



Investors' Day 2015

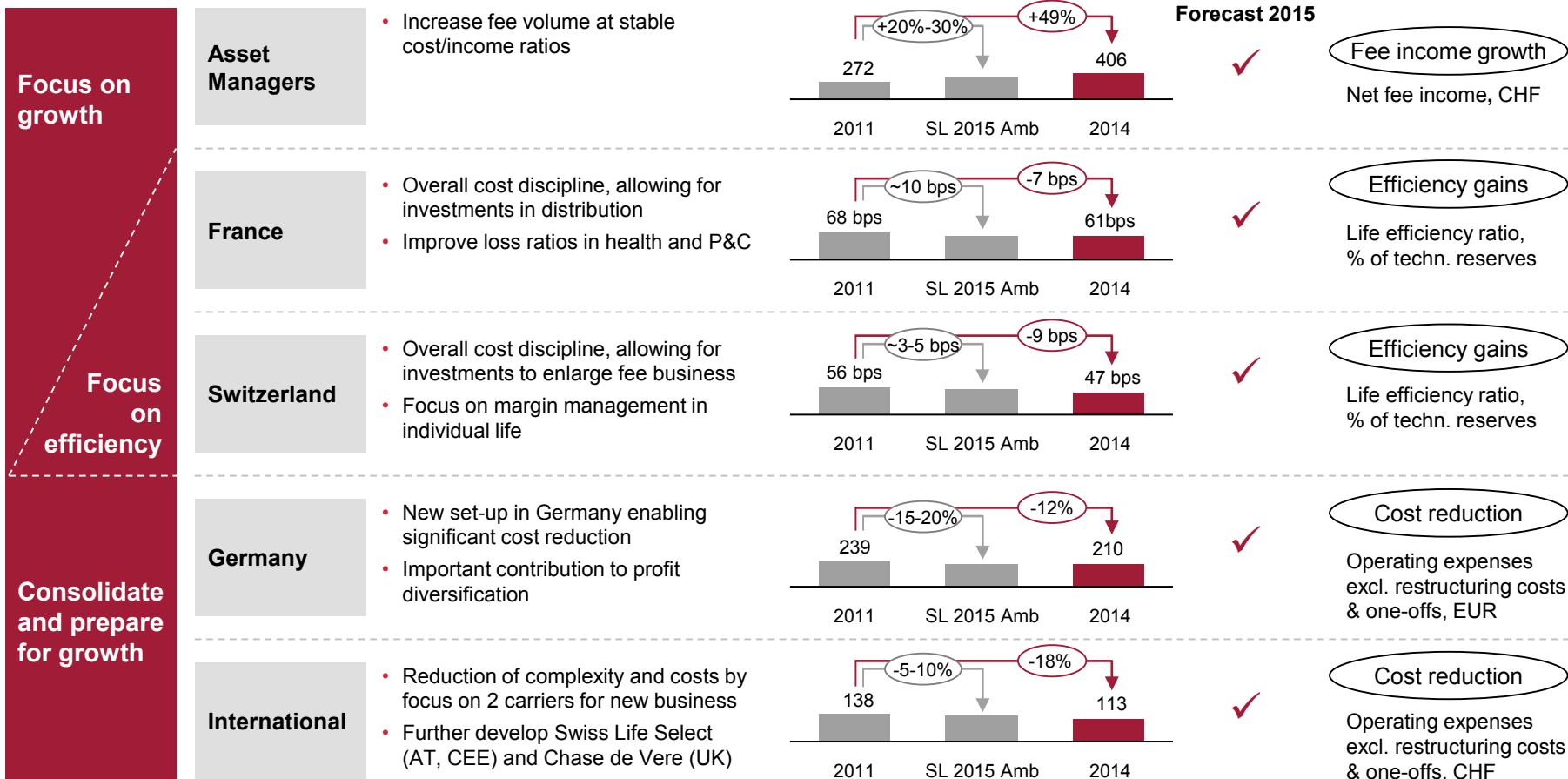
Swiss Life 2018 – Driving performance

Thomas Buess, Group CFO
Zurich, 25 November 2015

Majority of Swiss Life 2015 targets achieved in advance ...

| Strategic thrust | Target | Status |
|--|---|--------------------------------------|
| 1 Customer promise 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 | 1.7% (HY15) ● 85% (Q315) ● |
| | 3 Distribution <ul style="list-style-type: none"> Fee and commission income: Increase by 20-25% | +15% (FY14) ◐ |
| | 4 Efficiency and quality <ul style="list-style-type: none"> Cost savings: CHF 130-160 m (project view) Efficiency: Improve efficiency ratios (to 0.63%-0.68%) | CHF 179 m (Q315) ● 0.65% (FY14) ● |
| | 5 Financial strength <ul style="list-style-type: none"> Adjusted RoE: 8-10% Dividend payout ratio: 20-40% | 9.6% (FY14) ● 25% (FY14) ● |
| | Profit by source: FY 2014 <ul style="list-style-type: none"> Savings result <50% ◐ 55% Fee and risk result 60-70% ◐ 54% Admin cost result >0% ● 6% | |

... based on market units' disciplined execution



Swiss Life 2018

Swiss Life will continue on the successful path of Swiss Life 2015 and MILESTONE

Quality of earnings and earnings growth

Swiss Life is going to strengthen the quality of earnings and achieve earnings growth particularly by increasing the fee result

Operational efficiency

Swiss Life further improves its operational efficiency

Capital, cash and dividend

Swiss Life will continue its disciplined capital management and increase cash remittance to its holding company and the payout to shareholders

Customer centricity and advice

Swiss Life further develops its multi-local business approach through investing in customer centricity and advice initiatives

Key financial targets of Swiss Life 2018

Customer centricity and advice

Quality of earnings and earnings growth

- **Fee result** FY 2018: CHF 400-450 m
- **Risk result** FY 2018: CHF 350-400 m
- Cumulative **value of new business** (2016-2018): > CHF 750 m

Operational efficiency

- **Cost savings** FY 2018: CHF 100 m
- Stable operating expenses¹⁾

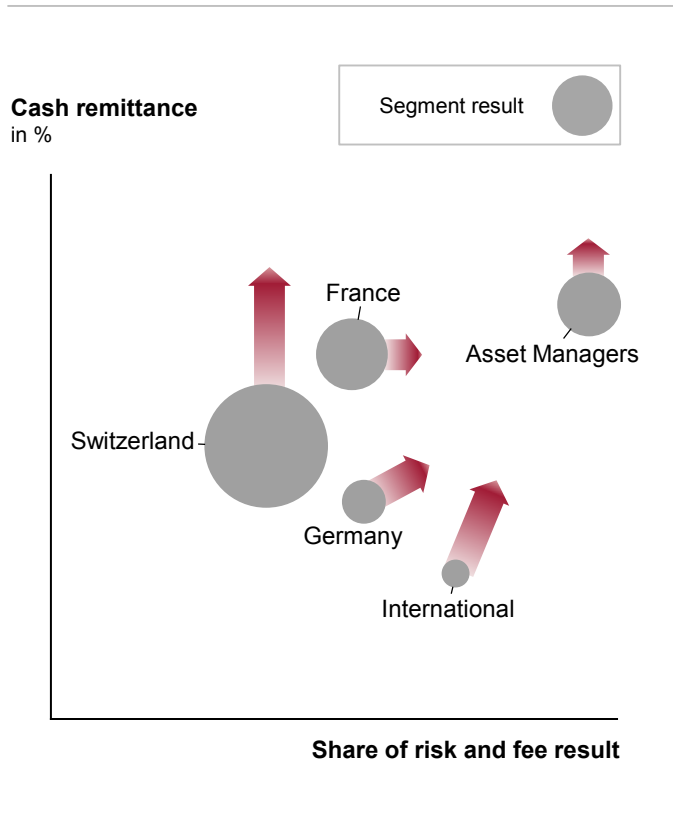
Capital, cash and dividend

- Cumulative **cash remittance** to Holding (2016-2018): > CHF 1.5 bn
- **Dividend payout ratio**: 30-50%

RoE²⁾ of 8-10%

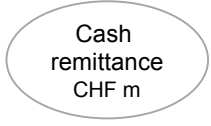
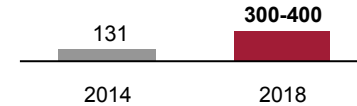
1) Excl. Asset Managers 2) Equity excl. unrealised gains/losses on bonds

Strategic focus areas by business division



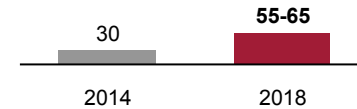
Switzerland:

- Maintain high discipline regarding margin, cost and efficiency management
- Main contributor for cash remittance



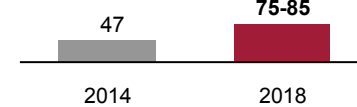
France:

- Reinforce private insurer and multi-distribution model
- Accelerate growth in corporate business



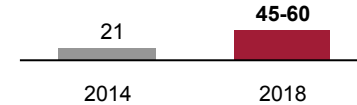
Germany:

- Insurance: Focus on operational efficiency, comprehensive risk offering and modern-traditional products
- Distribution: Grow fee result by transforming owned IFAs into a modern advisory organisation



International:

- Leverage strong position in global insurance solutions for private and corporate clients as well as in owned IFAs



Asset Managers:

- Grow the asset base from TPAM business
- Grow net fee income at stable C/I ratio



Overview of key performance drivers and ambitions

Customer centricity and advice

Quality of earnings and earnings growth

- 1 **Protect savings** result through disciplined ALM
- 2 **Enhance fee result** to drive earnings growth
- 3 **Defend high margin risk business** in a competitive environment
- 4 Generate substantial **new business value**

Operational efficiency

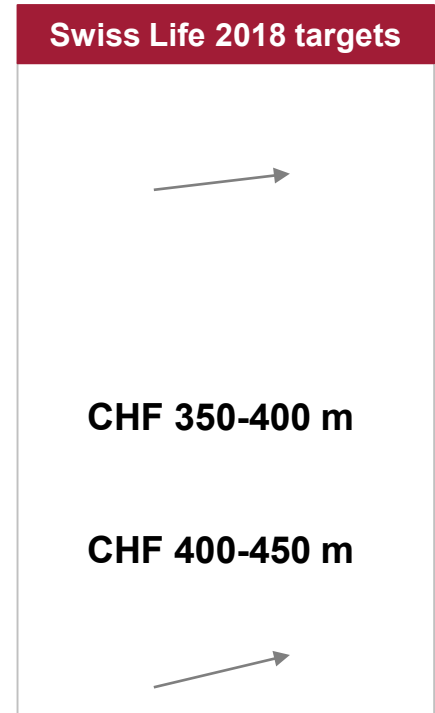
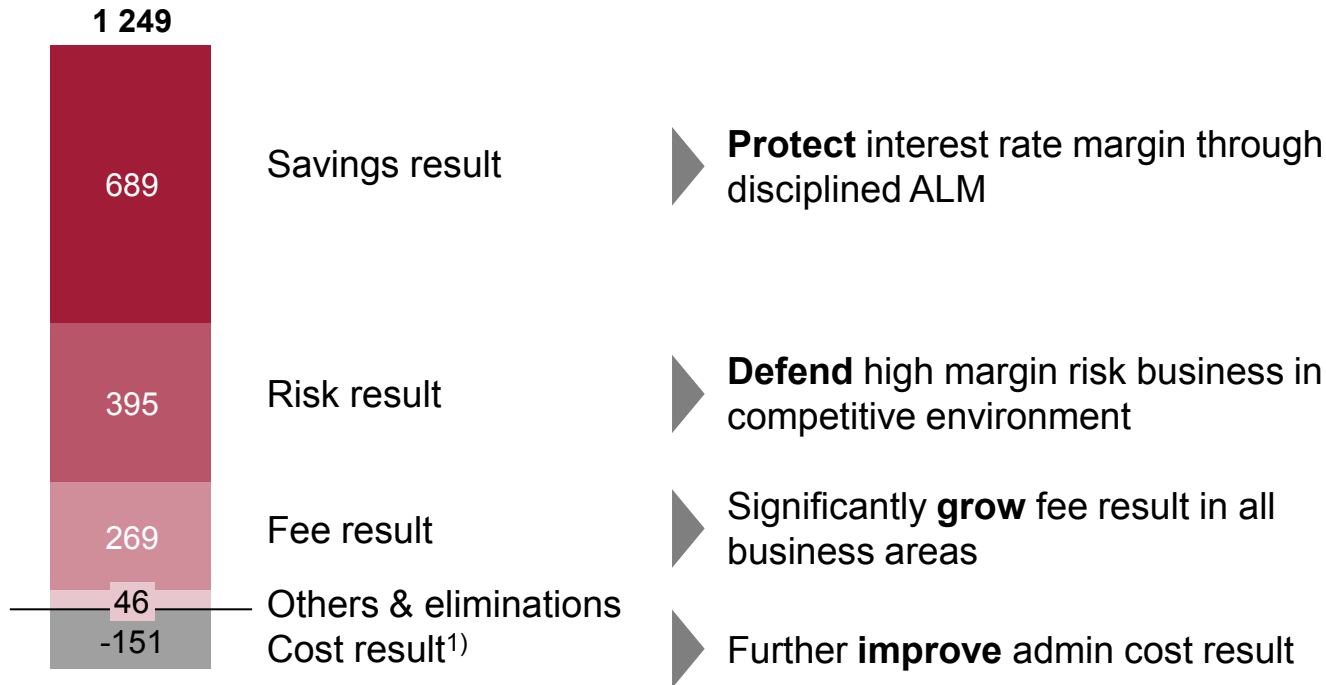
- 5 Implement further **cost savings** to finance investments

Capital, cash and dividend

- 6 **Disciplined capital management** to optimise capital efficiency
- 7 **Manage in-force business** for value
- 8 Maintain **healthy solvency** ratio
- 9 **Increase payout ratio** based on enhanced cash remittance to Holding

Continue to strengthen the quality of earnings

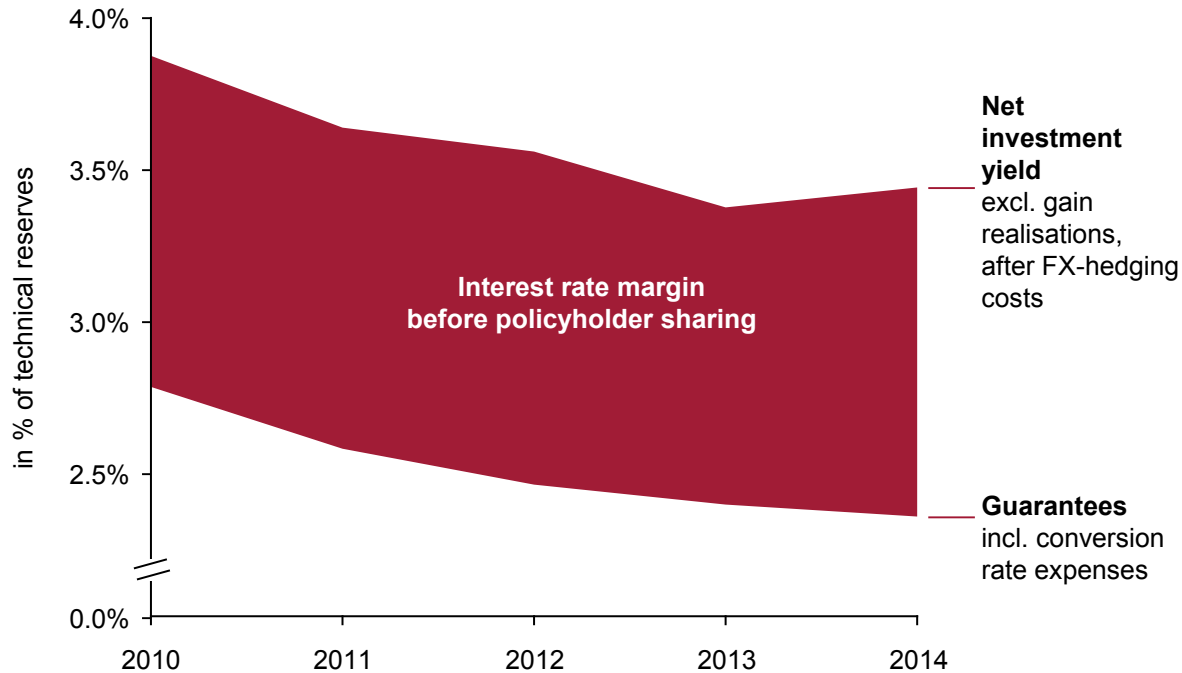
Profit by source
(FY 2014 adjusted, CHF m)



1) Thereof admin cost result gross: CHF 73 m

Disciplined ALM has safeguarded the interest rate margin in past years and ...

Aggregated view, IFRS basis

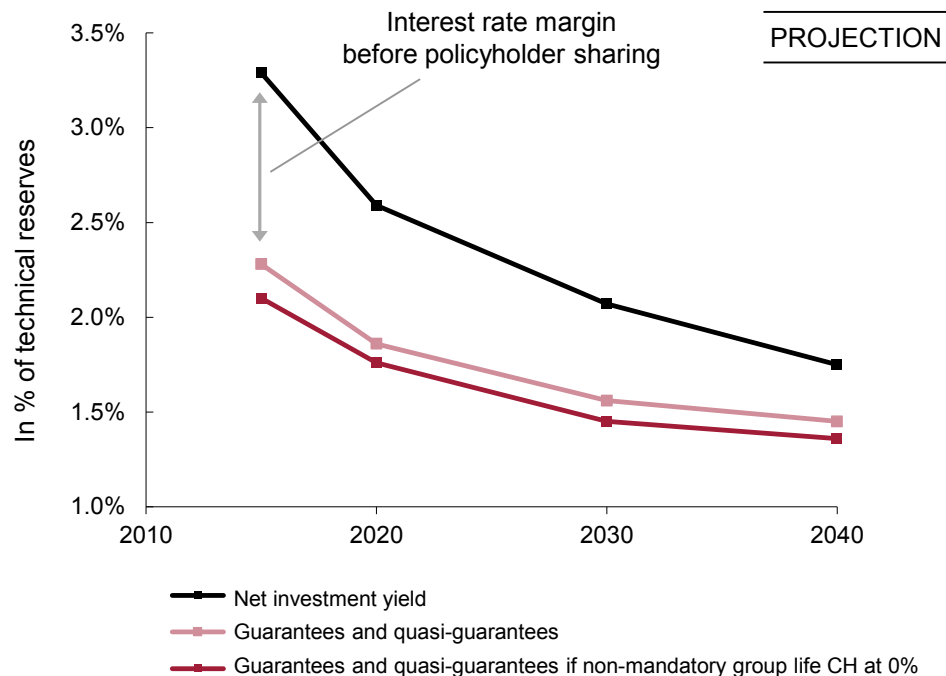


Interest rate margin remained stable as a result of disciplined ALM

- Long asset duration supports yield
- Narrow duration gap protects interest rate margin
- Reserve strengthening and focus on profitable new business lower guarantees and improve product mix
- Risk and fee income not considered

... will continue to protect the interest rate margin and savings result

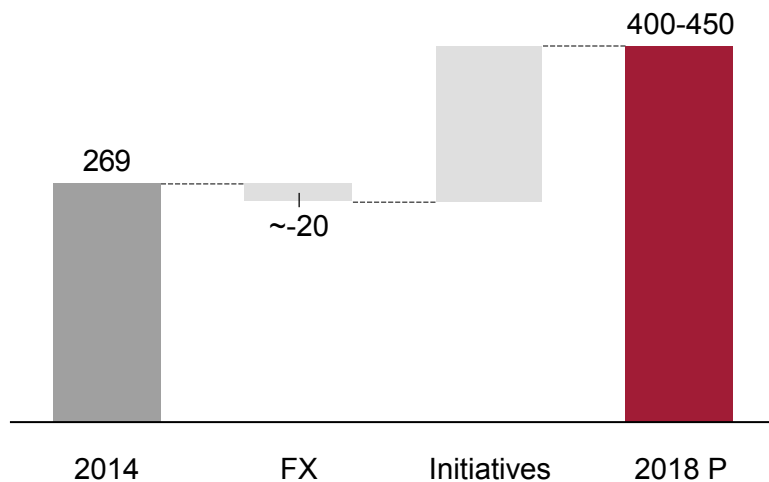
Aggregated view, **statutory basis** (October 2015)



- Interest rate margin resilient for more than three decades even if rates stay low
- Policy adjustments in non-mandatory group life and reserve strengthening could further extend this period
- Risk and fee income not considered

Enhance fee result to drive earnings growth

Fee result, CHF m



Initiatives

CH

- Strengthen Swiss Life Select's market presence
- Push real estate brokerage business
- Launch investment solutions for retail customers

FR

- Further grow unit-linked business
- Leverage private insurer positioning
- Expand banking partnerships and offering for HNWI customers

DE

- Increase advisors' productivity capitalising on proprietary advisory software and through digitalisation
- Adjust career and remuneration models in owned IFAs

IN

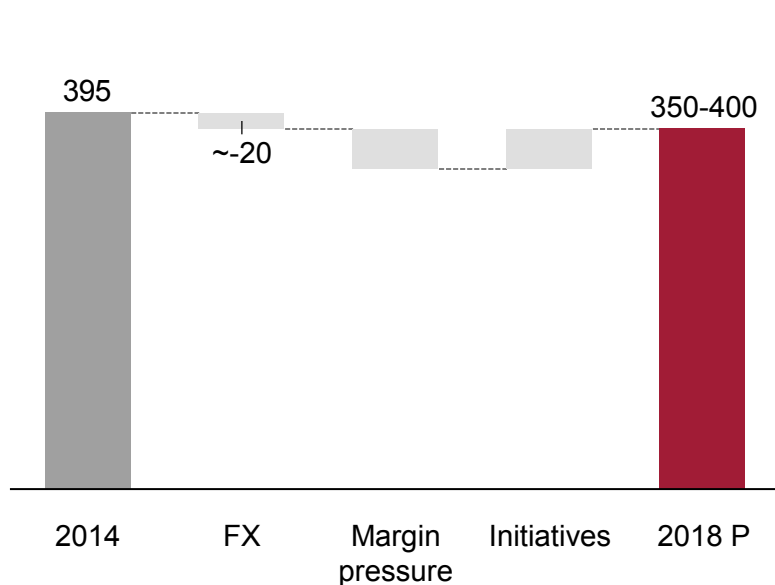
- Form strategic partnerships at private clients and owned IFAs
- Internalise parts of value chain at owned IFAs
- Implement new target operating models

AM

- Grow particularly in TPAM business by broadening customer base and by increasing higher margin asset classes

Defend high margin risk business

Risk result, CHF m

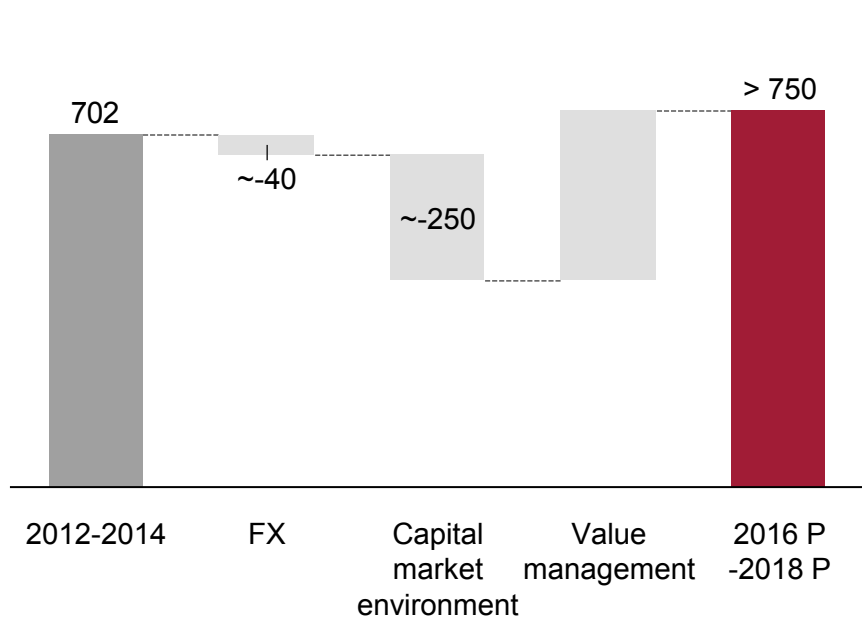


Initiatives

- | | |
|----|---|
| CH | <ul style="list-style-type: none">• Push semi-autonomous solutions and pure risk solutions in group life• Launch new product with integrated biometric risk component in individual life |
| FR | <ul style="list-style-type: none">• Increase credit life business and protection• Implement measures to protect profitability in health business |
| DE | <ul style="list-style-type: none">• Push industry-specific solutions and target group-specific offerings• Optimise in-force book, e.g. claims management |
| IN | <ul style="list-style-type: none">• Promote higher risk coverage for U/HNWI solutions |

Margin management to generate substantial new business value

Value of new business, CHF m



Initiatives

- CH**
 - Modern product concepts with lower guarantees in individual life
 - Pricing adjustments in group life and individual life
- FR**
 - Increase financial margin and reduce guarantees for new business
 - Continue with private insurer strategy, push banking partnerships, HNWI and credit life offering
- DE**
 - Increase new business (risk, modern-traditional) and push target group-specific offerings
- IN**
 - Grow U/HNWI business
 - Promote new employee benefit solutions
- Group**
 - Expand reinsurance business

New business margin ambition of 1.5% and minimum hurdle rate of 1.0% remain in place

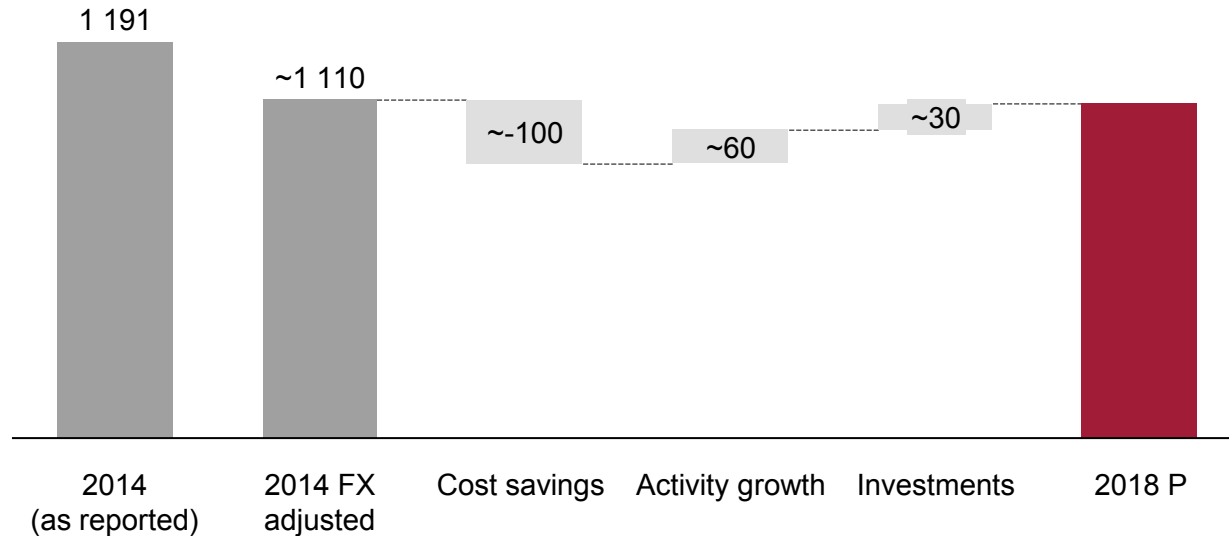
Our ambition is to keep the cost base stable ...

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Operational efficiency

Insurance segments

Non-variable costs adjusted, without Asset Managers
(excl. restructuring & one-offs), CHF m

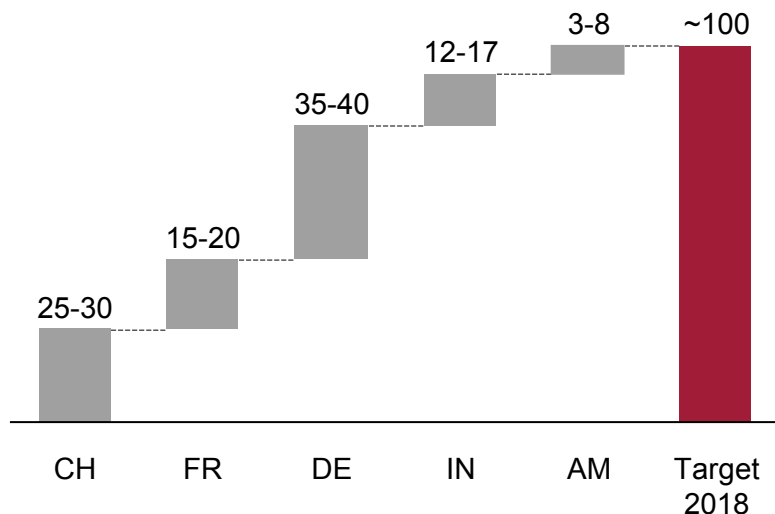


Asset Managers

- Grow third party asset management with stable cost/income ratio

... and to compensate growth and investments by CHF ~100 m in operating cost savings

Non-variable cost savings, gross
CHF m (project view), vs. cost base FY 2014



Initiatives

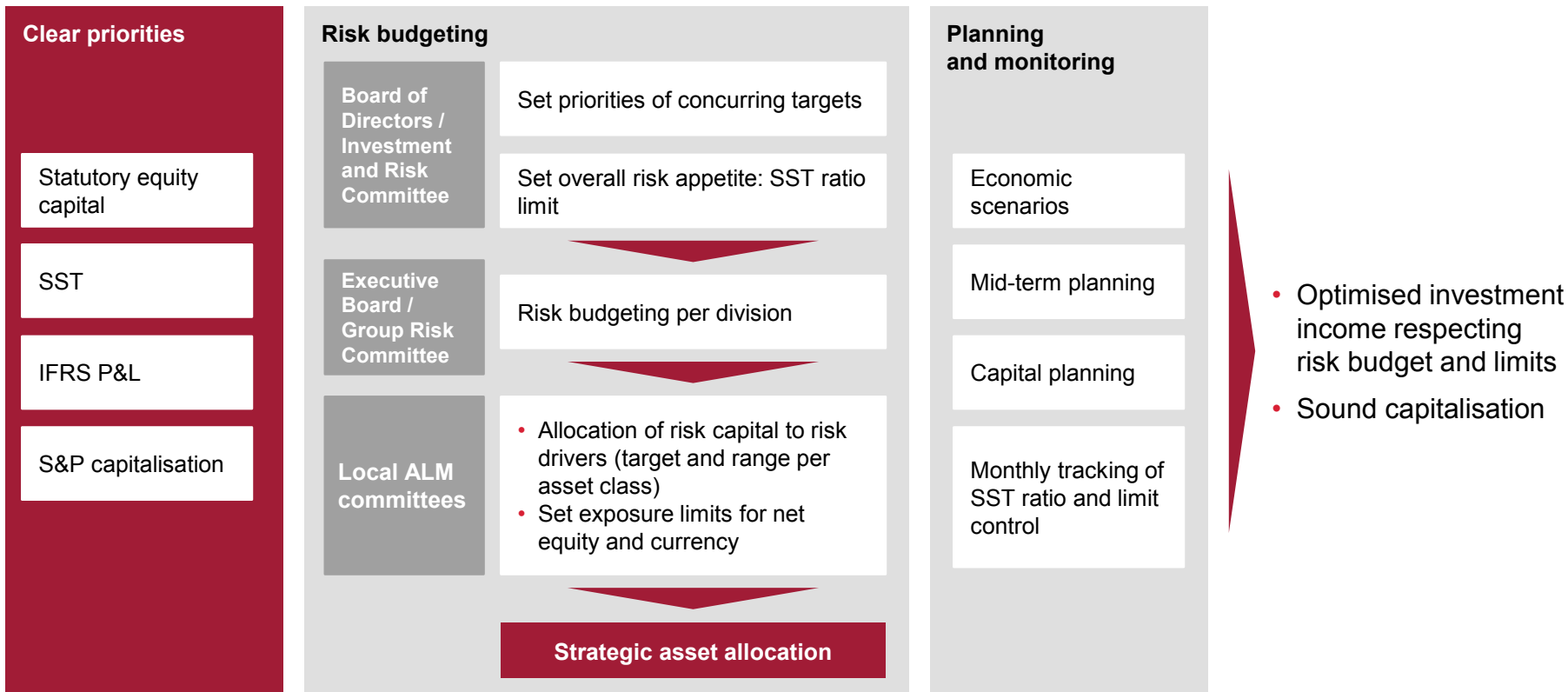
- CH**
 - Further optimisation of systems and digitalisation of processes
- FR**
 - Digitalisation of processes
 - Optimise IT and other overhead expenses
- DE**
 - Harmonisation of end-to-end processes to increase productivity
 - Industrialisation and digitalisation of processes and systems
- IN**
 - Centralise major insurance functions in Luxembourg
 - Capitalise on new IT platforms
- AM**
 - Enhance processes and systems, mainly in real estate
 - Align funds' business organisation

Restructuring costs 2015-2018: CHF 25-35 m
(3 m booked by Q3 2015)

Proven risk management framework, monitoring processes and ...

6

Capital, cash and dividend



... disciplined capital management ensure healthy capitalisation

6

Capital, cash and dividend

Capital generation

- Earnings growth
- Value of new business
- Manage in-force business to free up capital
- Balanced capital structure with adequate share of hybrid capital

Capital allocation

- Increase focus on capital-efficient products, especially in new business
- Maintain disciplined ALM by focussing on capital-efficient investments
- Pool cash at holding level for buffer and financial flexibility
- Add-on acquisitions only selectively
- Ensure sustainable dividend distributions

Efficient and balanced use of capital to ensure healthy capitalisation

Managing the in-force business will continue to add value

7

Capital, cash and dividend

Primary levers

Asset allocation & ALM

Focus

Capital-efficient asset classes and further B/S measures

Policyholder participation / guarantee level

Target-oriented surplus sharing and disciplined reserve strengthening

Re-pricing / steering

Regular parameter review and lapse rate steering, conversion/migration/termination programmes

Costs/claims

Reduction of admin. costs and de-risking of in-force business, claims management, consolidation of funds

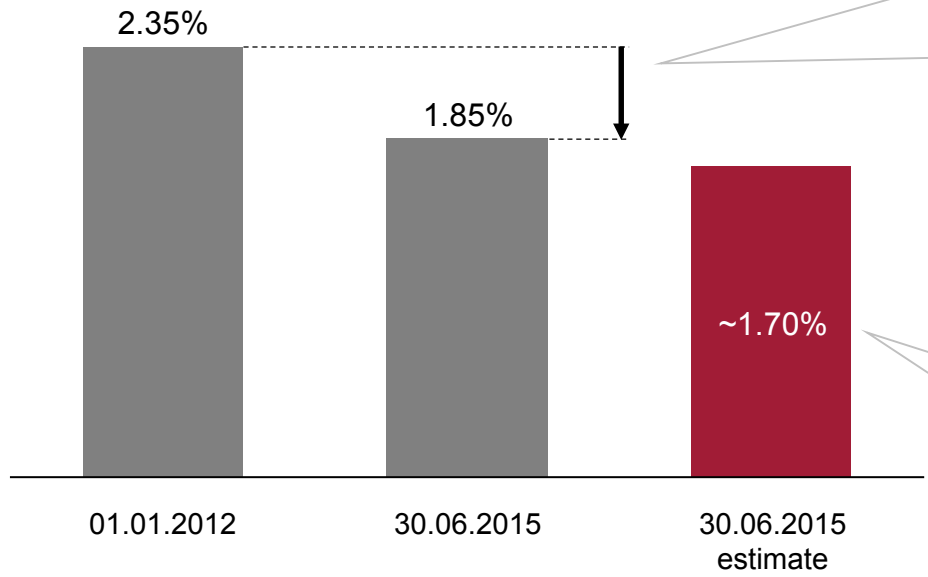
Main benefits

- Support cash/solvency
- Optimise capital efficiency
- Increase margin and leverage existing value

Initiatives on existing business contribute to safeguarding our business model

Reserve strengthening and disciplined product management largely lowered guarantees

Average technical interest rate (statutory basis)



| | |
|--|----------------|
| • Change in guaranteed rate of CH group life ¹⁾ | +4 bps |
| • Change in business mix | -17 bps |
| • Reserve strengthening of CHF 4.7 bn | -35 bps |
| • FX | -2 bps |
| Total | -50 bps |

After impact of lowered guaranteed rates from 2016 for

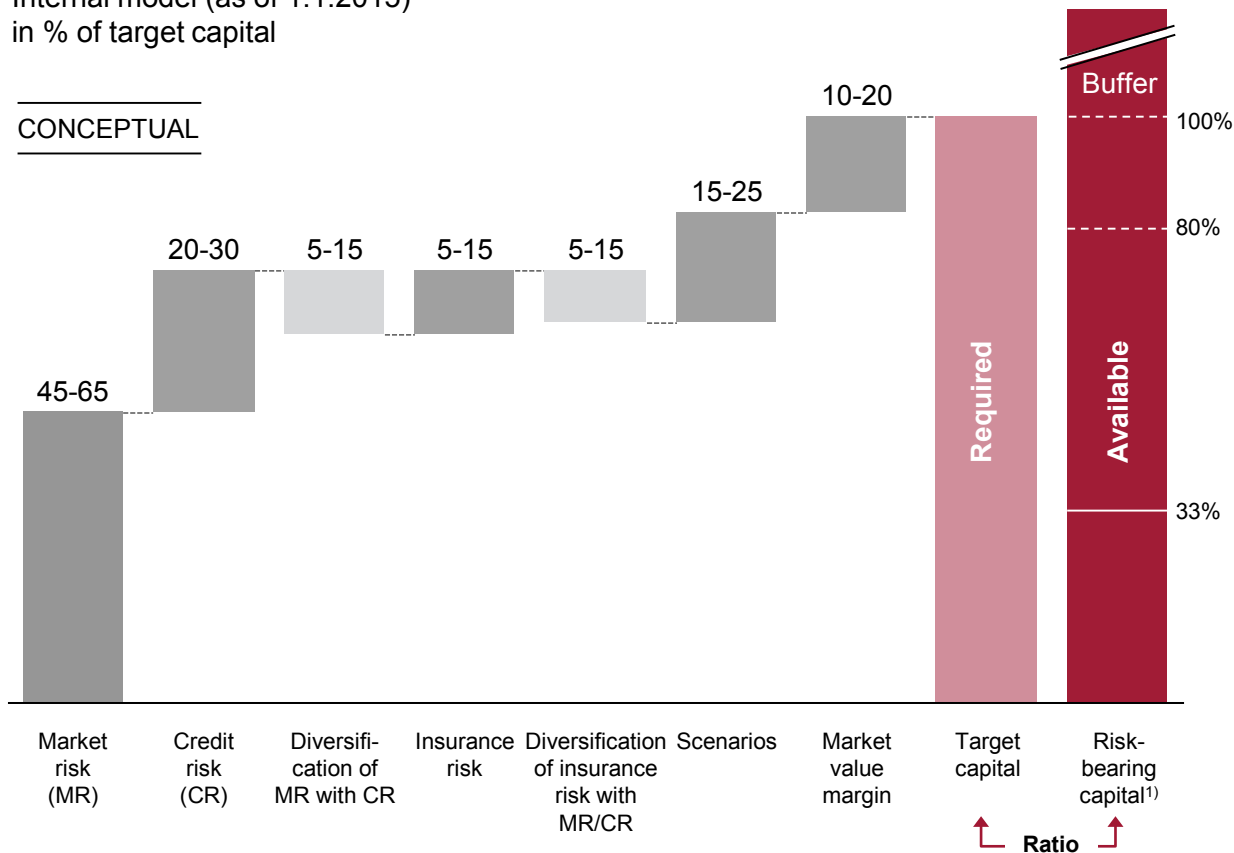
- CH mandatory group life: 1.75% to 1.25%
- CH non-mandatory group life: 1.25% to 0.75%

1) Guaranteed interest rate for mandatory group life business from 2014: 1.75% (+25 bps)

Key elements of SST

Internal model (as of 1.1.2015)
in % of target capital

CONCEPTUAL



- Required target capital driven by market and credit risk
- Insurance risk diversifies
 - However, significant contribution to market value margin²⁾
- Key differences to Solvency II
 - Scenarios require capital in SST; more demanding calibration of market risk and credit risk in SST
 - No charge for operational risk and lower capital requirement for insurance risk in SST
 - As a result, larger capital requirement for life insurance under SST overall

1) Including hybrid debt 2) Corresponds to risk margin in Solvency II; included in target capital in SST

Maintain healthy solvency ratios

Swiss Life Group: Economic solvency (as of 1.1.2015)

| | |
|--|------------------|
| SST internal model partially approved by FINMA | 140-160% |
| Solvency II excl. any transitional measures, incl. volatility adjustment Solvency I = 257% ³⁾ abolished as per 1.7.2015 | > 200% |

Sensitivities of internal SST model (as of 1.1.2015)

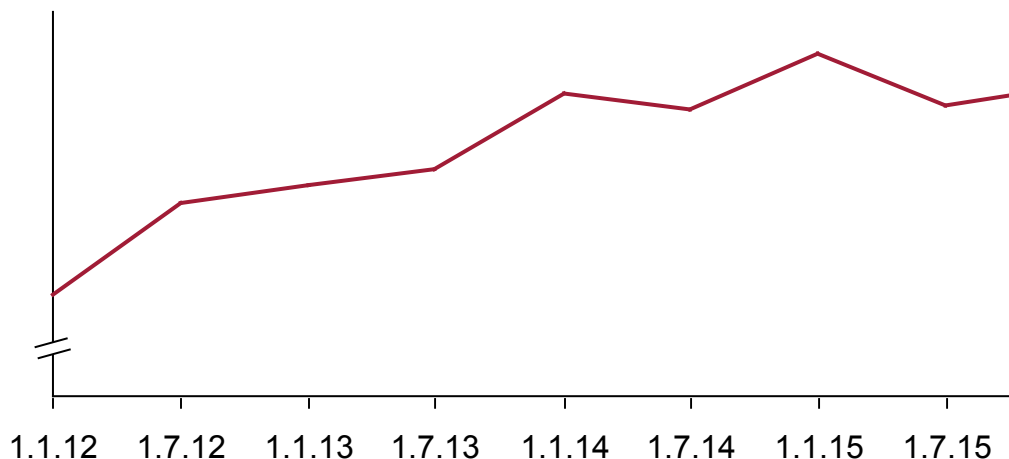
| | |
|---------------------------------------|----------|
| Real estate -10% | -9 ppts |
| Credit spreads ¹⁾ +100 bps | -12 ppts |
| Interest rates ²⁾ -50 bps | -7 ppts |
| Equities -30% | -5 ppts |
| Insurance 1 in 10 year event | -6 ppts |

1) Corporate bonds and GIPS (excluding covered / guaranteed bonds) 2) MCEV based; excludes benefit of dynamic duration management 3) As of 30.9.2015

Coping with regulatory and macro-economic developments

SST development

Swiss Life Group internal model



Since 2012 continuous
buffer building

Buffer building **ongoing** to protect us from regulatory and macroeconomic developments

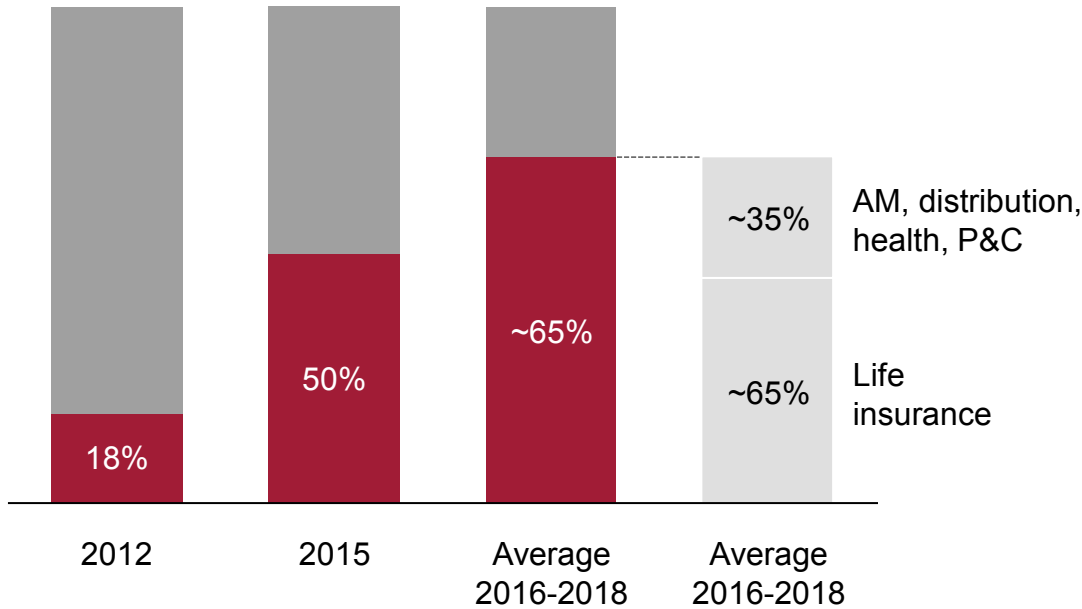


Regulatory developments could consume some of the buffers

- Expiration of temporary reliefs
- Lowering of UFR
- Increased emphasis on standard model

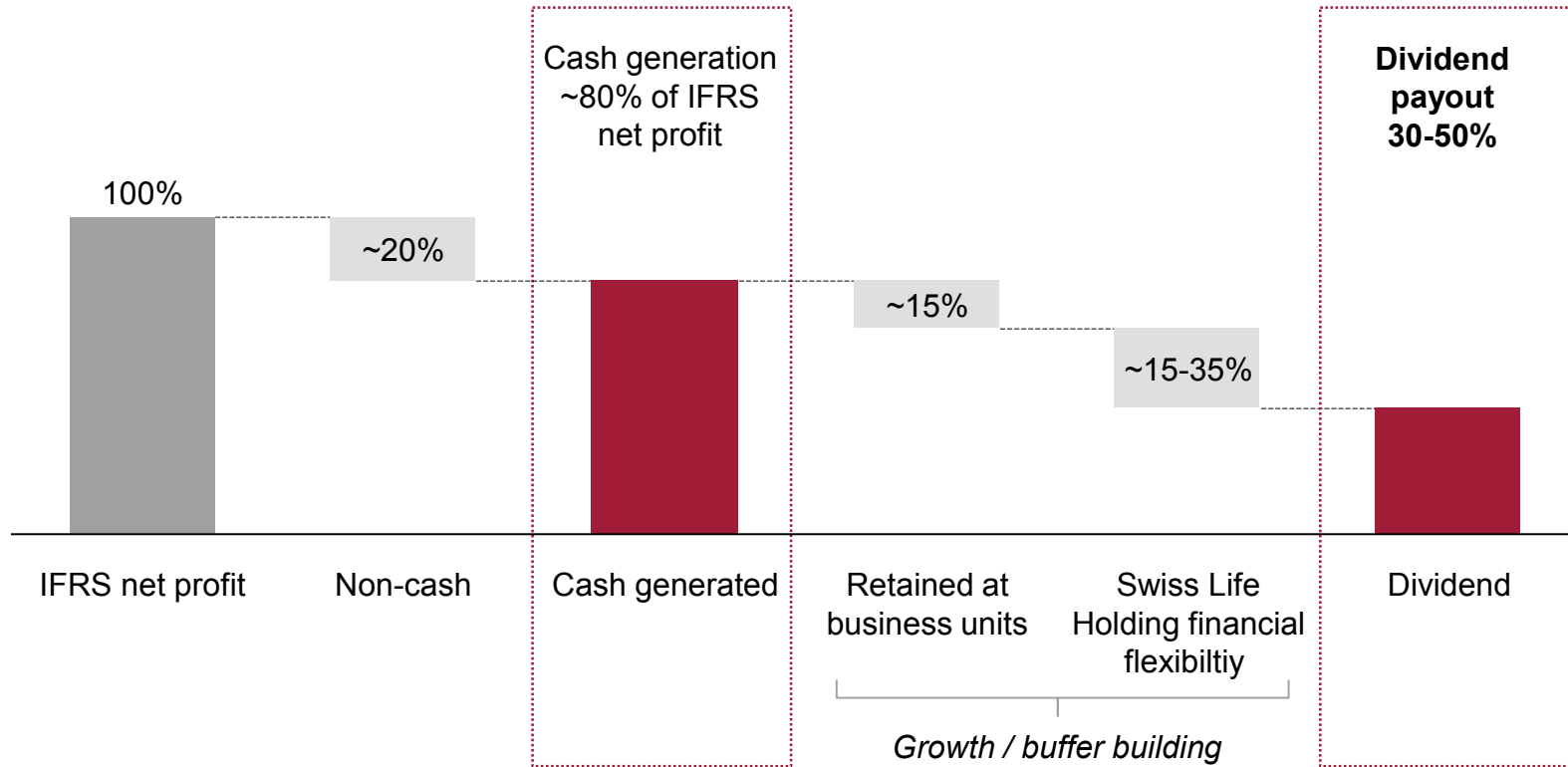
Increasing cash remittance to Holding

Cash remittance to Holding
(in % of previous year's IFRS net profit)



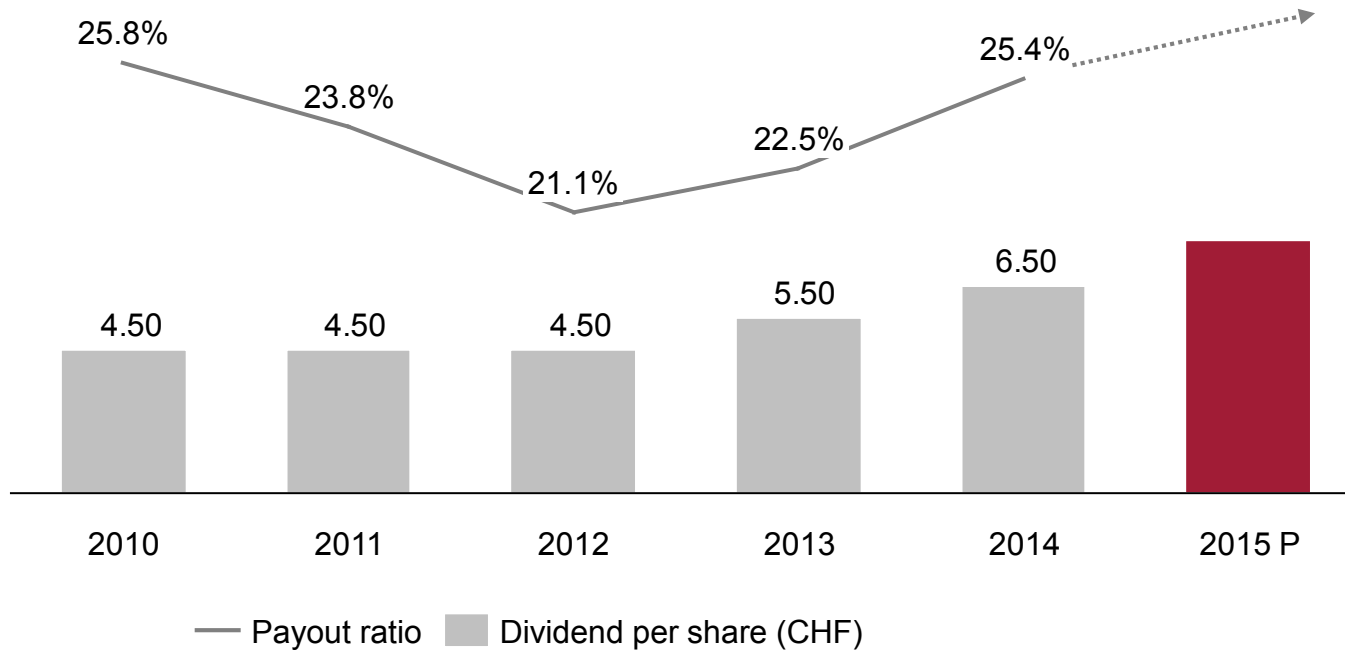
Cumulative cash remittance to Swiss Life Holding 2016-2018
> CHF 1.5 bn

Cash generation and remittance support dividend payout to shareholders



Dividend policy

Dividend history



Executive Board to propose to the Board of Directors a dividend per share of at least CHF 8 for the financial year 2015

Swiss Life 2018

Swiss Life will continue on the successful path of Swiss Life 2015 and MILESTONE

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Contact details and financial calendar

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Financial calendar

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|-----------------------------|---------------|
| Full-year results 2015 | 01 March 2016 |
| Annual General Meeting 2016 | 26 April 2016 |
| Interim Statement Q1 2016 | 12 May 2016 |

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