

Full-year results 2014 Investors' presentation

27.02.2015

Agenda



Overview

Financial results and
Swiss Life 2015

Patrick Frost

Thomas Buess

Highlights FY 2014 results

FY 2014 vs. FY 2013

- ✓ Net profit increased by 4% to CHF 818 m
- ✓ Adjusted profit from operations improved by 4% to CHF 1 182 m
- ✓ Premiums grew 7% in local currency to CHF 19.1 bn
- ✓ Fee and commission income up by 15% in local currency to CHF 1 317 m
- ✓ Asset Managers' external customer business acquired net new assets of CHF 4.5 bn
- ✓ Resilient direct investment income of 3.3% (FY13: 3.4%) and net investment result of 3.8% (FY13: 3.9%)
- ✓ Further improved efficiency ratio to 0.65% (FY13: 0.69%)
- ✓ Return on equity¹⁾ at 9.6% (FY13: 10.0%)
- ✓ New business margin at 1.8% (FY13: 2.2%); new business value at CHF 255 m (FY13: CHF 289 m)
- ✓ Group solvency at 269% (FY13: 210%); SST in the green based on our internal model²⁾
- ✓ Proposed increase of dividend per share by CHF 1.00 to CHF 6.50

1) Equity excl. unrealised gains/losses on bonds 2) Model is partially approved by FINMA

Key figures FY 2014 results

FY 2014 vs. FY 2013

Net profit	➔	CHF 818 m	+4%
Adjusted profit from operations	➔	CHF 1 182 m	+4%
GWP incl. PHD (in local currency)	➔	CHF 19.1 bn	+7%
Fee and commission income (in local currency)	➔	CHF 1 317 m	+15%
New business margin (% PVNBP)	➔	1.8%	-0.4 pts
Shareholders' equity	➔	CHF 12.8 bn	+43%
Return on equity ¹⁾	➔	9.6%	-0.4 pts
Group solvency	➔	269%	+59 pts
Dividend (proposed)	➔	CHF 6.50	CHF +1.00

1) Equity excl. unrealised gains/losses on bonds

Agenda

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**Financial results and
Swiss Life 2015**

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Income statement

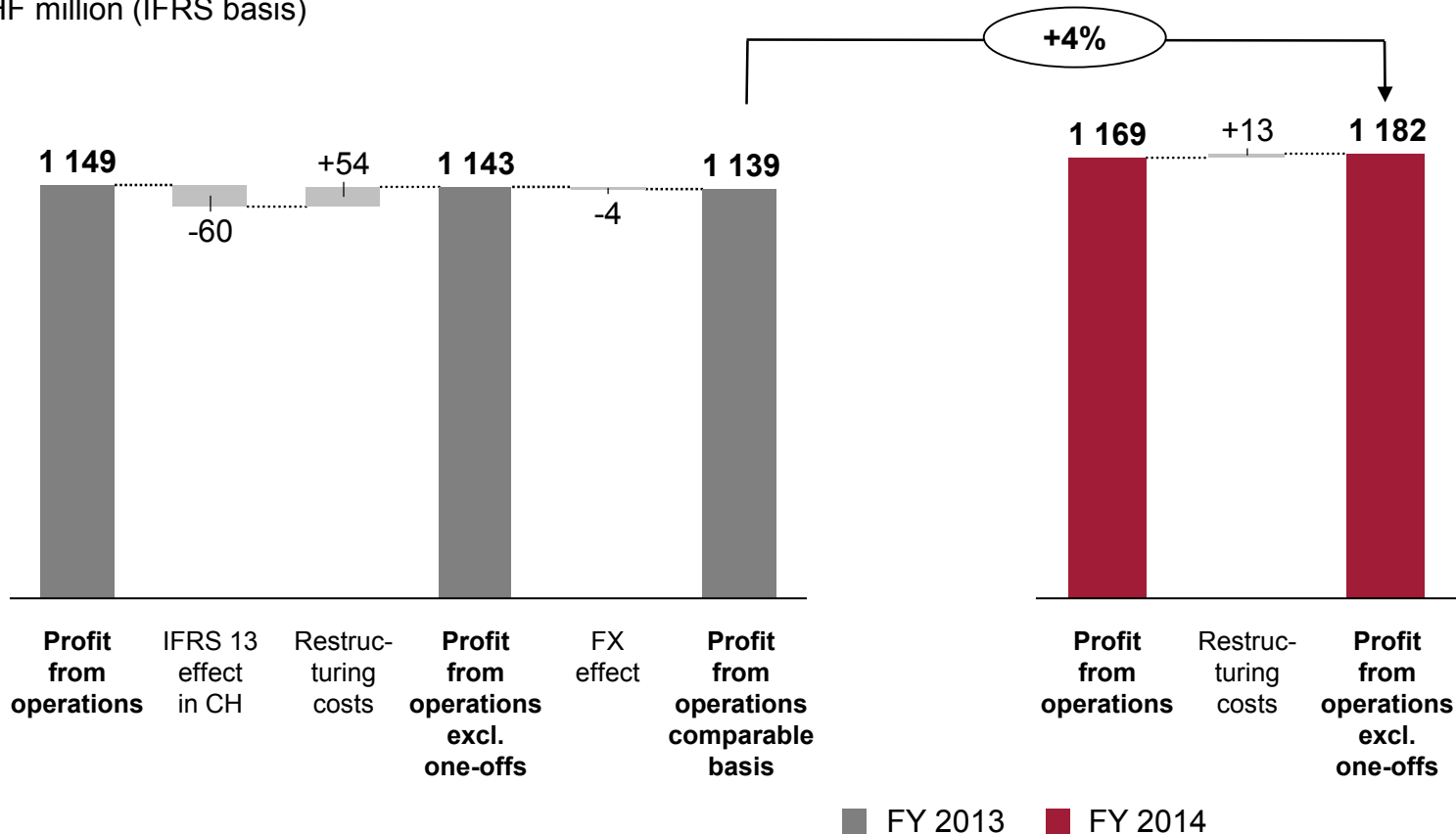
CHF million (IFRS basis)

	FY 2013	FY 2014
Gross written premiums, fees and deposits received	17 969	19 102
Commission income	840	998
Financial result for own risk	5 379	5 354
<i>Net investment result insurance portfolio for own risk</i>	4 949	5 136
Net insurance benefits and claims	-13 920	-15 218
Policyholder participation	-1 361	-1 146
Operating expense	-2 809	-2 735
Profit from operations	1 149	1 169
Borrowing costs	-148	-157
Income tax expense	-218	-194
Net profit	784	818
Basic earnings per share (in CHF)	24.45	25.52
Diluted earnings per share (in CHF) ¹⁾	24.22	24.11

1) Mainly includes effect of convertible bond issued in December 2013

Profit from operations excluding major one-off effects

CHF million (IFRS basis)



Business review Switzerland

CHF million (IFRS basis, MCEV)

	FY 2013	FY 2014	Change	
GWP incl. PHD	9 020	10 038	+11%	<ul style="list-style-type: none"> GL: +11% (market +1%); strong new business and low lapses IL: +12% (market +2%); strong new business in single premium products
Fee and commission income ¹⁾	166	182	+10%	<ul style="list-style-type: none"> Higher revenues from owned IFA and new income sources
Operating expense adjusted ²⁾	-399	-391	-2%	<ul style="list-style-type: none"> Cost savings as a result of improvements in operations
Segment result	716	657	-8%	<ul style="list-style-type: none"> Improved fee and risk result offset by lower savings result due to reserve strengthening; overall stable result adjusting for extraordinary IFRS 13 effect in 2013
New business margin (% PVNBP)	3.0%	2.2%	-0.8 pts	<ul style="list-style-type: none"> Challenging interest rate environment; higher volumes in GL and IL
MCEV	6 287	7 016	+12%	<ul style="list-style-type: none"> Continued balance sheet strengthening, strong new business and improved persistency

1) Net earned policy fees and commission income 2) Excluding unallocated corporate costs

Business review France

EUR million (IFRS basis, MCEV)

	FY 2013	FY 2014	Change	
GWP incl. PHD	3 806	4 167	+10%	<ul style="list-style-type: none"> Quality and volume above personal insurance market (+7%) Life: +17% (market +8%); very high UL share of 41% (market 17%) Health & disability: +0% (market +2%), focus on group health +5% (market +2%) and protection +5% (market +2%)
Fee and commission income ¹⁾	202	223	+11%	<ul style="list-style-type: none"> Substantial growth in UL and banking fees incl. acquisition of a small wealth manager
Operating expense adjusted ²⁾	-282	-291	+3%	<ul style="list-style-type: none"> Improved efficiency despite investments into infrastructure, growth initiatives and expenses due to health reform (ANI)
Segment result	157	178	+13%	<ul style="list-style-type: none"> Strong fee result, increased financial margin in life, improved combined ratio in P&C
New business margin (% PVNBP)	1.7%	1.4%	-0.3 pts	<ul style="list-style-type: none"> Effects from lower interest rates and ANI largely mitigated: higher volumes with lower acquisition costs, strong UL share, revised profit sharing
MCEV	1 990	2 390	+20%	<ul style="list-style-type: none"> Improved financial margin, strong new business, efficiency gains and improved business mix in life

1) Net earned policy fees and commission income 2) Excluding unallocated corporate costs

Business review Germany

EUR million (IFRS basis, MCEV)

	FY 2013	FY 2014	Change	
GWP incl. PHD	1 401	1 330	-5%	<ul style="list-style-type: none"> Focus on profit before growth led to declining volumes of traditional single premium products, especially in IL Overall market +3%
Fee and commission income ¹⁾	311	349	+12%	<ul style="list-style-type: none"> Rising revenues from owned IFAs due to higher productivity and strong year-end business
Operating expense adjusted ²⁾	-215	-210	-2%	<ul style="list-style-type: none"> Successful implementation of cost-saving measures, further operational improvement
Segment result	78	76	-2%	<ul style="list-style-type: none"> Positive development of fee and cost result offset by lower realised gains
New business margin (% PVNBP)	2.7%	1.2%	-1.5 pts	<ul style="list-style-type: none"> Substantially lower interest rates and lower volumes counteracted by re-pricing and lowered acquisition expenses
MCEV	545	649	+19%	<ul style="list-style-type: none"> Strong operating earnings incl. favourable biometric experience outweighed negative LVRG³⁾ impact

1) Net earned policy fees and commission income 2) Excluding unallocated corporate costs 3) Lebensversicherungsreformgesetz (LVRG) or Life Insurance Reform Act (LIRA)

Business review International

CHF million (IFRS basis, MCEV)

	FY 2013	FY 2014	Change	
GWP incl. PHD	2 643	2 451	-7%	<ul style="list-style-type: none"> • Lower policyholder deposits and premiums in HNWI and corporate client business
Fee and commission income ¹⁾	231	240	+4%	<ul style="list-style-type: none"> • Increase of revenues at owned IFAs • Policy fees from HNWI up due to increased asset base
Operating expense adjusted ²⁾	-118	-113	-5%	<ul style="list-style-type: none"> • Continued tight cost management
Segment result	16	34	+116%	<ul style="list-style-type: none"> • Higher fee income, cost reductions and positive development of savings result
New business margin (% PVNBP)	1.0%	1.2%	+0.2 ppts	<ul style="list-style-type: none"> • Further increased fee levels and other margin measures
MCEV	277	400	+44%	<ul style="list-style-type: none"> • Strong operating performance in both HNWI and corporate client businesses; reduced costs

1) Net earned policy fees and commission income 2) Excluding unallocated corporate costs, FX adjusted

Business review Asset Managers

CHF million (IFRS basis, AuM fair value basis)

	FY 2013	FY 2014	Change	
Total income	377	459	+22%	<ul style="list-style-type: none"> Strong fee growth particularly with external customers due to higher asset base and first time inclusion of Corpus Sireo for last quarter of 2014
– Insurance mandates	228	235	+3%	
– External customers	149	225	+51%	
Operating expense adjusted ¹⁾	-173	-186	+8%	<ul style="list-style-type: none"> Investments in growth initiatives for external customer business (excluding Corpus Sireo and one-offs)
Segment result	166	188	+13%	<ul style="list-style-type: none"> Income growth partly offset by growth initiatives
Net new assets from external customers	5 628	4 456	-21%	<ul style="list-style-type: none"> Strong inflows of institutional mandates and real estate, stable with money market funds
Assets under management	155 081	182 992	+18%	<ul style="list-style-type: none"> Strong net inflows and higher valuations <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Corpus Sireo (Q4 only):</p> <ul style="list-style-type: none"> – Total income: CHF 56 m – Segment result: CHF 14 m – AuM: CHF 2.4 bn – Real estate under administration: CHF 14.8 bn </div>
– Insurance mandates	127 499	149 262	+17%	
– External customers ²⁾	27 582	33 730	+22%	

1) Excluding unallocated corporate costs 2) Excluding real estate under administration from Corpus Sireo and Livit (see slide 55 in appendix)

Expense development

CHF million (IFRS basis)

	FY 2013	FY 2014	Change
Total operating expense	2 809	2 735	-3%
Commissions and DAC amortisation	-1 357	- 1 264	
Operating expense (before FX)	1 451	1 470	+1%
Restructuring costs and one-offs	-71	-47	
Scope changes	+3	-35	
FX effect	-8		
Operating expense adjusted¹⁾	1 376	1 389	+1%
of which - Insurance segments	1 180	1 169	-1%
- Asset Managers	177	191	+8%

1) Including unallocated corporate costs

Investment result

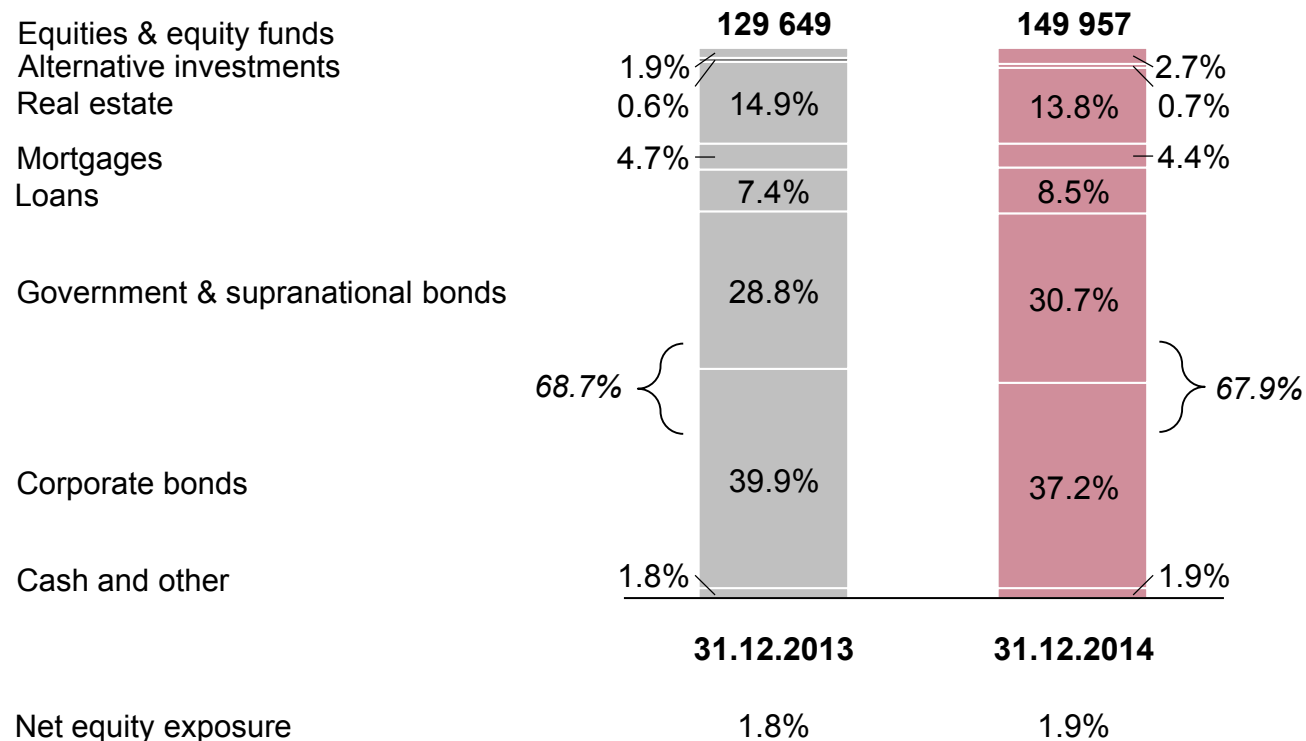
CHF million (IFRS basis), insurance portfolio for own risk

	FY 2013	FY 2014
Direct investment income	4 296	4 467
Direct investment income in %	3.4%	3.3%
Expense	-276	-278
Net capital gains/losses on investments and impairments ¹⁾	930	947
Net investment result	4 949	5 136
Net investment result in %	3.9%	3.8%
Changes in unrealised gains/losses on investments	-5 813	10 909
Total investment result	-864	16 045
Total investment result in %	-0.7%	11.9%
Average net investments	125 581	134 697

1) Including FX gains/losses on hybrid (FY13 CHF -29 m; FY14 CHF 36 m)

Investment portfolio

CHF million (fair value basis), insurance portfolio for own risk¹⁾



1) Excluding repo positions of CHF -2 054 m in FY13 and CHF -2 780 m in FY14

Insurance reserves and borrowings

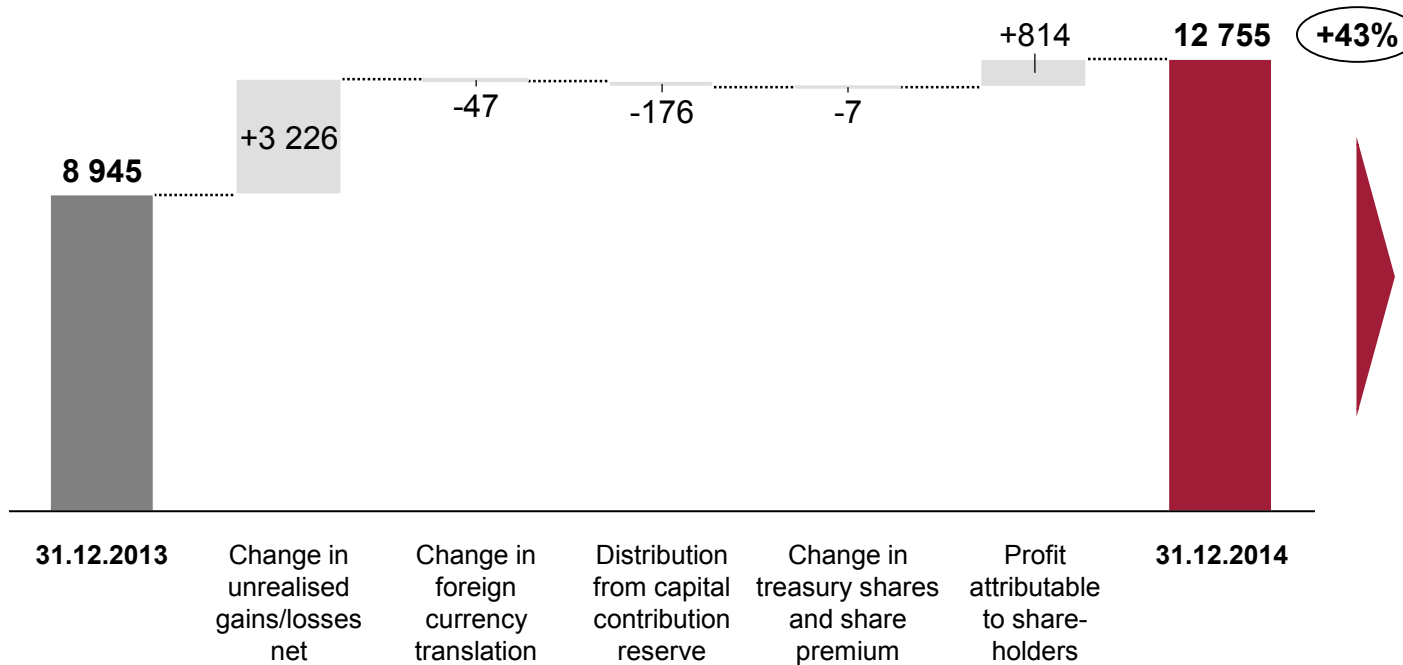
CHF million (IFRS basis)

	31.12.2013	31.12.2014		Local currency
Insurance reserves	142 479	156 684	+10%	+11%
Policyholder participation liabilities	5 481	12 152		
Insurance reserves w/o PHP liabilities	136 998	144 531	+5%	+6%
Insurance liabilities	101 432	106 136		
Investment contracts	13 130	14 070		
Unit-linked contracts	22 436	24 325		
Borrowings	3 677	3 798	+3%	

Shareholders' equity and group solvency

CHF million (IFRS basis)

Shareholders' equity

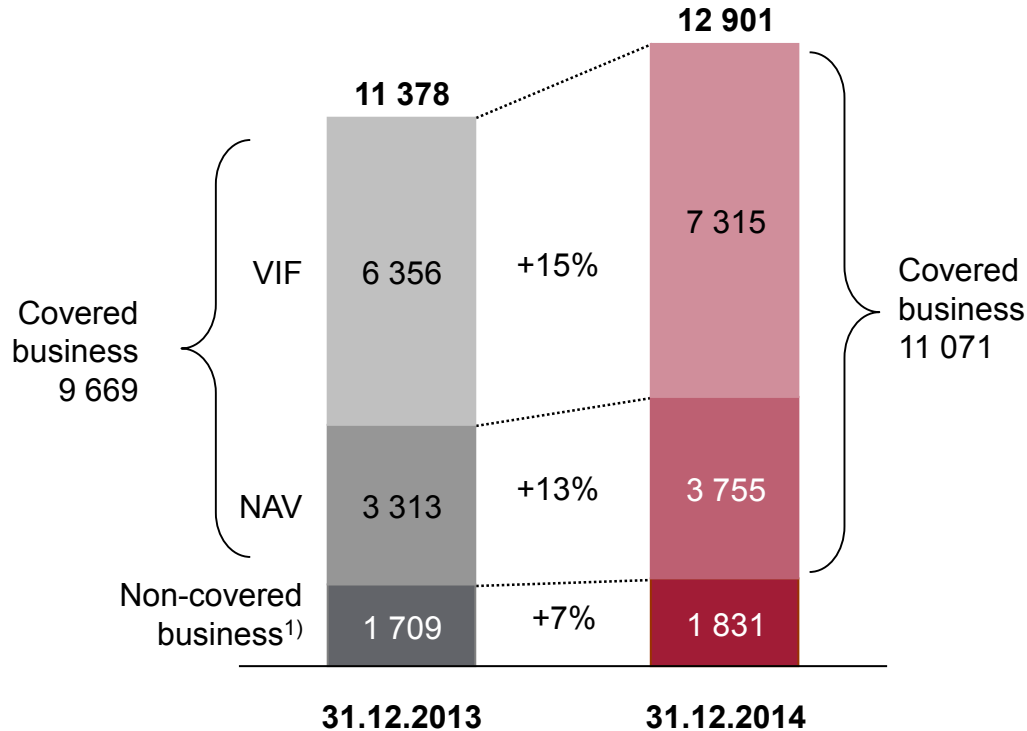


Group solvency

- 269% (FY 2013: 210%)
- 196% excl. unrealised gains/losses on bonds (FY 2013: 196%)

Group MCEV

CHF million

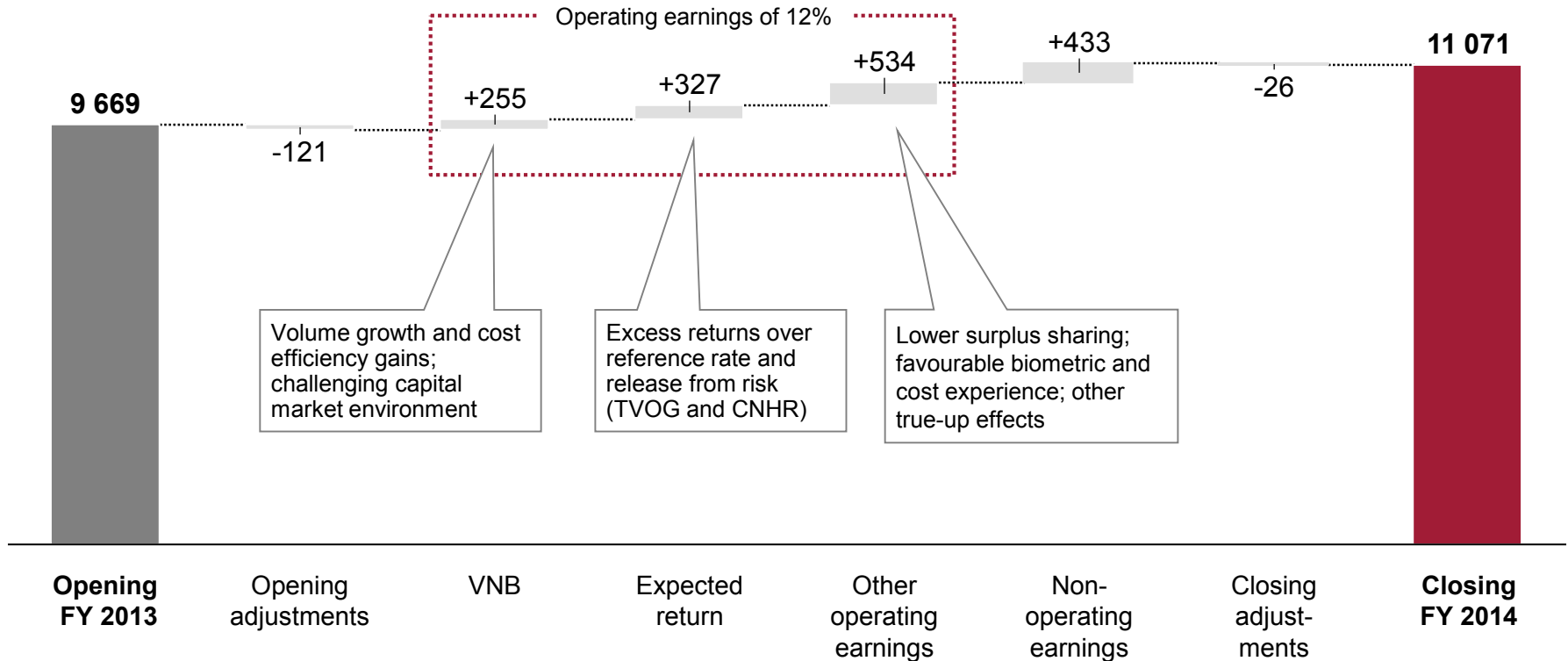


- Group MCEV increased by 13%
- Value of covered business up 14% as a result of strong operating earnings of CHF 1.1 bn
- Value of non-covered business increased by 7% as operating earnings more than offset dividends and transfers
- MCEV per share²⁾: CHF 404 from CHF 357 (FY 2013)

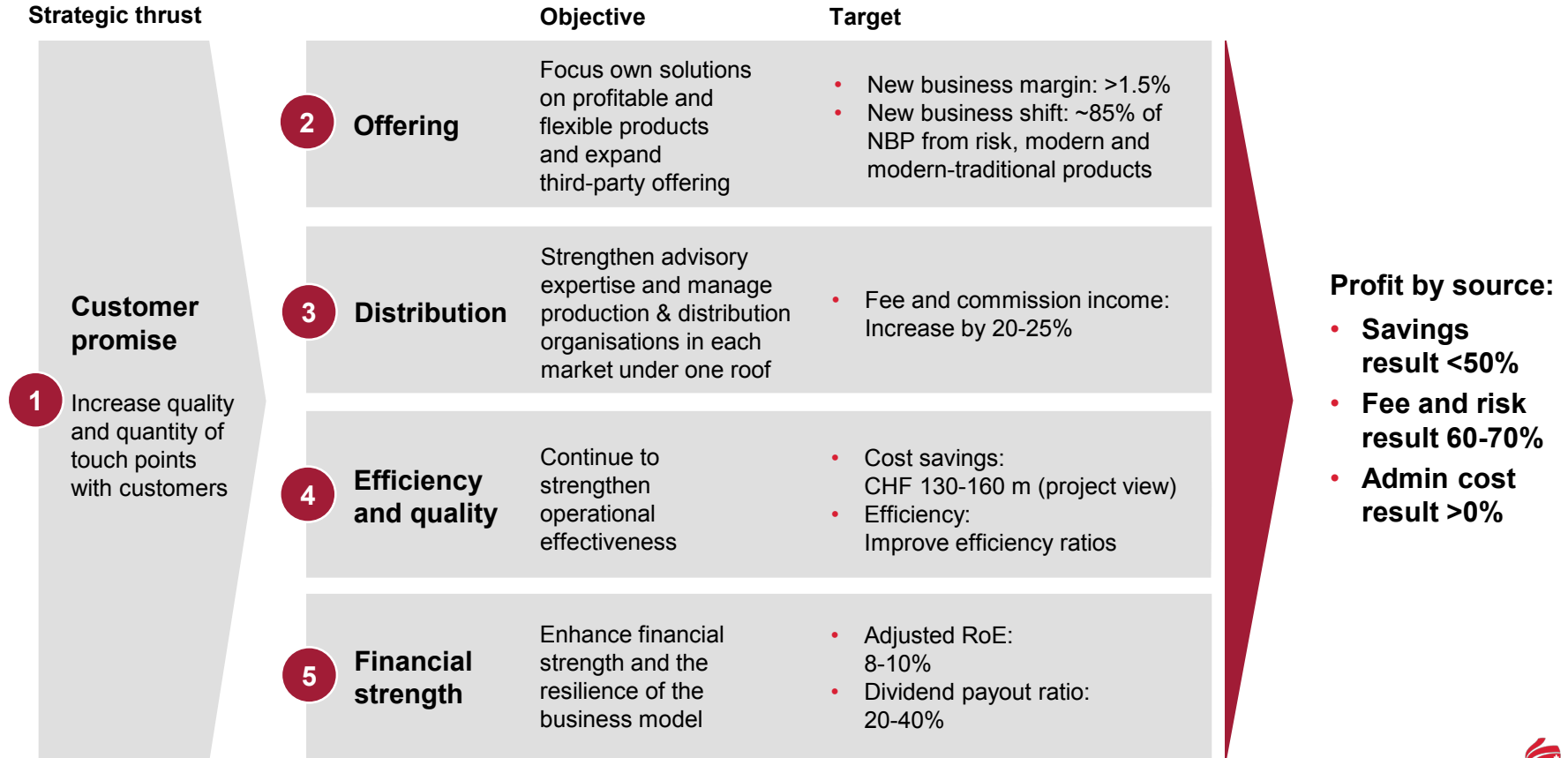
1) Non-covered business consists mainly of Swiss Life Holding and owned IFAs 2) Based on 31.9 m shares outstanding at 31.12.2014

MCEV covered business

CHF million, MCEV covered business



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



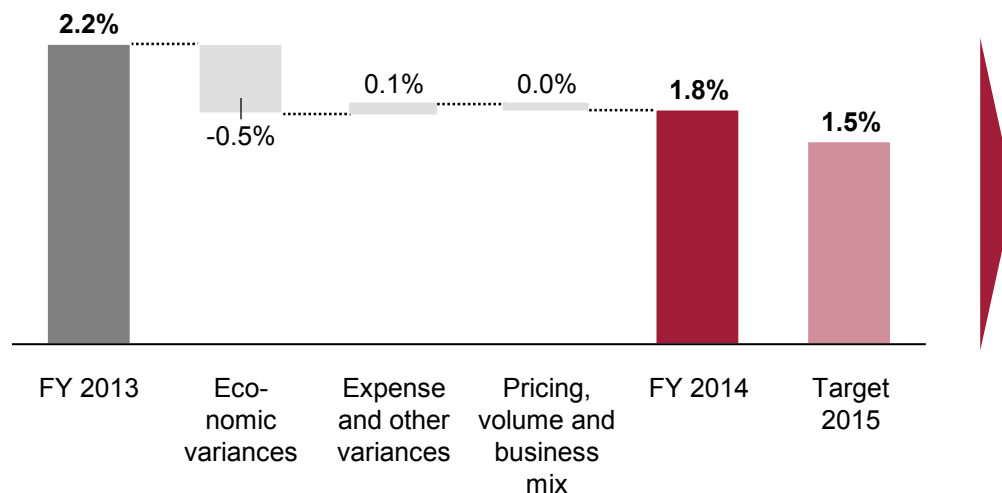
Further achievements of our customer centricity programme

Customer Equity	<p>Customer base segmented according to current and potential individual perspective</p> <p><i>e.g. Customer Value Model in Switzerland:</i></p> <ul style="list-style-type: none">• Increase service efficiency• Exploit the potential of each customer
Advisory	<p>Improved sales support to better leverage the customer relationship</p> <p><i>e.g. Chase de Vere reduced the household numbers for each advisor from 200 to 150:</i></p> <ul style="list-style-type: none">• Increase time to deliver a consistent high-quality service• Maximise up- and cross-selling opportunities
Digitalisation	<p>Expanded offering of digital services to provide around-the-clock access for customers</p> <p><i>e.g. smartphone app “mySwissLife” in France:</i></p> <ul style="list-style-type: none">• Access and administer data from any mobile device• Full autonomy for the customer to handle his portfolio
Voice of the Customer	<p>Direct customer feedback: Over 10 000 feedbacks obtained from major touch points</p> <p><i>e.g. Germany significantly reduced processing time in customer services:</i></p> <ul style="list-style-type: none">• Intelligent e-mail filters to prioritise according to urgency of request
Cultural Change	<p>Cultural change to a customer-centric organisation is on the way</p> <p><i>e.g. Group-wide project “100 employees visit 100 customers”:</i></p> <ul style="list-style-type: none">• Involvement programme to anchor the lives of our customers within the company

Swiss Life’s customer centricity framework is designed as a comprehensive approach that covers the three facets of internal, external and financial perspective to transform Swiss Life into a customer-centric organisation

Continued pricing discipline and margin management

New business margin development (VNB as % of PVNBP)



Economic variances

- Challenging capital market environment with substantially lower interest rates

Expense and other variances

- Continued positive cost experience

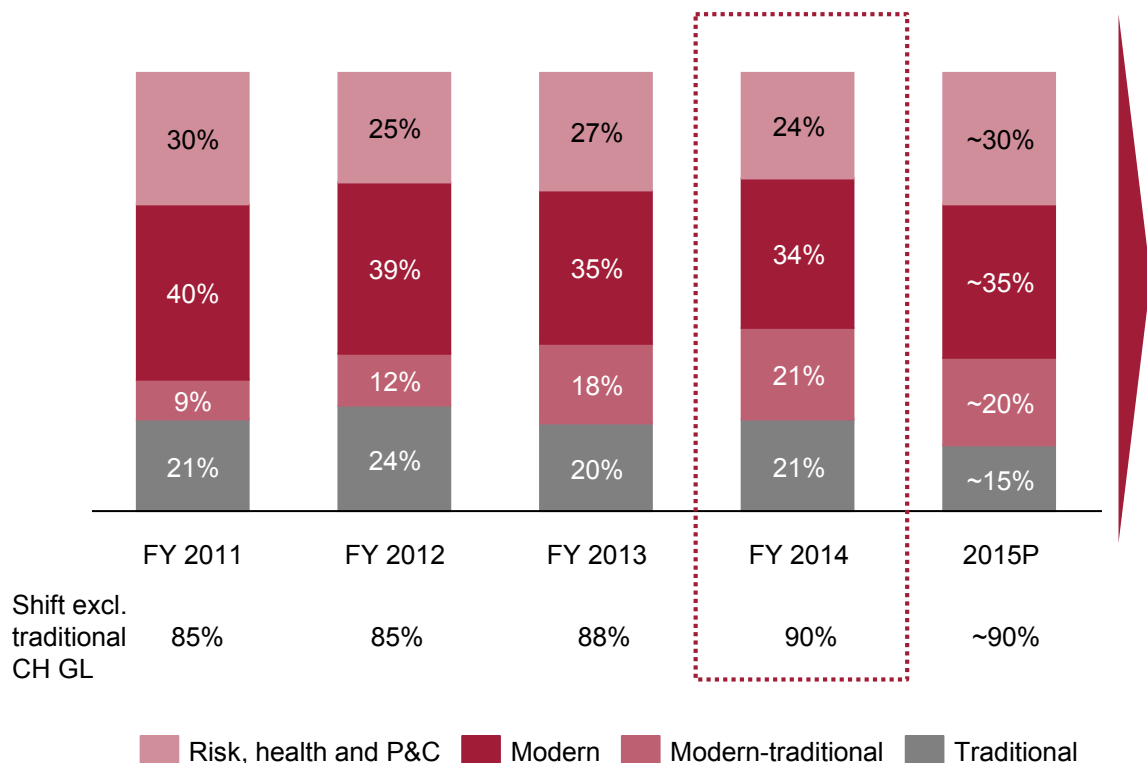
Pricing, volume and business mix

- Continued focus on profitability across units
- CH: Strong production in group and individual life business; new single premium product launched
- FR: Increased volumes in life business; higher share of UL; improved margin
- DE: Higher share of risk business; re-pricing measures and lowered acquisition expenses
- IN: Increased fee levels more than offset lower volumes

PVNBP	12 929	14 414
APE	1 184	1 304
VNB	289	255
NBM (APE)	24.4%	19.5%

Steady progress in new business mix excl. traditional group life in Switzerland

New business production (NBP)



Risk, health and P&C

- FR: Strongly increased production of group health, partly offset by lower sales of individual health in anticipation of ANI
- DE: Lower production in a competitive market

Modern

- FR: UL share further increased supported by HNWI positioning and strong product offering
- IN: HNWI production slightly below previous year

Modern-traditional

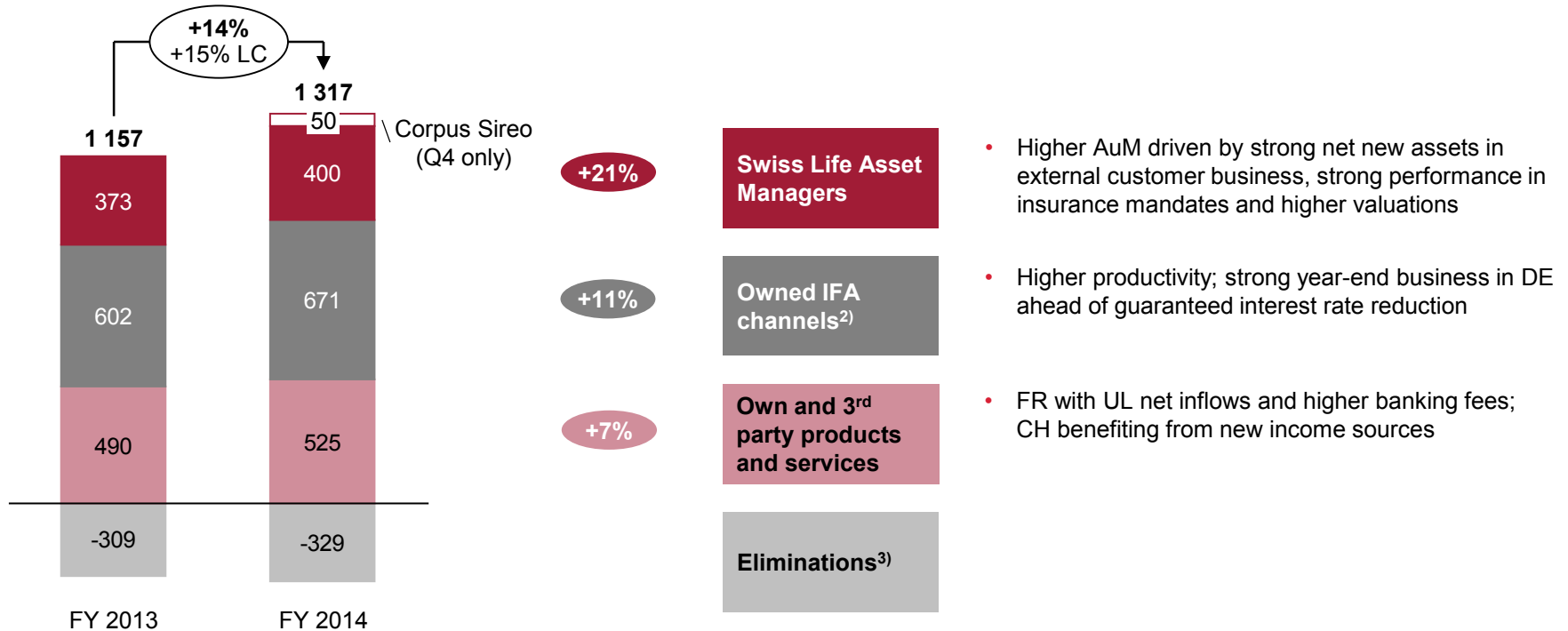
- CH: Strong sales of periodic and single premium savings products

Traditional

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

Strong fee and commission growth across all areas

Fee and commission income¹⁾, CHF million



- Higher AuM driven by strong net new assets in external customer business, strong performance in insurance mandates and higher valuations
- Higher productivity; strong year-end business in DE ahead of guaranteed interest rate reduction
- FR with UL net inflows and higher banking fees; CH benefiting from new income sources

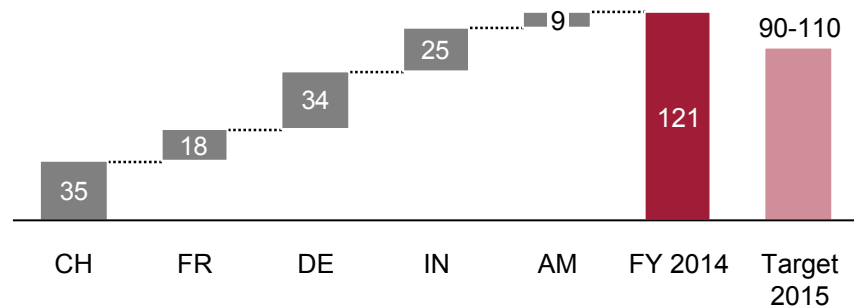
1) Net earned policy fees as well as commission income gross which includes asset management fees
 3) Eliminations attributable to Swiss Life Asset Managers' insurance mandates and owned IFA channels

2) Swiss Life Select, tecis, HORBACH, Proventus, Chase de Vere and Pöle Agami

Targeted cost savings already implemented by 2014

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

Operating cost savings¹⁾

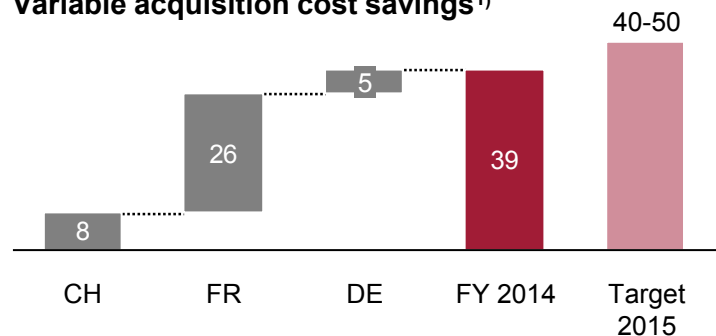


Operating cost savings exceeding target range

- CH: Staff reduction, mainly in IT; facility and infrastructure optimisations; lower professional fees
- FR: Further optimisations of business processes
- DE: Lower back office costs, mainly in owned IFAs; optimisation of sales support and processes
- IN: Continuous cost measures in all business areas
- AM: Increase in operational efficiency following implementation of Group-wide asset management system

Total restructuring costs of CHF 118 m incurred since end of 2011 (CHF 18 m booked in 2014)

Variable acquisition cost savings¹⁾



Variable acquisition cost savings at lower end of target range

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

1) At constant EUR CHF FX rate of 1.20

Further improved efficiency ratios

Adjusted IFRS basis

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

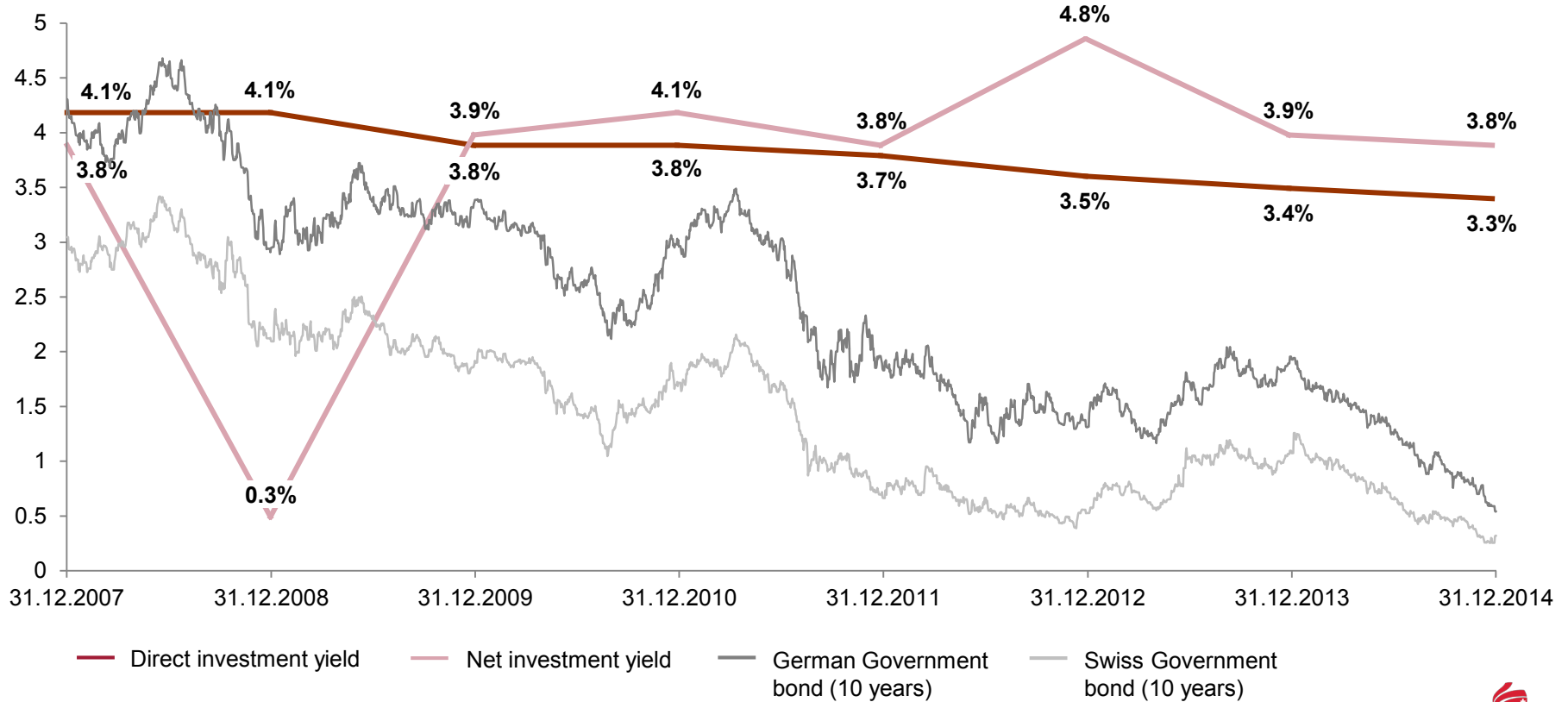
Owned IFAs expense excluded

	FY 2008	FY 2012	FY 2013	FY 2014	Change vs. FY 2013	FY 2015P
Switzerland	0.81%	0.54%	0.51%	0.47%	-4 bps	
France	1.96%	1.57%	1.50%	1.43%	-7 bps	
<i>France Life</i>	0.79%	0.67%	0.66%	0.61%	-5 bps	
Germany	0.88%	0.78%	0.75%	0.74%	-2 bps	
International	0.91%	0.38%	0.36%	0.33%	-3 bps	
Total Insurance¹⁾	0.99%	0.72%	0.69%	0.65%	-4 bps	0.63%-0.68%

1) FX adjusted

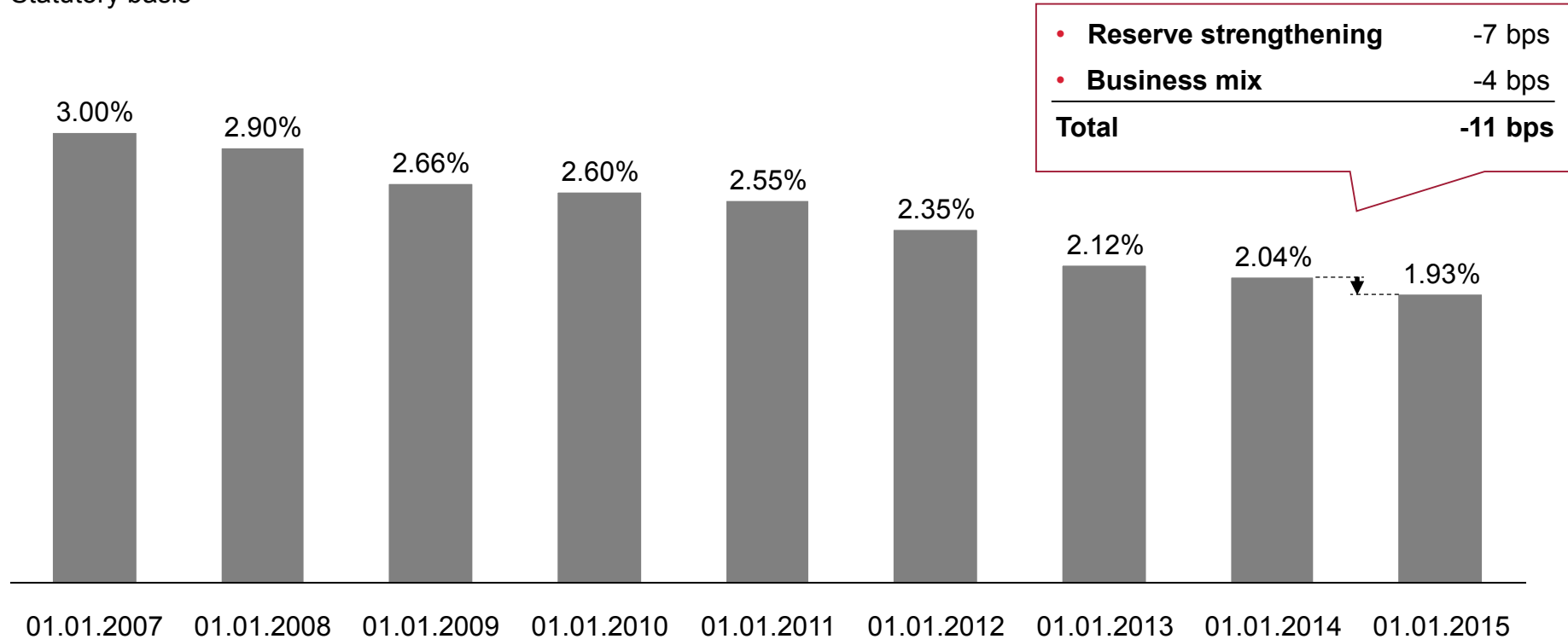
Continued strong returns in a low interest rate environment

Direct and net investment yield (IFRS basis, in %)



Average technical interest rate further decreased

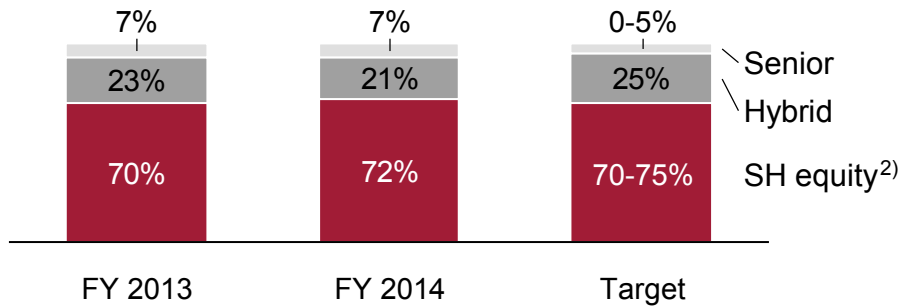
Statutory basis



Capital structure and debt maturity profile well balanced

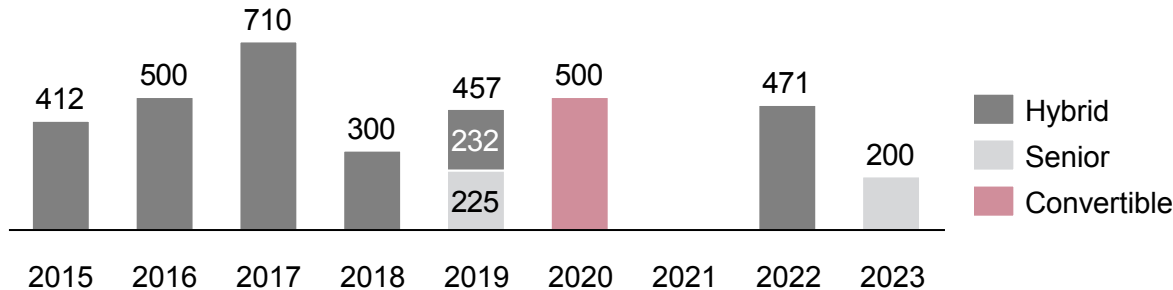
IFRS basis, as per 31.12.2014

Capital structure¹⁾



Maturities (senior) and next optional call dates (hybrid)

Nominal value, CHF million



- Capital structure close to target (slightly higher senior debt following 2013 transactions)
- Well-balanced maturity profile
- Well-diversified denomination of debt (CHF and EUR)
- Next optional hybrid call date in November 2015 (EUR 342.5 m)

1) Financing debt only; excluding mortgage loans of CHF 309 m 2) Excluding unrealised gains/losses on bonds









Profit by source driven by improved risk and fee result

CHF million (IFRS basis)

	FY 2013 adjusted		FY 2014 adjusted	
Savings result	835	69%	689	55%
Risk result	270	22%	395	32%
Cost result	-142	-12%	-151	-12%
- <i>Thereof admin cost result gross¹⁾</i>	67	+6%	73	+6%
Fee result	190	16%	269	22%
Others & eliminations	51	4%	46	4%
Segment result	1 205	100%	1 249	100%
- Unallocated corporate costs	-65		-66	
Profit from operations	1 139		1 182	

1) Gross = before policyholder participation

Majority of Swiss Life 2015 targets achieved one year in advance

Strategic thrust	Target	Status
Customer promise 1 Increase quality and quantity of touch points with customers 	2 Offering <ul style="list-style-type: none"> New business margin: >1.5% New business shift: ~85% of NBP from risk, modern and modern-traditional products 	 
	3 Distribution <ul style="list-style-type: none"> Fee and commission income: Increase by 20-25% 	
	4 Efficiency and quality <ul style="list-style-type: none"> Cost savings: CHF 130-160 m (project view) Efficiency: Improve efficiency ratios 	 
	5 Financial strength <ul style="list-style-type: none"> Adjusted RoE: 8-10% Dividend payout ratio: 20-40% 	 
	Profit by source: <ul style="list-style-type: none"> Savings result <50% Fee and risk result 60-70% Admin cost result >0% 	

Proven resilience of Swiss Life's business model with limited impact of SNB decisions

Right measures in place

- Fully hedged foreign currency exposure on the insurance portfolio
- Disciplined asset and liability management to preserve the interest rate margin
- Ongoing disciplined product and margin management

Challenges

- Negative translation effect from foreign insurance segments (hypothetical effect on 2014 net profit of CHF 35 m @ 1.05 EUR/CHF)
- Pressure on direct yield
- Increased hedging costs over the medium term
- Lower new business expected due to profit before growth

Conclusion

- Impact on SST and buffer strengthening negligible
- Dividends unaffected
- Committed to achieve Swiss Life 2015 targets



SwissLife

Full-year results 2014
Investors' presentation
Supplementary information

Supplementary information



Profit and loss

Balance sheet

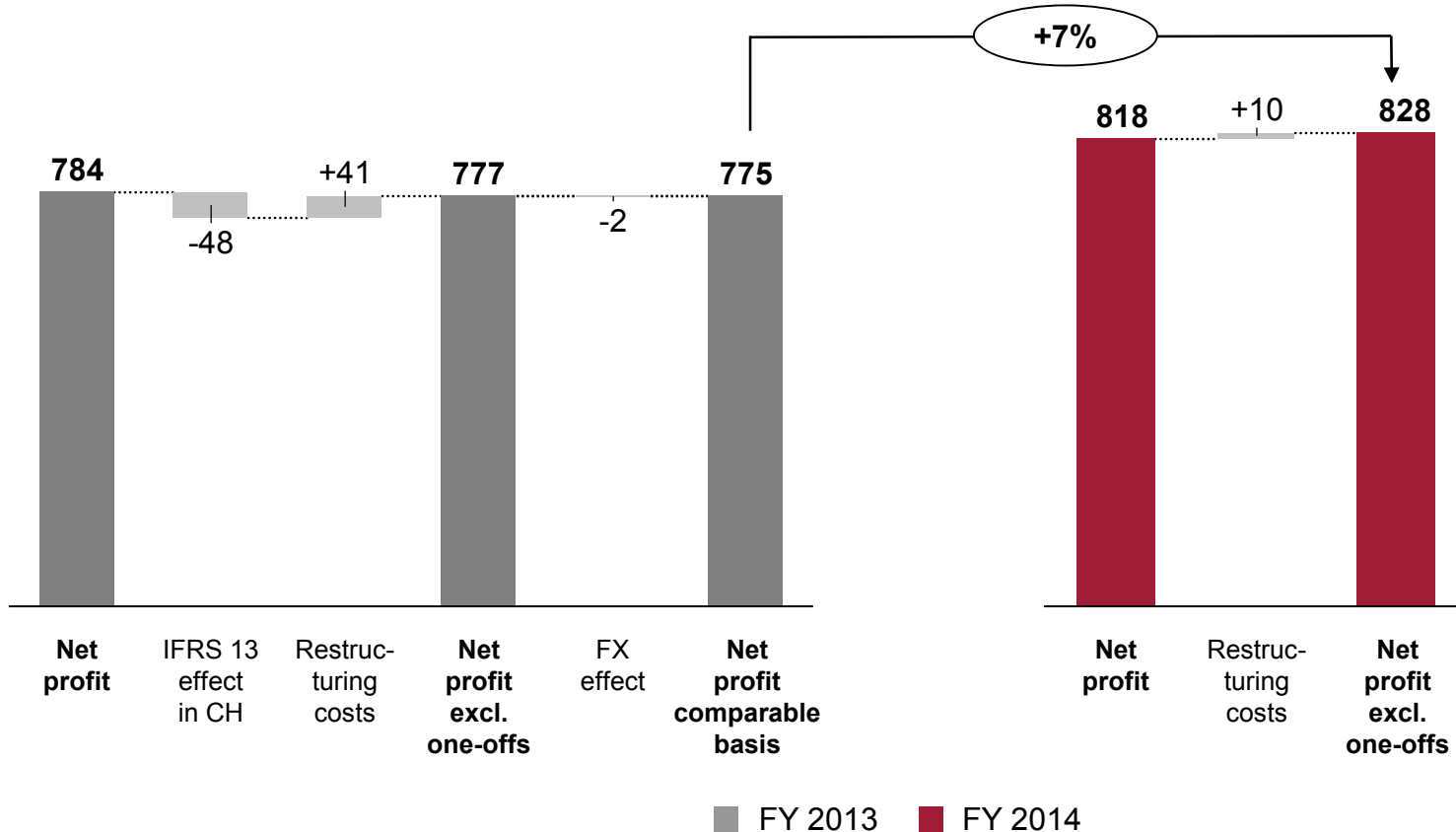
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

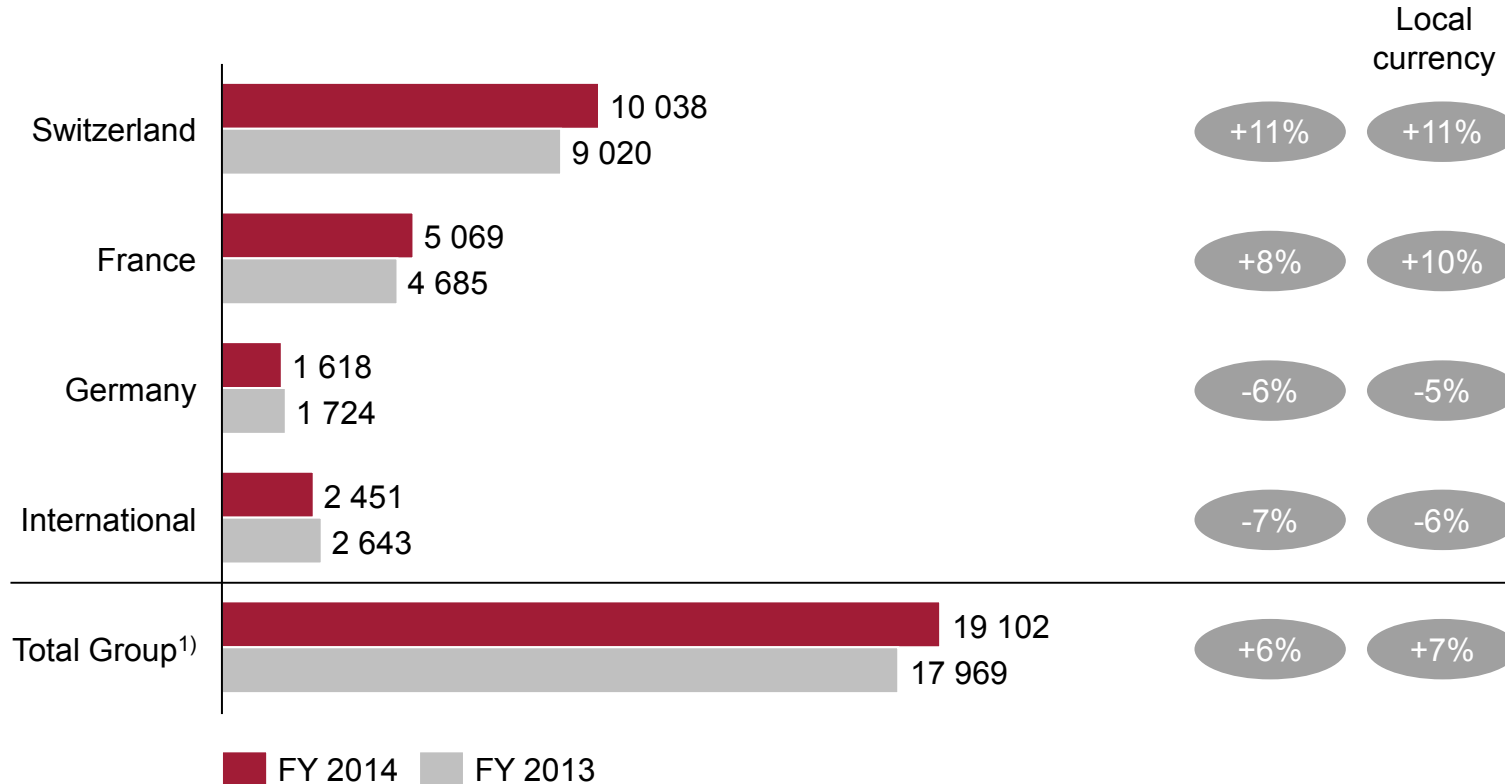
Net profit excluding major one-off effects

CHF million (IFRS basis)



Premium development

CHF million (IFRS basis); GWP, fees and deposits



1) Total includes Other and intersegment eliminations of CHF -73 m in FY 2014 and CHF -103 m in FY 2013

Switzerland: Premium development

CHF million (IFRS basis)

	FY 2013	FY 2014	Change
Total life GWP incl. PHD	9 020	10 038	+11%
Single premiums	4 862	5 724	+18%
Periodic premiums	4 158	4 314	+4%
Group life	7 573	8 411	+11%
Single premiums	4 372	5 049	+15%
Periodic premiums	3 201	3 362	+5%
Individual life	1 447	1 627	+12%
Single premiums	490	675	+38%
Periodic premiums	957	952	-1%

Switzerland: Statutory distribution ratio in BVG business

CHF million (statutory basis)

	FY 2011		FY 2012		FY 2013		FY 2014	
Gross revenue	2 227	100%	2 718	100%	2 387	100%	2 477	100%
Total insurance benefits paid (incl. bonuses)	2 049	92.0%	2 537	93.3%	2 206	92.4%	2 294	92.6%
Operating income BVG business	178		181		181		183	
Operating income other group business	36		25		16		22	
Operating income total group business	214		206		197		205	

Details of net investment result

CHF million (IFRS basis), insurance portfolio for own risk FY 2014

	Direct investment income	Impairments	Gains and losses through income statement			Net investment result
			On underlying	On derivatives	Net	
Bonds	3 215	-19	272	149	421	3 617
Equities	73		47	-18	29	102
Loans	282	-2	165		165	446
Mortgages	157		-0			156
Alternative investments	15	-1	94		94	107
Real estate	721	-22	289		289	988
Cash & other	3					3
Total before FX	4 467	-43	866	131	998	5 421
FX hedging costs and gains/losses			2 261	-2 268	-7 ¹⁾	-7
Total after FX	4 467	-43	3 128	-2 137	991	5 414
Expense						-278
Net investment result						5 136

Net capital gains/losses on investments of **947**

1) Net effect on FX hedging (excl. FX hedging costs) amounts to CHF 266 m

Profit from operations

CHF million (IFRS basis), segment results

Segments	FY 2013	FY 2014	Change
Switzerland	716	657	-8%
France	194	216	+12%
Germany	96	92	-4%
International	16	34	+116%
Asset Managers	166	188	+13%
Other and eliminations	28	49	+77%
Unallocated corporate costs	-65	-66	+2%
Profit from operations	1 149	1 169	+2%

Adjusted profit from operations

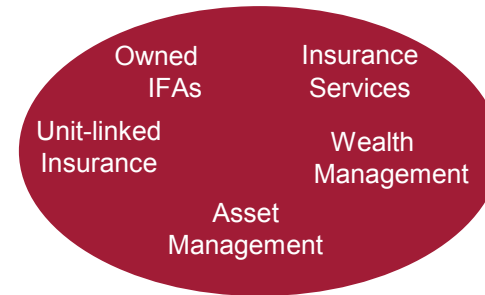
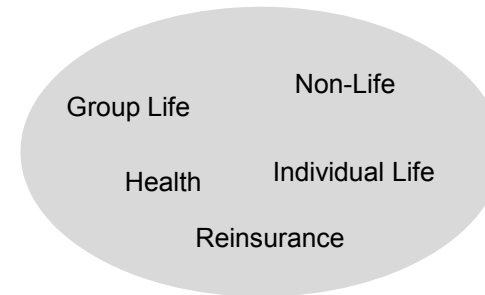
CHF million (IFRS basis), segment results adjusted¹⁾

Segments	FY 2013	FY 2014	Change
Switzerland	657	657	-0%
France	191	216	+13%
Germany	123	97	-21%
International	16	34	+116%
Asset Managers	166	192	+15%
Other and eliminations	51	52	+3%
Unallocated corporate costs	-65	-66	+2%
Profit from operations (adjusted)	1 139	1 182	+4%

1) Adjusted for major one-offs and for EUR/CHF FX effects in FY13

Profit by source: Structure and scope

Savings result	<ul style="list-style-type: none"> + Income from investments¹⁾ + Income from savings premiums - Expense related to savings process - Technical interest²⁾ = Investment spread - Policyholder participation = Net savings result
Risk result (incl. reinsurance)	<ul style="list-style-type: none"> + Income from risk premiums - Expense related to risk³⁾ = Gross risk result - Policyholder participation = Net risk result
Cost result	<ul style="list-style-type: none"> + Income from cost premiums - Expense related to costs = Gross cost result⁴⁾ - Policyholder participation = Net cost result
Fee result	<ul style="list-style-type: none"> + Income related to fee business - Expense related to fee business = Fee result



1) Income from invested insurance assets (incl. also IFRS P&L capital gains & losses and impairments) 2) Interest on insurance liabilities

3) Incurred claims incl. change in reserves 4) Acquisition cost result (incl. net DAC effect) plus administration cost result, both before policyholder participation

Supplementary information

Profit and loss

→ **Balance sheet**

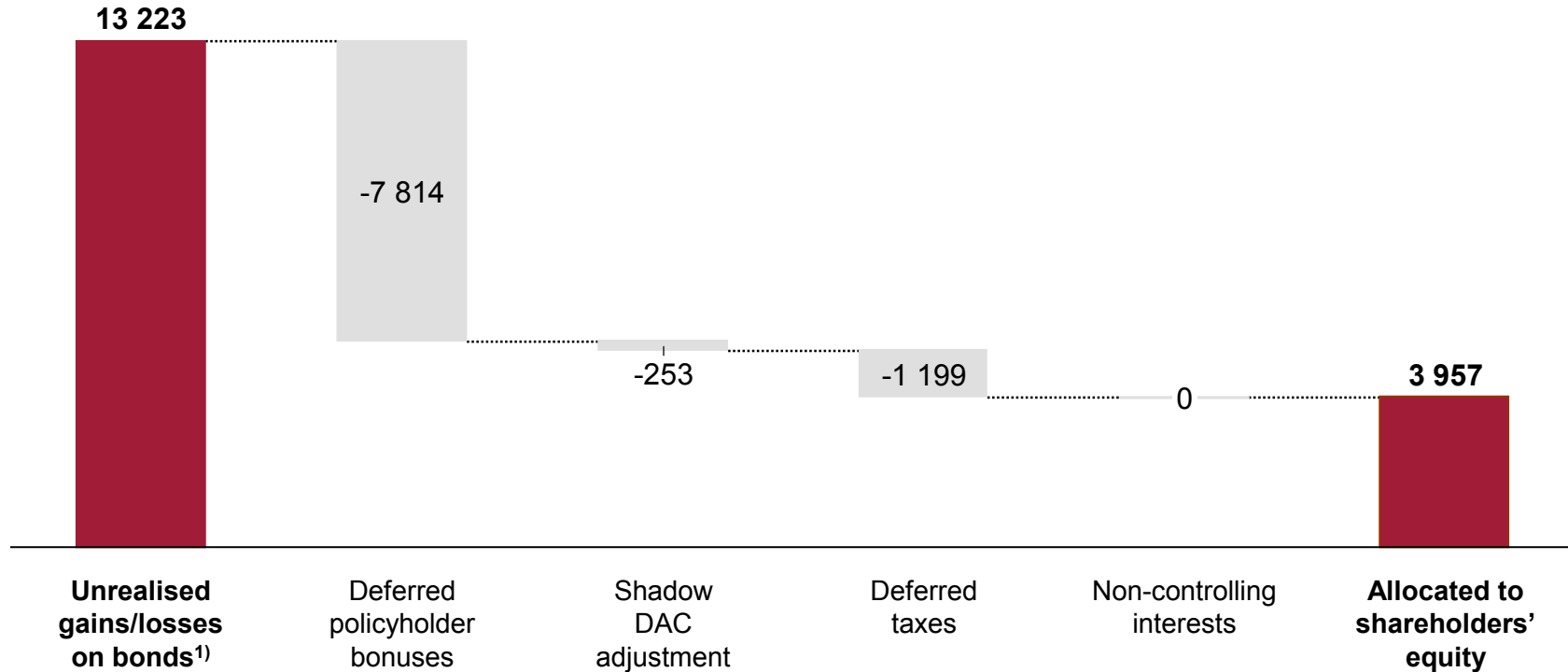
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Allocation of unrealised gains/losses on bonds

CHF million (IFRS basis), as per 31.12.2014



1) Including cash flow hedge reserve

Return on equity

CHF million (IFRS basis)

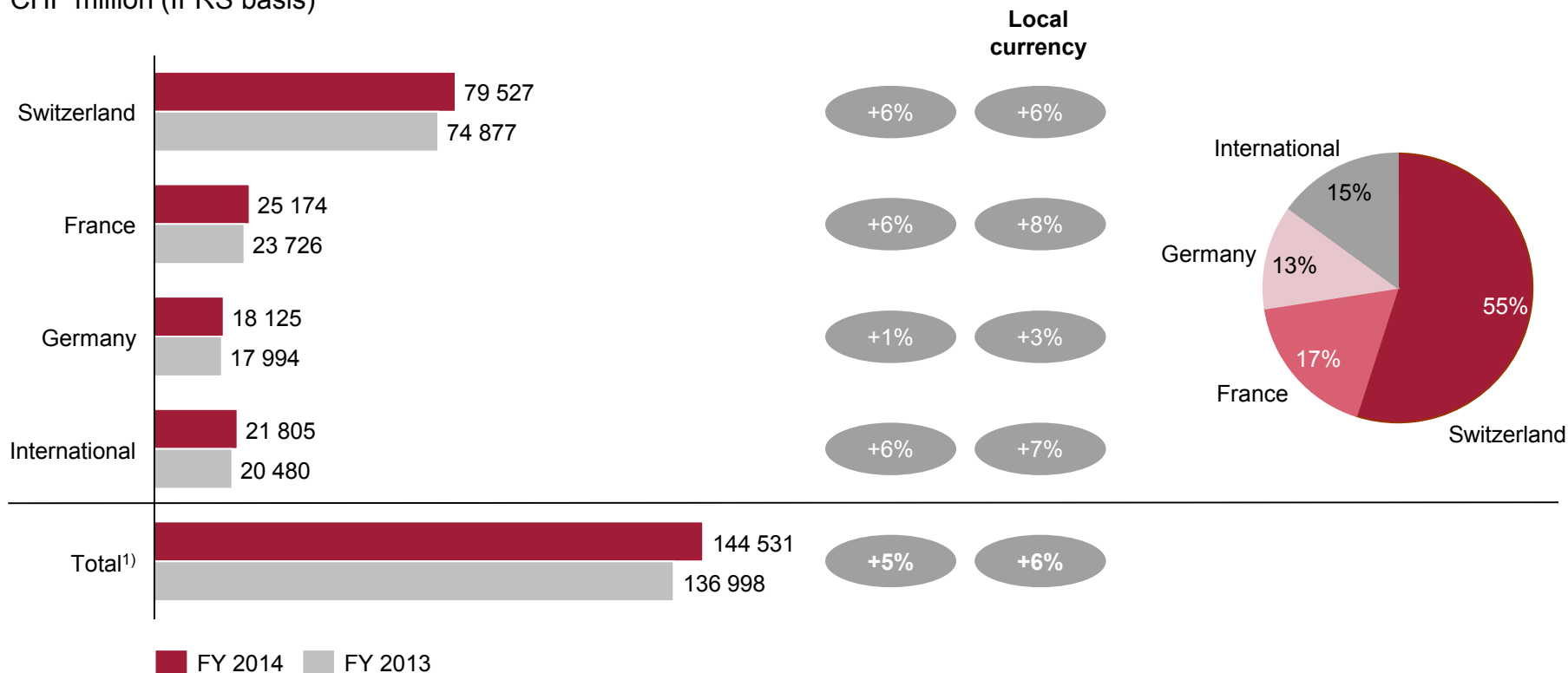
	FY 2013	FY 2014
Shareholders' equity	8 945	12 755
Unrealised gains/losses on bonds allocated to shareholders' equity	-732	-3 957
Adjusted shareholders' equity	8 213	8 798

FY 2014 RoE calculation

Net profit FY 2014 (shareholder part)	814
Average adjusted shareholders' equity	8 506
Return on equity	9.6%

Insurance reserves excluding policyholder participation liabilities

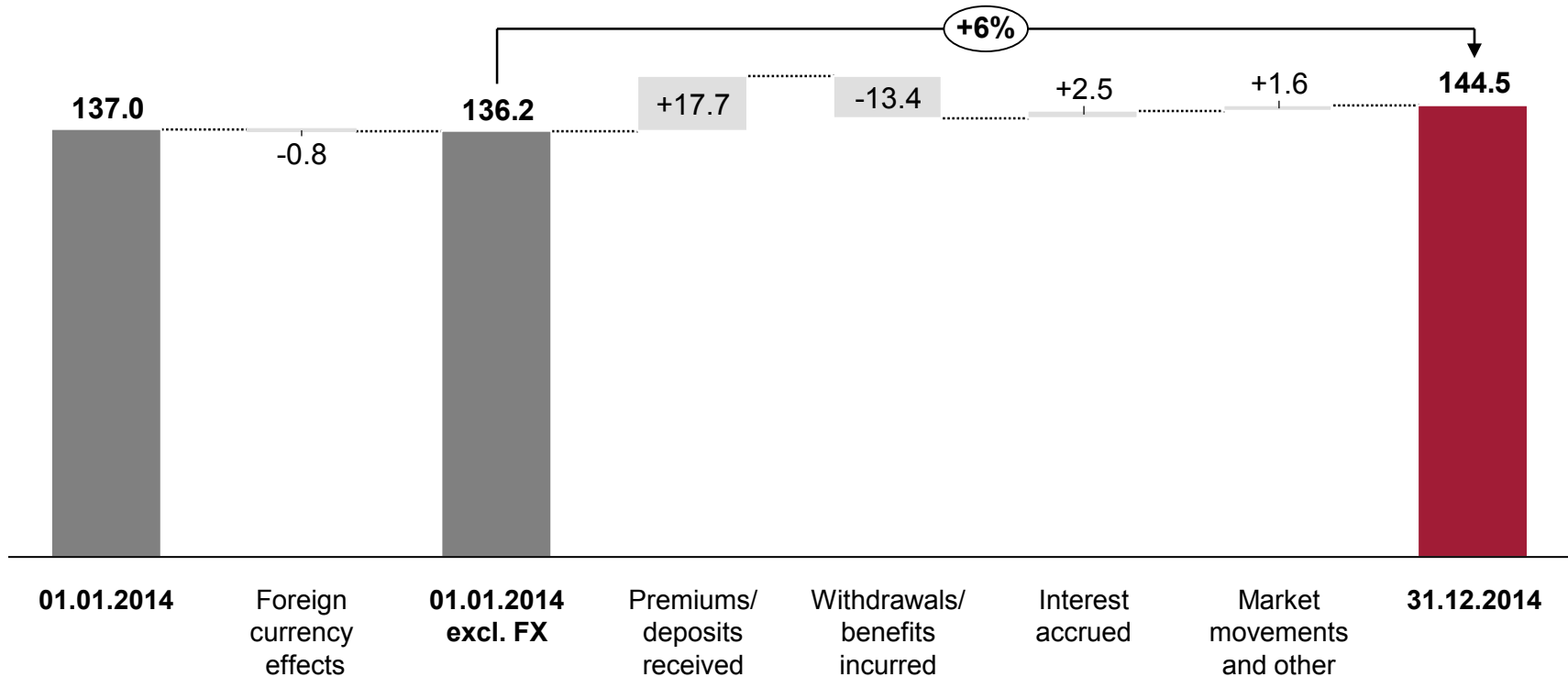
CHF million (IFRS basis)



1) Total includes intersegment eliminations of CHF -98 m in FY14 and CHF -79 m in FY13

Insurance reserves roll-forward 2014 excluding policyholder participation liabilities

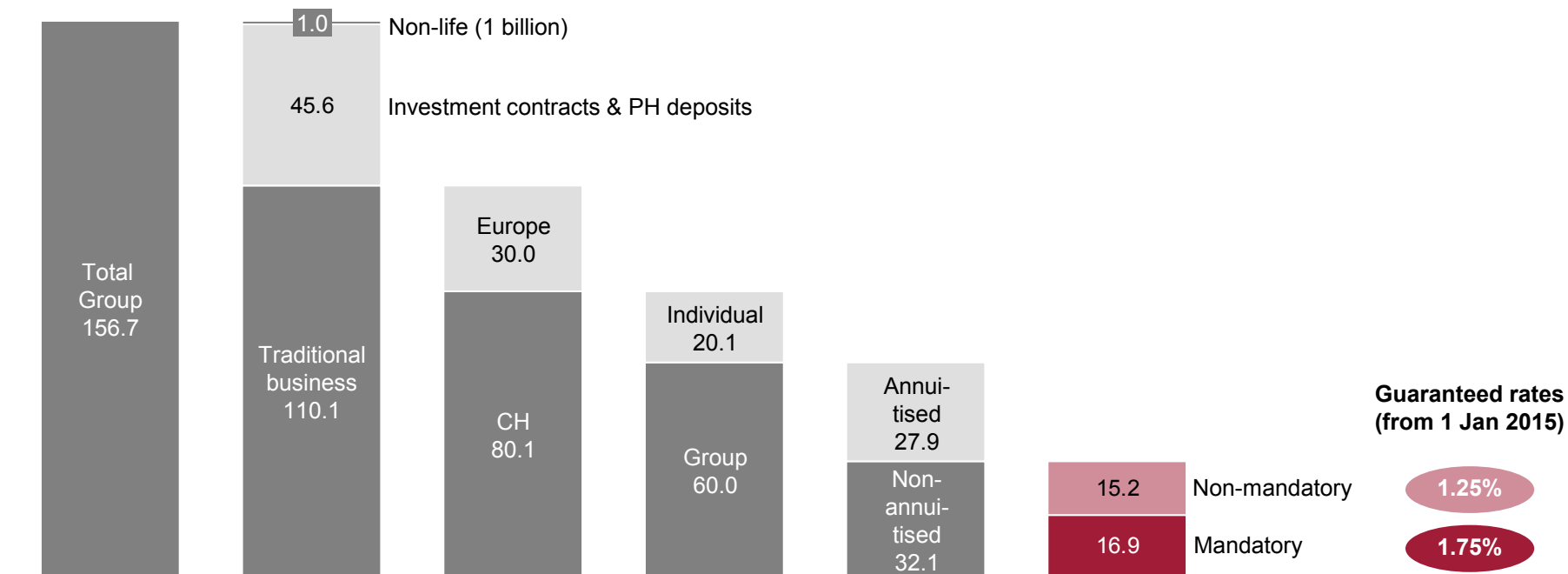
CHF billion (IFRS basis)



Swiss Life Group reserves subject to BVG minimum interest rates

CHF billion (IFRS basis)

Breakdown of insurance reserves (incl. unit-linked) as per 31.12.2014



Average technical interest rate

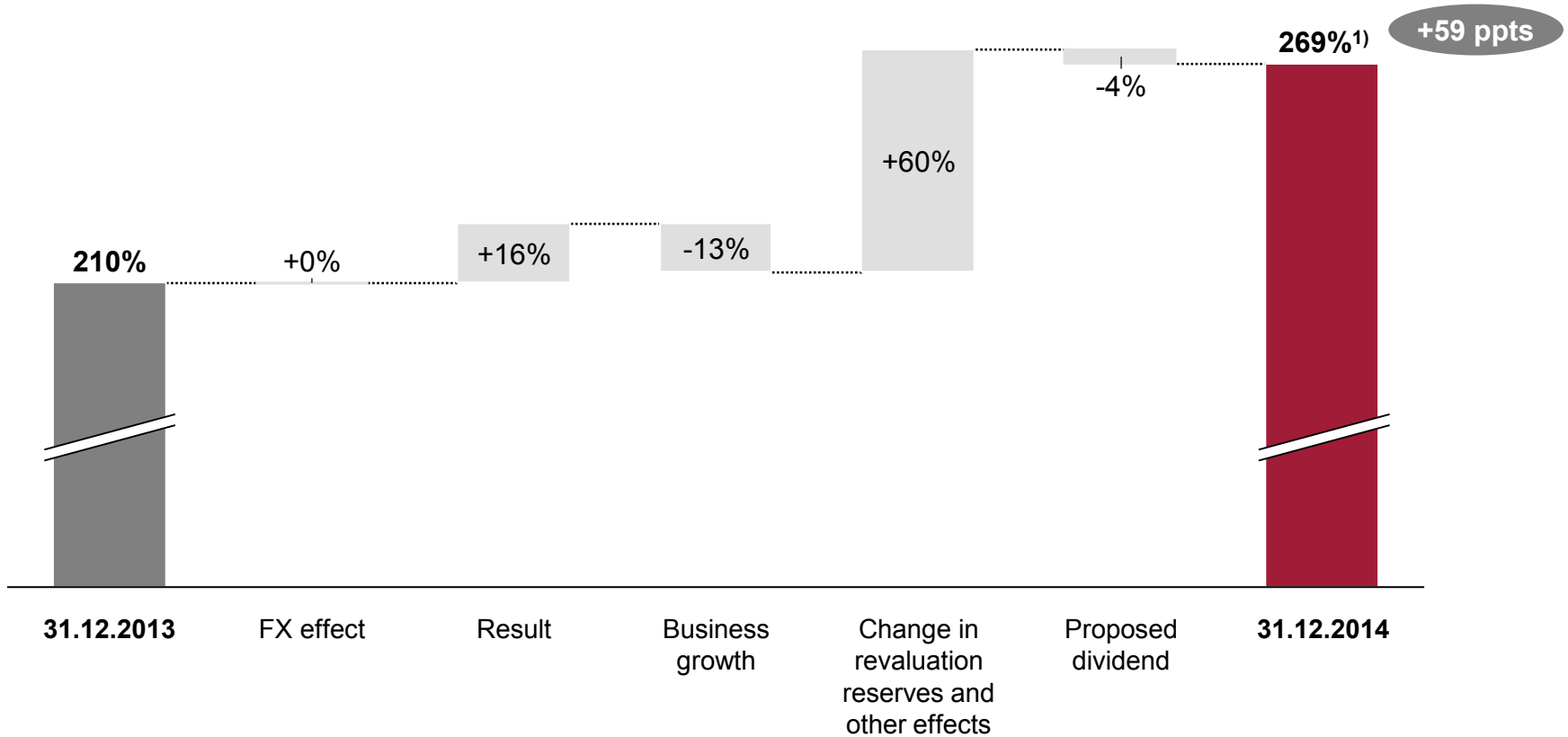
CHF / EUR / USD / GBP million (statutory basis), as per 31.12.2014

	CHF	EUR	USD	GBP
Total reserves	76 615	27 978	139	10
Average technical interest rate	1.71%	2.44%	2.50%	3.01%

Overall: 1.93%
(01.01.2014: 2.04%)

Group solvency

Based on IFRS equity



1) Group solvency excluding unrealised gains/losses on bonds: 196% (196% per FY13)

Group solvency

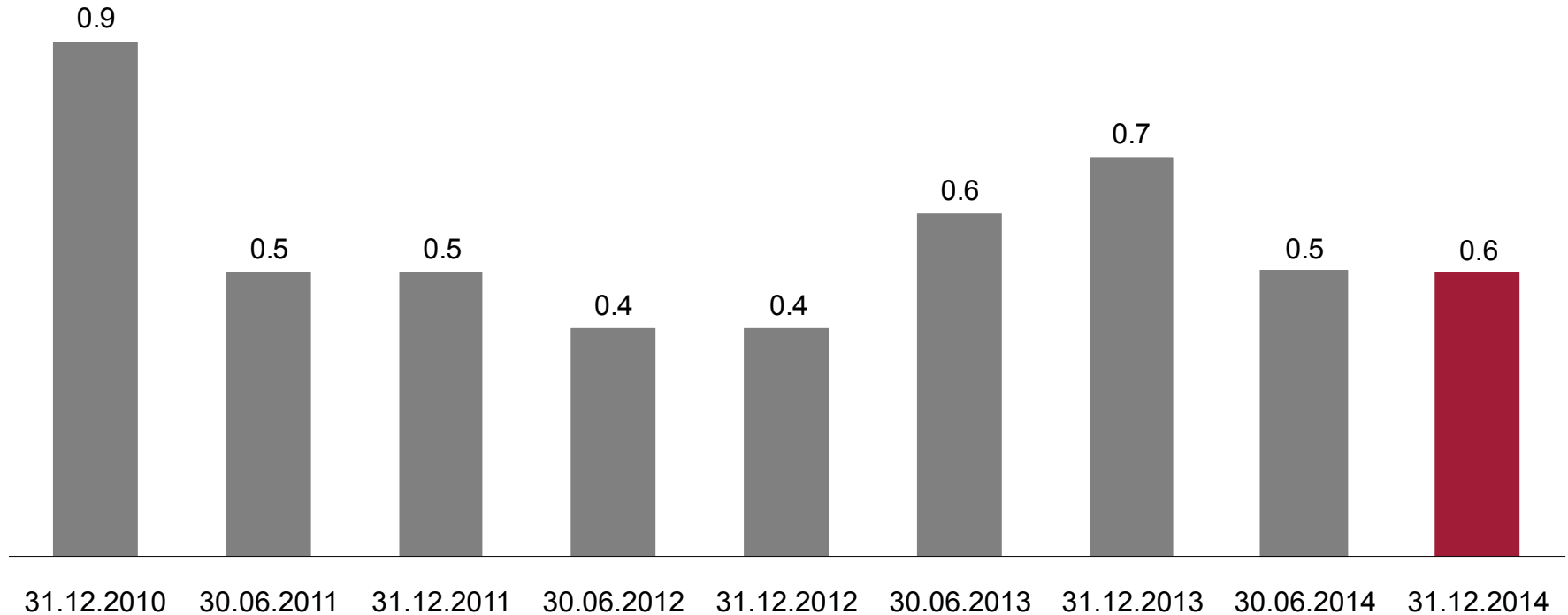
CHF million (IFRS basis)

	31.12.2013	31.12.2014
Available solvency margin		
IFRS equity (incl. non-controlling interests)	9 018	12 831
Eligible part of hybrid capital ¹⁾	2 587	2 612
Unattributed surplus	816	829
Goodwill and other intangible assets	-1 319	-1 475
DAC non-life	-48	-44
Dividend / distribution out of capital contribution reserve	-175	-207
Tax losses	-11	-18
Total available solvency margin	10 868	14 528
Total required solvency margin	5 175	5 402
Solvency ratio	210%	269%

1) Limited to 50% of the required solvency margin

Total weighted duration gap¹⁾

In %



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

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→ **Investments**

Market consistent embedded value (MCEV)

Contact details and financial calendar

Business review Asset Managers:

Change analysis of assets under management

CHF billion (fair value basis)

Assets under Management	FY 2013	FY 2014	Change
Total beginning of period	148.5	155.1	+6.6
Net new assets			
Insurance mandates	0.9	2.3	+1.4
External customer business	5.6	4.5	-1.1
Market performance	-1.1	19.5	+20.6
Forex	0.5	-1.0	-1.5
Scope changes	0.7	2.6	+1.9
Total end of period	155.1	183.0	+27.9
Insurance mandates	127.5	149.3	+21.8
External customer business	27.6	33.7	+6.1
o/w collective investments	22.8	27.9	+5.1
o/w institutional mandates	4.8	5.8	+1.0
Double counts	7.8	8.5	+0.7

Real estate under management and administration

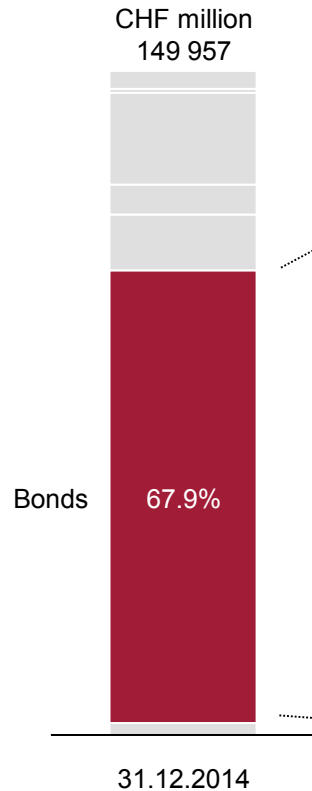
CHF billion, as per 31.12.2014

	AuM	Real estate under administration ¹⁾	
Total	183.0	31.5	
Real estate <i>(excluding Corpus Sireo, Livit)</i>	30.1		Total real estate under management and administration CHF 63.9 bn
Corpus Sireo	2.4	14.8	
Livit		16.7	

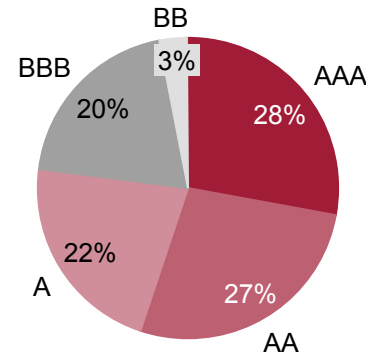
1) Not included in Swiss Life AuM definition

Bond portfolio: Ratings and classification

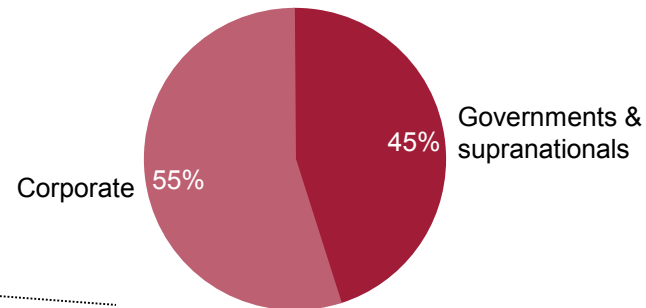
Insurance portfolio for own risk (fair value basis)



Breakdown by rating

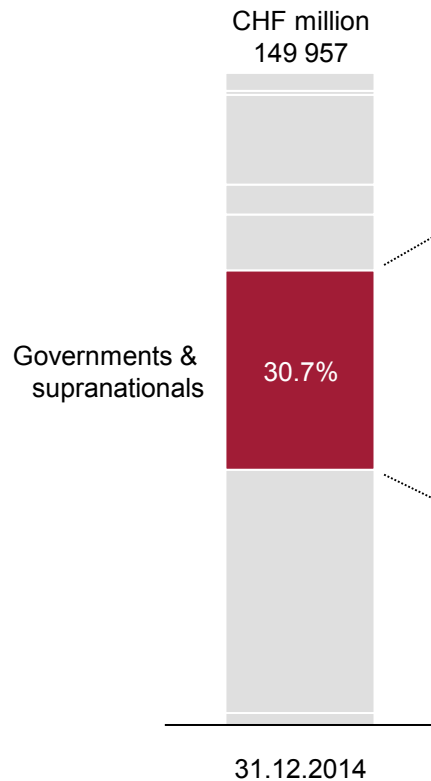


Breakdown by classification

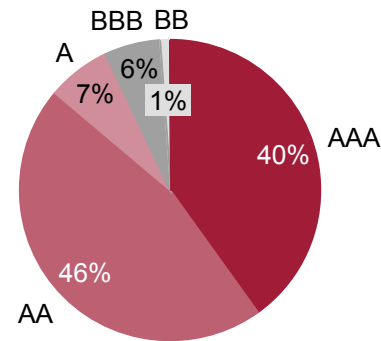


Government and supranational bond portfolio: Ratings and currency

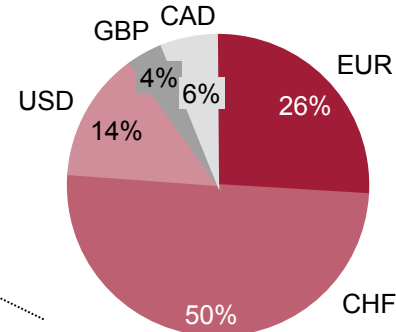
Insurance portfolio for own risk (fair value basis)



Breakdown by rating



Breakdown by currency



Government and supranational bond portfolio: Country split

Government and supranational bond portfolio (fair value basis), as per 31.12.2014,
30.7% of insurance portfolio for own risk (CHF 46.0 bn)

% of total government and supranational bond portfolio

Switzerland	37%
France	11%
Belgium	4%
Great Britain	4%
Netherlands	4%
Sovereigns under observation	2%
Supranationals	4%
Other	12%
Europe	78%
USA	7%
Canada	7%
Supranationals	1%
Other	7%
Rest of the world	22%
Total	100%

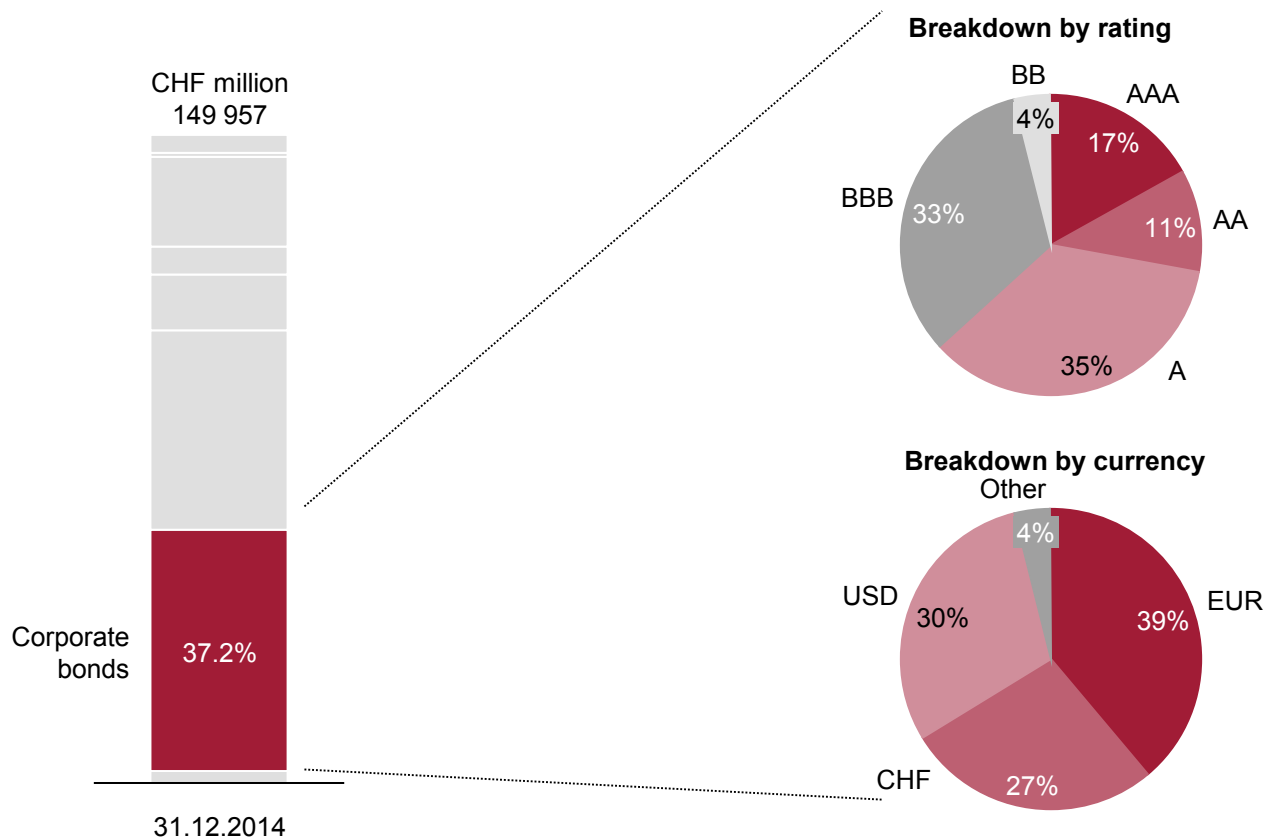
In CHF million¹⁾

	FY 2013		FY 2014	
	FV ²⁾	AC ³⁾	FV ²⁾	AC ³⁾
Portugal	56	62	67	58
Italy	204	195	233	203
Ireland	354	318	401	307
Greece	-	-	-	-
Spain	121	129	133	127
Total	735	704	834	695

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

Corporate bond portfolio: Ratings and currency

Insurance portfolio for own risk (fair value basis)



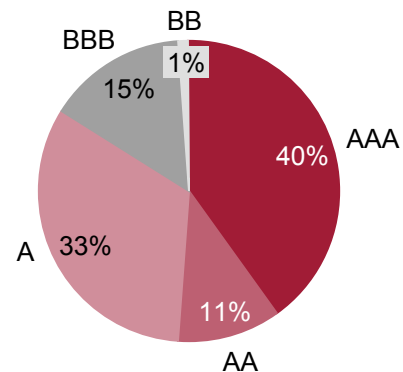
Corporate bond portfolio: Industry split

Corporate bond portfolio (fair value basis), as per 31.12.2014,
37.2% of insurance portfolio for own risk (CHF 55.8 bn)

Breakdown by industry

	% of total corporate bond portfolio
Banks	37%
Other financials	5%
Utilities	10%
Industrial	7%
Consumer non-cyclical	7%
Energy	5%
Communication	7%
Consumer discretionary	6%
Health	4%
Material	4%
Other	8%
Total	100%

Breakdown by rating

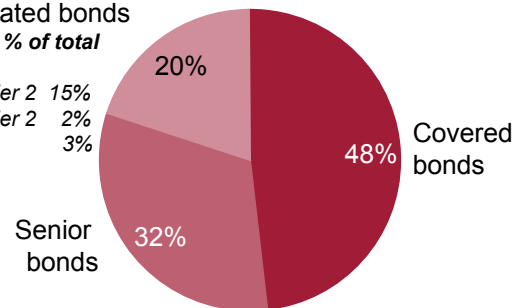


Breakdown by structure

Subordinated bonds

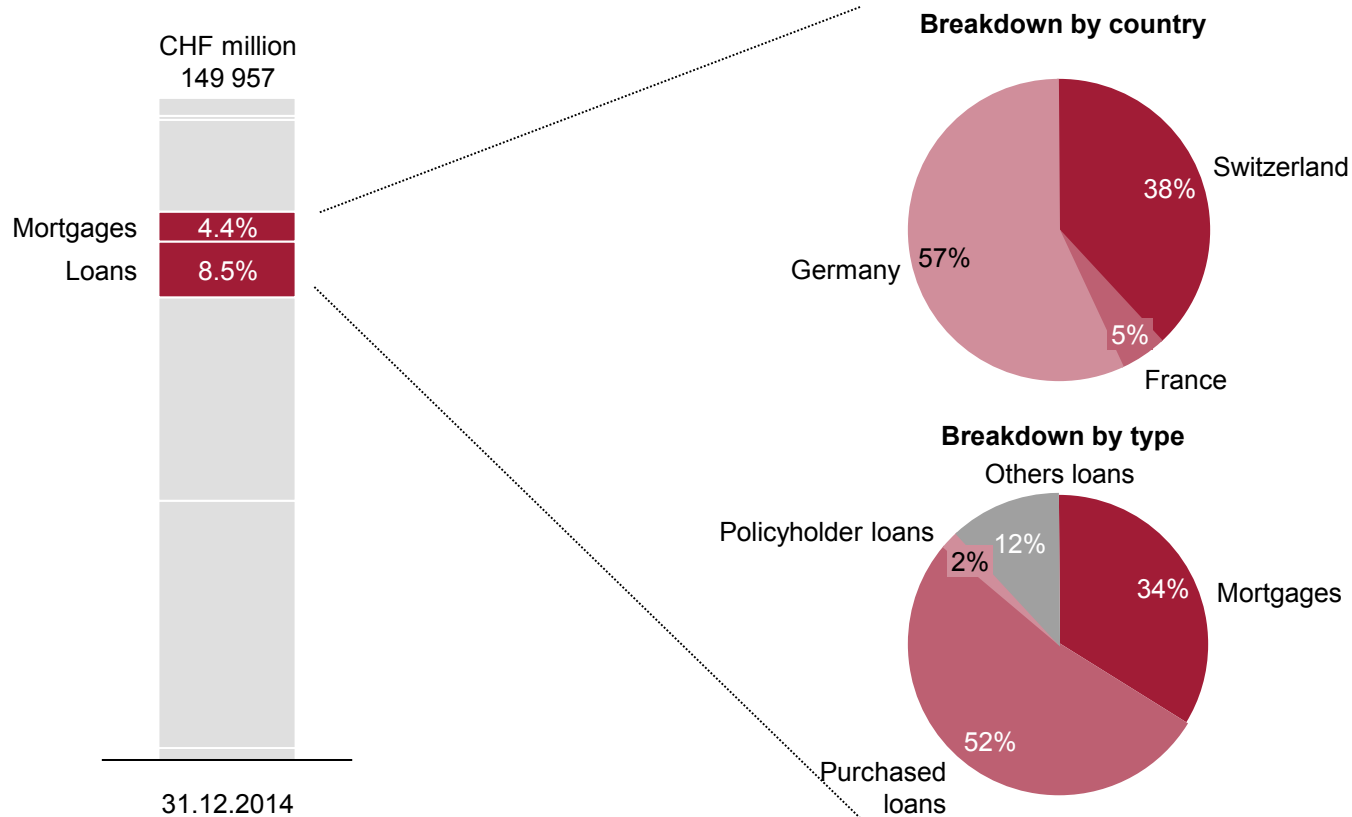
Thereof in % of total banks:

- Lower Tier 2 15%
- Upper Tier 2 2%
- Tier 1 3%



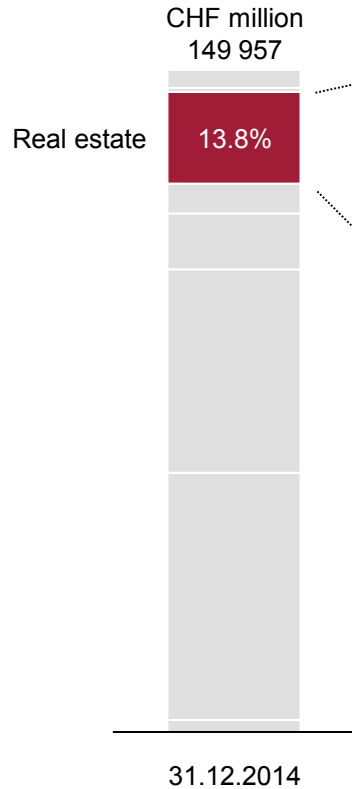
Loan and mortgage portfolio

Insurance portfolio for own risk (fair value basis)

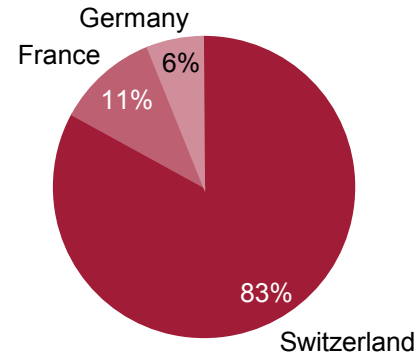


Real estate portfolio

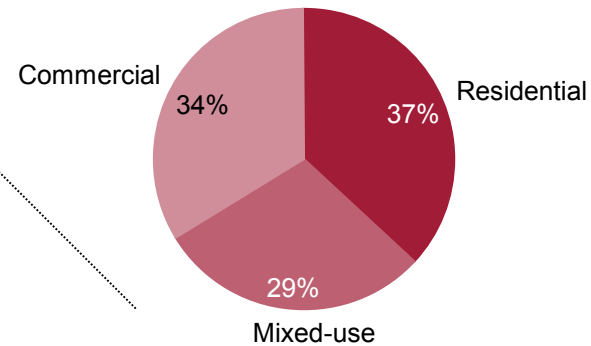
Insurance portfolio for own risk (fair value basis)



Breakdown by country

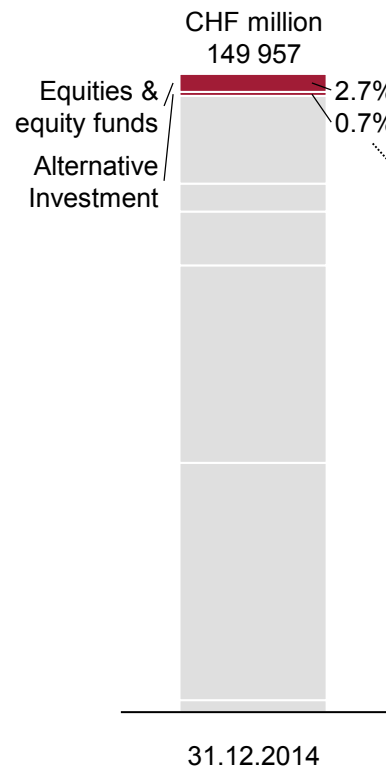


Breakdown by type

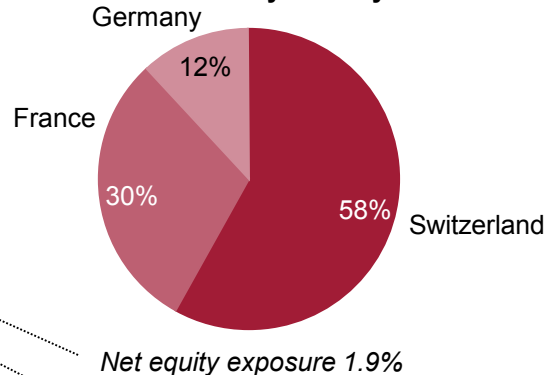


Equities and alternative investment portfolio: Gross exposure

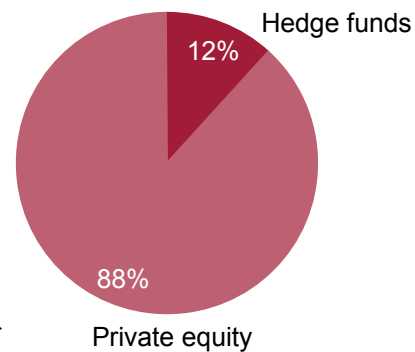
Insurance portfolio for own risk (fair value basis)



Breakdown by country



Breakdown by investment type



Forex and interest rates

Foreign currency exchange rates

	31.12.13	30.06.14	31.12.14
EUR	1.2253	1.2145	1.2026
GBP	1.4721	1.5172	1.5485
USD	0.8886	0.8871	0.9939

	01.01.-31.12.13	01.01.-31.12.14
EUR	1.2311	1.2163
GBP	1.4503	1.5082
USD	0.9268	0.9155

Interest rates¹⁾

	31.12.13	30.06.14	31.12.14
CHF	1.073	0.658	0.319
EUR	1.929	1.245	0.541
GBP	3.022	2.670	1.756
USD	3.028	2.530	2.171

1) 10-year government bond

Supplementary information

Profit and loss

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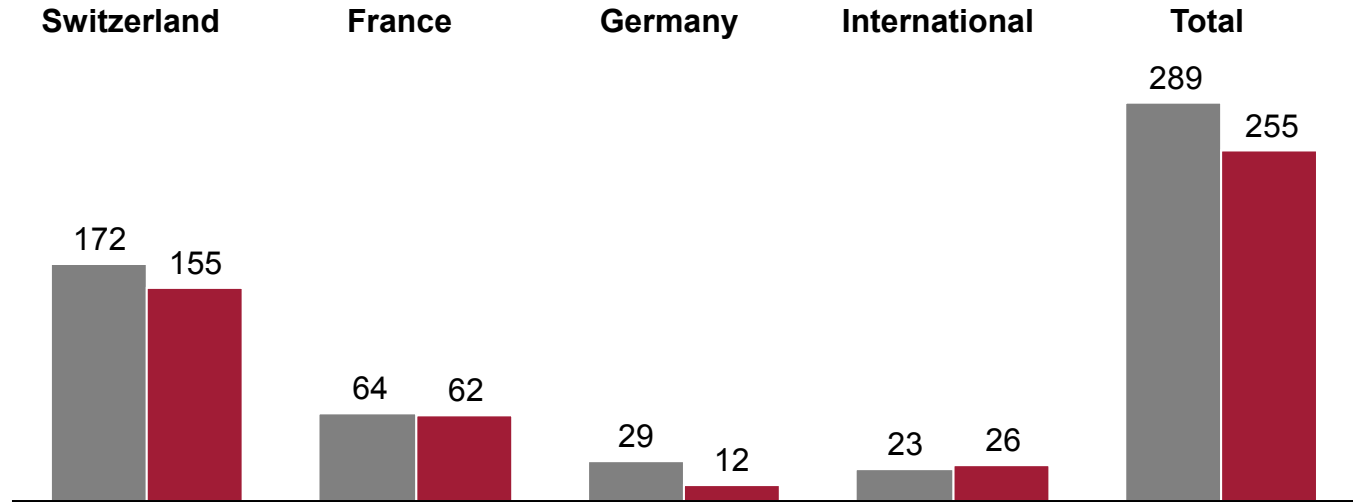
Investments

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

Contact details and financial calendar

Value of new business

CHF million (MCEV)



PVNBP	5 791	6 939	3 709	4 326	1 081	938	2 348	2 211	12 929	14 414
NBM ¹⁾										
in % PVNBP	3.0%	2.2%	1.7%	1.4%	2.7%	1.2%	1.0%	1.2%	2.2%	1.8%
in % APE	41.0%	31.8%	14.7%	11.9%	33.2%	16.3%	9.8%	11.6%	24.4%	19.5%

■ FY 2013 ■ FY 2014

1) New business margin

Value of new business

CHF million (MCEV), as per FY 2014

	Switzerland	France	Germany	International	Total
Value of new business	155	62	12	26	255
New business strain	-71	-50	-3	-10	-133
VNB before new business strain	225	113	14	36	388
Annual premiums	237	315	52	8	612
Single premiums	2 499	2 079	199	2 142	6 919
Present value of new premiums (PVNBP)	6 939	4 326	938	2 211	14 414
Average annual premium multiplier	18.7	7.1	14.2	8.1	12.3
New business annual premium equivalent (APE) change from FY 2013	487 +16%	522 +19%	72 -18%	223 -6%	1 304 +10%
New business margin (% PVNBP) change from FY 2013 in pts	2.2% -0.8	1.4% -0.3	1.2% -1.5	1.2% +0.2	1.8% -0.4
New business margin (% APE) change from FY 2013 in pts	31.8% -9.2	11.9% -2.8	16.3% -16.9	11.6% +1.8	19.5% -4.9

Economic assumptions

As per FY 2014

Swap rates

Economy	Swap rates						Forward inflation rates					
	1 year	2 year	5 year	10 year	15 year	30 year	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Switzerland	-0.11%	-0.13%	0.06%	0.52%	0.79%	1.16%	0.1%	-0.1%	-0.2%	0.5%	0.7%	0.4%
Euro-zone	0.16%	0.18%	0.36%	0.82%	1.15%	1.47%	0.1%	0.3%	0.9%	1.6%	1.6%	0.9%
USA	0.44%	0.89%	1.75%	2.27%	2.49%	2.69%						

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

Economy	1 year option	2 year option	5 year option	10 year option	15 year option	30 year option
Switzerland		65.7%	61.8%	59.4%	49.7%	43.1%
Euro-zone		43.5%	41.1%	35.9%	32.6%	30.7%
USA		27.6%	27.4%	26.1%	23.4%	20.8%

Equity option implied volatilities

Economy	Index	Volatility
Switzerland	SMI	18.5%
Euro-zone	EuroStoxx 50	20.8%
USA	S&P 500	25.9%

Real estate volatilities

Economy	Volatility
Switzerland	8.0%
Euro-zone	13.0%

Cautionary statement regarding forward-looking information

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Contact details and financial calendar

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Financial calendar

Publication of annual report 2014	16 March 2015
Annual General Meeting 2014	27 April 2015
Interim statement Q1 2015	12 May 2015
Half-year results 2015	14 August 2015
Interim statement Q3 2015	12 November 2015
Investors' Day 2015	25 November 2015

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