



Swiss Life Group Half Year Results 2001

Rentenanstalt 

Swiss Life 

Zurich, 26th September 2001

Agenda



1. Highlights Half Year Results 2001

Manfred Zobl, CEO

2. Segment Reporting

- Life and Non-Life Insurance
- Private Banking and Investment Management

Manfred Zobl, CEO

Dominique P. Morax, CFO

3. Investments and Capitalisation

Dominique P. Morax, CFO

4. Embedded Value

Michael Koller, Group Actuary

5. Strategy and Outlook

Manfred Zobl, CEO

Highlights

Half Year Results 2001

Strategically on track in 2001

- Good results (net profit: CHF 253 m) in a very difficult environment due to operational improvements and despite low realised capital gains
 - Growth in life premiums
 - Stable net investment income (CHF 2 847 m, 49.4% of Y 2000)
 - Increase in Assets under Management despite unfavorable market conditions from CHF 214 bn (end of 2000) to CHF 217 bn (+ 1.4%)
 - Income diversification pays out
Private Banking and Investment Management increased their share of group operational profit (from 20.0% to 26.6%)

Strategically on track in 2001 (cont'd)

- Management measures show first operational results
 - Costs lower than previous year
 - Combined ratio well below last year's
 - Strong net new funds inflow in the first half of 2001 (CHF 7.9 bn)
- Shareholders' equity affected by weak equity markets (down CHF 1 152 m to CHF 6 513 m)

Key figures - Income Statement

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SwissLife 

In million CHF

	2000 12 months	2001* 6 months	2001 in % of 2000
Premiums & policyholder deposits (gross)	19 318	11 141	57.7 %
▪ Gross written premiums	14 652	9 023	61.6 %
▪ Policyholder deposits	4 666	2 118	45.4 %
Net benefits paid (Life and Non-Life)	11 552	5 955	51.5 %
Operating expenses	3 444	1 544	44.8 %
Financial result	10 420	3 104	29.8 %
Operating profit**	1 512	489	32.3 %
Consolidated net profit	924	253	27.4 %

* Based on the transition to IAS (International Accounting Standards), it is not possible to compare these results with those of 06/30/2000

** Profit before amortisation of goodwill, taxes and minority interests

Key figures - Balance Sheet

In million CHF

	12/31/2000	06/30/2001	Change
Assets under Management	214 404	217 433	+ 1.4 %
• on balance sheet	152 051	152 967	+ 0.6 %
• off balance sheet	62 353	64 466	+ 3.4 %
Insurance policy and claim reserves	98 900	100 940	+ 2.1 %
Shareholders' equity	7 665	6 513	- 15.0 %
• Shareholders' equity (excl. rev. res.)*	4 370	5 141	+ 17.6 %
• Revaluation reserves**	3 295	1 372	- 58.4 %
• decrease due to			
• IAS 39 and 40	813 m		
• lower market value of assets	<u>1 110 m</u>		
	1 923 m		

* increase of CHF 767 m due to adoption of IAS 39 and IAS 40

** decrease of CHF 813 m due to adoption of IAS 39 and IAS 40

} Details see page 45

Operating profit* by segment

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Swiss Life 

In million CHF

	2000** 12 months	2001*** 6 months	2001 in % of 2000
Life Insurance	1 186	347	29.3 %
Non-Life Insurance	154	20	13.0 %
Private Banking	242	94	38.8 %
Investment Management	97	51	52.6 %
Other	17	36	211.8 %
Intersegment eliminations	- 184	- 59	32.1 %
Operating profit*	1 512	489	32.3 %
(Operating profit* without CCF transaction (CHF 662 m))	850	489	57.5 %

* Profit before amortisation of goodwill, taxes and minority interests

** Recalculated compared to segmental results published in April 2001

*** Based on the transition to IAS (International Accounting Standards), it is not possible to compare these results with those of 06/30/2000

Segment result Life

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Swiss Life 

In million CHF

	2000 12 months	2001** 6 months	2001 in % of 2000
Financial result	9 717	2 741	28.2%
Premiums, policy fees, other fee income	12 187	7 623	62.6%
Other income	141	63	44.7%
Total Revenues	22 045	10 427	47.3%
Interest credited to clients & borrowings	- 814	- 403	49.5%
Provisions for ins.reserves + benefits paid	- 14 803	- 8 365	56.5%
PH dividends and participation in profit	- 3 196	- 562	17.6%
Operating expenses	- 2 211	- 970	43.9%
Others	+ 165	+ 220	133.3%
Total Expenses	- 20 859	- 10 080	48.3%
Operating profit Life*	1 186	347	29.3%

* Profit before amortisation of goodwill, taxes and minority interests

** Based on the transition to IAS (International Accounting Standards), it is not possible to compare these results with those of 06/30/2000

Segment result Non-Life

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Swiss Life 

In million CHF

	2000 12 months	2001** 6 months	2001 in % of 2000
Financial result	269	76	28.3%
Premiums, policy fees, other fee income	1 987	1 023	51.5%
Other income	118	1	0.8%
Total Revenues	2 374	1 100	46.3%
Interest credited to clients & borrowings	- 12	- 7	58.3%
Provisions for ins.reserves + benefits paid	- 1 502	- 750	49.9%
PH dividends and participation in profit	- 17	- 10	58.8%
Operating expenses	- 690	- 312	45.2%
Others	+ 1	- 1	n.a.
Total Expenses	- 2 220	- 1 080	48.6%
Operating profit Non-Life*	154	20	13.0%

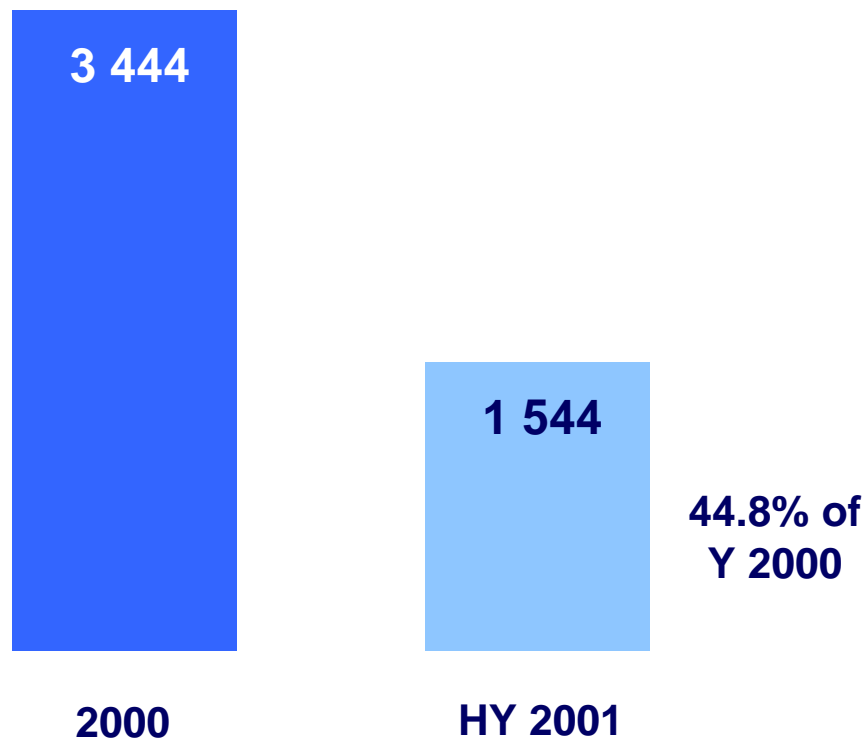
* Profit before amortisation of goodwill, taxes and minority interests

** Based on the transition to IAS (International Accounting Standards), it is not possible to compare these results with those of 06/30/2000

Operational costs are under control due to operational improvements



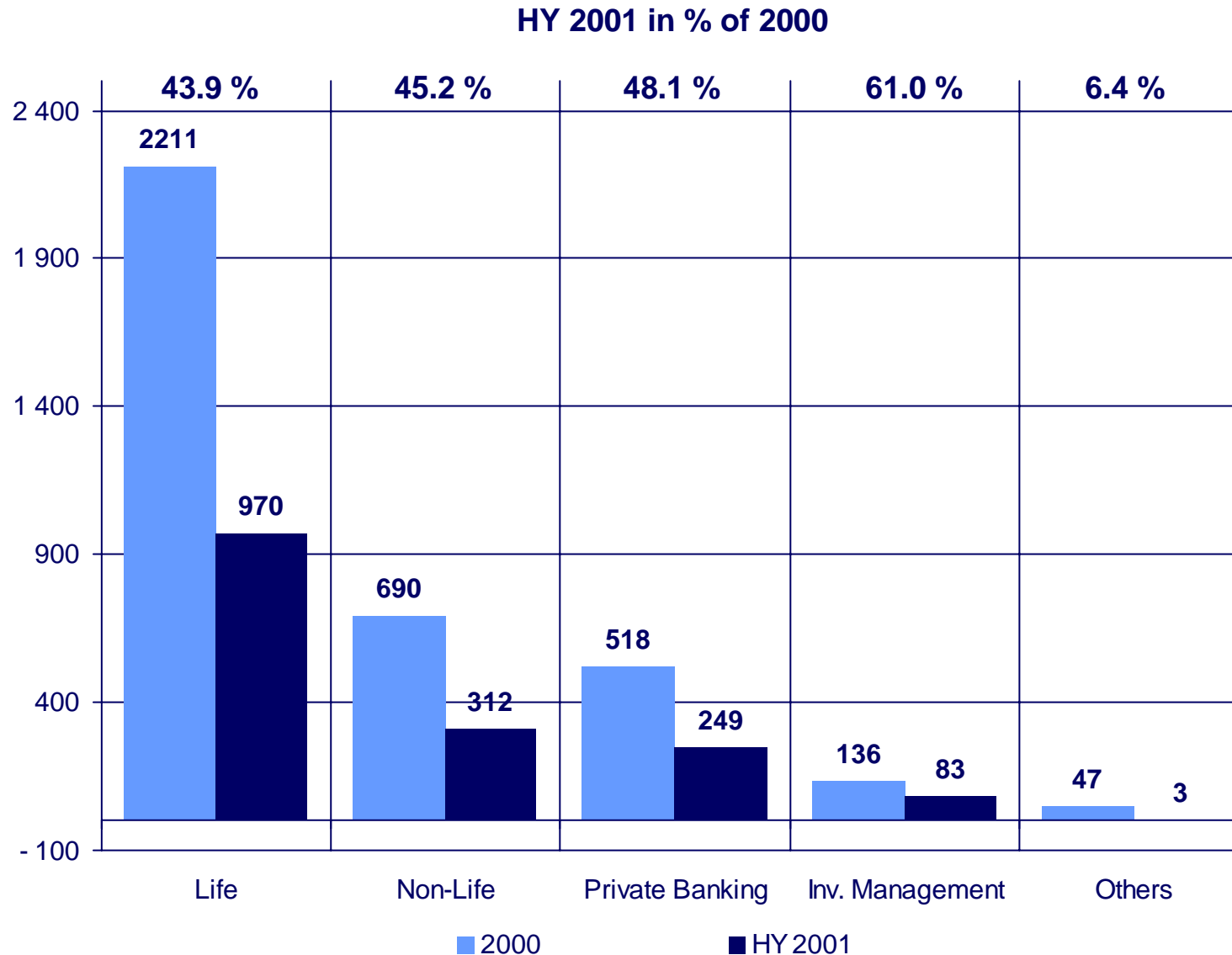
In million CHF



- Project AVANTI
- Non-Life Business
- Tight cost control within Europe Division and Private Banking
- Lower e-business expenditures
- Lower DAC amortisations

Analysis of expenses per line of business

In million CHF



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Insurance Business

Life and Non-Life

Insurance Business: Highlights



- Strong growth in the UK, the Netherlands, Belgium, Spain (life premiums) and Switzerland (non-life premiums)
- Cost control continues to be a top priority goal and is reflected by an improvement of cost ratios
- Continuously streamlining the organisational structure in Switzerland as well as in the Europe Division
- Further group-wide process optimisation
 - Launch of a new system to serve customers (call center and workflow combined) in Switzerland
 - Europe-wide initiatives have been launched to increase the synergy potential within the Group

Gross written premiums & policyholder deposits (I)

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Swiss Life 

Annual gross written premiums & policyholder deposits before eliminations

In million CHF

	2000 12 months	2001 6 months	2001 in % of 2000
Life	17 099	9 926	58.1 %
Gross written premiums	12 433	7 808	62.8 %
Policyholder deposits	4 666	2 118	45.4 %
Non-Life	1 765	979	55.5 %
Accident & health	1 021	552	54.1 %
Other Non-Life	744	427	57.4 %
Premiums assumed	623	311	49.9 %
Eliminations	- 169	- 75	44.4 %
Total gross written premiums & policyholder deposits	19 318	11 141	57.7 %

Gross written premiums & policyholder deposits (II)

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Swiss Life 

Annual gross written premiums & policyholder deposits before eliminations

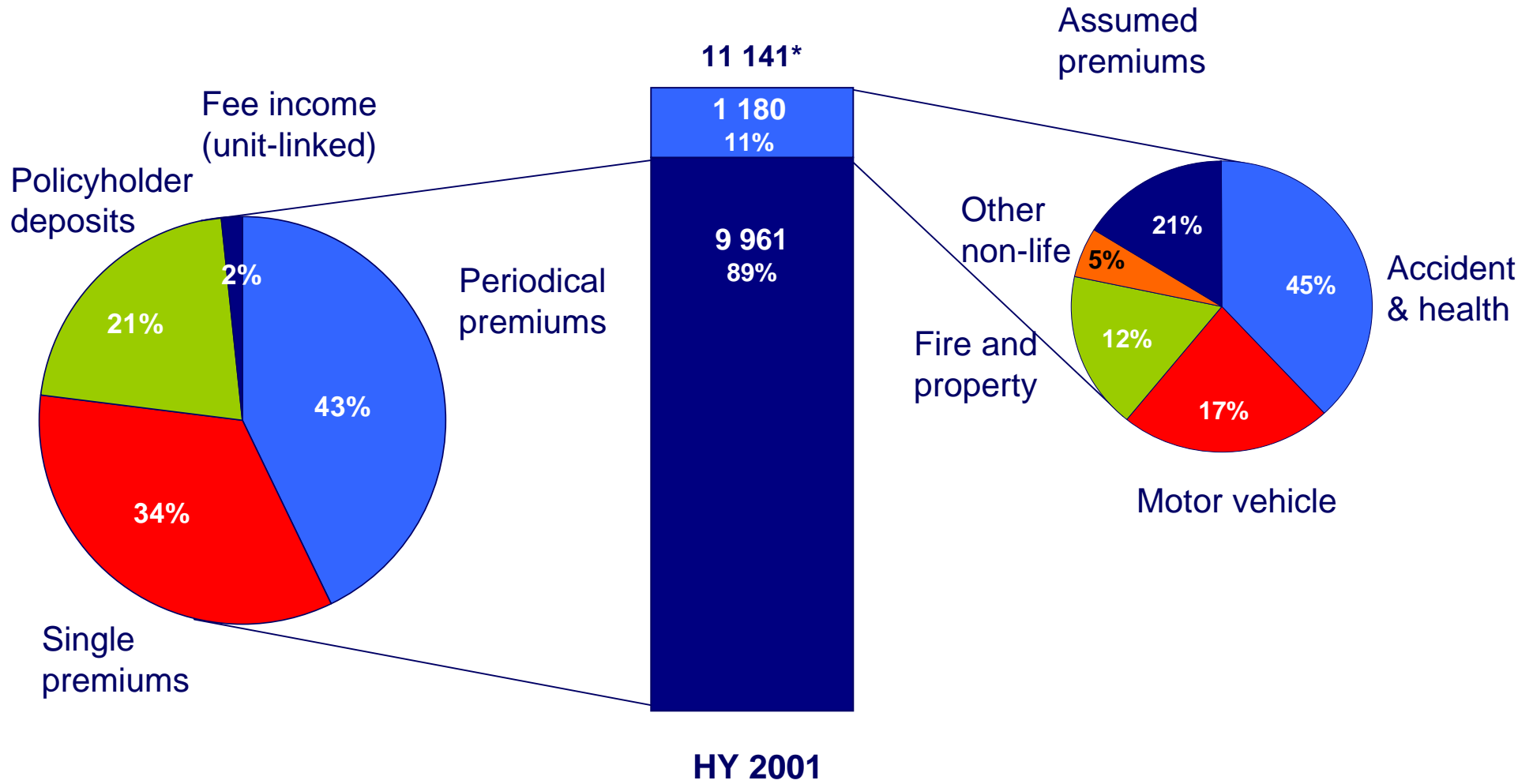
In million CHF

	2000 12 months	2001 6 months	2001 in % of 2000
Switzerland	9 340	6 069	65.0 %
France	4 429	2 223	50.2 %
Germany	1 725	829	48.1 %
Netherlands	1 412	771	54.6 %
UK	878	495	56.4 %
Belgium	550	286	52.0 %
Spain	290	155	53.4 %
Luxembourg	148	61	41.2 %
Others	92	16	17.4 %
Premiums assumed	623	311	49.9 %
Eliminations	- 169	- 75	44.4 %
Total Group	19 318	11 141	57.7 %

Insurance: Clearly a life play

Life insurance

Non-Life insurance



* Annual gross written premiums & policyholder deposits before eliminations

Ratios on group level

		2000 12 months	2001 6 months
Life	Cost ratio (in % of earned premiums + deposits)	(earned) 12.5%	(earned) 9.6%
	<i>Cost ratio excluding additional amortisation on DAC (i.e. CHF 200 m)</i>	11.3%	-
Non-Life	Claims ratio (in % of earned premiums)	(earned) 76.0%	(earned) 73.7%
	Expense ratio (in % of earned premiums)	34.8%	30.1%
	Combined ratio	110.8%	103.8%

Market

- Big market regarding volumes and still growing
- Low margin due to legal regulation
- Needs a lot of know-how

Swiss Life's market position

- Swiss Life is market leader with a market share of 27.5%
 - Economies of scale
 - Economies of skills
- More than 25% of the group business in Switzerland is not linked to the guaranteed 4% interest rate

Measures taken with regard to the group business Switzerland



- Operational measures to improve profitability
 - Sharp decrease of policyholder bonuses
 - Cost control
 - Improvement in operational efficiency through new IT systems (e.g. Project AMARTA: lower unit costs, new products)
 - Economic value and embedded value calculation on product level
 - Change in business mix: shift from traditional life products to unit-linked products hereby lowering risk exposure for Swiss Life
 - new tariffs (including „costs per transactions“)

- Political lobbying
 - Guaranteed interest rate
 - „Umwandlungssatz“ to decrease in the near future

- Switzerland: New product roll-outs
 - In group life based on new operating system
 - Product launch “SL Premium Absolute Return” for pension plans - a totally new product in the Swiss market
 - Launch of “Anlagestiftung” Swiss Life with four funds

- Europe
 - Stronger premium growth expected in Europe for 2nd half 2001
 - Tax and pension reforms will generate additional premium income over the next years (Germany, Italy)
 - In Spain, reform similar to the one in Germany is expected
 - Launch of new IT systems to improve both efficiency and profitability

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Private Banking

Private Banking: Highlights



- Profit
 - Banca del Gottardo and STG are major profit contributors
 - Overall financial results affected by adverse market conditions
- Assets under Management
 - Strong net new funds inflow (CHF 2.8 bn) and increase in Assets under Management (CHF 0.9 bn) although unfavorable market environment
- Continuous customer growth in the consulting business
- Operational Improvements
 - Acquired and integrated West LB (Switzerland)
 - Upgrading of the trading and sales activities
 - Optimization of operational platform for European onshore Private Banking

Segment result Private Banking

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Swiss Life 

In million CHF

	2000 12 months	2001** 6 months	2001 in % of 2000
Financial result	590	291	49.3%
Inv. management, banking, other income	523	253	48.4%
Total Revenues	1 113	544	48.9%
Interest credited to clients & borrowings	- 359	- 203	56.5%
Operating expenses	- 518	- 249	48.1%
Other	+ 6	+ 2	33.3%
Total Expenses	- 871	- 450	51.7%
Operating profit Private Banking*	242	94	38.8%
Cost / Income Ratio	46.5%	45.8%	

* Profit before amortisation of goodwill, taxes and minority interests

** Based on the transition to IAS (International Accounting Standards), it is not possible to compare these results with those of 06/30/2000

Private Banking: Outlook

- Private Banking market conditions will most likely not recover during the second half of the year
- Financial results 2001 will be below 2000 results, however positive outlook for 2nd half 2001 for the consulting business
- Start of operational activities of Banca del Gottardo (Italia) SpA after receiving formal approval from local authorities
- Implementation of Customer Relationship Management system to better exploit client potential
- Measures taken to improve performance (cost cutting)
- Continued pursuit of growth opportunities

Investment Management

Investment Management consists of highly focused management companies

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Swiss Life 



Investment Management: Highlights

- Continued strong inflow of net new funds (+ CHF 5.1 bn) in third party mandates and mutual funds
- Further improvements of profitability in investment management
- Quantum leap in Private Equity as SLPEP was appointed as investment adviser for Private Equity Holding AG and 5E Holding AG
- Achieved leading market positions in managing alternative investments through SL Private Equity and SL Hedge Fund Partners

Investment Management: Highlights (cont'd)



- Successful launch of Adamant Biomedical Investments Ltd.
 - Excellent performance record
- Launch of fund of funds business through SL Fund Master
 - well received fund of fund products with new Assets under Management of CHF 150 m in first 6 months
- Significant step in real estate management through acquisition of prime retail portfolio (e.g. Oscar Weber Holding)
- All operating investment management units are performing well above expectations

Segment result Investment Management

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Swiss Life 

In million CHF

	2000 12 months	2001 6 months	2001 in % of 2000
Financial result	24	32	133.3%
Inv. management, banking, other income	221	112	50.7%
Total Revenues	245	144	58.8%
Interest on borrowings	- 13	- 11	84.6%
Operating expenses	- 136	- 83	61.0%
Other	+ 1	+ 1	100.0%
Total Expenses	- 148	- 93	62.8%
Operating profit Investment Management *	97	51	52.6%

* Profit before amortisation of goodwill, taxes and minority interests

Investment Management: Outlook

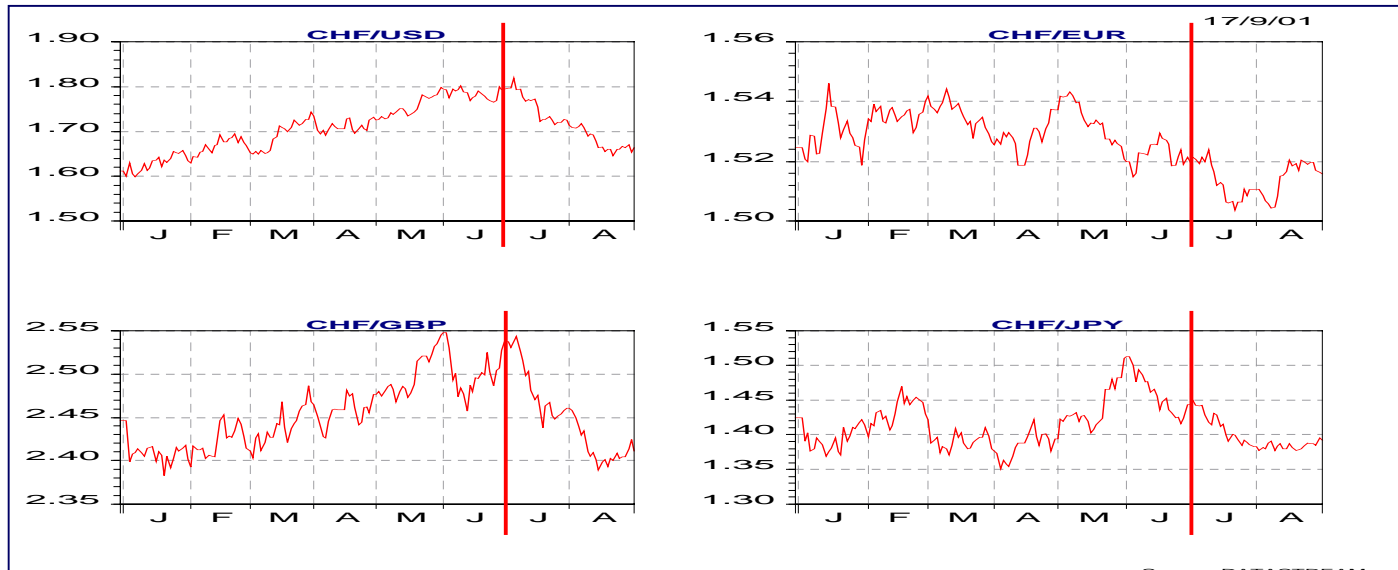
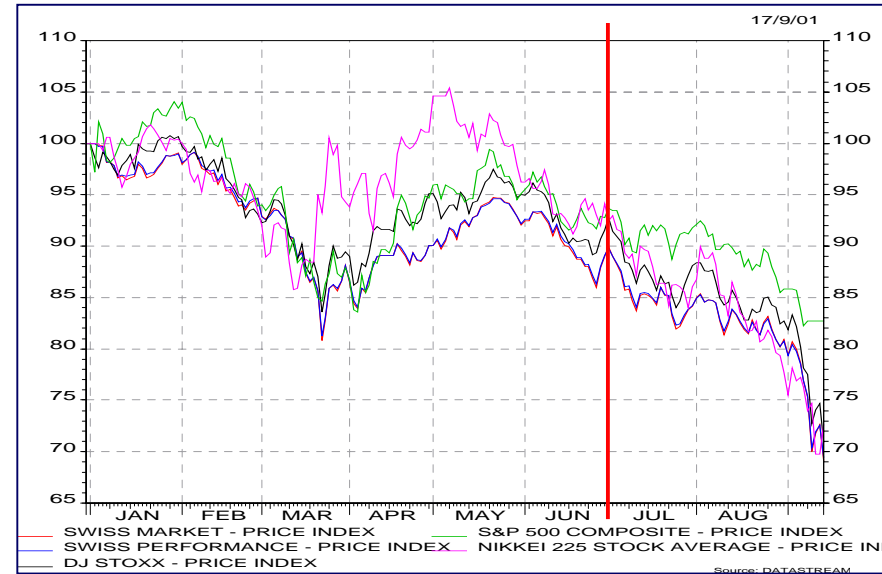
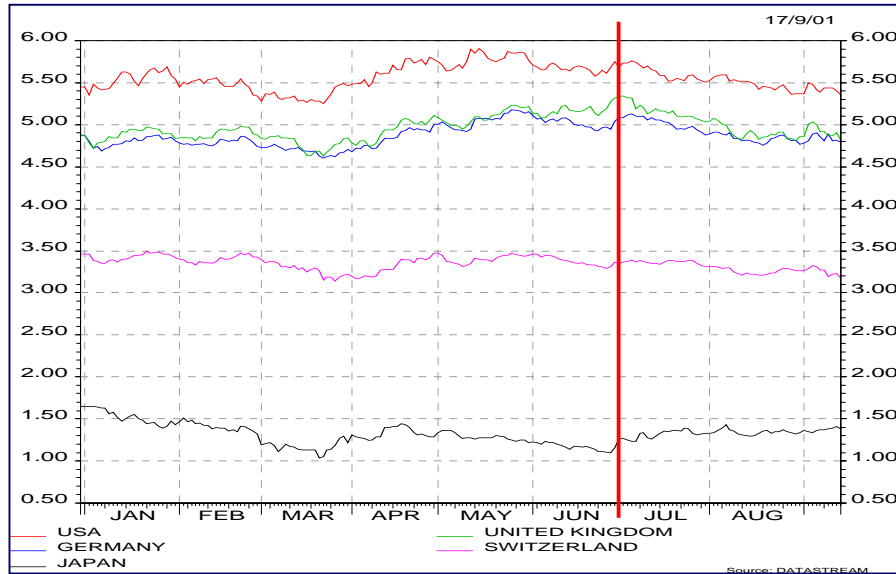
- Highly challenging investment environment
- Committed to grow Assets under Management significantly above market average with clear focus on profitable segments
- Continued focus on alternative and specialty investment disciplines expected to drive further growth
- Strong products pipeline tailored to current market environment
- Market penetration to be increased through intensified cross-selling of the whole Swiss Life product range
- Good operating results for full year 2001 expected due to strong mix of highly performing investment products

Agenda

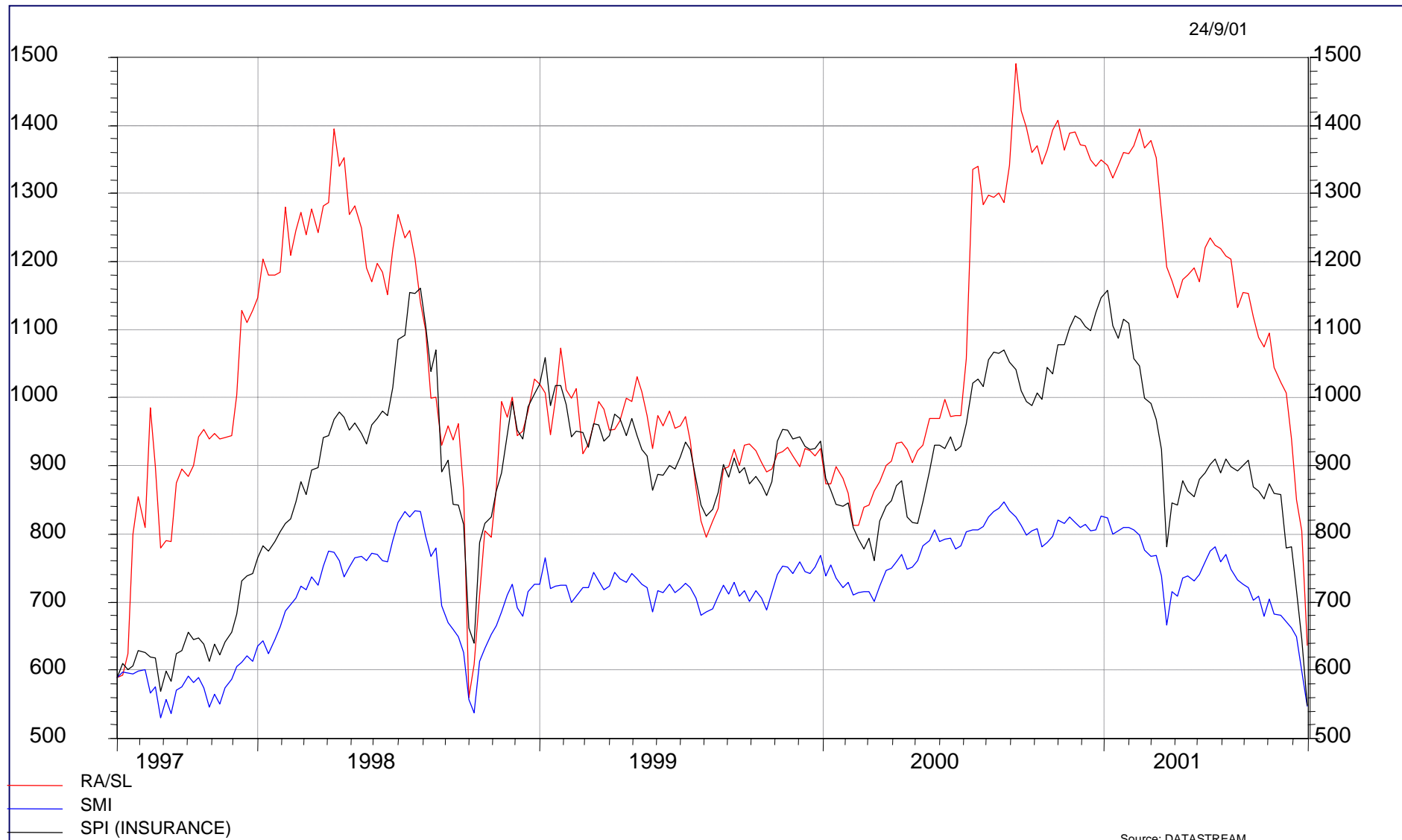
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Investments

Development of financial markets as of 09/17/2001



Swiss Life's share price v.s. Swiss market indices per 09/21/2001

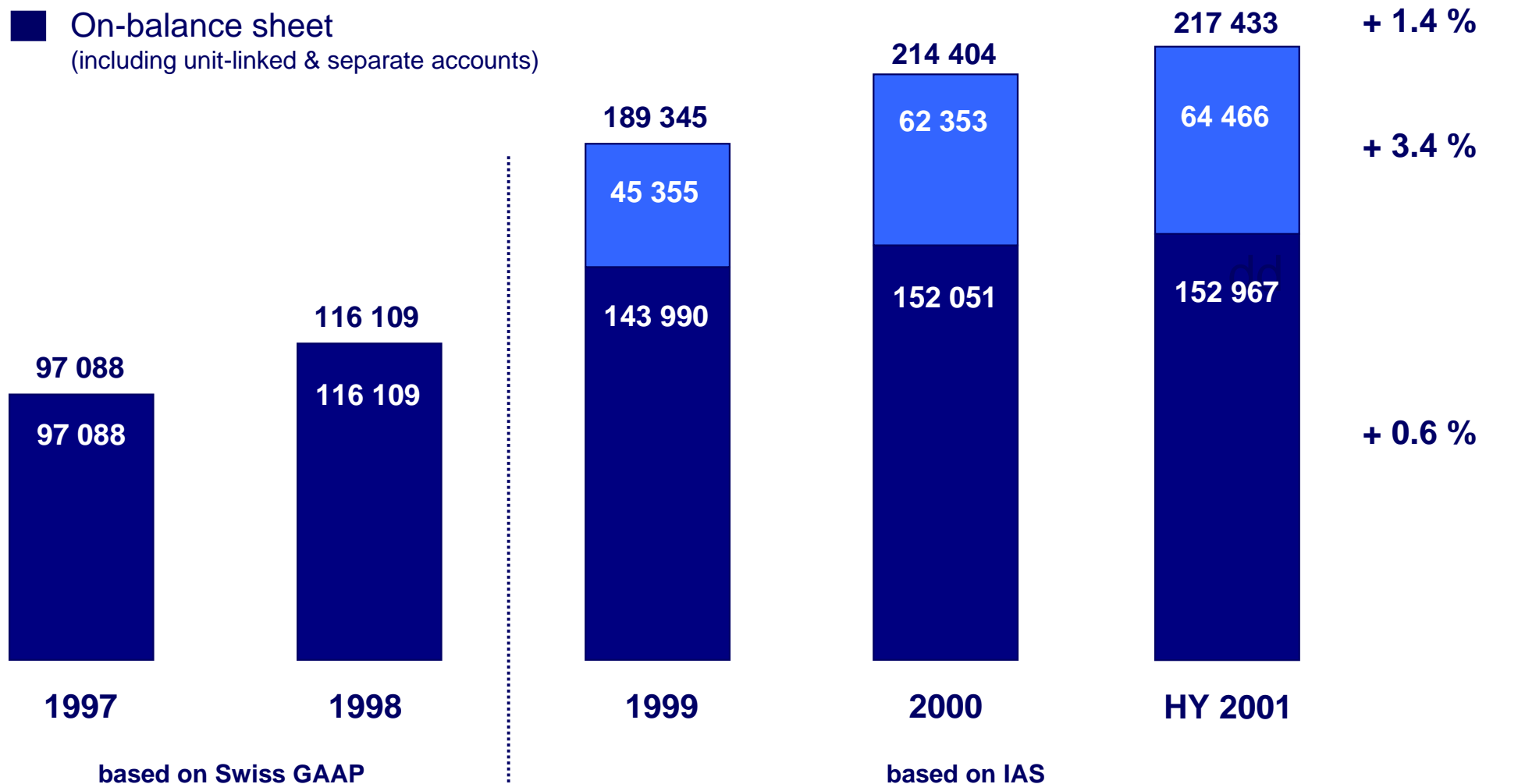


Continuous growth of Assets under Management



In million CHF

- Off-balance sheet
- On-balance sheet
(including unit-linked & separate accounts)



Swiss Life's financial result affected by a very difficult market environment

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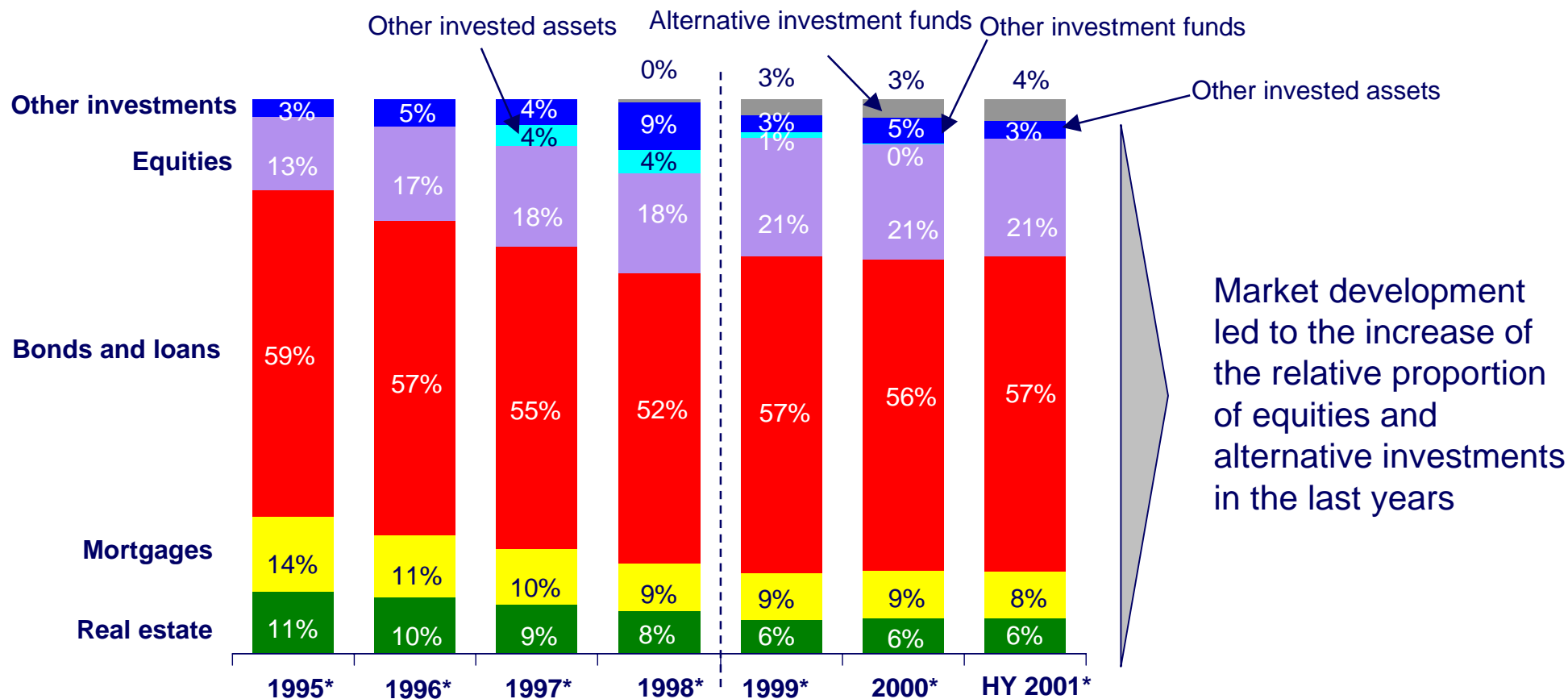
Swiss Life 

In million CHF

	2000 12 months	2001 6 months	2001 in % of 2000
Investment income, net	5 767	2 847	49.4%
Real. & unreal. gains/losses, net*	4 134	720	17.4%
Trading account income, net	519	- 463	n.a.
Financial result	10 420	3 104	29.8%
Foreign currency gains/losses	173	222	128.3%
Financial result (incl. currency gains/losses)	10 593	3 326	31.4%

* Impact of CCF transaction was CHF 1 700 m (Y 2000)

Asset allocation of Swiss Life Group's investments**



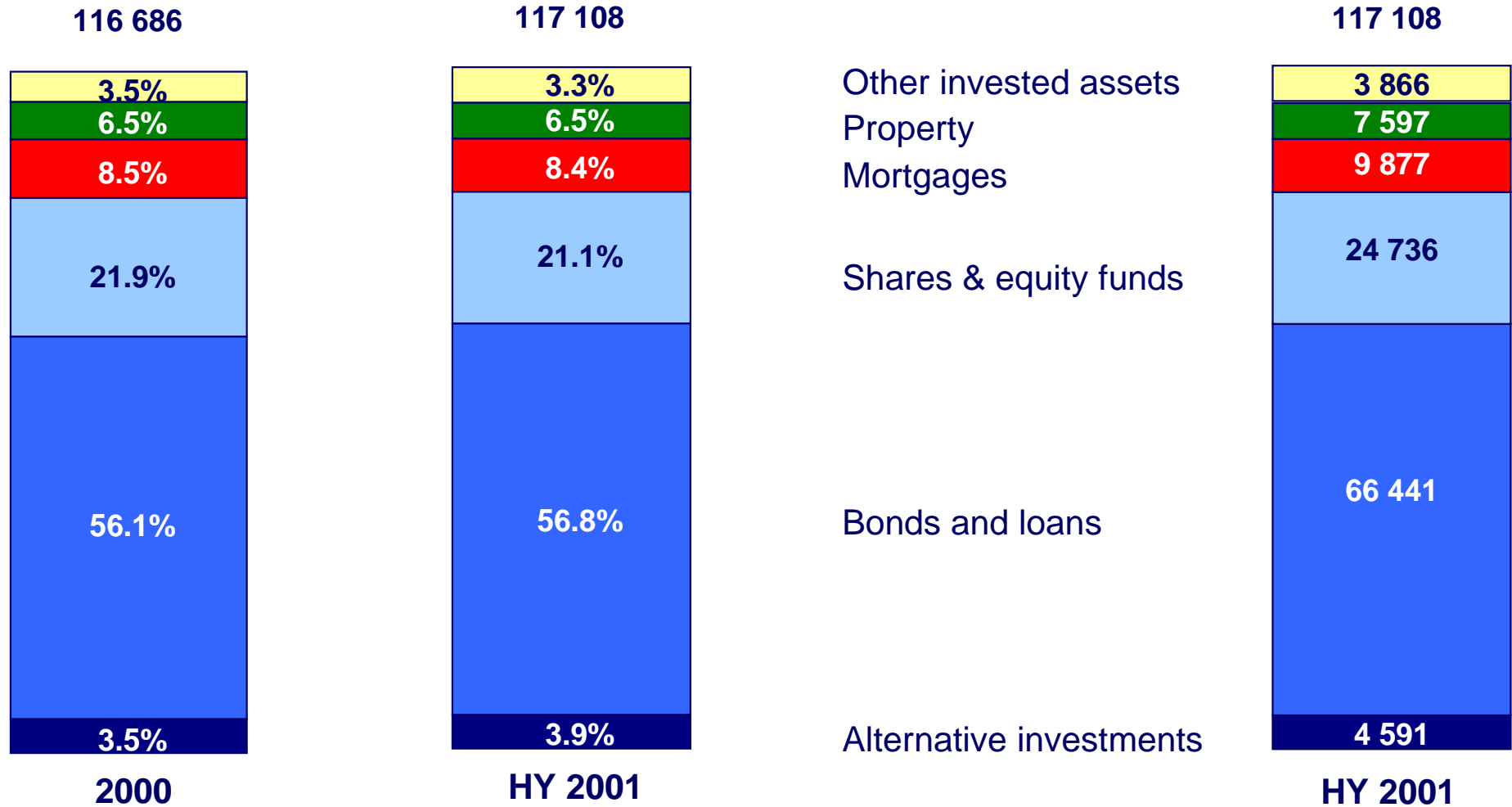
* Figures for 1995-1998 are based on Swiss GAAP, figures for 1999-2001 are based on IAS

** excluding unit-linked investments

Asset allocation of Swiss Life's insurance portfolio



In million CHF



Performance overview insurance portfolio

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Swiss Life 

In million CHF

Before deferred taxes

Direct investment income

Yield 1

+ Realised gains/losses (net)

Yield 2

+ Impairment write-ups/write-downs

Yield 3

+ Unrealised gains/losses (net)

Yield 4

- Investment & admin. expenses**

Yield 5

Average investments

	2000 12 months		2001 6 months	
Direct investment income	5 377		2 648	
Yield 1	4.6%		4.5%*	
+ Realised gains/losses (net)	4 570	9 947	445	3 093
Yield 2		8.6%		5.3%*
+ Impairment write-ups/write-downs	+ 8	9 955	+ 4	3 097
Yield 3		8.6%		5.3%*
+ Unrealised gains/losses (net)	- 3 040	6 915	- 1 535	1 562
Yield 4		6.0%		2.7%*
- Investment & admin. expenses**	- 305	6 610	- 146	1 416
Yield 5		5.7%		2.4%*
Average investments		115 878		116 914

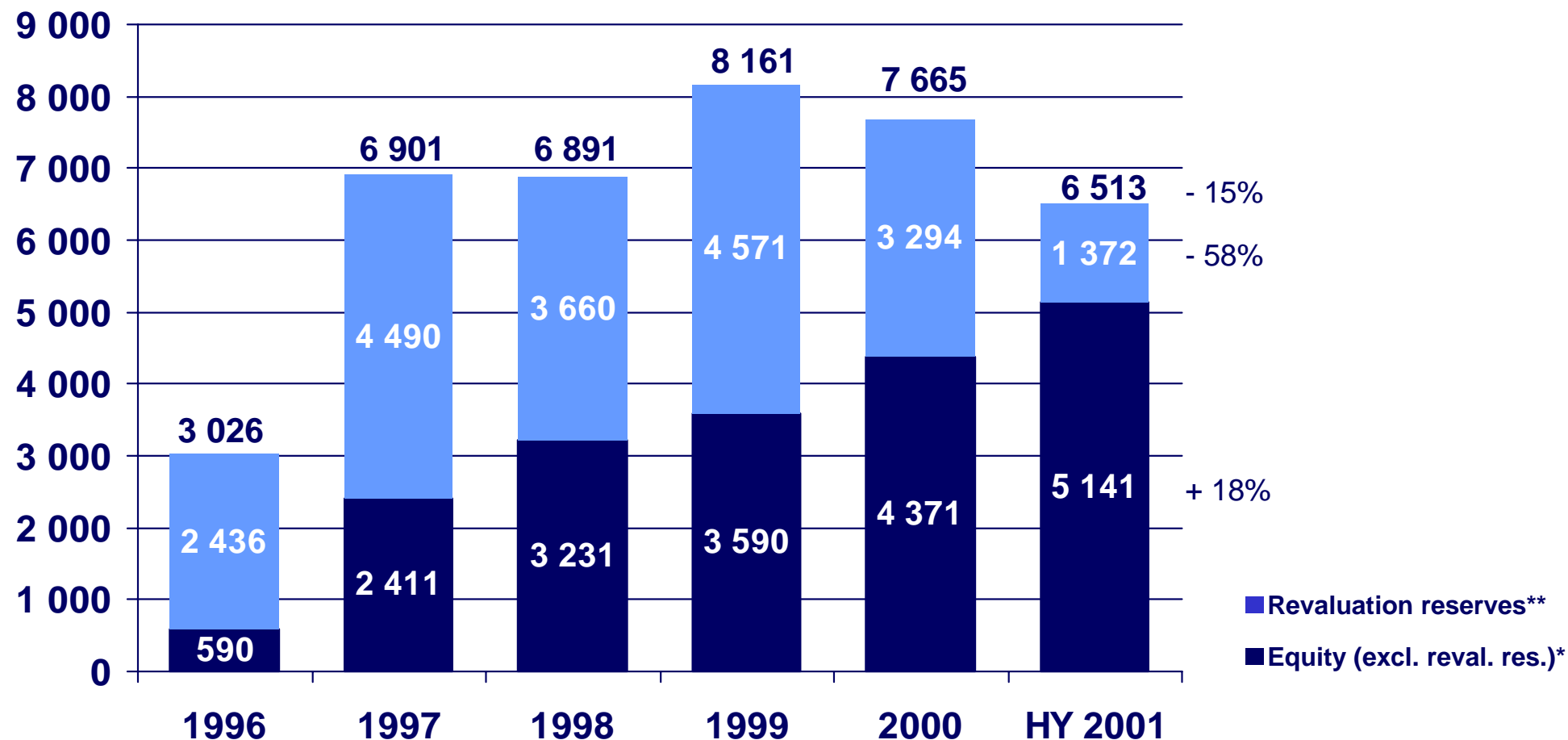
* annualised

** excl. interest charges

Capitalisation

Shareholders' equity per 06/30/2001

In million CHF




* half year 2001: increase of CHF 767 m due to adoption of IAS 39 and IAS 40

** half year 2001: decrease of CHF 813 m due to adoption of IAS 39 and IAS 40

Shareholders' equity affected by a decrease in revaluation reserves

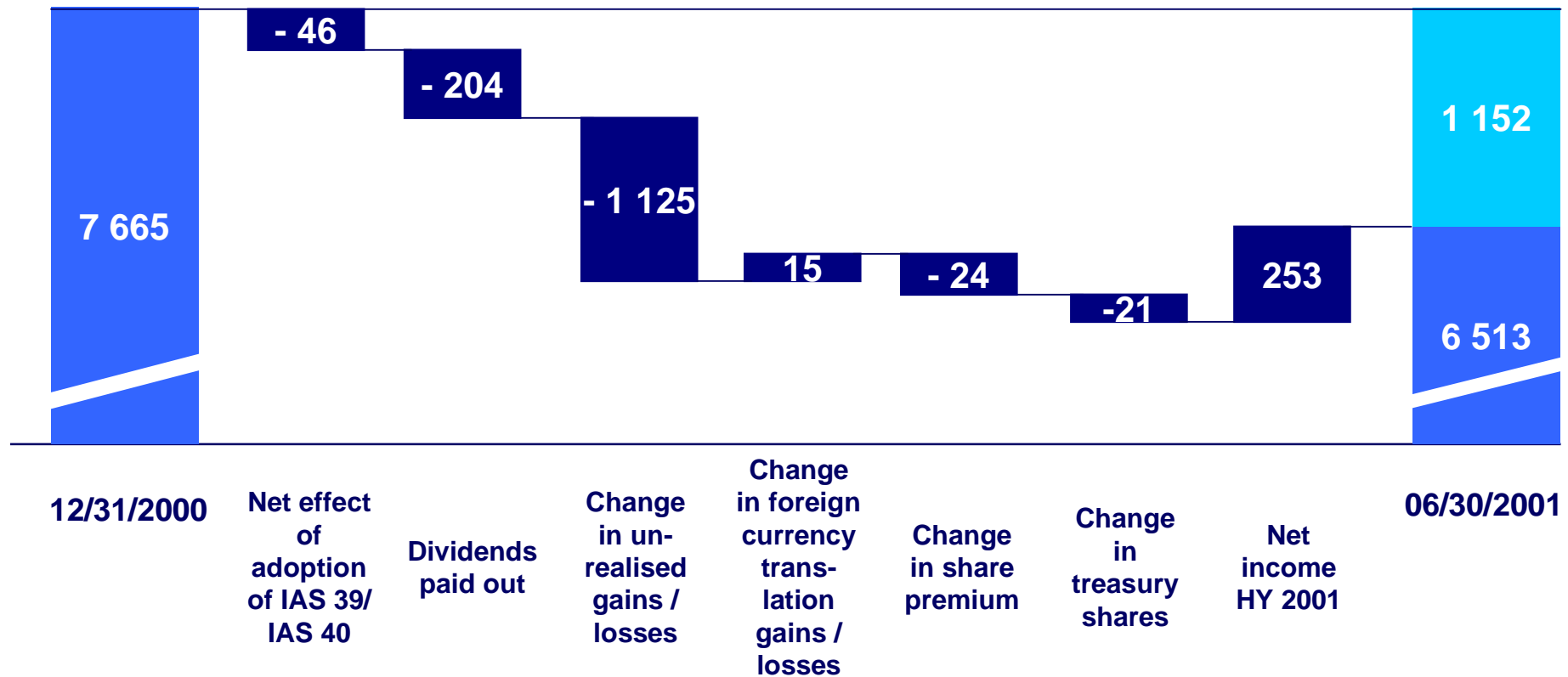
In million CHF

	2000 12/31/	Effect IAS 39&40 (net)	Change 6 months		2001 06/30/
Common shares	587	-	-		587
Share premium	1 839	-	- 24		1 815
Treasury shares	- 399	-	- 21		- 420
Unrealised gains/losses, net	3 295	- 813	- 1 110		1 372
Retained earnings	2 343	+ 767	+ 49		3 159
Shareholders' equity	7 665	- 46	- 1 106		6 513

Development of shareholders' equity

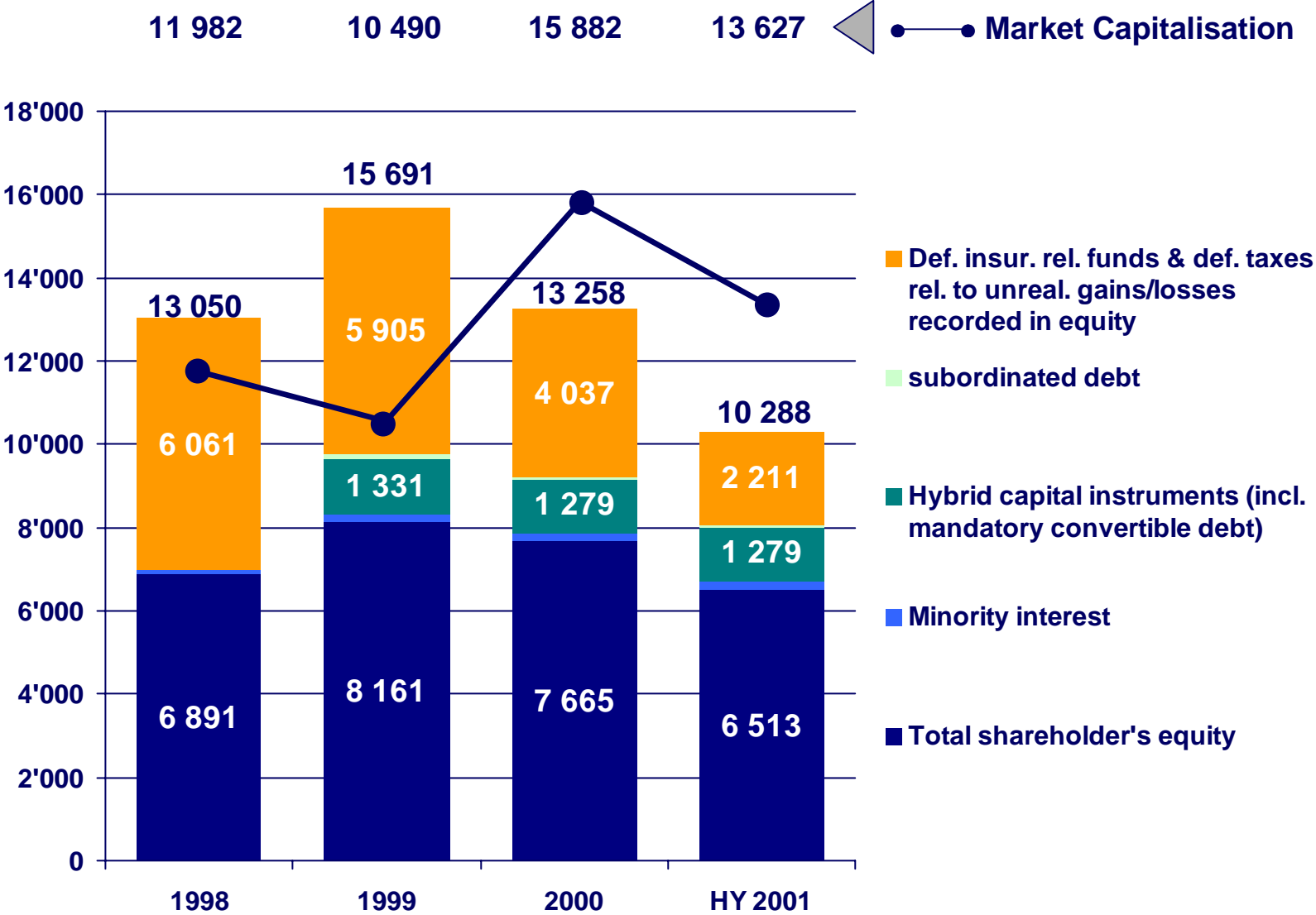


In million CHF



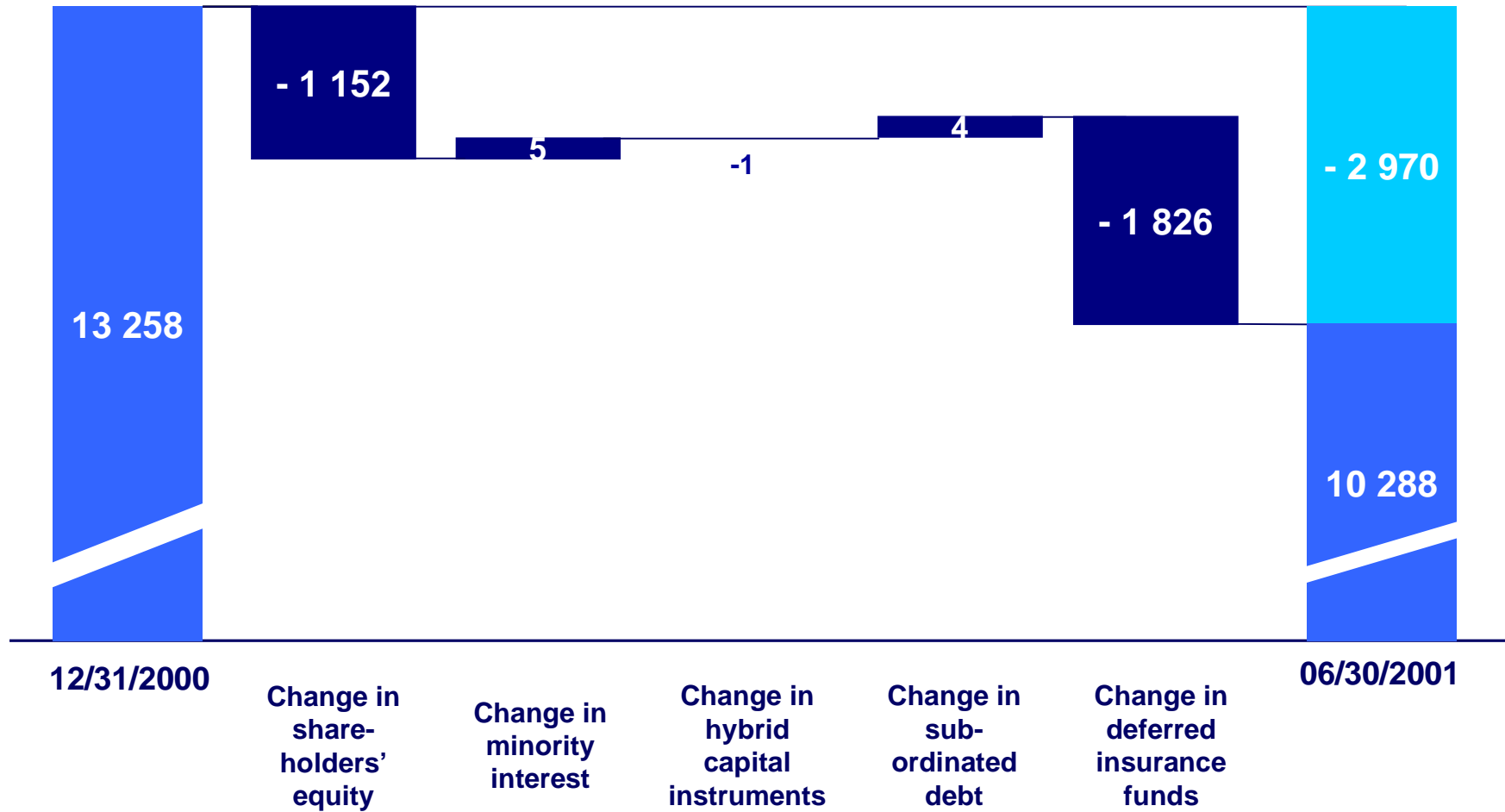
Breakdown of core capital

In million CHF



Development of core capital

In million CHF

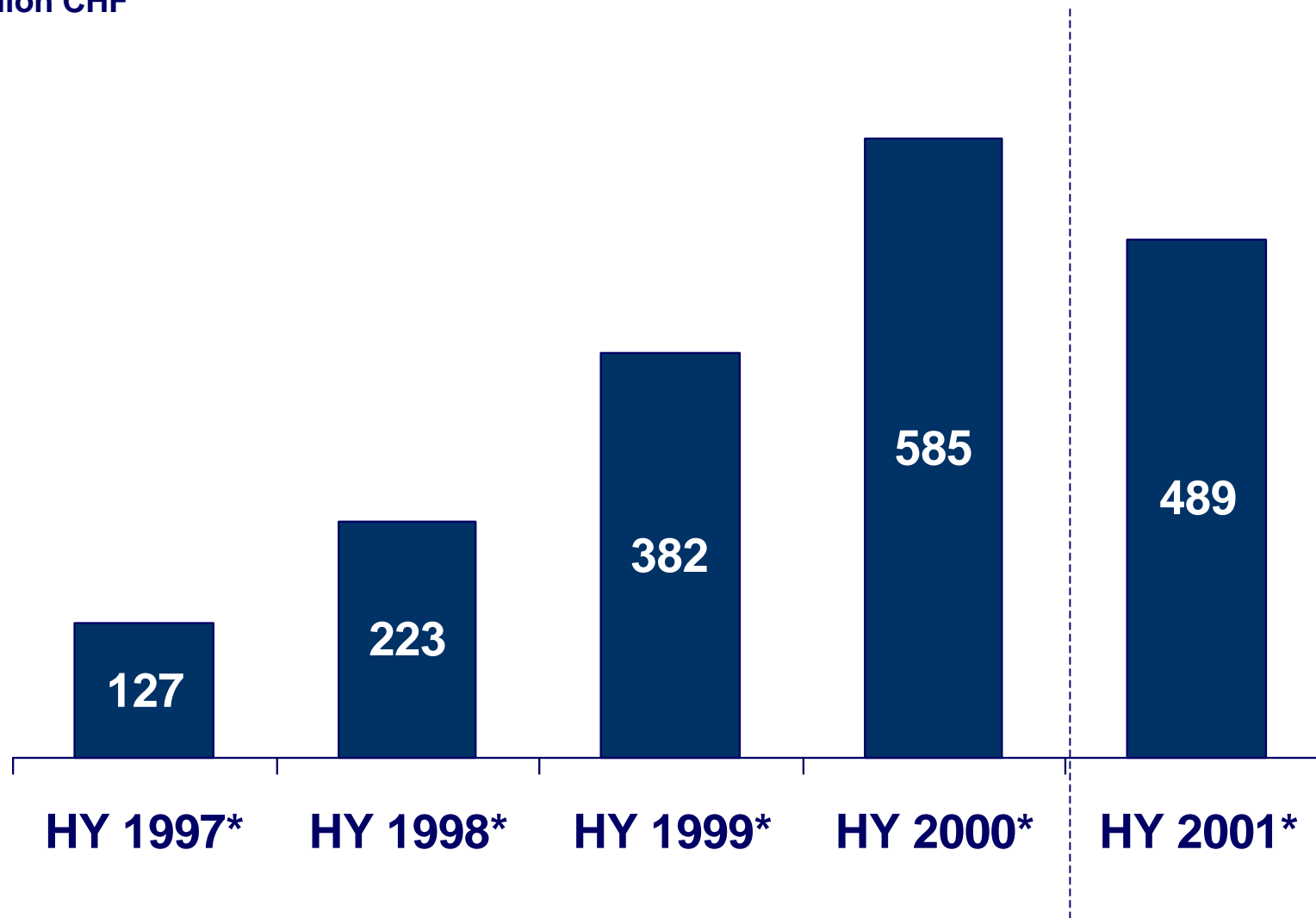


Profitability

Development of operating profit** since demutualisation



In million CHF



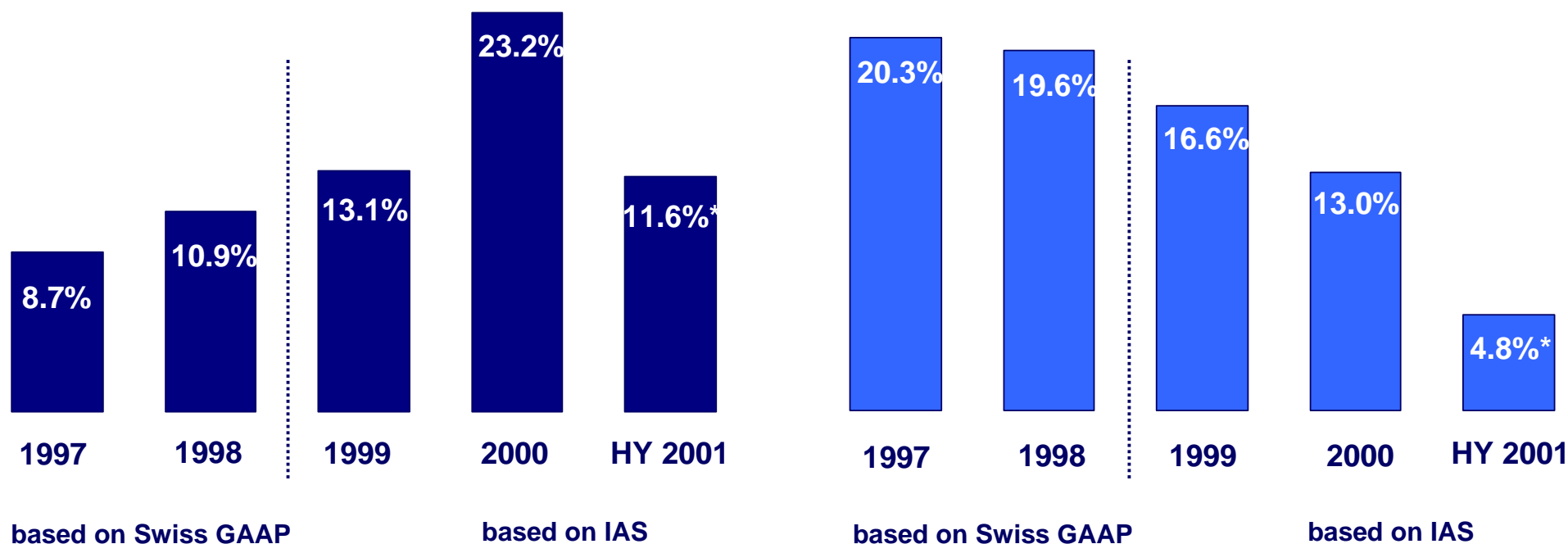
* Figures for 1997 - 2000 are based on Swiss GAAP, figures for 2001 are based on IAS

** Profit before amortisation of goodwill, taxes and minority interests

Return on equity

Excluding the effect of
revaluation reserves

Including the effect of
revaluation reserves
(smoothed)

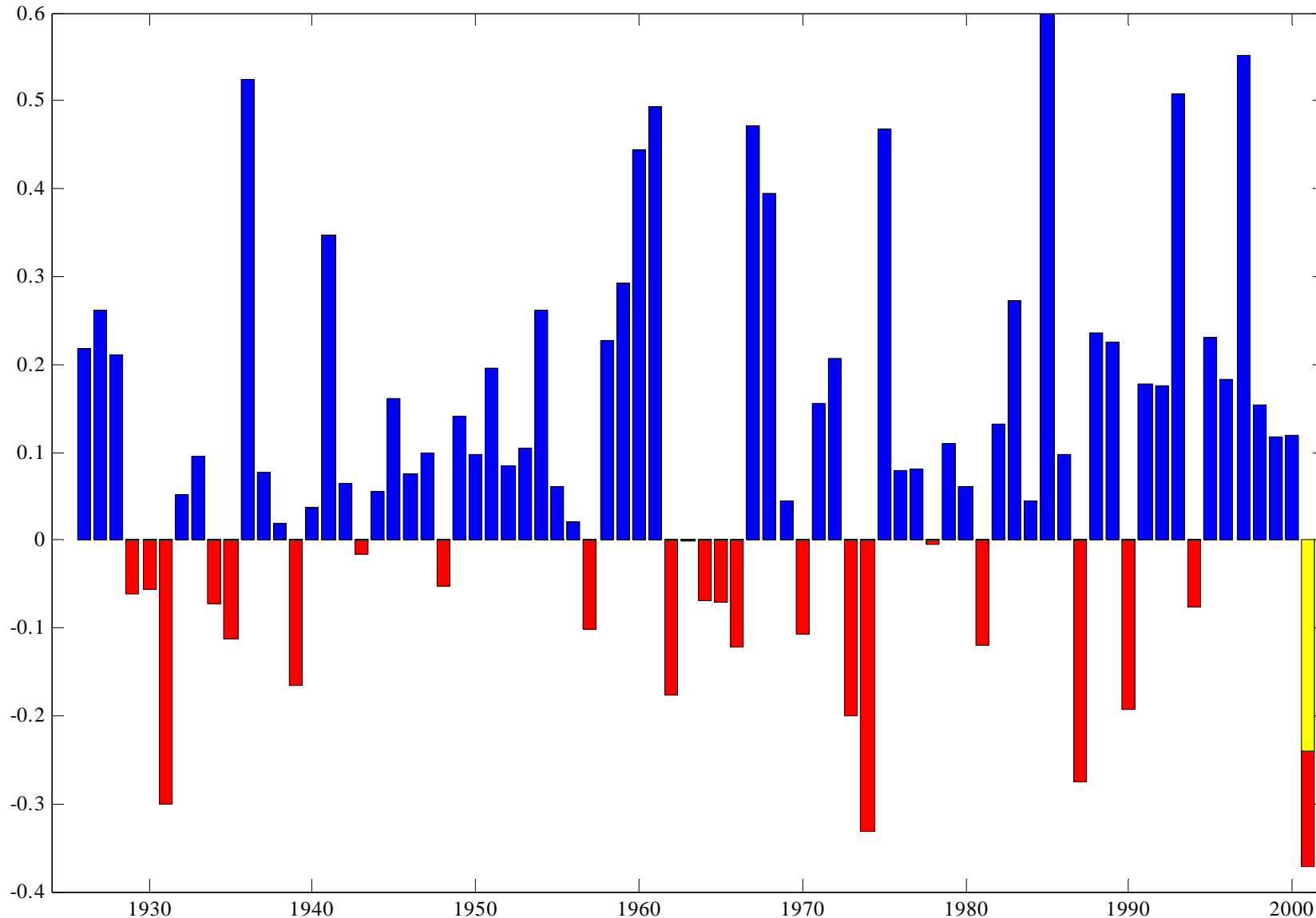


* annualised

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Development of annual swiss share price performance 1926 - 2000



source: The performance of shares and bonds in Switzerland 1926-2000, Pictet, 2001

Embedded Value: Sensitivities

In million CHF

	CH	EU	Group
Embedded Value 12/31/2000	7 990	2 590	10 580
• Δ Risk discount rate - 1%	+ 504	+ 109	+ 613
• Δ Investment returns + 1%	+ 1 663	+ 364	+ 2 027
• Δ Market Values +10%	+ 458	+ 171	+ 629
Embedded Value 12/31/2000	100%	100%	100%
• Δ Risk discount rate - 1%	+ 6%	+ 4%	+ 6%
• Δ Investment returns + 1%	+ 21%	+ 14%	+ 19%
• Δ Market Values +10%	+ 6%	+ 7%	+ 6%

Embedded Value 2000 v.s. Estimation of HY 2001

In million CHF

	12/31/2000	06/30/2001*	Change*
Adjusted Net Asset Value (ANAV)	5 686	4 500	-21 %
• CH	4 384		
• EU	1 302		
Present Value of Future Profits (PVFP)	4 894	4 900	0 %
• CH	3 606		
• EU	1 288		
ANAV + PVFP	10 580	9 400	-11 %
EV / Share in CHF	900	800	-11 %
IAS Equity	7 663	6 513	-15 %

* estimated

Situation of technical reserves

- IAS: Substantial reinforcements made per 12/31/2000 (+ CHF 843 m for 2nd pillar in Switzerland and an additional write down of DAC by CHF 200 m)
- Statutory reserves have reached a very high level
- Sound solvency level

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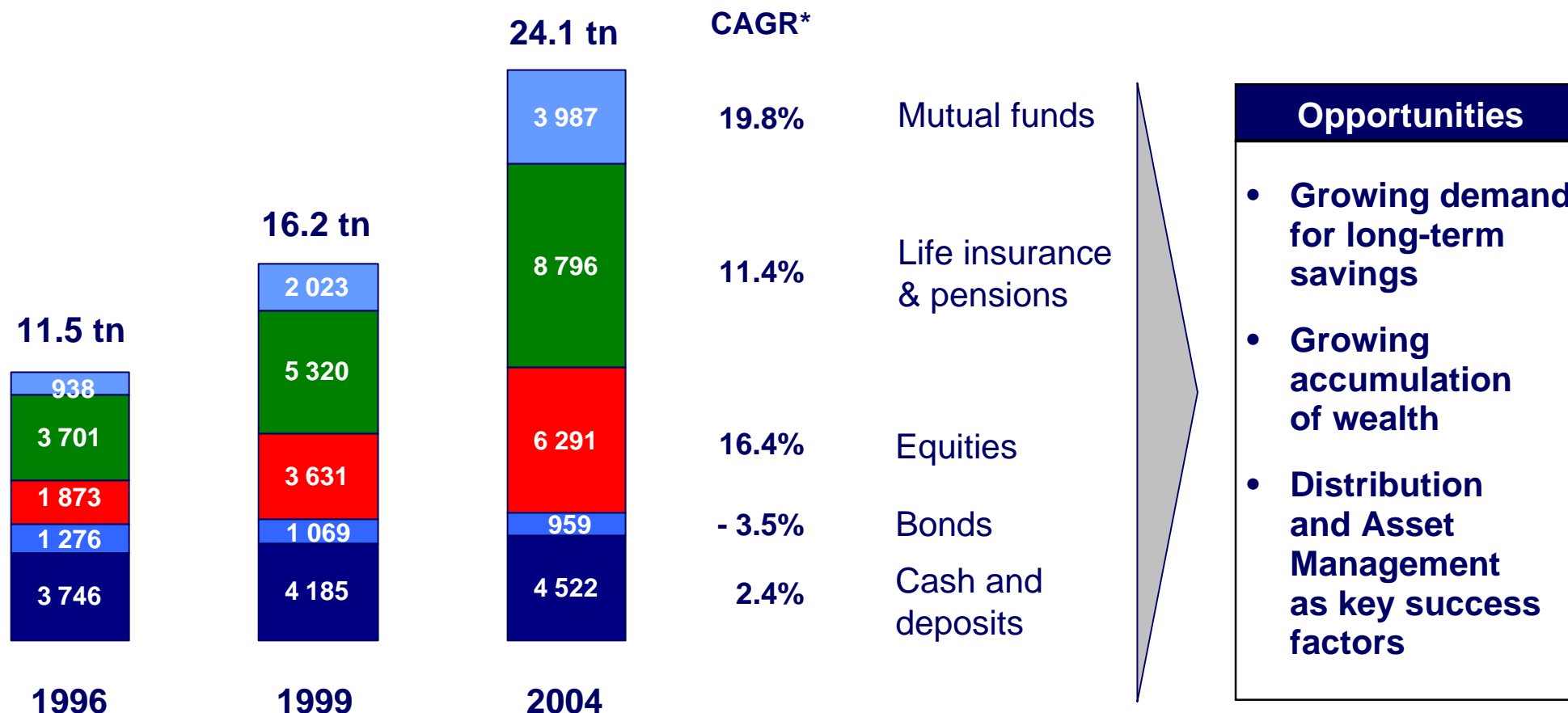
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Swiss Life's target market is healthy and rapidly growing



European Long Term Savings Market

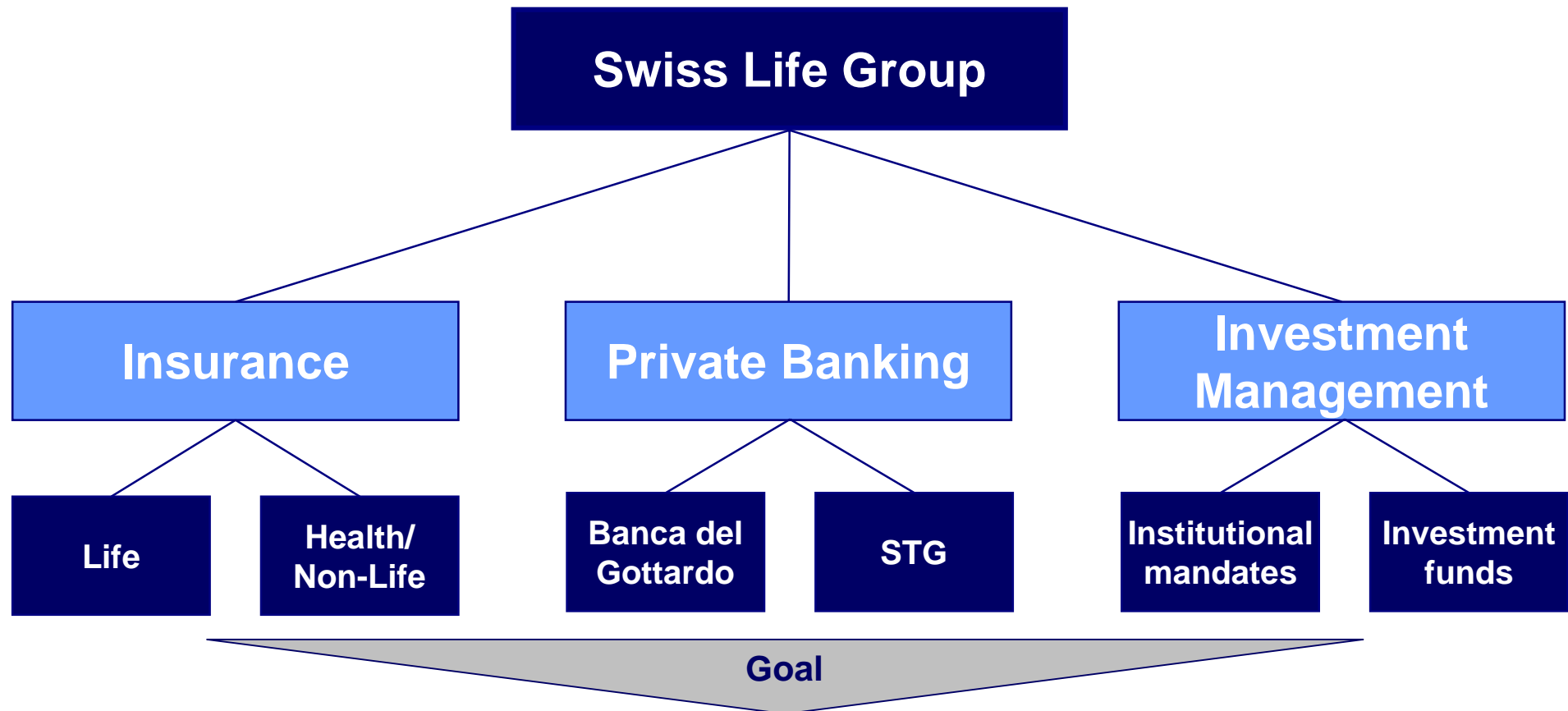
In trillion EUR



* compound annual growth rate

Source: JP Morgan, Asset Gathering Europe, October 30, 2000

Swiss Life Group concentrates on three major business lines



Shift from „spread business“ to „fee business“ with superior value creation, lower risks, lower income volatility and lower capital requirements

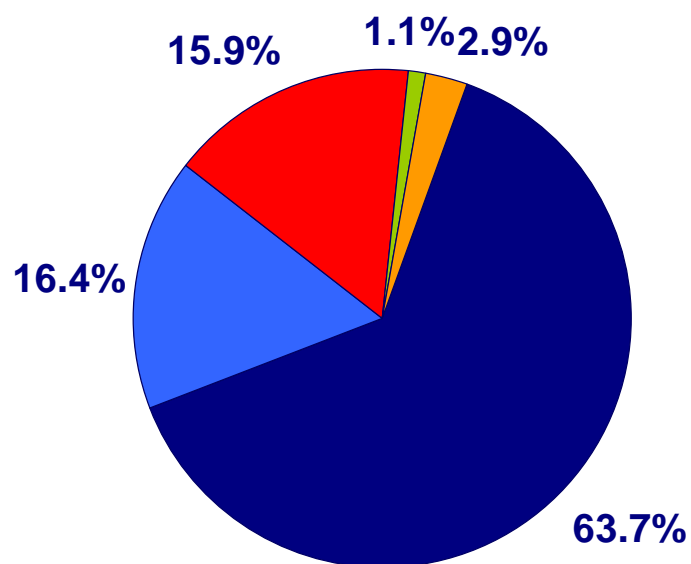
- Diversification of profit sources through the acquisition / build up of Private Banking and Investment Management operations
- Life: shift from traditional life products to unit-linked products

Private Banking and Investment Management becoming major profit contributors



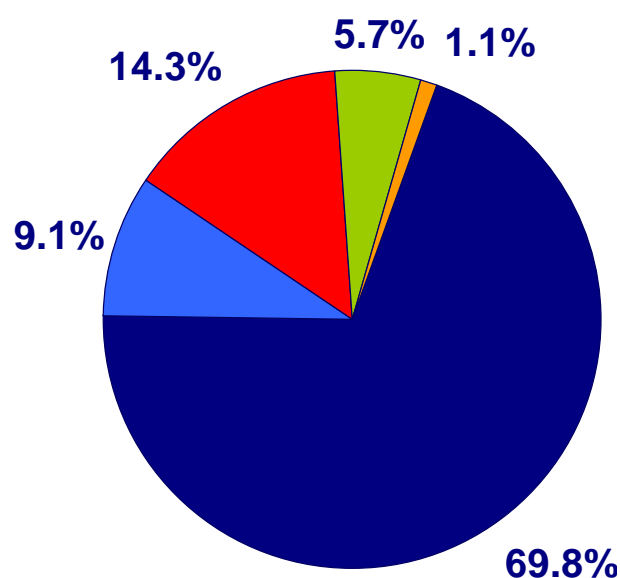
Year 1999

CHF 926 m*



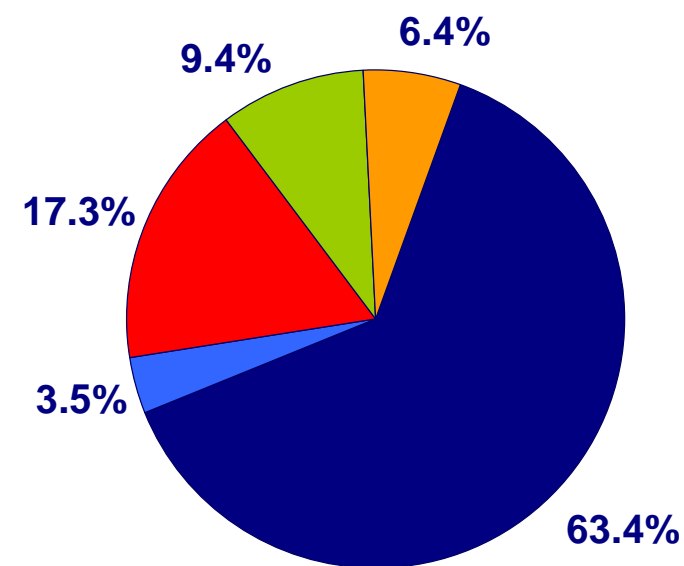
Year 2000

CHF 1 512 m*



Half Year 2001

CHF 489 m*



- Life insurance
- Non-Life insurance
- Private Banking
- Investment Management
- Other

* Profit before amortisation of goodwill, taxes and minority interests

Key Strategic thrusts by business line

Swiss Life Group

Insurance

- Strong focus on life insurance
- Access to clients through multi-channel approach
- Further geographic diversification of premium contribution
- Leverage leading position in the global insurance business for multinationals

Private Banking

- Strengthen actual position
- Diversify client base geographically
- Focus on the development of on-shore Private Banking centers
- Continue to build up Private Banking to a major profit contributor of the Swiss Life Group

Investment Management

- Further strong growth in mutual funds and institutional Assets under Management
- Maintain performance track record in core investment areas
- Position Swiss Life Asset Management (SLAM) as a major European Asset Manager

- One-digit growth in premiums and superior growth in third party Assets under Management
- Profit estimate is not possible at the moment due to volatility of capital markets
- Focus on specific initiatives taken
 - further improve operational efficiency
 - control costs in all business lines
 - finish build up of Investment Management units
 - strengthen capitalisation
 - continue to successfully hedge our equity exposure

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