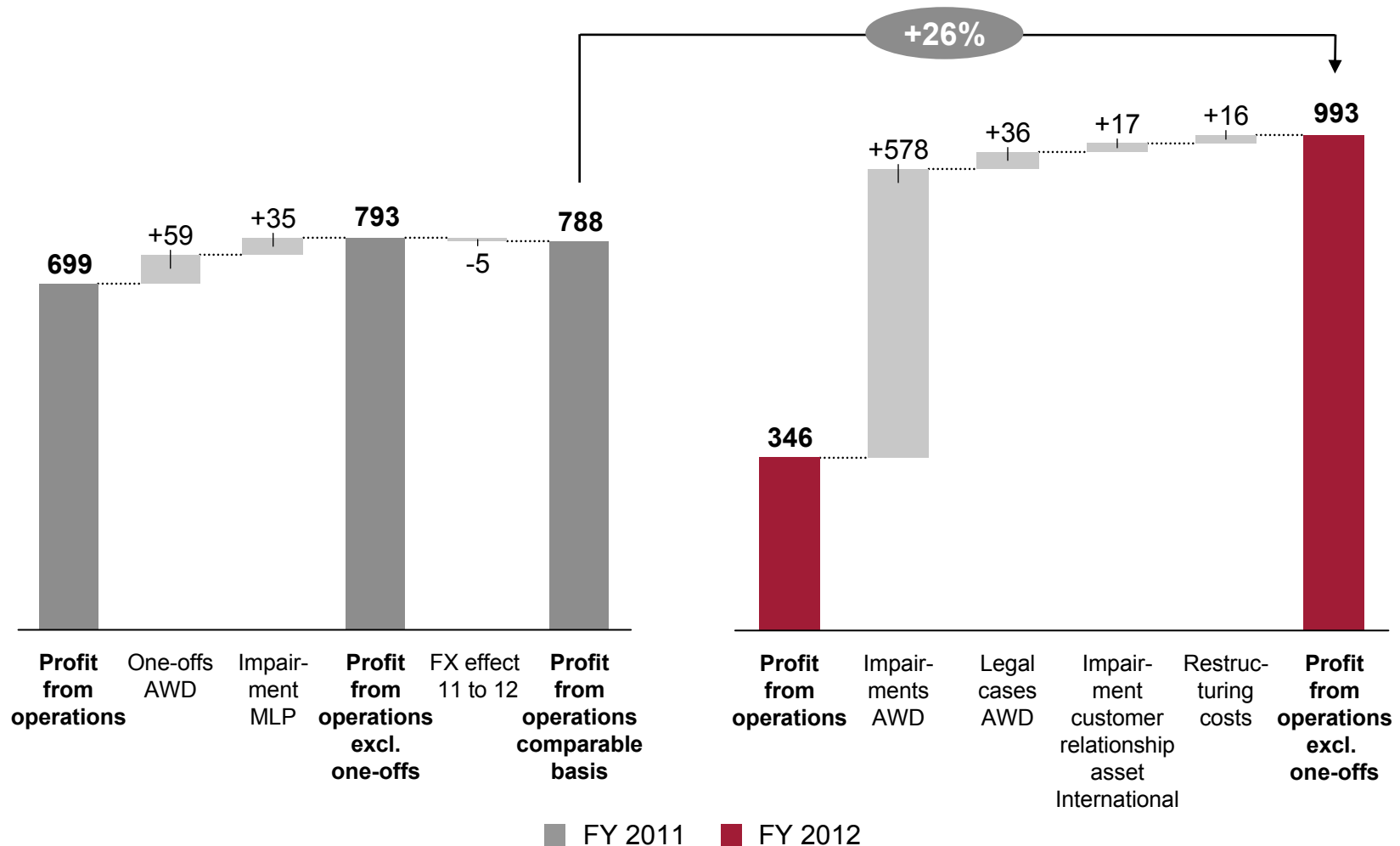
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

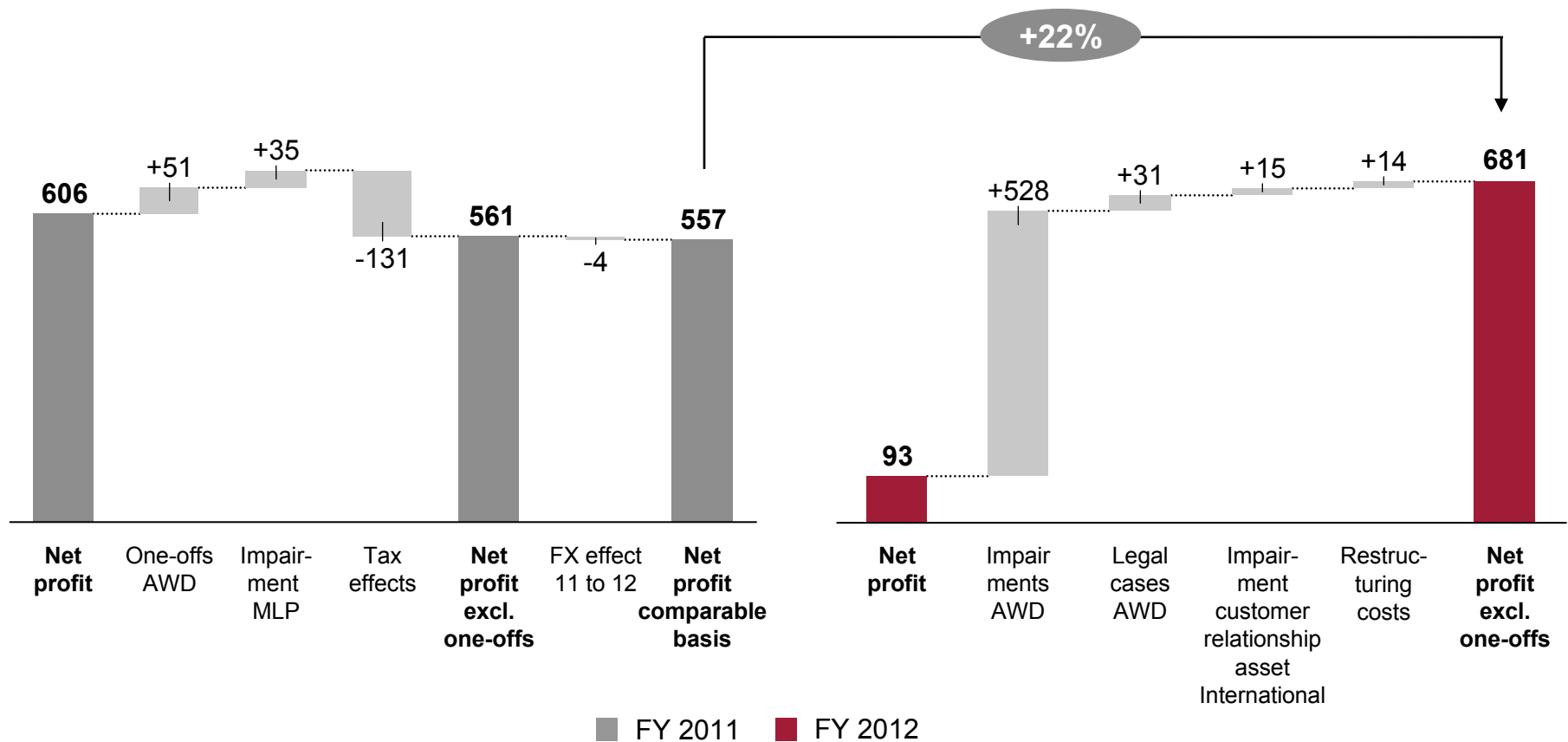
# Profit from operations 2011 and 2012 excluding major one-off effects

CHF million (IFRS basis)



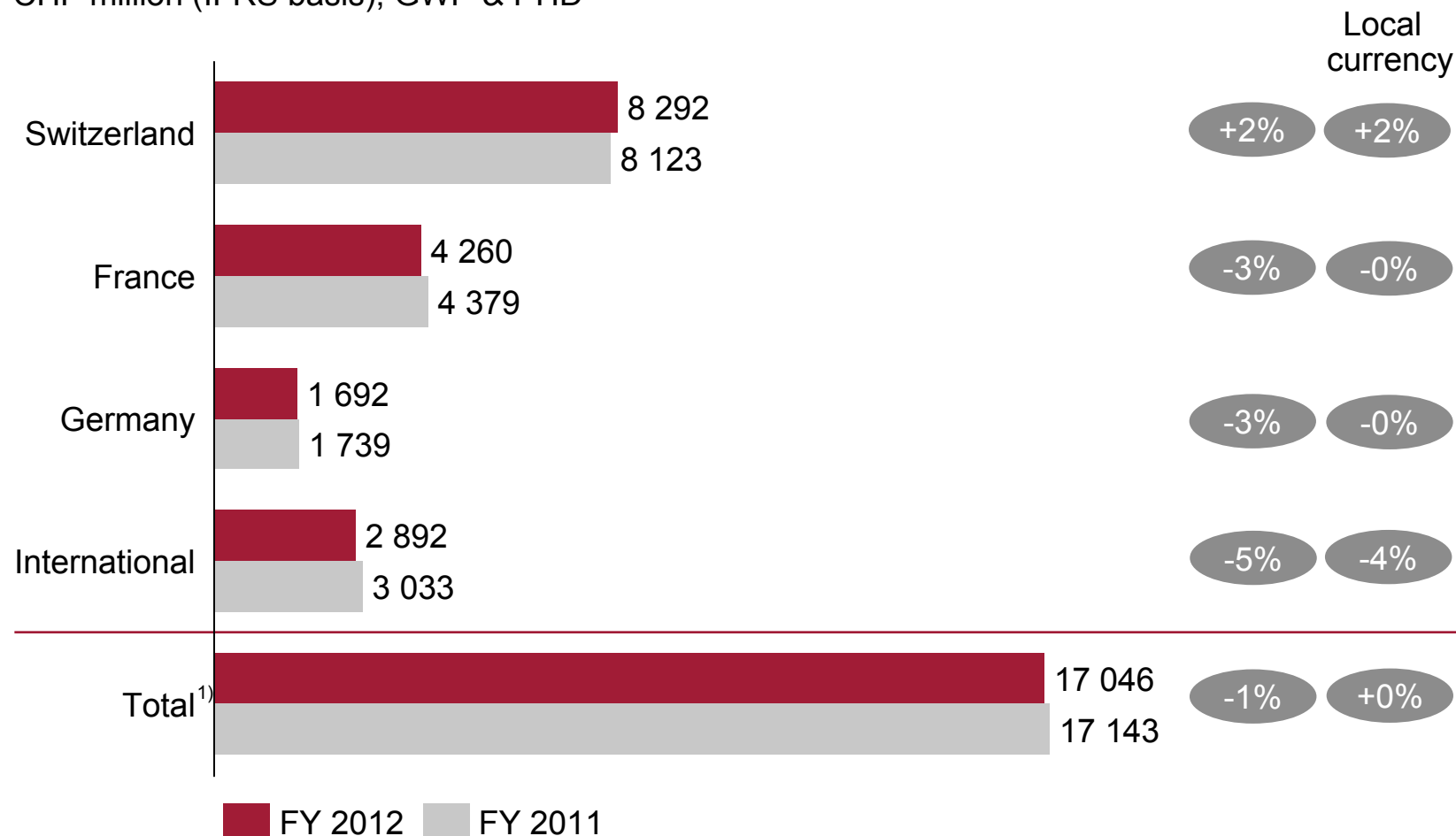
# Net result 2011 and 2012 excluding major one-off effects

CHF million (IFRS basis)



# Premium growth

CHF million (IFRS basis), GWP & PHD



1) Total includes intersegment eliminations of CHF -91 m in FY 2012, CHF -167 m in FY 2011 and Payment Protection Insurance (PPI) of CHF 1 m in FY 2012, CHF 36 m in FY 2011

# Switzerland: Premium development

CHF million (IFRS basis)

	FY 2011	FY 2012	Change
<b>Total life GWP incl. PHD</b>	<b>8 123</b>	<b>8 292</b>	<b>+2%</b>
Single premiums	4 197	4 245	+1%
Periodic premiums	3 926	4 047	+3%
<b>Group life</b>	<b>6 542</b>	<b>6 691</b>	<b>+2%</b>
Single premiums	3 604	3 616	+0%
Periodic premiums	2 938	3 075	+5%
<b>Individual life</b>	<b>1 581</b>	<b>1 601</b>	<b>+1%</b>
Single premiums	593	629	+6%
Periodic premiums	988	972	-2%

# Switzerland: Statutory distribution ratio in BVG business

CHF million (Statutory basis)

	FY 2009		FY 2010		FY 2011		FY 2012	
Gross revenue	2 192	100 %	2 041	100 %	2 227	100%	2 741	100 %
Total insurance benefits paid (incl. bonuses)	2 019	<b>92.1%</b>	1 896	<b>92.9%</b>	2 049	<b>92.0%</b>	2 557	<b>93.3%</b>
Operating income BVG business	173		145		178		184	
Operating income other group business	33		20		36		22	
Operating income total group business	206		165		214		206	



# Details of net investment result

CHF million (IFRS basis), insurance portfolio for own risk FY 2012

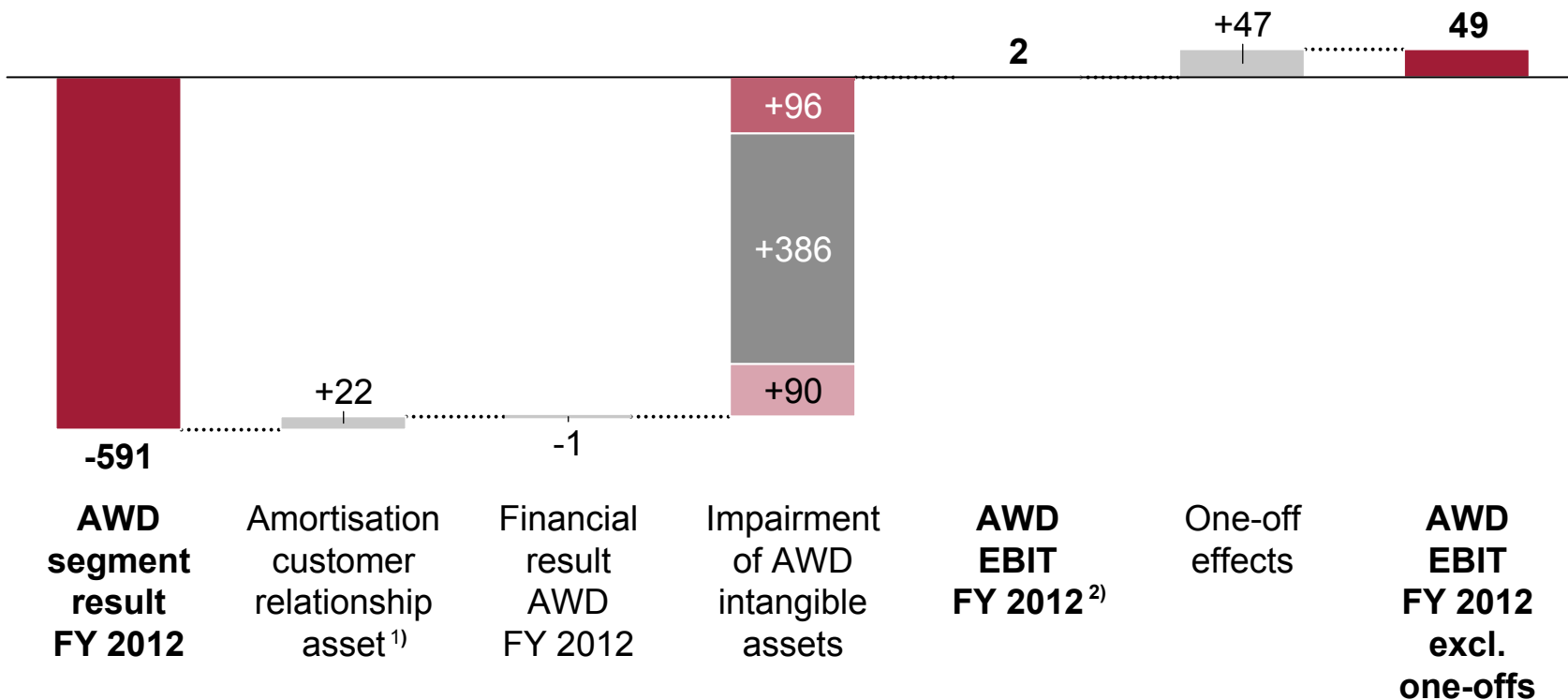
	Direct investment income	Impairments	Gains & losses through income statement			Net investment result
			On underlying	On derivatives	Net	
Bonds	3 149	-2	1 333	-51	1 282	4 430
Equities	25	-19	76	-66	10	16
Loans	331	-1	225		225	556
Mortgages	159					159
Alternative investments	5	-8	98	-2	96	93
Real estate	591		391		391	982
Cash & other	7		8		8	15
<b>Total before FX</b>	<b>4 269</b>	<b>-30</b>	<b>2 131</b>	<b>-119</b>	<b>2 012</b>	<b>6 251</b>
FX hedging costs & gains/losses			-687	407	-279	-279
<b>Total after FX</b>	<b>4 269</b>	<b>-30</b>	<b>1 445</b>	<b>288</b>	<b>1 733</b>	<b>5 971</b>
Expense						-242
<b>Net investment result</b>						<b>5 729</b>

Net capital gains/losses on investments of **1 702**



# Reconciliation AWD segment result to AWD EBIT

CHF million (IFRS basis)



- Impairment customer relationship asset
- Impairment goodwill
- Impairment brand

1) Annual amortisation: EUR 18 m

2) AWD EBIT FY 2012: EUR 1.6 m (incl. EUR 4.2 m impairment on Proventus intangibles)



# Operating result

CHF million (IFRS basis), segment results

	FY 2011	FY 2012
Insurance	648	826
of which - Switzerland	476	634
- France	124	157
- Germany	58	69
- International	-10	-34
Investment Management	130	138
AWD	-13	-591
Other & eliminations	-12	34
Unallocated corporate costs	-54	-61
<b>Profit from operations</b>	<b>699</b>	<b>346</b>

# Change analysis of adjusted profit from operations

CHF million (IFRS basis), segment results adjusted<sup>1)</sup>

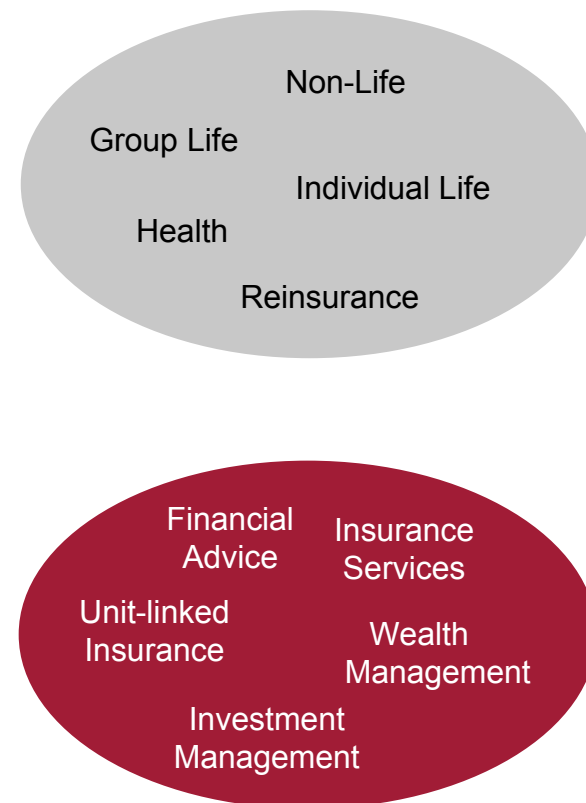
	FY 2011 adjusted	FY 2012 adjusted	Change
<b>Insurance business</b>	<b>654</b>	<b>870</b>	<b>+217</b>
Switzerland	476	643	
France	121	157	
Germany	57	69	
<b>Fee business</b>	<b>164</b>	<b>150</b>	<b>-13</b>
Investment Management	130	138	
AWD	44	23	
Insurance International	-10	-10	
<b>Unallocated corporate costs and others</b>	<b>-30</b>	<b>-27</b>	<b>+3</b>
<b>Profit from operations</b>	<b>788</b>	<b>993</b>	<b>+205</b>

1) Adjusted for major one-offs and for EUR/CHF FX effects



# Profit by source: Structure and scope

<b>Savings result</b>	<ul style="list-style-type: none"> <li>+ Income from investments<sup>1)</sup></li> <li>+ Income from savings premiums</li> <li>- Expense related to savings process</li> <li>- Technical interest<sup>2)</sup></li> <li>= Investment spread</li> <li>- Policyholder participation</li> <li>= <b>Net savings result</b></li> </ul>
<b>Risk result</b> (incl. reinsurance)	<ul style="list-style-type: none"> <li>+ Income from risk premiums</li> <li>- Expense related to risk<sup>3)</sup></li> <li>= Gross risk result</li> <li>- Policyholder participation</li> <li>= <b>Net risk result</b></li> </ul>
<b>Cost result</b>	<ul style="list-style-type: none"> <li>+ Income from cost premiums</li> <li>- Expense related to costs</li> <li>= Gross cost result<sup>4)</sup></li> <li>- Policyholder participation</li> <li>= <b>Net cost result</b></li> </ul>
<b>Fee result</b>	<ul style="list-style-type: none"> <li>+ Income related to fee business</li> <li>- Expense related to fee business</li> <li>= <b>Fee result</b></li> </ul>



1) Income from invested insurance assets (incl. also IFRS P&L capital gains & losses and impairments)  
 2) Interest on insurance liabilities  
 3) Incurred claims incl. change in reserves  
 4) Acquisition cost result (incl. net DAC effect) plus administration cost result, both before policyholder participation

## Supplementary information

Profit and loss

→ **Balance sheet**

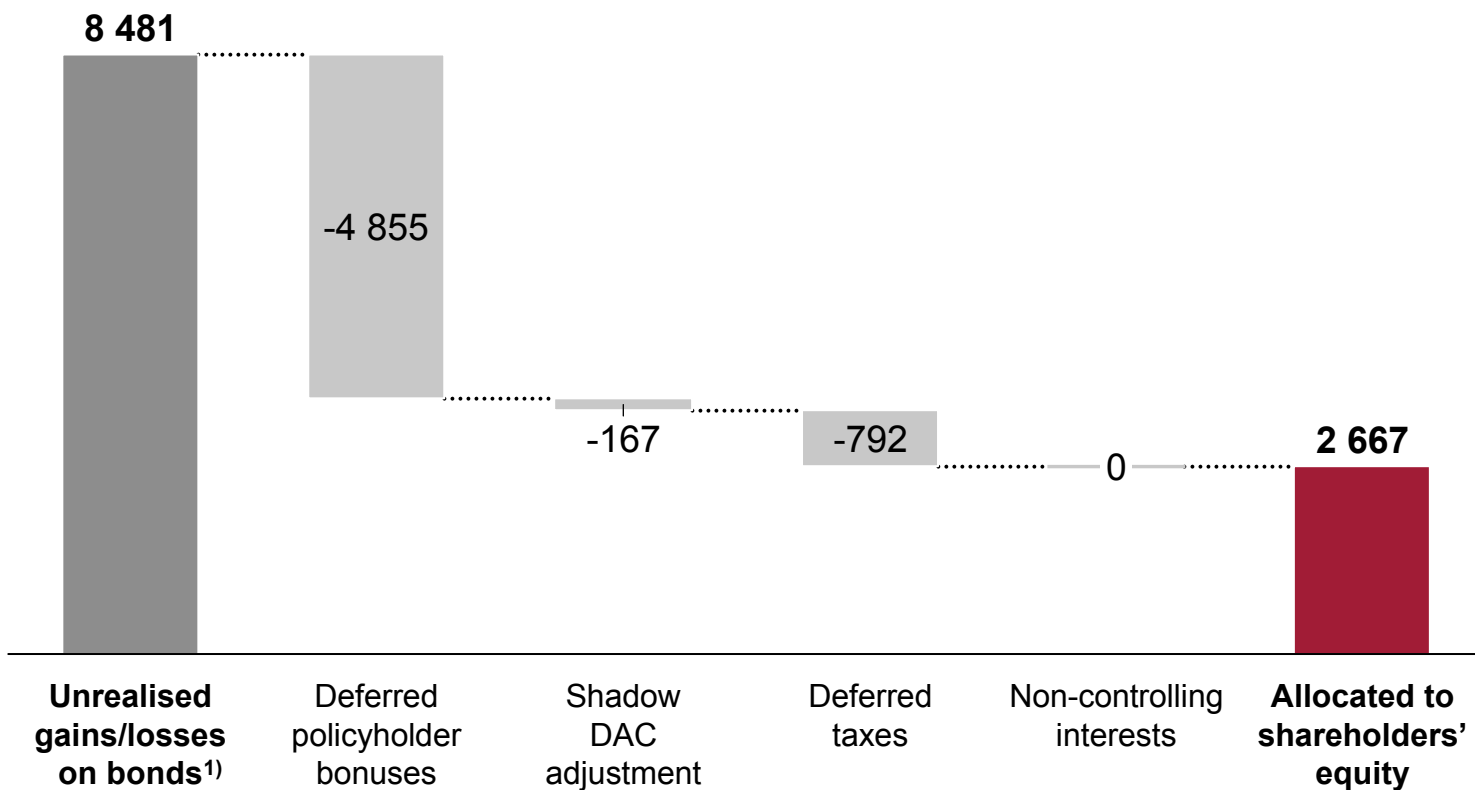
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

# Allocation of unrealised gains/losses on bonds

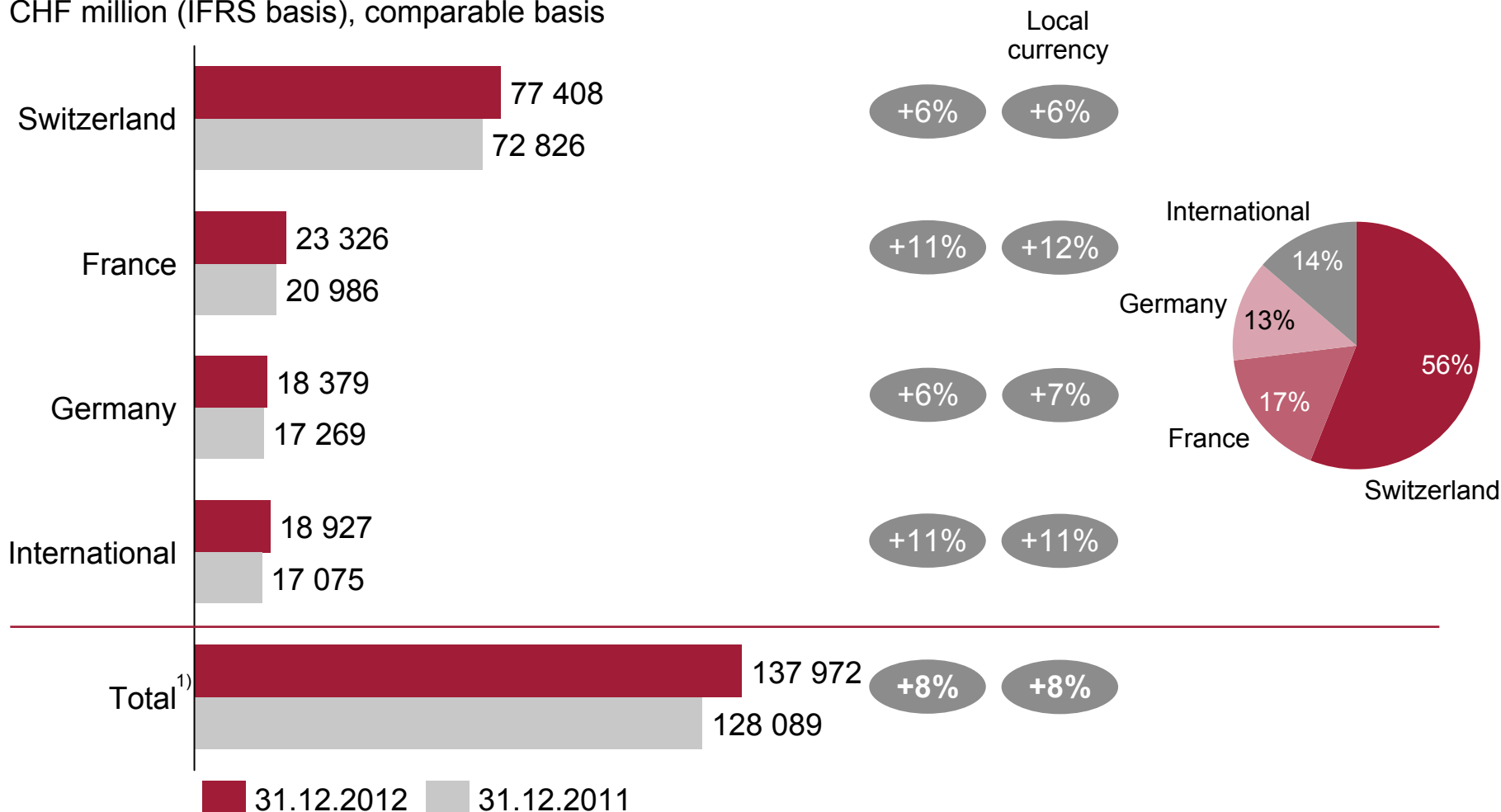
CHF million (IFRS basis), as per 31.12.2012



1) Including cash flow hedge reserve

# Insurance reserves by country

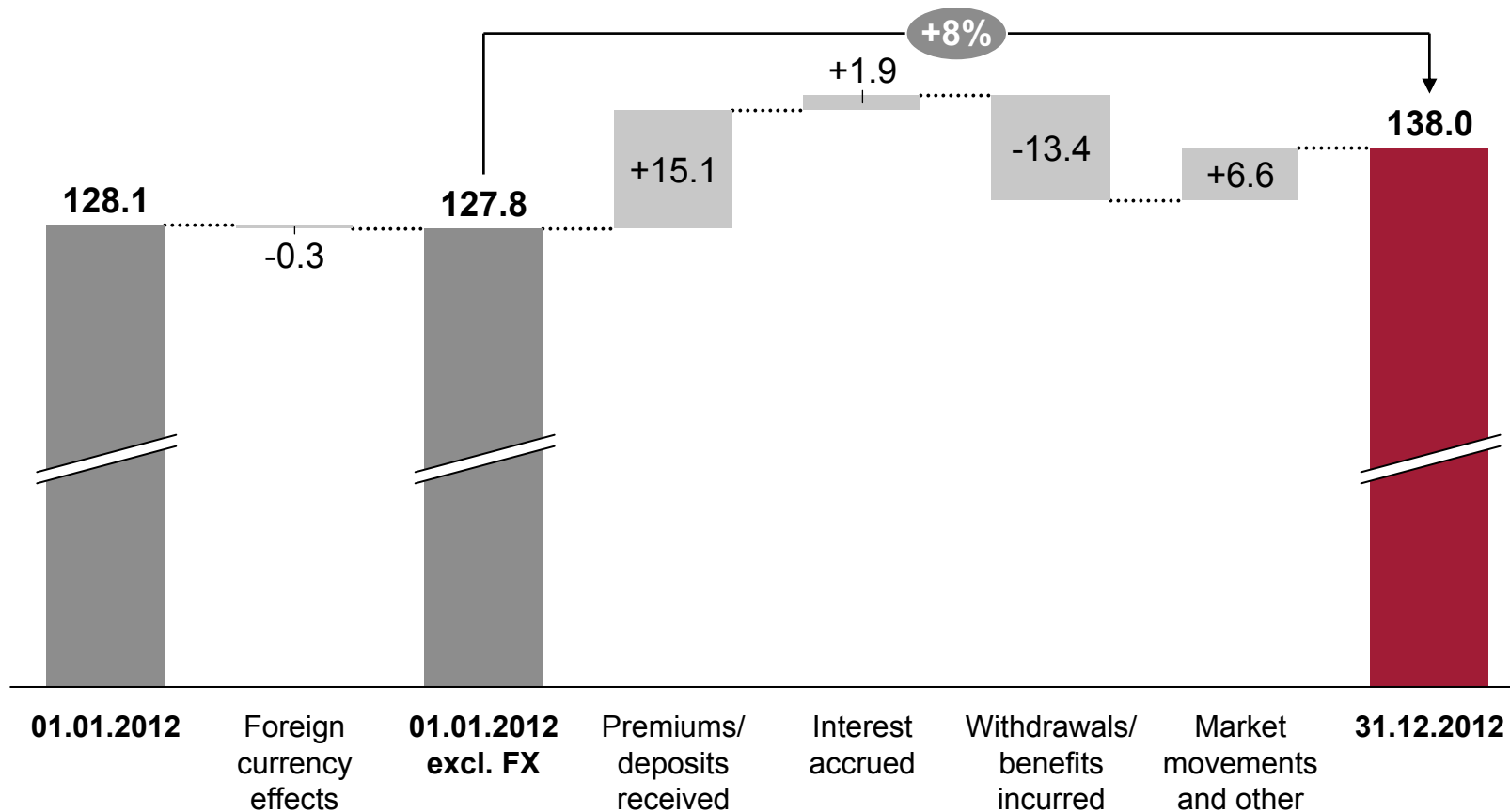
CHF million (IFRS basis), comparable basis



1) Total includes intersegment eliminations of CHF -112 m in FY 2012 and CHF -120 m in FY 2011; and PPI of CHF 44 m in FY 2012, CHF 53 m in FY 2011

# Insurance reserves roll-forward 2012

CHF billion (IFRS basis)

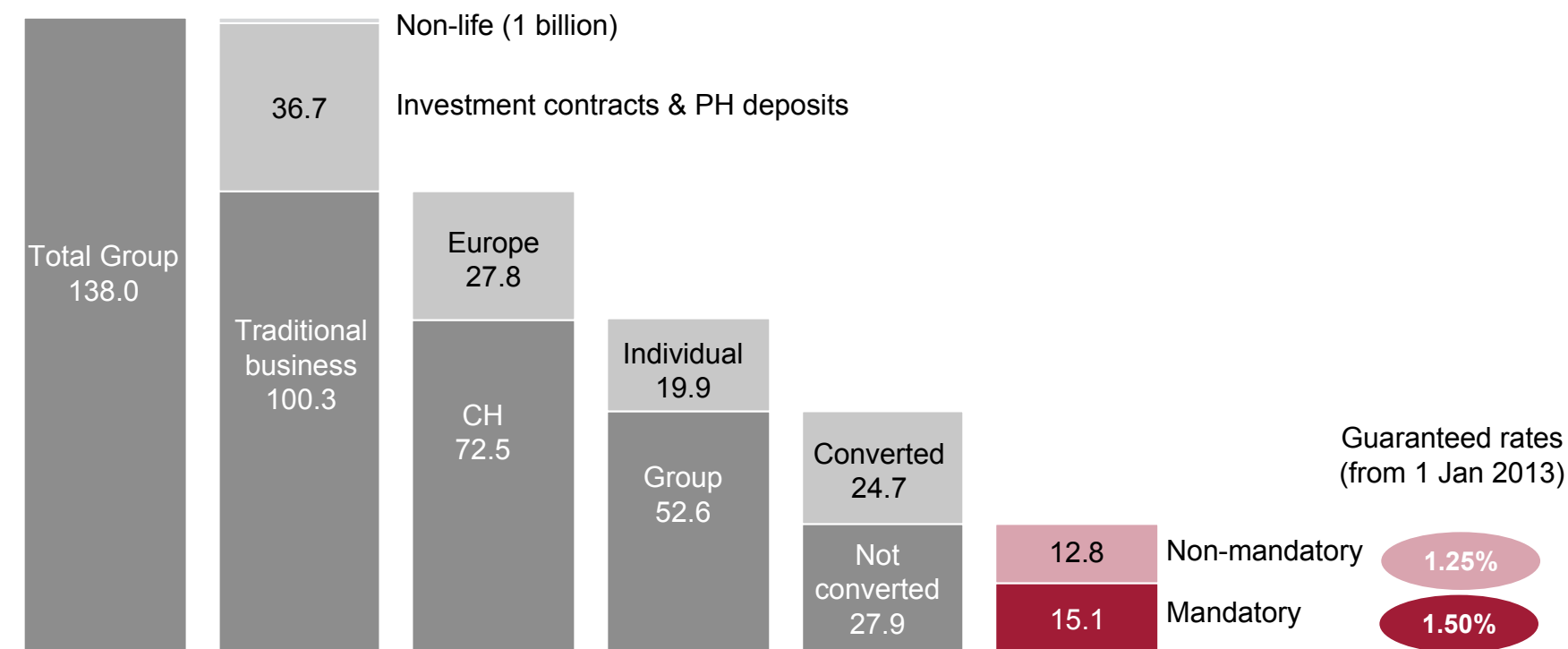




# Swiss Life Group reserves subject to BVG minimum interest rates

CHF billion (IFRS basis)

Breakdown of insurance reserves (incl. unit-linked) as per 31.12.2012



# Average technical interest rate

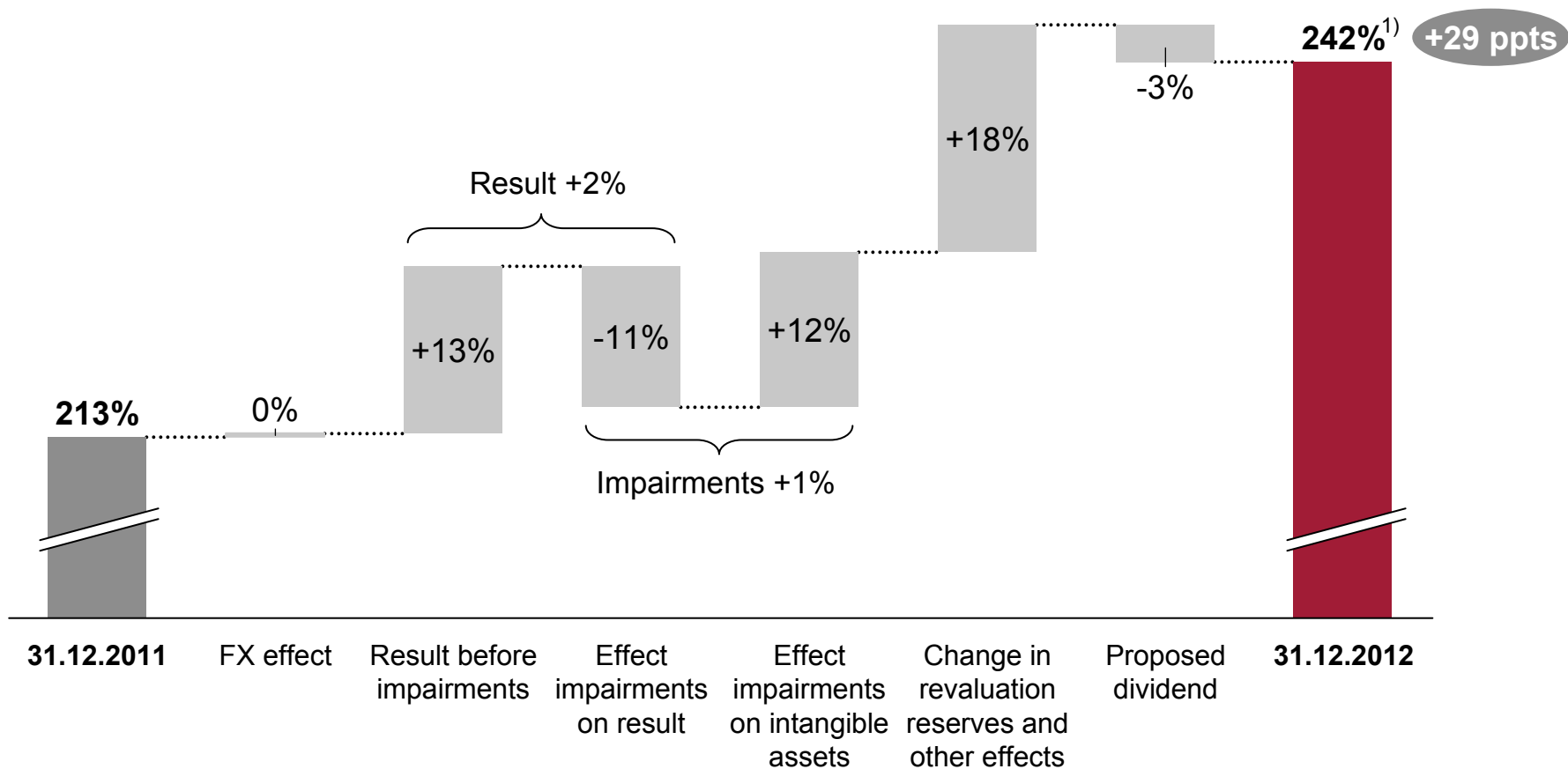
CHF / EUR / USD / GBP million (Statutory basis), as per 31.12.2012

	CHF	EUR	USD	GBP
Total reserves	69 424	26 090	116	9
Average technical interest rate	1.88%	2.66%	2.99%	3.40%

Overall: 2.12%  
(01.01.2012: 2.35%)

# Group solvency

Based on IFRS equity



1) Group solvency excluding unrealised gains/losses on bonds: 188% (183% per FY 2011)

# Group solvency

CHF million (IFRS basis)

	31.12.2011	31.12.2012
<b>Available solvency margin</b>		
IFRS equity (incl. minority interests)	9 162	10 286
Eligible part of hybrid capital <sup>1)</sup>	2 384	2 471
Unattributed surplus	750	703
Goodwill and other intangible assets	-1 905	-1 288
DAC non-life	-72	-53
Dividends and par value reduction	-144	-144
Tax losses	-9	-9
<b>Total available solvency margin</b>	<b>10 166</b>	<b>11 966</b>
<b>Total required solvency margin</b>	<b>4 768</b>	<b>4 942</b>
<b>Solvency ratio</b>	<b>213%</b>	<b>242%</b>

1) Limited to 50% of the required solvency margin

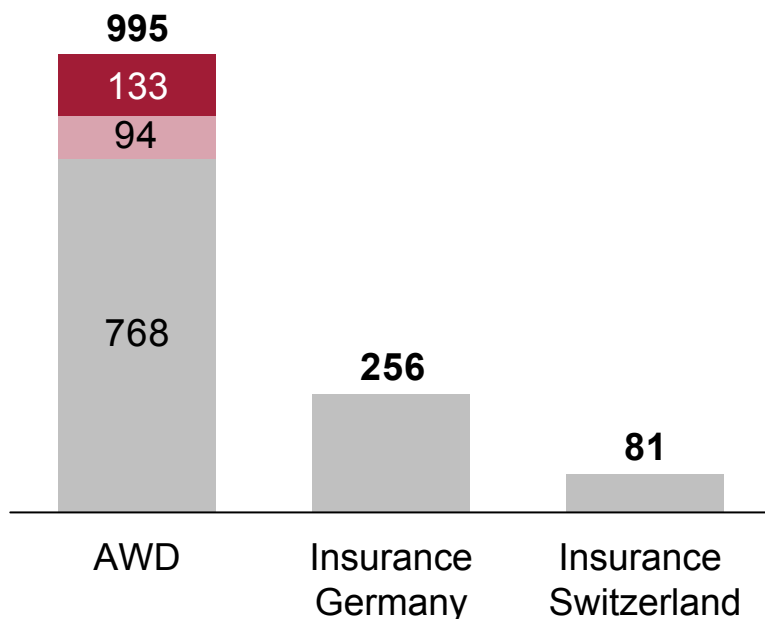


# Impairment of AWD intangible assets

As per 31.12.2012

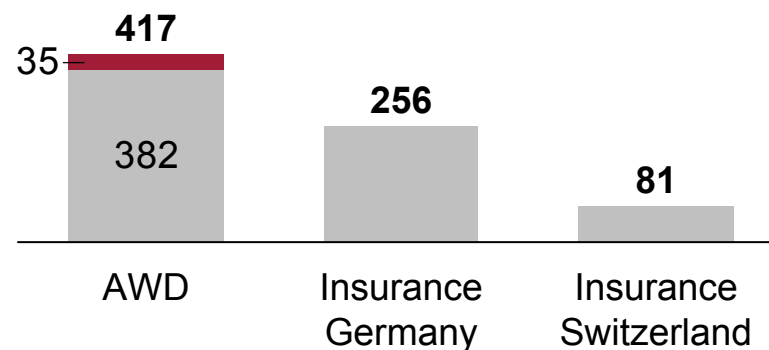
## Allocation of AWD intangible assets to current segments before impairment

Total: CHF 1 332 m



## Allocation of AWD intangible assets to current segments after impairment

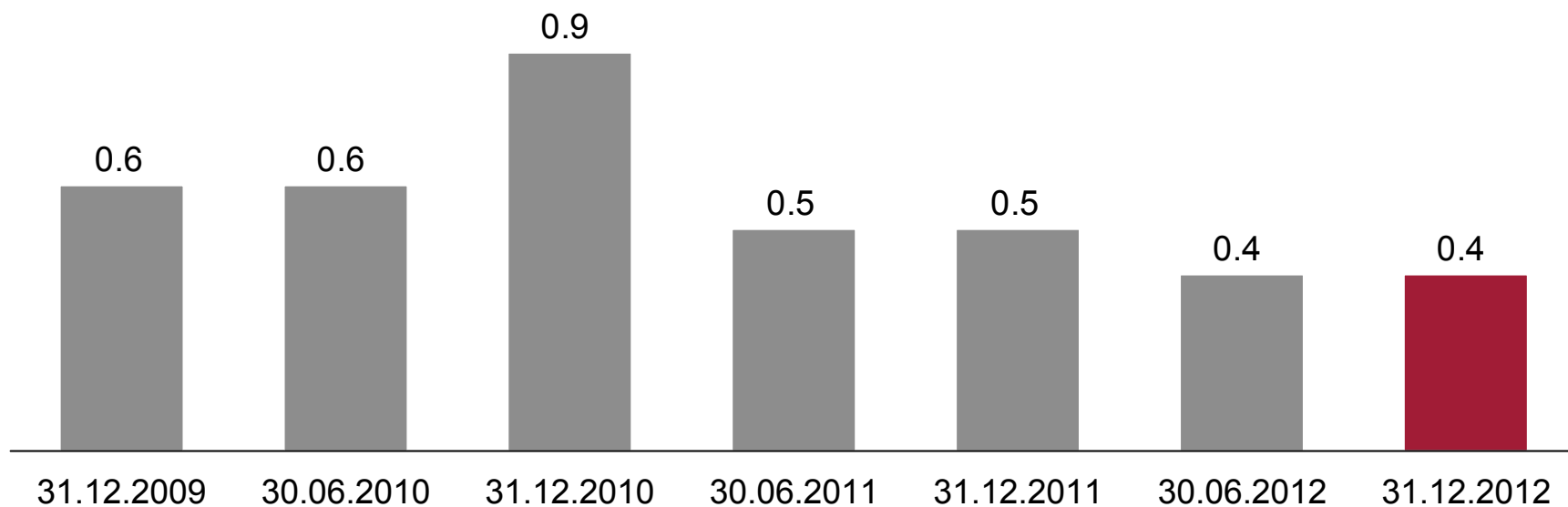
Total: CHF 754 m



Customer relationship asset Brand Goodwill

# Total weighted duration gap<sup>1)</sup>

in %



1) Explains the linear change in risk-bearing capital due to a parallel shift of the underlying interest rate curve in percentage of the present value of insurance liabilities

## Supplementary information

Profit and loss

Balance sheet

→ **Investments**

Market consistent embedded value (MCEV)

Contact details and financial calendar

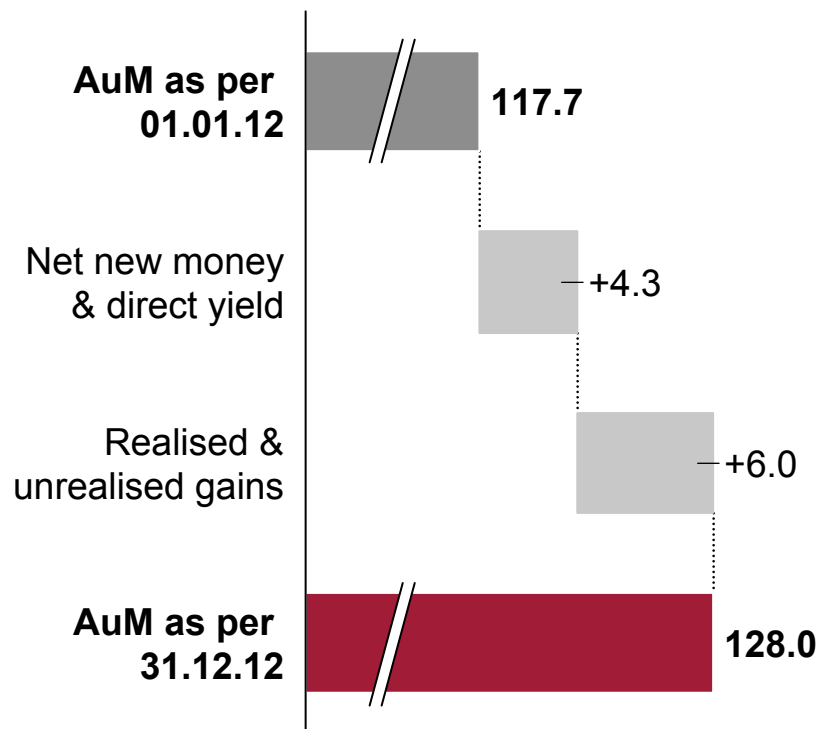
# Business review Investment Management: Change analysis of assets under management



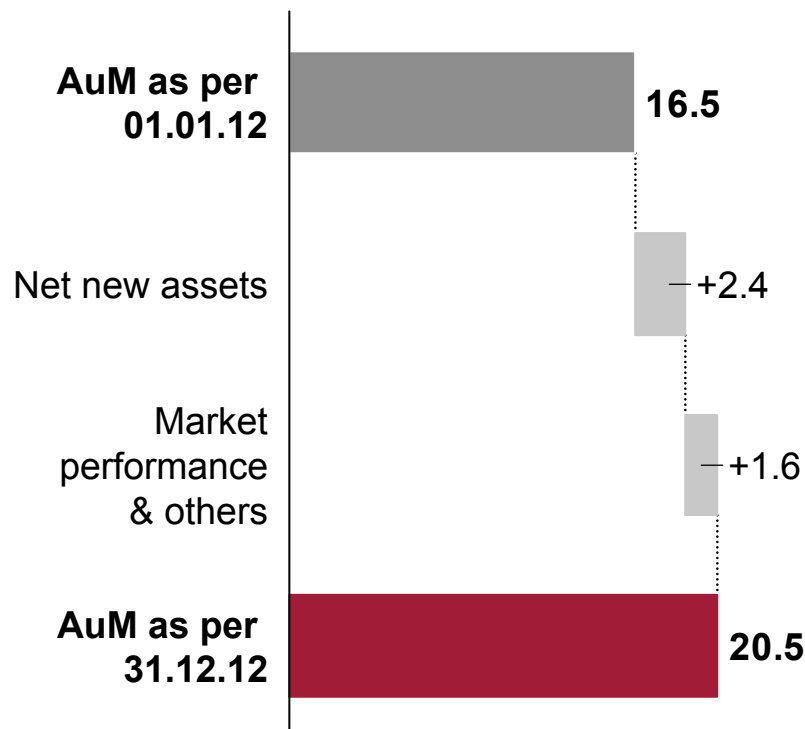
SwissLife

CHF billion (fair value basis)

**Swiss Life Mandates  
(Proprietary assets)**



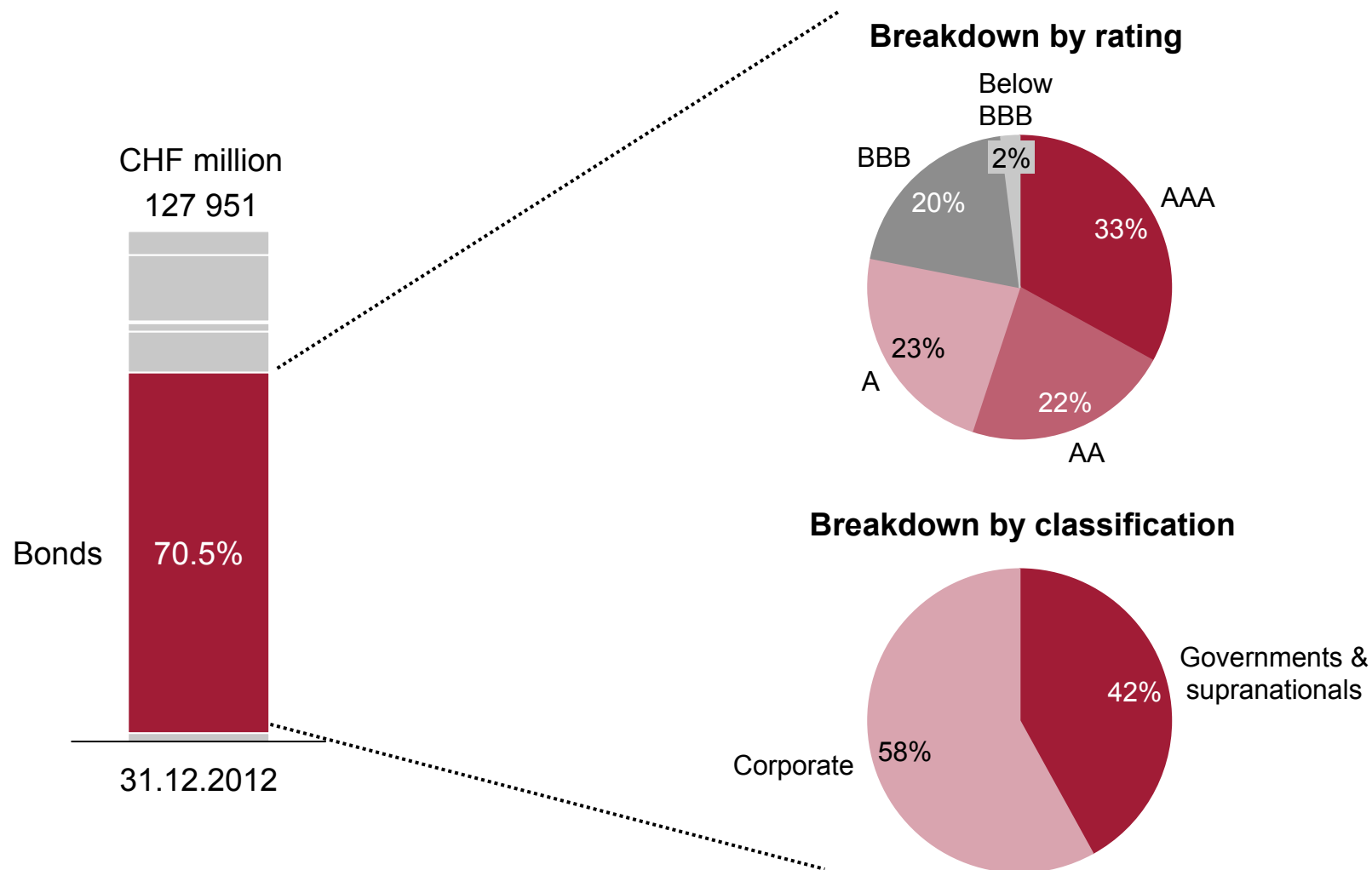
**Asset Managers Business  
(Third party assets)**





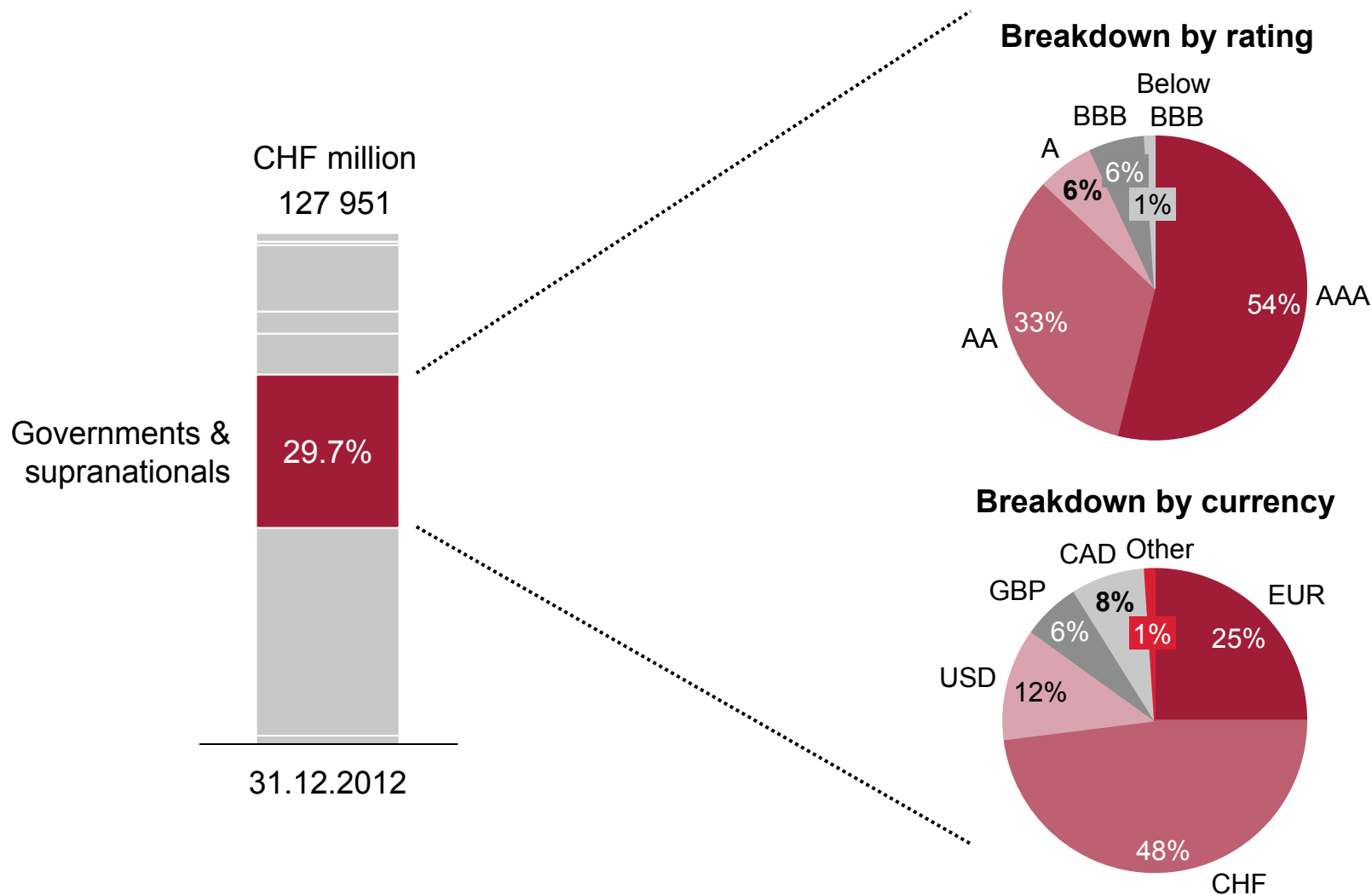
# Bond portfolio: Ratings and classification

Insurance portfolio for own risk (fair value basis)



# Government and supranational bond portfolio: Ratings and currency

Insurance portfolio for own risk (fair value basis)



# Government and supranational bond portfolio: Split by country

Government and supranational bond portfolio (fair value basis), as per 31.12.2012, 29.7% of insurance portfolio for own risk (CHF 38.0 bn)

## % of total government and supranational bond portfolio

Switzerland	31%
France	10%
UK	6%
Germany	4%
Netherlands	4%
Sovereigns under observation	2%
Supranationals	4%
Other	14%
<b>Europe</b>	<b>75%</b>
Canada	10%
USA	7%
Supranationals	2%
Other	6%
<b>Rest of the world</b>	<b>25%</b>
<b>Total</b>	<b>100%</b>

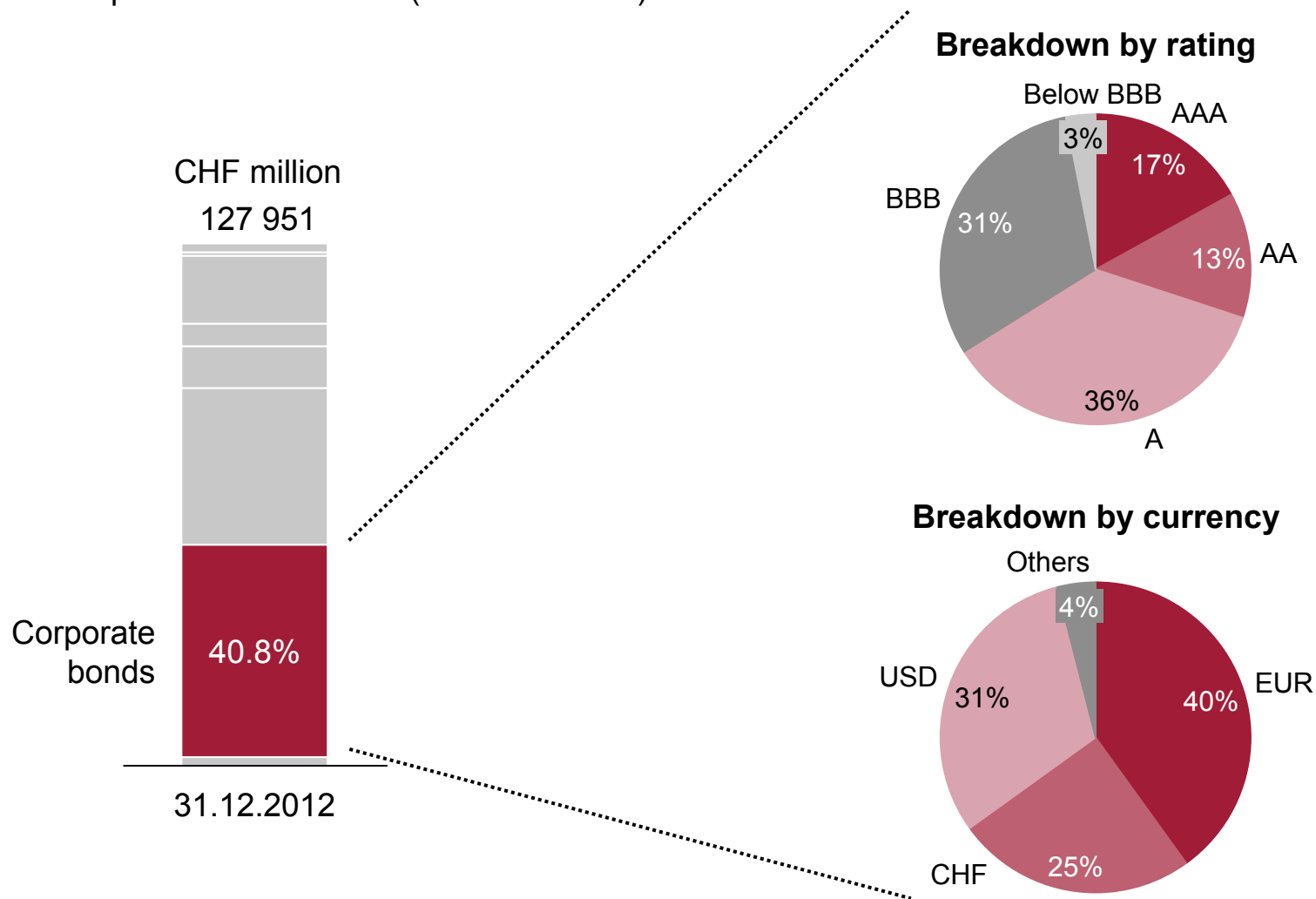
In CHF million<sup>1)</sup>

	FY 2011	FY 2012	
	FV <sup>2)</sup>	FV <sup>2)</sup>	AC <sup>3)</sup>
Portugal	78	61	70
Italy	81	173	168
Ireland	177	319	314
Greece	11	-	-
Spain	189	80	106
<b>Total</b>	<b>536</b>	<b>633</b>	<b>658</b>

1) Before policyholder/shareholder split and tax 2) Fair value 3) Amortised cost value

# Corporate bond portfolio: Ratings and currency

Insurance portfolio for own risk (fair value basis)





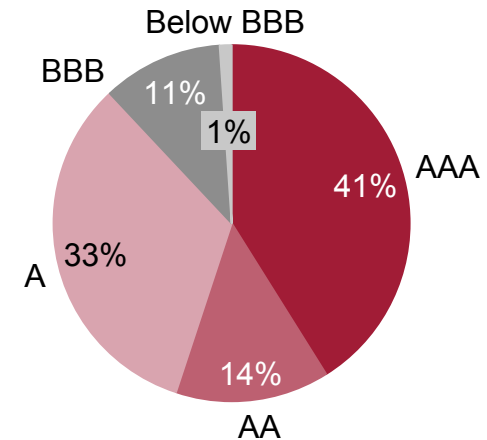
# Corporate bond portfolio: Industry split

Corporate bond portfolio (fair value basis), as per 31.12.2012,  
40.8% of insurance portfolio for own risk (CHF 52.2 bn)

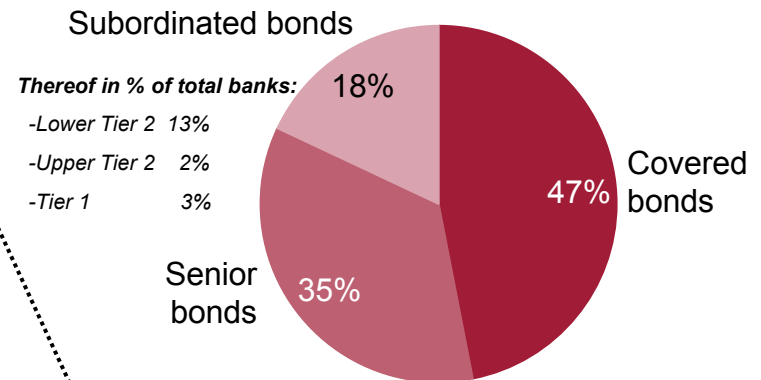
## Breakdown by industry

	% of total corporate bond portfolio
Banks	36%
Other financials	5%
Utilities	9%
Industrial	9%
Consumer non-cyclical	8%
Energy	6%
Communication	7%
Consumer discretionary	5%
Health	4%
Other	11%
<b>Total</b>	<b>100%</b>

## Breakdown banks by rating

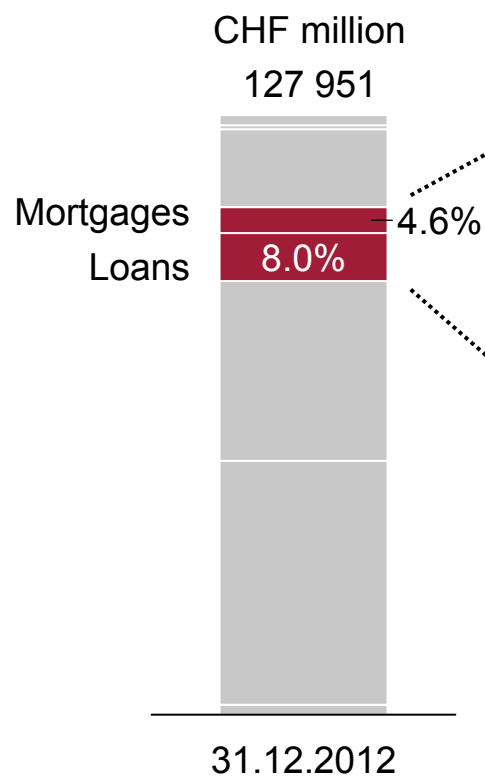


## Breakdown banks by structure

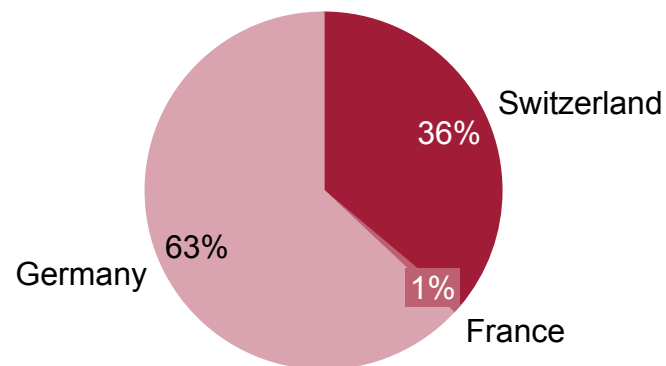


# Loan and mortgage portfolio

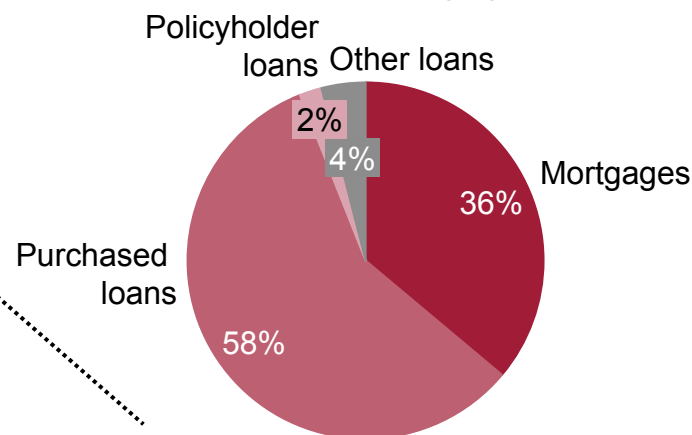
Insurance portfolio for own risk (fair value basis)



Breakdown by country

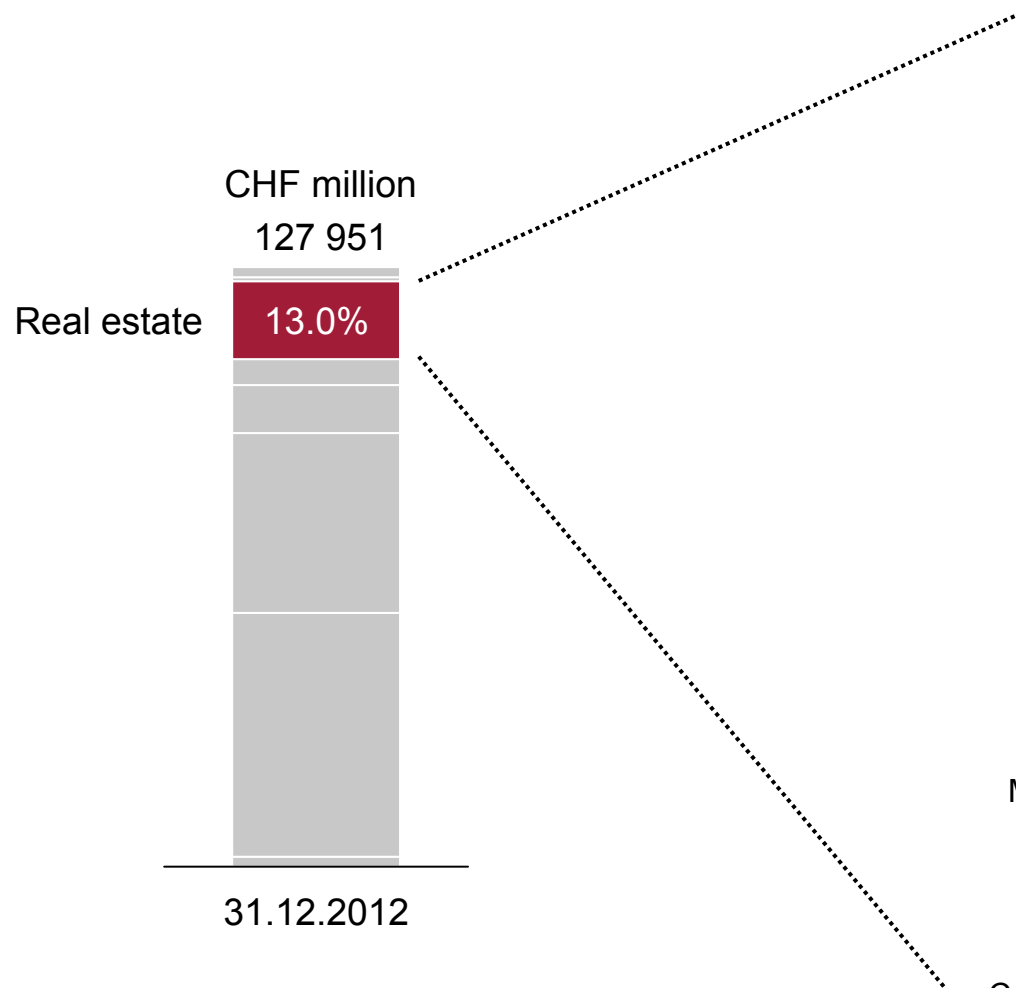


Breakdown by type

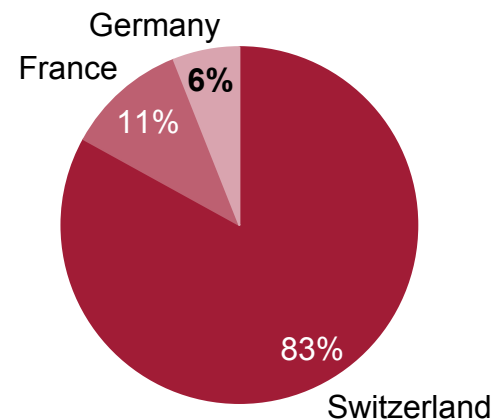


# Real estate portfolio

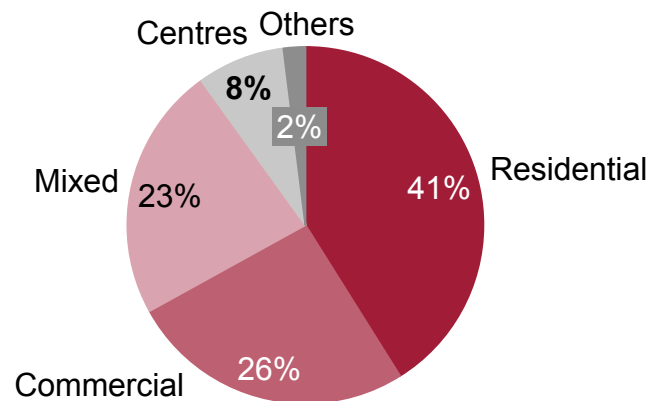
Insurance portfolio for own risk (fair value basis)



## Breakdown by country

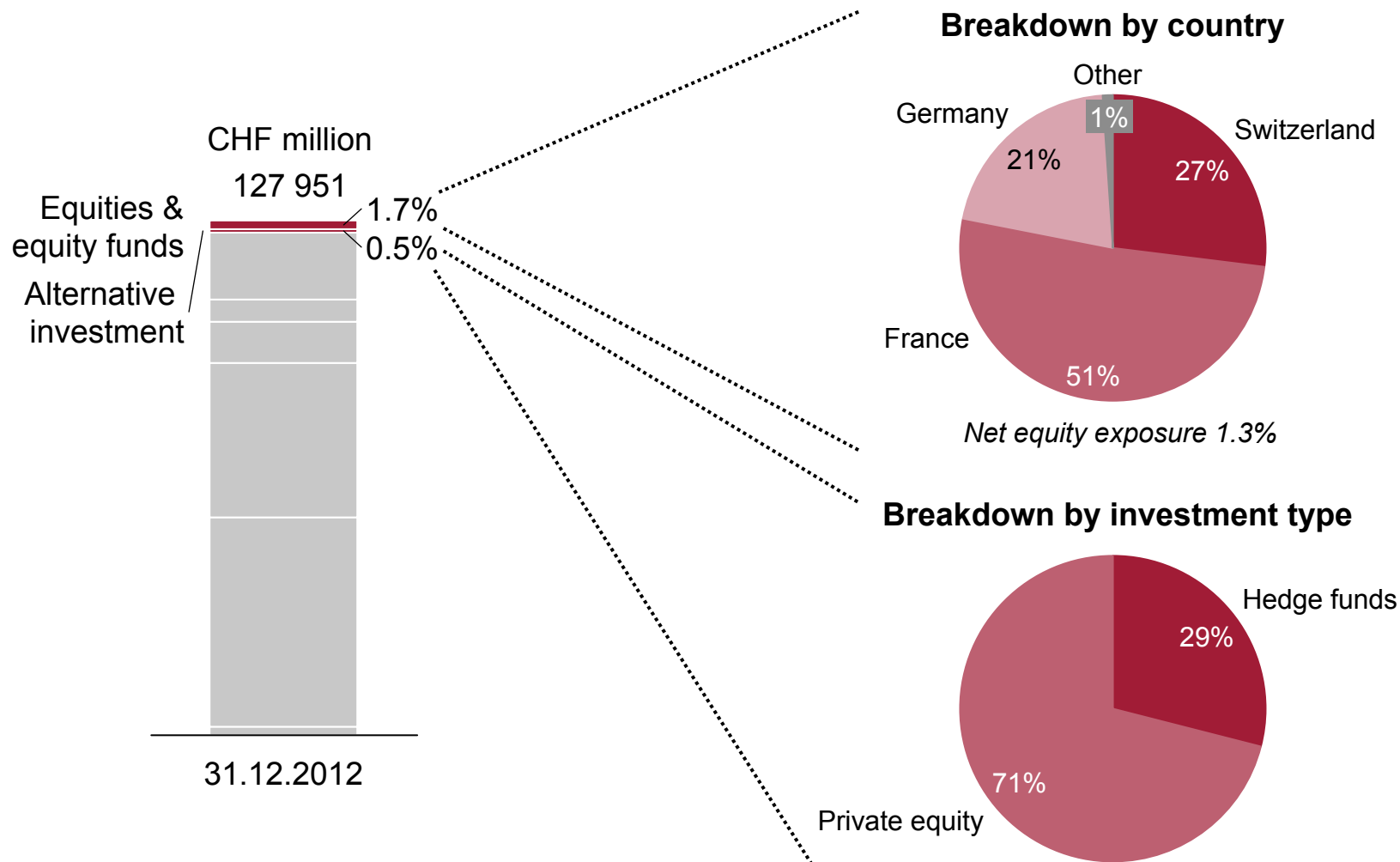


## Breakdown by type



# Equities and alternative investment portfolio: Gross exposure

Insurance portfolio for own risk (fair value basis)





# Forex and interest rates

## Foreign currency exchange rates

	31.12.11	30.06.12	31.12.12
EUR	1.2166	1.2011	1.2070
GBP	1.4559	1.4888	1.4855
USD	0.9388	0.9494	0.9146

	01.01.-31.12.11	01.01.-31.12.12
	1.2345	1.2059
	1.4221	1.4865
	0.8866	0.9378

## Interest rates<sup>1)</sup>

	31.12.11	30.06.12	31.12.12
CHF	0.663	0.665	0.526
EUR	1.829	1.583	1.316
GBP	1.977	1.734	1.828
USD	1.876	1.645	1.757

1) 10-year government bond

## Supplementary information

Profit and loss

Balance sheet

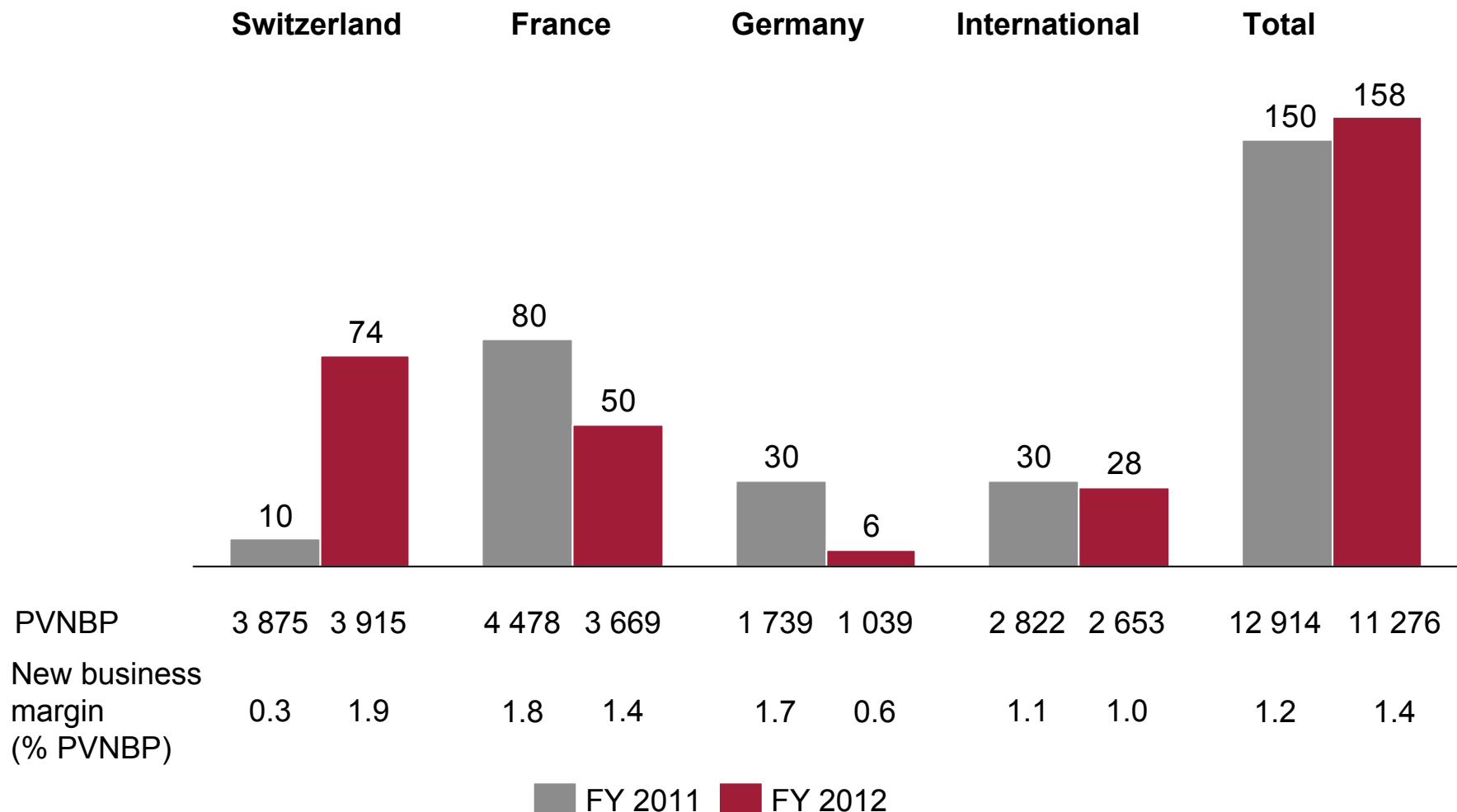
Investments

→ **Market consistent embedded value (MCEV)**

Contact details and financial calendar

# Value of new business

CHF million





# Value of new business

CHF million (MCEV), as per FY 2012

	Switzer-land	France	Germany	Interna-tional	Total
Value of new business	74	50	6	28	158
New business strain	-45	-51	-4	1	-99
VNB before new business strain	120	101	10	27	257
Annual premiums	159	304	66	10	539
Single premiums	1 420	1 363	242	2 578	5 604
Present value of new premiums (PVNBP)	3 915	3 669	1 039	2 653	11 276
Average annual premium multiplier	15.7	7.6	12.0	7.7	10.5
New business annual premium equivalent (APE)	301	441	91	268	1 100
change from FY 2011	-2%	-17%	-39%	-5%	-13%
New business margin (% PVNBP)	1.9%	1.4%	0.6%	1.0%	1.4%
change from FY 2011 in ppts	+1.6	-0.4	-1.1	-0.1	+0.2
New business margin (% APE)	24.7%	11.3%	6.5%	10.4%	14.4%
change from FY 2011 in ppts	+21.3	-3.9	-13.3	-0.3	+2.5



# Economic assumptions

As per FY 2012

Swap rates							Forward inflation rates					
Economy	1 year	2 year	5 year	10 year	15 year	30 year	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Switzerland	0.05%	0.06%	0.32%	0.96%	1.29%	1.47%	0.4%	0.1%	0.3%	1.4%	1.5%	1.7%
Euro-zone	0.33%	0.37%	0.77%	1.57%	2.02%	2.24%	2.2%	1.5%	1.3%	2.2%	2.3%	2.0%
USA	0.33%	0.39%	0.86%	1.79%	2.32%	2.69%						

## Swaption implied volatilities (tenor: 20 years for EUR and USD, 10 years for CHF)

Economy	1 year option	2 year option	5 year option	10 year option	15 year option	30 year option
Switzerland		47.1%	45.4%	43.6%	44.5%	44.4%
Euro-zone		30.1%	29.1%	25.9%	23.5%	22.7%
USA		28.4%	27.8%	24.0%	21.2%	20.1%

## Equity option implied volatilities

Economy	Index	Volatility
Switzerland	SMI	20.2%
Euro-zone	EuroStoxx 50	24.7%
USA	S&P 500	26.6%

## Real estate volatilities

Economy	Volatility
Switzerland	8.0%
Euro-zone	13.0%

# Cautionary statement regarding forward-looking information



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## Supplementary information

Profit and loss

Balance sheet

Investments

Market consistent embedded value (MCEV)

→ **Contact details and financial calendar**

# Contact details and financial calendar

## Contact

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## Financial calendar

Publication of Annual Report 2012	18 March 2013
Annual General Meeting 2013	23 April 2013
Interim Statement Q1 2013	23 May 2013
Half-year Results	14 August 2013

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