Investors’ Day
Group Strategy

Rolf Dörig
Zurich, 1 December 2005
Agenda

1. Market environment and position

2. Group strategy
   - Growth
   - Efficiency
   - Leadership

3. Financial targets

4. Summary
European life markets with growth potential

Life premiums in CHF billion 2004

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BE/LU</td>
<td>40.1</td>
<td>+10-12%</td>
<td>+6-8%</td>
</tr>
<tr>
<td>FR</td>
<td>159.9</td>
<td>+4%</td>
<td>+1-2%</td>
</tr>
<tr>
<td>CH</td>
<td>29.9</td>
<td>-1%</td>
<td>+1-3%</td>
</tr>
<tr>
<td>DE</td>
<td>104.9</td>
<td>+2%</td>
<td>+3%</td>
</tr>
<tr>
<td>NL</td>
<td>38.7</td>
<td>+3-5%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Source: Local insurance associations (historic growth); growth estimates 2005-2008 by Swiss Life
Well-positioned with strong focus on life

Source: ISI, Annual Reports
Strong position in chosen markets

GWP in SL markets ¹) 2004; CHF billion

- Swiss Life is the only focused, international provider of life insurance among top peers ²)
- SL markets ¹)
  - Number 6 life insurer
  - Number 2 group life provider
- European market:
  - Number 9 life insurer

¹) CH, FR, DE, NL, BE, LU
²) Other top competitors are composite insurers (Allianz, AXA, Generali) or solely active in its domestic market (CNP, Crédit Agricole, Ergo)
Source: ISIS Database, company annual reports
1. Market environment and position

2. **Group strategy**
   - Growth
   - Efficiency
   - Leadership

3. Financial targets

4. Summary
Three strategic directions for achieving our ambition

**Growth**
- Focus on “pensions”-related value proposition…
  - ... to answer and satisfy clients’ growing pension needs
- Develop own and third-party channels…
  - ... to reduce single channel dependency

**Efficiency**
- Increase basic insurance profitability substantially…
  - ... to become less dependent on financial result
- Reduce complexity at all stages of the value chain…
  - ... to improve process efficiency and lower costs

**Leadership**
- Enhance entrepreneurial responsibility and steering…
  - ... to allow flexible and close-to-market decision making
- Develop integrated human capital portfolio…
  - ... to anchor our leadership culture
Growth: Swiss Life with higher overall growth than its markets since 2003

Development of life GWP in SL markets, 2000-2005 half year

Target achievement "1% above market"1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005 HY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Life</td>
<td>+3</td>
<td>-0</td>
<td>-2</td>
<td>+8</td>
<td>+6</td>
</tr>
<tr>
<td>SL markets (weighted) 2)</td>
<td>+2</td>
<td>+3</td>
<td>+1</td>
<td>+2</td>
<td>+4</td>
</tr>
</tbody>
</table>

1) Target relates to each market
2) Growth rate of each country multiplied by share of SL premiums in this country; annual growth in %

Source: Swiss Re Sigma, half-year 2005 market growth estimates by Swiss Life
Growth: Our clients are at the heart of our strategy

Client proposition

- We care for our customers by helping them to solve all financial aspects associated with ageing
- With our products and services, we provide a secure income for later, and enable people to become free from financial worries
- We are committed to being a reliable and trustworthy partner
Growth: Integrated link from strategy to marketing mix

Europe

Products
Focus on profitable pension products and services

Channels
Develop capabilities to orchestrate multiple channels

Clients
Strengthen position in group business, affluent and HNWI

Switzerland

HNWI= High net worth individuals
Growth: Targets underpinned by concrete actions

Key actions in Europe

- Focus on organic growth
- Focus on products and services with profitable growth
  - Launch new products in pensions with tailored advice
- Increase distribution capacity
  - Set up new distribution partnerships to increase sales capacity

Key actions in Switzerland

- Launch new products and less interest rate sensitive products
- Increase sales effectiveness of own sales force
- Develop relationships with brokers, banks and strategic partners

SL growth 2005-2008: 23% vs. market expectation of 19%

SL growth 2005-2008: 8% vs. market expectation of 5%
Efficiency: Basic insurance result best reflects operational performance

Main components of profitability
- Risk result
- Cost & fee result
- Investment margin

Drivers
- Volume
- Pricing
- Risk selection
- Reserves
- Costs
- Strategic and tactical asset allocation
- Technical interest rate
- PH bonuses

Target
- CHF 500 million by 2008

Optimisation of risk adjusted returns

1) Note: Basic insurance result published: 2003: CHF 201 million, 2004: CHF 21 million
## Efficiency: Continue increase in efficiency on all levels

### Key actions in Europe
- Continue efficiency improvement on all levels
  - Only marginal fixed-cost increase despite increasing premium volume
- Exit from unprofitable products or particularly price-sensitive areas

### Key actions in Switzerland
- Reap efficiency benefits of “La Suisse” and Vaudoise integration
- Continue efficiency driven by IT and Business Engineering projects to increase efficiency drive
- Increase effectiveness and efficiency of sales forces

### Contribution to basic insurance result by 2008:
- **CHF 350 million**
- **CHF 150 million**
Efficiency: Measures lead to significant improvement in basic insurance result

Basic insurance result, CHF million

<table>
<thead>
<tr>
<th></th>
<th>2005 E</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>125</td>
<td>350</td>
</tr>
<tr>
<td>Switzerland</td>
<td>150</td>
<td>500</td>
</tr>
</tbody>
</table>
Leadership: Integration of new structure in group strategy

Implications of group strategy on structure

- Growth and efficiency: Management structure to respond to the specific challenges in EU and CH
- Efficiency: Strong need to improve business operations
- Leadership: Increased entrepreneurial responsibilities
- “Pensions Leadership” also implies a separate strategy for Banca del Gottardo

As of 1 January 2006

CEO
Rolf Dörig

CFO
Thomas Müller
- Drive financial control and risk management
- Promote strategic development

CFO
Paul Müller
- Consolidate leading market position
- Improve profitability

International
Bruno Pfister
- Seize opportunities for profitable growth
- Increase efficiency

Investment Management
Martin Senn
- Maintain excellence in investment performance
- Streamline processes and structure

Banca del Gottardo
Rolf Aeberli
- Implement strategy
- Increase Group contribution

CTO
Reto Himmel
- Realise synergies in IT and business operations
- Drive efficiency
Leadership: Simple KPI framework supports strategic directions

KPIs are an integrated system

Potential imbalances

- **Growth**
  - Pushing unprofitable products

- **Cost**
  - “Downsizing to death”

- **Technical profitability**
  - Focusing on risk margins only, becoming a niche player

- **Overall profitability**
  - Excessive risk on the asset side (> risk capacity)

Mitigated by KPIs

- **Basic insurance result**
- **Value of new business**
- **Premiums / profit targets**
- **Premiums**
- **ALM, basic insurance result**

---

1) Excluding commissions

---

SwissLife
Leadership: Development of employee commitment 2004-2008

SL Group employee commitment, as measured by annual survey

Measure and track employee commitment
Agenda

1. Market environment and position

2. Group strategy
   - Growth
   - Efficiency
   - Leadership

3. Financial targets

4. Summary
### Decreasing dependency on investment margin

#### Illustrative break-up

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
<th>Outlook beyond 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic insurance result 1)</td>
<td>10</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Investment margin 1)</td>
<td>720</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td><strong>Banking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>70</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td><strong>Other 2)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>-200</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>600</td>
<td>1000</td>
<td></td>
</tr>
</tbody>
</table>

#### Investment margin in basis points of total assets

<table>
<thead>
<tr>
<th></th>
<th>53</th>
<th>29</th>
</tr>
</thead>
</table>

#### Total assets (insurance portfolio) billion

|                      | 135 | 175 |

---

1) After tax and after policyholder participation
2) Investment management units, finance and holding, net of borrowing costs, one-off items and tax savings. Contains one-off items in 2004 (goodwill impairments CHF -163 million; CHF -125 million disposal loss UK; CHF +88 million mortgage portfolio Netherlands)
## Positive contribution from investment margin expected in all interest rate scenarios

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Interest rates stay low</th>
<th>Interest rates rise</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Initial reaction</td>
</tr>
<tr>
<td>Direct yields on portfolio (+)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical interest (guarantees) (-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realised gains (net) (+)</td>
<td></td>
<td>Sell-off</td>
</tr>
<tr>
<td>PH bonuses (-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall (+)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Swiss Life operational improvements not yet reflected in the share price

Current market price SLH (25/11/2005) 211

“Earnings improvement”

“Peer valuation gap” +16%

Potential price SLH “Consensus profit 2005E and P/E industry average”

244

+39%

Potential price SLH “Profit target 2008 and P/E industry average” 340

1) Calculated: P/E (industry average) = 11.5 * (I/B/E/S consensus profit of CHF 718m / number of shares)
2) Calculated: P/E (industry average) = 11.5 * (profit target 2008 / number of shares)

Source for P/E industry average: Deutsche Bank, Chevreux
Agenda

1. Market environment and position

2. Group strategy
   - Growth
   - Efficiency
   - Leadership

3. Financial targets

4. Summary
## Swiss Life Group: Who we are

### Ambition

Swiss Life Group wants to...
- Achieve “Pensions Leadership” ("Führend in der finanziellen Vorsorge")
- Generate net profit of CHF 1 billion by 2008, and sustainable ROE > 10%

### Lines of business ¹)

<table>
<thead>
<tr>
<th>Insurance ²)</th>
<th>Investment Management</th>
<th>Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>~ 85%</td>
<td>~ 15%</td>
<td></td>
</tr>
</tbody>
</table>

### Mission

- Committed to helping people create a financially secure future. For life
- Maintain excellence in investment performance
- First-class private bank offering high-quality wealth management services to our HNWI and affluent

### Focus

- Pension products and services for corporate clients and private clients
- Investment management for life insurance and third-party clients
- Private Banking for affluent and HNWI

### Geographic focus

- Europe (CH, FR, DE, NL, BE, LU, FL)
- CH, IT

### Financial targets

- Achieve basic insurance result of CHF 500 million by 2008
- Achieve investment margin of at least 29 bps

---

¹) Mostly, but not fully congruent with “reporting segments”
²) Full value chain
## Outlook

### Five key issues

| “Are the financial targets really achievable on a sustainable basis and what are the measures to get there?” |
| “How will you address profitability in Switzerland?” |
| “How can Swiss Life manage associated risks in a different interest rate environment?” |
| “How does Banca del Gottardo contribute? What are the measures?” |

### Key messages

- Measures are clearly defined; CHF 1 bn target is realistic
- Improvement in underlying profitability, thus quality of result
- Good underlying profitability of existing portfolio
- We address additional profitability measures in order to further leverage the existing base
- Integrated risk and value management with ALM allows flexibility
- New BdG strategy with strong geographical, customer and product focus
- Solid profit contribution to Swiss Life Group
Outlook

- **Growth**
  - Above market growth
  - > 1%

- **Efficiency**
  - Basic insurance result by 2008
  - CHF 500 m

- **Leadership**
  - Employee commitment
  - > 80%

Net result by 2008
- CHF 1 billion
- > 10%

Sustainable ROE
Cautionary statement regarding forward-looking information

This presentation is made by Swiss Life and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Swiss Life. Although all reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Swiss Life. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Swiss Life as being accurate. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as is reasonably possible and may be subject to revision in the future. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. This presentation may contain projections or other forward-looking statements related to Swiss Life that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to Swiss Life on the date of its posting and Swiss Life assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of Swiss Life.
Contact details

Iris Welten
Head Investor Relations
Tel. +41 (43) 284 67 67
E-mail: iris.welten@swisslife.ch

Fabrizio Croce
Deputy Head Investor Relations
Tel. +41 (43) 284 49 19
E-mail: fabrizio.croce@swisslife.ch

Visit our website for up-to-date information
www.swisslife.com