Investors’ Day: Introduction

Rolf Dörig
Zurich, 2 December 2004
1. Life and Pensions: A growing market
2. Swiss Life well positioned
3. Opportunities and challenges
Long-term savings in Europe: Growth potential for life insurance

Total expected gross inflows into European savings e.g. life premiums (€ billion)

Expected growth of life and pensions in Europe 7.5% p.a. until 2020

Source: Mercer Oliver Wyman, Life at the end of the Tunnel, February 2004
Continuing pressure on first pillar leads to shifting in private and occupational provision

Income sources of retirees
(shaded areas: pay-as-you-go system, other areas: funded systems)

- Countries with higher share of unfunded systems will come under heavy pressure
- This leads to a high growth potential for life insurers

Source: Swiss Life
Life insurance generally benefits from changes in state-owned pension systems

Many European countries not prepared for demographic developments

Pressure on public provision systems with significant positive effect on life premium growth

Source: Mercer Oliver Wyman, Life at the end of the Tunnel, February 2004
Life insurance products deliver many additional benefits for clients

<table>
<thead>
<tr>
<th>Client benefit</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biometric risk cover</td>
<td>Coverage of financial risk of death and disability</td>
</tr>
<tr>
<td></td>
<td>Reliable planning for old age</td>
</tr>
<tr>
<td>Service and advice</td>
<td>Comprehensive financial advice (individual business)</td>
</tr>
<tr>
<td>Inheritance planning</td>
<td>Succession planning</td>
</tr>
<tr>
<td></td>
<td>Bankruptcy assets</td>
</tr>
<tr>
<td>Tax advantages</td>
<td>Will remain for pension products (capital-sum insurance)</td>
</tr>
<tr>
<td>Savings discipline</td>
<td>Incentive to save for old-age provisions</td>
</tr>
</tbody>
</table>

Savings products do not incorporate these additional benefits and clients are prepared to pay for these additional benefits
Swiss Life’s European life markets with growth potential

- Attractive market potential in all life markets
- Ageing population as main growth driver

Life premiums in € billion 2002

Expected growth p.a. 2003e-2008e

Source: Local insurance associations; growth estimates from Swiss Life
Agenda

1. Life and Pensions: A growing market
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3. Opportunities and challenges
### Swiss Life: Building on key strengths

<table>
<thead>
<tr>
<th>Key strengths</th>
<th>Achievements</th>
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<tbody>
<tr>
<td>Clear focus on life</td>
<td>Return to growth</td>
</tr>
<tr>
<td>Leading position in Switzerland</td>
<td>Re-established credibility with clients</td>
</tr>
<tr>
<td>Strong brand</td>
<td>Turnaround ahead of schedule, continued strict cost management</td>
</tr>
<tr>
<td>Attractive positions in Europe</td>
<td>In Swiss group business regulatory risk reduced</td>
</tr>
<tr>
<td>Strong distribution</td>
<td>Profitability improved and value increased</td>
</tr>
</tbody>
</table>
## Return to growth - half year 2004

### SL Group total: Premiums and policyholder deposits, CHF million (IFRS basis)

<table>
<thead>
<tr>
<th></th>
<th>HY04</th>
<th>HY03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life core</td>
<td>9 972</td>
<td>10 133</td>
</tr>
<tr>
<td>Life other</td>
<td>1 320</td>
<td>1 027</td>
</tr>
<tr>
<td>Non-life</td>
<td>673</td>
<td>676</td>
</tr>
<tr>
<td><strong>Total as stated</strong></td>
<td>11 965</td>
<td>11 836</td>
</tr>
<tr>
<td><strong>Total (comparable basis)</strong></td>
<td>11 440</td>
<td>11 011</td>
</tr>
</tbody>
</table>

### SL Life Core: Premiums and policyholder deposits, CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Country</th>
<th>HY04</th>
<th>HY03</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>5 078</td>
<td>4 907</td>
<td>+3.5%</td>
</tr>
<tr>
<td>France</td>
<td>2 837</td>
<td>2 437</td>
<td>+16.4%</td>
</tr>
<tr>
<td>Germany</td>
<td>884</td>
<td>818</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>830</td>
<td>1701</td>
<td>-51.2%</td>
</tr>
<tr>
<td>Belgium/Luxembourg</td>
<td>349</td>
<td>275</td>
<td>+26.9%</td>
</tr>
<tr>
<td><strong>Total as stated</strong></td>
<td>9 972</td>
<td>10 133</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>Total (comparable basis)</strong></td>
<td>9 972</td>
<td>9 491</td>
<td>+5.1%</td>
</tr>
</tbody>
</table>

### Half year 2004: Premium growth on track

1) HY 2003 adjusted for HBG deal in the Netherlands (CHF -856 million) and currency effect (CHF 214 million)
Continued growth - October 2004

SL Group total: Premiums and policyholder deposits, CHF billion October (year-to-date) ¹)

<table>
<thead>
<tr>
<th>As stated</th>
<th>Comparable basis²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 5.0%</td>
<td>+ 7.2%</td>
</tr>
</tbody>
</table>

Main drivers for growth 2004:
- Switzerland: +9%
- France: +14% (in local currency)

Development in line with management expectations

¹) Internal monthly reporting, not audited
²) Before currency and one-time effects (HBG deal in 2003, La Suisse "Institution Suppletive" in 2004)
Re-established credibility with clients

**CH**
- Significantly increased customer satisfaction in individual business (monthly customer survey)
- Re-selling of new group business tariff successful

**FR**
- Client services in Health honoured in 2002 & 2003 by the French Brokers Association
- Several product awards captured

**DE**
- No. 1 occupational pensions award in 2004 for the best company pension fund ("Pensionskasse")

**NL**
- A survey of insurance brokers found that SL was felt to have made the greatest progress in the industry in terms of customer satisfaction

**BE**
- "Trophées de l'assurance-vie" won for innovation in life insurance for its quick launching of a new insurance product (supplementary pension for self-employed)

- Regaining market shares
- Participating in strongly growing life market
- Confirmed position as preferred provider and partner for brokers
- Improvements in customer service
- Focus on the pensions market

Increasing credibility is being reflected in growth

1) Online survey among German brokers
Able to keep costs down

<table>
<thead>
<tr>
<th></th>
<th>HY 2004</th>
<th>HY 2003</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>1,294</td>
<td>1,447</td>
<td>-10.6%</td>
</tr>
<tr>
<td>Commissions &amp; DAC amortisation</td>
<td>-364</td>
<td>-348</td>
<td></td>
</tr>
<tr>
<td>Loss adjustment expenses</td>
<td>85</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>Other effects (incl. currency effects)</td>
<td>5</td>
<td>-101</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating expenses</td>
<td>1,020</td>
<td>1,081</td>
<td>-5.6%</td>
</tr>
<tr>
<td>FTEs(^1)</td>
<td>9,740</td>
<td>10,015</td>
<td>-2.7%</td>
</tr>
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Update October 2004:
- Expected cost savings remain on same level also for the full year
- FTE still below HY04

1) 2003 FTE as per 31.12.2003
Group Business CH: Regulatory risk reduced

Breakdown of mathematical reserves (IFRS basis)
30.6.2004, in CHF billion

Total: 137

- Traditional business 101
  - CH (Zurich) 55
  - Europe (+ other CH) 46
- Policyholder contract deposits 26
- Individual 21
- Non-life (2 billion)
- Separate Accounts/Unit-linked 8
- Mandatory 14
- Non mandatory 10
- Non mandatory 10

- Only CHF 10 billion is subject to guaranteed returns in group business Switzerland (2.5% as of 2005)
- Successful implementation of new BVG product offering by 1.1.2005

Already converted to annuities and additional reserves
Profitability improved and value increased

Net result, CHF million (IFRS basis)

ROE of 10% by 2005/2006 targeted

Embedded Value\(^1\)

\[\begin{align*}
2002 & : -1,694 \\
2003 & : 233 \\
2004 HY & : 398
\end{align*}\]

\[\begin{align*}
\text{Embedded Value} & : 6,060 \\
& : 6,911 \\
& : 8,158
\end{align*}\]

\(^1\) As published in CHF million, statutory basis. Increase of Embedded Value due to capital increases/changes in minorities 2003: CHF 635 million, 2004: CHF 860 million
Agenda

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Refined strategic asset allocation

Targeted strategic asset allocation

- Further reduction in duration mismatch
- Freeing up of additional risk capital
- More freedom to invest in higher yielding asset classes

<table>
<thead>
<tr>
<th>Asset allocation</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and loans</td>
<td>60-90%</td>
<td>unchanged</td>
</tr>
<tr>
<td>Property and mortgage</td>
<td>10-30%</td>
<td>unchanged</td>
</tr>
<tr>
<td>Alternative investments 1)</td>
<td>0-5%</td>
<td>unchanged</td>
</tr>
<tr>
<td>Equity</td>
<td>0-5%</td>
<td>0-7%</td>
</tr>
</tbody>
</table>

1) Hedge Funds
We keep momentum in realising our strategy and address outstanding issues

**Keep momentum**
- Achieve targeted organic growth
- Consistent increase of profitability
- Continued build-up of new brand
- Further develop European market positions

**Address outstanding challenges**
- Increase profitability in Switzerland
  - By increasing productivity of sales force
- Continue efforts in reaching operational excellence
  - By reducing IT infrastructure complexity in Group and Individual business
- Seize European pension market opportunities
  - By leveraging distribution and product innovation
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