

Half-year results 2012

Investors' presentation

Zurich, 17 August 2012

Agenda

→ **Overview**

Financial results and
MILESTONE

Wrap-up

Bruno Pfister

Thomas Buess

Bruno Pfister

Highlights HY 2012 results

HY 2012 vs HY 2011

- ✓ Profit from operations improved 17% to CHF 528 m
- ✓ Adjusted net profit¹⁾ increased by 15% to CHF 369 m
- ✓ Premium growth of 1% in local currency
- ✓ Stable direct yield of 1.8% and strong net investment yield of 2.7% (both non-annualised)
- ✓ Cost base under control with further improved efficiency ratios
- ✓ New business margin declined to 1.0% from 1.6% and VNB decreased to CHF 59 m from CHF 104 m due to challenging capital market environment
- ✓ Return on equity at 7.7% (annualised)
- ✓ Group solvency rose to 224% (FY 2011: 213%)
- ✓ SST in the green based on our internal model²⁾

1) For details see slide 7 2) Not yet approved by FINMA

Key figures HY 2012 results

HY 2012 vs HY 2011

Profit from operations	➔	CHF 528 m	+17%
Net profit (adjusted)	➔	CHF 369 m	+15%
New business margin (% PVNBP)	➔	1.0%	-0.6 pts
GWP incl. PHD (in local currency)	➔	CHF 9.8 bn	+1%
Shareholders' equity	➔	CHF 9.8 bn	+8% ¹⁾
Return on equity (annualised)	➔	7.7%	-1.0 pts
Group solvency	➔	224%	+11 pts

1) HY 2012 vs FY 2011

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Income statement

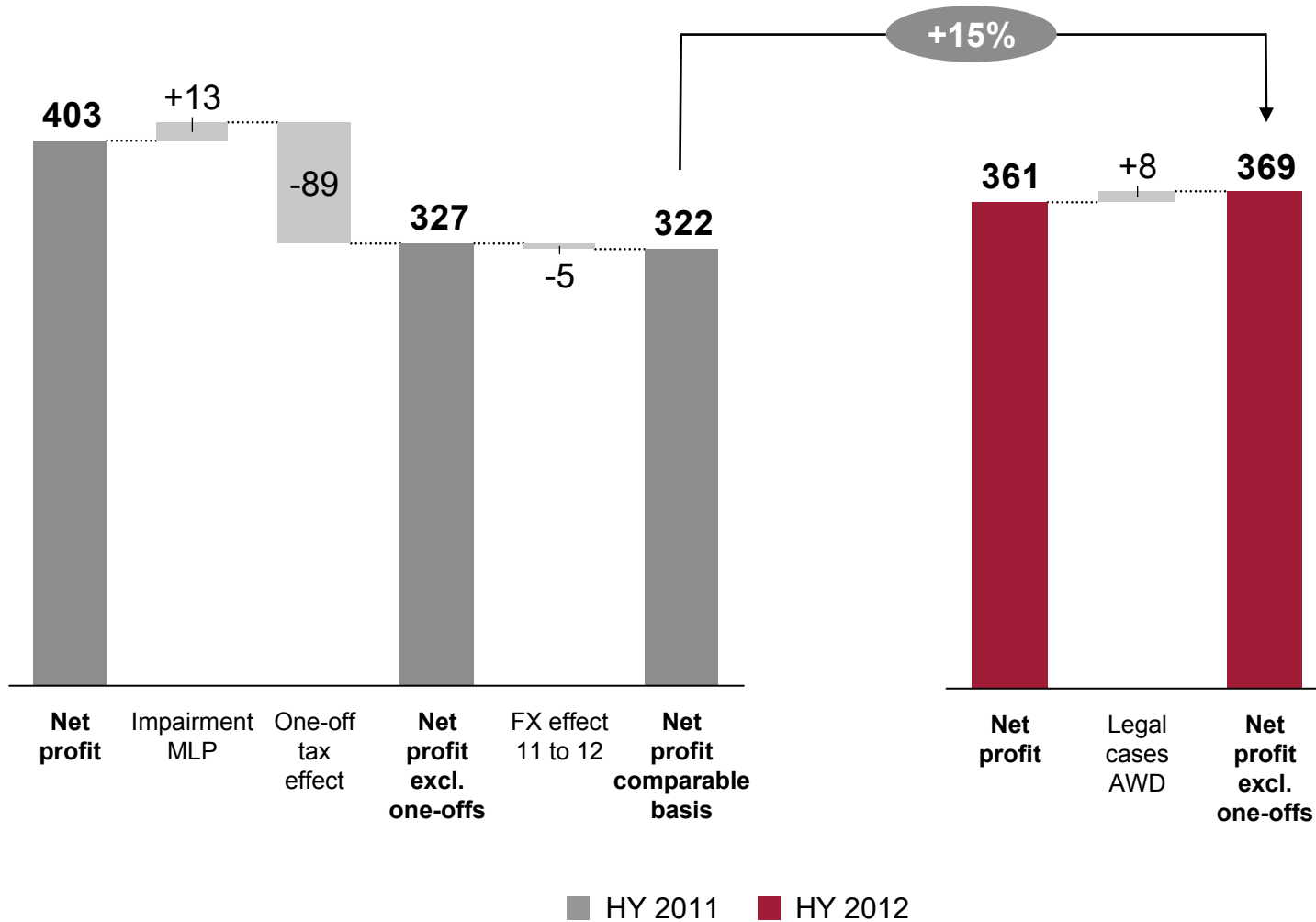
CHF million (IFRS basis)

	HY 2011	HY 2012
Gross written premiums, fees and deposits received	10 104 ¹⁾	9 837
Commission income	405	368
Financial result for own risk	2 185	3 358
<i>Net investment result insurance portfolio for own risk</i>	2 083	3 236
Net insurance benefits and claims	-7 667	-7 641
Policyholder participation	-747	-1 631
Operating expense	-1 412	-1 340
Profit from operations	452	528
Borrowing costs	-55	-62
Share of profit or loss of associates	5	6
Income tax expense	1	-111
Net profit	403	361
Earnings per share (in CHF)²⁾	12.55	11.26

1) GWP + PHD at CHF 9 889 m when adjusted for change in premium due dates in CH of CHF 215 m 2) Diluted, based on 32 071 198 shares in HY11 and 31 984 812 shares in HY12

Net profit after tax excluding major one-off effects

CHF million (IFRS basis)



Business review Insurance Switzerland

CHF million (IFRS basis, MCEV)

	HY 2011	HY 2012	Change
GWP incl. PHD	5 641 ¹⁾	5 741	+2% <ul style="list-style-type: none"> GL: Lower single premiums compensated by higher periodic premiums IL: +11%, growth mainly from modern single premium products
Operating expense adjusted ²⁾	-178	-181	+2% <ul style="list-style-type: none"> Investments in growth projects
Segment result	291	341	+17% <ul style="list-style-type: none"> Driven by strong investment result; good risk and cost result
New business volume (PVNBP)	2 264	2 771	+22% <ul style="list-style-type: none"> Strong growth in GL and IL
New business margin (% PVNBP)	1.2%	0.7%	-0.5 pts <ul style="list-style-type: none"> Challenging capital market environment partially offset by actions taken Repricing measures IL and positive cost variances

1) Premiums adjusted for the impact of CHF -215 m due to the change in premium due dates following the migration to the new group business administration system

2) Excluding unallocated corporate costs



Business review Insurance France

EUR million (IFRS basis, MCEV)

	HY 2011	HY 2012	Change
GWP incl. PHD	1 828	1 762	-4% <ul style="list-style-type: none"> Overall, better than market (-9%) <ul style="list-style-type: none"> - Life: -10% (market -15%); high UL share of 25% (market 13%) - Health & disability: +3% (market +5%)
Operating expense adjusted ¹⁾	-139	-138	-1% <ul style="list-style-type: none"> Improved efficiency ratios in Health and P&C
Segment result	58	66	+14% <ul style="list-style-type: none"> Better margins in life despite lower financial result Improved combined ratios in health and P&C
New business volume (PVNBP)	1 893	1 461	-23% <ul style="list-style-type: none"> Lower volumes in life, health and disability due to continued strong focus on profitability
New business margin (% PVNBP)	1.9%	1.5%	-0.4 pts <ul style="list-style-type: none"> Challenging capital market environment partially offset by improved loss ratio in health and decreased commissions

1) Excluding unallocated corporate costs and restructuring costs

Business review Insurance Germany

EUR million (IFRS basis, MCEV)

	HY 2011	HY 2012	Change
GWP incl. PHD	686	668	-3% <ul style="list-style-type: none">▪ Driven by single premium products, periodic premiums +4%
Operating expense adjusted ¹⁾	-53	-54	+1% <ul style="list-style-type: none">▪ Improved efficiency ratios
Segment result	31	36	+16% <ul style="list-style-type: none">▪ Higher financial result following portfolio optimisation measures; good risk result
New business volume (PVNBP)	624	399	-36% <ul style="list-style-type: none">▪ Re-pricing measures led to lower volumes
New business margin (% PVNBP)	2.6%	1.0%	-1.6 pts <ul style="list-style-type: none">▪ Challenging capital market environment▪ Lower proportion of risk products and volume effect

1) Excluding unallocated corporate costs

Business review Insurance International

CHF million (IFRS basis, MCEV)

	HY 2011	HY 2012	Change
GWP incl. PHD	1 157	1 211	+5% <ul style="list-style-type: none">Higher volumes in HNWI and Corporate segments
Operating expense adjusted ¹⁾	-40	-41	+3% <ul style="list-style-type: none">Improved efficiency ratios
Segment result	0	-3	n.a. <ul style="list-style-type: none">Negative FX effects on revenues partly offset by higher investment income and favourable risk result
New business volume (PVNBP)	1 025	1 096	+7% <ul style="list-style-type: none">Increase in line with top-line growth
New business margin (% PVNBP)	1.1%	0.7%	-0.4 pts <ul style="list-style-type: none">Lower margin in HNWI business due to updated business outlook

1) Excluding unallocated corporate costs, currency adjusted



Business review Investment Management

CHF million (IFRS basis; AuM fair value basis)

	HY 2011	HY 2012	Change
Total income	139	149	+7% ▪ Increased assets under management
Operating expense adjusted ¹⁾	-69	-73	+6% ▪ Expansion of TPAM business
Segment result	57	61	+7% ▪ Cost/income ratio further improved
	FY 2011	HY 2012	Change
Assets under management	134 264	141 071	+5% ▪ Due to both increased market valuation and net new money inflows
– of which PAM	117 723	122 562	+4%
– of which TPAM	16 541	18 509	+12%
Average assets under management	128 117	137 667	+7%

1) Excluding unallocated corporate costs, including acquisition in France in 2011



Business review AWD

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

	HY 2011	HY 2012	Change	
Revenues	265.5	232.1	-13%	<ul style="list-style-type: none"> ▪ Lower sales performance particularly in Germany ▪ Recurring commissions above prior year ▪ Changed product mix; more P&C and less investment funds
Germany	170.1	134.1		
Austria & CEE	34.8	30.3		
United Kingdom	25.4	26.8		
Switzerland	35.2	40.9		
EBIT (excl. one-offs)	21.8	22.4	+3%	<ul style="list-style-type: none"> ▪ Improved distribution payout ratio ▪ Continued cost discipline
Germany	26.5	19.0		
Austria & CEE	-3.2	2.3		
United Kingdom	2.7	2.2		
Switzerland	3.2	7.0		
Holding	-7.4	-8.1		
EBIT margin in % (excl. one-offs)	8.2	9.7	+1.5 ppts	
EBIT (incl. one-offs)	21.8	13.1	-40%	<ul style="list-style-type: none"> ▪ Due to legal provisions of EUR 9.3 m
Financial advisors	5 086	4 822	-5%	<ul style="list-style-type: none"> ▪ Challenging market environment and ongoing focus on further improving quality of advice

Expense development

CHF million (IFRS basis)

	HY 2011	HY 2012	Change
Total operating expense	1 412	1 340	-5%
Commissions and DAC amortisation adjusted	-725	-646	
Operating expense (before FX)	687	694	+1%
Restructuring costs and one-offs	-5	-25	
Scope changes	2	-	
Currency effect	-20	-	
Operating expense adjusted	664	669	+1%



Investment result

CHF million (IFRS basis), insurance portfolio for own risk
Yields not annualised

	HY 2011	HY 2012
Direct investment income	2 055	2 182
Direct investment income in %	1.8%	1.8%
Expense	-115	-114
Net capital gains/losses on investments and impairments ¹⁾	143	1 168
Net investment result	2 083	3 236
Net investment result in %	1.9%	2.7%
Changes in unrealised gains/losses on investments	-827	1 718
Total investment result	1 256	4 954
Total investment result in %	1.1%	4.2%
Average net investments	111 976	118 194
Total investment performance (fair value) in %	0.6%	4.4%

1) Including FX gains on hybrid (HY11 CHF 45 m; HY12 CHF 25 m)

Investment portfolio

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

Equities & equity funds
Alternative investments
Real estate

Mortgages

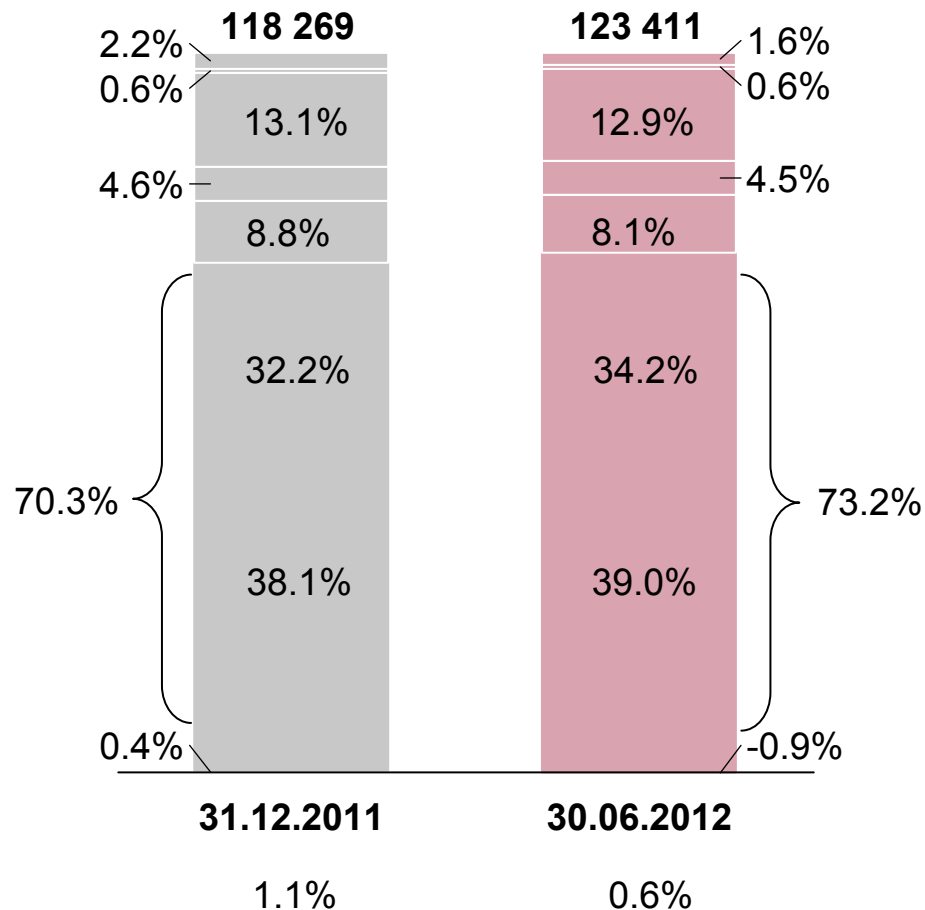
Loans

Governments &
supranationals

Corporates

Cash and other

Net equity exposure



Government and supranational bond portfolio: Split by country

Government and supranational bond portfolio (fair value basis), as per HY 2012, 34.2% of insurance portfolio (CHF 42.2 bn)

% of total government and supranational bond portfolio

Switzerland	26%
France	8%
UK	7%
Germany	4%
Austria	3%
Sovereigns under observation	1%
Supranationals	4%
Other	12%
Europe	65%
USA	18%
Canada	10%
Supranationals	2%
Other	5%
Rest of the world	35%
Total	100%

In CHF million¹⁾

	FY 2011	HY 2012	
	FV ²⁾	FV ²⁾	AC ³⁾
Portugal	78	57	84
Italy	81	121	129
Ireland	177	191	211
Greece	11	0	0
Spain	189	127	153
Total	536	496	577

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

Insurance reserves and borrowings

CHF million (IFRS basis)

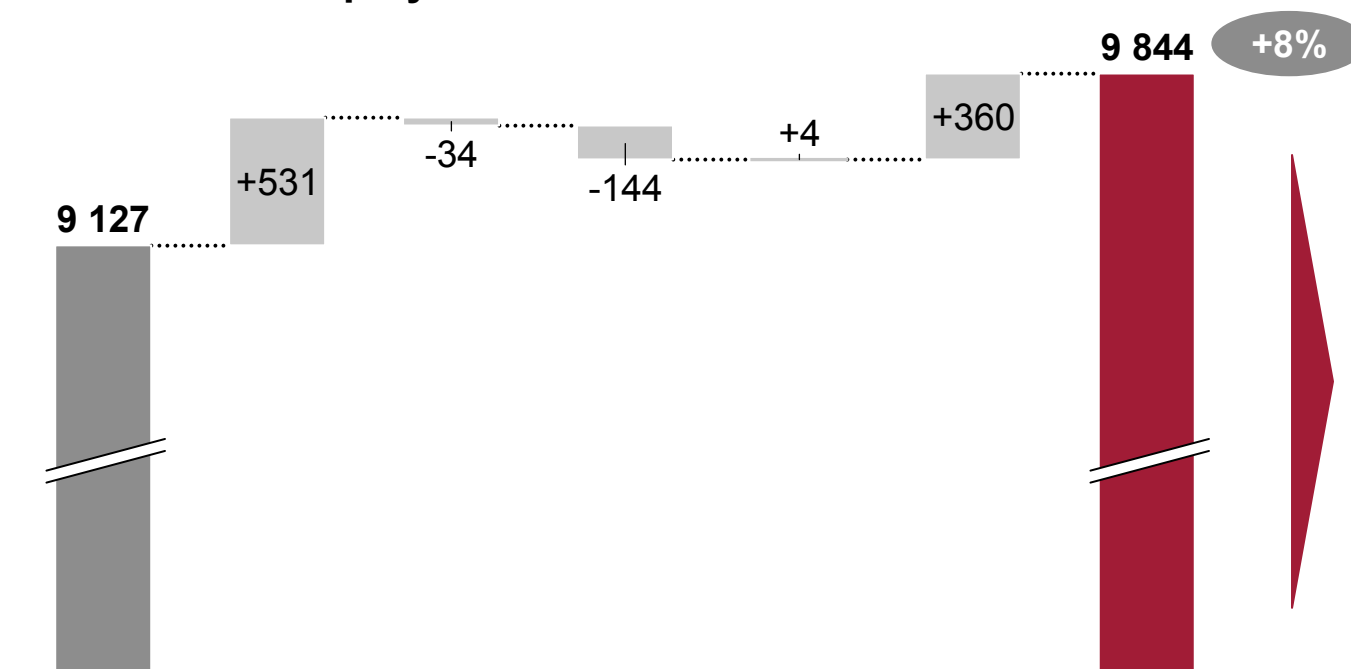
	31.12.2011	30.06.2012	Change	Local currency
Insurance reserves	128 089	133 386	+4%	+5%
Insurance liabilities	93 365	95 167		
Investment contracts	11 358	11 448		
Unit-linked contracts	18 216	19 230		
Policyholder participation liabilities	5 150	7 541		
Borrowings	2 624	2 604	-1%	



Shareholders' equity and group solvency

CHF million (IFRS basis)

Shareholders' equity



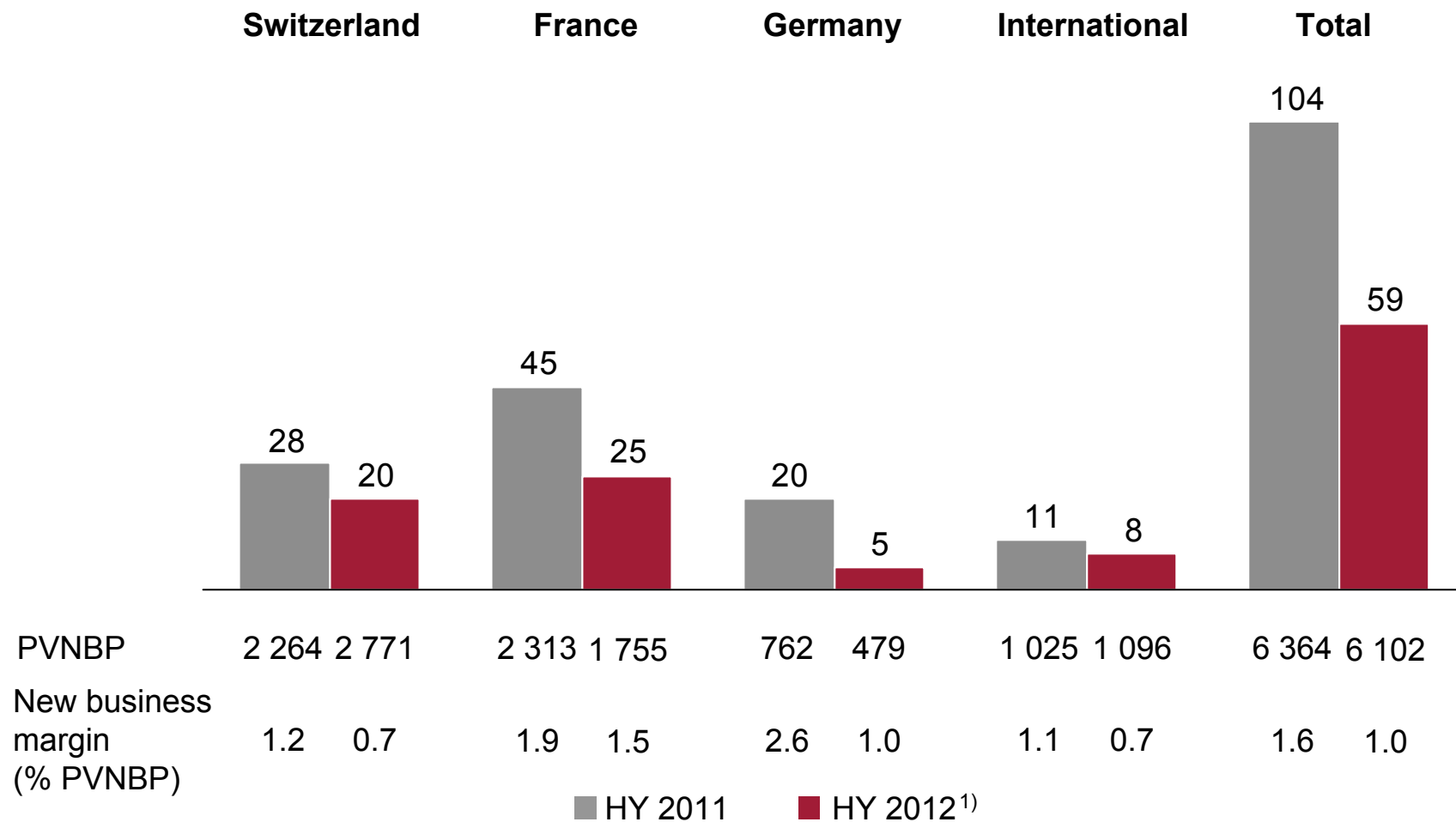
Group solvency

- At 224% from 213% as per FY 2011
- 187% without unrealised gains/losses on bonds (FY 2011: 183%)

31.12.2011	Change in unrealised gains/losses net	Change in foreign currency translation	Distribution from capital contribution reserve	Change in treasury shares and share premium	Profit attributable to shareholders	30.06.2012
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Value of new business

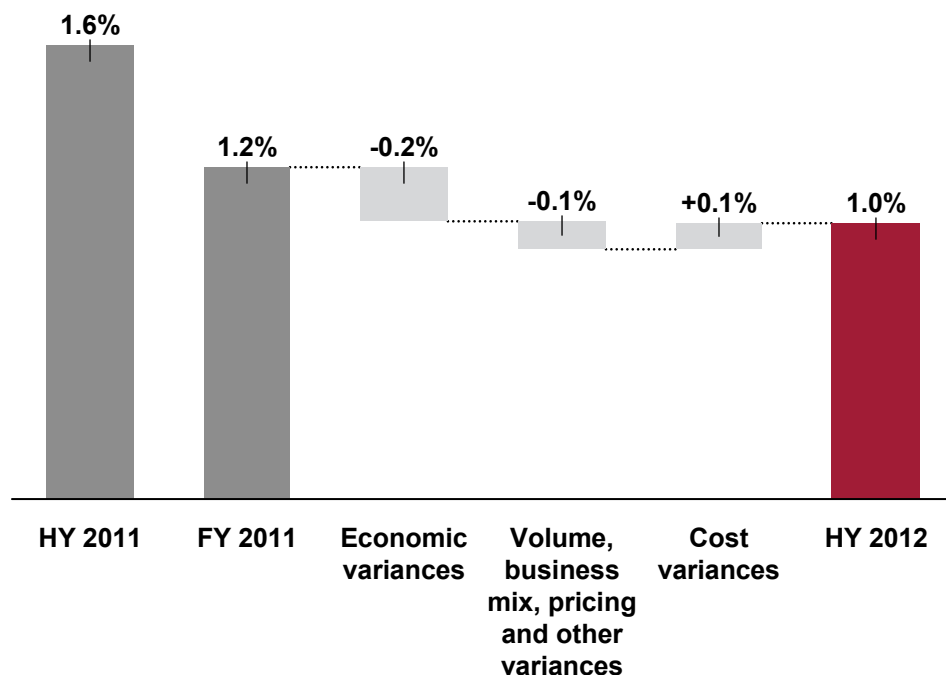
CHF million



1) HY 2012 value of new business based on QIS 5-styled valuation including liquidity premiums

Margin pressure due to adverse capital market environment

New business margin development
(VNB as % of PVNBP)



PVNBP	6 364	12 914	6 102
APE	638	1 269	605
VNB	104	150	59
NBM (APE)	16.2%	11.9%	9.7%

Economic variances

- Lower interest rates in relevant currencies had an adverse effect on new business margins

Volume, business mix, pricing and other variances

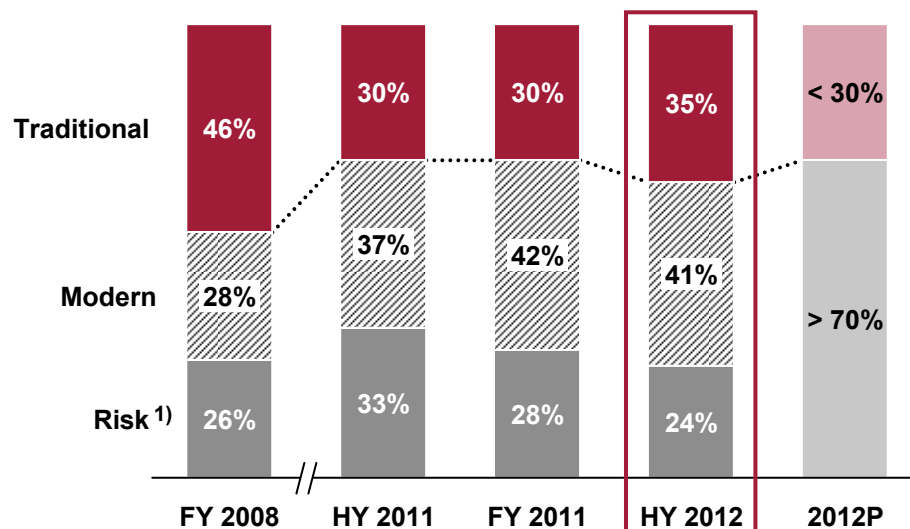
- Pressure on overall margins: Lower shares of disability cover (DE) and UL (FR)
- Re-pricing measures (CH) and decrease in commissions (FR) as well as positive effects from lower technical rates (DE)
- Higher volumes for CH; lower volumes for FR (life & health) and DE
- Strong production and attractive margin in reinsurance

Cost variances

- Cost variances arise mainly from Switzerland and France; partially offset by an updated business outlook for PPLI

Share of risk and modern down, driven by lower risk volumes in France and Germany

New business product mix (based on new business production)



Without PPLI

Traditional	53%	36%	37%	42%
Modern	16%	25%	28%	28%
Risk ¹⁾	31%	39%	35%	30%
Modern & risk	47%	64%	63%	58%

Reasons for development in the 1st half of 2012

- CH: Increased demand for traditional periodic product and full insurance solution in group life; strong sales of modern single premium product; successful subscription of 4th tranche product
- FR: Lower health production due to reduced broker commissions; still high share of UL
- DE: Lower sales of disability insurance due to strong price competition; successful launch of care insurance supporting shift
- SLI: HNWI production above HY 2011 level

Further product modifications and improvements already put in place

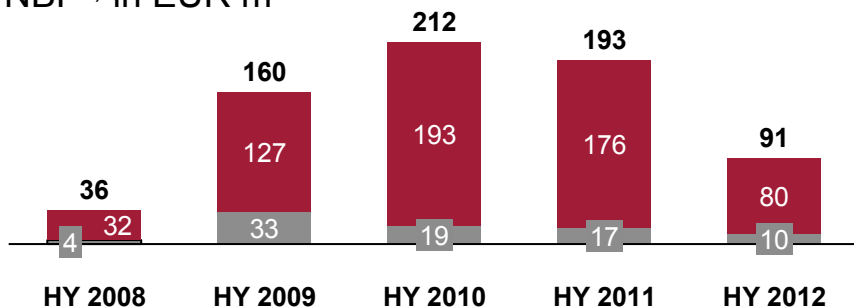
- CH: New modern saving products 'SL Premium Vitality Uno and Duo' and risk rider 'Home Option'
- FR: Additional tranche of structured product sold by July 2012; new risk product 'SL Prévoyance Entreprises' and new UL option in 'SL Liberté'
- DE: Care insurance launched in April 2012

1) Including health

Lower sales through AWD distribution channel due to re-pricing measures

Swiss Life in Germany – AWD channel

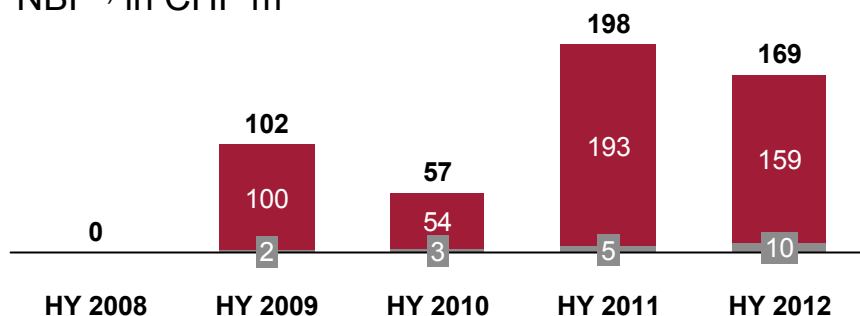
NBP¹⁾ in EUR m



- Lower NBP caused by refined underwriting criteria in price sensitive product segments of AWD introduced in late 2011
- Aggressive pricing by competitors

Swiss Life in Switzerland – AWD channel

NBP¹⁾ in CHF m



- Increased competition in modern products led to lower volumes of 'Champion Duo'

■ Modern and risk products ■ Traditional products

1) New business production

Cost discipline and growth led to improved efficiency ratios in HY 2012

Adjusted IFRS basis; in local currency

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

HY 2011 and HY 2012 not annualised

	FY2008	FY2011	HY2011	HY2012
Insurance Switzerland	0.81%	0.56%	0.26%	0.26%
Insurance France	1.96%	1.64%	0.83%	0.80%
<i>France Life</i>	<i>0.79%</i>	<i>0.68%</i>	<i>0.36%</i>	<i>0.35%</i>
Insurance Germany	0.88%	0.84%	0.39%	0.38%
Insurance International	0.91%	0.49%	0.25%	0.23%
Total Insurance	1.00%	0.78%	0.38%	0.36%

Balance sheet further de-risked in view of euro crisis



- Proactive risk management:
 - Swiss Life's continuous management of its sovereign exposure to the euro-zone has led to a reduction of its European peripheral sovereign debt to less than 0.4% of invested assets
 - Furthermore, recent reassessment of situation around the euro resulted in a substantial reduction of the overall sovereign exposure to the euro-zone on the Swiss balance sheet
 - Risk-return considerations relating to euro-zone sovereign bonds:
 - Currency redenomination risks for bonds issued under national law in case of partial euro break-up
 - Risk of debt mutualisation putting pressure on "safe" bonds
 - Extreme rally of "safe" bonds in second quarter 2012
 - Action taken:
 - Euro-zone sovereign bonds with a market value of CHF 7.8 bn sold in May/June which generated realised gains of CHF 0.9 bn
 - Proceeds mainly invested in US Treasuries
- ➔ Excess investment result used for further balance sheet strengthening

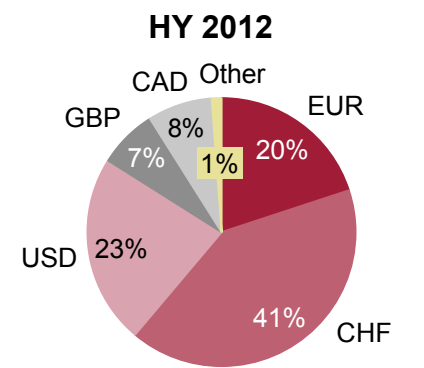
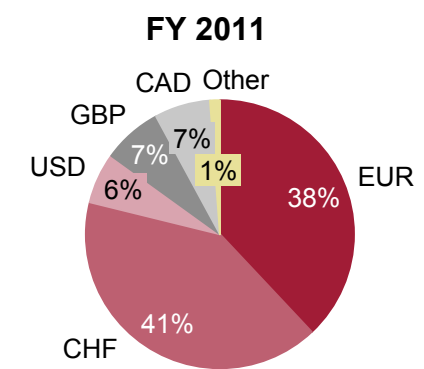


Changes in sovereign bond portfolio

Insurance portfolio: Government and supranational bonds (fair value basis)

	FY 2011 38.1 bn	HY 2012 42.2 bn
Switzerland	25%	26%
France	16%	8%
Germany	12%	4%
UK	7%	7%
Netherlands	5%	3%
Supranationals and other	17%	17%
Europe	82%	65%
Canada	9%	10%
USA	2%	18%
Supranationals and other	7%	7%
Rest of the world	18%	35%
Total	100%	100%

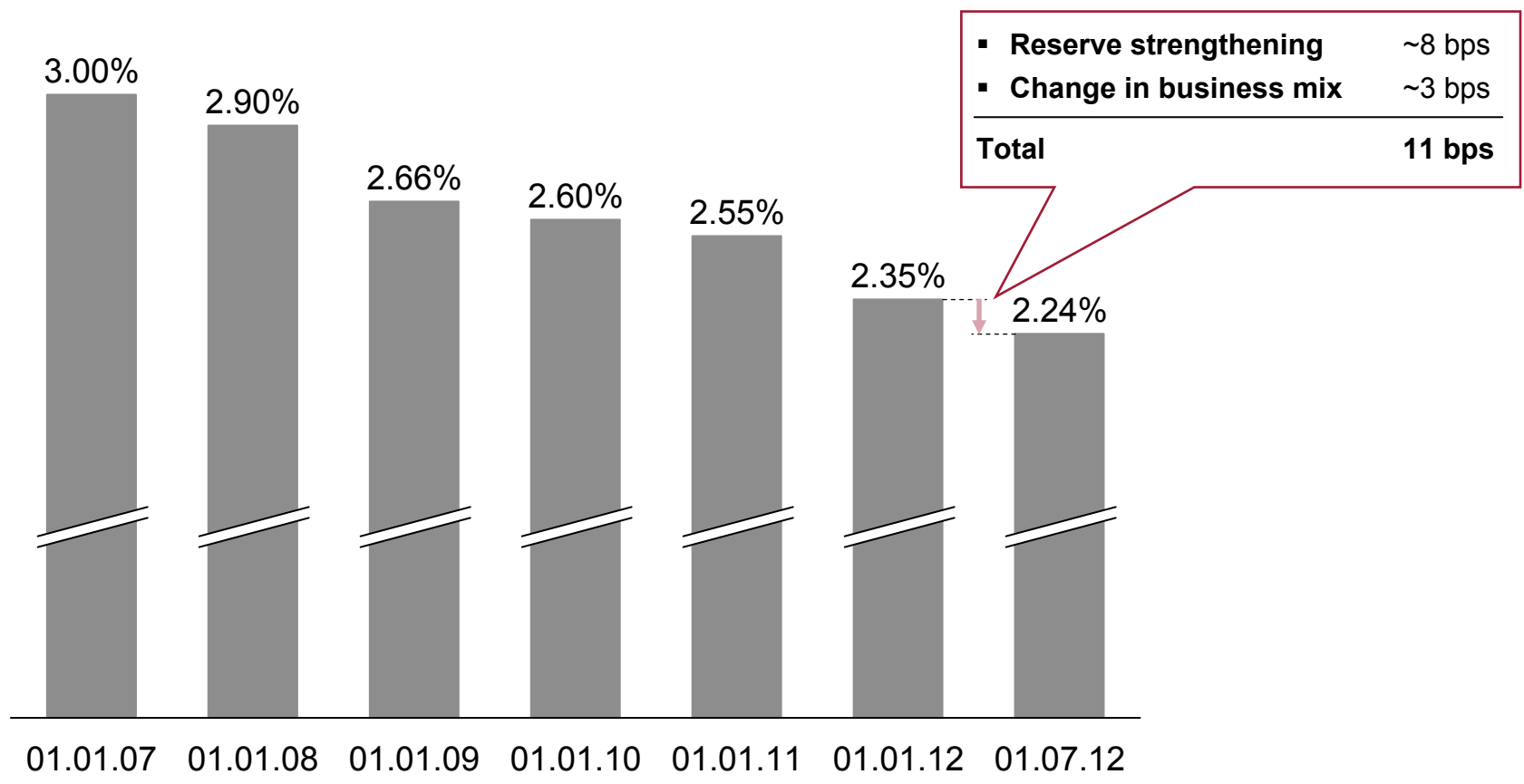
Breakdown by currency





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

Statutory basis



Swiss Life's response to the low interest rate environment

Comprehensive set of measures implemented since December 2009:

Measures

Asset side

- Enhance sustainable investment returns
- Preserve investment margin

- Solid and proven ALM: Duration gap kept below 1 year and significantly reduced interest rate sensitivity
 - SAA adjusted: Share of bonds and real estate increased at the expense of equities and hedge funds
 - FX and equity hedging in place
- **Maintain direct yield**

Liability side

- Strengthen technical results
- Build up policyholder buffers

- In-force: Policyholder participation reduced
 - Cost base significantly reduced
 - Policyholder buffers and reserves strengthened
 - New business: Pricing discipline maintained
- **Improve technical margins**

Other

- Reduce dependency on investment income

- Fee income increased
 - Successful shift towards modern products
- **Diversify profit sources towards fee business**

Increased resilience of business model

Agenda

Overview

Financial results and
MILESTONE

→ **Wrap-up**

Bruno Pfister

Thomas Buess

Bruno Pfister

Closing remarks

- New plan to be presented at Investors' Day on 28 November 2012
- Focus on diversifying profit sources by increasing share of fee and risk businesses
 - ➔ Reinforce our customer centricity
 - ➔ Provide comprehensive financial services
 - ➔ Improve market management by better leveraging our distribution channels
 - ➔ Achieve further operational progress

Half-year results 2012
Investors' presentation
Supplementary information

Supplementary information

→ Profit and loss

Balance sheet

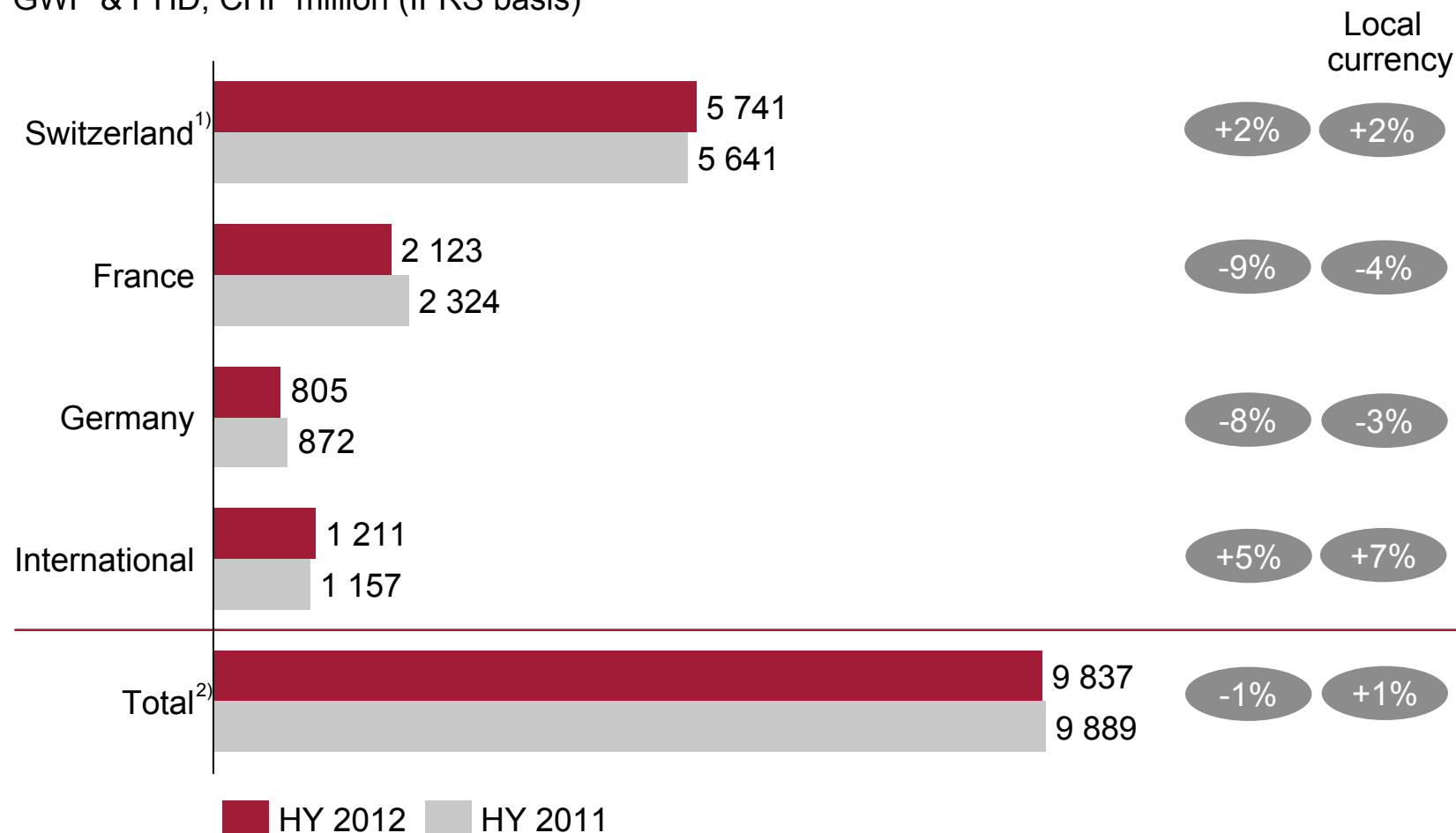
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Premium growth

GWP & PHD; CHF million (IFRS basis)



1) Premiums in HY 2011 adjusted for the impact of CHF -215 m due to the change in premium due dates in Swiss group life business

2) Total includes intersegment eliminations of CHF -44 m in HY 2012, CHF -128 m in HY 2011 and Payment Protection Insurance (PPI) of CHF 1 m in HY 2012, CHF 23 m in HY 2011

Switzerland: Premium development

CHF million (IFRS basis)

	HY 2011 ¹⁾	HY 2012	Change
Total life GWP incl. PHD	5 641	5 741	+2%
Single premiums	2 587	2 603	+1%
Periodic premiums	3 054	3 138	+3%
Group life	4 927	4 950	+0%
Single premiums	2 335	2 271	-3%
Periodic premiums	2 592	2 679	+3%
Individual life	714	791	+11%
Single premiums	252	332	+32%
Periodic premiums	462	459	-1%

1) Premiums adjusted for the impact of CHF -215 m due to the change in due dates of periodic premiums as per beginning of 2012 following the migration to the new group business administration system



Details of net investment result

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

	Direct investment income	Impairments	Gains & losses through income statement			Net investment result
			On underlying	On derivatives	Net	
Bonds	1 591		1 081	-1	1 080	2 671
Equities	21	-11	-31	-10	-41	-31
Loans	172		83		83	255
Mortgages	79	1			0	80
Alternative investments	2	-6	34		34	30
Real estate	312		182		182	494
Cash & other	5		-5		-5	
Total before FX	2 182	-16	1 344	-11	1 333	3 499
FX hedging costs & gains/losses			76	-225	-149	-149
Total after FX	2 182	-16	1 420	-236	1 184	3 350
Expenses						-114
Net investment result						3 236

Net capital gains/losses on investments of **1 168**



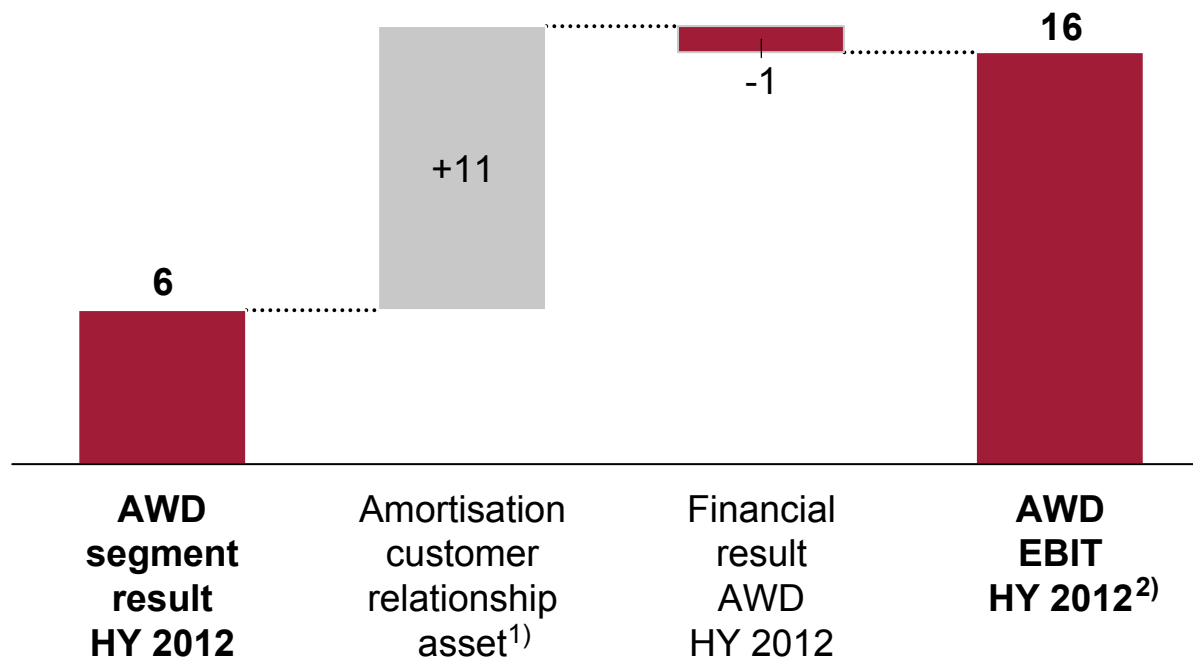
Operating result

Segment results; CHF million (IFRS basis)

	HY 2011	HY 2012
Insurance	404	461
of which - Switzerland	291	341
- France	74	80
- Germany	39	43
- International	0	-3
Investment Management	57	61
AWD	16	6
Other & eliminations	-1	25
Unallocated corporate costs	-24	-25
Profit from operations	452	528

Reconciliation AWD segment result to AWD EBIT

CHF million (IFRS basis)

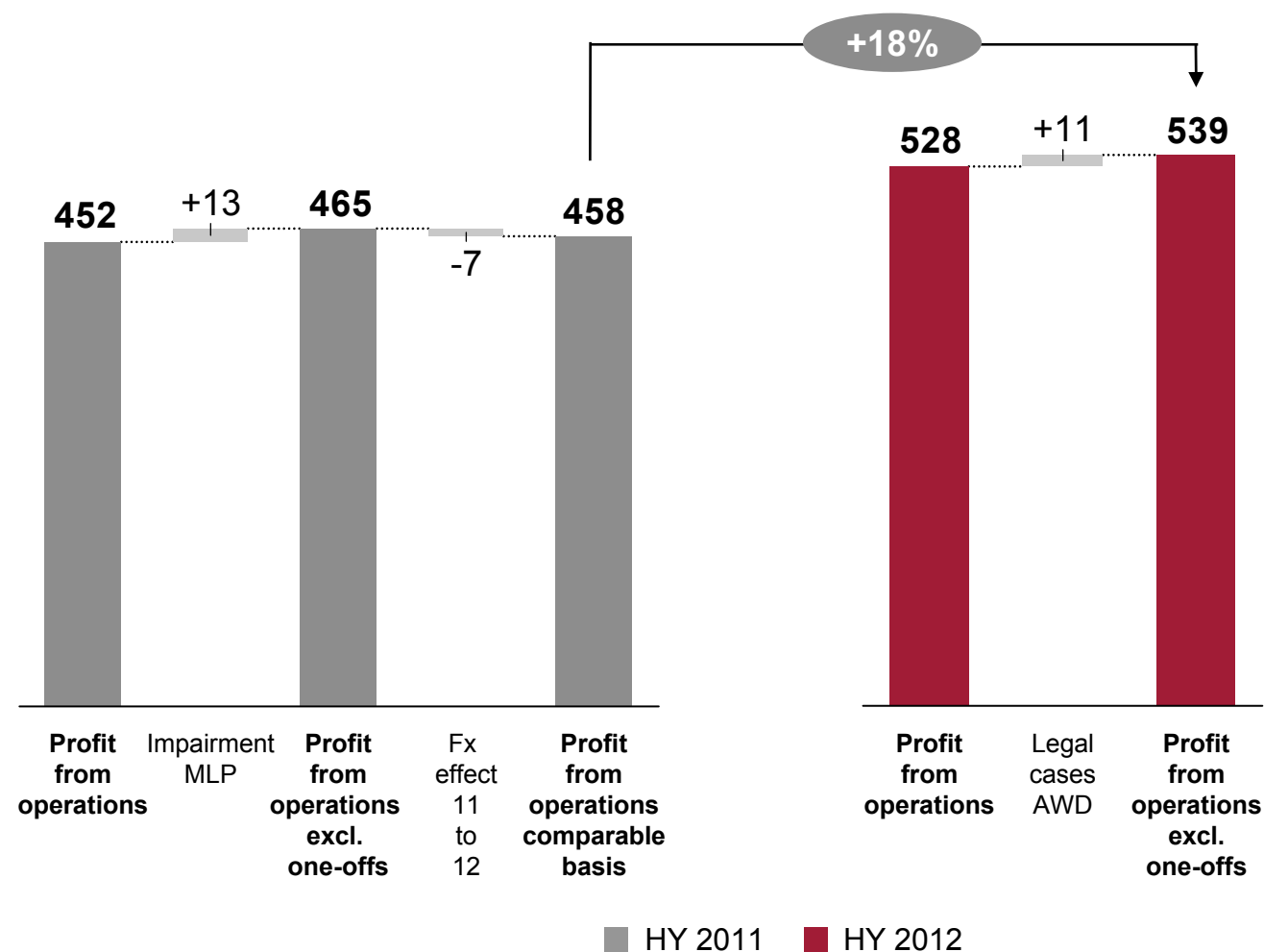


1) Annual amortisation: EUR 18.0 m

2) AWD EBIT HY 2012: EUR 13.1 m

Profit from operations excluding major one-off effects

CHF million (IFRS basis)



Change analysis of adjusted profit from operations

Segment results adjusted¹⁾; CHF million (IFRS basis)

	HY 2011 adjusted	HY 2012 adjusted	Change
Insurance business	398	464	+66
Switzerland	291	341	
France	70	80	
Germany	37	43	
Fee business	72	75	+3
Investment Management	57	61	
AWD	15	17	
Insurance International	0	-3	
Unallocated corp. costs and others	-12	0	+12
Profit from operations	458	539	+81

1) Adjusted for major one-offs and for EUR/CHF FX effects in HY 2011

Supplementary information

Profit and loss

→ **Balance sheet**

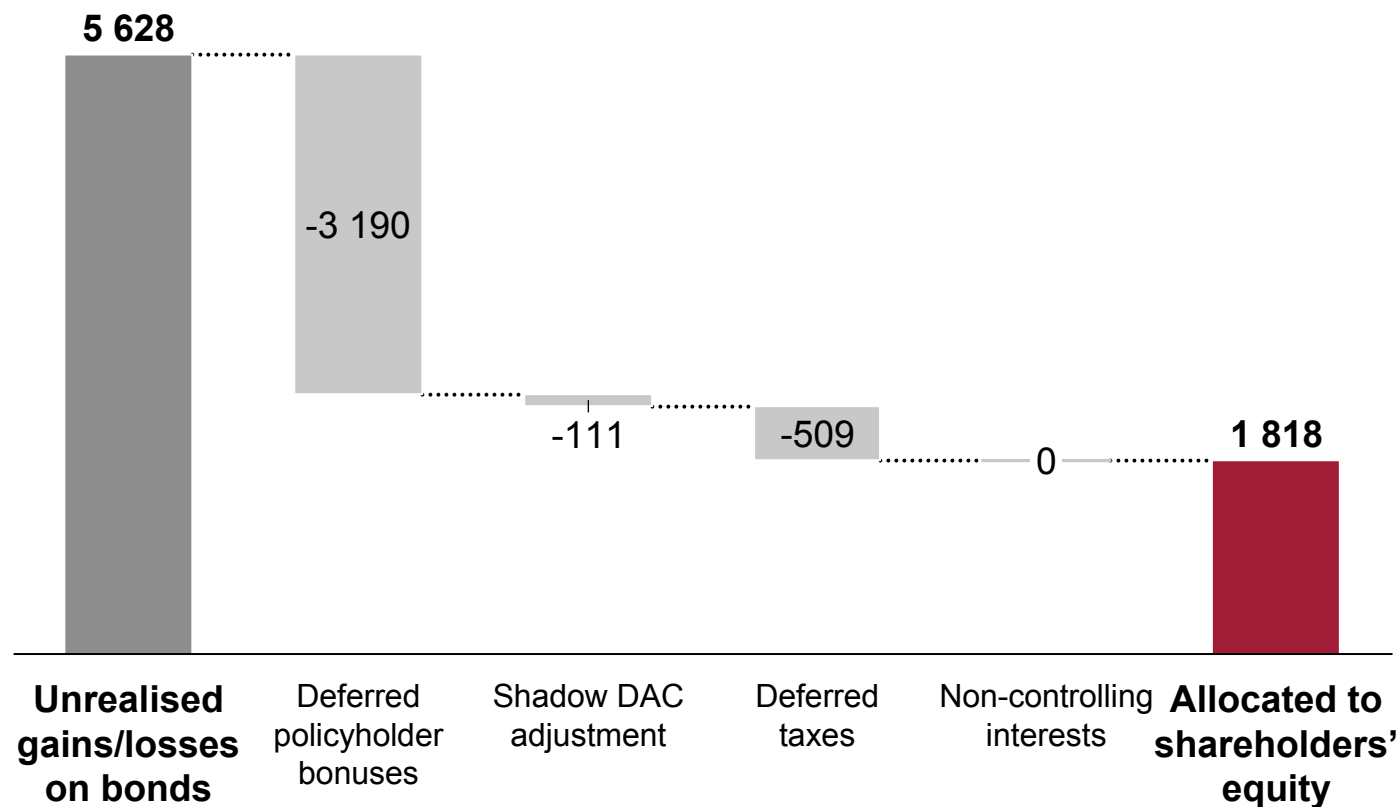
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

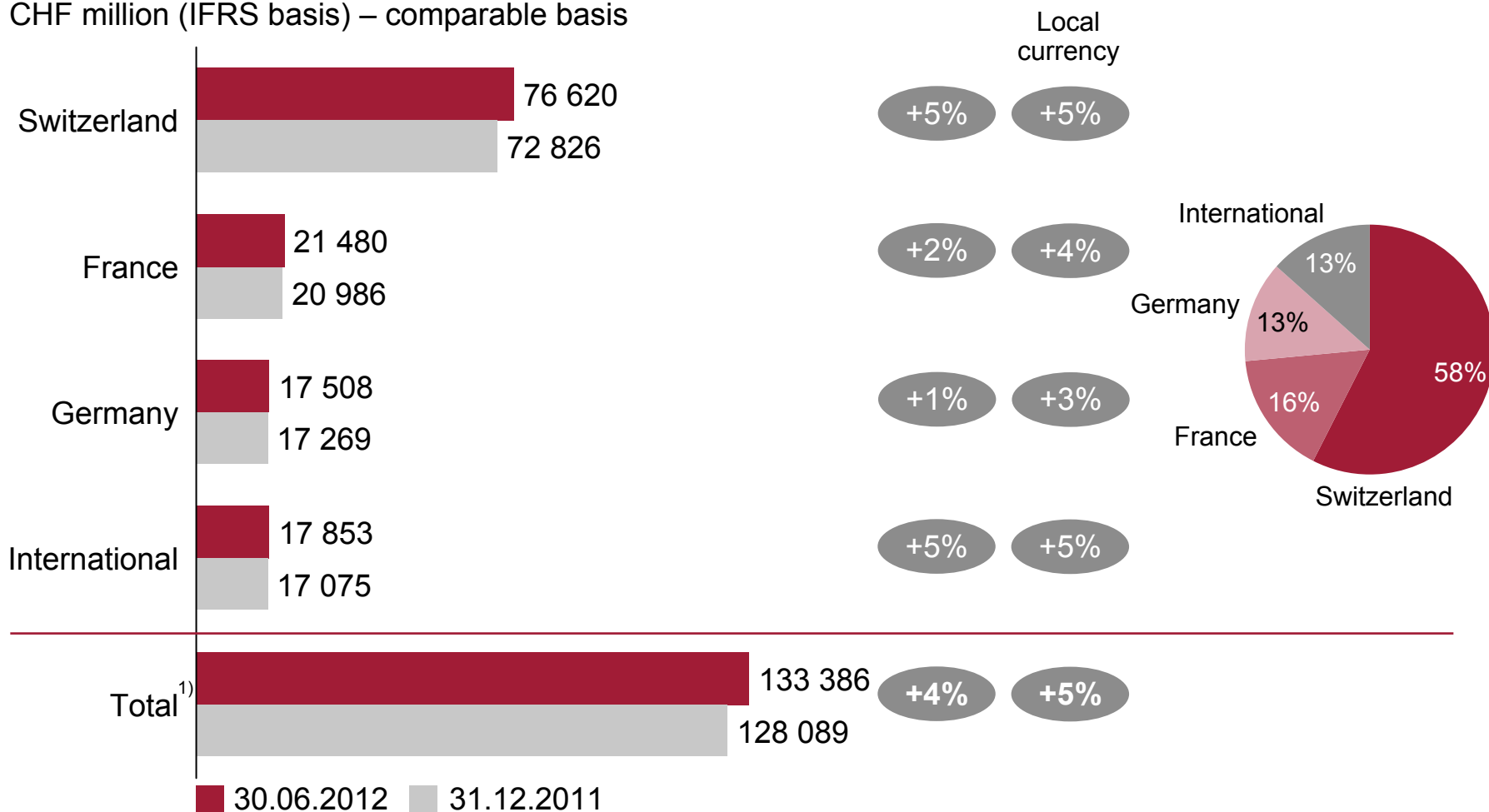
Allocation of unrealised gains/losses on bonds

As per HY 2012; CHF million (IFRS basis)



Insurance reserves by country

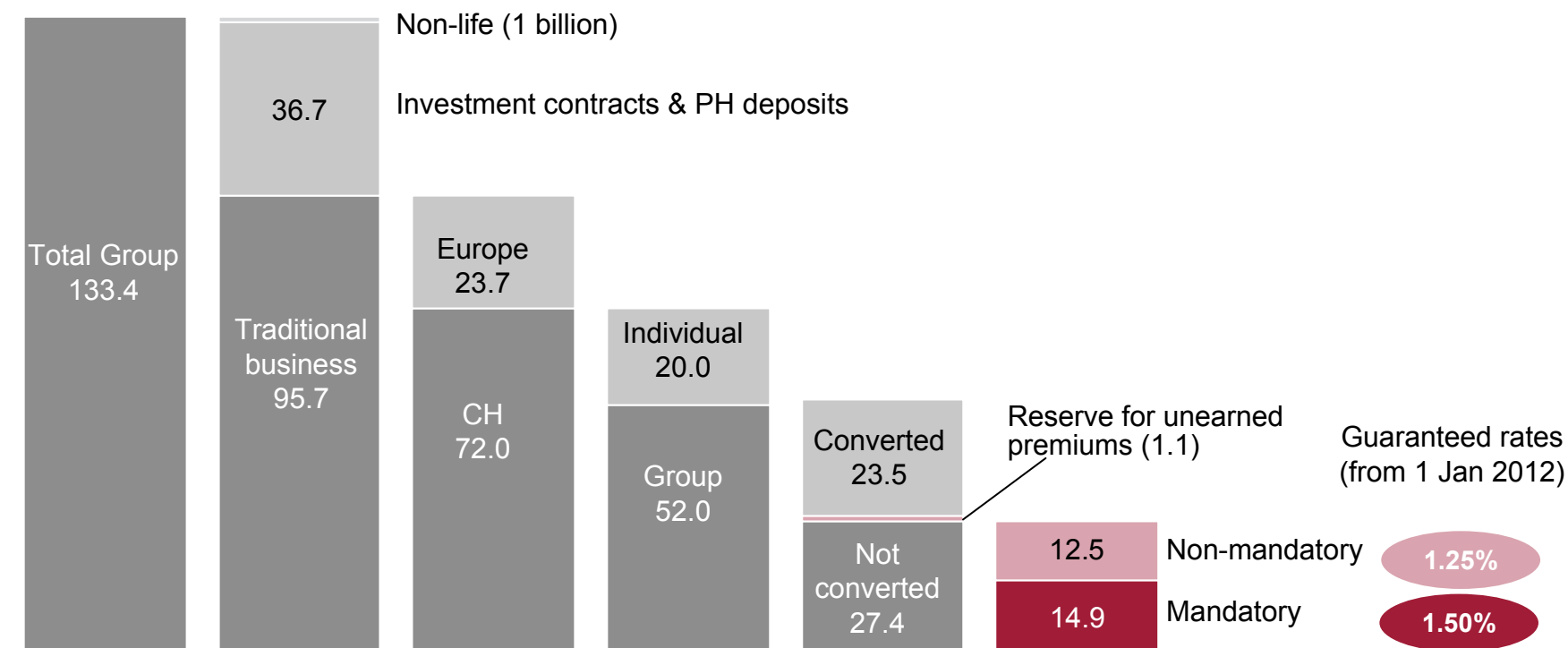
CHF million (IFRS basis) – comparable basis



1) Total includes intersegment eliminations of CHF -116 m in HY 2012 and CHF -120 m in FY 2011; and PPI of CHF 41 m in HY 2012, CHF 53 m in FY 2011

Swiss Life Group reserves subject to BVG minimum interest rates

Breakdown of insurance reserves (incl. unit-linked) as per 30.06.2012;
CHF billion (IFRS basis)



Average technical interest rate

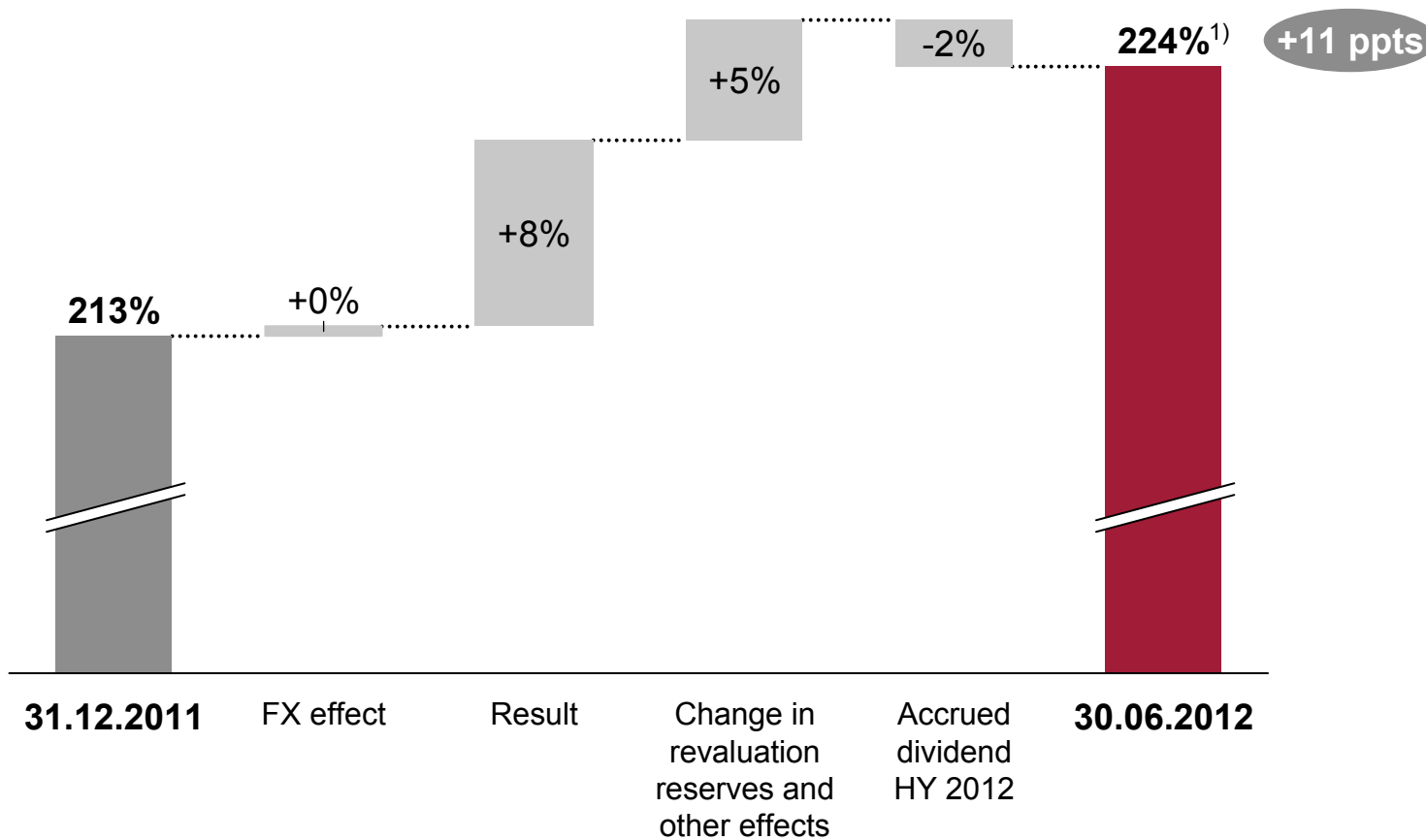
CHF / EUR / USD / GBP million (statutory basis)

	CHF	EUR	USD	GBP
Total reserves	69 051	25 601	112	9
Average technical interest rate	2.03%	2.72%	3.16%	3.45%

Overall: 2.24%
(01.01.2012: 2.35%)

Group solvency

Based on IFRS equity



1) Group solvency excluding unrealised gains/losses on bonds: 187% (183% per FY11)

Group solvency

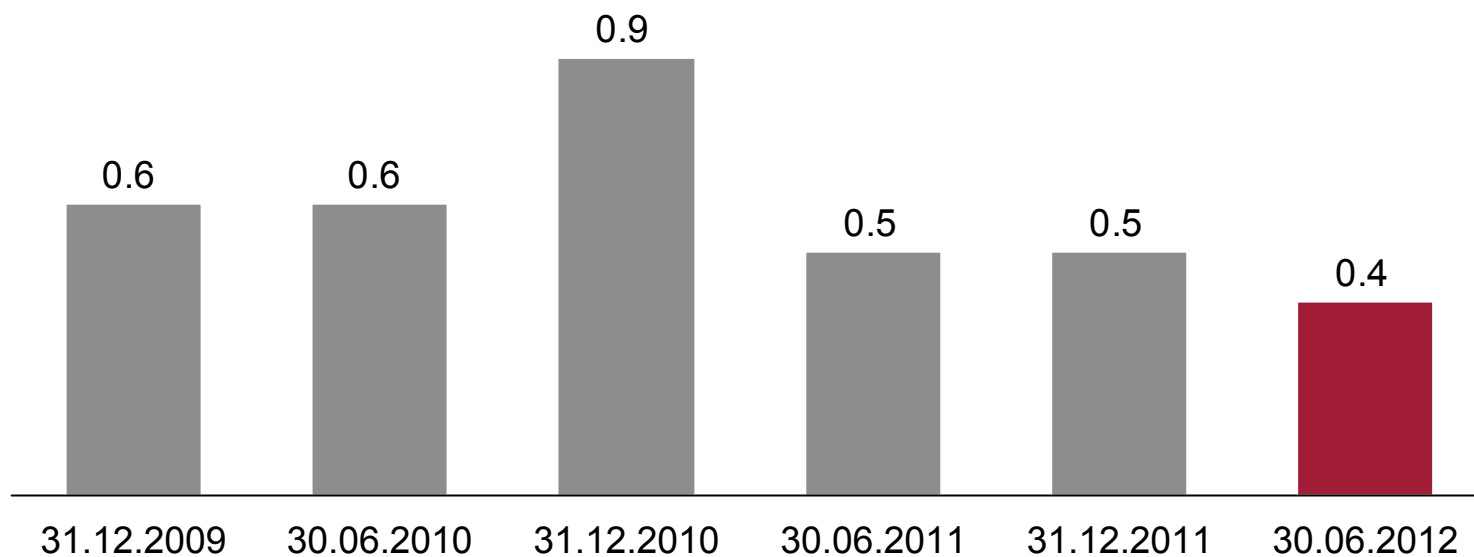
CHF million (IFRS basis)

	31.12.2011	30.06.2012
Available solvency margin		
IFRS equity (incl. minority interests)	9 162	9 878
Eligible part of hybrid capital ¹⁾	2 384	2 431
Unattributed surplus	750	686
Goodwill and other intangible assets	-1 905	-1 888
DAC non-life	-72	-60
Dividends and par value reduction	-144	-90
Tax losses	-9	-58
Total available solvency margin	10 166	10 900
Total required solvency margin	4 768	4 862
Solvency ratio	213%	224%

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

Supplementary information

Profit and loss

Balance sheet

→ **Investments**

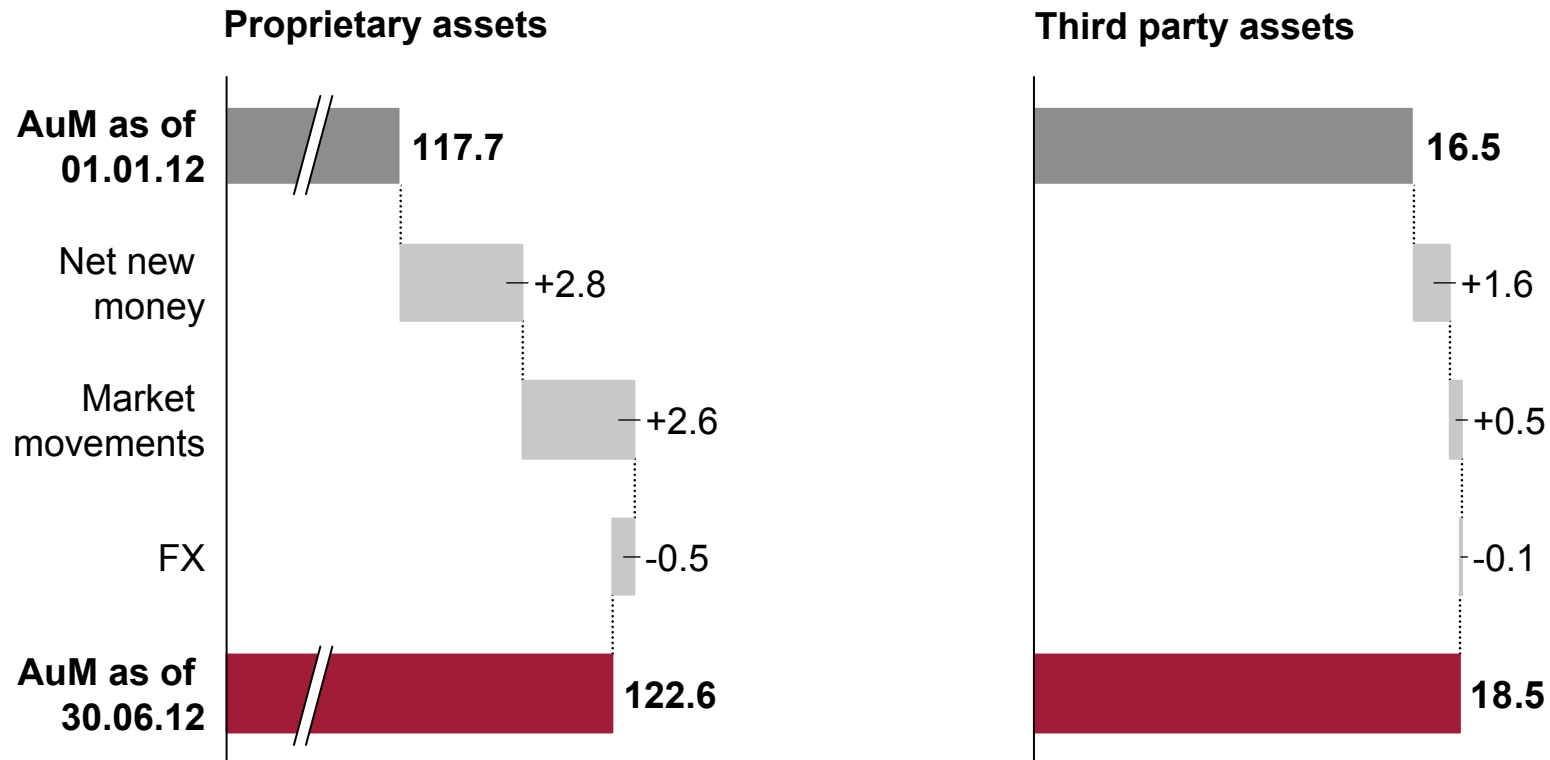
Market consistent embedded value (MCEV)

Contact details and financial calendar

Business review Investment Management: Change analysis of assets under management

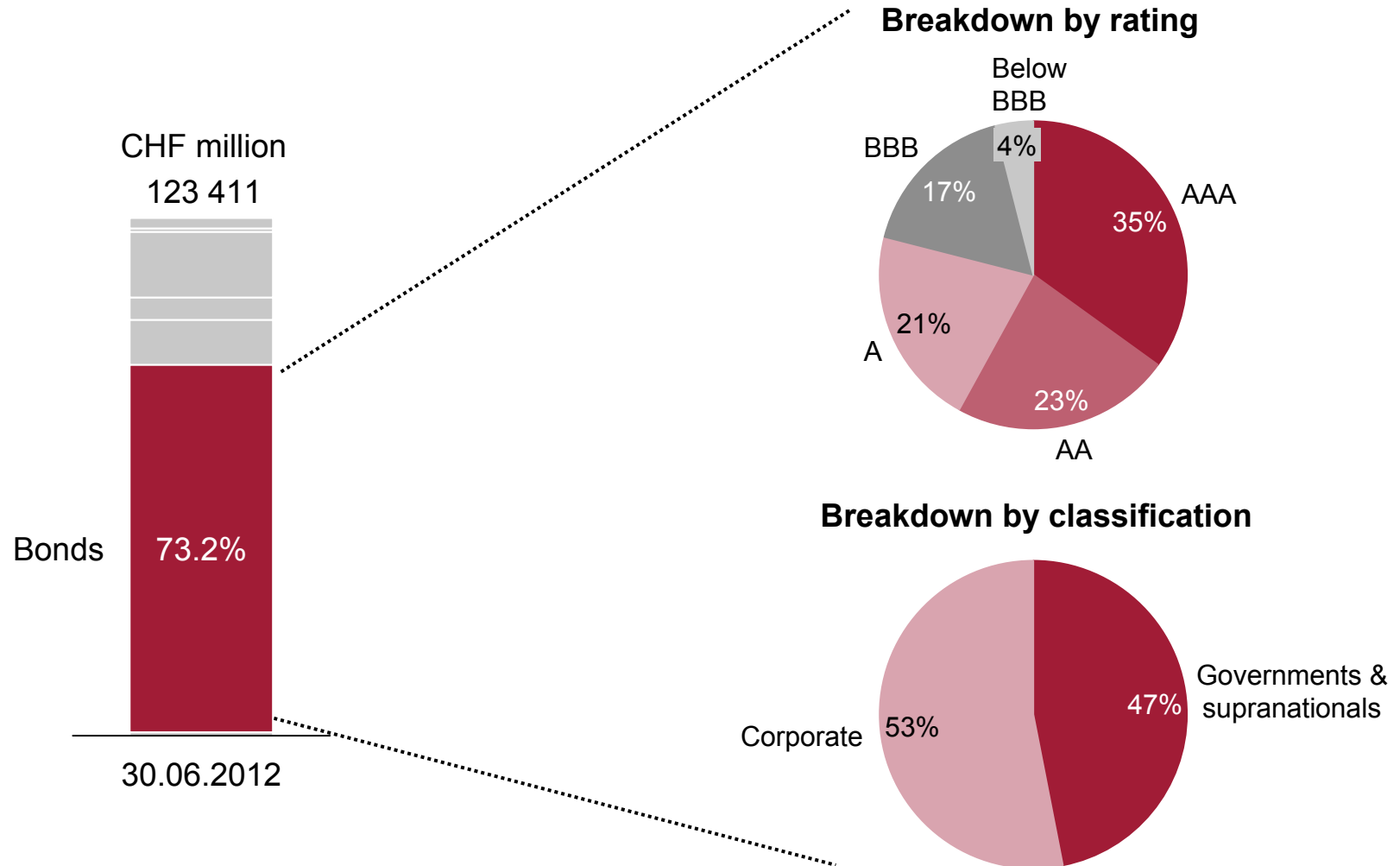


CHF billion (fair value basis)



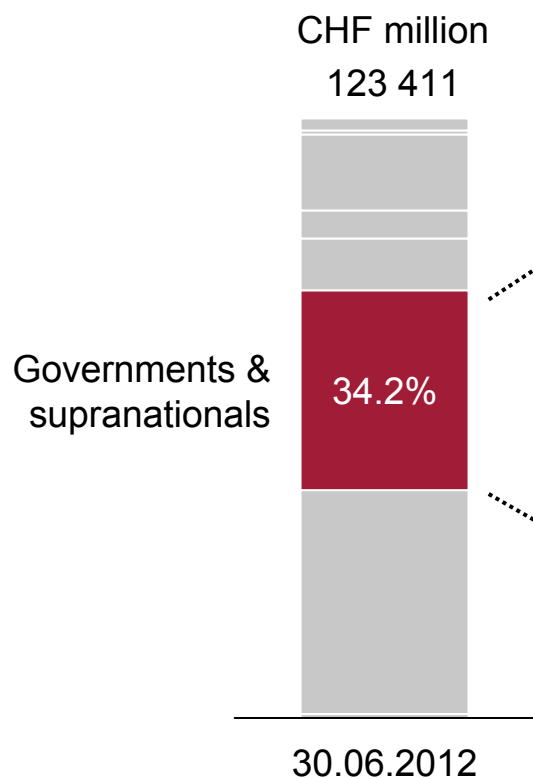
Bond portfolio: Ratings and classification

Insurance portfolio (fair value basis)

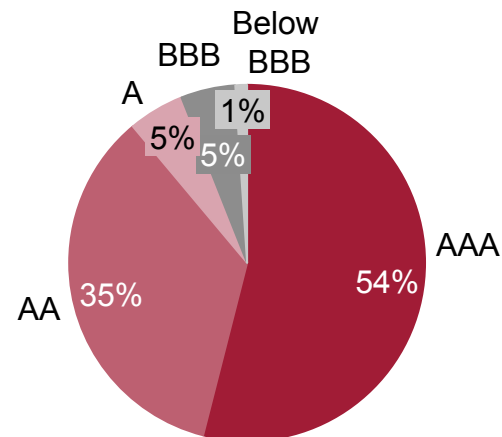


Government and supranational bond portfolio: Ratings and currency

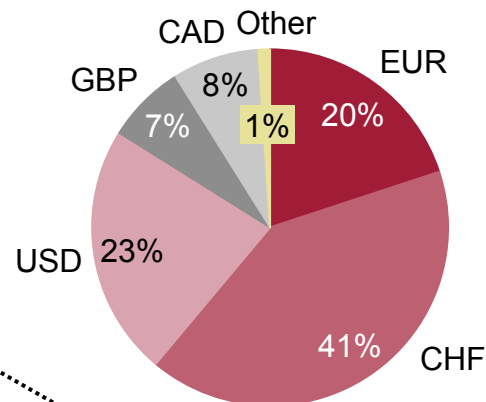
Insurance portfolio (fair value basis)



Breakdown by rating

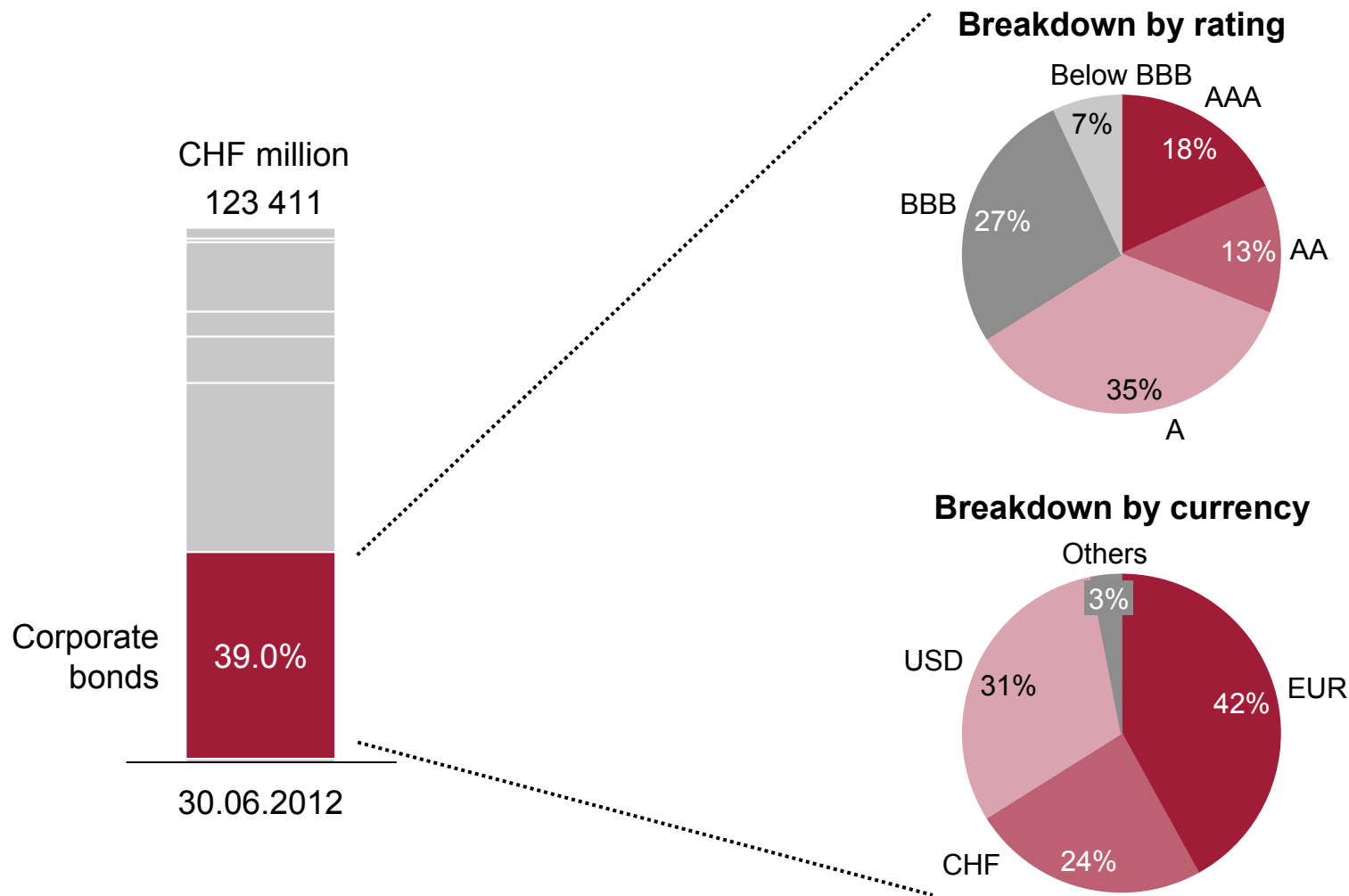


Breakdown by currency



Corporate bond portfolio: Ratings and currency

Insurance portfolio (fair value basis)





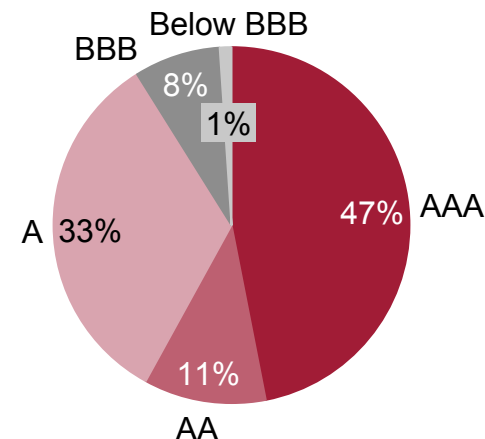
Corporate bond portfolio: Industry split

Corporate bond portfolio (fair value basis), as per HY 2012, 39% of insurance portfolio (CHF 48.1 bn)

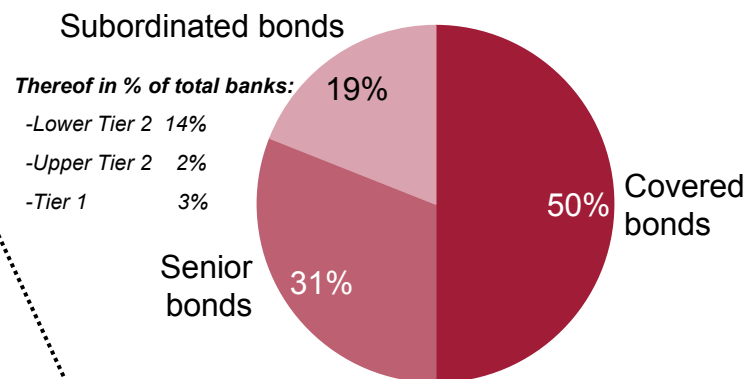
Breakdown by industry

	% of total corporate bond portfolio
Banks	36%
Other financials	4%
Utilities	10%
Industrial	9%
Consumer non-cyclical	8%
Energy	7%
Communication	7%
Consumer discretionary	6%
Health	4%
Other	9%
Total	100%

Breakdown by rating

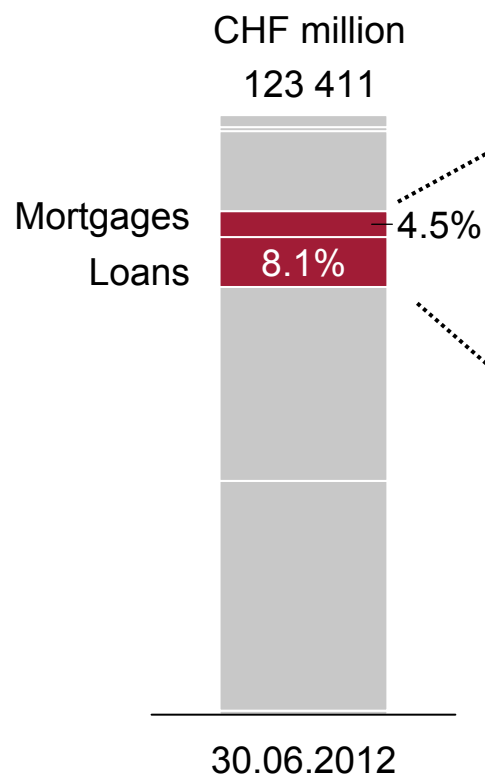


Breakdown by structure

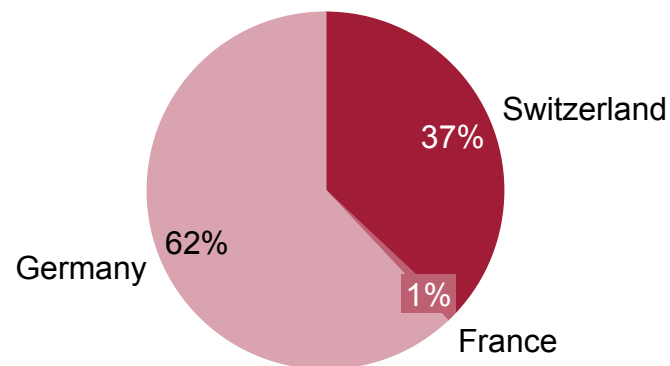


Loan and mortgage portfolio

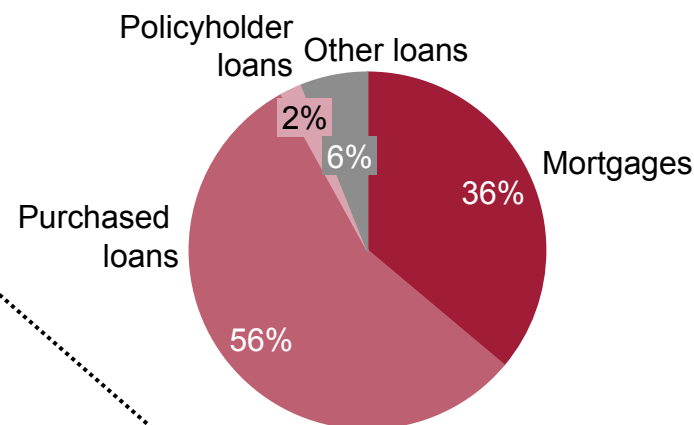
Insurance portfolio (fair value basis)



Breakdown by country

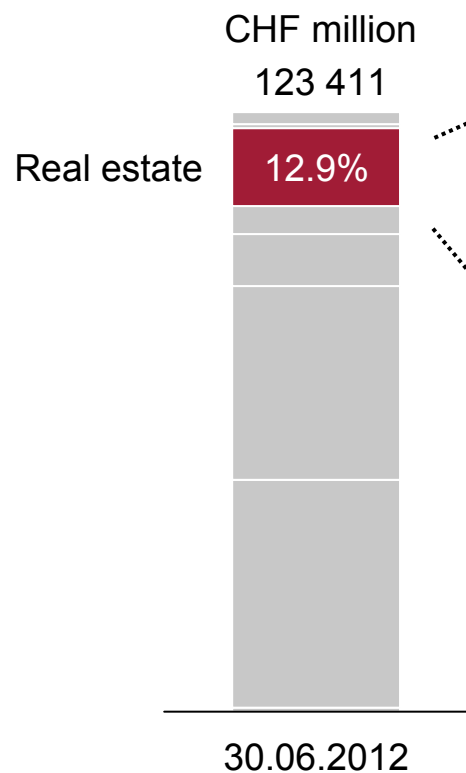


Breakdown by type

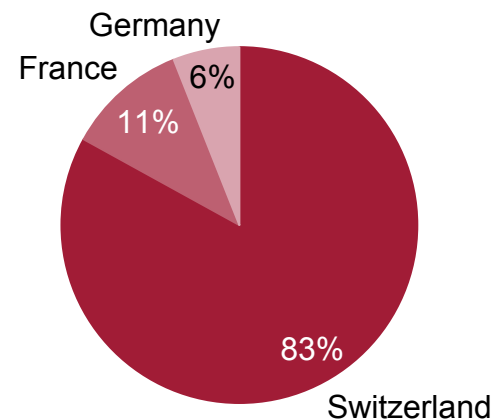


Real estate portfolio

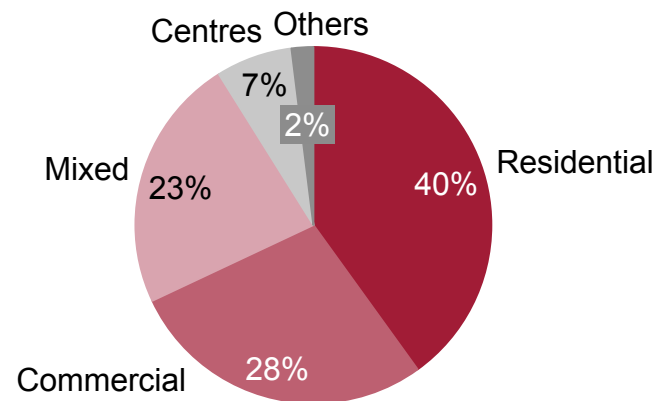
Insurance portfolio (fair value basis)



Breakdown by country

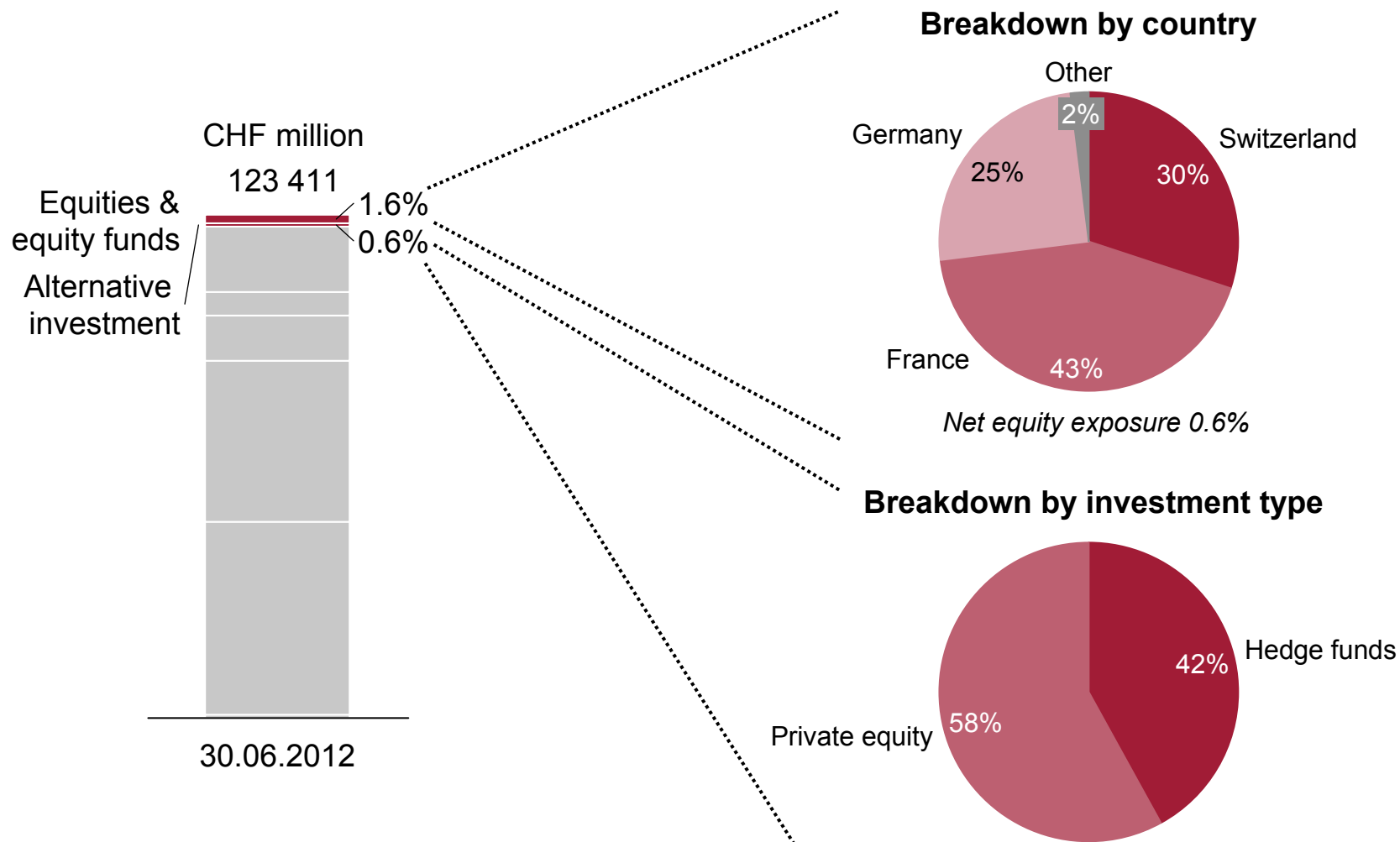


Breakdown by type



Equities and alternative investment portfolio: Gross exposure

Insurance portfolio (fair value basis)



Forex and interest rates

Foreign currency exchange rates

	30.06.11	31.12.11	30.06.12	01.01.-30.06.11	01.01.-30.06.12
EUR	1.2217	1.2166	1.2011	1.2713	1.2053
GBP	1.3528	1.4559	1.4888	1.4634	1.4650
USD	0.8420	0.9388	0.9494	0.9051	0.9290

Interest rates¹⁾

	30.06.11	31.12.11	30.06.12
CHF	1.732	0.663	0.665
EUR	3.025	1.829	1.583
GBP	3.380	1.977	1.734
USD	3.160	1.876	1.645

1) 10-year government bond

Supplementary information

Profit and loss

Balance sheet

Investments

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

Contact details and financial calendar



Value of new business

As per HY 2012; CHF million (MCEV)

	Switzer-land	France	Germany	Interna-tional	Total
Value of new business	20	25	5	8	59
New business strain	-23	-25	-3	-3	-54
VNB before new business strain	44	50	7	11	113
Annual premiums	134	147	30	5	317
Single premiums	1 012	707	104	1 059	2 883
Present value of new premiums (PVNBP)	2 771	1 755	479	1 096	6 102
Average annual premium multiplier	13.2	7.1	12.4	6.7	10.2
New business annual premium equivalent (APE)	235	218	41	111	605
change from HY 2011	+26%	-20%	-45%	+8%	-5%
New business margin (% PVNBP)	0.7%	1.5%	1.0%	0.7%	1.0%
change from HY 2011	-50 bps	-40 bps	-160 bps	-40 bps	-60 bps
New business margin (% APE)	8.7%	11.7%	11.7%	7.1%	9.7%
change from HY 2011	-640 bps	-460 bps	-1520 bps	-340 bps	-650 bps

Economic assumptions

As per HY 2012

Swap rates							Forward inflation rates					
Economy	1 year	2 year	5 year	10 year	15 year	30 year	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Switzerland	0.09%	0.12%	0.37%	1.01%	1.30%	1.43%	0.0%	0.0%	0.5%	1.3%	1.1%	0.8%
Euro-zone	0.85%	0.85%	1.31%	1.99%	2.28%	2.29%	0.8%	0.5%	1.1%	1.9%	1.8%	1.7%
USA	0.51%	0.54%	0.95%	1.76%	2.18%	2.48%						

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		52.0%	47.7%	40.6%	43.2%	44.4%
Euro-zone		39.5%	37.1%	31.7%	28.4%	28.0%
USA		35.8%	34.0%	29.2%	25.4%	24.0%

Equity option implied volatilities

Economy	Index	Volatility
Switzerland	SMI	20.9%
Euro-zone	EuroStoxx 50	25.8%
USA	S&P 500	29.5%

Real estate volatilities

Economy	Volatility
Switzerland	8.0%
Euro-zone	13.0%

Cautionary statement regarding forward-looking information



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Supplementary information

Profit and loss

Balance sheet

Investments

Market consistent embedded value (MCEV)

→ **Contact details and financial calendar**

Contact details and financial calendar

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Financial calendar

Interim statement Q3
Investors' Day
Full-year results 2012

13 November 2012
28 November 2012
27 February 2013

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