Deutsche Bank
Swiss Equities Conference

Marcus Händel, Head of Investor Relations
Zürich, 20 May 2008
Summary

- Consistent delivery on targets
- Clear responses to challenges in life industry
- Attractive returns to shareholders
Agenda

1. Consistent delivery on targets

2. Ambitious strategy and targets until 2012

3. Clear responses to challenges in life industry

4. Summary: Attractive shareholder returns
Delivery on 2008 financial targets

Strong profit growth

CAGR > 40%

2003  04  05  06  2007
233   606  874  954  1368

extraordinary impact of transactions

ROE target exceeded since 2004

2003  04  05  06  2007
5.3% 10.7% 12.3% 12.2% 18.1%
### Delivery on operational targets

#### Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium Growth (CHF bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>18.8</td>
</tr>
<tr>
<td>2007</td>
<td>24.1</td>
</tr>
</tbody>
</table>

Outperformed market growth by +6% p.a.

#### Efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cost Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>9.5%</td>
</tr>
<tr>
<td>2007</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

-8% p.a. increase in efficiency and profitability.

#### Leadership

<table>
<thead>
<tr>
<th>Year</th>
<th>Employee Commitment (Score)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>61</td>
</tr>
<tr>
<td>2007</td>
<td>77</td>
</tr>
</tbody>
</table>

+16 pts increase in commitment.

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1) IFRS operating costs on adjusted basis, for continuing operations
2) Employee commitment, externally measured index
Strong 2007 Results

Net profit → CHF 1368 million +43%
Profit from operations → CHF 1706 million +42%
Return on equity → 18.1% +5.9 ppts
Embedded value → CHF 12.8 billion +20%
Dividend (par value reduction) → CHF 17 CHF +10
## Continued fast strategy implementation

<table>
<thead>
<tr>
<th>Date</th>
<th>Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 March 2008</td>
<td>Completion of Sale of Banca del Gottardo for CHF 1.88 bn</td>
</tr>
<tr>
<td>13 March 2008</td>
<td>Opening of branch office in Singapore</td>
</tr>
<tr>
<td>19 March 2008</td>
<td>Acquired 86% stake in AWD</td>
</tr>
<tr>
<td>29 April 2008</td>
<td>Completion of sale of Netherlands and Belgium for CHF 2.45 bn</td>
</tr>
<tr>
<td>8 May 2008</td>
<td>Adapted governance, with Bruno Pfister as new Group CEO</td>
</tr>
<tr>
<td>9 May 2008</td>
<td>Share buy-back of up to CHF 2.5 bn started</td>
</tr>
</tbody>
</table>
Agenda

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2. Ambitious strategy and targets until 2012

3. Clear responses to challenges in life industry

4. Summary: Attractive shareholder returns
Strategy until 2012: Accelerating profitable growth

Mission: Committed to helping people create a financially secure future. For life.

Ambition: Become a leading international life and pensions specialist

<table>
<thead>
<tr>
<th>Focus on retirement needs</th>
<th>Focus on growth opportunities</th>
<th>Focus on functional excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Address needs of corporate and individual customers, before and after retirement</td>
<td>● Expand cross-border businesses</td>
<td>● Adapt Group governance, combining market proximity and best practice transfer</td>
</tr>
<tr>
<td>● Offer innovative products and solutions of enhanced profitability</td>
<td>● Realise inorganic opportunities in existing markets</td>
<td>● Realise economies of scale and skills</td>
</tr>
<tr>
<td>● Distribute through optimised market-specific channel mix</td>
<td>● Tap into new high growth markets</td>
<td>● Strengthen performance management, and active capital management</td>
</tr>
</tbody>
</table>

Foster employee commitment
Significant top-line growth envisaged until 2012

GWP, CHF bn

1) Excl. Zwitsereven, Belgium, Erisa
2) Private insurer (France), Golden Life (Switzerland)
3) PPLI, PULSE

- Continuing operations 2007: ~24 (67% EU, 33% CH)
- Growth with market: 19 (60% EU, 40% CH)
- Focus on retirement needs: 3 to 4
- Focus on growth opportunities: 9 to 12
- Total 2012 expected: > 36 (75% EU, 25% CH)

1) Excl. Zwitsereven, Belgium, Erisa
2) Private insurer (France), Golden Life (Switzerland)
3) PPLI, PULSE
Ambitious targets up to 2012

IFRS basis

Targets 2008 to 2012

- EPS: > 12% growth every year
- ROE: > 12% every year
- Dividend: Payout ratio 40-60% of net profit

Expected 2012

- GWP: > CHF 36 billion
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# Swiss Life is responding to industry challenges

<table>
<thead>
<tr>
<th>Life industry challenges</th>
<th>Responses by Swiss Life</th>
</tr>
</thead>
</table>
| 1 Traditional life products under pressure? | ✓ Strict focus on profitable growth  
✓ Shift business mix towards non-traditional products  
✓ Launch variable annuities, starting in Germany and CH |
| 2 Life insurers too dependent on traditional distribution? | ✓ Increase capacity through partnership with AWD  
✓ Participate in German IFA consolidation through AWD  
✓ Operate through multiple and high-performing channels |
| 3 Exposure to new high-growth markets? | ✓ Accelerate momentum in PPLI\(^1\)  
✓ Tap high-growth CEE markets jointly with AWD |
| 4 Suffering from volatile capital markets? | ✓ Produce stable and reliable returns by convincing ALM  
✓ Solid investment portfolio  
✓ Exposure to structured credit: No issue |
| 5 Too much capital in life insurance industry? | ✓ Active capital management a key element of strategy  
✓ Significant divestments, paired with share buy-back  
✓ Dividend pay-out ratio doubled to 40-60% of net profit |

\(^1\) PPLI = Private Placement Life Insurance
Strict focus on profitable growth

Value of New business Swiss Life Group, CHF m

- **2003**: 63
- **2004**: 41
- **2005**: 48
- **2006**
  - **VnB Margin**: 105
  - **6.4%**
- **2007**
  - **VnB Margin**: 118
  - **11.9%**

1) excluding Zwitserleven and SL Belgium

- ✓ Significant efficiency improvements in all markets
- ✓ Positive gearing to interest rates
- ✓ Positive effect on margin due to divestments of Netherlands and Belgium
Shift business mix until 2012

New business mix Swiss Life Group

Non-traditional

Traditional

Develop new solutions and push existing non-traditional products:

- Variable annuities (new)
- Unit- and index-linked products
- Private placement life insurance
- New group life solutions
Launch variable annuities

1 HY 2008 | 2 HY 2008 | 1 HY 2009 | 2 HY 2009
---|---|---|---
Set up PULSE factory
Set up PULSE branch, prepare launch | Start sales of 1st GMIB | 2nd GMxB
Adapt PULSE for Switzerland, prepare launch | Start sales of 1st GMxB | 2nd GMxB
Set up PULSE branch, interface, prepare launch | Start sales of 1st GMxB
Roll out PULSE to new markets

Traditional life products under pressure?

CHF 4 bn gross written premiums by 2012
Increase capacity through partnership with AWD

- Implementation programme for strategic partnership launched
  - Thirteen sub-projects on products, markets and operations
  - All initiatives co-managed by both partners with the overall aim to strengthen business model of AWD

- Swiss Life strives to become one of several “best select” providers for AWD
  - Realise quick wins with selected products over the next few months
  - Develop new products based on proprietary and AWD market intelligence

- Evaluation ongoing for pursuing growth in target markets
  - Austria: market entry in first half 2009 latest
  - CEE: prioritisation of markets based on long-term growth potential

- Growth initiatives within AWD
  - Further increase number of advisors and enhance quality of advice
  - Play active role in the consolidation of the German IFA market
  - Explore opportunities in new markets

Overall aim of implementation programme is to strengthen business model of AWD
Participate in German IFA consolidation through AWD

The four leading IFA in Germany control three quarters of the market. Three of them are partially owned by insurance companies.

1) including Proventus
AWD figures for 2007, all other figures 2006
Accelerate momentum in PPLI¹)

**Activity / Milestones**

- **2004**: Liechtenstein – set up new hub
- **2005**: Switzerland, United Kingdom, United States
- **2006**: Belgium, Germany, France, Luxemburg
- **2007**: Italy, Spain, Sweden
- **2008**: Austria, Czech Republic, Norway, Switzerland, United Kingdom, United States
- **2009 - 2012**: Latin America, Middle East

**Market scope**

- **2004 - 2008**: Belgium, Germany, France, Luxemburg
- **2009 - 2012**: Italy, Spain, Sweden
- **2004 - 2008**: Asia, Austria, Czech Republic, Norway, Switzerland, United Kingdom, United States
- **2009 - 2012**: Latin America, Middle East

**Target by 2012:** GWP CHF 8 - 10 bn, and Assets under Control: CHF 40 - 45 bn

¹) PPLI = Private Placement Life Insurance
Produce stable and reliable returns by convincing ALM

Statutory view
- Statutory accounting rules
- Focus of life insurers on coping with regulatory requirements

Economic view
In addition, risk management not restricted to regulatory requirements, but starting to focus on risks inherent to:
- Asset allocation
- Crediting policy
- Product principles

Holistic view
In addition, all constraints applicable to a life insurance company are included in all risk management thoughts and actions

Market consistent view
In addition, deploy market consistent steering through internal valuation model in line with upcoming regulatory framework and MCEV

S&P “strong” rating for enterprise risk management
### Solid investment portfolio

<table>
<thead>
<tr>
<th>Category</th>
<th>31.12.07</th>
<th>31.12.06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities &amp; equity funds</td>
<td>113 619</td>
<td>110 857</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>5.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Real estate</td>
<td>10.8%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Mortgages</td>
<td>5.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Loans</td>
<td>13.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Bonds</td>
<td>54.5%</td>
<td>52.3%</td>
</tr>
<tr>
<td>Cash and other</td>
<td>2.6%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Net equity exposure</td>
<td>7.5%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Exposure to structured credit: no issue
Active capital management a key element of strategy

- Actively release and reinvest capital
  - Significant capital releases through disposals
  - Share buyback programme of up to CHF 2.5 bn

- Increase shareholder return
  - Annual dividend payout of 40 – 60% of net IFRS profit
  - EPS growth at least 12% every year

- Optimise capital structure and allocation
  - Optimise capital structure through proactive debt planning
  - Further enhance internal capital allocation

- Develop expertise on transfer solutions
  - Build up expertise on innovative risk transfer solutions
  - Apply a clear economic decision process

- Further increase transparency
  - Report according to MCEV as of 2008 figures
  - Effectively steer businesses through adapted governance

Too much capital in life insurance industry?
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4. Summary: Attractive shareholder returns
Attractive shareholder returns

IFRS basis

Targets 2008 to 2012

<table>
<thead>
<tr>
<th>EPS</th>
<th>&gt; 12% growth every year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>&gt; 12% every year</td>
</tr>
<tr>
<td>Pay-out ratio</td>
<td>40-60% of net profit</td>
</tr>
</tbody>
</table>

Announced shareholder returns 2008 and 2009

- Dividend for 2007: ~ CHF 600 m, or CHF 17 per share 1)
- Dividend for 2008: at least CHF 600 m anticipated
- Share buyback: up to CHF 2.5 bn, until November 2009

1) Par value reduction, payment date is expected to be on 29 July 2008
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- Attractive returns to shareholders
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Appendix
### Strong premium growth

GWP & PHD; CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Country</th>
<th>FY 2007</th>
<th>FY 2006</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>8 413</td>
<td>7 611</td>
<td>+11%</td>
</tr>
<tr>
<td>France 1)</td>
<td>7 411</td>
<td>8 204</td>
<td>-10%</td>
</tr>
<tr>
<td>Germany</td>
<td>2 158</td>
<td>2 116</td>
<td>+2%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>508</td>
<td>841</td>
<td>-40%</td>
</tr>
<tr>
<td>Liechtenstein 2)</td>
<td>2 786</td>
<td>646</td>
<td>+331%</td>
</tr>
<tr>
<td><strong>Continuing 3)</strong></td>
<td><strong>21 213</strong></td>
<td><strong>19 421</strong></td>
<td>+9%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2 301</td>
<td>1 901</td>
<td>+21%</td>
</tr>
<tr>
<td>Belgium</td>
<td>656</td>
<td>742</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>Total reported</strong></td>
<td><strong>24 170</strong></td>
<td><strong>22 064</strong></td>
<td>+10%</td>
</tr>
</tbody>
</table>

1) Without ERISA, growth +6%
2) Includes CapitalLeben since 04/2007: CHF 1 335 million
3) Includes ERISA CHF 1 893 million for FY 2007 (6 months only) and CHF 2 995 million for FY 2006
### Increasing operating profit

Segment results; CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 2006</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance (Continuing)</td>
<td>949</td>
<td>1 047</td>
</tr>
<tr>
<td>Investment Management</td>
<td>50</td>
<td>93</td>
</tr>
<tr>
<td>Other</td>
<td>59</td>
<td>62</td>
</tr>
<tr>
<td>Insurance (Discontinued)</td>
<td>144</td>
<td>471¹</td>
</tr>
<tr>
<td>Banking (Discontinued)</td>
<td>115</td>
<td>168</td>
</tr>
<tr>
<td>Eliminations</td>
<td>-53</td>
<td>-62</td>
</tr>
<tr>
<td>Unallocated corporate costs</td>
<td>-59</td>
<td>-73</td>
</tr>
</tbody>
</table>

| Profit from operations         | 1 205   | 1 706   |

¹) Incl. CHF 304 m from extraordinary gain in the Netherlands due to change in local accounting regulations

²) Incl. CHF 137 m net contribution of ERISA
**Strong increase of embedded value**

CHF million (statutory basis), incl. effects from divestments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>4 847</td>
<td>4 053</td>
<td>+20%</td>
<td>21%</td>
</tr>
<tr>
<td>International</td>
<td>4 996</td>
<td>4 502</td>
<td>+11%</td>
<td>13%</td>
</tr>
<tr>
<td>ANAV Swiss Life Holding</td>
<td>2 994</td>
<td>2 110</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Swiss Life Group</strong></td>
<td><strong>12 837</strong></td>
<td><strong>10 665</strong></td>
<td>+20%</td>
<td>23%</td>
</tr>
<tr>
<td>of which ANAV</td>
<td>8 705</td>
<td>6 793</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVFP</td>
<td>4 880</td>
<td>4 922</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of holding capital</td>
<td>-748</td>
<td>-1 050</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Embedded value per share</strong></td>
<td><strong>367</strong></td>
<td><strong>316</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Based on 33.8 million shares on 31.12.06 and 35.0 million shares on 31.12.07
New business portfolio with attractive positions

FY 2007

**France**
- GWP: CHF 5.5 bn
- Strong focus on affluent and HNWI clients, well positioned in health

**Switzerland**
- Life GWP: CHF 8.4 bn
- Market leadership in group and individual life
- About 1 million insureds (client relationships)

**AWD**
- Revenues: CHF 1.2 bn
- Leading European independent financial advisor
- Open-architecture business model
- Strong positions in Germany and Austria

**Germany**
- Life GWP: CHF 2.2 bn
- Strong disability expertise, brand well recognised by brokers

**Cross-border**
- Life GWP: CHF 3.3 bn\(^1\)
- Leading provider for private placement life insurance
- Hub for group life solutions to multinationals

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\(^1\) Luxembourg and Liechtenstein
Sustainable growth of life insurance in Europe

<table>
<thead>
<tr>
<th>Premiums 2006 in USD bn(^1)</th>
<th>Life insurance</th>
<th>Non-life insurance</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>906</td>
<td>573</td>
<td>240</td>
</tr>
<tr>
<td>North-America</td>
<td>363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>-1.1%</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>5.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>4.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Growth 1996-2006 p.a.\(^1\)

1) Nominal
Source: Sigma, Eurostat
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Financial calendar

Half-Year Results 2008 28 August 2008
Interim Statement Q3 2008 12 November 2008
Investors’ Day 2 December 2008

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