Merrill Lynch
Banking and Insurance CEO conference

Thomas Müller, CFO
London, 9 October 2008
Key messages

Swiss Life with long-term attractive business model

Strong and well established management of credit risk

Clear rationale for increasing distribution capacity

Active capital management to continue
Agenda

1. Swiss Life with long-term attractive business model

2. Strong and well established management of credit risk

3. Clear rationale for increasing distribution capacity

4. Active capital management to continue
## Swiss Life’s strategy

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

**Ambition:** Become the leading international life and pensions specialist

### Focus on retirement needs
- Address needs of corporate and individual customers, before and after retirement
- Offer innovative products and solutions of enhanced profitability
- Distribute through optimised market-specific channel mix

### Focus on growth opportunities
- Expand cross-border businesses
- Realise inorganic opportunities in existing markets
- Tap into new high growth markets

### Focus on functional excellence
- Adapt Group governance, combining market proximity and best practice transfer
- Realise economies of scale and skills
- Strengthen performance management, and active capital management

### Foster employee commitment
### HY results with resilient premium growth and EV

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GWP incl. PHD (cont.; excl. ERISA)</td>
<td>CHF 10 888 m</td>
<td>+ 5 %</td>
</tr>
<tr>
<td>Net profit incl. e.o. gains</td>
<td>CHF 1 637 m</td>
<td>n.a.</td>
</tr>
<tr>
<td>Net profit (continuing)</td>
<td>CHF 152 m</td>
<td>- 64 %</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>CHF 7 240 m</td>
<td>- 1 %</td>
</tr>
<tr>
<td>Group solvency</td>
<td>162 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Embedded value (EV)</td>
<td>CHF 12.6 bn</td>
<td>- 2 %</td>
</tr>
</tbody>
</table>
### Investment result with negative impact in HY

CHF million (IFRS basis) –
insurance portfolio for own risk; continuing excl. ERISA

<table>
<thead>
<tr>
<th></th>
<th>HY 2008</th>
<th>HY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct investment income</td>
<td>2 381</td>
<td>2 300</td>
</tr>
<tr>
<td>Direct investment income in %</td>
<td>2.1%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Expense</td>
<td>-98</td>
<td>-97</td>
</tr>
<tr>
<td>Net capital gains on investments and impairments</td>
<td>-1 209</td>
<td>516</td>
</tr>
<tr>
<td>Net investment result</td>
<td>1 074</td>
<td>2 719</td>
</tr>
<tr>
<td>Net investment return in %</td>
<td>1.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Changes in net unrealised gains/losses on investments</td>
<td>-2 464</td>
<td>-2 219</td>
</tr>
<tr>
<td>Total investment result</td>
<td>-1 390</td>
<td>500</td>
</tr>
<tr>
<td>Total investment return in %</td>
<td>-1.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Average net investments</td>
<td>112 585</td>
<td>112 318</td>
</tr>
</tbody>
</table>
Attractive business model despite current adverse market situation

- illustrative Shareholder and policyholder participation -

**Half-year 2008:**
Current situation due to adverse market situation

**Year-end 2008:**
Forecast based on HY2008 with direct yield only

**Long-term view assumption**

Technical interest rate ~ 1.4%

Net Investment return | Cost / risk result | Policyholder participation | Shareholder participation |
--- | --- | --- | ---
1.0% |  |  | 

Technical interest rate ~ 2.9%

Net Investment return | Cost / risk result | Policyholder participation | Shareholder participation |
--- | --- | --- | ---
2.9% |  |  | 

Technical interest rate ~ 2.9%

Net Investment return | Cost / risk result | Policyholder participation | Shareholder participation |
--- | --- | --- | ---
4.2% |  |  | 
1. Swiss Life with long-term attractive business model

2. **Strong and well established management of credit risk**

3. Clear rationale for increasing distribution capacity

4. Active capital management to continue
Solid investment portfolio

CHF million (IFRS basis) insurance portfolio for own risk

Equities & equity funds 111 552
Alternative investments 4.9%
Real estate 11.2%
Mortgages 5.2%
Loans 12.4%
Bonds (55.7%) Governments & Supranationals 27.4%
Financials & Corporates 28.3%
Cash and other 4.7%

Net equity exposure 30.06.08 31.12.07
2.5% 7.5%

50% of bonds are AAA. Very low exposure to structured credit
Well diversified corporate bond portfolio

Favourable accounting treatment compared to equities
Continuous increase of diversified exposure to 28% of insurance portfolio
Ongoing pick-up of attractive yields
Very low exposure to structured credit (<1% of portfolio)
Partly outsourced to specialised manager

Breakdown of Financials & Corporates (HY08)

- AAA 27%
- BBB 19%
- AA 19%
- A 23%
- Below BBB 11%
- Not rated 1%
- Not rated 1%

Total Investment HY 2008 CHF 31 600m
Strong and well established management of credit risk

1. Strict counterparty exposure limits
2. Strict risk capital limits based on risk capital
3. Collateral management for derivatives

S&P considers Swiss Life’s enterprise risk management as “strong”
1. Strict counterparty exposure limits

- Risk limits defined on a groupwide basis, for each counterparty and business unit
- Limits are being set by the Group Risk Committee
- Risk limits for below BBB counterparties were further reduced since 2007
- Bonds Below BBB account for approx. 3% of total insurance portfolio in HY08

Risk limits in % of total AuM (illustrative)
Financial risk capital is defining strict risk capital limits

**Group Risk Committee**

- Overall financial risk capital limit set by the Executive Board

**ALM Committee**

- Allocation of financial risk capital limit to different risk types

- Market risk capital
- Credit risk capital
- Interest rate risk capital
- Other risk limits (e.g., FX)

- In the asset portfolio, overall credit risk consumption is limited by risk capital limits
- Limits are being set for each market unit according to the available risk capital and risk appetite
- In case of limit breach, Limit setting body receives immediate information about breach and proposed corrective measures
Well established collateral management for derivatives

- All OTC derivatives transactions are executed under ISDA and CSA agreements

- Collateral balances are calculated and exchanged on a weekly basis, and on request on daily basis.

- Exchange Traded Derivatives “ETD“ and FX derivatives are being settled through different Prime Brokers. The netted market value of outstanding derivatives is squared daily through collateral transfers with the corresponding Prime Brokers

- Cash on bank accounts is lent daily in the O/N repo market against collateral (eligible securities defined by the SNB repo basket)
Agenda

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# Swiss Life’s strategy and where AWD fits in

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

**Ambition:** Become the leading international life and pensions specialist

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| • Address needs of corporate and individual customers, before and after retirement | • Expand cross-border businesses  
  • Realise inorganic opportunities in existing markets  
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  • Realise economies of scale and skills  
  • Strengthen performance management, and active capital management |

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<th>Focus on employee commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Foster employee commitment</td>
</tr>
</tbody>
</table>
### Clear acquisition rationale for AWD

| Increase distribution capacity in core markets | • Increased new business production in Germany and in Switzerland  
• AWD remains an open architecture platform with high quality independent advice to clients |
| --- | --- |
| Access to new markets | • Austria  
• CEE |
| Enlarged customer base | • Access to an extended customer base  
• Customer interaction with structured advice |
| Improved market intelligence | • Broad product insight across the markets  
• Customer needs  
• Unique selling propositions |
| Additional value creation | • High-growth earnings stream  
• Substantial potential for synergies |

IFAs expected to benefit most from the structural changes within the growing German old-age provision market
**IFA business model not influenced by ownership**

German IFA, 30.06.08

| Number of Consultants | 35 000 | 6 037 | 2 613 | 4 950 |

| Revenues (in EUR m)    | 625    | 336   | 287   | 133   |

| Ownership (insurance)  | 49%    | 86%   | n.a.  | 87%   |

- Generali
- Swiss Life
- Deutscher Ring, Iduna, Volksfürsorge

As of 30.06.08, three of the four leading German IFAs were partially owned by insurance companies.
Partnership with AWD: what we have achieved so far

Implementation programme making good progress
- Products and markets projects well developed
- Operational projects largely finalised and transferred into line management
- 97% stake allowing for squeeze-out procedure of AWD shareholders in 2009

Swiss Life is becoming one of several “best select” providers for AWD
- Initial quick-wins: launches of two Swiss Life products with promising results
- New products for German and Swiss markets being developed with input from AWD and will be launched in Q1 2009
- Development of additional products based on proprietary and AWD market intelligence

Evaluation ongoing for pursuing growth in target markets
- Austria: Swiss Life market entry mid 2009
- CEE: prioritisation of markets based on long-term growth potential

Growth initiatives within AWD
- Further increase number of advisors and enhance quality of advice
- After Proventus acquisition, continue to play active role in the consolidation of the German IFA market
- Explore opportunities in new markets

Overall aim is to strengthen business model of AWD
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Capital management and Outlook

Active capital management
- Share buyback of CHF 1 bn in 2008, 60% completed until 30 Sept
- Dividend of CHF 600 m for 2008
- Dividend pay-out ratio of 40-60% of net profit as of 2009

Outlook
- 2009: EPS target of around CHF 24 achievable
- From 2010 on, target of 12% EPS growth and 12% ROE
Summary: Key messages

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Active capital management
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Appendix
## Positive premium growth

GWP & PHD; CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Region</th>
<th>HY 2008</th>
<th>HY 2007</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>5,907</td>
<td>6,001</td>
<td>-2%</td>
</tr>
<tr>
<td>France 1)</td>
<td>3,168</td>
<td>2,715</td>
<td>+17%</td>
</tr>
<tr>
<td>Germany</td>
<td>908</td>
<td>994</td>
<td>-9%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>225</td>
<td>279</td>
<td>-19%</td>
</tr>
<tr>
<td>Liechtenstein 2)</td>
<td>703</td>
<td>436</td>
<td>+61%</td>
</tr>
<tr>
<td>Continuing 3)</td>
<td>10,888</td>
<td>10,385</td>
<td>+5%</td>
</tr>
<tr>
<td>ERISA</td>
<td>1,880</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing incl. ERISA</td>
<td>10,888</td>
<td>12,265</td>
<td>-11%</td>
</tr>
</tbody>
</table>

1) Without ERISA
2) Includes CapitalLeben since 04/07; growth including Q1 2007 of CapitalLeben +5%
3) Includes CHF -23 m inter-segment eliminations per HY08 and CHF -40 m per HY07
## Operating profit

Segment results; CHF million (IFRS basis)

<table>
<thead>
<tr>
<th>Segment</th>
<th>HY 2007</th>
<th>HY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>608</td>
<td>218</td>
</tr>
<tr>
<td>Investment Management</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>AWD</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>41</td>
<td>16</td>
</tr>
<tr>
<td>Insurance (Discontinued)</td>
<td>87</td>
<td>1 098</td>
</tr>
<tr>
<td>Banking (Discontinued)</td>
<td>102</td>
<td>595</td>
</tr>
<tr>
<td>Eliminations</td>
<td>-32</td>
<td>-23</td>
</tr>
<tr>
<td>Unallocated corporate costs</td>
<td>-32</td>
<td>-28</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>821</td>
<td>1 929</td>
</tr>
<tr>
<td>of which continuing</td>
<td>610</td>
<td>227</td>
</tr>
</tbody>
</table>

Switzerland: 120 CHF million

France: 100 CHF million

Germany: 19 CHF million

Other (Cross-border): -21 CHF million
Investment portfolio

CHF million (IFRS basis) insurance portfolio for own risk

<table>
<thead>
<tr>
<th>Category</th>
<th>30.06.08</th>
<th>31.12.07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities &amp; equity funds</td>
<td>5.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>4.9%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Real estate</td>
<td>11.2%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Mortgages</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Loans</td>
<td>12.4%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Bonds</td>
<td>55.7%</td>
<td>54.5%</td>
</tr>
<tr>
<td>Cash and other</td>
<td>4.7%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Net equity exposure

- 2.5%
- 7.5%
Insurance portfolio (IFRS basis)

Bonds

CHF million
111 552

55.7%

Breakdown by rating

- BBB: 12%
- AA: 17%
- A: 15%
- Below BBB: 6%
- AAA: 50%

Breakdown by classification

- Banks and Corporates: 56%
- Government and Supranationals: 43%
- ABS / MBS: 1%
Very low exposure to structured credit

CHF million (IFRS basis), 30.6.2008

CDO, CLO, ABS, MBS as of 31.12.2007

- Transferred positions to SNS Reaal (NL/BE): CHF 574 million
- Net redemptions: CHF 125 million
- Impairments/Realised losses: CHF 1 million
- Change in unrealised losses: CHF 55 million

CDO, CLO, ABS, MBS as of 30.06.2008: CHF 682 million

Realised losses of CHF 1 m, and no impairments.
Remaining portfolio carries CHF 91 m unrealised losses and no impairment risk.
Stable shareholders’ equity

CHF million (IFRS basis)

31.12.2007

-1 437

-124

-114

1 638

7 277

7 240

30.06.2008

-1 %
## Embedded value

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

<table>
<thead>
<tr>
<th></th>
<th>30.06.2008</th>
<th>31.12.2007</th>
<th>Change</th>
<th>RoEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>4 559</td>
<td>4 847</td>
<td>-5.9%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>International 2)</td>
<td>2 568</td>
<td>4 996</td>
<td>-48.6%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>ANAV Swiss Life Holding 2)</td>
<td>5 428</td>
<td>2 994</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Swiss Life Group</strong></td>
<td>12 555</td>
<td>12 837</td>
<td>-2.2%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>of which ANAV</td>
<td>8 573</td>
<td>8 705</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVFP</td>
<td>4 785</td>
<td>4 880</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of holding capital</td>
<td>-803</td>
<td>-748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embedded value per share 1)</td>
<td>359</td>
<td>367</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Based on 35.0 million shares on 31.12.07 and 35.0 million shares on 30.06.08
2) Proceeds from divestments included in International & ANAV Swiss Life Holding on 31.12.07; only in ANAV Swiss Life Holding on 30.06.08
AWD HY performance resilient in Germany and Switzerland

AWD Group, stand-alone HY, IFRS basis, EUR million

<table>
<thead>
<tr>
<th></th>
<th>HY 2008</th>
<th>HY 2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>185.9</td>
<td>184.8</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Austria &amp; CEE</td>
<td>64.6</td>
<td>91.5</td>
<td>-29.4%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>50.2</td>
<td>77.6</td>
<td>-35.3%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>35.1</td>
<td>34.3</td>
<td>+2.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>335.8</td>
<td>388.2</td>
<td>-13.5%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>24.1</td>
<td>43.0</td>
<td>-44.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>37.1</td>
<td>31.7</td>
<td>+17.0%</td>
</tr>
<tr>
<td>Austria &amp; CEE</td>
<td>7.1</td>
<td>21.4</td>
<td>-66.8%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-6.8</td>
<td>0.8</td>
<td>n.m.</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3.0</td>
<td>4.4</td>
<td>-31.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24.1</td>
<td>43.0</td>
<td>-44.0%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>17.8</td>
<td>31.5</td>
<td>-43.5%</td>
</tr>
<tr>
<td><strong>Financial advisors</strong></td>
<td>6 037</td>
<td>6 343</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Including Proventus¹)</td>
<td>6 602</td>
<td>6 343</td>
<td>+4.1%</td>
</tr>
<tr>
<td><strong>Advised customers</strong></td>
<td>241 600</td>
<td>268 600</td>
<td>-10.1%</td>
</tr>
</tbody>
</table>

¹) Proventus not consolidated in HY08
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Financial calendar

Interim Statement Q3 2008
12 November 2008

Investors’ Day
2 December 2008

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