Deutsche Bank
Swiss Equities Conference
Managing for value at Swiss Life

Thomas Buess, Group CFO
Zurich, 18 May 2011
Agenda

→ Swiss Life Group and results at a glance
  MILESTONE execution on track
  Wrap-up
Swiss Life Group at a glance (1/2)

Key figures as per FY 2010

**Switzerland**
- Life GWP: CHF 7.6 bn
- Segment result: CHF 488 m
- Leading position in group life and individual life
- About 1 million clients insured

**France**
- GWP: EUR 3.8 bn
- Segment result: EUR 59 m
- Niche player in life focusing on affluent customer segment with private insurer strategy
- Top health insurer

**AWD**
- Revenues: EUR 547 m
- EBIT: EUR 49 m
- Leading European financial advisor with strong market presence in core markets

**Germany**
- Life GWP: EUR 1.5 bn
- Segment result: EUR 74 m
- Leading provider of supplementary disability insurance and occupational pension schemes
- Excellent reputation in broker market

**International businesses 1)**
- Life GWP: CHF 5.2 bn
- Segment result: CHF -35 m
- PPLI: Leading in providing structured life insurance solutions around the globe
- Corporate solutions: Leading provider of comprehensive employee benefit solutions for multinationals

---

1) Insurance Other (International businesses) consist of Private Placement Life Insurance (PPLI with locations in Liechtenstein, Luxembourg, Singapore and Dubai), Corporate Solutions Luxembourg, Swiss Life Products, Payment Protection Insurance and Swiss Life Austria.
Swiss Life Group at a glance (2/2)

Premium / Revenue split as per FY 2010

---

**Switzerland**
- Life GWP: CHF 7.6 bn

---

**AWD**
- Revenues: EUR 547 m

---

**Germany**
- Life GWP: EUR 1.5 bn

---

**France**
- GWP: EUR 3.8 bn

---

**International businesses**
- Life GWP: CHF 5.2 bn

---
## Swiss Life with strong market positions in relevant business segments

**Market position**

<table>
<thead>
<tr>
<th>Country</th>
<th>Individual Life</th>
<th>Group Life</th>
<th>Individual Health</th>
<th>Life</th>
<th>BUZ</th>
<th>BAV</th>
<th>PPLI</th>
<th>Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>No 1</td>
<td>No 2</td>
<td>No 21)</td>
<td>No 14²)</td>
<td></td>
<td></td>
<td></td>
<td>No 1</td>
</tr>
<tr>
<td>France</td>
<td>No 2¹)</td>
<td>No 14²)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>BUZ³): a market leader</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International businesses</td>
<td>PPLI : No 1 in Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AWD</td>
<td>One of the leading IFAs in Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Opportunities**

- Inherent growth in Group Life
- Private individual health: a growing need for individuals
- Substantial growth potential in BUZ and BAV remaining
- Enlarge geographical and target segment footprint
- Growth prospects in IFA model and business and fee contributor for Swiss Life

---

¹) Excl. mutuals  ²) Estimate for 2010  ³) BUZ: supplementary occupational disability insurance ⁴) BAV: occupational pension scheme
### 2010 results: Key performance metrics further improved

FY 2010 vs FY 2009

<table>
<thead>
<tr>
<th>Metric</th>
<th>CHF Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>560 m</td>
<td>+102%</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>694 m</td>
<td>+23%</td>
</tr>
<tr>
<td>New business margin (% PVNBP)</td>
<td>1.4%</td>
<td>+0.5 ppts</td>
</tr>
<tr>
<td>GWP incl. PHD</td>
<td>20.2 bn</td>
<td>+4%¹⁾</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>7.4 bn</td>
<td>+3%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>7.6%</td>
<td>+3.6 ppts</td>
</tr>
<tr>
<td>Group solvency</td>
<td>172%</td>
<td>+8 ppts</td>
</tr>
<tr>
<td>Dividend</td>
<td>4.50</td>
<td>+88%</td>
</tr>
</tbody>
</table>

¹⁾ Local currency

---

*Deutsche Bank - Swiss Equities Conference*
Q1 interim statement: Swiss Life with further operational progress

Q1 2011

**Premium development**
- Swiss Life Group with premium income of CHF 6.8 bn (-10% in local currency). While this was driven by exceptionally high premiums in PPLI in Q1 2010, premium growth in strategic focus areas was achieved:
  - Switzerland with growth in group life (+5% excl. one-off) and in individual life (+4%)
  - In France, premiums declined in life by 8% (market -13%) but unit-linked share increased by 30%. Good growth in health (+9% vs market ~ +3%)
  - In Germany, premiums were 4% lower (market -6%) due to deliberate reduction in capitalisation products. Continued good sales of risk products

**Net investment return**
- Net investment yield of 1.0% on a non-annualised basis, slightly better than planned

**Group and statutory solvency**
- IFRS group solvency stood at 165% (-7 ppts vs FY 2010)
- Statutory solvency was at 205% (+1 ppts vs FY 2010)

**AWD**
- AWD grew its revenues by 1% and posted a stable EBIT of EUR 9.5 m

**MILESTONE**
- Modern & risk products at 71% of new business mix (69% at FY 2010)
- 90% of cost savings initiatives already implemented
Agenda

Swiss Life Group and results at a glance

→ MILESTONE execution on track

Wrap-up
**MILESTONE programme**

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Objectives</th>
<th>&quot;We are growing – but not at the expense of value&quot;</th>
<th>&quot;We are increasing growth in 3rd party channels and AWD&quot;</th>
<th>&quot;We are managing our cost base rigorously and continuously&quot;</th>
<th>&quot;We are actively managing our capital and in-force business&quot;</th>
</tr>
</thead>
</table>
| Enhance customer value & new business profitability | ▪ Margin management focus: VNB and NBM  
▪ Drive shift to modern products & promote risk products | | | | |
| Increase distribution quality and power | ▪ Optimise distribution channel mix  
▪ Capture full potential of AWD | | | | |
| Improve operational excellence | ▪ Plan with clear accountabilities to achieve 2012 cost target  
▪ Eliminate negative cost result and move to continuous improvement | | | | |
| Preserve the balance sheet & optimise in-force business | ▪ Initiatives to optimise profit stream from in-force business and risk capital usage | | | | |
Major opportunities addressed and challenges exploited by MILESTONE

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
- Higher consumer protection
- Risk-based capital requirement

Swiss Life specific challenges and opportunities
- High dependency on capital markets
- Further improve cost competitiveness
- Leverage AWD

Market environment

1. Enhance customer value & new business profitability
2. Increase distribution quality and power
3. Improve operational efficiency
4. Strengthen the balance sheet
Execution of MILESTONE will lead to increased earnings at reduced volatility

<table>
<thead>
<tr>
<th>Insurance business (net PHP)</th>
<th>Ambition for change by 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>Reduce relative importance</td>
</tr>
<tr>
<td>Risk result</td>
<td>Maintain good risk result</td>
</tr>
<tr>
<td>Cost result</td>
<td>Eliminate negative admin. cost result</td>
</tr>
<tr>
<td>Fee business and other sources</td>
<td>Significantly increase profits</td>
</tr>
<tr>
<td>Total operating profit</td>
<td></td>
</tr>
</tbody>
</table>

Mid term ambition: Investment income < 50%

→ Strengthening profit sources
1. New business profitability

Margin management counteracted capital market movements

New business margin development
(VNB as % of PVNBP)

<table>
<thead>
<tr>
<th>FY 2009</th>
<th>Economic variances</th>
<th>Volume, business mix and pricing measures</th>
<th>Operating variances &amp; reassessments</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>VNB</td>
<td>0.9%</td>
<td>+0.5%</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td>Economic variances</td>
<td>-0.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2009 vs FY 2010, in CHF m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVNBP</td>
<td>14 390</td>
<td>14 607</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APE</td>
<td>1 493</td>
<td>1 486</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VNB</td>
<td>123</td>
<td>209</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBM (APE)</td>
<td>8.2%</td>
<td>14.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volume, business mix, and pricing measures
- Higher sales volumes and related scale effects: mainly in FR, DE and PPLI
- Repricing: CH, PPLI
- Changes in business mix
  - CH: Assumed reinsurance
  - FR: Increased share of UL within Life
  - DE: Higher share of risk products

Operating variances and reassessments
- Group-wide cost saving initiatives
- Experience driven changes to biometric assumptions across markets
- Changes to profit sharing approach: CH, FR, DE

Economic variances
- Low interest rates, high interest rate volatilities
- Weaker Euro

Higher sales volumes and related scale effects: mainly in FR, DE and PPLI
Repricing: CH, PPLI
Changes in business mix
- CH: Assumed reinsurance
- FR: Increased share of UL within Life
- DE: Higher share of risk products
Group-wide cost saving initiatives
Experience driven changes to biometric assumptions across markets
Changes to profit sharing approach: CH, FR, DE
Low interest rates, high interest rate volatilities
Weaker Euro
1. New business profitability

Risk and health business strongly contributed to targeted business mix

New business product mix (based on NBP)

2012 shift target already met

- CH: Successful new product launches (e.g. SL Premium Select, SL Premium Junior Plan, SL Champion Timeplan)
- FR: New health & risk product lines (e.g. Ma formule, SL Prévoyance Indépendant, SL Garantie Emprunteur)
- DE: Continuing growth in disability products
- PPLI: Life Asset Portfolio product line still with great demand

Further product modifications/improvements already put in place

- DE: Launch of Champion Riester in January 2011
- CH, FR & DE: Modifications in unit-linked fund offering

1) Incl. health
2. Distribution

Sales through AWD distribution channel increased by 9% ¹)

Swiss Life in Germany – AWD channel
NBP²) in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBP</td>
<td>82</td>
<td>183</td>
<td>344</td>
<td>431</td>
</tr>
<tr>
<td>¹) Currency adjusted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reasons for development in 2010
- Very successful sale of modern products e.g. disability insurance "Selbständige BU" & Champion products

Action points 2011
- Continually improve product development process to meet AWD "best select" requirements
  - Introduction of new and innovative products within the sales programme and referral lists of AWD
  - Further increase growth through modern Riester product

Swiss Life in Switzerland – AWD channel
NBP²) in CHF million

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBP</td>
<td>19</td>
<td>197</td>
<td>188</td>
<td>191</td>
</tr>
<tr>
<td>²) New business production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reasons for development in 2010
- Successful launch of “SL Premium Select” in Q3
- Very good sales in 2nd HY of exclusive product package “SL Champion Duo Package” for AWD channel and “SL Champion Timeplan”

Action points 2011
- Annuity & variable annuity product to be launched in Q1
- Joint development of further product packages to specific target groups

¹) Currency adjusted
²) New business production
³) Calculation on effective contract duration per product line
**3. Operational excellence**

**Major progress in implementing targeted cost savings in last quarter**

Status of targeted cost savings implemented as per FY 2010 – project view

- **Switzerland**: 34%
- **AWD**: 28%
- **Corporate Center**: 11%
- **France & Germany**: 11%
- **Others**: 2%

- **Targeted cost savings implemented**: ~85%
- **Targeted cost savings in implementation**: ~10%
- **Targeted cost savings in planning**: ~5%
- **Cost savings target 2012 vs 2008 basis**: CHF 350-400 m

---

**Major achievements**

- **CH**: Support functions & sales organisation further adjusted and internal processes, services and project portfolio optimised
- **FR**: Efficiency initiatives of Swiss Life Banque Privée completed and administration costs decreased
- **DE**: Second part “Betriebsübergang” of occupational pensions – bAV initiative finished, lean and reorganisation initiatives successfully established
- **AWD**: Cost savings target achieved; Corporate Centre: Initiatives almost fully implemented
- **Restructuring costs 2008-2010**: CHF 162 m; planned restructuring costs 2011-2012: CHF 10-15 m
Based on its internal model, Swiss Life meets SST requirements

SST ratio Swiss Life AG, estimate based on internal model

**Operational improvements / management actions**

- Improved biometric experience: +16-18%
- MILESTONE measures improvement: +17-20%

**Market impact**

- Economic effects: ~-30%

**Comfort zone**

- SST 1.1.2010: +17-20%
- SST 31.12.2010: ~-30%

Negative economic impact more than offset by operational improvements and management actions

---

1) Incl. expense reductions and ALM measures
2) Incl. interest rates, volatility and currency effects
## Change analysis of profit from operations

Segment results adjusted$^1$ - continuing; CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Segment results adjusted</th>
<th>FY 2009 adjusted</th>
<th>FY 2010 adjusted</th>
<th>Change</th>
<th>Driven by operating improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>403</td>
<td>466</td>
<td>+140</td>
<td>&gt;70%</td>
</tr>
<tr>
<td>France</td>
<td>129</td>
<td>162</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>58</td>
<td>102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Management</td>
<td>77</td>
<td>103</td>
<td>+84</td>
<td>100%</td>
</tr>
<tr>
<td>AWD</td>
<td>-10</td>
<td>43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance other</td>
<td>-40</td>
<td>-35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated corp. costs and others</td>
<td>-79</td>
<td>-60</td>
<td>+19</td>
<td>100%</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>538</td>
<td>781</td>
<td>+243</td>
<td>&gt;80%</td>
</tr>
</tbody>
</table>

Profit improvement mainly due to operational progress in line with MILESTONE execution

$^1$ Adjusted for major one-off and EUR/CHF FX effects
Agenda

Swiss Life Group and results at a glance
MILESTONE execution on track
⇒ Wrap-up
**MILESTONE: Managing for value at Swiss Life**

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Objectives 2012</th>
<th>Status</th>
</tr>
</thead>
</table>
| Enhance customer value & new business profitability  | ▪ New business margin > 2.2%  
▪ > 70% of NBP from modern and risk products                             | ![Status Icon]                                                                |
| Increase distribution quality and power              | ▪ 20–25% share of Swiss Life products in relevant product categories of AWD   | ![Status Icon]                                                                |
| Improve operational excellence                       | ▪ CHF 350–400 m reduced cost base vs 2008                                   | ![Status Icon]                                                                |
| Preserve the balance sheet & optimise in-force business | ▪ ROE 10–12%  
▪ Dividend payout ratio 20–40%  
▪ Comply with SST requirements                               | ![Status Icon]                                                                |

**Workstream 5:** Drive disciplined execution  
Reporting on achievements, challenges, and actions on ongoing basis
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 presentation. 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.
Agenda

Swiss Life Group and results at a glance
MILESTONE execution on track
Wrap-up

⇒ Additional information on FY 2010 results:

⇒ Contact details and financial calendar
Contact details and financial calendar

Contact

Robert Moser
Head of Investor Relations
Phone +41 (43) 284 67 67
E-mail robert.moser@swisslife.ch
Rolf Winter
Senior Investor Relations Manager
Phone +41 (43) 284 49 19
E-mail rolf.winter@swisslife.ch

Financial calendar

Half-year Results 2011 17 August 2011
Interim statement Q3 15 November 2011

Visit our website for up-to-date information
www.swisslife.com
The future starts here.