 Investors’ Day 2010

Swiss Life Switzerland: Delivering on targets

Ivo Furrer, CEO Switzerland
Zurich, 24 November 2010
Agenda

Key messages and strategy 2008–2012

Customer value and new business profitability
  Individual customers
  Corporate customers

Operational result

Distribution quality and power

Summary
Swiss Life Switzerland will remain the main contributor to the Group result and secure a sustainable strong market position in a low interest rate environment by:

- Shifting to modern and risk products based on best-in-class product management
- Reducing the cost base significantly and enforcing margin management of new and in-force business
- Enhancing effectiveness and efficiency of tied agents and increasing focus on multichannel management
Swiss Life CH with a leading market position in Switzerland

<table>
<thead>
<tr>
<th>Individual customers</th>
<th>Corporate customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product mix</strong></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>Investment</td>
</tr>
<tr>
<td>Risk</td>
<td>Risk</td>
</tr>
<tr>
<td>Annuities</td>
<td>Annuities</td>
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<tr>
<td>Endowments</td>
<td>Endowments</td>
</tr>
<tr>
<td>Traditional products with guarantees</td>
<td>Full insurance solutions</td>
</tr>
<tr>
<td>Modern and risk products with guarantees</td>
<td>Semi-autonomous solutions</td>
</tr>
<tr>
<td>Modern and risk products without guarantees</td>
<td>Full-autonomous solutions</td>
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<table>
<thead>
<tr>
<th><strong>Distribution mix</strong></th>
<th></th>
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<tbody>
<tr>
<td>Multichannel management</td>
<td>Multichannel management</td>
</tr>
<tr>
<td>Own sales force</td>
<td>Own sales force</td>
</tr>
<tr>
<td>(Tied agents)</td>
<td>(Tied agents and key account management)</td>
</tr>
<tr>
<td>AWD</td>
<td>Brokers</td>
</tr>
<tr>
<td>Brokers</td>
<td>Others</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Market share</strong></th>
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<tbody>
<tr>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
</tbody>
</table>

→ Key messages and strategy

Investors’ Day 2010 – Swiss Life Switzerland: Delivering on targets
Right strategy in place
Planned achievements for 2010 on track

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Enhance customer value and new business profitability

- 68% of NBP from modern and risk products in the individual customers segment
- 15% of NBP from modern and risk products in the corporate customers segment

Improve operational result

- CHF 188 m reduced cost base vs. 2008
- Improve diversification of profit streams from in-force business
- Contribute towards Group’s new business margin > 2.2%

Increase distribution quality and power

- Optimise multi-channel approach by leveraging AWD and brokers
- Implementing bank and internet as additional channels
- Increase tied agents’ productivity

Objectives 2012

- Most preferred distribution partner in market
- Cultural change towards proactive and team oriented execution
- Secure strong market position in corporate and individual customers segments
- Main contributor towards Group profit

Achievements 2010

- Modern & risk products
- Traditional products
- Administrative costs
- Own distribution
- AWD/Brokers/Other

Planned achievements for 2010 on track
Key messages and strategy

Strategy fits challenges but also enables us to exploit opportunities

Industry opportunities
- Demographic developments and increasing security needs
- Changed customer needs
- Effective multichannel management to exploit customer and market segments

Industry challenges
- Low interest rate environment
- Increased competitive pressure
- Regulatory environment

Swiss Life specific challenges and opportunities
- High dependency on capital markets
- Cost base not competitive enough
- Leverage AWD and broker opportunities
- Disciplined execution

MILESTONE
1. Enhance customer value & new business profitability
2. Improve operational result
3. Increase distribution quality and power
Strategic execution specifically addresses low interest rates and will shift profit sources

Key messages and strategy

Short-term special focus due to low interest rates

- Strengthen profitability on new and in-force business
- Timely delivery on cost savings

Impact of strategy execution by 2012

Profit sources

<table>
<thead>
<tr>
<th>Profit sources</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>Reduce relative importance but mitigate margin deterioration</td>
</tr>
<tr>
<td>Risk result</td>
<td>Maintain good risk result</td>
</tr>
<tr>
<td>Cost result</td>
<td>Improve cost result</td>
</tr>
<tr>
<td>Fee income</td>
<td>Increase fee income</td>
</tr>
</tbody>
</table>

Investors' Day 2010 – Swiss Life Switzerland: Delivering on targets
Agenda

Key messages and strategy 2008–2012

Customer value and new business profitability

Individual customers

Corporate customers

Operational result

Distribution quality and power

Summary

Ivo Furrer

H.-J. Stahel

Martin Suter

Ivo Furrer

Ivo Furrer
**Shift to modern products successfully initiated and will continue**

<table>
<thead>
<tr>
<th>Business area</th>
<th>New Business Production development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual customers</strong></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>72% Traditional (2)</td>
</tr>
<tr>
<td>2009 (1)</td>
<td>62%</td>
</tr>
<tr>
<td>2010E</td>
<td>47%</td>
</tr>
<tr>
<td>2011P</td>
<td>38%</td>
</tr>
<tr>
<td>2012P</td>
<td>32%</td>
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<table>
<thead>
<tr>
<th>Corporate customers</th>
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<tbody>
<tr>
<td>2008</td>
<td>99% Traditional (2)</td>
</tr>
<tr>
<td>2009</td>
<td>99%</td>
</tr>
<tr>
<td>2010E (1)</td>
<td>94%</td>
</tr>
<tr>
<td>2011P</td>
<td>88%</td>
</tr>
<tr>
<td>2012P</td>
<td>76%</td>
</tr>
</tbody>
</table>

1) Shift initiated  2) Incl. risk components of traditional products  3) Pure risk products (SL Protection, SL Umbrella, SL Airbag)

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**Investors’ Day 2010 – Swiss Life Switzerland: Delivering on targets**
## Individual customers: Continuous introduction of modern products

### MILESTONE

<table>
<thead>
<tr>
<th>Strengthen the shift to modern &amp; risk products in new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
</tr>
<tr>
<td>28%</td>
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<table>
<thead>
<tr>
<th>Traditional</th>
<th>Modern &amp; risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>32%</td>
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</tbody>
</table>

### Achievements 2010

<table>
<thead>
<tr>
<th>New modern products</th>
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</thead>
<tbody>
<tr>
<td>SL Champion Uno</td>
</tr>
<tr>
<td>SL Premium Junior Plan</td>
</tr>
<tr>
<td>SL Champion Timeplan</td>
</tr>
<tr>
<td>SL Premium Select</td>
</tr>
<tr>
<td>SL Classic ProtectEasy</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Modern &amp; risk</th>
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</thead>
<tbody>
<tr>
<td>53%</td>
</tr>
</tbody>
</table>

### Outlook 2011

<table>
<thead>
<tr>
<th>New modern &amp; risk products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings products</td>
</tr>
<tr>
<td>Bundle product with mortgages</td>
</tr>
<tr>
<td>Funds products</td>
</tr>
<tr>
<td>Structured product tranches</td>
</tr>
<tr>
<td>Mid-term investment</td>
</tr>
<tr>
<td>Risk products</td>
</tr>
<tr>
<td>Online term insurance</td>
</tr>
<tr>
<td>Bank products</td>
</tr>
<tr>
<td>Interim account</td>
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</tbody>
</table>

### Product development and time to market

<table>
<thead>
<tr>
<th>Time to market: 6-8 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of channel-specific products</td>
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</tbody>
</table>

### Services

<table>
<thead>
<tr>
<th>Advisory software</th>
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</thead>
<tbody>
<tr>
<td>Introduction new software tool for overall consultation</td>
</tr>
<tr>
<td>Implementation of segment managers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment management</th>
</tr>
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<tbody>
<tr>
<td>Packages for customers</td>
</tr>
<tr>
<td>Pension &amp; retirement plan, family &amp; asset check</td>
</tr>
<tr>
<td>Online channel</td>
</tr>
<tr>
<td>Premium payment by credit card</td>
</tr>
</tbody>
</table>
Individual customers: Successful product launches in 2010 and by channel

Achievements 2010

SL Champion
- Launch of a guaranteed unit-linked payout plan (GMWB = Guaranteed minimum withdrawal benefit)
- 100% liquidity at all times
- Alternative to a traditional life annuity product
- Volume since launch: approx. CHF 120 m
- Launched in May 2010

SL Premium Select
- Launch of fund-based structured product tranches with Barclays Bank PLC
- Capital protection (115%) on single premium by Barclays Bank PLC
- Volume: CHF 30 m
- Distribution time 27 work days (1/2 planned distribution time)

By channel

As % of production volume

- Own distribution: 89%
- Other channels: 11%

- Own distribution: 84%
- Other channels: 16%
Individual customers: Introduction of new modern products for all distribution channels

Outlook 2011

**Products & Services**
- Interim account
- Structured product tranches
- Term insurance
- Credit card payment
- Bundle product with mortgages
- Mid-term investment
- Fund investment (bonus account)

**Channel**
- Q1/11: Own distribution
- Q2/11: Own distribution / Brokers / AWD
- Q3/11: Own distribution / Brokers
- Q4/11: Own distribution / Brokers / AWD

**Impact**
- Strengthen the shift to modern insurance products and push risk products
- Increase share of wallet, avoid drain of assets
- Optimise product features and expand product related services

→ Customer value / New business profitability

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### Individual customers: Key messages

<table>
<thead>
<tr>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift to modern and risk products well under way</td>
</tr>
<tr>
<td>High innovation power with strong product pipeline</td>
</tr>
<tr>
<td>Radically reduced time to market</td>
</tr>
<tr>
<td>Services refined to customer needs</td>
</tr>
</tbody>
</table>
Agenda

Key messages and strategy 2008–2012  Ivo Furrer

Customer value and new business profitability

Individual customers  Ivo Furrer

→ Corporate customers  H.-J. Stahel

Operational result  Martin Suter

Distribution quality and power  Ivo Furrer

Summary  Ivo Furrer
**Corporate customers: Expansion of product and services portfolio**

<table>
<thead>
<tr>
<th>MILESTONE</th>
<th>Achievements 2010</th>
<th>Outlook 2011</th>
</tr>
</thead>
</table>
| Expansion of the SME product portfolio by launching semi-autonomous solutions | Investment | Full insurance solutions | **Full-coverage provider**  
- Offer full-coverage for corporate customers |
| Development of services for large-scale enterprises and (semi-) autonomous pension funds | Risk | | **Semi-autonomous solution**  
- Support shift to off-balance  
- Semi-autonomous solutions for corporate customers with higher risk capability |
| Modernise and optimise IT and the system landscape | Advice | Investment advisory services | **SL Pension Services**  
- All market services (investment, risk, advice, execution, governance) covered by SLPS experts |
| Introduction of variable rate vested benefit policies | Administration | Pension fund services advice | **IT system updates**  
- New SME portfolio administration system (migration to new system) |
|                                                   |                                                        | **Market cultivation**  
- New market development model with clear functions, interfaces to customer, and which increases customer retention |
## Market opportunities for full and (semi-) autonomous solutions

### Market development

<table>
<thead>
<tr>
<th>Period</th>
<th>Volume of contribution, CHF bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>19.5</td>
</tr>
<tr>
<td>2009E</td>
<td>19.8</td>
</tr>
<tr>
<td>2010E</td>
<td>20.2</td>
</tr>
</tbody>
</table>

### Achievements 2010

- **Periodic premium, full insurance, CHF million**
  - More than 4% increase in periodic premiums compared to 2009

#### Autonomous solution (SL Pension services)

- Services for large-scale enterprises and (semi-) autonomous pension funds
- Pension fund experts

#### Life insurance solutions vs (Semi-) autonomous solutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Life insurance solutions</th>
<th>(Semi-) autonomous solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>16.1</td>
<td>3.4</td>
</tr>
<tr>
<td>2009E</td>
<td>19.8</td>
<td>0.4</td>
</tr>
</tbody>
</table>

#### Swiss Life as full-coverage provider for corporate customers
- Fee income significantly increased
- Consulting: > 30 clients
- IFRS: > 100 mandates
- Administration: > 20 000 insured persons

#### New offer platform for SMEs
- >10 000 offers, >3 000 potential customers
- ~20% of periodic premiums in semi-autonomous solutions

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**Swiss Life Switzerland: Delivering on targets**
Expanding the service range with Swiss Life Pension Services

Resources
- Largest office of pension fund experts in Zurich
  - 7 experts
- Experienced and well qualified experts
  - 3 SAV actuaries
- Exploits Swiss Life’s specialist knowledge (e.g. in asset management)

Offering
- Expert mandates
  - Actuarial reports
  - Statistics / portfolio projections
- Risk management
  - Asset & liability management studies
  - Governance & compliance audits
- Advice
  - IFRS/US GAAP/FER reporting, consolidations
  - Restructuring concepts
- Administration
  - Foundation accounting
  - Management of active insured persons/pensioner portfolios
- Governance

Success
- Fee income
  - Fee income increased to CHF 1 m for the first 7 months 2010 (CHF 2 m in 2010E)
- Clients
  - Consulting: over 30 clients in expert mandate and risk management area to date (5 clients with over 2 000 active insured persons)
  - IFRS: in total more than 100 mandates
  - Administration: manage over 20 000 insured persons
New superior market development model insures customer proximity and loyalty

- In the finding stage, tied agents are predominantly responsible for customers ≤50 selectively ≤250 employees
- In the binding and serving stages, customer services will be increasingly responsible for the customer interface
- Brokers remain an important distribution channel and will be part of the new Multichannel Management business unit
- Large customers will be served one-stop by SLPS
Corporate customers: Key messages

- Swiss Life is fully committed to the full insurance business
- Semi-autonomous solutions successfully launched to support shift to modern and risk products and to …
  - … further exploit long-term growth in the group life market
  - … respond to potential changes in regulatory environment
- State-of-the-art services and advisory
Agenda

Key messages and strategy 2008–2012  Ivo Furrer
Customer value and new business profitability  
  Individual customers  Ivo Furrer
  Corporate customers  H.-J. Stahel
  Operational result  Martin Suter
  Distribution quality and power  Ivo Furrer
Summary  Ivo Furrer
Operational result: Disciplined execution of cost and balance sheet measures

MILESTONE

- Improve operational excellence
- Preserve the balance sheet and optimise in-force business

Achievements 2010

<table>
<thead>
<tr>
<th>2008</th>
<th>2010E</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-33%</td>
<td></td>
<td>-24%</td>
</tr>
</tbody>
</table>

Administrative costs

Outlook 2011

- Continuous execution of cost-saving measures
- Increase efficiency
- Operational excellence
- Focused investments enabling future growth

- Crediting policy and asset allocation optimised
- Profit contribution from operational result further increased
- Low interest rate effects on margins compensated

- Optimise profit streams
- Disciplined crediting policy
- Capital preserving business mix and asset allocation
Sustainable cost savings of CHF 138 m (73%) will be realised YE 2010
Total cost savings of CHF 188 m will be realised in 2012
No upcoming or postponed projects to destroy previous savings
Key success factor - **disciplined execution**: binding measures, efficient controlling and a continuous improvement process
Delivering sustainable efficiency gains

Implemented measures 2009/10

1. Efficiency gains
   - Personnel
   - IT system maintenance
   - Infrastructure management

2. Alignment of services
   - Personnel / external consultants
   - Focused marketing activities
   - Hardware / software

3. Project portfolio reduction
   - Optimisation IT platform development
   - Reduce professional services

4. Further impacts
   - Depreciation and amortisation
   - Tax on capital

Total savings: CHF 138 million

Impact 2009/10

CHF million

- Efficiency gains of CHF 56 m could be realised so far
- 41% of all realised savings are based on efficiency improvements

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More focused investments due to reduced cost budgets

Programme: New corporate customers platform
- Supports both full coverage and autonomous pension solutions
- Based on off the shelf pension solution, customised to our needs
- Fully integrated end-to-end workflows, including customer online interface
- Increases efficiency
- Raises operational quality
- Reduces time to market
- Reduces operational costs
- Increases flexibility in product design

Programme: Distribution booster
- Fully integrated and system-based sales workflow management
- State-of-the-art financial planning and controlling tool
- Sales performance tracking and controlling
- Systematic lead management
- Optimised sales structure and efficiency
- Raises operational quality, increases sales efficiency
- Enables future business and strengthens financial consulting
- Creates additional sales opportunities
- Improves customer support and service

Investments concentrate on important programmes with clear benefits, such as “new corporate customers platform” and “distribution booster”: Large future-oriented investments to boost growth and to greatly support the efficiency targets.
High level of service quality unchanged

Customer satisfaction index individual customers\(^1\) and other Indicators for service quality

Customer satisfaction index

![Bar chart showing customer satisfaction index from 2006 to Q3 2010 with values 3.99, 3.96, 3.91, 3.96, 3.95]

- Customer satisfaction at steady and high level
- For corporate and individual customers, unchanged and even improving:
  - Contract termination rate
  - Broker satisfaction index
  - Customer complaints rate

Despite selective staff reduction customer service quality maintained

\(^1\) Figures for corporate customers not available for 2009/2010
Operational efforts with increasing impact on profit

Gross profit\(^1\) analysis market unit Switzerland

- Reducing dependency on investment result
- Proven to be effective
- Support reduction of volatility and new product mix
- Impact of operational efforts on result increasing

\(^1\) Gross profit = Profit before policyholder participation and taxes

Significant increase in earnings quality for 2010 and ongoing

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### Operational result

## Strict margin management to maintain sound profitability margin

<table>
<thead>
<tr>
<th>Worst Case</th>
<th>Bad Case</th>
<th>Good Case</th>
<th>Best Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g.</td>
<td>e.g.</td>
<td>e.g.</td>
<td>e.g.</td>
</tr>
<tr>
<td>Reduction of commission</td>
<td>Significant decrease in guarantee</td>
<td>Slight decrease in guarantee</td>
<td>Increase in issuing commission</td>
</tr>
<tr>
<td>Even sharper decrease in guarantee</td>
<td>Fund portfolio with 15% equity share</td>
<td>Fund portfolio with equity share slightly above 15%</td>
<td></td>
</tr>
<tr>
<td>Fund portfolio with equity share below 15%</td>
<td>Increase in issuing commission</td>
<td>Review possible increase in issuing commission</td>
<td></td>
</tr>
<tr>
<td>Increase in issuing commission</td>
<td>Sales freeze</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Interest rate boundaries trigger measures, e.g.

- **Worst Case:** 1.2%
- **Bad Case:** 1.4%
- **Good Case:** 1.8%
- **Best Case:**

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Individual repricing per product in line with current market interest rates can be executed in short time (6-8 weeks)

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Margin management on new business compensates for negative economic effects

Development of new business margin market unit Switzerland

VNB as % of PVNB

Positive operating effects
- Repricing and lowering profit sharing
- Cost-saving initiatives
- Shift to modern products
- Change in business mix
- Biometrical changes

Negative economic effects
- Lower interest rates
- Higher volatilities
- No liquidity premium for FY09 and HY10
Margin management including in-force business with strong effects

Gross profit\(^1\) analysis market unit Switzerland

- Given the low interest rate environment, a package of additional profitability measures has been defined and implemented
- Most important measures:
  - adjusted crediting policy
  - adjusted product pricing
- Reducing dependency on investment result

\(^1\) Gross profit = Profit before policyholder participation and taxes
Operational result: Key messages

- Measures are on track and sustainable
- Service quality maintained at high level
- Stable profit contribution despite low interest rate environment
Agenda

Key messages and strategy 2008–2012  
Customer value and new business profitability
  Individual customers  
  Corporate customers  
Operational result
→ Distribution quality and power
Summary
## Own distribution still the most important sales channel, now and in the future

### New business production split

<table>
<thead>
<tr>
<th>Business area</th>
<th>Individual customers</th>
<th>Corporate customers</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2008</td>
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<td></td>
<td>2009</td>
<td>2009</td>
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<td></td>
<td>2010E</td>
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<td></td>
<td>2011P</td>
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<tr>
<td></td>
<td>2012P</td>
<td>2012P</td>
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<tr>
<td></td>
<td>Own distribution</td>
<td>Own distribution</td>
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<tr>
<td></td>
<td>AWD</td>
<td>AWD</td>
</tr>
<tr>
<td></td>
<td>Brokers</td>
<td>Brokers</td>
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<td></td>
<td>Others</td>
<td>Others</td>
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</table>

#### Individual customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Own distribution</th>
<th>AWD</th>
<th>Brokers</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>87%</td>
<td>5%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>2009</td>
<td>83%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>2010E</td>
<td>81%</td>
<td>6%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>2011P</td>
<td>78%</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>2012P</td>
<td>75%</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
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</tbody>
</table>

#### Corporate customers

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
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<td>28%</td>
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<tr>
<td>2009</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>2010E</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>2011P</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>2012P</td>
<td>64%</td>
<td>36%</td>
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# Distribution quality and power

## Multichanneling: Expand distribution channels and strengthen own distribution

<table>
<thead>
<tr>
<th>Topic</th>
<th>Achievements 2010</th>
<th>Outlook 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own sales distribution (tied agents)</td>
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<tr>
<td>Sales efficiency programme</td>
<td>Decrease churn rate from 23% to 16%</td>
<td></td>
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<tr>
<td>Successful shift</td>
<td>Increase NBP of modern and risk products from 34% to 45%</td>
<td></td>
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<tr>
<td>Restructured sales structure</td>
<td>Reduce infrastructure costs by 16%</td>
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<tr>
<td>Brokers</td>
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<tr>
<td>Assessment &amp; segmentation of brokers</td>
<td>Modern product share increase more than doubled (&gt;200%)</td>
<td></td>
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<tr>
<td>Competitive commission system</td>
<td>New launch unit-linked payout plan (SL Timeplan) with over CHF 15 m NBP</td>
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<tr>
<td>AWD</td>
<td></td>
<td></td>
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<tr>
<td>Packaged solution</td>
<td>Packaged solution (products and services) successfully implemented</td>
<td></td>
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<tr>
<td>Customised incentive program</td>
<td></td>
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<tr>
<td>Direct debit procedure</td>
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<tr>
<td>Partners</td>
<td></td>
<td></td>
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<tr>
<td>Increase partner production</td>
<td>Progress in production &gt; 20% with 3 of 4 cooperation partners</td>
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<tr>
<td>Bank</td>
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<tr>
<td>Online</td>
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</table>

**Outlook 2011**

### Own sales distribution
- Continue sales efficiency programme
- Enhance advisory services & quality
- Continuous reduction of infrastructure costs

### Brokers
- Focus on high rated brokers
- Segment-specific advisory & products

### AWD
- Increase share of wallet of AWD
- Increase service level
- Joint product development

### Partners
- Strengthen existing cooperation

### Bank
- Exclusive bank cooperation
- Bank-specific products with guarantees

### Online
- End-to-end online selling process through new online risk products

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Investors’ Day 2010 – Swiss Life Switzerland: Delivering on targets
Multichanneling: Introduction of new modern and risk products for all distribution channels

Product pipeline for the distribution channels 2011

- **Distribution quality and power**

- **Multi-channeling**: Introduction of new modern and risk products for all distribution channels

<table>
<thead>
<tr>
<th>Distribution channel</th>
<th>Product category</th>
<th>Risk</th>
<th>Single Premium</th>
<th>Periodic Premium</th>
<th>Bank</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own distribution</td>
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<tr>
<td>Brokers</td>
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<td></td>
<td>Mid-term investment</td>
<td>Structured product tranche (SL Premium Select)</td>
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<td>AWD</td>
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<tr>
<td>Bank</td>
<td></td>
<td></td>
<td>Online term insurance</td>
<td>Bundle product with mortgages (periodic premium)</td>
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<tr>
<td>Online</td>
<td></td>
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<td></td>
<td>Interim account</td>
<td></td>
<td>Investment fund, alternative to bonus account (traditional product)</td>
</tr>
</tbody>
</table>

- **New product offerings**
  - Structured product tranche (SL Premium Select)
  - Bundle product with mortgages (periodic premium)
  - Interim account
  - Investment fund, alternative to bonus account (traditional product)

- **Key benefits**
  - Maintain shift to modern insurance products and push risk products
  - Avoid drain of assets
  - Optimise product functionalities

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Own distribution: Sales power increasing through sales efficiency programme

Decrease churn rate
- Adjustments in recruiting process and commission system
- Decrease the span of control (introducing a new job profile ‘sales manager’) through 50 new ‘sales managers’
- Increase head office support and assistance of customers

Decrease churn rate from 23% to 16% (-7% since December 2009)

Systematic sales funnel with leads
- Systematic work and leadership method
- Qualified contact stimuli out of lead management
- Central appointment scheduling
- CRM tool starting 2011

> 3,000 conclusion of contracts due to centrally assigned leads (since September 2009)
Own distribution: Increase share of modern products through high quality advisory services

Products

- Product extension
  - Existing products (non-traditional without guarantees)
  - Modern products\(^1\)
- Existing products (traditional with guarantees)

Services

- Sales effectiveness through high quality advisory services

Expertise

1. Build expert knowledge
   - New training course concept
   - Training for all tied agents
2. Manage mindshift
   - Interaction / Best Practice
3. Adapt commission system for general and sales agents

1) E.g. Champion Duo, Premium Select, Timeplan, etc.
Own distribution: Increase distribution quality through focused and adapted sales power

Increase advisory quality

- Increase high performance advisory quality
  - New hires 1st year
  - New hires 2nd year
  - High performers = high quality
  - Moderate performers
  - Non performers

Increased distribution quality combined with high quality advisory services will leverage overall distribution performance and quality.

Quality measures

Decrease the number of moderate and non performers

- 2010: Decrease the number of non performers since June 2010
- 2011: Continuous tracking of moderate and non performers; Checkpoints for each quarter, incl. definition of measures

Tracking new hires

- 2010: Checkpoints for each quarter, incl. definition of measures defined
- 2011: Strict coordination of target achievement between training and line

Strengthen economic responsibility

- 2011: Introduction of a proxy contribution margin at agency level
- 2011: Adjust incentive system at agency level
Other channels: Increase distribution quality and power in bank and internet channels

**Banking**

- Further expansion with exclusive partnerships

- Partnership segmentation and corresponding prioritisation
- Further strengthen existing partnerships
- Further develop corporate customers products and services

**Internet (special focus)**

- Leverage the internet as sales channel

- Implement end-to-end online sales process by introducing new risk online product for individual customers (Swiss Life Classic ProtectEasy) 2010
- Expand online product offering 2011

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End-to-end online process

- Customer
- Access & information
- Offer & purchase
- Delivery & maintenance
- Digital signature
- Online payment service
- Support & assistance

Swiss Life (online)
Distribution quality and power: Key messages

- Own distribution will remain major distribution channel with increased effectiveness and efficiency
- Multichannel approach will unlock growth potential
- Customer segmentation will drive distribution channels and product development
Agenda

Key messages and strategy 2008–2012  
Ivo Furrer

Customer value and new business profitability  
Individual customers  
Ivo Furrer

Corporate customers  
H.-J. Stahel

Operational result  
Martin Suter

Distribution quality and power  
Ivo Furrer

→ Summary  
Ivo Furrer
Swiss Life Switzerland acts from a position of strength and is ready for the future

Engagement value:
Swiss Life 62% vs. industry average 50%
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Financial calendar

Full-year results 2010 2 March 2011
Interim statement Q1 2011 3 May 2011
Annual General Meeting 2011 5 May 2011

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