



**Deutsche Bank**  
**Swiss Equities Conference**

Bruno Pfister, CFO

Lucerne, 11 May 2005

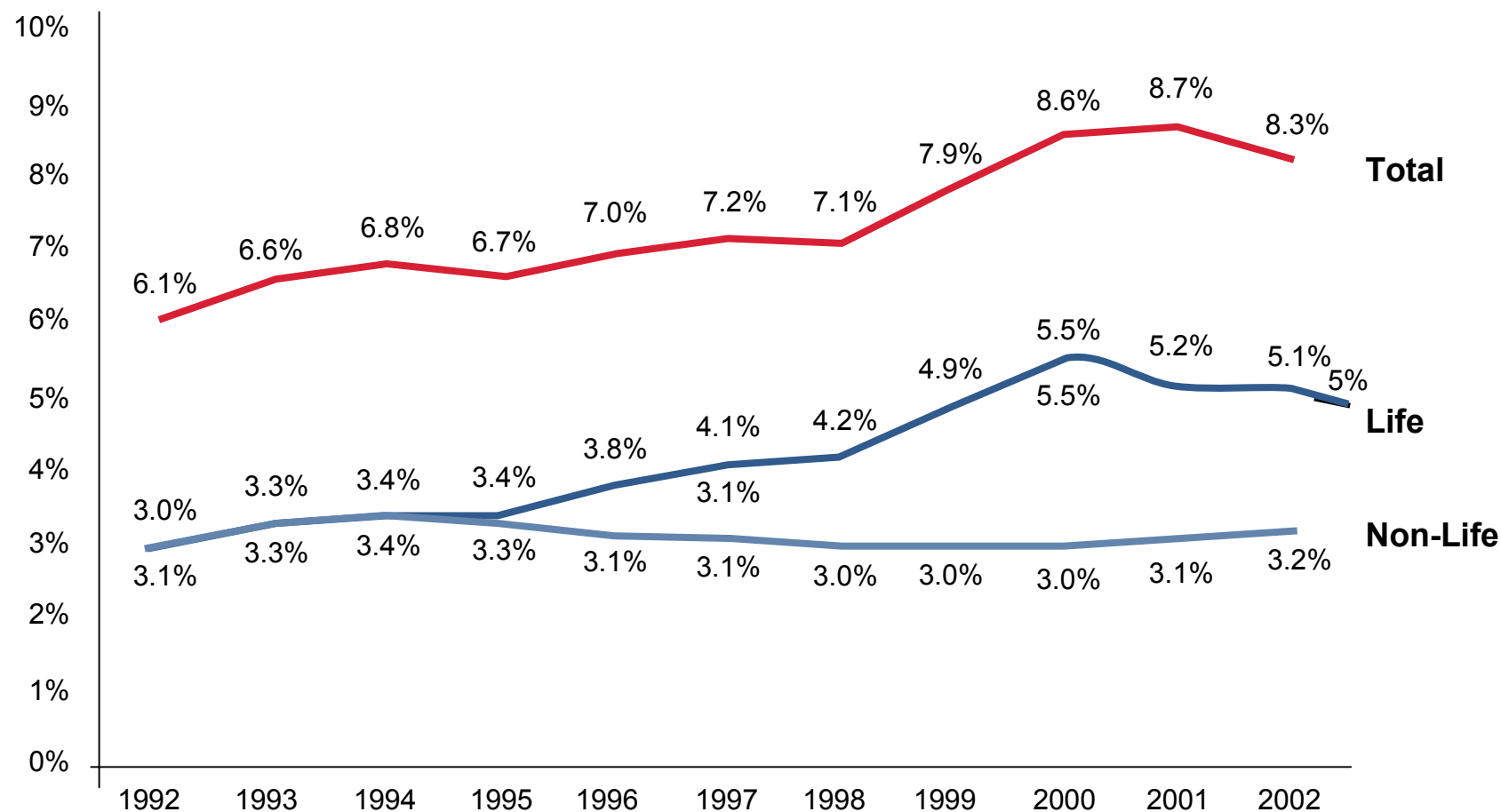
# Agenda

1. Life and Pensions: A growing market
2. Swiss Life well positioned
3. Opportunities and challenges

# European Life insurance with higher growth than non-life and GDP

Western European gross written premiums in % of GDP, 1992-2002

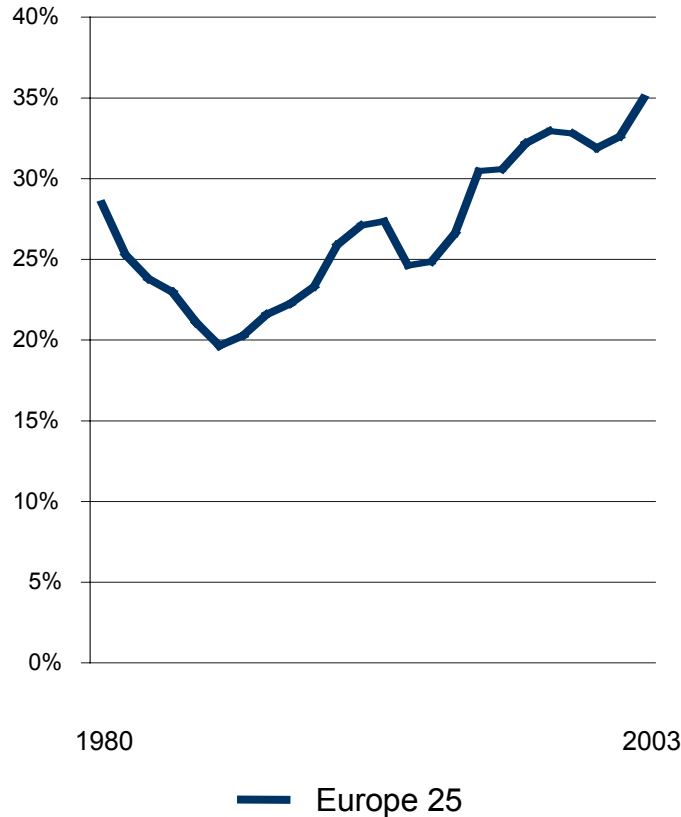
Premiums as % of GDP



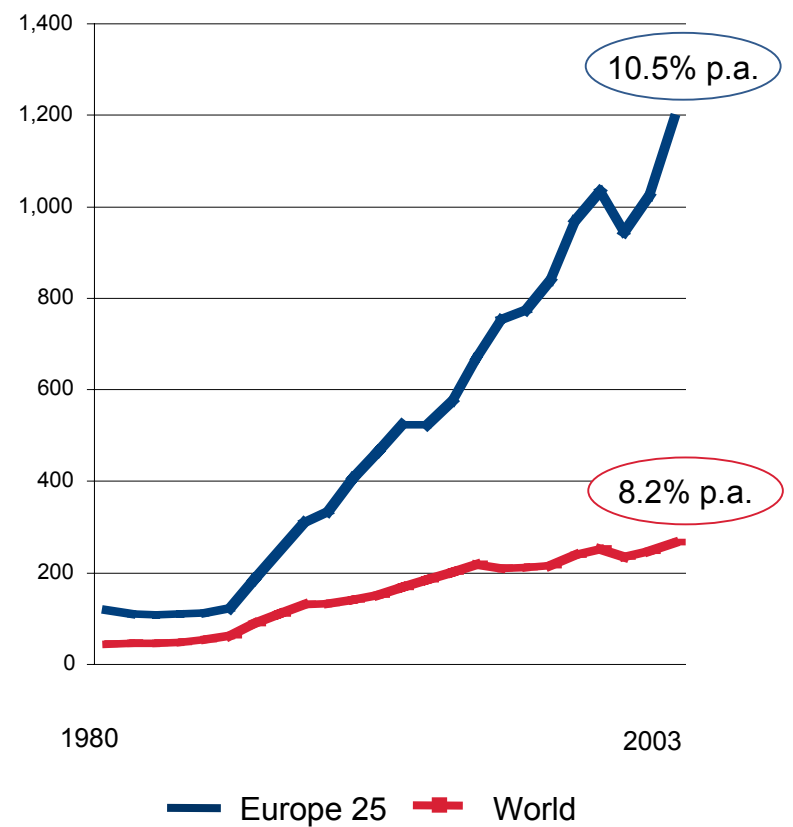
# Life insurance business is growing faster in Europe than in the rest of the world



European life premiums as % of world

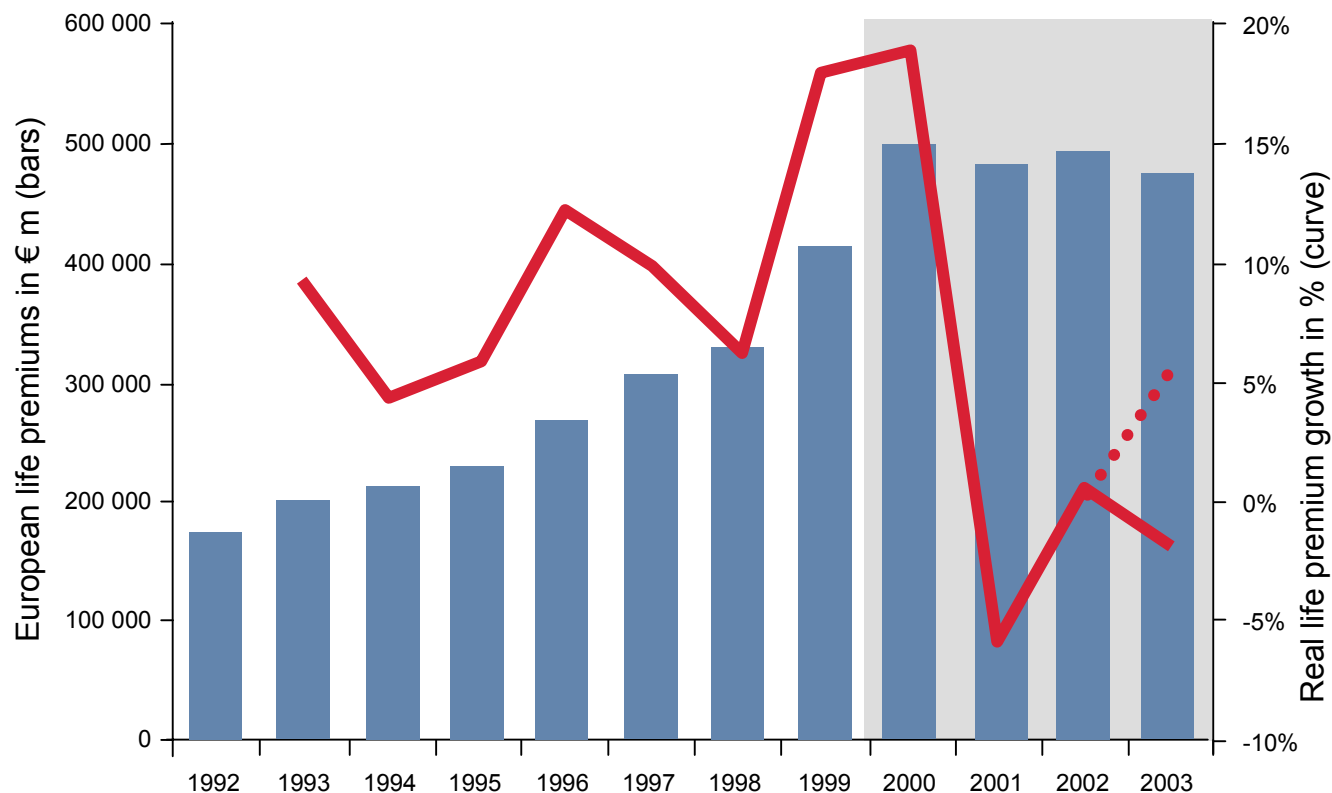


Life insurance premiums per capita, USD



# SL's markets grew stronger than other European life markets, which stalled

Western European life markets: Premiums and growth 1992-2003 (real values)

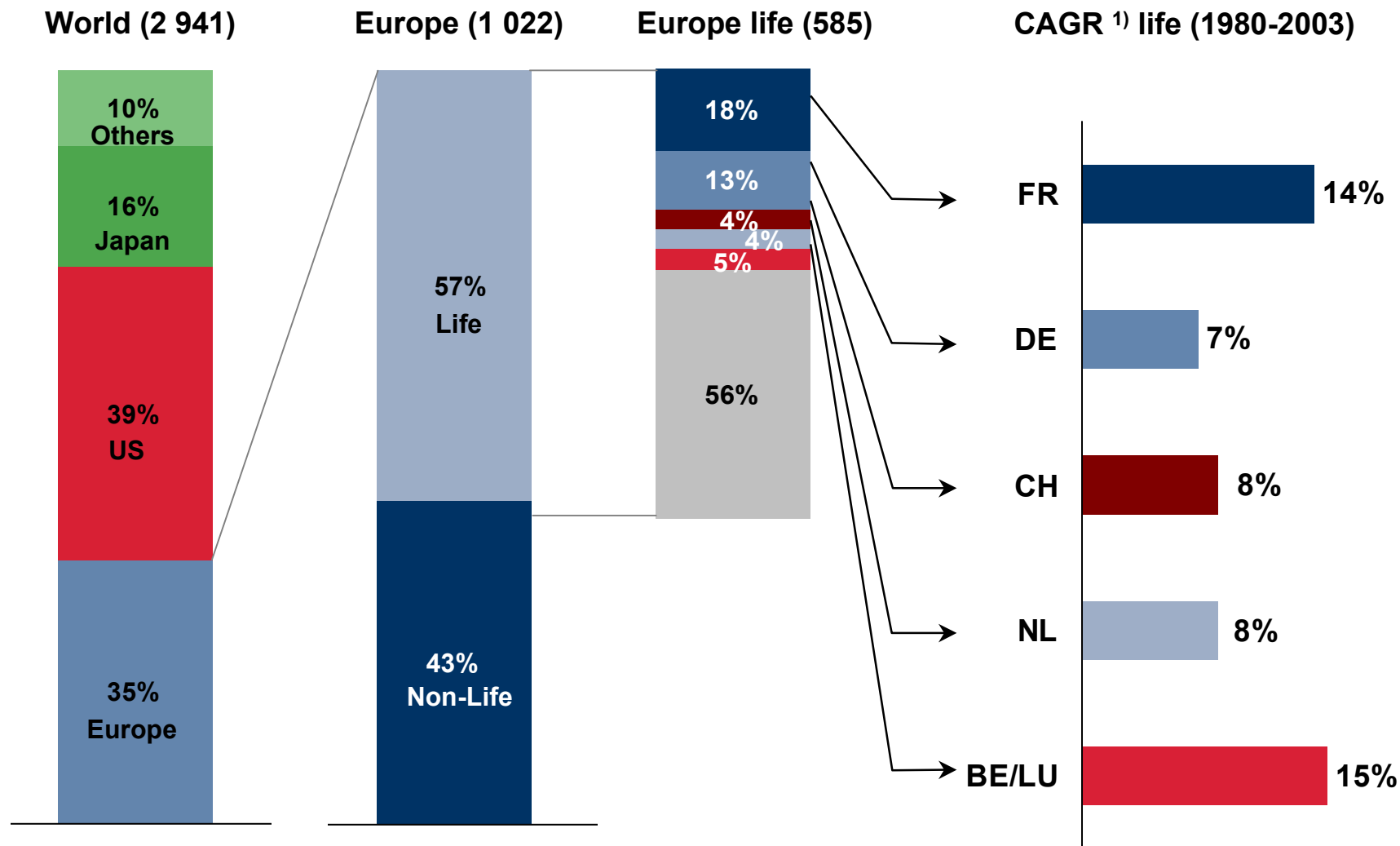


- Stagnation from 2000 until 2003
- Fast recovery of Swiss Life's markets: growth by 6% in 2003 and 7% in 2004

European Life premiums    Europe Real GWP growth    SL markets growth

# Swiss Life is active in European growth markets

Direct insurance premiums 2003, USD billion

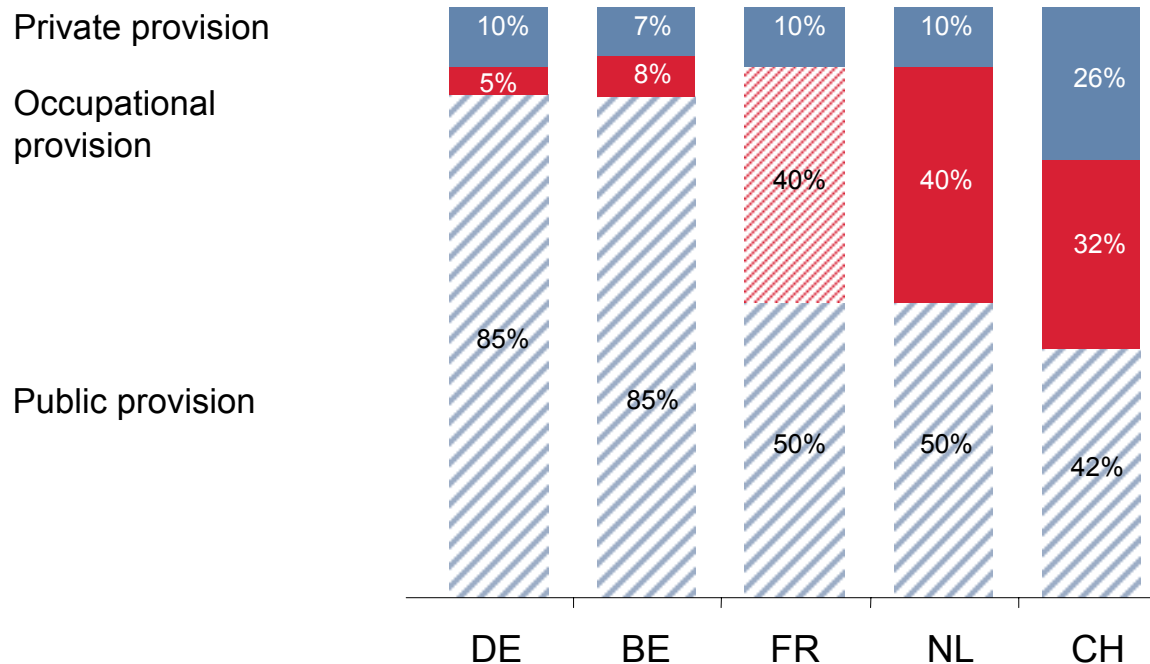


1) Compounded Average Growth Rate (CAGR) 1980-2003  
Source: Swiss Re Sigma, Swiss Life

# Continuing pressure on first pillar supports shift to private and occupational provision

Retirees' income sources

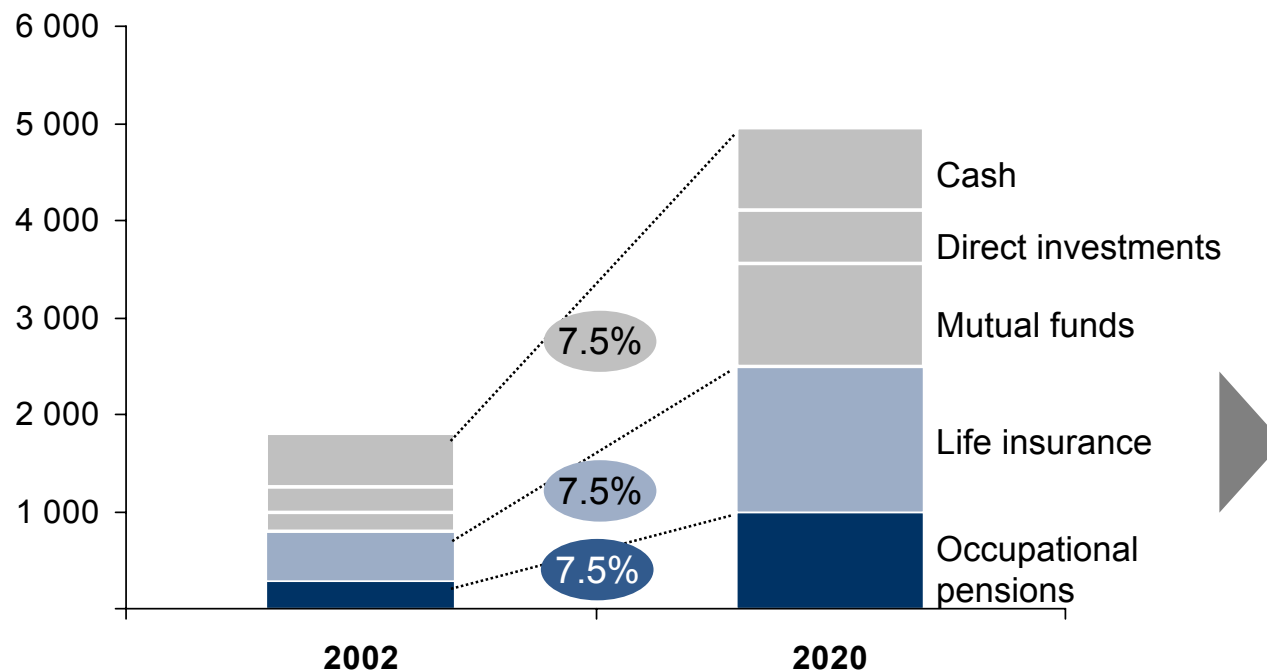
(shaded areas: pay-as-you-go system; other areas: funded systems)



- Countries with higher proportion of unfunded systems will come under heavy pressure
- Resulting in long-term and sustainable growth potential for life insurers

# Long-term savings in Europe: Attractive long-term growth potential for life insurance

Total expected gross inflows into European savings (life premiums, EUR billion)



- Life and pensions in Europe expected to grow by 7.5% p.a. up to 2020
- Long-term security and additional customer benefits as key competitive advantage for life insurance



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# Swiss Life: Building on key strengths

## Key strengths

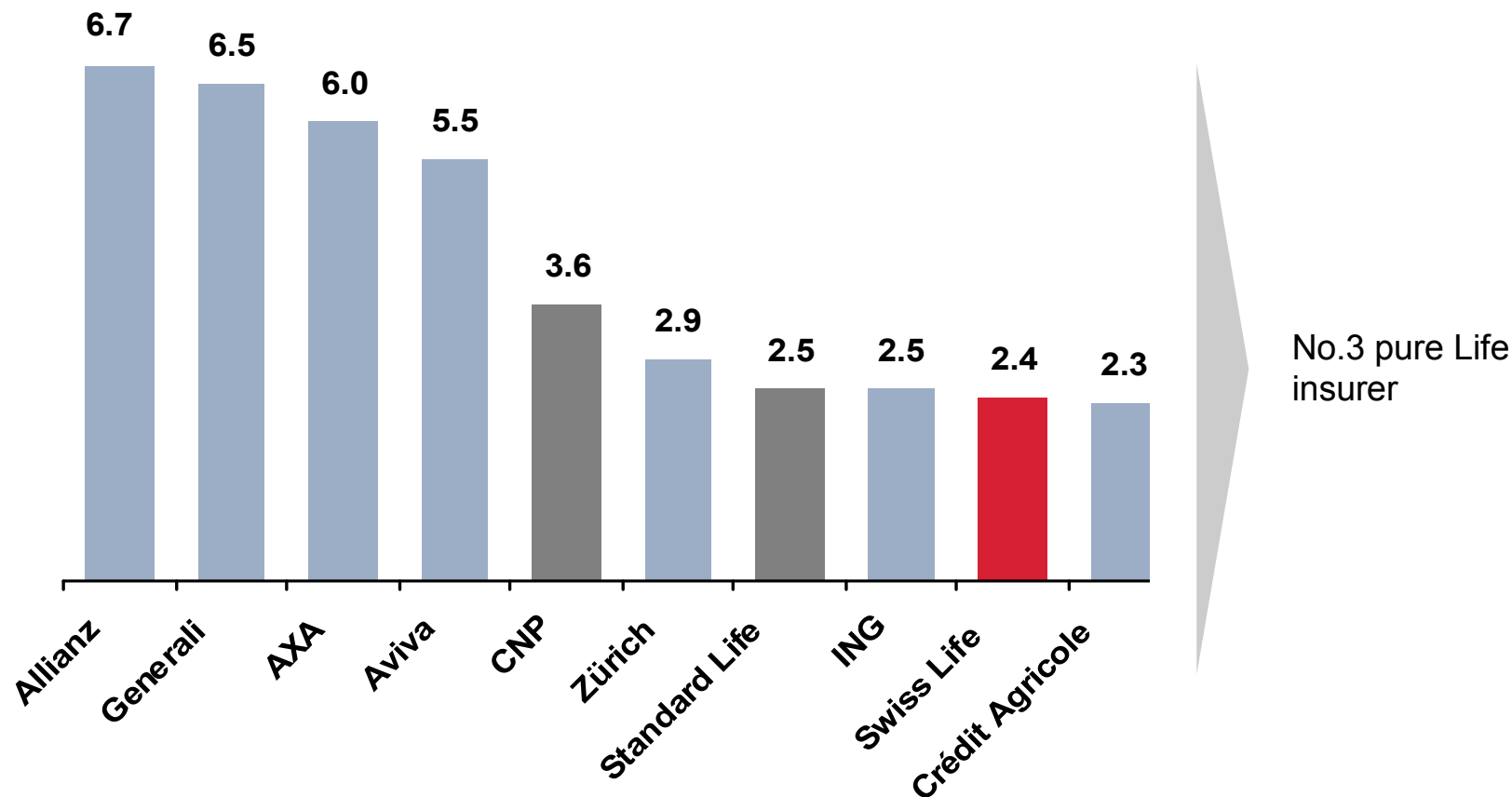
- Clear focus on life & pensions
- Well established distribution channels
- Leading position in Switzerland
- Attractive positions in Europe
- Strong brand
- Solid balance sheet
- Above average technical expertise

## Achievements

- Return to growth
- Re-established credibility with clients
- Financial turnaround accomplished
- In Swiss group business regulatory risk reduced
- Profitability improved and value increased

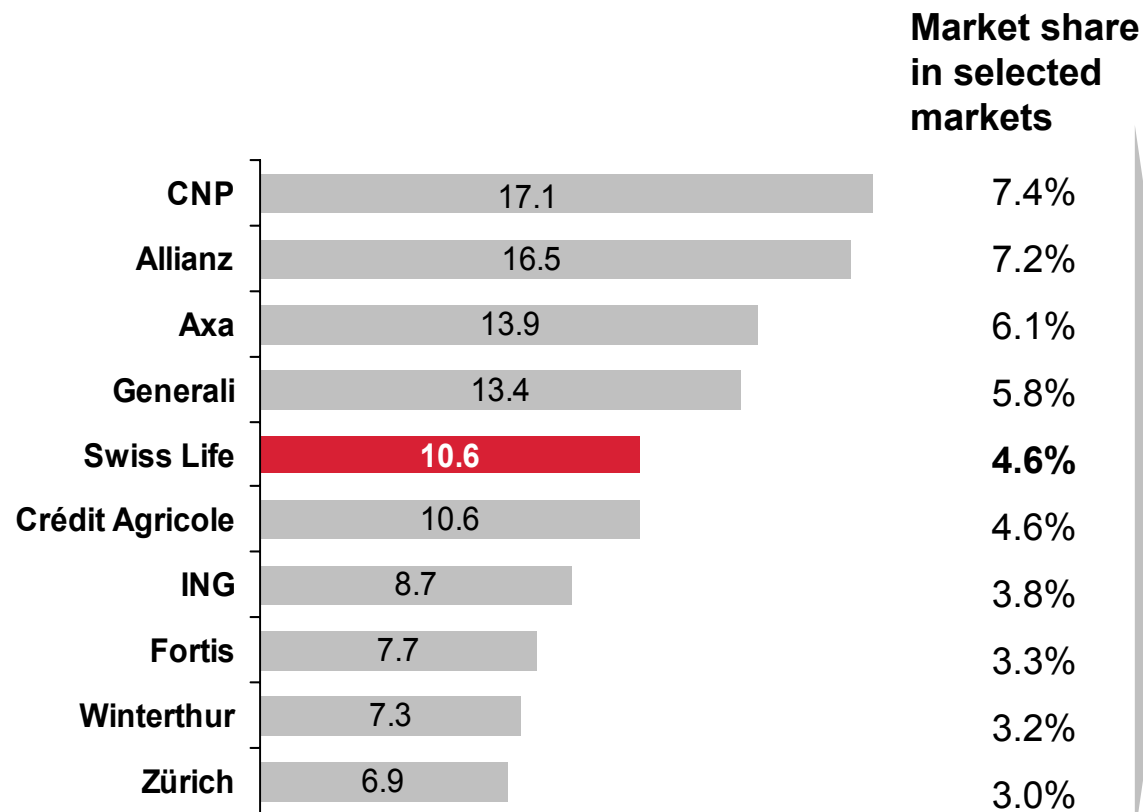
# SL ranks number 9 in European life insurance

Western Europe: Top 10 life insurers 2003, share of life market in %



# SL Top 5 in the chosen markets

Gross written life premiums in chosen markets <sup>1)</sup>, 2003: in EUR billion

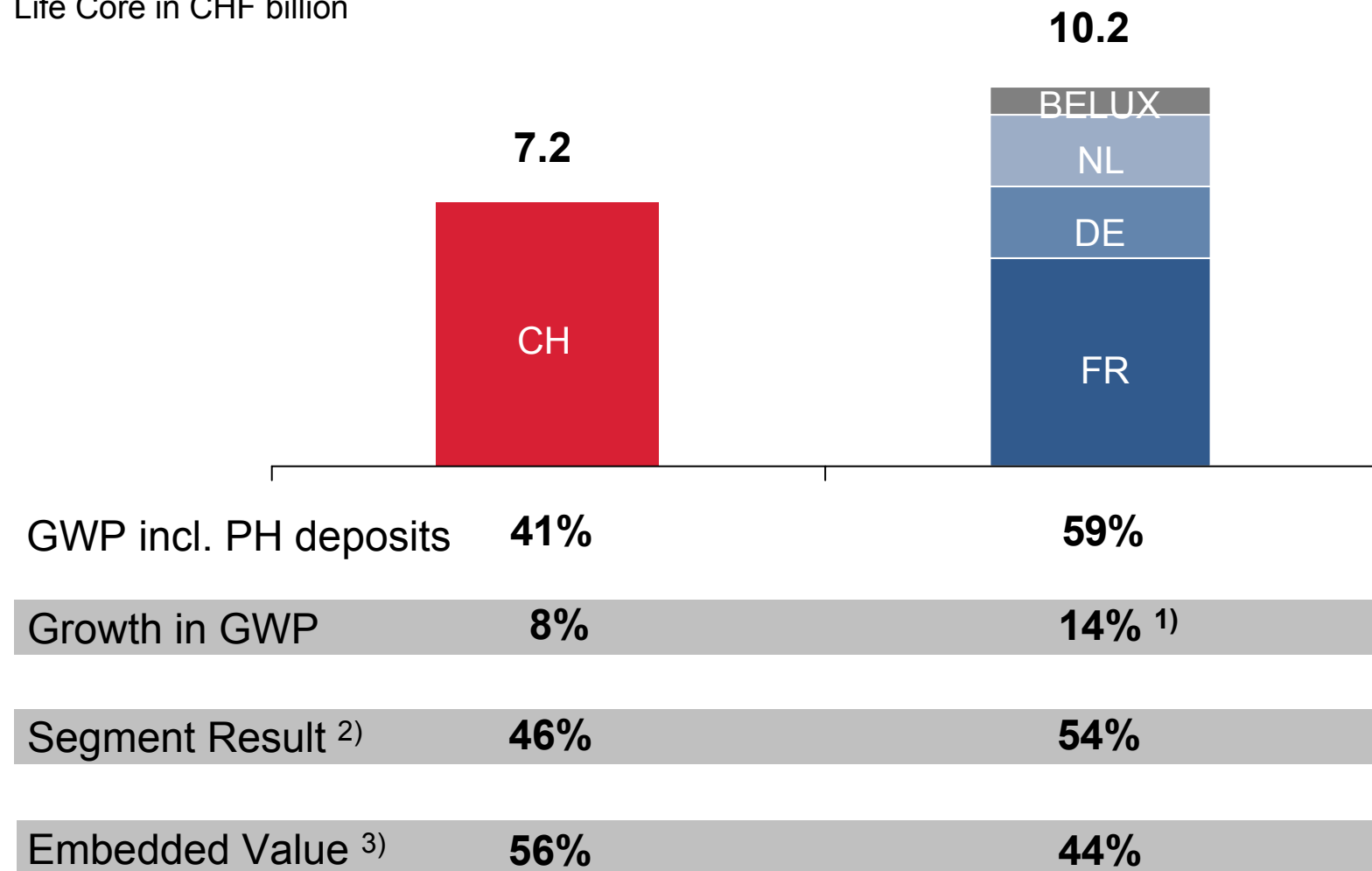


- Swiss Life as a focused, international provider of life insurance within core markets
- Top 2 **group life** provider in core markets
- Top 4 competitors are **composite insurers** (Allianz, AXA, Generali) or active “mainly” in domestic market (CNP)

1) CH, FR, DE, NL, BE, LU  
Source: Swiss Life

# Swiss Life with a balanced portfolio

Life Core in CHF billion



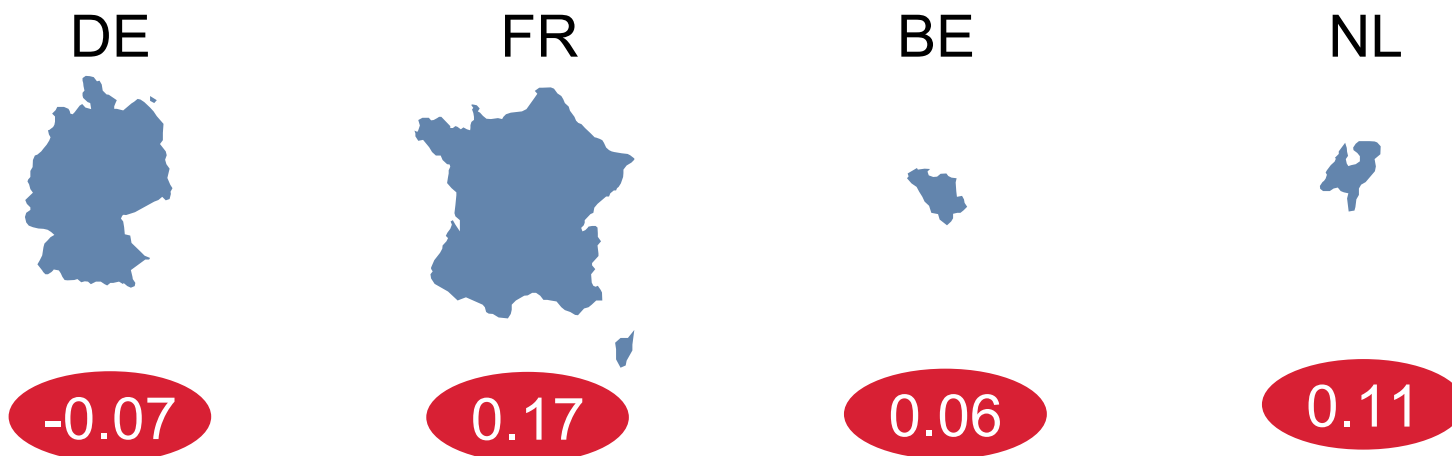
1) Excluding large one-off transactions in the Netherlands. Growth in GWP with one-offs: 8%

2) Segment result absolute: Switzerland CHF 443 million; Europe CHF 514 million

3) Switzerland CHF 3 601 million, Europe CHF 2 819 million (before overhead costs, elimination effects, ANAV Swiss Life Holding)

# Swiss Life's European market growth rates show low correlation with Swiss home market

22-year historical correlation between Swiss and European life insurance market growth



Swiss growth is independent of European growth, leading to consistent growth for the whole Group

Note: Fully correlated markets have a correlation of 1  
Negatively correlated markets have a correlation of -1  
Independent markets have a correlation equal to 0

# Profit and loss highlights

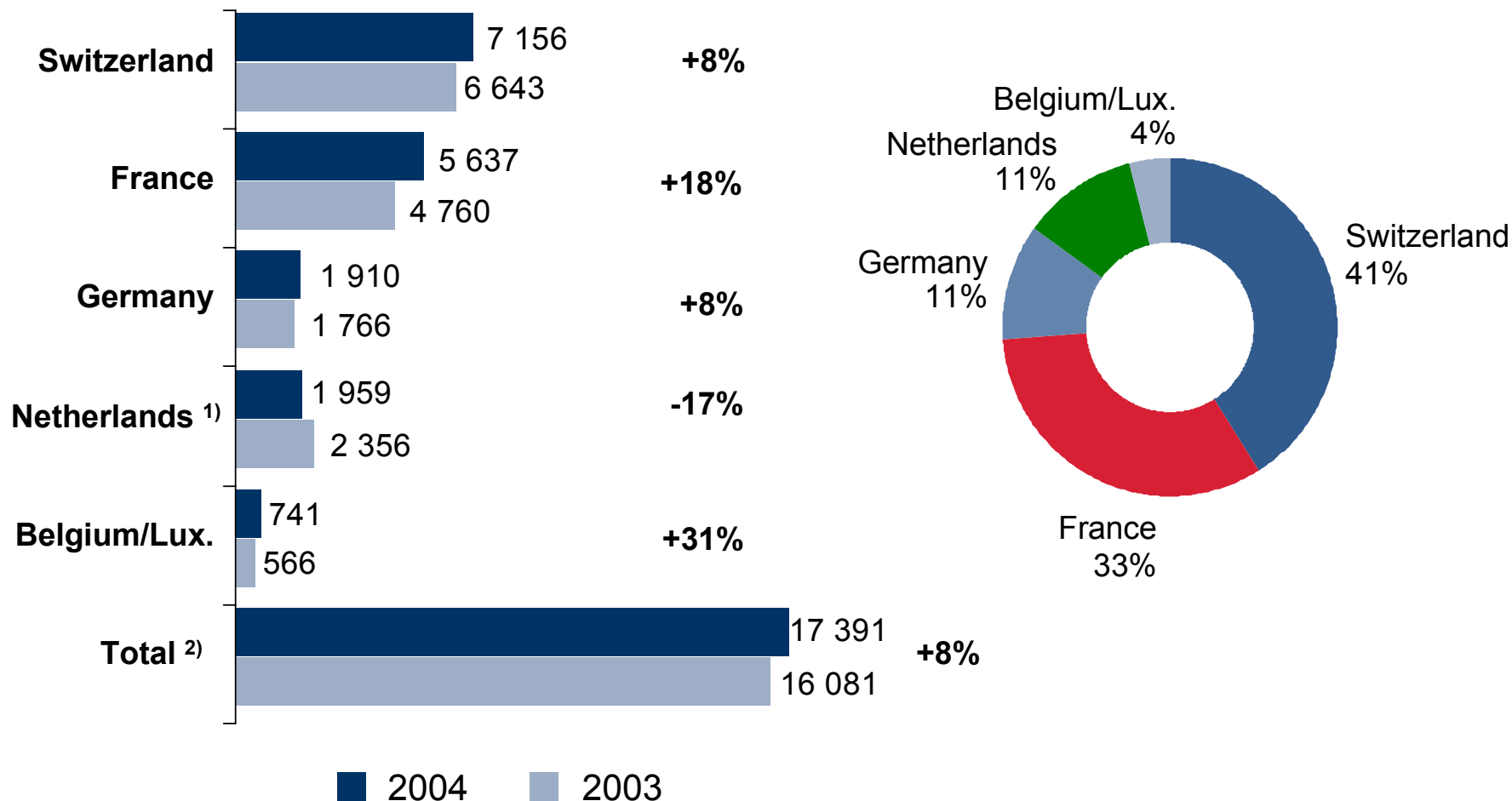
CHF million (IFRS basis)

	<b>2004</b>	<b>2003</b>	<b>Change</b>
Premiums and PH deposits (gross)	20 308	18 760	+8.3%
Financial result	6 670	5 836	+14.3%
Benefits paid and changes in reserves	-15 741	-15 726	+0.1%
PH bonuses and participation in surplus	-1 363	-871	+56.5%
Operating expenses	-2 803	-2 880	-2.7%
<b>Operating result</b>	<b>1 252</b>	<b>557</b>	<b>+124.8%</b>
Goodwill amortisation	-243	-80	
Taxes and minority interests	-385	-244	
<b>Net result</b>	<b>624</b>	<b>233</b>	
Earnings per share (EPS in CHF) <sup>1)</sup>	20.50	8.83	
Return on equity (ROE)	10.7%	5.3%	

1) Diluted, based on 30 787 372 shares in 2004 and 26 574 768 shares in 2003

# Life Core: Premium income up 8%

CHF million (IFRS basis)



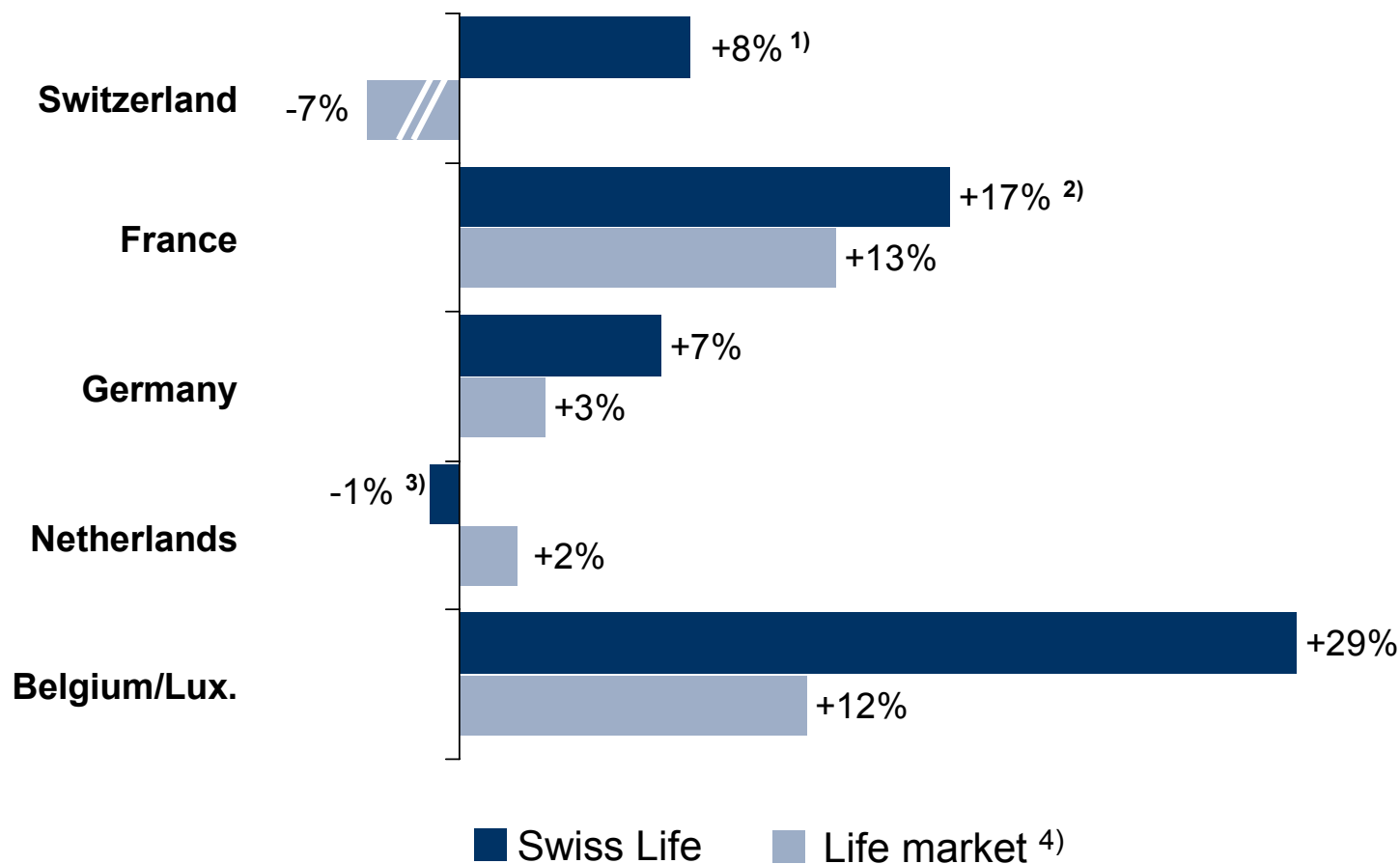
1) Netherlands premium growth distorted due to HBG portfolio in 2003 CHF +856 million and Goudse CHF +463 million in 2004. On comparable basis growth = - 0.3%

2) Gross written premiums and PH deposits after intercompany eliminations between Life Core countries of CHF -11 million for 2004, CHF -9 million for 2003



# Market share gained

2004 local currency, in %



1) Without «La Suisse»  
 3) On a comparable basis

2) Life business only: +21%  
 4) Mostly based on estimates of industry association figures

# Balance sheet highlights

CHF million (IFRS basis)

	2004	2003	Change
<b>Technical reserves</b>	<b>138 125</b>	<b>136 214</b>	<b>+1.4%</b>
Insurance reserves	104 166	103 862	
Policyholder deposits	25 767	23 678	
Separate accounts	8 192	8 674	
Borrowings	6 149	5 802	
<b>Shareholders' equity <sup>1)</sup></b>	<b>6 697</b>	<b>4 964</b>	<b>+34.9%</b>
<b>Total liabilities and equity</b>	<b>165 613</b>	<b>162 478</b>	
<b>Core Capital</b>	<b>12 286</b>	<b>8 820</b>	<b>+39.3%</b>
Shareholders' equity	6 697	4 964	
Minority interests	211	215	
Hybrid and subordinated debt	1 618	1 677	
Deferred Group-related funds	3 760	1 964	

1) Of which revaluation reserves of CHF 814 million (2004) and CHF 597 million (2003)

# Embedded value highlights

CHF million (statutory basis)

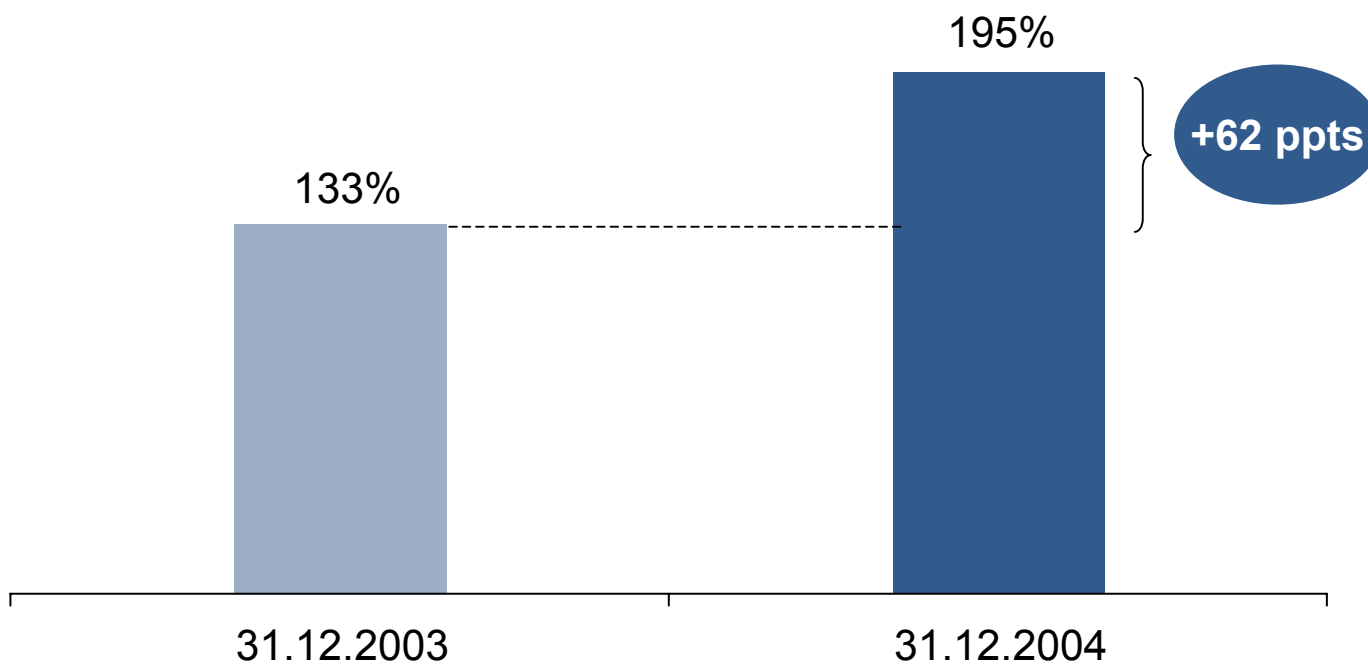
	2004	2003	Change
Embedded value Switzerland	3 601	3 501	+2.9%
Embedded value Europe	2 819	2 788	+1.1%
ANAV of Swiss Life Holding <sup>1)</sup>	1 516 <sup>3)</sup>	622	
<b>Embedded value Swiss Life Group</b>	<b>7 936</b>	<b>6 911</b>	<b>+14.8%</b>
of which ANAV	4 909	2 831	
PVFP	4 507	5 209	
Cost of capital	-1 480	- 1 129	
Embedded value per share <sup>2)</sup>	235	276	

1) Equity of Swiss Life Holding less book value of Rentenanstalt/Swiss Life; including overhead

2) Based on 25 034 041 shares for 2003 and on 33 775 818 for 2004

3) Including Banca del Gottardo at book value of CHF 1 340 million

# Group solvency substantially increased



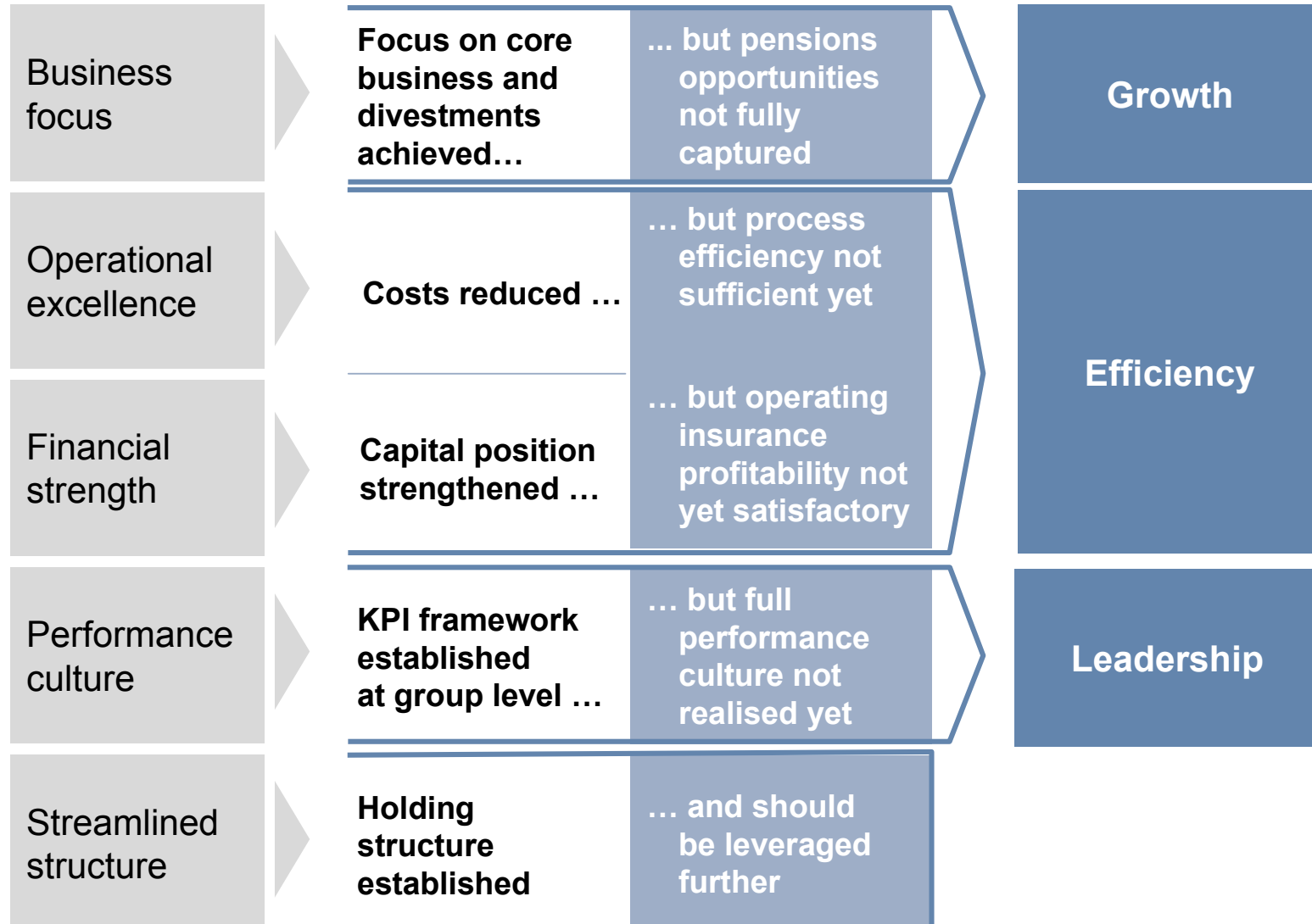
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# Pensions leadership: From five cornerstones to three new strategic directions

*“Cornerstones 2002”*

*New strategic directions*



# Our ambition: Pensions leadership

## 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

# Ambitious targets reiterated

**> 1%**

**Above market growth in each market**

**> 10%**

**Sustainable return on equity**

**> 4 CHF**

**Sustainable dividends**





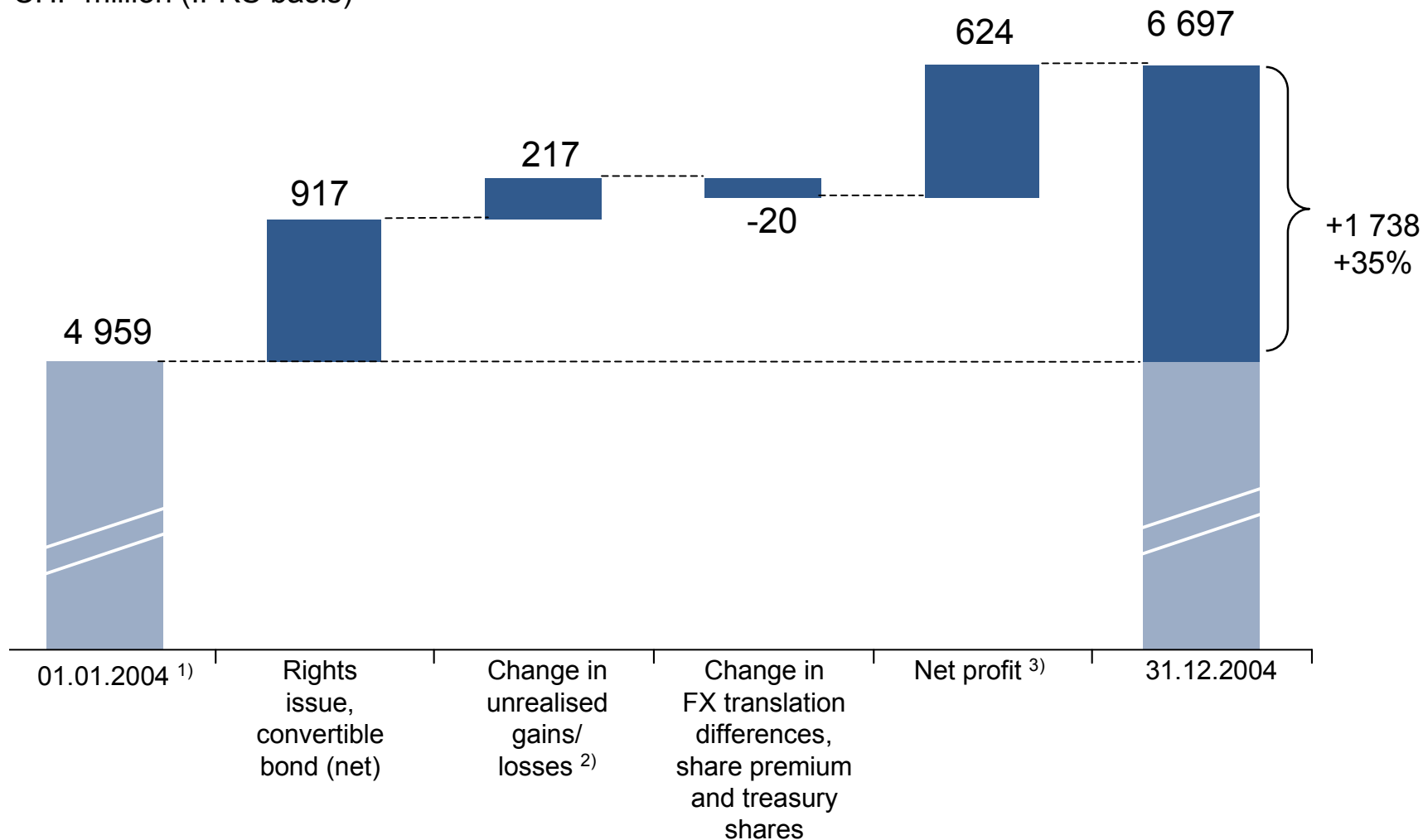
**SwissLife**  
Prepared for the future.

# Appendix



# Shareholders' equity up 35%

CHF million (IFRS basis)



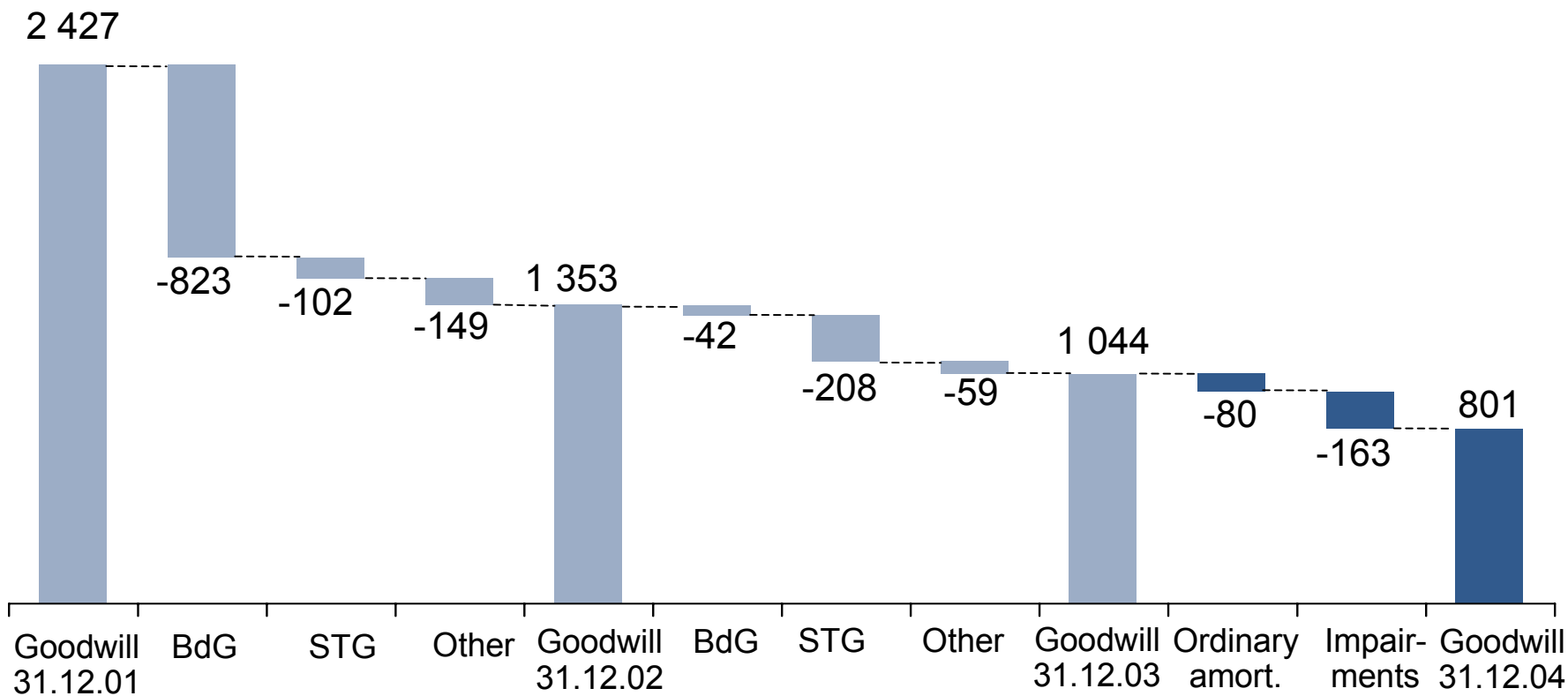
1) CHF 4 964 million less SOP03-1 impact of CHF -5 million

2) Including revaluation reserves CHF -197 million (after tax) due to legal quote and changes in conversion rate for group life business

3) Including retained earnings CHF 164 million (after tax) due to "legal quote" and changes in conversion rate for group life business

# Goodwill further reduced

CHF million (IFRS basis)

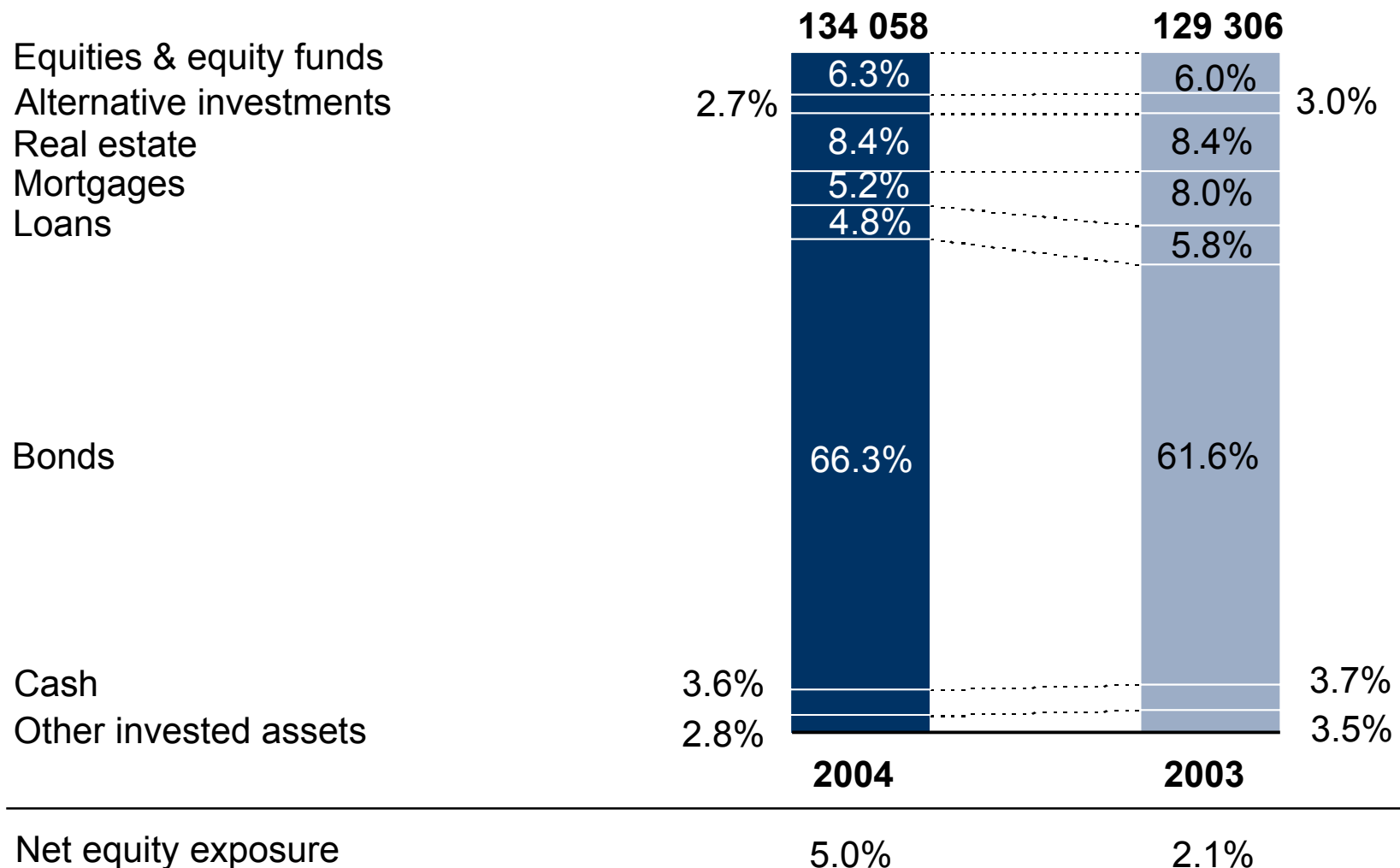


Goodwill as % of:

SH equity:	48.7%	32.4%	21.0%	12.0%
Core capital:	31.7%	17.9%	11.8%	6.5%

# Asset allocation insurance portfolio

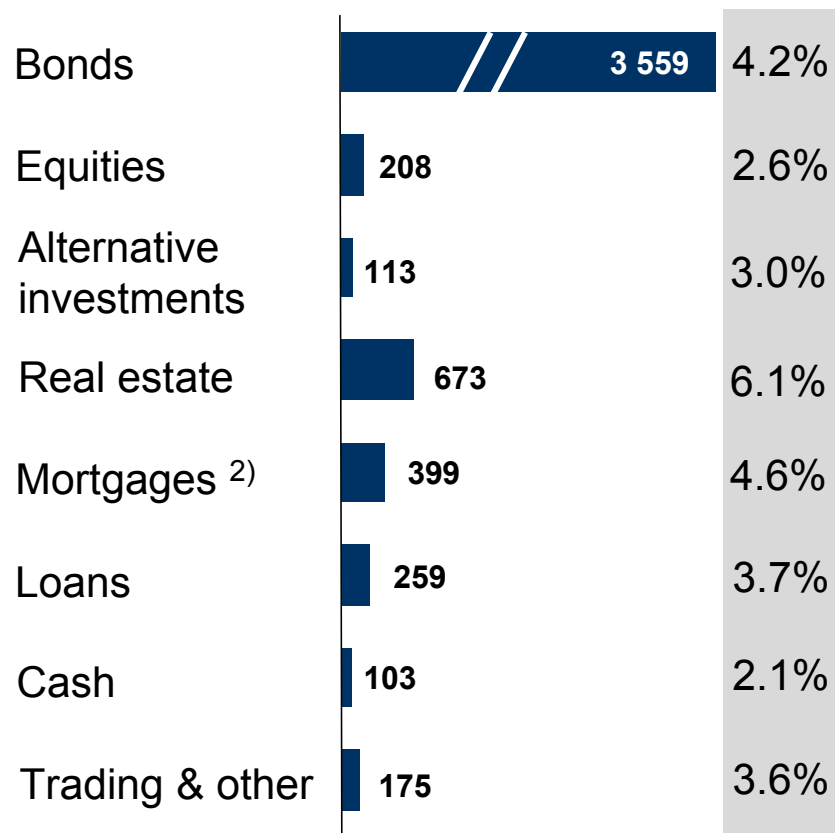
CHF million; insurance portfolio (IFRS basis)



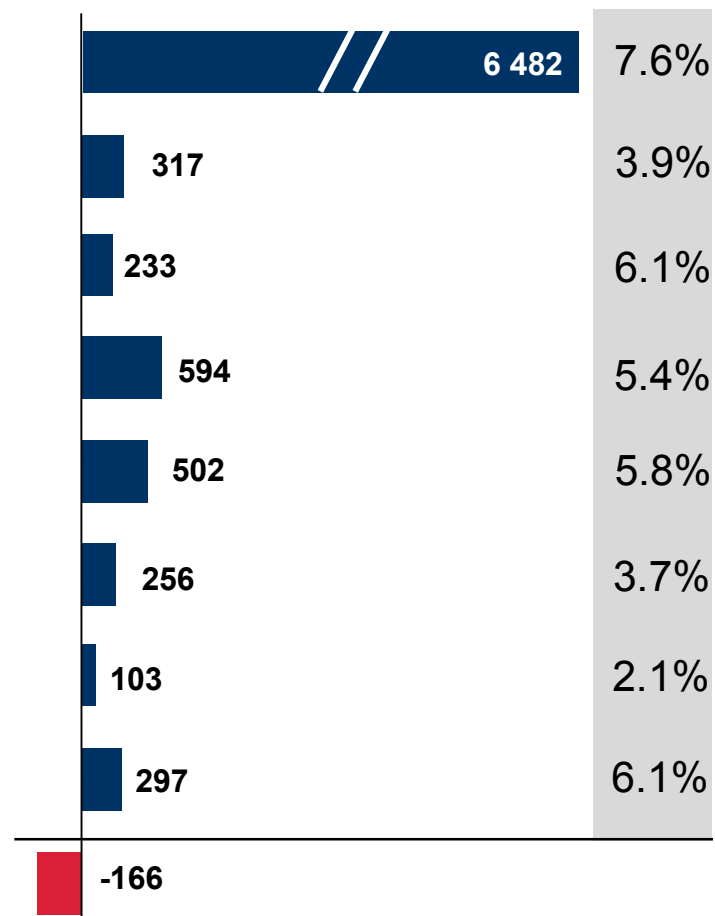
# Investment returns supported by bond performance

CHF million; insurance portfolio (IFRS basis)

## Direct return of 4.1%



## Total return of 6.4% <sup>1)</sup>



1) Total return including expenses: 6.3%

2) Mortgage return positively influenced by sale of portfolio in the Netherlands

# Duration of bond portfolio

## Group <sup>1)</sup> effective duration

	<b>FY 04</b>	<b>HY 04</b>	<b>FY 03</b>
CHF	8.4	7.9	7.8
EUR	9.1	8.1	6.2
GBP	6.3	6.5	13.9
USD	9.5	9.1	7.7
<b>Average</b>	<b>8.9</b>	<b>8.0</b>	<b>7.0</b>

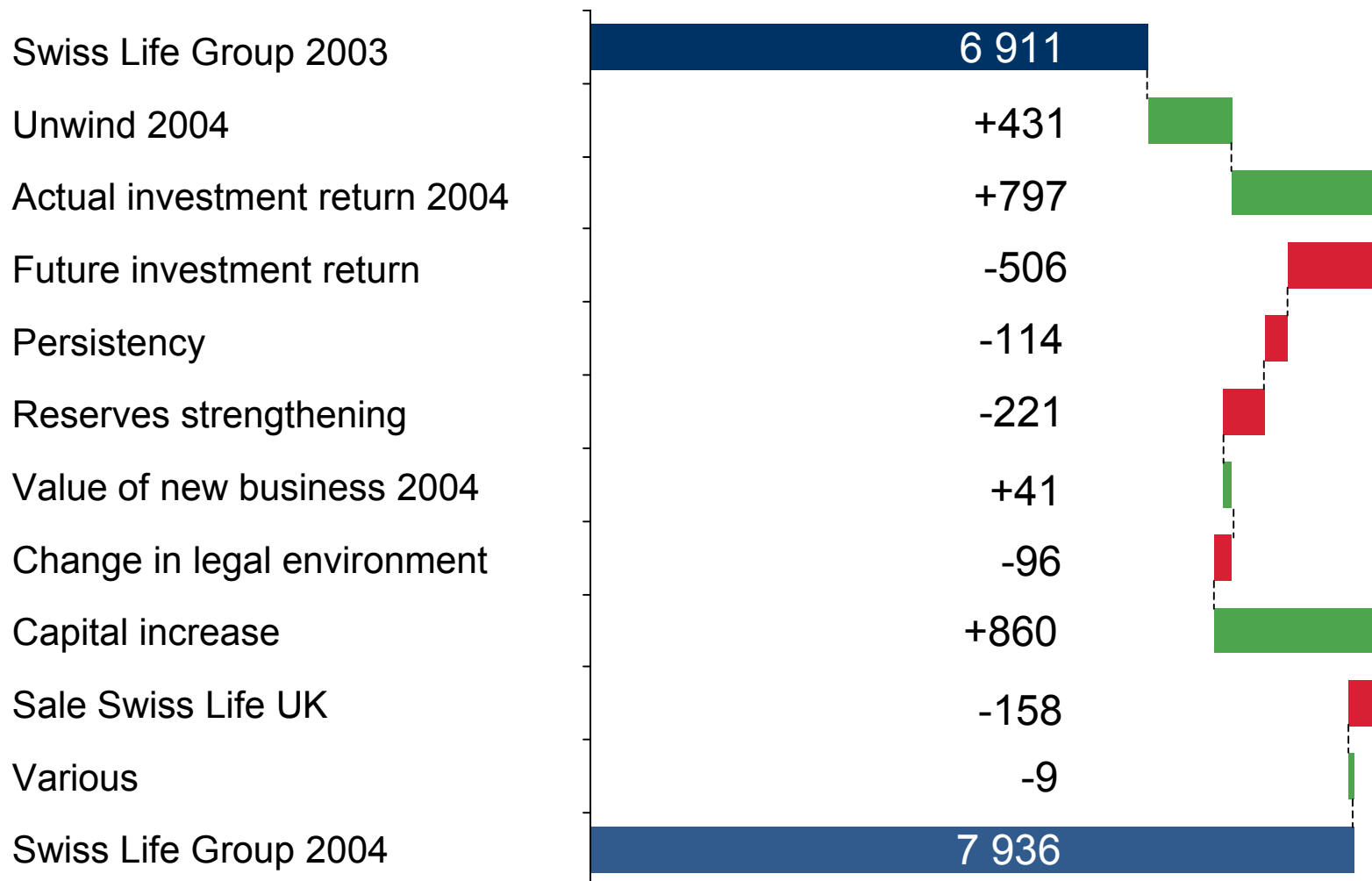
# Embedded value: Conservative key assumptions

		2004		2003	
		CH	EU	CH	EU
Risk discount rate		7.0%	8.0%	7.0%	7.9%
Bond return	{ short term	2.5%	3.9%	3.0%	4.5%
	{ long term	3.3%	4.4%	3.8%	5.1%
Weighted new money rate	{ short term	3.1%	4.0%	3.5%	4.6%
	{ long term	3.8%	4.5%	4.0%	5.2%
<b>Based on: 10-year government bond</b>		<b>31.12.2004</b>		<b>31.12.2003</b>	
Switzerland (CHF)		2.3%		2.7%	
Europe (EUR)		3.7%		4.3%	



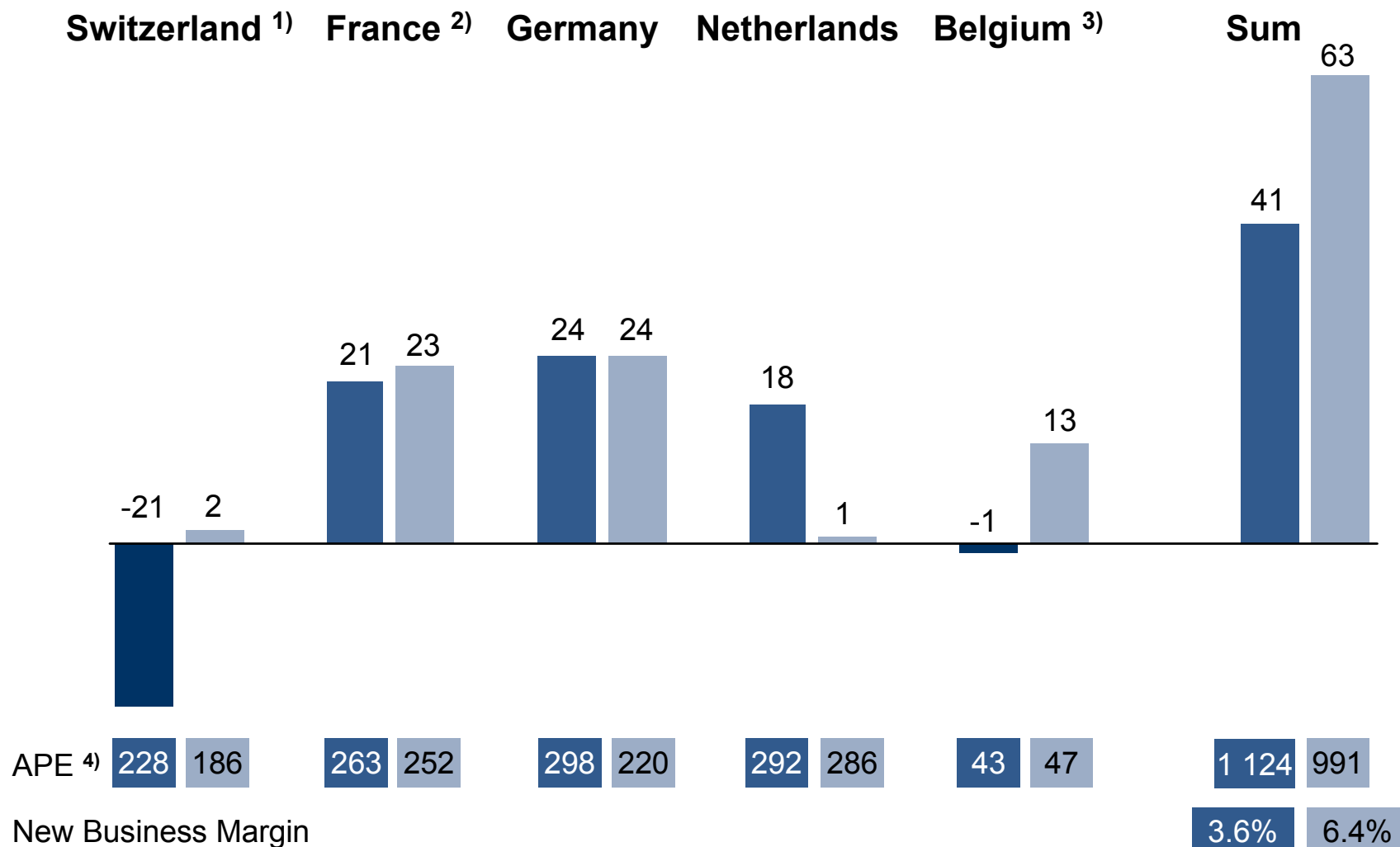
# Embedded value: Analysis of change

CHF million (statutory basis)



# Value of new business

CHF million (statutory basis)

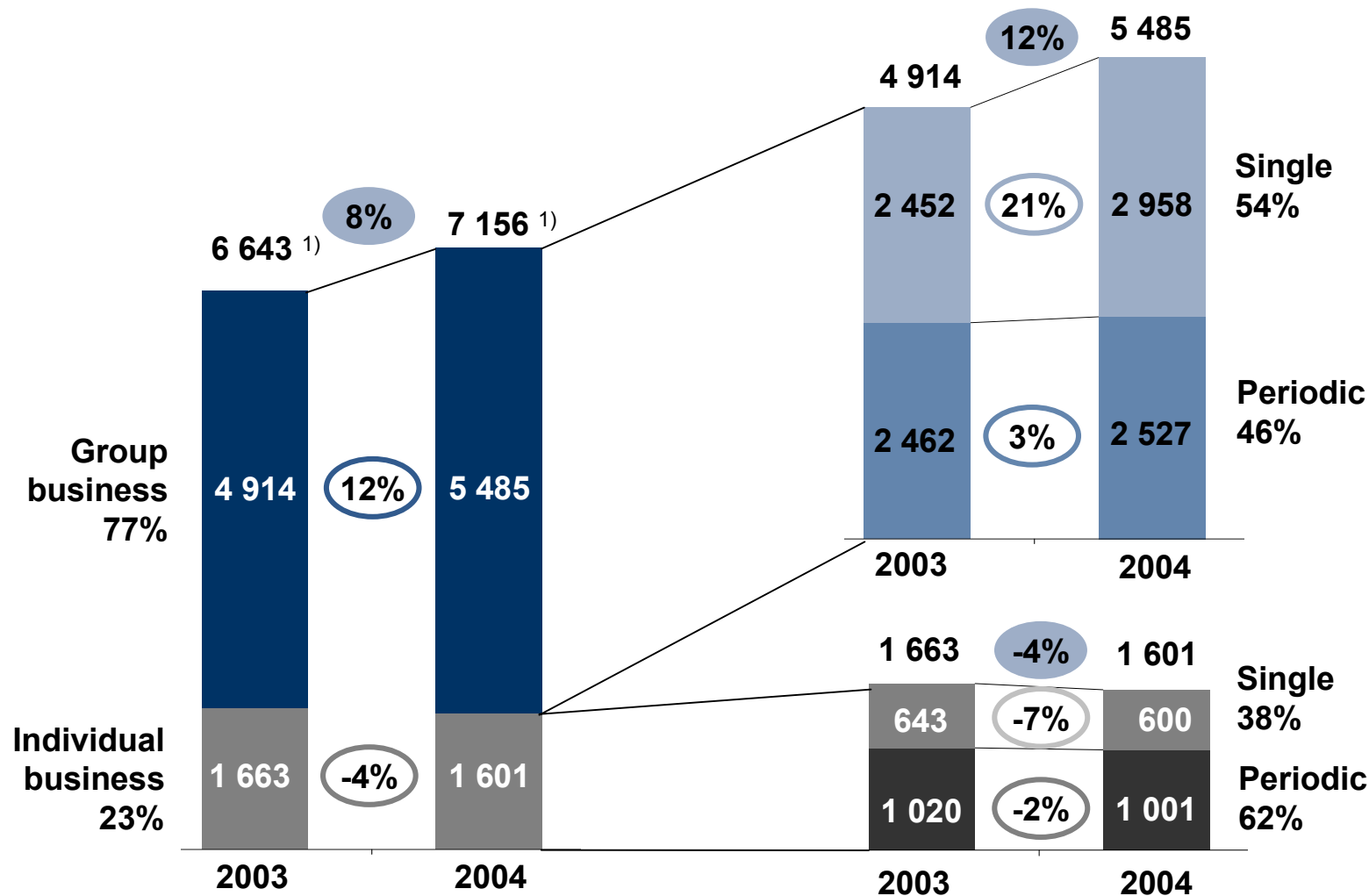


1) Including La Suisse Vie  
3) Without Luxembourg

2) Including Swiss Life Assurance et Patrimoine; Erisa; Swiss Life Prévoyance et Santé  
4) Annual premium equivalent

# Sound portfolio structure

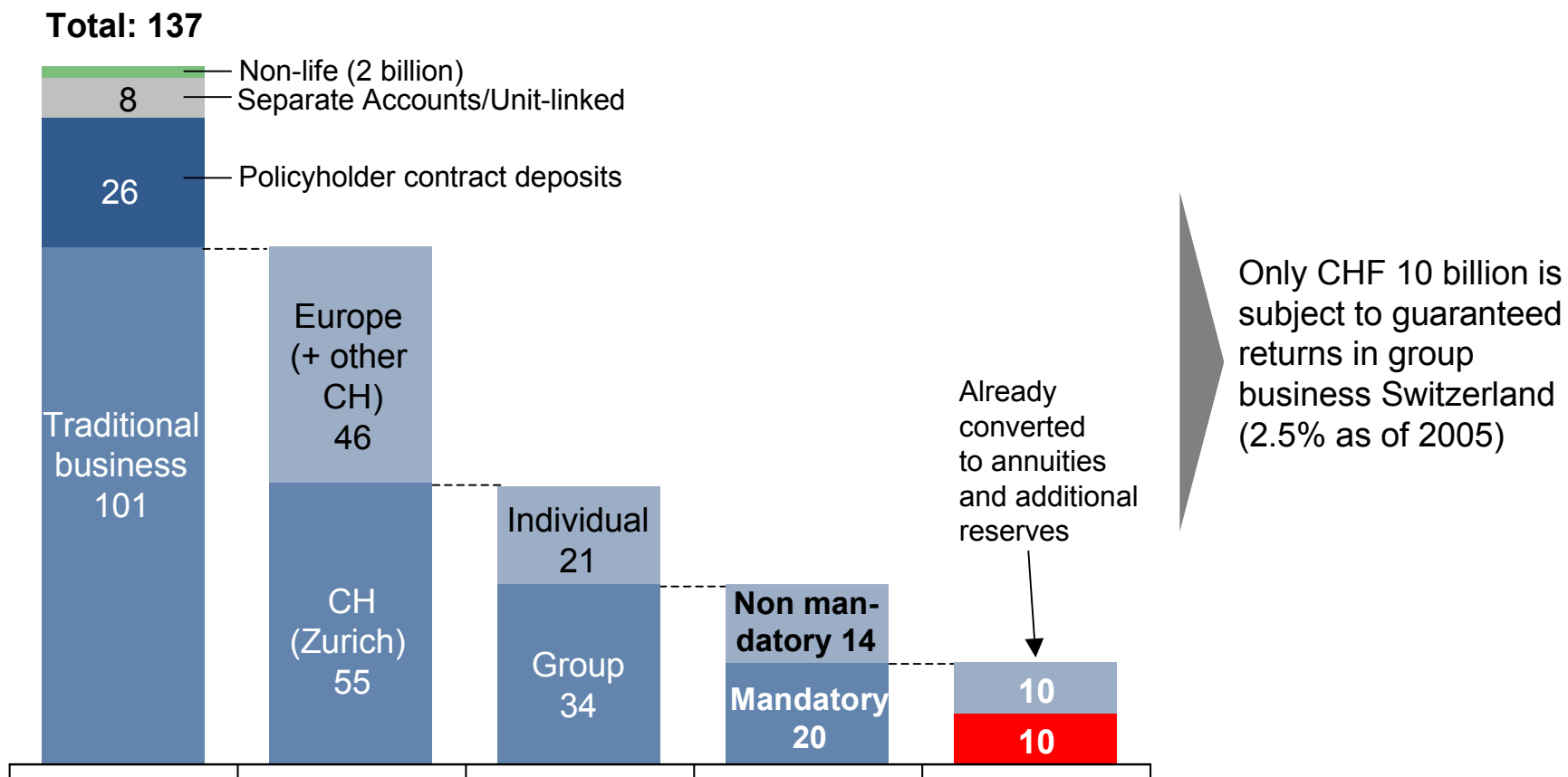
GWP incl. PH deposits, excl. «La Suisse», CHF million (IFRS basis)



1) Including reinsurance: CHF 66 million in 2003 and CHF 69 million in 2004

# Group Business CH: Regulatory risk reduced

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



## Political discussion on a more realistic basis

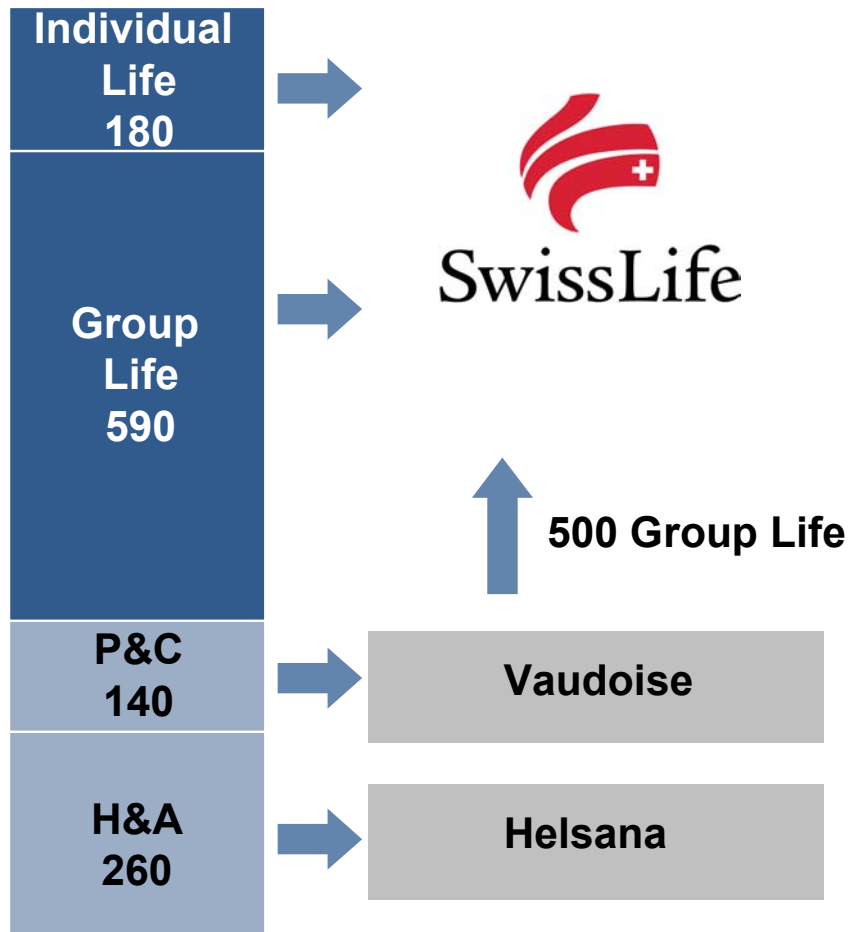
- More rapid and greater reduction of the conversion rate recommended by the BVG Commission
- Market-oriented formula for BVG minimum interest rate proposed by industry associations
- Parliamentary initiative for financing pension funds with insufficient cover

**Broad interest in a stable 2<sup>nd</sup> pillar  
with secure funding and guaranteed pensions**

# Market position further strengthened

GWP 2003 incl. PH deposits, CHF million

## «La Suisse»



- Concentration on the Swiss Life brand; higher profile as a leading provider of life insurance and pension solutions
- Stronger distribution network and external sales organisation
- Greater efficiency by reducing duplications

## Contact details

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