IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-US PERSONS AND ADDRESSEES OUTSIDE OF THE US

IMPORTANT: You must read the following before continuing. The following disclaimer applies to the attached Prospectus accessed via internet or otherwise received as a result of such access and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND, SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to review this Prospectus or make an investment decision with respect to the securities described herein, investors must not be a US Person (as defined in Regulation S under the Securities Act). You have been sent the attached Prospectus on the basis that you have confirmed to UBS Investment Bank, being the sender of the attached, (i) that you and any customers that you represent are not US Persons, (ii) that the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) and (iii) that you consent to delivery by electronic transmission.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Also, there are restrictions on the distribution of the attached Prospectus and/or the offer or sale of Notes in the member states of the European Economic Area. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of UBS Investment Bank, the Syndicate Banks or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from UBS Investment Bank, if lawful.

Prospectus dated 11 March 2019

Swiss Life Holding AG
CHF 250,000,000 0.25% fixed rate unsecured senior bonds 2019 – 2023 (the "Bonds")

Issuer's Name and registered office:	Swiss Life Holding AG, c/o Swiss Life AG, General-Guisan-Quai 40, 8002 Zurich, Switzerland (the "**Issuer**")
Interest Rate:	0.25% p.a., payable annually in arrears on 11 October, for the first time on 11 October 2019 (first short coupon)
Issue Price:	The Managers have purchased the Bonds at the price of 100.204% of the nominal amount (before commission).
Placement Price:	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
Issue Date:	13 March 2019
Maturity Date:	11 October 2023, redemption at par
Early Redemption:	At par at the option of the Issuer (i) if at least 85% of the Bonds have been redeemed or repurchased or (ii) during a time period of two months prior to the Maturity Date
Reopening:	The Issuer reserves the right to reopen the Bonds and increase the aggregate principal amount of the Bonds issued at any time and without prior consultation of or permission of the Bondholders.
Status:	The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer.
Denominations:	CHF 5,000 nominal and multiples thereof
Form of the Bonds / Delivery:	The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations and, upon registration in the main register (*Hauptregister*), will constitute intermediated securities (*Bucheffekten*); Neither the Issuer, the Bondholders, the Principal Paying Agent nor any third party is entitled to request the delivery of individually certificated Bonds.
Assurances:	*Pari passu* as per Condition II, negative pledge as per Condition VIII and cross default as per Condition IX c)
Trading and Listing:	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange Ltd (the "**SIX Swiss Exchange**") as of 11 March 2019 and application will be made for the Bonds to be listed on the SIX Swiss Exchange (the "**Listing**"). The last trading day is expected to be the second Business Day prior to the Maturity Date.
Governing Law and Jurisdiction:	Swiss law, place of jurisdiction will be Zurich, Switzerland
Selling Restrictions:	In particular U.S.A., U.S. persons, United Kingdom and European Economic Area
Rating:	At issuance, the Bonds are expected to be rated BBB+ by Standard & Poor's

Joint-Lead Managers

Credit Suisse AG

Deutsche Bank AG London Branch,
acting through Deutsche Bank AG Zurich Branch

UBS AG

Co-Lead Manager

Zürcher Kantonalbank

Swiss Security No.: 46.311.208 ISIN: CH0463112083 Common Code: 196005790

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SELLING RESTRICTIONS

The offering of the Bonds consists of a public offering in Switzerland (the "**Offering**"). The Bonds are not being offered to the public in other jurisdictions outside of Switzerland, such as the United States, member states of the European Economic Area or the United Kingdom.

General

No action has been or will be taken in any jurisdiction other than Switzerland, by the Issuer or the Managers that would, or is intended to, permit a public offering of the Bonds, or possession or distribution of this prospectus (the "**Prospectus**") or any other offering material, in any country or jurisdiction where action for that purpose is required.

The Bonds are only to be offered or sold by the Managers and any offering material or other communication relating to the distribution of the Bonds is only to be distributed as far as such offer or sale or such distribution is to their knowledge and belief consistent with the applicable law of any territory and the selling restrictions set out above.

Each prospective investor must comply with all applicable laws, rules and regulations in force in any jurisdiction in which it purchases, offers or sells Bonds or possesses or distributes the Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer or the Managers shall have any responsibility therefore.

United States of America and United States Persons

A) The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States of America (the "**United States**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

   The Managers have not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act.

   Accordingly, none of the Issuer, the Managers and their affiliates nor any persons acting on their behalf has engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

   Terms used in this paragraph have the meanings given to them by Regulation S.

B) The Managers have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with their affiliates or with the prior written consent of the Issuer.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that it has not offered and will not offer any Bonds to persons in any Member State of the European Economic Area, except that it may offer Bonds in any Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Issuer and the relevant bank or banks nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of Bonds" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" meaning Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and including any relevant implementing measure in the Relevant Member State.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Bonds, from the date of application of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**"), are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (IMD), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

IMPORTANT INFORMATION

This Prospectus is being issued by Swiss Life Holding AG solely in connection with the Offering and Listing of the Bonds. The information contained in this Prospectus has been provided by Swiss Life Holding AG and by the other sources identified in this Prospectus. No representation or warranty, express or implied, is made by Swiss Life Holding AG or any of its affiliates or advisors as to the accuracy or completeness of this information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by Swiss Life Holding AG.

This Prospectus has been prepared solely for use in connection with the Offering and Listing of the Bonds. This Prospectus does not otherwise constitute an offer to sell, or a solicitation of an offer to buy Bonds and may not be used in any jurisdiction or in any circumstances in which such offer or solicitation or the distribution of the Bonds or this Prospectus is restricted or unlawful. Persons in possession of this Prospectus are required to inform themselves of and observe such restrictions. Swiss Life Holding AG does not accept any responsibility for any violation by any person of any such restrictions. Except as otherwise indicated, this Prospectus speaks as of the date hereof. The delivery of this Prospectus shall, under no circumstances, imply that there has been no change in the affairs of Swiss Life Holding AG or its affiliates or that the information herein is correct as of any date subsequent to the earlier of the date of this Prospectus and any specified date with respect to such information. The business, financial condition, results of operations and prospects of Swiss Life Holding AG may have changed since such dates.

The financial institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Cautionary note on forward-looking statements

Certain statements contained in this Prospectus are forward-looking. These statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "target", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results of operations, financial condition, solvency, ratios, liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, liquidity position or prospects expressed or implied by such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Prospectus.

Among the key factors that have a direct bearing on the Issuer's or the Issuer's direct and indirect subsidiaries' (the Issuer and the Issuer's direct and indirect subsidiaries taken as a whole "**Swiss Life**") results of operations, financial condition, solvency ratios, liquidity position or prospects are:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- the effect of capital market conditions, including the global credit and equity markets, and the level and volatility of interest rates, credit spreads, equity prices, currency values and other market indices as well as the development of real estate prices on investment assets;
- changes in investment result as a result of changes in investment policy or the changed composition of investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing assets and liabilities;
- possible inability to realise amounts on sales of assets held on the balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the possibility that hedging arrangements may not be effective;
- the lowering, loss of or change in the outlook for one of the financial strength or other ratings of one or more Swiss Life companies, and developments adversely affecting Swiss Life's ability to achieve improved ratings;
- the ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recaptures of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to an actual or perceived deterioration of the financial strength or otherwise;
- uncertainties in estimating reserves;
- current, pending and future legislation and regulation including tax and regulatory laws affecting Swiss Life;
- changes in laws and regulations (including tax law and industry requirements or business conduct rules of general applicability) and their interpretation by courts, regulators and other authorities;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- uncertainties in estimating future claims for purposes of financial reporting; in particular the frequency, severity and development of insured claim events;
- mortality, morbidity and longevity assumptions;
- policy renewal and lapse rates;
- extraordinary events affecting clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- acts of terrorism and acts of war;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

See "*RISK FACTORS*" for additional details.

These factors are not exhaustive. Because these factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by or on behalf of Swiss Life, investors should not place undue reliance on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date of this Prospectus. Except as may be required by applicable law, stock exchange rules or regulations, Swiss Life expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Swiss Life's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible to predict which will arise. In addition, Swiss Life cannot assess the effect of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement.

Documents incorporated by reference

The following documents are incorporated by reference into this Prospectus:

- the consolidated and statutory financial statements of Swiss Life as of and for the year ended 31 December 2017 (including the respective auditor's report and comparative information for the year ended 31 December 2016);
- the first-half financial report 2018 of Swiss Life including the unaudited but reviewed condensed consolidated financial statements of Swiss life as of and for the half-year ended 30 June 2018; and
- the full-year results 2018 investor presentation of Swiss Life dated 26 February 2019

Other than the aforementioned documents and information, no documents and no information contained on the Swiss Life web site, or on any other web site, are incorporated herein by reference.

Availability of documents

Copies of the Prospectus are available free of charge from UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, CH-8098 Zurich, Switzerland, or may be obtained by telephone (+41 44 239 47 03, voicemail), by fax (+41 44 239 69 14) or by e-mail to swiss-prospectus@ubs.com.

Copies of the consolidated and statutory financial statements of Swiss Life as of and for the year ended 31 December 2017 (including the respective auditor's report and comparative information for the year ended 31 December 2016) can be downloaded from the website www.swisslife.com, currently following the link to Investors & Shareholders, Results & Reports, Results.

Prospectus

This Prospectus is available in English only and provides information about the Issuer and the Bonds. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

No person has been authorised to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Managers. Neither the delivery of this Prospectus, nor the issue of the Bonds or any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of Swiss Life since the date hereof.

Sources of information

Except where market or market share data are otherwise attributed to another source, all market and market share data included in this Prospectus are Swiss Life's own estimates. These estimates are based upon Swiss Life's experience in the insurance industry.

Authorisations

The issuance of the Bonds has been authorised by resolutions of the board of directors of the Issuer passed on 25 February 2019.

Type of issuance

Pursuant to a bond purchase agreement between UBS AG, Credit Suisse AG, Deutsche Bank AG London Branch, acting through Deutsche Bank AG Zurich Branch, and Zürcher Kantonalbank (collectively the "**Managers**"), and the Issuer (the "**Bond Purchase and Paying Agency Agreement**"), the Managers have severally but not jointly agreed to purchase the Bonds at an issue price of 100.204% (minus commissions).

Notices

All notices in relation to the Bonds will be published in electronic form on the website of the SIX Swiss Exchange (*www.six-swiss-exchange.com*, where notices are currently published under the address *http://www.six-swissexchange.com/bonds/issuers/official_notices/search_en.html*).

Representative

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to lodge the listing application with the SIX Swiss Exchange.

No material change

Since 31 December 2018, there has been no material change in the assets and liabilities, financial position and profits of losses of the Issuer.

An investment in the Bonds involves risks. Prospective investors of Bonds should carefully consider the following risk factors and the other information in this Prospectus before making an investment decision. Any of the risk factors could impact the business, financial conditions or operating results of the Issuer and its direct and indirect subsidiaries taken as a whole. Investors may lose all or part of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of the factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood or severity of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds issued are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest in connection with the Bonds for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Risks related to Swiss Life

Market and business related risks

Risks from insurance business

Swiss Life maintains reserves for its life insurance business to cover its liabilities. Such insurance reserves depend on various factors, assumptions and uncertainties (see "*Risks associated with Swiss Life's calculations and assumptions*"). While Swiss Life believes its economic risk is reduced by its asset and liability management ("**ALM**") with a narrow duration gap, mandatory, guaranteed or other applicable interest rates may not change in line with market yields and may result in sudden changes in the reported amounts even if there was no corresponding change in investment yields and the value of assets. Moreover, changes in mortality, morbidity, longevity and other biometric assumptions may have a significant impact on annuity and other reserves. Loss reserves also do not represent an exact calculation of ultimate liabilities, but rather are estimates of the expected liabilities. Furthermore, disability and other reserves depend on regulatory requirements as well as other factors, which may cause actual liabilities to differ from estimates. Likewise, annuity reserves may change significantly due to regulatory and legal changes and other factors.

Any insufficiencies in loss reserves for future claims and any change in reserves required as a result of changes in interest rates, biometric assumptions or other factors including regulatory changes could adversely affect the extent to which new business may be originated and could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks from underwritten reinsurance business

Swiss Life underwrites a reinsurance portfolio. This business is written mainly as retrocessionaire, i.e. customers are usually life reinsurers. Customers as well as underwritten risks are mainly located in North America, the United Kingdom and Continental Europe. Risks underwritten are limited to biometric risks, mainly mortality and longevity. Although a prudent underwriting approach with clear profitability targets and hurdle rates, geographical diversification, diversification across lines of business and an appropriate protection program mitigates these risks and provides for a balanced portfolio, losses could be experienced from a pandemic event, mortality improvements over those assumed in pricing or otherwise and could have material adverse effects on Swiss Life's earnings, capital or solvency position.

Risks from ceded reinsurance

Swiss Life systematically transfers its exposure to certain risks in its life, health and property and casualty insurance business to third parties through reinsurance arrangements. Under these arrangements, other (re)insurers assume a portion of Swiss Life's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums.

The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly from time to time. Any decrease in the amount of Swiss Life's ceded reinsurance will increase its risk of losses. When it obtains reinsurance, Swiss Life could still be liable for those transferred risks, in particular if the reinsurer cannot meet its obligations. Accordingly, Swiss Life bears credit risk with respect to its reinsurers and could be faced with their inability or unwillingness to meet their financial obligations when falling due. Although Swiss Life conducts periodic reviews of the financial statements and reputation of its reinsurers, and, when appropriate, requires letters of credit, deposits or other financial collateral to further minimise its exposure to credit risk, reinsurers may become financially unsound by the time they are called upon to pay amounts due.

If the terms and conditions of such reinsurance contracts deteriorate in the future, if certain protection layers are no longer available on the market, or if individual reinsurers should become unable or unwilling to meet their payment obligations when falling due, this could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks associated with Swiss Life's calculations and assumptions

Swiss Life's business operations and risk management require complex models under which it needs to properly reflect the value of its business and an adequate allowance for risks associated with it. This includes a continuous assessment of numerous factors, such as the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed income and other asset classes, policyholder interest and crediting rates (some of which are guaranteed) and the overall approach to policyholder participation, mortality, morbidity and longevity rates, policyholder lapses and future expense levels. Swiss Life monitors its actual experience regarding these assumptions and to the extent that it considers that this experience will continue in the longer term it refines its long-term assumptions.

The actuarial practices and assumptions listed above are, among other factors, the basis (i) its "best estimate" actuarial assumptions under the IFRS liability adequacy testing, (ii) capital and other requirements under the Swiss Solvency Test ("**SST**") or Solvency II, (iii) the calculation of insurance premiums and reserves, and (iv) Swiss Life's own pension obligations.

In any of the aforementioned cases Swiss Life needs to rely on its own assumptions and estimates when operating its risk analysis and risk management systems. The assumptions used may differ from actual future developments. Adjustments of such assumptions may have to be made in reaction to revised legal and regulatory requirements, changing financial markets or expected and/or actual future actuarial experience, which may lead to changes in the solvency position as well as the accounting of, and reserves required for, Swiss Life's insurance operations.

Certain risks are non-hedgeable and even with hedgeable risks there is a residual risk that hedging arrangements concluded by Swiss Life do not or only partially cover such risks. Also, Swiss Life could experience that its initial risk assessment, risk allowance or reserves prove to be inadequate at a later stage.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks associated with the implementation of Swiss Life's strategy

The achievement of Swiss Life's strategic, operational and financial targets remains subject to uncertainty. Whilst the objectives for sustainable growth are subject to market demand fluctuations and competition, the ability to achieve a satisfactory performance in respect of the basic insurance result depends on pricing, the ability to control costs, claims figures, changes in reserves and the ability to generate insurance-related fee income. In addition to the basic insurance result, the investment result is an important factor in the profitability of Swiss Life's insurance operations. This result is driven by the returns achieved on the investment portfolio, which partially depends on capital markets conditions, and on the guaranteed and non-guaranteed payments made to policyholders.

Besides the insurance business, Swiss Life aims to generate fee income through its advisory and distribution activities. The ability to generate such income depends on factors including quality of the respective activities, the ability to recruit skilled personnel, reputation and the general economic conditions.

In addition, Swiss Life aims to generate fee income through its third-party asset management business. The ability to generate such income depends on its ability to manage those third-party assets, the quality of the products and services it offers, the performance of the selected investments and of the funds offered, the development of the fixed-income, equity, real estate and infrastructure markets, and the general economic conditions.

Furthermore, mergers, acquisitions, disposals and management re-organisations may result in Swiss Life incurring costs and using considerable management resources. It is also possible that, as a result of any past or future mergers, acquisitions and disposals, Swiss Life may be subject to warranty, indemnity or other claims or to adverse tax or accounting charges.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Reputational risk and failure to maintain the value of the "Swiss Life" brand

Reputational risk is the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by Swiss Life, its employees or those with whom it is associated, that might cause stakeholders to form a negative view of Swiss Life. Similarly, public opinion of Swiss Life may be adversely affected by the actual, or perceived, manner in which Swiss Life conducts its business activities, or financial performance, as well as actual or perceived practices in the insurance and financial services industry generally. Modern technologies, in particular, social media channels, other media in the internet, and broadcast tools which facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the impact of damaging information and allegations.

Negative views of stakeholders or negative public opinion, whether or not true, may have both financial and non-financial impacts, such as a decrease in the value of the "Swiss Life" brand. The "Swiss Life" brand is one of the most valuable assets of Swiss Life and a key factor in maintaining Swiss Life's competitive position. Impacts on Swiss Life's ability to keep and attract customers and retain motivated staff could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks relating to Swiss Life's owned independent financial advisors and to other distribution partners

Swiss Life's main business areas include life insurance, risk protection, pensions and financial solutions for corporate and private clients. In addition, Swiss Life offers comprehensive and individual advice plus a broad range of own and partner products through owned independent financial advisors and through other distribution partners (such as brokers and banks).

If the performance, competitive position, reputation or environment of Swiss Life's owned independent financial advisors deteriorated significantly, or if a significant number of distribution agreements between Swiss Life's owned independent financial advisors and third parties were terminated, this could have material adverse effects on Swiss Life's business, financial condition and results of operations.

In addition, if a significant number of distribution partners were to terminate their distribution agreements with Swiss Life, or if the terms of such distribution agreements were to change to Swiss Life's detriment, it may lose a material portion of the business provided by such distribution partners. This could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks of competition and risks of general distress in the insurance market

Swiss Life operates in selected European and non-European markets and is faced with a competitive environment in these markets. Swiss Life's profitability is generally dependent on the level of demand for its products and services as a whole, and on its ability to control its risk profile and operating costs. While an important factor lies in Swiss Life's ability to offer competitive and attractive products and services, demand and competition in these markets are subject to changes in response to political or regulatory developments, general economic conditions, and other market conditions beyond the control of Swiss Life. As a consequence, Swiss Life may face margin or volume declines in the future.

In addition, individual regional and local competitive factors could in the future change to Swiss Life's disadvantage, significantly intensifying competition in certain regions or countries.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

In addition, the implementation of Swiss Life's strategy as well as its operational and financial performance depend on the general conditions of the insurance industry. As a consequence, the deterioration of the insurance industry conditions, and in particular of the life insurance industry, for instance, due to sustained low or even negative interest rate levels, a change of the regulatory environment or a general distrust against the industry may have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks associated with failure to recruit, retain and develop appropriate senior management and skilled personnel

Swiss Life's continued success depends on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified and capable professionals is an important element to successfully implement Swiss Life's strategy. If Swiss Life fails to staff its operations appropriately or loses one or more of its key senior executives, and fails to replace them in a satisfactory and timely manner, this could place Swiss Life at a significant competitive disadvantage which could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Political, macro-economic and demographic risks

Swiss Life's future financial condition and results of operations, developments in its business, growth and profitability, and general industry and business conditions applicable to it may be adversely affected by unpredictable political, macro-economic and demographic influences.

For instance, on 23 June 2016 the United Kingdom ("**UK**") held a referendum to decide on the UK's membership of the European Union ("**EU**"). The UK vote was to leave the EU ("**Brexit**"), and negotiations to define the terms of the UK leaving the EU (currently scheduled for 29 March 2019) are still ongoing, and negotiations to determine the future terms of the UK's relationship with the EU are yet to commence. The effects of Brexit will, inter alia, depend on any agreement the EU makes with the UK to retain access to the EU markets either during a transitional regime or more permanently.

Further, in light of political and economic conditions in Europe, reflecting, among others, concerns over sovereign debt credit deterioration of certain member states of the EU and the ability of central banks to stimulate economic growth or to reduce and to discontinue the quantitative easing, there is a possibility of member states exiting the EU which (by itself or in combination with other events) may have systemic effects such as the exit of other member states, a collapse of the Euro or even a total break-up of the EU. Similarly, the default of certain member states on their sovereign debt obligations or the collapse of the banking system in individual member states may have systemic effects including the exit of such member states or the collapse of the Euro and the European banking system with a return to operating in a European business environment of multiple currencies.

Any of these events could lead to a recession with negative GDP growth, unemployment and volatility of currencies and assets. In addition, other macro-economic disruptions can lead to a sudden increase in inflation, which may be followed by surrender rates higher than currently expected or result in a deflationary phase induced by a strong recession, which could harm Swiss Life's ability to achieve the needed investment return and to generate profitable new business.

Any of the foregoing risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks of fluctuations in the financial markets and changes in general economic conditions

Investment returns are an important part of Swiss Life's overall profitability. Fluctuations in the financial markets, changes in interest rates and credit spreads (see "*Risk of interest rate and credit spread rate changes*"), a lack of pricing transparency, reduced market liquidity, changes in equity, fixed income and commodity prices as well as foreign exchange rates, alone or in combination, could have material adverse effects on Swiss Life's financial condition, results of operations and cash flows. Volatility and fluctuations in the financial markets also impact the costs of hedging, which can result in lower investment returns. Interventions by central banks or the discontinuance thereof may trigger fluctuations in the financial markets or increase volatility. In addition, a default by a major market participant or a significant act of terrorism or other large-scale events could disrupt the securities markets or clearance and settlement systems in major markets which could in turn cause market declines or increased volatility. The failure of a major market participant could also lead to a chain of defaults that could adversely affect Swiss Life.

Changes in the economic conditions and markets, in particular rising interest rates, could adversely affect the real estate markets, which could have a negative impact on Swiss Life's real estate portfolio. In worsening economic circumstances, which may be driven by global macro-economic developments, domestic economic or political events (e.g. public votes), or other effects, the vacancy rates may increase which reduces the expected future cash inflows from rents accordingly, and hence may lower the valuation of individual properties substantially. Similarly, higher interest rates and an increase in unemployment rates lead to potential defaults of clients and third parties on mortgages.

Fluctuations in stock markets could have an adverse impact on the valuation of Swiss Life's holdings in equities, which could result in a deterioration of Swiss Life's financial position and net income. Declining equity markets may also affect Swiss Life's results of operations, as fees from insurance business on third-party accounts are generally based on the value of the underlying funds, which fluctuate to a large extent with changes in equity markets. Hedges in place with respect to Swiss Life's investments are designed to reduce Swiss Life's economic exposure to declines in asset values but would not prevent an impairment charge in the Issuer's accounts in the event the impairment criteria under the International Financial Reporting Standards ("**IFRS**") were met.

Swiss Life's equity investments are subject, to the extent that they are sold, to the risk that they will be sold for less than their value in Swiss Life's accounts, and that Swiss Life will recognise a loss. To the extent that such equity investments are not sold, and their value decreases, Swiss Life may be required to write-off a portion of the book value of such equity investments through its profit and loss accounting.

Swiss Life's strategic shareholdings, participations, and other intangible assets are subject to regular impairment tests, taking into account their operating performance, as well as general economic conditions and forecasts. Potential valuation readjustments could lead to impairment losses adversely affecting Swiss Life's financial results.

For diversification purposes Swiss Life also holds a certain amount of alternative investments in its portfolio, in particular participations in infrastructure investments and private equity. Market volatility has impacted and may continue to impact both the level of net investment income from these types of investments and the ability to dispose of such investments on favourable terms or at all.

Any of the risks mentioned above could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks of interest rate and credit spread changes

Changes in prevailing capital market interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect Swiss Life's insurance, asset management and corporate results despite the structured approach towards ALM that Swiss Life is pursuing. Over the past several years, movements in both short- and long-term interest rates have affected the level and timing of recognition of gains and losses on securities held in Swiss Life's investment portfolios. An increase in interest rates could substantially decrease the value of Swiss Life's fixed-income portfolio, and any unexpected change in interest rates could materially adversely affect Swiss Life's bond and interest rate derivative positions as well as the investment result. Results of Swiss Life's asset management business may also be affected by movements in interest rates, as management fees are generally based on the value of assets under management, which fluctuates with changes in the level of interest rates.

In addition, Swiss Life has a significant portfolio of contracts with guaranteed investment returns, including endowment and annuity products. If interest rates remain on historically low levels for a long period, Swiss Life could be required to provide additional funds to its insurance subsidiaries to support their obligations in respect of products with higher guaranteed returns, or increase reserves in respect of such products. Swiss Life also has a portfolio of contracts with guaranteed investment returns tied to equity markets.

Swiss Life invests part of its assets in corporate bonds and is therefore exposed to credit spread risk to the extent that a credit spread widening decreases the market value of the corporate bond portfolio. Spread movements may adversely impact the valuation reserves of bonds classified as available for sale, and therefore Swiss Life's solvency position. From an economic perspective, in particular for economic solvency purposes, all corporate bonds are considered at their market value and thus market value changes due to a change in spreads have an impact on Swiss Life's available economic capital. Moreover, the market value of corporate bonds may become difficult to ascertain if markets are less liquid or lack liquidity which may also affect Swiss Life's ability to dispose of such investments on favourable terms or at all.

In addition, Swiss Life invests a part of its assets in government and sovereign bonds and similar instruments. Therefore, Swiss Life is exposed to the risk that credit spread widens, for instance, due to downgrades or possible downgrades of the respective government or sovereign ratings. Government and sovereign credit spread widening leads to a decrease of the market value of the government and sovereign bond portfolio.

Reductions in the investment income below the rates prevailing at the issue date of the policy, or the respective reserving rate, or below the regulatory minimum required rates in countries such as Switzerland, Germany and France, would reduce or eliminate the investment margins on the life insurance business written by the Issuer's life subsidiaries to the extent the duration composition of the assets does not match the duration composition of the insurance obligations they are backing.

Rising interest rates could lead to increased surrenders of policyholders with subsequent impacts on Swiss Life's current year and future profitability.

Any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Currency risks

As a group with international operations, Swiss Life generates a certain portion of its total income and incurs a portion of its expenses in currencies other than CHF, which primarily include EUR, USD, GBP and SGD. Swiss Life prepares its consolidated financial statements in CHF. Swiss Life's expenses and income in a certain currency do not necessarily match for any given period. As a result, unfavourable movements in exchange rates between such currencies and CHF may lead to differences between the costs of Swiss Life's operations and the income generated from them at a different stage. Furthermore, there may be currency mismatches between the policyholder liabilities and the assets backing them.

Fluctuations in the exchange rates of the currencies of the countries in which Swiss Life operates may generally lead to transaction risks and translation risks.

Transaction risk refers to the exchange rate risk associated with the time delay between the entrance and settlement of a contract, while translation risk refers to the risk of a change in value in the currency in which the financial statements are maintained, resulting from the translation of positions in the balance sheet and income statement originally expressed in a foreign currency during the course of consolidation.

Swiss Life may enter into transactions aiming to hedge currency risks. Such transactions may reduce currency risks but may in turn increase other risks such as liquidity risks, counterparty risks and operational risks.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks of additional capital needs

Swiss Life's capital requirements depend on many factors, including its operational results, capital market conditions, developments of biometric bases, the volume of newly generated business, regulatory changes to capital or other requirements such as reserving requirements and other regulatory developments. Swiss Life may be unable to obtain capital in the future or may only obtain it at considerable costs, in particular in case of negative rating actions (see "*Risks of rating downgrades and other negative rating actions*"). This could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Liquidity and financing risks

Liquidity risk may refer to the risk that the available liquidity is insufficient to meet payment obligations, including payment obligations in relation to insurance contracts, in particular resulting from unexpected events or series of events, such as mass surrenders that trigger Swiss Life's coverage obligations. Swiss Life's liquidity may also be insufficient to meet payment obligations resulting from investment activities, in particular related to derivative contracts made on collateralised basis, such as those used for hedging activities (in particular, Swiss Life uses such instruments to hedge interest rate risk and foreign exchange risk) and forward contracts.

Unexpected liquidity needs could require Swiss Life to increase its level of indebtedness or to liquidate investments or other assets. If Swiss Life requires liquidity at a time when access to bank funding or capital markets is limited, it may not be able to secure new sources of funding. In particular, Swiss Life's ability to meet liquidity needs through the incurrence of debt may be limited by constraints on the general availability of credit and the willingness of lenders to lend in case of bank funding, and adverse market conditions in case of capital market debt.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's liquidity situation, financial condition and results of operations.

Impairment risks

If certain operational and strategic targets cannot be achieved in time, Swiss Life could be faced with impairment losses on its subsidiaries, associates and its other intangible assets. Swiss Life tests goodwill for impairment annually in autumn and whenever there is an indication that the asset might be impaired.

The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Risks of rating downgrades and other negative rating actions

Many of Swiss Life's businesses are dependent on the financial strength and credit ratings assigned to it and its businesses (including outlooks). Therefore, a downgrade in its ratings (or any other negative rating actions such as a change in the outlook) may materially adversely affect relationships with customers and intermediaries, negatively impact sales of its products and increase its cost of borrowing and of reinsurance.

Claims paying ability and financial strength ratings are each a factor in establishing the competitive position of insurers. The financial strength rating of Swiss Life AG has a significant impact on the individual ratings of key subsidiaries and of the Issuer. If a rating of certain Swiss Life entities falls below a certain threshold, the respective operating business of these entities or other Swiss Life entities, such as the Issuer, may be significantly affected. A negative rating action with respect to the Issuer or any of its subsidiaries could, among other things, adversely affect relationships with customers, agents, brokers and other distributors of its products and services, thereby negatively affecting new sales and existing business, and adversely affect its ability to compete in the relevant markets and could increase the cost of borrowing. In particular, in those countries where primary distribution of its products is done through independent partners, such as Germany, negative rating actions could adversely impact sales of life insurance and annuity products.

Any negative rating action could also materially adversely affect Swiss Life's ability to obtain capital in the future or may increase capital costs considerably. In addition, it could give rise to additional financial obligations or accelerate existing financial obligations which are dependent on maintaining specified rating levels. Rating agencies can be expected to continue to monitor Swiss Life's financial strength and claims paying ability, and no assurances can be given that future negative rating actions will not occur, whether due to economic and financial market downturns, changes in Swiss Life's performance, changes in rating agencies' industry views, rating methodologies or criteria, or a combination of such factors.

In 2018, Standard and Poor's published "requests for comment" with regards to its intended revision of its "Insurers Rating Methodology", as well as its "Group Rating Methodology". These methodology changes are expected to take effect in 2019. Although in this moment Swiss Life does not have reasons to foresee a deterioration of its rating, neither the outcome of the methodology review nor its impact on the ratings can be predicted.

Counterparty risks

Swiss Life has monetary and securities claims under numerous transactions against reinsurers, brokers and other debtors. Such third-party debtors may not pay or perform under their obligations. These parties include the issuers whose securities are held by Swiss Life, borrowers under loans made, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. As a result, defaults by one or more of these parties on their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, or even rumours about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses or defaults by Swiss Life. In addition, with respect to secured transactions, Swiss Life's credit risk may be exacerbated when the collateral held by it cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure. This could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Operational risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, people or from external events which adversely impact the operations of Swiss Life (excluding financial risks such as, *inter alia*, financial market risks and counterparty risks). In particular in view of the broad spectrum of operational risks, the realisation of one or more of these risks could damage Swiss Life's reputation and have material adverse effects on its business, financial condition and results of operations.

Risks associated with cyber attacks, data theft, and other forms of criminal manipulation

Cyber attacks directed at Swiss Life or one of its partners and other forms of criminal manipulation could disrupt its businesses, result in the disclosure of confidential information, damage its reputation and have material adverse effects on Swiss Life's business, financial condition and results of operations.

Data theft through unauthorised access to Swiss Life's information systems or physical stealing of files could lead to unintended publication or abuse of confidential client data. This could result in a severe damage of Swiss Life's reputation and have material adverse effects on Swiss Life's business, financial condition and results of operations.

Regulatory, legal and tax-related risks

Risks due to regulatory or legal changes

Swiss Life's businesses are subject to detailed, comprehensive laws and regulations as well as close supervision in all the countries in which it operates. Changes in existing laws and regulations and their interpretation may affect the way in which Swiss Life conducts its business and the products it may offer. Changes in regulations relating to pensions and employment, social security, health insurance, financial services including reinsurance business, taxation, securities products and transactions may necessitate the restructuring of its activities, impose increased costs and thereby, or otherwise, could have material adverse effects on Swiss Life's business, financial condition and results of operations.

In addition, Swiss Life, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects similar conditions to continue for the foreseeable future. Regulatory agencies have broad administrative powers over many aspects of the financial services business, which may include corporate governance, liquidity, capital adequacy, permitted investments, ethical issues, "know your customer" and anti-money laundering rules, privacy / data protection, record keeping, solicitation, marketing and selling practices as well as employee compensation, conduct of business and product governance requirements. Banking, insurance and other financial services laws, regulations and policies currently governing Swiss Life may change at any time in ways which have an adverse effect on its business, and Swiss Life cannot predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, regulators and other supervisory authorities in Switzerland, the EU (including the United Kingdom), Liechtenstein, Singapore, the United States and elsewhere continue to scrutinise payment processing and other transactions under regulations governing matters such as money-laundering, prohibited transactions with countries subject to sanctions, tax evasion and bribery or other anti-corruption measures. Despite Swiss Life's best efforts to comply with applicable regulations, there are a number of risks in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative, criminal or judicial proceedings against Swiss Life, which could result, among other things, in significant adverse publicity and reputational harm, suspension or revocation of licenses, other operative or financial conditions ("*Auflagen*"), cease-and-desist orders, fines, civil penalties, criminal sanctions and/or other disciplinary actions.

In Switzerland, the Issuer and its Swiss subsidiaries are supervised by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). Foreign insurance subsidiaries of the Issuer are supervised by their relevant local regulators. In addition, Swiss Life is subject to group supervision of FINMA.

In the EU and Switzerland, reforms have been undertaken to modernise and strengthen the capital requirements of insurance companies and insurance groups. These reforms generally led to an increase in regulatory capital requirements compared to previous solvency regimes (such as Solvency I). In Switzerland, insurers are required to hold sufficient risk bearing capital in order to cover their target capital under the SST which may be more stringent than the corresponding requirements in the EU (Solvency II) and other jurisdictions. This may put Swiss Life at a competitive disadvantage compared with companies based outside of Switzerland.

The risk models used by Swiss Life for the SST (approved by FINMA with conditions ("*Auflagen*")) since 1 January 2016 have been replaced by the new solvency standard model as of 1 January 2019 with adjustments specific to Swiss Life. This new standard model is generally more sensitive to capital market movements and insurance risk events than the previous model. Despite using a standard model with Swiss Life-specific adjustments, Swiss Life's risk models remain subject to changes FINMA may require which could have material adverse effects on Swiss Life's financial or solvency position.

In Europe, Solvency II has become effective on 1 January 2016 and contains the additional Omnibus II Directive of 16 April 2014. The detailed rules of the Solvency II regime are contained in the finalised Delegated Acts (dated 10 October 2014) adopted by the European Commission and approved by the European Parliament and Council. In addition, the European Insurance and Occupational Pensions Authority ("**EIOPA**") has issued technical standards and guidelines, whose overall goal is to ensure the application of a consistent supervisory framework under Solvency II across the EU. Moreover, the EU is reviewing the Solvency II standard formula which is the basis for the local regulatory reporting of Swiss Life's entities in the EU.

On 5 June 2015, the European Commission has granted Switzerland full equivalence in all three areas of Solvency II: solvency calculation, group supervision and reinsurance. This decision, which is based on a report by EIOPA, finds the Swiss insurance regulatory regime to be fully equivalent to Solvency II. Equivalence has been granted for an indefinite period.

The implementation of the SST and Solvency II are subject to ongoing discussions with regulators which could lead to additional capital being required of the Issuer and its subsidiaries or changes to the way in which Swiss Life carries out its business being required, could result in additional expense or a competitive disadvantage vis-à-vis European competitors or could otherwise adversely affect Swiss Life's financial or solvency position.

Moreover, the regulatory framework of the Swiss financial sector (including insurance undertakings) is currently being revised. By means of several new codified acts and legislative projects, such as the planned revision of the Insurance Supervision Act and the Insurance Supervision Ordinance, the draft Insurance Contract Act, the draft Swiss Financial Services Act ("**FinSA**") and the draft Swiss Financial Institutions Act ("**FinIA**"), the draft Swiss Federal Act on Data Protection and with initiatives in the area of anti-money laundering, the Swiss lawmaker is responding to international developments and changes with a view to accommodate a compatible level playing field. The FinSA and FinIA are expected to come into effect in 2020. The final text of the implementing ordinances for FinSA and FinIA is still uncertain; however, it is expected that these new legal frameworks and their application by FINMA will not have material adverse effects on Swiss Life's business and results of operations.

Risks due to legal quote restrictions in Switzerland and similar regulations in other jurisdictions

Some of Swiss Life's life insurance business is affected by a mandatory profit participation of policyholders (the "**Legal Quote**"), restricting Swiss Life's ability to allocate surplus to its shareholders and may affect its debt servicing capacity, including the Issuer's ability to meet interest payment obligations under the Bonds, if any. Under certain circumstances, the Legal Quote may affect the profitability of other Swiss Life affiliates that provide services to the insurance life business. The Legal Quote limits Swiss Life's flexibility in a way which, in certain market conditions, could have a negative impact on its future profitability and the value of new and existing business.

The Legal Quote mechanism introduced in 2004 is regularly subject to political and public discussions. There can be no assurance that the current Legal Quote regime will remain unchanged in the future. Unfavourable changes to it or to comparable regulations in other countries in which Swiss Life operates could adversely affect the profitability of Swiss Life.

While Swiss Life believes that the Legal Quote reduces the sensitivity of its results (after policyholder participation) to changes in the BVG guaranteed minimum interest rate or the mandatory conversion rate, the profitability of Swiss Life's BVG business and Swiss Life's ability to maintain and increase its premium volume and market share could both be adversely affected if the levels of, or changes in, either of these rates do not reflect the prevailing economic, market or other conditions relevant for such products.

Risks relating to the sustainability of Swiss Life's BVG business

Swiss Life's life insurance business in Switzerland based on the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (*Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge*, or "**BVG**") is subject to guaranteed minimum interest and annuity conversion rates. Swiss law provides for an annuity conversion rate which determines the amount of the annual retirement pension payable to an annuitant based on the contributions accumulated to the retirement date. For the mandatory part of Swiss Life's life insurance business in Switzerland, the legally stipulated conversion rate is applied whereas in the non-mandatory part of the BVG business a conversion rate calculated using actuarial assumptions is applied. Guaranteed minimum interest and annuity conversion rates could be imposed by the respective authorities in a manner which may diverge from the rates of return that Swiss Life is able to achieve on its assets. The minimum interest rate is subject to annual changes by the Swiss Federal Council and the annuity conversion rate does not as yet follow a predictable formula consistent with the economic notion of a guarantee. The process for setting these rates is not predictable and the rates may from time to time diverge from the rates of return that Swiss Life is able to achieve on the assets backing such business. Furthermore, the 2017 popular vote rejecting the "*Altersvorsorge 2020*" reform has increased the uncertainty regarding possible timing for the substantial reforms needed on the BVG business.

In addition, while Swiss Life has some flexibility to reprice or restructure its products in response to such conditions or changes, the ability to implement a revised product offering is subject to a number of uncertainties and may not have immediate effect. For example, the current Swiss regulatory regime requires that approval must be sought from the regulator prior to the introduction of new tariffs. Also, the ability to implement a revised product offering is subject to customers' acceptance of the new terms.

Failure by Swiss Life to achieve a rate of return on its investments in excess of the statutory guaranteed minimum interest rate could have material adverse effects on Swiss Life's financial condition and results of operations. The same adverse effects could result from changes in mortality, morbidity, longevity and other biometric assumptions, changes in technical interest rates not provided for in the statutory guaranteed annuity conversion rate, and from any adverse change in the statutory guaranteed interest or annuity conversion rates. At the extreme, in the event of market deterioration or of the setting of the statutory guaranteed interest rate or the statutory guaranteed annuity conversion rate at certain levels, Swiss Life may be unable to write profitable group life insurance business in Switzerland.

Risks relating to changes in accounting standards

The consolidated financial statements of Swiss Life are prepared in accordance with IFRS. In March 2004, the International Accounting Standards Board ("**IASB**") introduced a framework for reporting insurance contracts ("**IFRS 4**"), described as Phase I, which, except for selected exceptions, essentially allowed the continuation of existing practices for reporting insurance contracts and associated policyholder liabilities that existed before January 2005. In May 2017, IFRS 17 Insurance Contacts was published and replaces IFRS 4 insurance contracts, which currently permits a wide variety of practices. IFRS 17 Insurance Contracts will fundamentally change the accounting by entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, and will affect the presentation and structure of financial statements. IFRS 17 Insurance Contracts is effective for annual periods beginning on or after 1 January 2021. In November 2018, the IASB tentatively decided to defer the effective date of IFRS 17 by one year to reporting periods beginning on or after 1 January 2022. Swiss Life is currently assessing the impact on its financial statements which will be significant.

In July 2014 the IASB completed IFRS 9 Financial Instruments ("**IFRS 9**"). The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 covers classification and measurement of financial instruments, impairment of financial assets and hedge accounting. Classification determines how financial assets and financial liabilities are accounted for in financial statements and how they are measured on an ongoing basis. Financial assets are classified on the basis of the business model within which they are held and their contractual cash flow characteristics. An expected-loss impairment model is introduced. Under the new model, it is no longer necessary for a credit event to have occurred before an impairment loss is recognised. The new model for hedge accounting aligns accounting treatment more closely with risk management activities. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, an amendment to IFRS 4 was published in September 2016, which provides companies being primarily active in the insurance business with the option to defer the introduction of IFRS 9 until 1 January 2021, at the latest. Swiss Life has made use of such deferral option and continues to apply IAS 39 Financial Instruments: Recognition and Measurement, as its business activities were predominantly connected with insurance on 31 December 2015.

Such changes to IFRS as issued by the International Accounting Standards Board may adversely affect the consolidated results of the Issuer and its financial condition and may result in changes in the applicable accounting standard.

Furthermore, Swiss Life may consider applying alternative accounting standards (such as, e.g., Swiss GAAP FER) rather than IFRS in the future. Such a change in the applicable accounting standard could have material impacts on the way the consolidated financial position and results of Swiss Life's operations are reported and measured.

Risks of failure to comply with laws and regulations

Swiss Life's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to Swiss Life, other well-known companies and the financial services industry in general. In particular Swiss Life's different distribution channels in the countries where it operates business (sales personnel, tied agents, brokers, banking channels, owned and independent financial advisors) bear the risk of inefficiencies or litigation that arises from the failure or perceived failure by Swiss Life's sales representatives to comply with legal, regulatory or compliance requirements or their duty of care when advising clients. Legal sanctions, negative publicity and damage to its reputation arising from such failure or perceived failure, financial reporting irregularities involving other large and well-known companies, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist-financing procedures and their effectiveness, regulatory investigations of the mutual fund, banking and insurance industries, and litigation that arises from the failure or perceived failure by subsidiaries of the Issuer to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect Swiss Life's ability to attract and retain customers as well as maintain access to the capital markets, result in lawsuits, enforcement actions, fines and penalties or have other adverse effects on Swiss Life in ways that are not predictable.

Litigation risks

Subsidiaries of Swiss Life are involved in legal, arbitration and other formal and informal dispute resolution proceedings both as complainant and respondent.

The outcome of any of such proceedings cannot be determined in advance. Swiss Life is of the opinion that the currently pending proceedings should not have any material detrimental effect on its assets and net income. Nevertheless, this assessment may prove to be inaccurate and therefore could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Swiss Life has been contacted by the American Department of Justice (DOJ) regarding its cross-border business with US clients. As of today, the portfolio with US clients of Swiss Life Liechtenstein and Swiss Life Singapore amounts in the aggregate to approximately CHF 250 million. All insurance contracts have been categorised and been reported pursuant to the Foreign Account Tax Compliance Act ("**FATCA**") (for further information on FACTA please refer to the section "*TAXATION*" below). In the past, the portfolio with US clients amounted to a maximum of approximately CHF 1 billion.

Swiss Life will use the opportunity for dialogue and explain its past cross-border business in cooperation with the US authorities. The outcome of this dialogue cannot be determined in advance.

Currently Swiss Life does not expect any material effect on its business or on its financial position. However it cannot be predicted if such dialogue in the future could have a material adverse effect on its assets and net income, on its business, financial condition and results of operations.

Risks in connection with changes in tax laws

Swiss Life's net income and cash flows are determined to a certain extent by current taxation, regulation and application thereof by tax authorities. In addition, changes to tax laws may affect the attractiveness of certain of Swiss Life's products that currently receive favourable tax treatment. Governments in jurisdictions in which Swiss Life does business may consider changes to tax laws that could adversely affect such existing tax advantages, and if enacted, could result in a significant reduction in the sale of such products. The realisation of any of the aforementioned risks could have material adverse effects on Swiss Life's business, financial condition and results of operations.

Previously common practices and regulations regarding the taxation of companies and individuals are currently under scrutiny and change. The financial crisis has incentivised states to seek new sources of revenue. FATCA, as an example, has imposed significant new burdens on financial institutions regarding the documentation, reporting and potentially withholding of payments to US persons (for further information on FATCA please refer to the section " *TAXATION*" below). On the level of the Organisation of Economic Co-Operation and Development ("**OECD**"), important changes like the automatic exchange of financial account information and the project base erosion and profit shifting (BEPS) have been implemented and/or are currently under consideration. The impact of such changes in practice, which have led to increased costs and the threat of potential fines for non-compliance, are inherently difficult to predict and may lead to significant costs and additional tax burdens for financial institutions such as Swiss Life.

Risks related to the Bonds

The Issuer may redeem the Bonds under certain circumstances

The Bonds may be redeemed at the option of the Issuer in whole (but not in part) (i) if eighty-five (85) percent or more of the aggregate principal amount have been redeemed or purchased and cancelled; or (ii) during a time period of two months prior to the Maturity Date. Such redemption options will be exercised at the principal amount of the Bonds together with interest accrued to the date of redemption, if any. During any period when the Issuer may elect to redeem the Bonds, the market value of the relevant Bonds is generally not expected to rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may also be expected to exercise its call option to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There can be no assurance that, at the relevant time, investors will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Bonds. Prospective investors should consider reinvestment risk in light of other investments available at that time.

No comprehensive restriction to issue additional debt, guarantees or security

Other than the negative pledge undertaking described in Condition VIII there is no restriction on the amount of additional debts, guarantees or security that the Issuer may issue. The issue of debt, guarantees or security may reduce the amount recoverable by the Bondholders in a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer. Consequently, the Bondholders could suffer direct and materially adverse consequences, including the loss of all or part of interest and principal.

Bondholders have no remedies against asset disposals and dividend payments and other distributions by the Issuer

The Terms of the Bonds do not prohibit the Issuer to dispose of any of its assets nor do the Terms of the Bonds provide for any restrictions in the payment by the Issuer of dividends in cash or any other manner.

No covenants concerning operations of the Issuer and no transaction limitations

The Bonds do not contain covenants governing the operations of the Issuer and do not limit the ability of the Issuer to enter into a merger, asset sale or other significant transaction that could materially alter their existence, jurisdiction of organisation or regulatory regime and/or the composition and business of Swiss Life. In the event the Issuer would enter into such a transaction, Bondholders could be materially and adversely affected.

Modification and waivers

The Swiss Code of Obligations contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. Subject to approval by the relevant composition authority (*Nachlassbehörde*), these provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Issuer is a holding company

Because the Issuer is a holding company whose primary assets consist of common stock or other equity interests in or amounts due from subsidiaries, its income is primarily derived from those subsidiaries. The subsidiaries of the Issuer will have no obligation to pay any amount or perform in any respect under the Terms of the Bonds. The payment of dividends by many of the Issuer's subsidiaries is subject to various solvency requirements and other regulatory restrictions. Restrictions on the ability of the Issuer's subsidiaries to pay dividends or to make other cash payments may materially affect its ability to meet its obligations with respect to the Bonds.

As an equity holder, the Issuer's ability to participate in any distribution of assets of any subsidiary is subordinated to the claims of creditors of the subsidiary, except to the extent that any claims the Issuer may have as a creditor of the subsidiary are judicially recognised. If these sources are not adequate, the Issuer may be unable to meet its obligations with respect to the Bonds.

The Bonds are a new issue of securities and there is no assurance that a trading market will develop or that it will be liquid

The Bonds are a new issue of securities by the Issuer and, notwithstanding that the Bonds are listed on the SIX Swiss Exchange, have no established trading market. If an established trading market develops that provides for certain liquidity in the Bonds, there can be no assurance that such liquidity remains available as liquidity and market prices for the Bonds are subject to market and economic conditions and the Issuer's financial condition. Investors may therefore not be able to sell the Bonds at any time and at prices that would provide them with a yield comparable to similar securities that have an established trading market.

Value of the Bonds

The market value of the Bonds will be affected by many factors, most of which are beyond the Issuer's control, such as the perceived creditworthiness (as may be expressed by a rating assigned by a rating agency) of the Issuer, , the rating of the Bonds, the solvency situation of the Issuer or any of its affiliates, and a number of additional factors including market interest and yield rates. The price at which an investor will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such investor. Furthermore, due to future money depreciation (inflation), the real yield of an investment may be reduced.

Risks relating to the ratings on the Bonds

The ratings of the Bonds may not reflect the potential impact of all risks that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodologies for rating securities with features similar to the Bonds in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Bonds were to be subsequently lowered or another negative rating action taken, this may have a negative impact on the market price of the Bonds.

Investors are exposed to risks associated with fixed interest rate securities

A holder of securities with a fixed interest rate is exposed to the risk that the price of such securities falls as a result of increasing market interest rates. The interest rates in the capital markets (market interest rates) typically change on a daily basis. As the market interest rate changes, the price of the Bonds changes typically in the opposite direction. If the market interest rate increases, the price of the Bonds would typically fall and if the market interest rate falls, the price of the Bonds would typically increase. Therefore, investors should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses if investors sell their Bonds during certain periods.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisors to determine whether and to what extent (i) the Bonds are lawful investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

No legal and tax advice

Each prospective investor should consult its own advisors as to legal, tax and related aspects of an investment in the Bonds. An investor's effective yield on the Bonds may be diminished by the tax impact on that investor of its investment in the Bonds.

An investor's actual yield on the Bonds may be reduced from the stated yield by transaction costs.

Proposed amendment of the Swiss Federal Withholding Tax Act

On 4 November 2015 the Swiss Federal Council announced a mandate to the Swiss Federal Finance Department to institute a group of experts tasked with the preparation of a new proposal for a reform of the Swiss withholding tax system. The new proposal is expected to include in respect of interest payments the replacement of the existing debtor-based regime by a paying agent-based regime for Swiss withholding tax similar to the one published on 17 December 2014 by the Swiss Federal Council and repealed on 24 June 2015 following the negative outcome of the legislative consultation with Swiss official and private bodies. Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of the Bonds for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Bonds is not an individual resident in Switzerland.

If such a new paying agent-based regime were to be enacted and were to result in the deduction or withholding of the Swiss federal withholding tax by a paying agent in Switzerland on any interest payments in respect of the Bonds, neither the Issuer, nor the Principal Paying Agent, nor any other paying agent or person would, pursuant to the Terms of the Bonds, be obliged to pay additional amounts with respect to the Bonds as a result of the deduction or imposition of such withholding tax.

Payments on or with respect to the Bonds may be subject to U.S. withholding under FATCA

The Issuer and other non-U.S. financial institutions through which payments on the Bonds are made may be required to withhold U.S. tax at a rate of 30 per cent on certain payments made after 31 December 2018 in respect of the Bonds pursuant to FATCA (for further information on FACTA please refer to the section "*TAXATION*" below).

Whether such withholding tax applies may depend on whether the financial institution through which payments on the Bonds are made has agreed to provide certain information on its account holders pursuant to a FATCA agreement with the U.S. Internal Revenue Service ("**IRS**") and an investor's consent, where necessary, to have its information provided to the IRS. Consequently, subject to certain conditions, an investor may be subject to generally applicable information reporting, and may also be subject to backup withholding requirements with respect to payments made in respect of the Bonds unless the investor complies with certain certification and identification requirements or an exception to the information reporting and backup withholding rules otherwise applies.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Bonds as a result of FATCA, none of the Issuer, the Principal Paying Agent, or any other paying agent or person would, pursuant to the Terms of the Bonds, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Investors thus should consult their own tax advisors on how these rules may apply to payments they receive under the Bonds.

TERMS OF THE BONDS

The terms and conditions (each a "**Condition**", and together the "**Terms of the Bonds**") of the Bonds issued by Swiss Life Holding AG (the "**Issuer**"), are established pursuant to the Bond Purchase and Paying Agency Agreement. The Terms of the Bonds govern the rights and obligations of the Issuer and the Bondholders (as defined below) in relation to the Bonds and are as follows:

I Denomination and Form of the Bonds

The Bonds are issued in the aggregate principal amount of CHF 250,000,000 and are divided into denominations of CHF 5,000 and multiples thereof.

The Issuer reserves the right to reopen and increase the aggregate principal amount of the Bonds issued at any time and without prior consultation or permission of the holders of the Bonds (the "**Bondholders**") through the issuance of further bonds which will be fungible with the Bonds (i.e., other than the Issue Date identical in respect of the Terms of the Bonds).

The Bonds and all rights in connection therewith are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) that will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtebuch*). Such uncertificated securities (*Wertrechte*) will then be entered into the main register (*Hauptregister*) of the SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) (the "**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Neither the Issuer, nor the Bondholders, nor UBS AG as principal paying agent in respect of the Bonds (the "**Principal Paying Agent**") nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of, a permanent global certificate (*Globalurkunde*) or certificated securities (*Wertpapiere*).

So long as the Bonds are in the form of Intermediated Securities, the Bonds may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., by the entry of the transferred Bonds in a securities account of the transferee.

The records of the Intermediary will determine the number of Bonds held through each participant by the Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the Bondholders will be the persons holding the Bonds in a securities account in their own name and for their own account.

II Status of the Bonds

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

III Interest

The Bonds will bear interest at a rate of 0.25 per cent per annum from and including 13 March 2019 (the "**Issue Date**") to but excluding 11 October 2023 (the "**Maturity Date**") payable annually in arrears on 11 October in each year (each such interest date an "**Interest Payment Date**"), for the first time on 11 October 2019 and the last time on the Maturity Date. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

IV Redemption

1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Issuer undertakes to repay all Bonds at par on the Maturity Date.

2 Early Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) calendar days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds in whole, but not in part only, at par plus interest accrued until (but excluding) the date determined by the Issuer for early redemption (if any):

a) at any time after the Issue Date and prior to the date falling two months prior to the Maturity Date, if eighty-five (85) per cent or more of the aggregate principal amount have been redeemed or purchased and cancelled at the time of the notice; or

b) at any time during the period from (and including) the date falling two months prior to the Maturity Date to (but excluding) the Maturity Date.

3 Purchase of Bonds

The Issuer or any other member of the Swiss Life group may at any time purchase Bonds at any price in the open market or otherwise. Any purchase shall be made in accordance with applicable laws and regulations, including applicable stock exchange regulations. Such acquired Bonds may be held, resold or surrendered to the Principal Paying Agent for cancellation.

4 Cancellation

All Bonds which are redeemed or surrendered to the Principal Paying Agent shall immediately be cancelled. All Bonds so cancelled cannot be reissued or resold.

5 Notice

Where the provisions of this Condition IV provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Bondholders as soon as practicable pursuant to Condition XI. Such notices shall be irrevocable.

V Payments

The amounts required for the payment of interest on the Bonds (after deduction of the then applicable Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at a rate of thirty-five (35) per cent) and the principal amount of the Bonds and any other payments in cash to be made under these Terms of the Bonds will be made available in good time in freely disposable CHF, which will be placed at the free disposal of the Principal Paying Agent in Switzerland. If the due date for any payment by the Issuer falls on a day which is not a Business Day, the relevant payment will be made on the first Business Day following such due date. Bondholders will not be entitled to demand additional interest or any other payment in respect of such delay.

Upon receipt of the funds in Switzerland and under the same conditions as received, the Principal Paying Agent will arrange for payment to the Bondholders.

The Issuer undertakes that payments shall be made in freely disposable CHF without collection cost to the Bondholders, and, unless otherwise provided for by applicable law, without any restrictions and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Bondholders and without requiring any affidavit or the fulfilment of any other formality, at the counters of the Principal Paying Agent.

The receipt by the Principal Paying Agent of funds in CHF in Switzerland from the Issuer shall release the Issuer from its obligations under the Bonds to the extent of amounts received by the Principal Paying Agent.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Zurich, Switzerland.

VI Taxation

Payments in respect of the Bonds are subject to applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at the rate of thirty-five (35) per cent.

VII No set-off rights

No Bondholder may set off any claims arising under the Bonds against any claims that the Issuer may have against the Bondholder.

VIII Negative Pledge

So long as any Bond remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest over the whole or any part of its present or future assets or revenues to secure any Relevant Debt unless at the same time or prior thereto, the Issuer's obligations under the Bonds are secured equally and rateably therewith by such encumbrance or security interest or have the benefit of an equivalent encumbrance or security interest.

"**Relevant Debt**" means any present or future indebtedness of the Issuer with an original maturity of one year or more in form of, or represented by, bonds, notes, debentures or other securities which are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or organised trading facility.

IX Events of Default

If any of the following events (each event an "**Event of Default**") has occurred and is continuing, the Principal Paying Agent has the right but not the obligation, to, on behalf of the Bondholders, declare all outstanding Bonds immediately due and repayable at par plus accrued interest by serving a written notice of default ("**Default Notice**") to the Issuer:

a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Bonds on the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds on the due date for payment thereof, and such failure continues in the case of principal for a period of ten (10) calendar days and in the case of interest for a period of twenty (20) calendar days; or

b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds and such default continues for a period of thirty (30) calendar days following the service by the Principal Paying Agent on the Issuer of notice requiring such default to be remedied; or

c) *Cross default of Issuer or Material Subsidiary:* the Issuer or a Material Subsidiary is obligated to accelerate repayment of another bond, other debt security or a long or medium term loan obligation in the aggregate minimum amount of CHF 150 million equivalent due to non-compliance with a material contractual obligation or condition (including the repayment at maturity) and the amounts due have not been paid back following a grace period, if any; or

d) *Moratorium or standstill agreement:* the Issuer or a Material Subsidiary agrees to a Moratorium, Standstill Agreement or Similar Agreement (*Stillhalte- oder ähnliches Abkommen*) with its creditors in respect of claims of an aggregate minimum amount of CHF 10 million equivalent;

   "**Moratorium, Standstill Agreement or Similar Agreement"** means every agreement between the Issuer or a Material Subsidiary respectively with a financial creditor (e.g. banks) with a view to that such financial creditors refrain from claiming repayment of sums due under defined conditions and periods; or

e) *Insolvency:* the Issuer or any of its Material Subsidiaries becomes insolvent or is threatened to become insolvent due to overindebtedness (*Überschuldung*), becomes subject to the institution of suspension of payments (*Nachlassstundung*) or controlled management (*Zwangsverwaltung*), enters into a composition agreement with its creditors (*Nachlassvertrag*) or is declared bankrupt (*Konkurseröffnung*); or

f) The Issuer or a Material Subsidiary changes its legal or commercial structure through (i) dissolution (*Liquidation*), (ii) merger (*Fusion*) or restructuring (except of internal reorganisation), (iii) sale of all or substantially all of the assets, or (iv) change of the purpose or the commercial activity, provided that in the view of an independent expert, the events described in (i) to (iv) above have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Terms of the Bonds. Notwithstanding the foregoing, the events described in (i) to (iv) above shall not trigger an Event of Default if, in view of securities granted and/or other measures taken by the Issuer, the Bondholders are adequately protected, as reasonably determined by the Principal Paying Agent.

Principal and interest accrued shall become due on receipt of the Default Notice, unless the reason for giving such Default Notice has previously ceased to exist.

"**Subsidiary**" means a company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer.

"**Material Subsidiary**" means any Subsidiary included in the Issuer's audited consolidated financial statements the assets of which constitute more than ten (10) per cent of the Issuer's consolidated assets, or the revenues of which constitute more than ten (10) per cent of the Issuer's consolidated revenues, in each case as at the date of the latest audited consolidated financial statements prepared by the Issuer.

The Issuer undertakes to inform the Principal Paying Agent without delay if any event mentioned under para. (b) through (f) of this Condition IX has occurred and to provide the Principal Paying Agent with all necessary documents and information in connection therewith.

Upon the occurrence of an Event of Default which is continuing, the Principal Paying Agent may invite the Bondholders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Bondholders' meeting for the taking of a resolution on the serving of a Default Notice, provided the Principal Paying Agent has not served such Default Notice itself. The legally valid resolution of the Bondholders' meeting to serve a Default Notice, shall replace the right reserved by the Principal Paying Agent according to these Terms of the Bonds to serve a Default Notice on behalf of the Bondholders. If the Bondholders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Principal Paying Agent whereby the Principal Paying Agent shall not be bound by the resolution of the Bondholders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

X Substitution of the Issuer

The Issuer may without the consent of the Bondholders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Subsidiary of the Issuer (the "**New Issuer**"), provided that:

a) the New Issuer is, in the opinion of an independent expert, in a position to fulfil all payment obligations arising from or in connection with the Bonds in freely convertible and transformable legal tender of Switzerland without any need to deduct or withhold any additional taxes or duties at source and to transfer without restriction all amounts required to be paid under the Bonds to the Principal Paying Agent, and

b) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Principal Paying Agent.

Any substitution shall be published in accordance with Condition XI of these Terms of the Bonds.

In the event of such substitution, any reference to the Issuer shall be deemed to refer to the New Issuer.

XI Notices

All notices to Bondholders regarding the Bonds shall be published by the Principal Paying Agent in accordance with the applicable regulations of the SIX Swiss Exchange and shall be valid as soon as published (i) on the internet website of the SIX Swiss Exchange (where notices are currently published under the address https://www.six-group.com/exchanges/news/official_notices/search_en.html) or (ii) otherwise in accordance with the applicable regulations of the SIX Swiss Exchange.

XII Listing

The Issuer will use its reasonable efforts to have the Bonds listed on the SIX Swiss Exchange and to maintain such listing as long as the Bonds are outstanding (the last trading day will be the second Business Day prior to the date on which the Bonds will be fully redeemed).

XIII Prescription

Claims against the Issuer in respect of Bonds will become void unless presented for payment within a period of presently ten (10) years (in the case of the principal) and within five (5) years (in the case of interest) from the appropriate relevant due date, by virtue of the statute of limitations of Swiss law.

XIV Governing law and jurisdiction

The Bonds shall be governed by and construed in accordance with Swiss law.

Any dispute which might arise between Bondholders on the one hand and the Issuer on the other hand in connection with the Bonds shall be submitted to the exclusive jurisdiction of the courts of the city of Zurich, Switzerland, and, if permitted, the Commercial Court of the Canton of Zurich, Switzerland.

XV Amendments

The Principal Paying Agent may, without the consent of the Bondholders, agree to any modification or arrangement of the Terms of the Bonds which, in the opinion of the Principal Paying Agent, is of a formal, minor or technical nature, is made to correct a manifest error, or is not materially prejudicial to the interests of the Bondholders.

XVI Severability

If at any time any one or more of the provisions of the Terms of the Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

USE OF PROCEEDS

The net proceeds of the Offering are expected to be approximately CHF 249,887,500 after deduction of commissions, fees and estimated expenses. The Issuer will use the net cash proceeds of the Offering for general corporate purposes including future refinancing of outstanding debt instruments.

Company name, legal form, registered office, duration, incorporation and notices

Swiss Life Holding AG is a stock corporation (*Aktiengesellschaft*) pursuant to articles 620 et seq. of the Swiss Code of Obligations incorporated under the laws of Switzerland for an unlimited duration with its registered office c/o Swiss Life AG, General-Guisan-Quai 40, 8002 Zurich, Switzerland. It was incorporated on 17 September 2002 (date of registration). According to article 25 of the Issuer's articles of incorporation, announcements and notifications of the Issuer are made in the in the Swiss Official Commercial Gazette.

Business purpose

According to article 2 of the Issuer's articles of incorporation, the business purpose of the Issuer is the holding, acquisition and sale of participations in the insurance and financial services sectors, both in Switzerland and abroad. The Issuer may hold interests in any kinds of business enterprises and may finance, establish or acquire such business enterprises.

Registration

The Issuer is registered with the commercial register of the Canton of Zurich under company registration number CHE-109.910.989.

Financial statements and auditors

The consolidated and statutory financial statements of Swiss Life as of and for the years ended 31 December 2017 and 2016 have been audited by PricewaterhouseCoopers Ltd, Birchstrasse 160, CH-8050 Zurich, registered with and supervised by the Swiss Federal Audit Oversight Authority (register no. 500003), as independent auditor.

Share capital

As per 31 December 2018, the share capital of the Issuer amounts to CHF 174,537,840.60 divided into 34,223,106 fully paid-in registered shares with a nominal value of CHF 5.10 each.

As per 31 December 2018, the Issuer does not have an authorised share capital.

The share capital of the Issuer may be increased by a maximum amount of CHF 19,675,534.80 by the issuance of up to 3,857,948 registered shares with a nominal value of CHF 5.10 each as a consequence of the exercise of conversion and/or option rights granted in connection with existing or future convertible option or similar bonds by the Issuer or companies belonging to Swiss Life.

Conversion and option rights

As of 31 December 2018, no option, participation rights or convertible bond issues of the Issuer are outstanding.

Own equity securities

As of 31 December 2018, members of Swiss Life held a total of 418,899 shares in the Issuer (equalling approximately 1.2% of the Issuer's outstanding share capital and voting rights) of which 227,700 shares in the Issuer have been acquired under the share buyback programme announced by the Issuer on 29 November 2018 and intended to be completed until no later than 31 December 2019. All shares were held by the Issuer itself.

Updates on the progression of and the transactions made in own shares during Swiss Life's share buyback programme 2018-2019 are being published on a weekly basis on Swiss Life's website, currently under: https://www.swisslife.com/en/investors/share/sharebuyback.html

Group structure and business operations

The Issuer is a member of Swiss Life whose group structure (including board of directors and corporate executive board) and business operations are described below under "*DESCRIPTION OF SWISS LIFE*".

Swiss Life is one of Europe's leading provider of life, pensions, financial solutions and advice for the long run.

In Switzerland, Swiss Life is the market leader in life insurance. In France, in addition to life insurance, Swiss Life also offers health and protection as well as property and casualty insurance solutions. In Germany, Swiss Life focuses on life and disability coverage and owns the second largest independent financial advisor network.

Swiss Life also provides multinational corporations with employee benefits solutions and high net worth individuals with structured life and pensions products through its international division.

Swiss Life's owned independent financial advisors (Swiss Life Select, tecis, Horbach, Deutsche Proventus, Fincentrum and Chase de Vere) provide customers with a broad range of own and partner products.

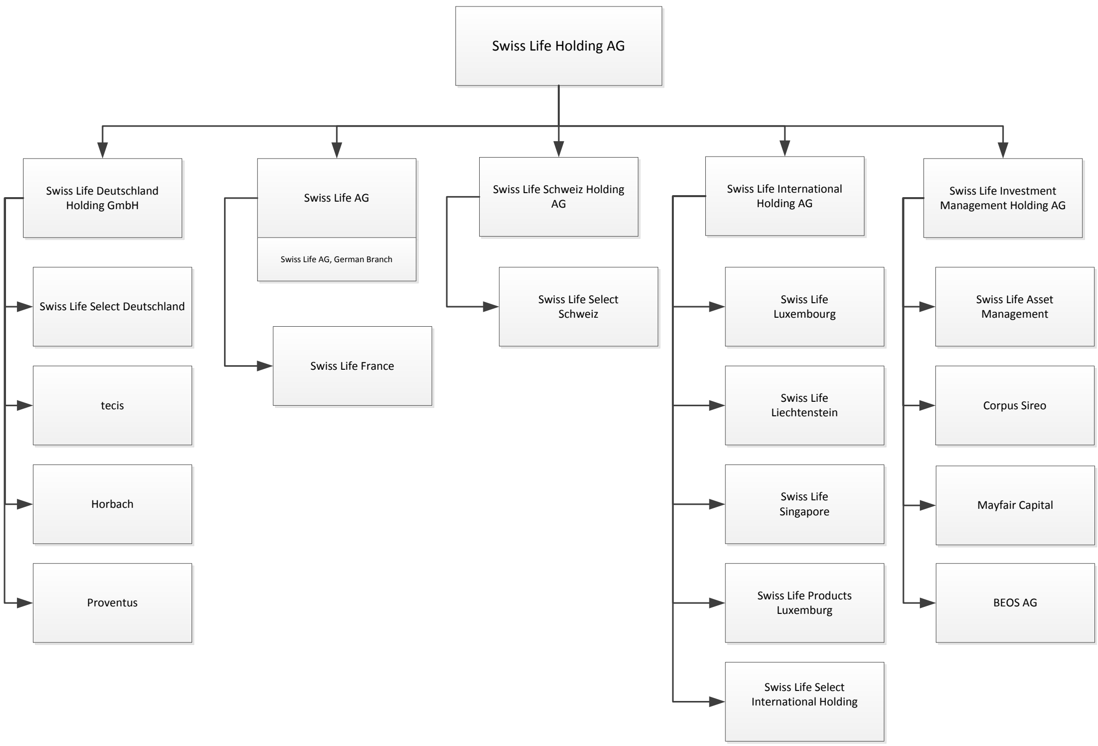
Swiss Life Asset Managers is a top institutional manager for captive and third-party clients and the number 1 asset manager for real estate in Europe.

As of 31 December 2018, Swiss Life employed a workforce of around 8600 FTE's and about 6,000 certified financial advisors. Total gross written premiums, policy fees and policyholder deposits for the year ended 31 December 2018 amounted to about CHF 19.2 billion (2017: about CHF 18.6 billion).

Group structure

As of 31 December 2018, Swiss Life comprised over 200 companies in 14 countries. The Issuer is the holding company of Swiss Life and its shares (SLHN) are listed on the SIX Swiss Exchange.

In simplified form, the legal structure of Swiss Life as per 31 December 2018 can be summarised as follows:



The majority of Swiss Life's insurance activities are carried out by Swiss Life AG, either directly, through branch offices or through its subsidiaries and associates.

Strategy

In November 2018, Swiss Life announced its strategic programme for the three-year-period 2019-2021. The programme "Swiss Life 2021" builds on the results of the successful preceding programme "Swiss Life 2018" and focuses on the following three key areas: quality of earnings and earnings growth, operational efficiency and capital, cash and dividend. The targets under the Swiss Life 2021 programme include a return on equity in the range of 8 to 10% (equity excluding unrealised gains/losses).

The three "Swiss Life 2021" financial thrusts are:

1) Quality of earnings and earnings growth
   Swiss Life will strengthen the quality of its earnings and grow its earnings particularly by increasing the fee

result to CHF 600 to 650 million. The major contribution will come from Swiss Life Asset Managers, followed by the unit-linked products, and the owned IFAs. Swiss Life also wants to increase the risk result to CHF 400 to 450 million. Moreover, the cumulative value of new business over the 2019-2021 period is expected to exceed CHF 1.2 billion. All business units will contribute to this primarily based on higher volumes.

2) Operational efficiency
Swiss Life will continue to improve operational efficiency through keeping cost discipline, further process automation and digitalization initiatives. New metrics were introduced to measure efficiency improvements in the various business areas. In the insurance business, Swiss Life wants to improve the life efficiency ratio to below 40 basis points. In the IFA business, Swiss life wants to improve the distribution operating expense ratio to below 25 percent. And finally, Swiss Life aims to improve its cost/income ratio in third-party asset management business to around 75 percent.

3) Capital, cash and dividend
Capital, cash and dividend remain paramount in the Swiss Life 2021 programme. Swiss Life newly disclosed an SST ambition range of 140 to 190 percent. Swiss Life will also strive to remit CHF 2 to 2.25 billion of cash to the holding company from 2019 to 2021. And Swiss Life will ensure attractive shareholders return by increasing the dividend pay-out ratio to 50 to 60 percent and by introducing a share buyback programme of CHF 1 billion to be completed by the end of 2019.

With its "Swiss Life 2021" programme, Swiss Life will address the industry trends and market opportunities. On the one hand, the economy will continue to be in an era of financial repression, with only slowly rising interest, while the impact of rapidly ageing populations on pensions is underestimated: People continue to live longer and state systems fall further behind, so people want to determine their own financial future. Swiss Life is well positioned to navigate successfully through a continuously low interest environment, as well as to harness the potential of the growing pension market, given its focus on helping customers to lead a self-determined life. On the other hand, Swiss Life regards digitalisation as an opportunity to improve not only the business processes, but also the service to the customers. Swiss Life will develop its distribution model into a phygital one by combining digital tools with its customer centric personal, i.e. physical advice. With its phygital approach, Swiss Life will make the difference vis-à-vis pure digital offerings, continue to automate processes, use data analytics and machine learning to improve its customer access and relationships, and work with partners to drive innovation.

Business divisions

Swiss Life Switzerland

Swiss Life Switzerland is a comprehensive life and pensions and financial solutions provider and one of the leading providers in the private and occupational pensions sector with over one million insured persons.

Individual life insurance

Swiss Life Switzerland's individual life insurance business targets a wide range of private clients. Individual life insurance products consist of pensions as well as products covering mortality and disability risks that are often combined with savings elements. Swiss Life Switzerland offers a full range of products that use various combinations of these elements. It offers traditional life insurance products, characterised by guaranteed benefits, as well as unit-linked products (with or without capital protection). The products offered by Swiss Life Switzerland can be structured to fall within the limits necessary to qualify for tax advantages as part of the "third pillar" (individual pension-related savings scheme) of the Swiss pensions system, or can be written without such limitations and tax advantages.

Group life insurance

The group life insurance business in Switzerland targets pension institutions of small and medium-sized but also larger corporations. In Switzerland, the BVG requires employers to maintain an occupational pension plan for employees and to arrange for a pension institution to provide for that occupational pension plan. Swiss Life Switzerland also offers BVG products to cover either the mandatory part or the non-mandatory part of the BVG or, as an integrated solution, to cover both parts.

Other products offered by Swiss Life Switzerland include products provided to semi-autonomous and autonomous pension institutions where only certain risks, not already insured by the pension institutions elsewhere, are covered.

Swiss Life Switzerland also provides tailor-made investment products to large entities with autonomous pension institutions seeking a flexible investment strategy. The investment risk of these products lays with the pension institutions.

The category of group insurance products also encompasses a small number of individual insurance products which utilise the technical bases of group insurance products, but are aimed at individuals with vested benefits who are leaving an existing pension institution but not joining another, who become self-employed, or who have invested their pension funds in real estate for own usage.

Swiss Life Switzerland aims to offer to its clients a full-range of insurance solutions also including tailored products and services that reflect a customer's individual risk tolerance. Swiss Life Switzerland complements its full insurance contracts by pension solutions without traditional guarantees which allows tailored investment strategies for small and medium-sized companies. In addition, Swiss Life Switzerland offers services to pension funds and larger corporations on a fee basis.

Distribution

Swiss Life Switzerland offers broad access to its clients via its omni-channel strategy. As of 31 December 2018, its own distribution force in its home market comprised approximately 1,300 Swiss Life and Swiss Life Select advisors at 60 locations. Insurance advisors are specialists in life insurance and pensions solutions for corporate and private clients. They also provide to their clients partner products such as savings solutions, property insurance and healthcare insurance. Real estate specialists offer advisory and broker services related to the purchase of residential property. Swiss Life Select advisors choose suitable products for customers from the market according to the Best Select approach.

Independent distribution partners, i.e. brokers and banks, plus online and direct channels, complete the distribution network of Swiss Life Switzerland.

Swiss Life France

Swiss Life France operates multiple lines of business in order to provide to its clients comprehensive wealth planning (savings and wealth development, pension planning, private banking, asset management and property and casualty insurance) and personal protection (health, death & disability, credit life). Its offerings for individual and group clients are distributed by its own sales force, brokers, independent financial advisors and distribution partnerships with banks. The typical client base, particularly for its wealth planning offerings, are affluent and high-net worth individuals.

Swiss Life Banque Privée (a subsidiary of Swiss Life France) supports the positioning in wealth planning and also acts as an intermediary in the financial markets on behalf of Swiss Life Asset Management (France), as well as custodian of the latter's investment portfolio and for Swiss Life France's insurance entities.

Swiss Life Germany

Swiss Life Germany is a leading financial advisory and insurance company.

Under the Swiss Life brand, Swiss Life Germany offers to private and corporate clients innovative insurance products and services in pensions saving and financial security. Core competencies are occupational disability insurance, occupational pensions, care insurance, modern guarantee concepts, and unit-linked products without guarantees.

Distribution is organised via cooperation with brokers, independent financial advisors and banks as well as the owned financial advisors in Germany: Swiss Life Select, HORBACH, tecis and Deutsche Proventus. These brands stand for holistic and individual financial advice. The advisory approach enables customers to make an informed choice from a range of suitable solutions offered by selected product partners.

Swiss Life International

Swiss Life International comprises business with international high net worth individuals (Global Private Wealth), multinational corporates (Global Employee Benefits) and financial advisors.

Global Private Wealth offers structured life and pension solutions to high net worth individuals in Europe and Asia through its insurance carriers in Luxembourg, Singapore and Liechtenstein. Global Employee Benefits provides employee benefit solutions to multinational corporations through the Swiss Life Network, and offers local and international products through its insurance carrier in Luxembourg. The owned financial advisors Swiss Life Select in Austria and the Czech Republic, Chase de Vere in the UK as well as Fincentrum in the Czech Republic and Slovakia offer customised pension, risk and investment advice to retail and affluent clients.

Swiss Life Asset Managers

Swiss Life Asset Managers manage assets from both Swiss Life's insurance operations and third-party investors, including its own and third-party real estate portfolios. In the past years, Swiss Life Asset Managers has substantially increased its third-party business and now strives to pursue its growth path under the "Swiss Life 2021" programme.

Together with CORPUS SIREO, BEOS, Mayfair Capital and Livit, which are fully owned real estate asset management service provider in Germany, UK and Switzerland respectively, Swiss Life Asset Managers positions itself as a leading European real estate manager with about CHF 91 billion in real estate under management and administration.

Risk management

Overview

Swiss Life pursues an integrated, value-oriented risk management approach, involving both quantitative and qualitative elements. The goal is to protect customers' funds and ensure the best possible investment of risk capital, while complying with regulatory requirements and taking into account a persistently challenging capital market environment.

Risk management is a key component of Swiss Life's management process. The respective committees of the corporate executive board and the board of directors continually monitor and take decisions in the area of risk management; these are then incorporated into the annual planning process. On the one hand, they comprise qualitative assessments of strategic risks, as well as the evaluation of operational risks and the internal control system (ICS). On the other hand, they also cover quantitative elements, such as risk appetite at group and parent company level, risk budgeting for the insurance units and Asset Liability Management's investment strategy. The board of directors uses framework limits based on solvency ratios and the economic capitalisation to determine Swiss Life's risk appetite.

Quantitative risk management

Based on the risk appetite determined by the Board of Directors and using the same frameworks, the Group Risk Committee of the Corporate Executive Board sets risk budgets for the relevant units in the insurance business in consideration of local regulatory constraints. To control and steer exposure to risks, capital and exposure limits are defined. These limits include considerations on overall market risk capital, credit risk capital and, more specifically, interest rate risk capital and credit spread risk capital as well as net equity and foreign currency exposure. The main objective of the ALM process is to ensure that the Swiss Life's insurance operations can meet their commitments to policyholders at all times while also adequately compensating shareholders for making risk capital available. Based on the economic principles of risk management and on the risk appetite definition applied in the risk budgeting process, ALM comprises the following main activity: the determination of the strategic asset allocation and of the risk capital and exposure sublimits.

The ALM process is centrally coordinated and steered at group level by means of local asset and liability management committees with representatives from local senior management and representatives from the group. The local units are in charge of implementing the decisions. The process requires the involvement of investment management, finance, actuarial and risk functions.

Strategic risk management

Swiss Life uses a structured process to ensure that strategic risks are dealt with adequately in what continues to be a very challenging economic environment. Swiss Life incorporates all the information on risks and corresponding earnings opportunities in its strategic decisions as part of its strategic risk management process. An understanding of the interplay of individual risks is essential in order to take due account of the factors influencing risks during strategy development and address them accordingly.

Operational risk management and internal control system

Operational risk management at Swiss Life includes the methods and processes used for the identification, assessment, and steering or avoidance of operational risks. Operational risk management defines operational risk as the danger that losses may result from shortcomings or failures stemming from internal processes, people, systems or external events. Swiss Life's internal control system consists of the entirety of procedures, methods and measures prescribed by the board of directors and the corporate executive board to ensure the orderly conduct of business. The focus is on the reliability of financial reporting, the effectiveness of business processes and compliance with laws and regulations issued to protect the company's assets. Risk management prepares and maintains appropriate internal directives and minimal requirements for qualitative risk management and ICS based on the "Internal Control — Integrated Framework (2013)" standard of the internationally recognised Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Information and system security

Swiss Life depends on its information systems and communication technologies for the attainment of the operational goals derived from its business strategy. Ensuring availability, confidentiality and integrity of systems, data and information is an integral part of its internal control system. Risk management prepares and maintains directives and minimal requirements for information security based on various internationally recognised standards, such as the British standards ISO/IEC 27001 and 27002, the Control Objectives for Information and Related Technology (COBIT) Framework v5/2019 and the Cyber Security Framework v1.1 of the National Institute of Standards and Technology (NIST). The line implements these requirements and assesses their observance in collaboration with the relevant information security experts at Group and division level. This comprises subject areas such as vulnerability management, effective IT risk management and business continuity management. Corporate Internal Audit periodically reviews information security as part of its auditing activities and addresses any weak spots with the appropriate measures.

All Swiss Life employees are provided with regular information security training in their divisions. Information security is closely related to locally applicable data protection provisions, such as the Swiss Federal Act on Data Protection (DSG) and the European Union's General Data Protection Regulation (GDPR).

Recent developments

For information on recent developments with respect to Swiss Life see the full-year results 2018 investor presentation of Swiss Life dated 26 February 2019 as reflected in this Prospectus.

Updates on the progression of and the transactions made in own shares during Swiss Life's share buyback programme 2018-2019 are being published on a weekly basis on Swiss Life's website, currently under: https://www.swisslife.com/en/investors/share/sharebuyback.html

Litigation

Except as disclosed in this Prospectus, the Issuer is not involved in any court, arbitral and administrative proceedings which have material detrimental effect on its assets or profits, nor is the Issuer aware of any such proceedings threatened against it.

Board of directors and corporate executive board of the Issuer

The respective articles of incorporation provide that the board of directors of the Issuer must consist of at least five but not more than 14 members. Members of the board of directors of the Issuer are elected by the general meeting of shareholders on an individual basis for a one-year period. The term of one year is deemed to signify the period from one annual general meeting up to and including the next. Members whose terms of office are expiring are eligible to stand for immediate re-election.

The board of directors is ultimately responsible for the Issuer's strategy and policies and for the supervision of its management. The board of directors establishes the strategic, accounting, organisational and financing policies to be followed by the management of the Issuer, it appoints the executive officers and authorised signatories of the Issuer and supervises the operations of the Issuer.

Furthermore, the board of directors is entrusted with the preparation of shareholders' meetings and with the carrying out of shareholders' resolutions. The board of directors has, in accordance with the articles of incorporation and pursuant to written by-laws, delegated the conduct of business operations to the corporate executive board, which remains under its control and supervision. Pursuant to the by-laws, the board of directors has established the following committees: (i) the chairman's and corporate governance committee; (ii) the investment and risk committee; (iii) the audit committee; and (iv) the compensation committee. The board of directors can establish additional special committees for specific duties.

The Issuer currently has a board of directors of 11 members, all of which are non-executive board members. Resolutions of the board of directors are adopted with a majority of votes cast. In the event of deadlock, the chairman has the deciding vote. Resolutions may also be adopted by way of written consent (circular resolution).

The members of the board of directors are as follows:

Board of directors of the Issuer[1]

Name	Main function	Year appointed
Rolf Dörig	Chairman	2008
Frank Schnewlin	Vice Chairman	2009
Henry Peter	Member	2006
Franziska Tschudi Sauber	Member	2003
Damir Filipovic	Member	2011
Ueli Dietiker	Member	2013
Frank W. Keuper	Member	2013
Klaus Tschütscher	Member	2013

1 In addition to the members listed below, the board of directors of the Issuer will propose to elect Mr Thomas Buess, former member of the corporate executive board of the Issuer and Group Chief Financial Officer, as member of the board of directors of the Issuer at the upcoming annual general meeting.

Adrienne Corboud Fumagalli	Member	2014
Stefan Loacker	Member	2017
Martin Schmid	Member	2018

The business address of the members of the board of directors is at c/o Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich.

The members of the executive board are as follows:

Corporate executive board of the Issuer

Name	**Position**
Patrick Frost	Group Chief Executive Officer
Matthias Aellig	Group Chief Financial Officer
Stefan Mächler	Group Chief Investment Officer
Markus Leibundgut	Chief Executive Officer Switzerland
Charles Relecom	Chief Executive Officer France
Jörg Arnold	Chief Executive Officer Germany
Nils Frowein	Chief Executive Officer International

The business address of the members of the corporate executive board is at c/o Swiss Life AG, General-Guisan-Quai 40, CH-8002 Zurich.

TAXATION

The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Bonds and may not apply to certain classes of persons. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

Swiss Federal Withholding Tax

Payments by the Issuer on the Bonds which classify as interest (including payments reflecting accrued interest) will be subject to Swiss federal withholding tax (*Verrechnungssteuer*) at a rate of currently 35%.

A Bondholder who is an individual resident in Switzerland and who holds the Bond as private asset and who duly reports the gross amount of the taxable payment in his or her tax return and, a Bondholder who is a legal entity or an individual holding the Bond in a Swiss business and who includes such payment as earnings in its income statement, and, who in each case is the beneficial owner of the taxable payment, is entitled to a full refund of or a full tax credit for the Swiss withholding tax, provided certain other conditions are met.

A Bondholder who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment in Switzerland to which such Bond is attributable may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and his or her country of residence.

On 4 November 2015, the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for a reform of the Swiss withholding tax system. The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments, as disclosed above, with a paying agent-based regime for Swiss withholding tax. This paying agent-based regime is expected to be similar to the one contained in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015.

Swiss Federal Securities Turnover Tax

The issuance and the sale of the Bonds on the issuance day (primary market transaction) are not subject to Swiss federal securities turnover tax (*Umsatzabgabe*). Secondary market dealings in the Bonds may be subject to the Swiss federal securities turnover tax at a rate of up to 0.15% of the purchase price of the Bonds, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss federal stamp duty act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

Income Taxation on Principal or Interest

a) Bonds held by Non-Swiss Resident Investors

Payments of interest and repayment of principal by the Issuer to, and gains realised on the sale or redemption of Bonds by a Bondholder who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Bonds are attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Bonds.

For the potential new Swiss withholding tax legislation replacing the current issuer-based withholding tax system for a paying-agent based system, see above "*Swiss Federal Withholding Tax*".

b) Bonds Held as Private Assets by Swiss Resident Investors

Individuals who are resident in Switzerland and who hold the Bonds as private assets are required to include all payments of interest on such Bonds in their personal income tax return for the relevant tax period and will be taxable on any net taxable income for such tax period.
A capital gain, including a gain relating to interest accrued realised on the sale or redemption of the Bonds by such a Swiss resident holder, is a tax-free private capital gain, and, conversely, a respective loss on the Bonds is a non-tax-deductible private capital loss.

Bonds without a "predominant one-time interest payment": In case of bonds without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) interest payments (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) on such bonds are taxable.

Bonds with a "predominant one-time interest payment": In the case of bonds with a "predominant one-time interest payment" (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), the positive difference (including any capital and foreign exchange gain) between the amount received upon sale or redemption and the issue price (if the bonds were purchased thereafter) will be classified as a taxable interest payment, and not a tax-free capital gain (differential taxation method). Losses realised on the sale of bonds with a "predominant onetime interest payment" may be offset against gains realised within the same tax period on the sale of any bonds with a "predominant one-time interest payment".

c) *Bonds Held as Swiss Business Assets and by Private Persons Classified as Professional Securities Dealers*

Individuals who hold the Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding the Bonds as part of a permanent establishment in Switzerland, are required to recognise the payments of interest and any gain realised on the sale or redemption of such Bonds (including a gain relating to interest accrued) and any loss on such Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters (AEI) is a global initiative led by the OECD. It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

Foreign Account Tax Compliance Act (FATCA)

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland.

FATCA is particularly complex. Investors should consult their tax advisors on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for all information contained in this Prospectus and has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading, whether of fact or opinion.

Zurich, 11 March 2019

Swiss Life Holding AG

SwissLife