

**Goldman Sachs
European Financials Conference 2007**

Bruno Pfister, CEO International, Swiss Life
Lissabon, 13 June 2007

Agenda



1. Macro environment

2. Strategic positioning

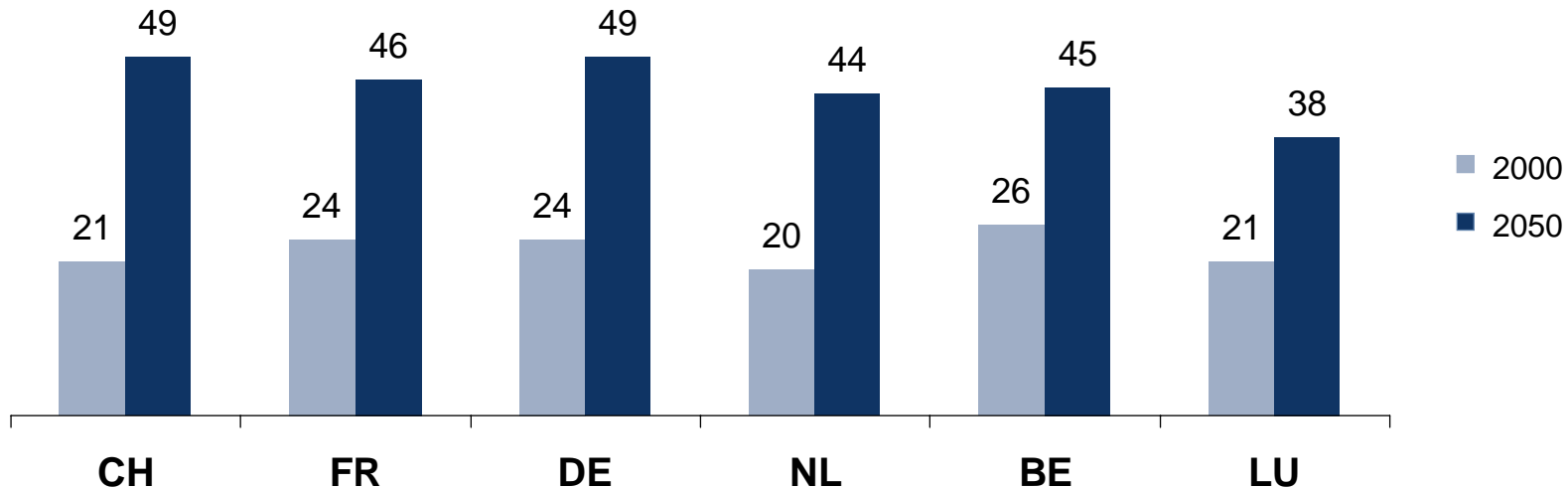
- International
- Switzerland

3. Summary

Strong financial pressure on 1st pillar accelerates shift to 2nd and 3rd pillar

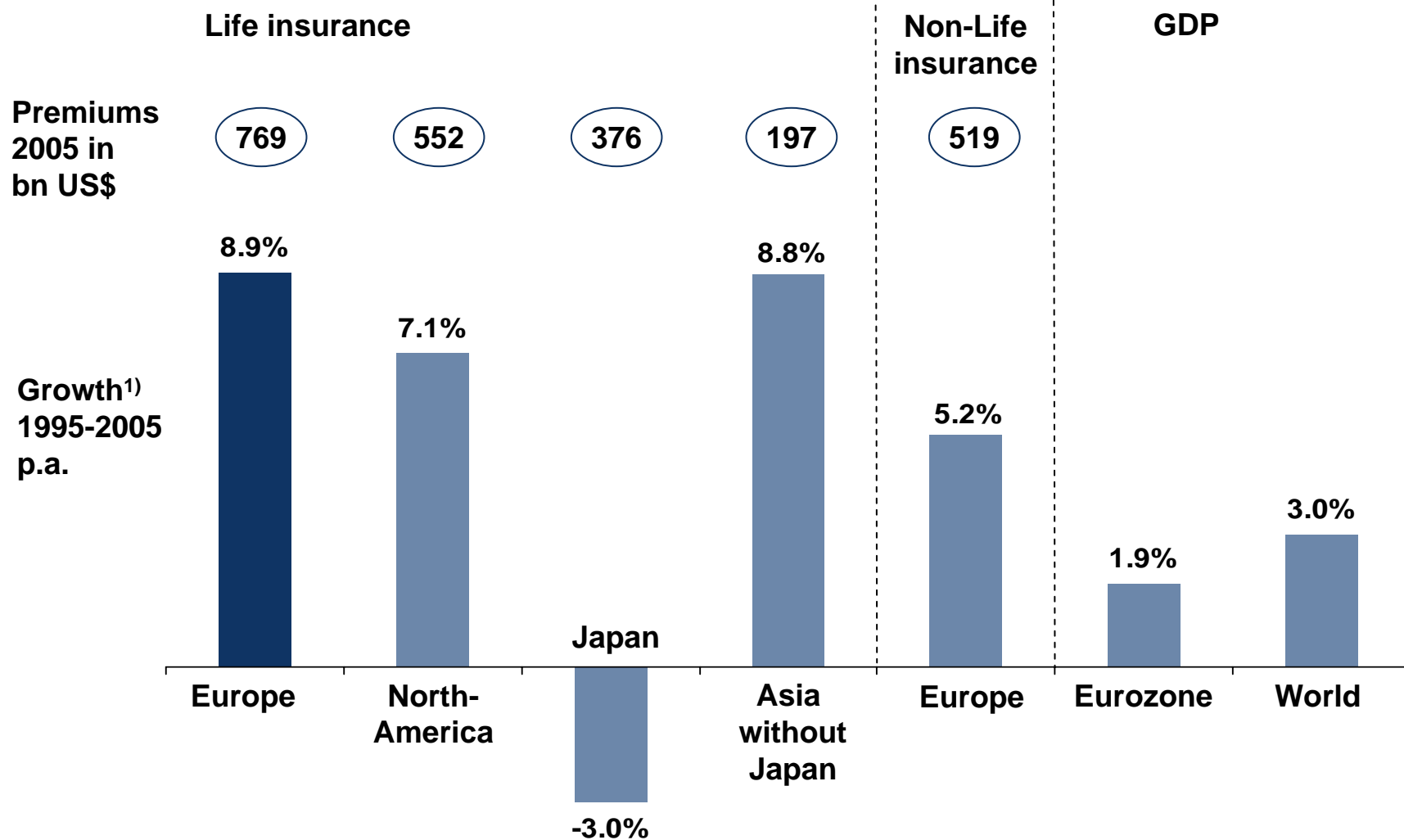
Old-age dependency ratio

Population aged 65+ as % of population aged 15-64



- Demographic development in EU is characterised by rising life expectancy and low birth rates
- The proportion of pensioners is expected to increase strongly in the next decades

Sustainable and strong market growth in European life insurance

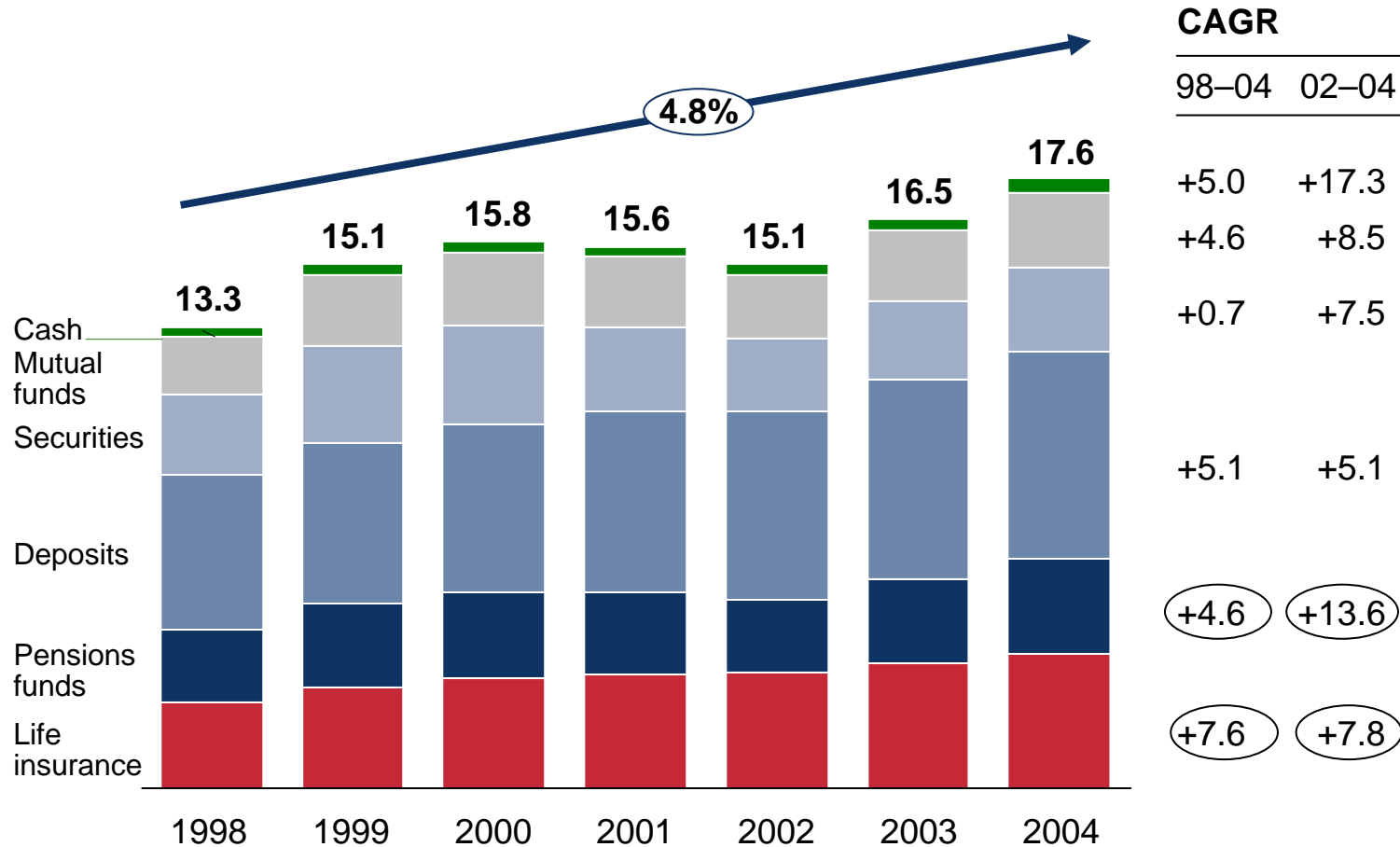


1) Nominal
Source: Sigma, WTO, OEF

Life insurance with attractive and sustainable growth, compared to other assets



Personal financial assets in EUR trillion



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International: strategy focuses on profitable growth

Group strategic directions

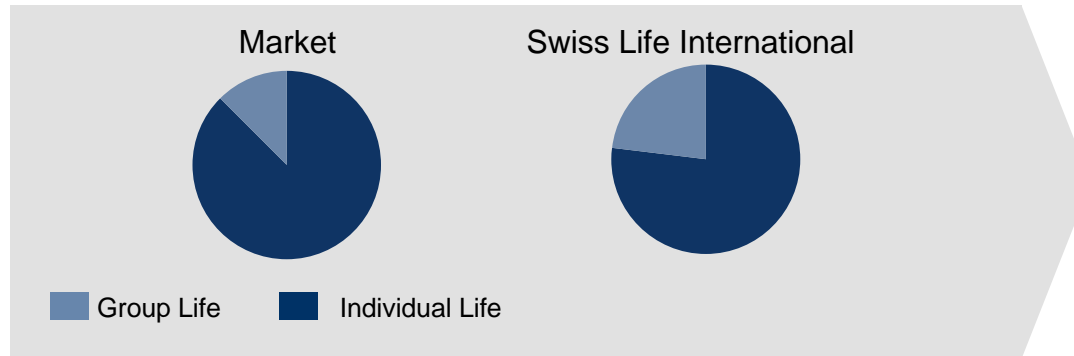
International objectives

International priorities

	Group strategic directions	International objectives	International priorities
Growth	Focus on “pensions” related value proposition	<ul style="list-style-type: none">• Top 10 / within niches top 5 position in each market• Focus on HNWI, upper retail affluent, SME, large corporate clients• High-performing, profitable, long-term savings products	<ul style="list-style-type: none">• Develop Group-wide business model for individual life• Expand profitable pension products and services• Leverage existing skills in distribution and product development
	Develop own and third-party channels	<ul style="list-style-type: none">• Multi-channel distribution• Above average sales effectiveness and service quality	<ul style="list-style-type: none">• Be present in growing distribution channels• Reinforce / develop partnerships with banks

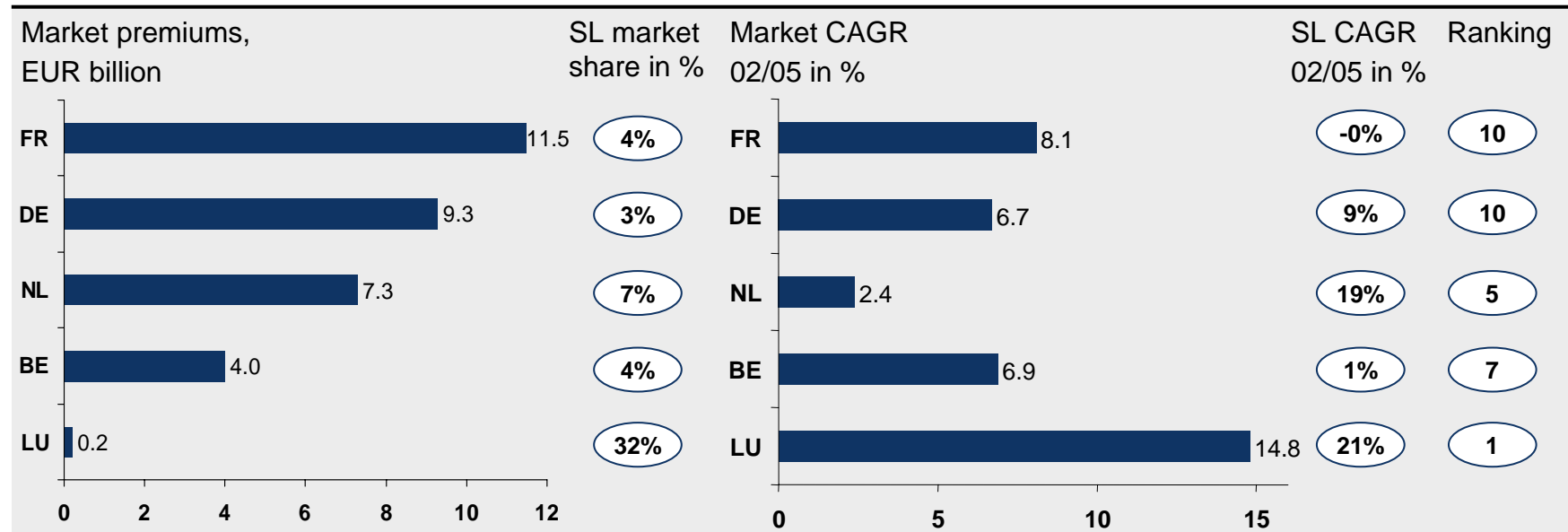
Further growth potential in European group life

Group life vs individual life 2005



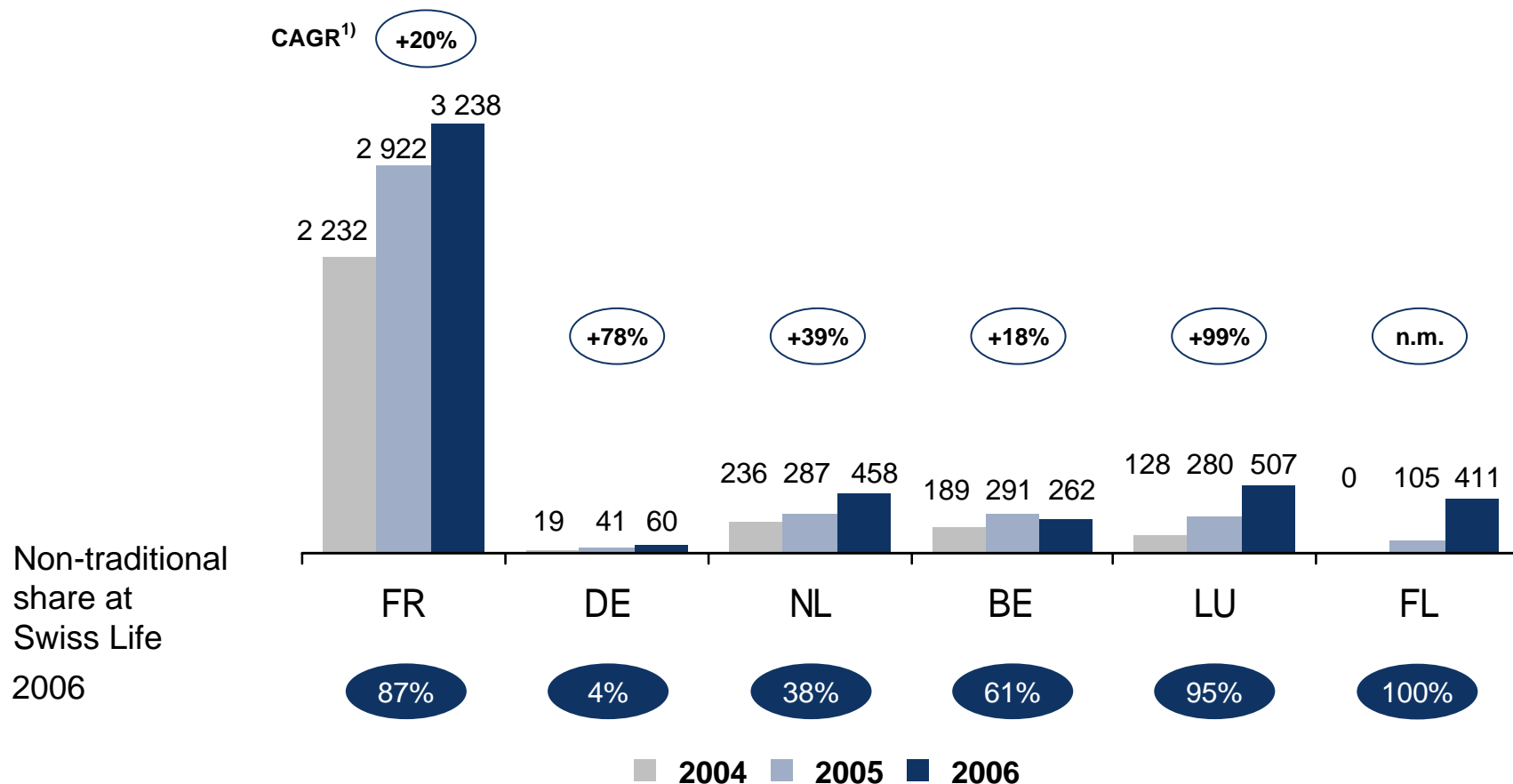
Swiss Life with relatively strong focus on group life business

Group life business 2005



Non-traditional products with strong growth

Non-traditional premiums; EUR million



Non-traditional share at Swiss Life 2006

Swiss Life successfully launched initiatives for performance-oriented products, offering variety of interesting investment opportunities

1) Compound Annual Growth Rate 2004 - 2006

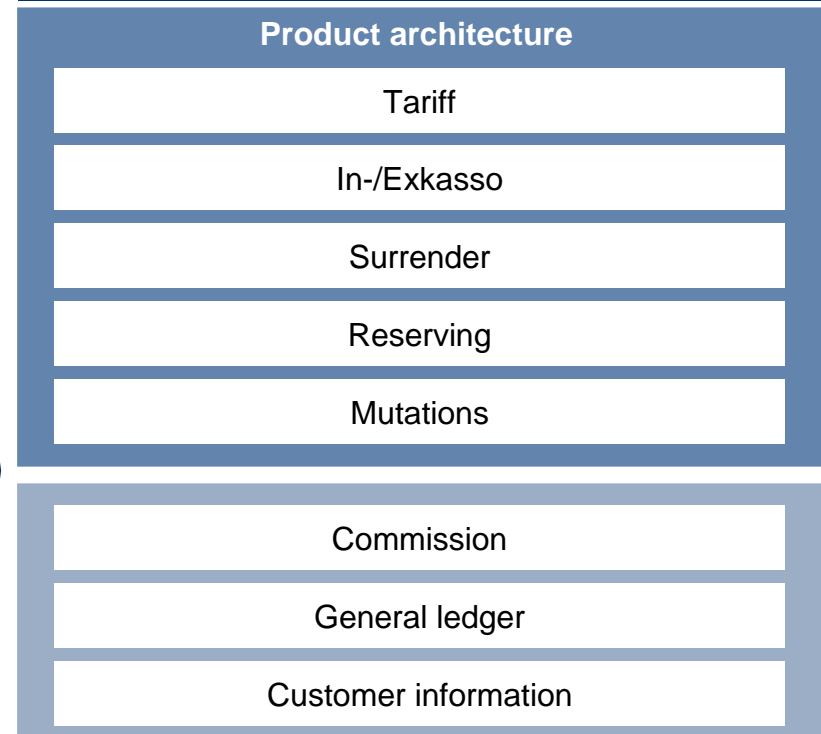
Paradigm shift in the individual life product architecture

Current situation

Product	A	Product	B	Product	n	
Tariff	A	Tariff	B	Tariff	n	
In-/Exkasso	A	In-/Exkasso	B	In-/Exkasso	n	
Commission	A	Commission	B	Commission	n	
Surrender	A	Surrender	B	...	Surrender	n
Reserving	A	Reserving	B	Reserving	n	
Client	A	Client	B	Client	n	
Mutations	A	Mutations	B	Mutations	n	
General ledger	A	General ledger	B	General ledger	n	

- Reinventing the wheel for each new product
- Different definitions and therefore multiplication of identical components
- High costs, not only in development but also in maintenance
- Complex, unclear documentation obstructing know-how transfer

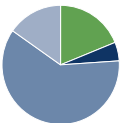
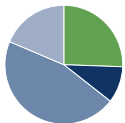
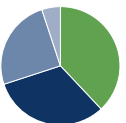

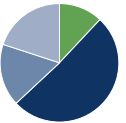
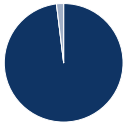
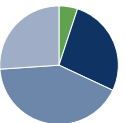

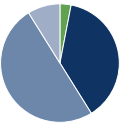
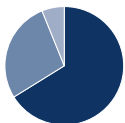
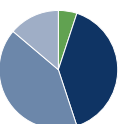
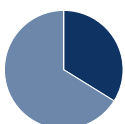
New business model



- Modular products with standard components
- Global product architecture enabling local specialities and innovation
- Low costs & short time-to-market
- Leverage cross-border know-how
- Flexibility to outsource modules

Growth: Implement strong multi-channel distribution in all countries

Distribution mix (SL/market) in 2005

	Market	Swiss Life	Main achievements
FR			<ul style="list-style-type: none"> • Further development of modern distribution channels such as internet, IFAs and Private Banking • Distribution agreements with selected banks e.g. UBS, CS, Rothschild
DE			<ul style="list-style-type: none"> • Direct sales with SLP AG • MetallRente (largest voluntary pension plan in DE) • SLIS AG (Credit life business and consumer credits)
NL			<ul style="list-style-type: none"> • Direct sales via internet and call center • Franchising pilot by 2 advice lounges • Participation in distribution parties
BE ¹⁾			<ul style="list-style-type: none"> • Convert ex-agent into pension experts and develop new channel (internet) • New points of sale: insurance brokers and independent bank brokers
LU			<ul style="list-style-type: none"> • Expand bank partnerships • Further development of IFAs and Family Offices
FL ²⁾			<ul style="list-style-type: none"> • Leverage synergies with BdG • Develop distribution channels with private banks and brokers

1) FY 2004 for the market

2) HY 2006 figures, best estimate for market

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Market segment “retired and pre-retired people”: Large potential

Population growth 2005-2015 (Switzerland)

Age	Growth until 2015	Population in million (2015 exp.)
< 50	+ 4 %	5.2
50-64	+ 14%	1.6
65-79	+ 22 %	1.1
> 80	+ 33 %	0.4

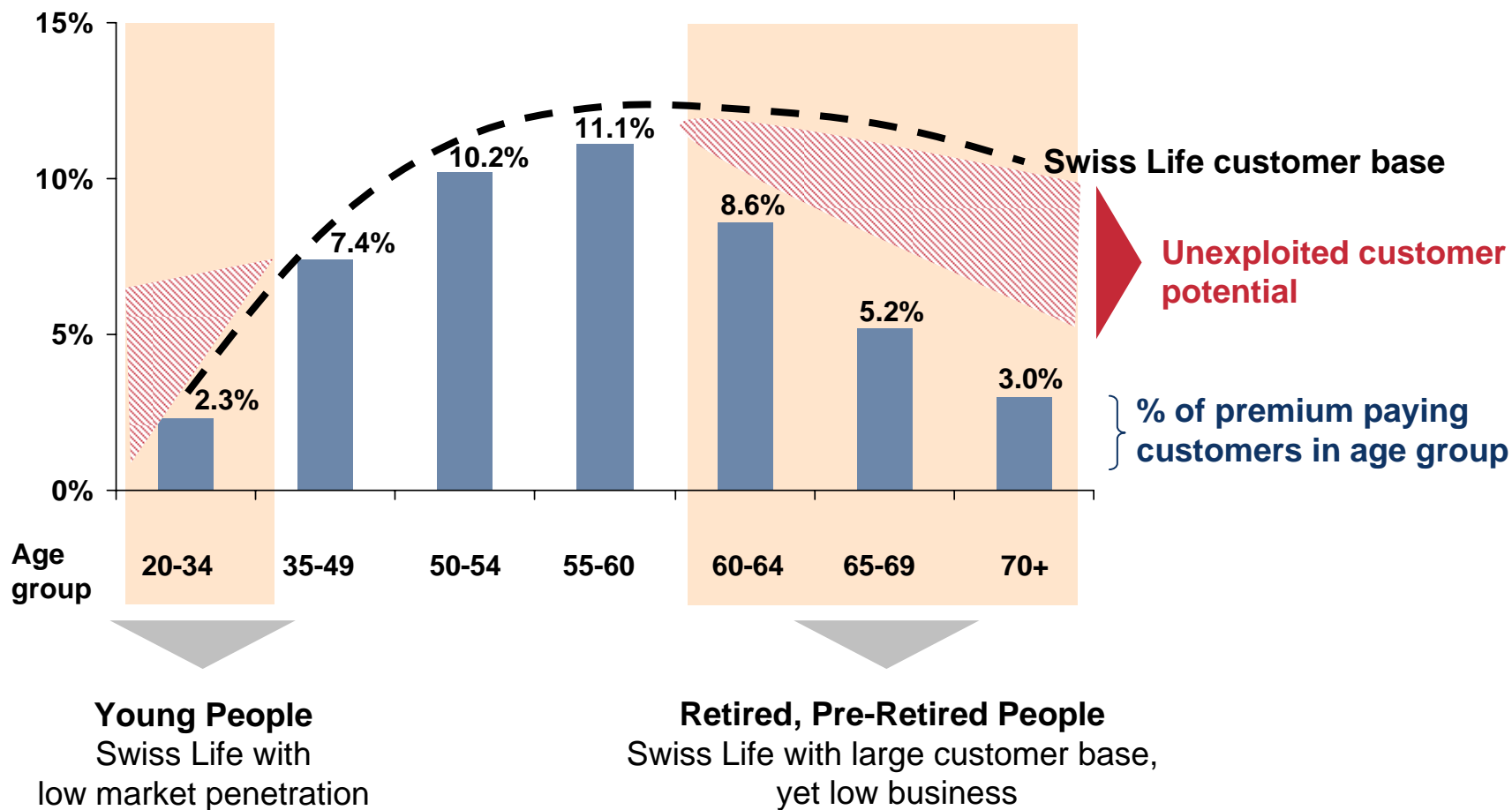
- Significant shift of market potential due to demographic change
- Old age dependency ratio ¹⁾ to double by 2030
- Expected market growth for retirement provision to grow by 7% to 10 % p.a. in Western Europe (McKinsey, Mercer Oliver Wyman)
- Need for retirement provision generally rises with higher income

Focused life insurers like Swiss Life have a big opportunity to help 50+ close their pension gap

Switzerland: Swiss Life focuses on unexploited market segments



Market penetration
(customers per age group / population per age group)



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Pensions Leadership strategy with concrete actions and proven success

Growth

- Develop innovative products to satisfy changing customer needs
- Strengthen multi-distribution channels to support growth
- Invest in internet as a rapidly growing support channel

Efficiency

- Continue projects to achieve operational excellence
- Promote cross-border projects to increase efficiency
- Look for add-on acquisitions to reach competitive cost levels

Leadership

- Capitalise on strong Swiss quality brand
- Reinforce international cooperation
- Aspire to Pensions Leadership

Cautionary statement regarding forward-looking information



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