

Morgan Stanley European Financials Conference

Bruno Pfister, Group CEO Swiss Life
London, 2 April 2009

Agenda



1. Overview on 2008 results

2. Strategy and outlook

Key points



- **Unsatisfactory result due to severe financial market dislocation**
 - Gross written premiums -4%, mainly due to lower sales to HNWI
 - Profit heavily influenced by impairments as well as realisations
- **Solid capitalisation, despite financial crisis**
 - Resilient IFRS equity and stable IFRS solvency of 159%, after deduction of proposed dividend of CHF 5
 - Par value reduction and share buyback of more than CHF 1.2 bn
 - De-risking of investment portfolio largely completed
- **Swiss Life and Talanx agree on strategic partnership**
 - Several areas of cooperation identified
 - Talanx to take a stake of around 10% in Swiss Life
 - Swiss Life to sell 8,4% of MLP to Talanx and intends to reduce remaining stake to below 10%
- **2009 outlook**
 - Long-term growth intact, with growing needs for advice and security
 - Direct investment yield well above technical interest rates
 - Strong customer franchise allowing reinforcing market position

Key figures 2008



Net profit	➔	CHF 345 million	- 75%
Result from operations ¹⁾	➔	CHF - 842 million	n.a.
Shareholder's equity	➔	CHF 6.6 billion	- 9%
Group solvency	➔	159%	- 3 pts
Return on equity	➔	5.0%	- 13.1 pts
Embedded value	➔	CHF 8.5 billion	- 34.1%
Dividend (proposed)	➔	CHF 5	- CHF 12

1) Continuing operations

Business performance 2008



Switzerland

- Number 1 market position confirmed
- Efficiency increased, costs reduced
- Annual cost savings of CHF 90 million identified
- New generation of innovative products introduced

France

- Strong premium growth continued (+8%)
- IFA distribution channel substantially increased
- New unit-linked products successfully launched

Germany

- AWD integrated into Swiss Life sales approach
- Attractive new products launched
- New business production picked up in Q4

Business performance (ctd)



PPLI ¹⁾

- HNWI also impacted by crisis, leading to disappointing sales
- New and adapted products launched
- Additional points of sale added in Singapore and Dubai

AWD

- AWD sales of Swiss Life products more than doubled
- Restructuring of UK and issues in Austria addressed
- Target governance model implemented

Investment Management / ALM

- Balance sheet largely de-risked in second half of 2008
- Income from Investment Management stabilised
- Positive interest margin maintained going forward

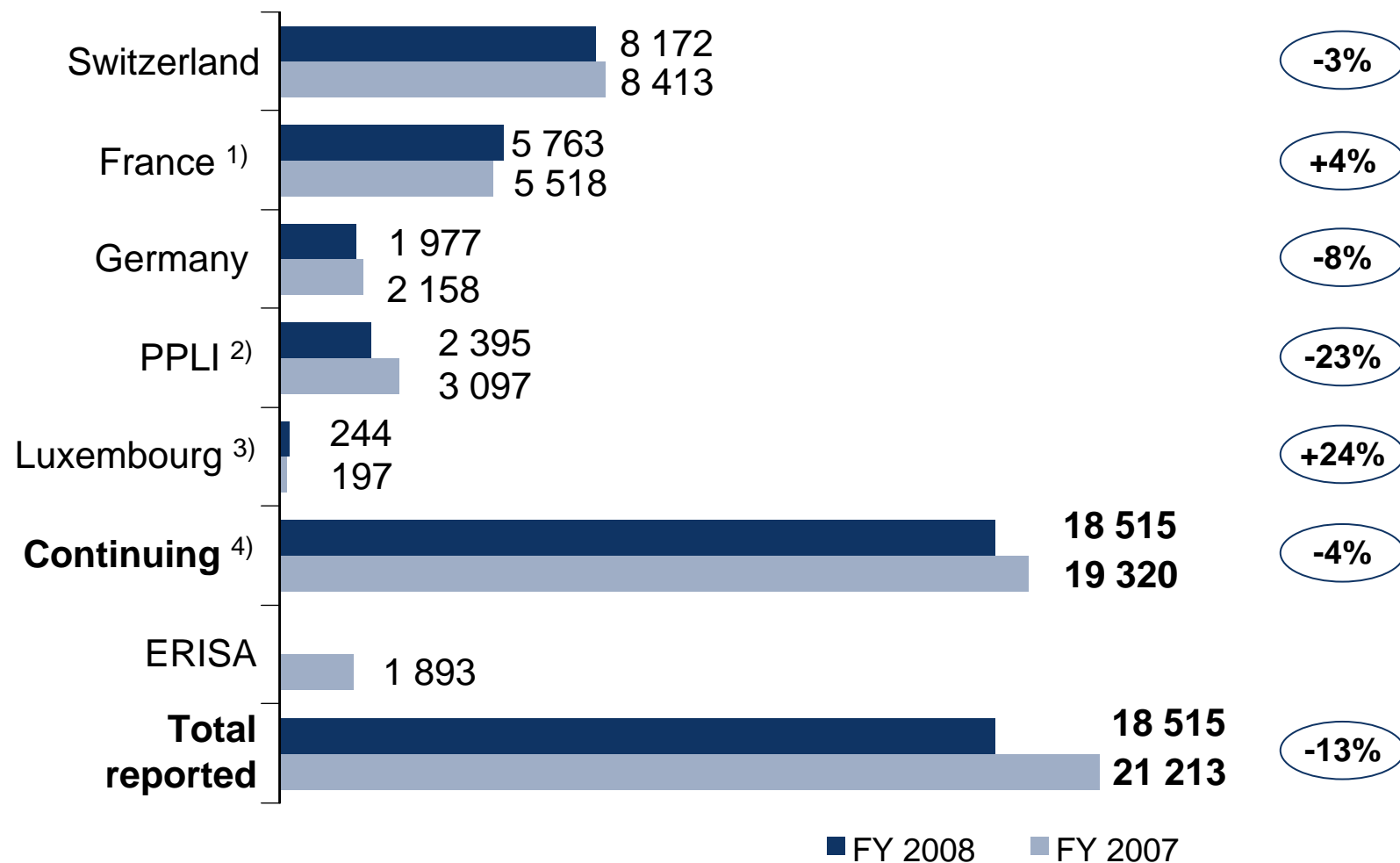
1) Private Placement Life Insurance

Premiums

GWP & PHD; CHF million (IFRS basis)



SwissLife



1) Without ERISA in 2007

2) Includes Liechtenstein, Singapore and PPLI Luxembourg

3) Luxembourg w/o PPLI

4) Includes CHF -36 m inter-segment eliminations in FY08 and CHF -63 m in FY07

Reserves and shareholders' equity



SwissLife

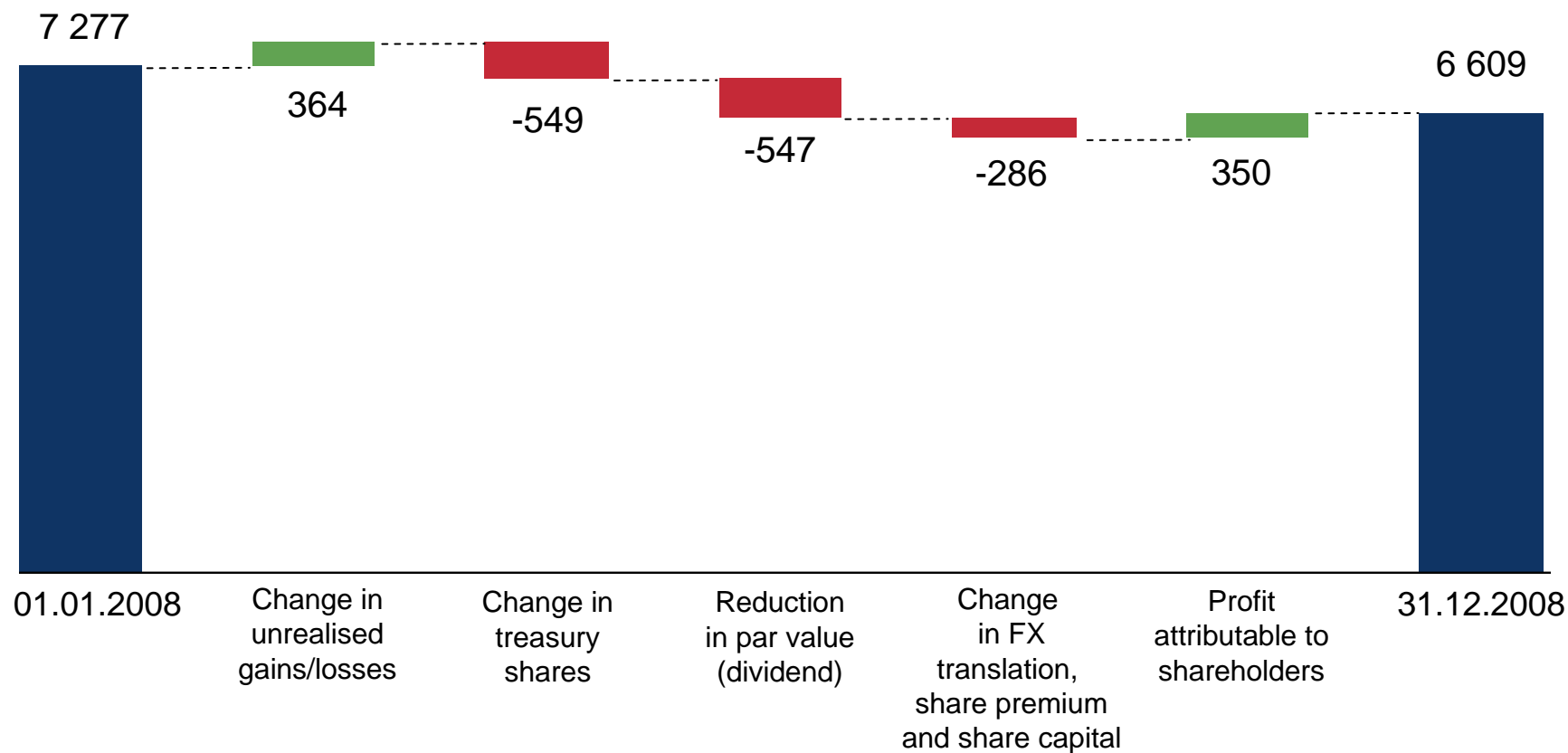
CHF million (IFRS basis)

	31.12.2008	31.12.2007
Insurance reserves	113 308	121 829
Insurance liabilities	91 024	94 492
Investment contracts	11 135	12 907
Financial liabilities FVPL (unit-linked)	9 727	11 042
Policyholder participation liabilities	1 422	3 388
Borrowings	3 123	3 621
Shareholders' equity	6 609	7 277
Total liabilities and equity	134 791	179 757
Core capital	10 007	11 594
Equity	6 652	7 334
Hybrid capital instruments	2 677	2 936
Deferred Group-related funds	678	1 324

Development of shareholders' equity

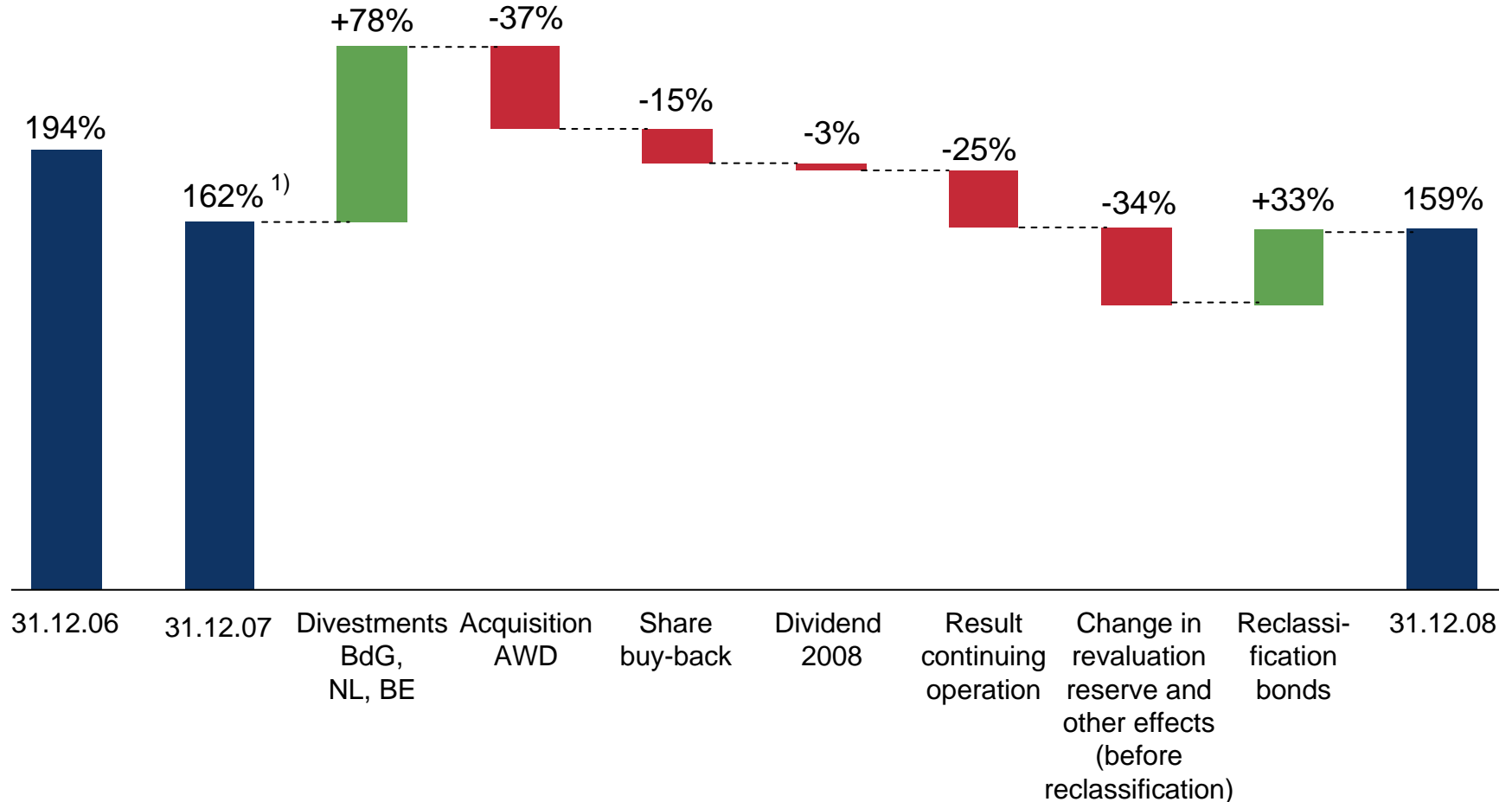


CHF million (IFRS basis)



Group solvency

Based on IFRS equity



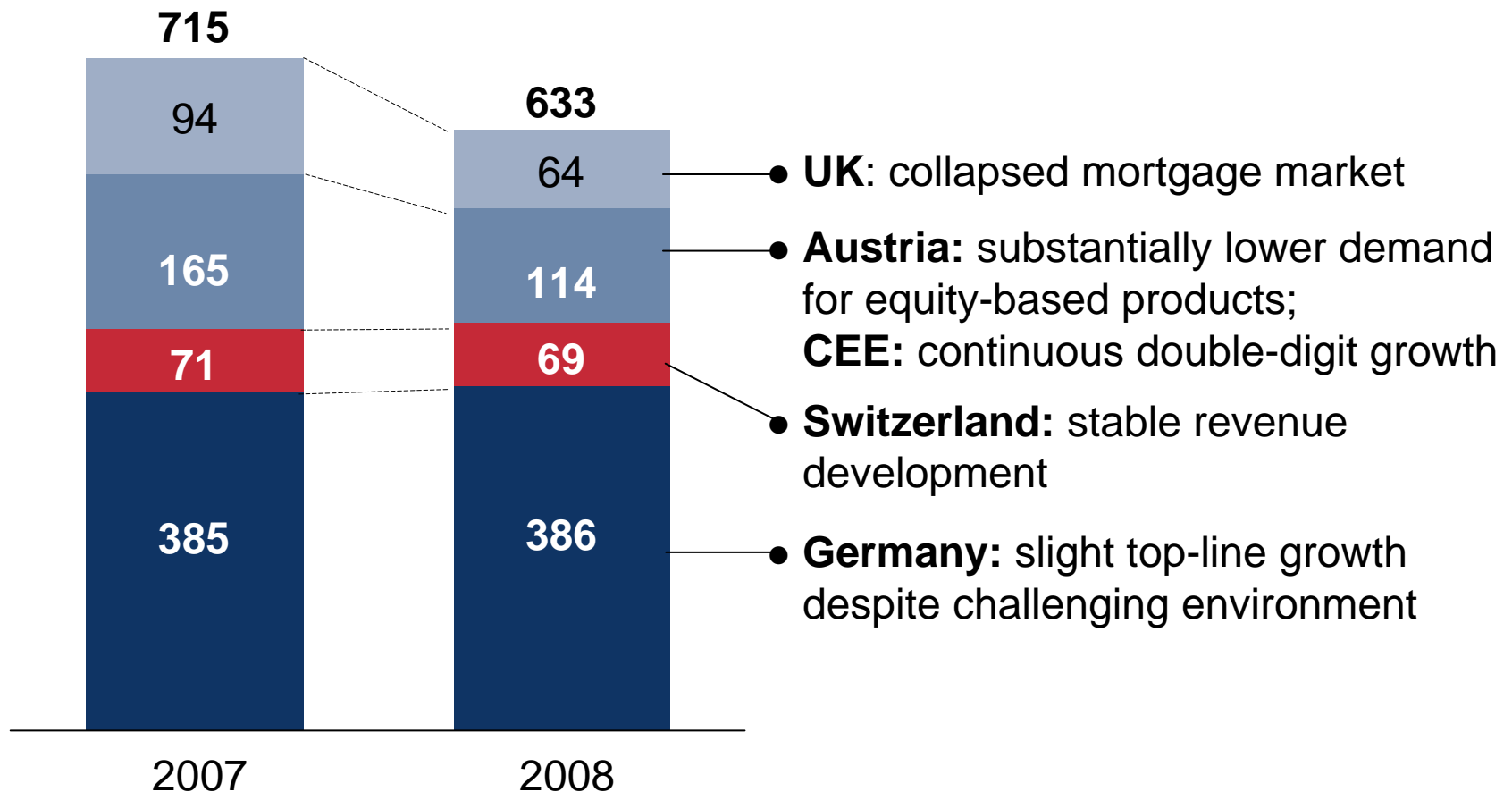
1) Since 2007, according to the adjusted practice of the Swiss regulator

AWD revenues



SwissLife

AWD Group revenues (continuing operations), EUR m



AWD results



AWD Group, stand-alone FY ¹⁾, EUR million (IFRS basis)

	FY 2008	FY 2007	Change
Revenues	633.0	717.5	-11.8%
Germany	385.6	384.7	
Austria & CEE	114.5	165.4	
United Kingdom	63.6	94.2	
Switzerland	69.3	70.4	
EBIT	19.7	83.0	-76.3%
Germany	72.3	75.0	
Austria & CEE	4.2	34.7	
United Kingdom	-24.9	-4.2	
Switzerland	5.3	9.1	
Holding	-37.2	-30.8	
Net result (continuing operations)	2.1	55.2	-96.2%
Result of discontinued operations	-16.5	2.2	
Net result	-14.4	57.4	
Financial advisors ²⁾	6 009	6 305	-4.7%
Advised customers	429 100	480 800	-10.8%

1) Excl. Proventus; 2) Incl. 333 advisors of Proventus

Agenda



1. Overview on 2008 results

2. Strategy and outlook

Swiss Life strategy



Mission

We are committed to helping people create a financially secure future. For life

Ambition

We aim to become the leading international life and pensions specialist

Values

Expertise, proximity, openness, clarity and commitment

Focus on retirement needs

Focus on growth opportunities

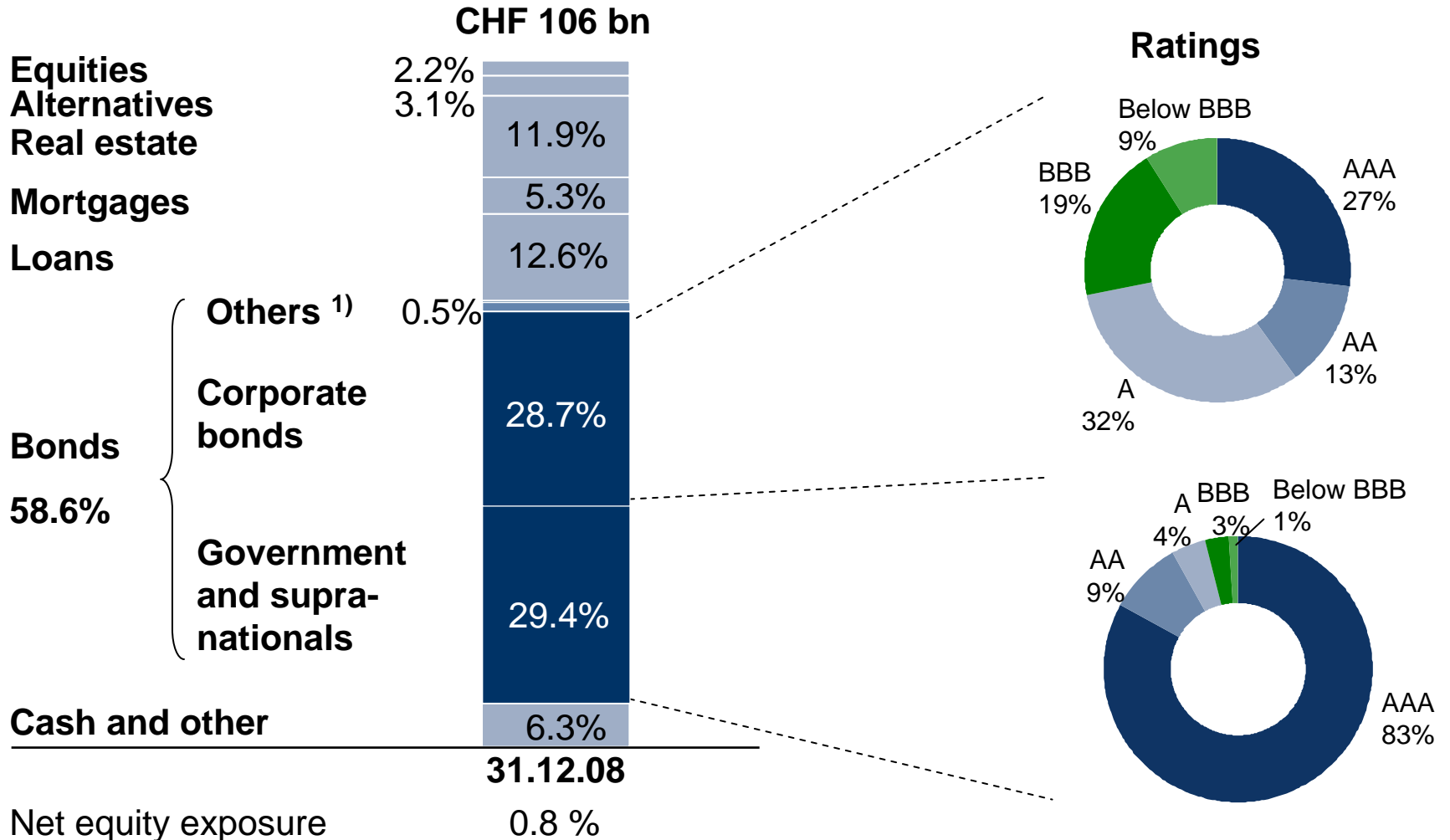
Focus on functional excellence

Foster employee commitment

Largely de-risked investment portfolio going forward

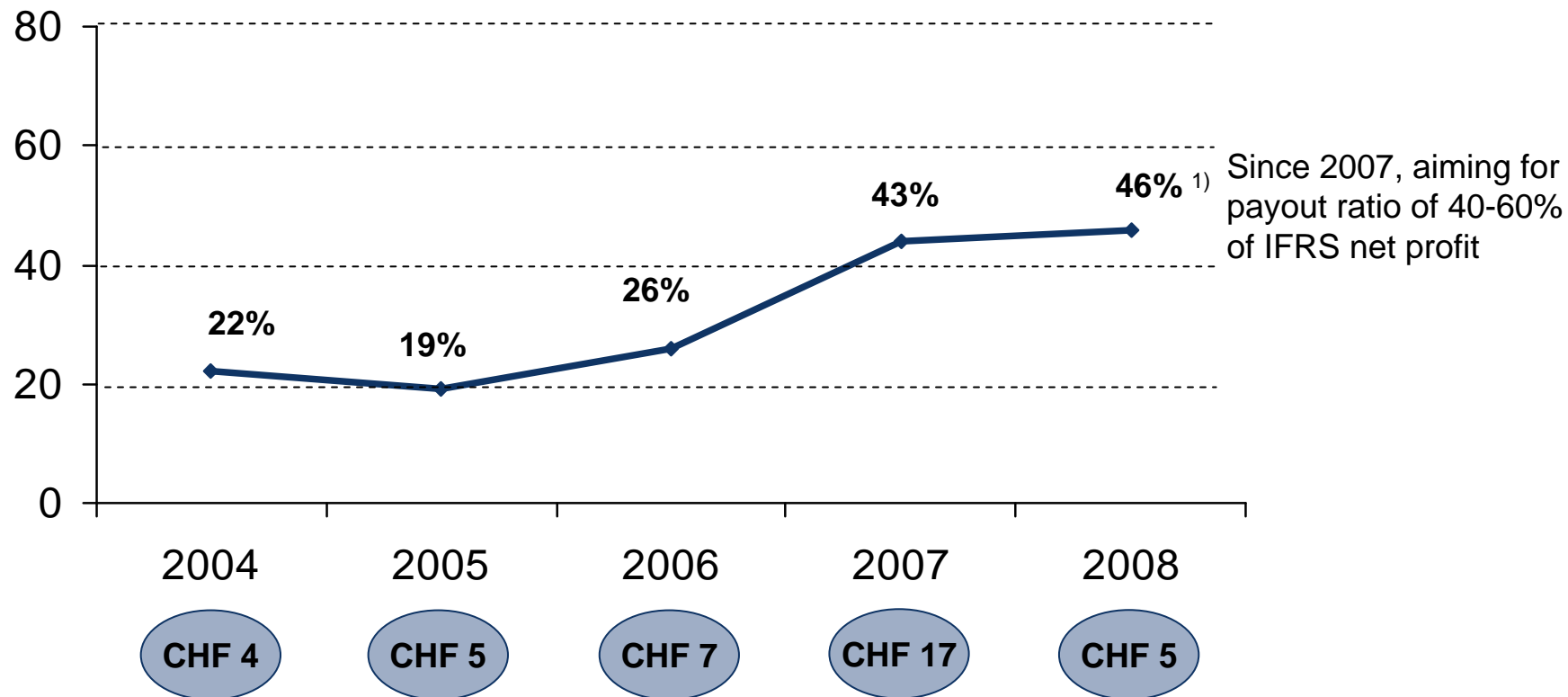


Insurance portfolio for own risk (Fair value basis)



1) Exposure to CDO/CLO, ABS, MBS, etc.

Aiming for payout ratio in target range



1) Payout ratio 2008 excluding treasury shares from share buyback programme

Outlook



- 1 Long-term perspective for life insurance continues to be strong**
- 2 Sound business portfolio with broadened product range**
- 3 Diversified distribution franchise with growth potential**
- 4 Cost savings initiated to support competitive position**
- 5 Largely de-risked investment portfolio and solid capital base**



SwissLife

Supplementary information

Supplementary information



1. Profit and loss

2. AWD

3. Balance sheet

4. Investments

5. Embedded value

6. Contact details and financial calendar

Adjusted premium growth

CHF million (IFRS basis)



	2008	2007	Change
GWP & PHD	19 439	24 170	-20%
Less discontinued	-924	-2 957	
Less ERISA		-1 893	
Continuing operations excl. ERISA	18 515	19 320	-4%
Currency effects		-278	
GWP & PHD adjusted	18 515	19 042	-3%

Switzerland: Life insurance premiums



CHF million (IFRS basis)

	FY 2008	FY 2007	Change
Total life GWP incl. PHD	8 172	8 413	-2.9%
Single premiums	4 342	4 276	+1.5%
Periodic premiums	3 763	4 069	-7.5%
Reinsurance premiums assumed	67	68	-1.0%
Group life	6 409	6 630	-3.3%
Single premiums	3 690	3 636	1.5%
Periodic premiums	2 719	2 994	-9.2%
Individual life	1 696	1 715	-1.1%
Single premiums	652	640	1.8%
Periodic premiums	1 044	1 075	-2.9%

Switzerland: statutory distribution ratio in BVG business

CHF million (statutory basis)



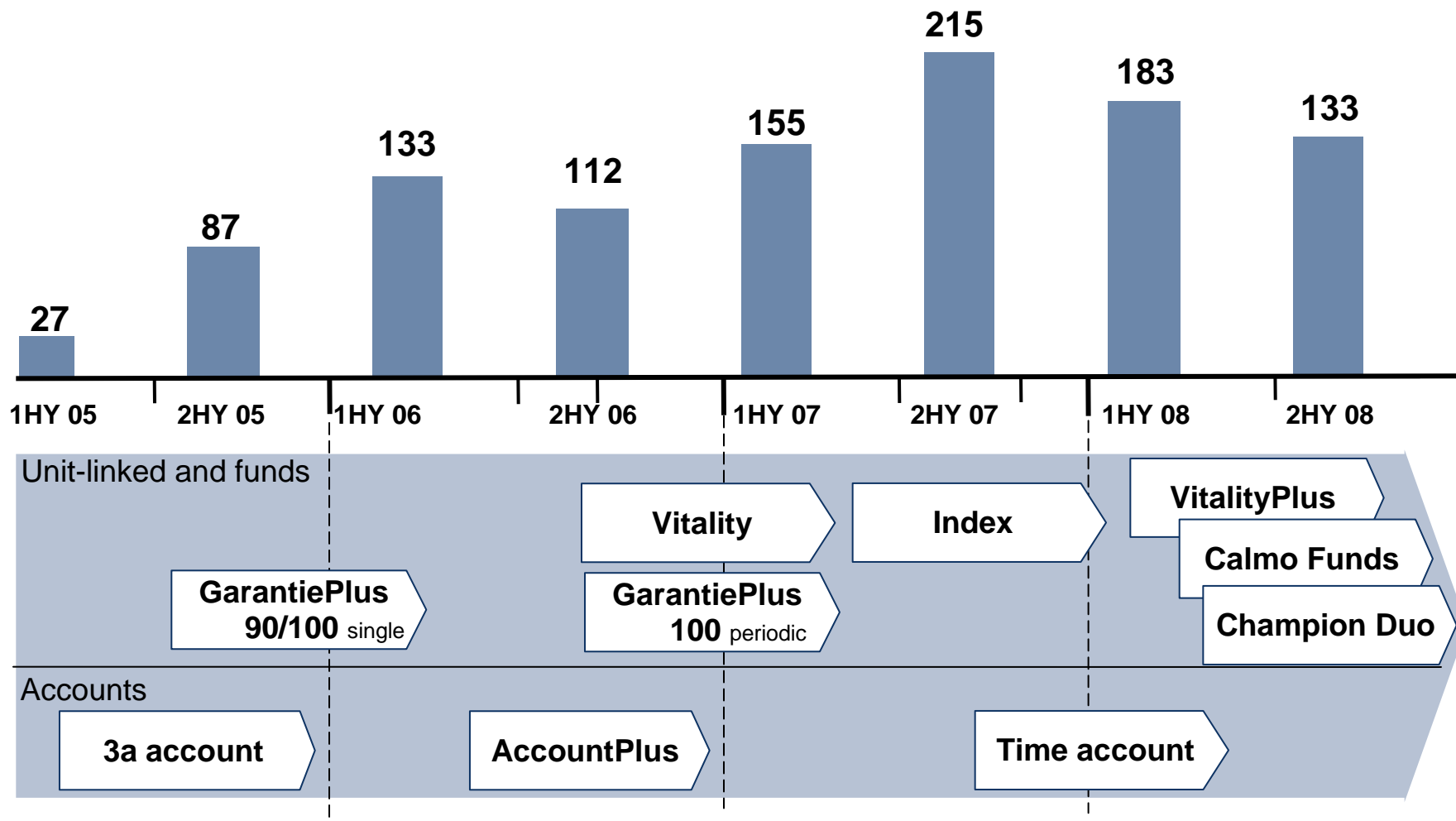
	FY 2005	FY 2006	FY 2007	FY 2008
Gross revenue	2 199 100%	2 086 100%	2 065 100%	505 100%
Total insurance benefits paid (incl. bonuses)	2 060 93.7%	1 919 92.0%	1 890 91.5%	1 442 >100%
Operating income BVG business	139	167	175	- 937
Operating income other group business	6	25	37	- 146
Operating income total group business	145	192	212	- 1083

Switzerland: Performance-oriented products



SwissLife

New business gross volume
(unit-linked, funds and account solutions); CHF million



Supplementary information



1. Profit and loss

2. AWD

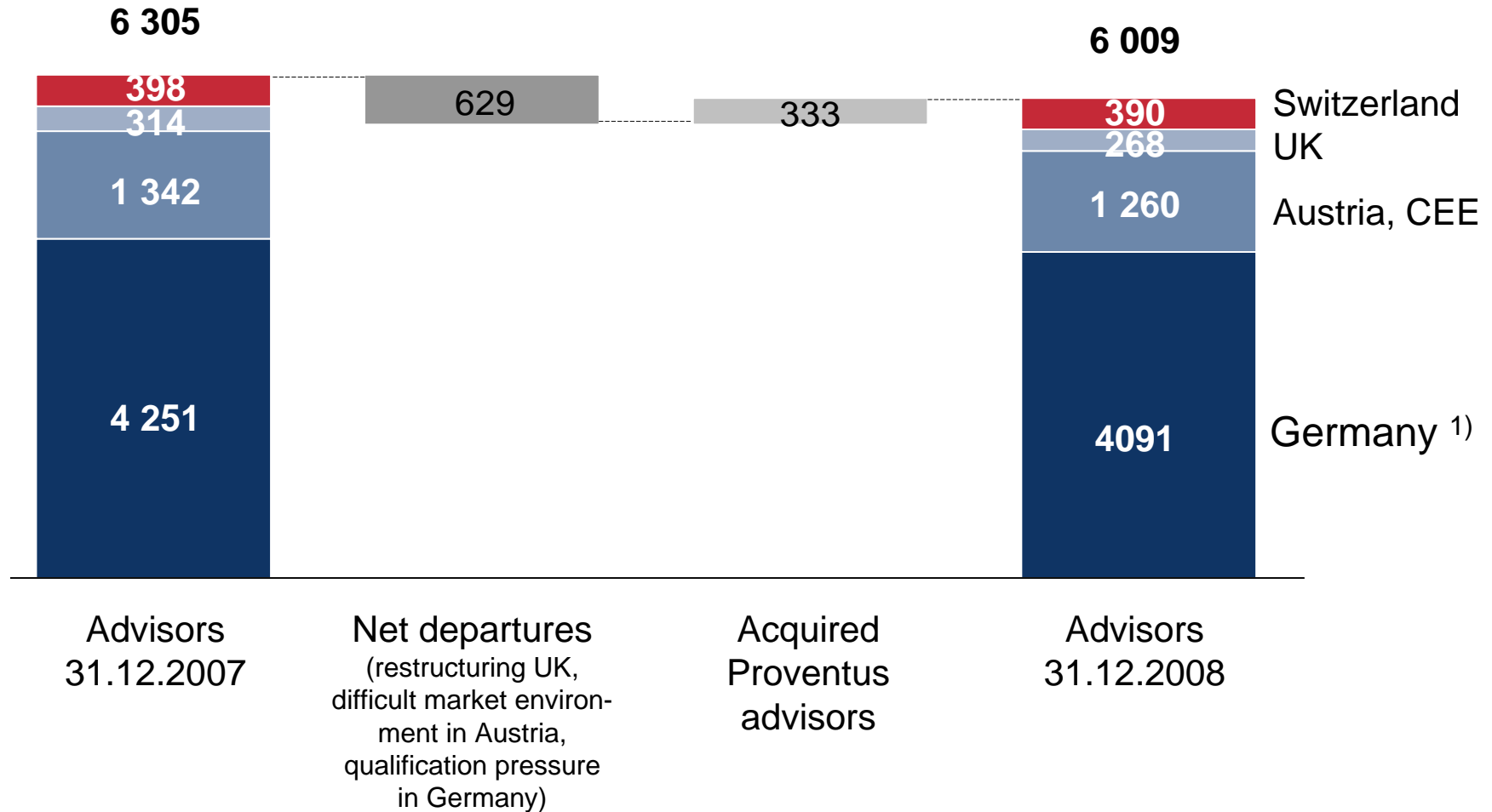
3. Balance sheet

4. Investments

5. Embedded value

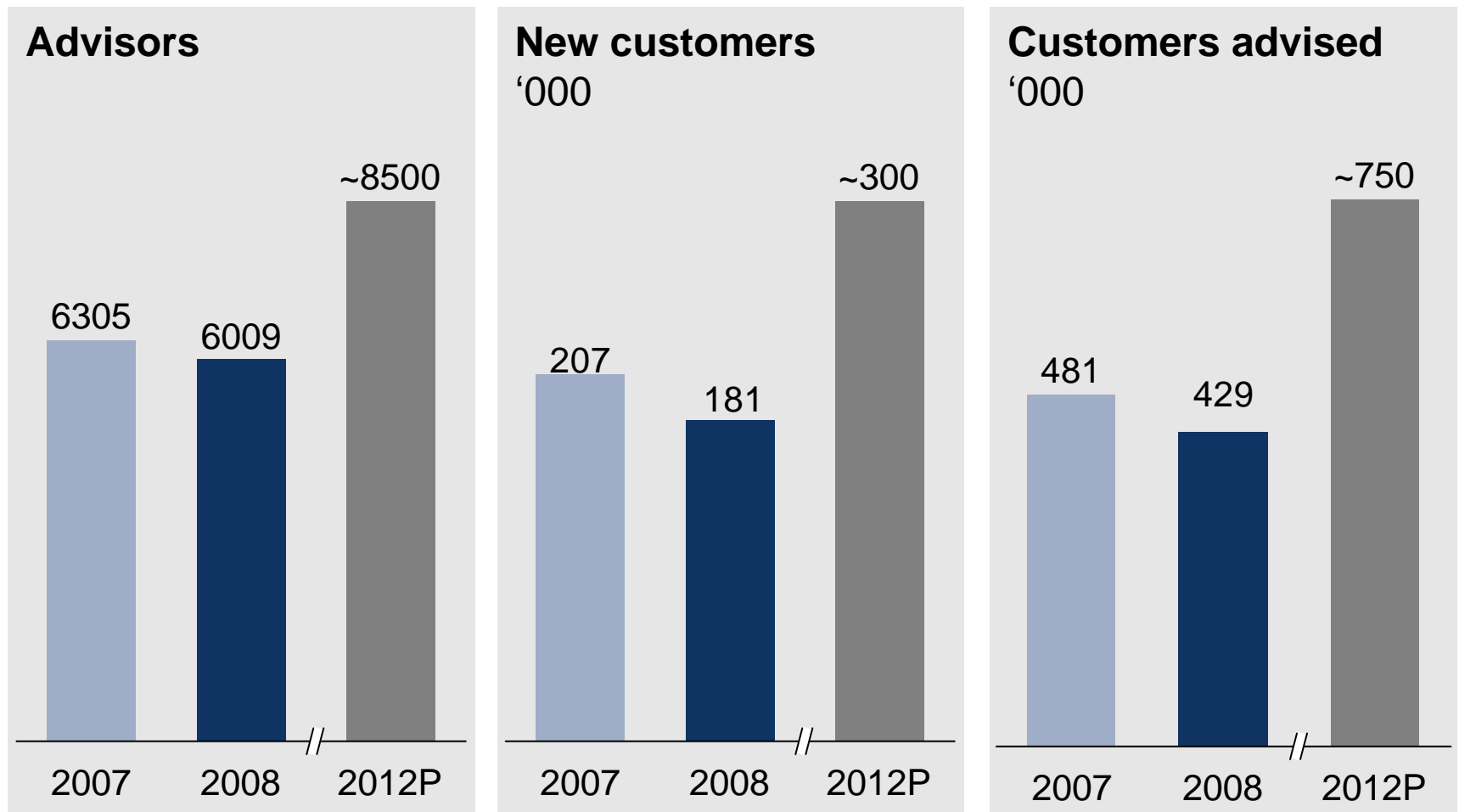
6. Contact details and financial calendar

AWD advisor development

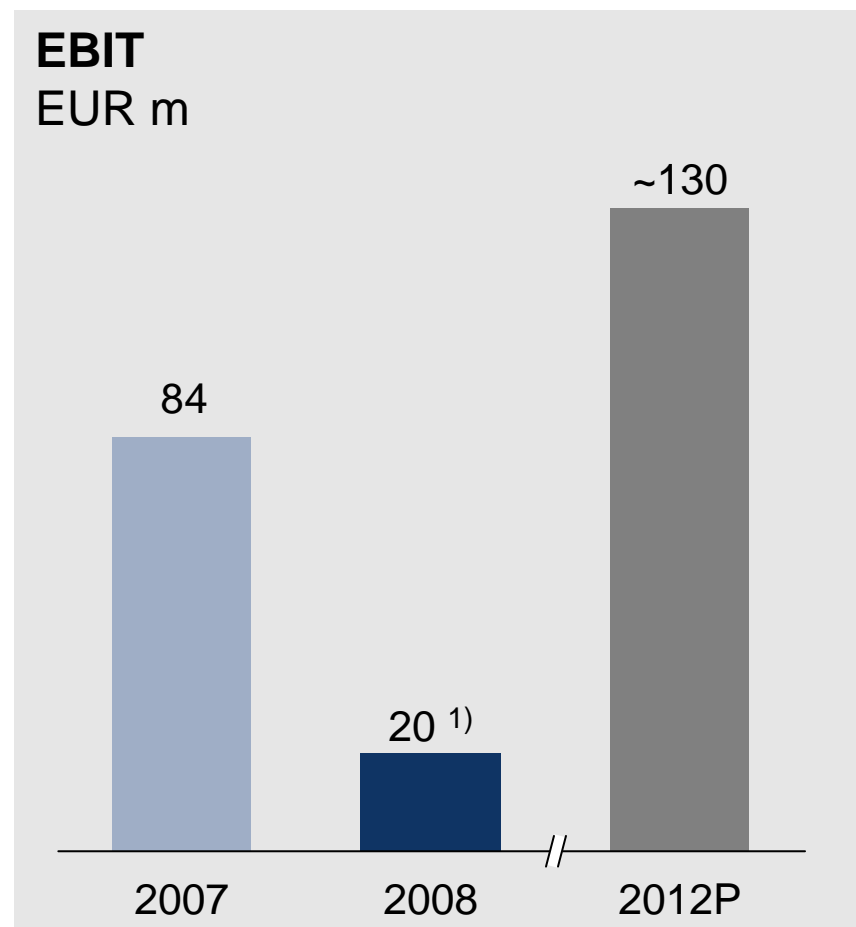
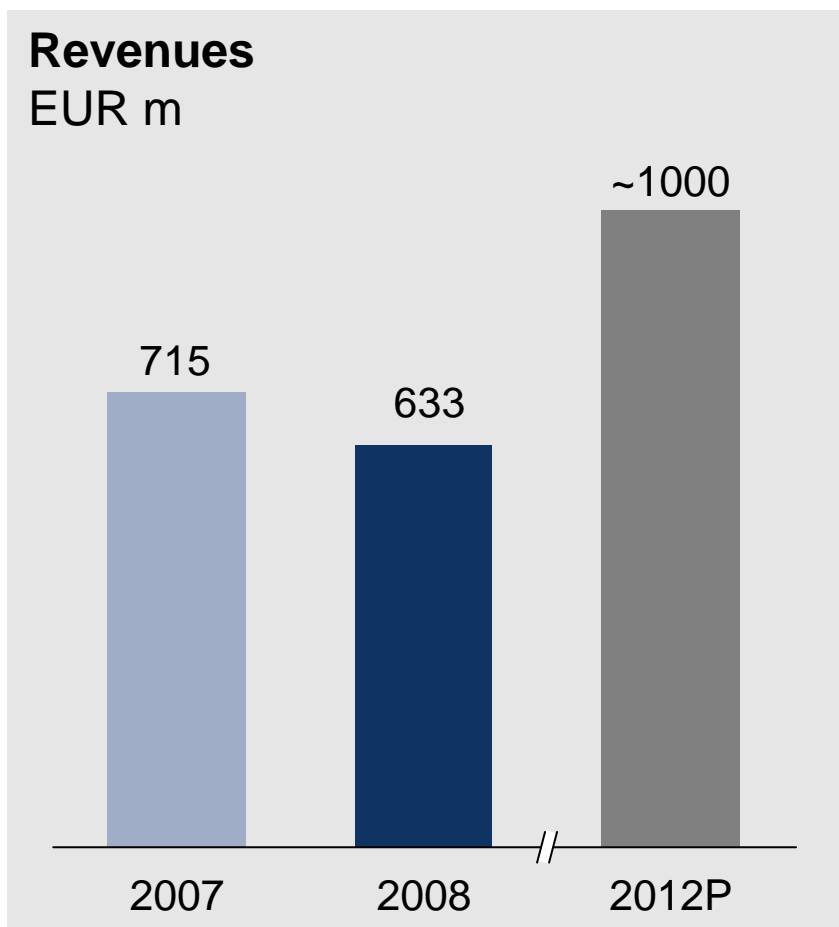


1) Germany incl. 333 Proventus advisors; 211 tied agents of Proventus not included

AWD operational targets up to 2012



AWD financial targets up to 2012



1) FY 2008 Continued operations excluding losses and restructuring from discontinued operations of AWD UK

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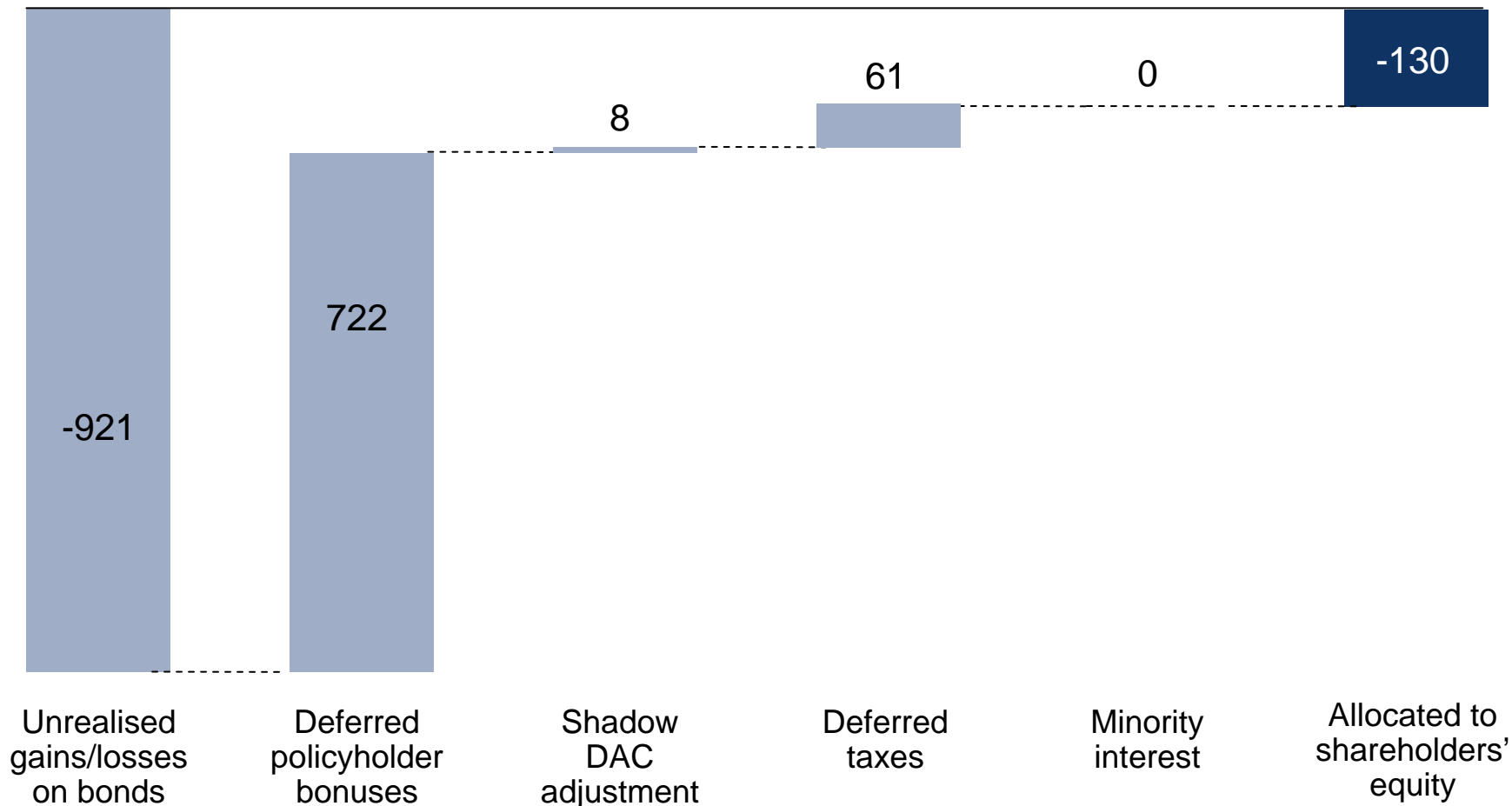
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Allocation of unrealised gains/losses on bonds



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CHF million (IFRS basis)

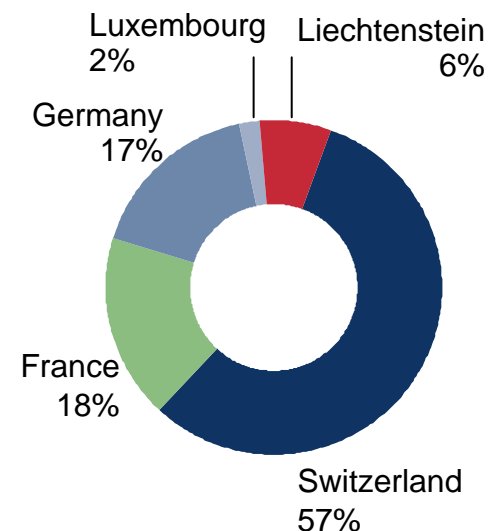
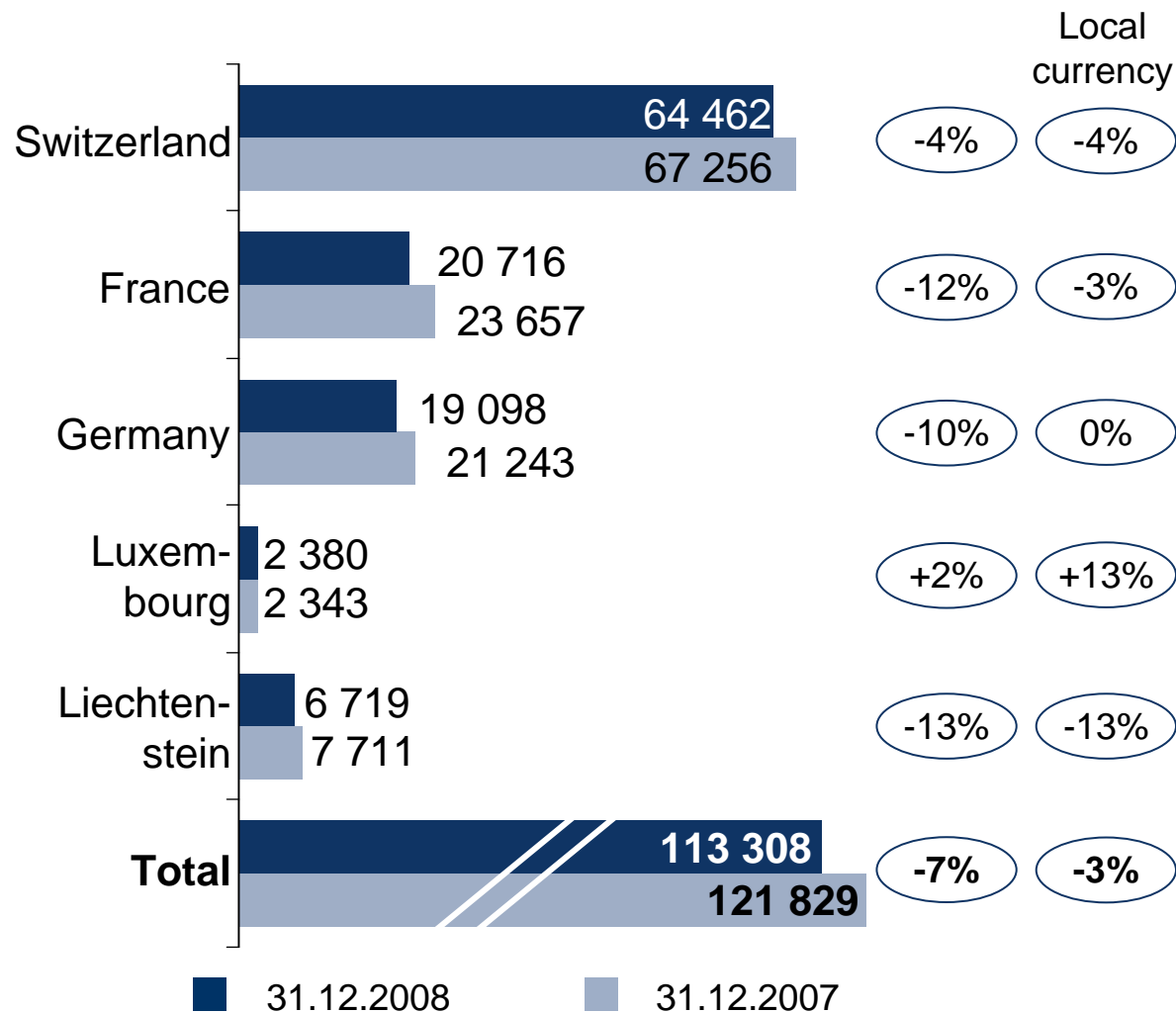


Insurance reserves by country



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CHF million (IFRS basis) - comparable basis ¹⁾



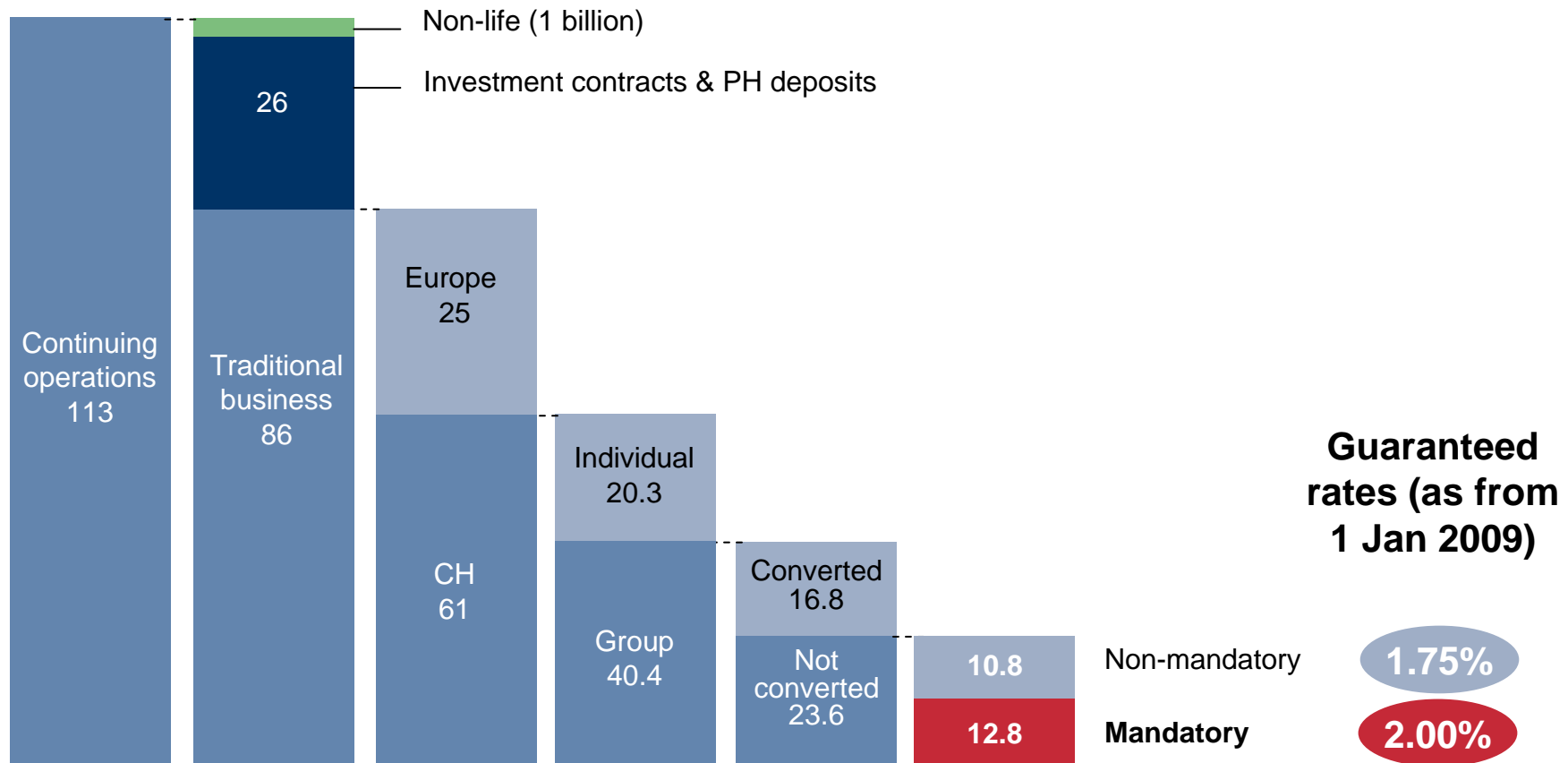
1) Includes inter-segment eliminations of CHF 67 million in 2008 and CHF 381 million in 2007

11% of Swiss Life Group reserves subject to BVG minimum interest rates



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Breakdown of insurance reserves (incl. unit-linked) as per 31.12.2008; CHF billion (IFRS basis)



Average technical interest rate of 2.66%



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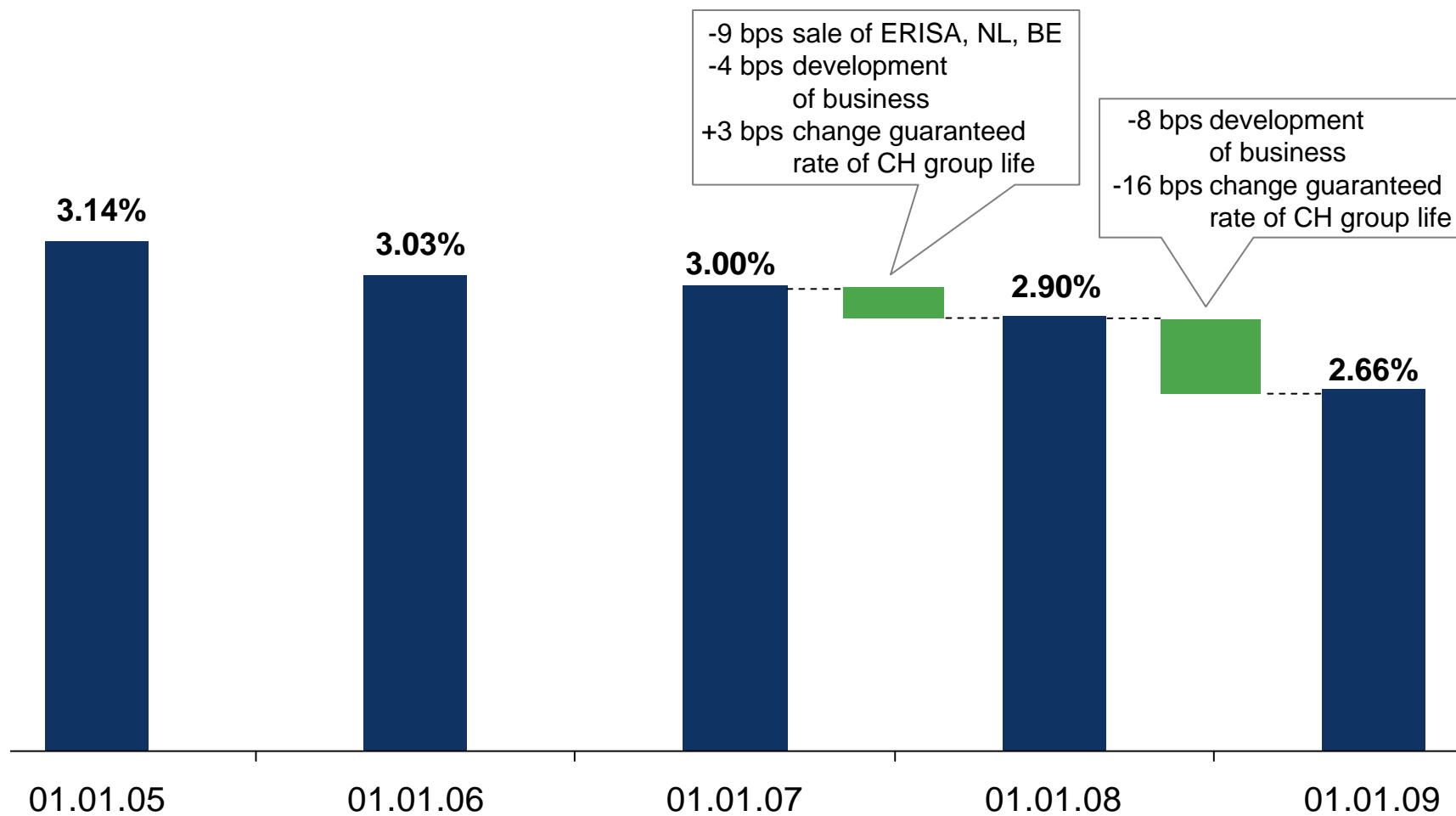
CHF / EUR / USD / GBP million (statutory basis)

	CHF	EUR	USD	GBP
Total reserves	62 591	22 455	97	8
Average technical interest rate	2.51% ¹⁾	2.94%	4.15%	3.62%

Overall: **2.66%**

1) Already taking into account the guaranteed interest rate for mandatory group life business as from 2009

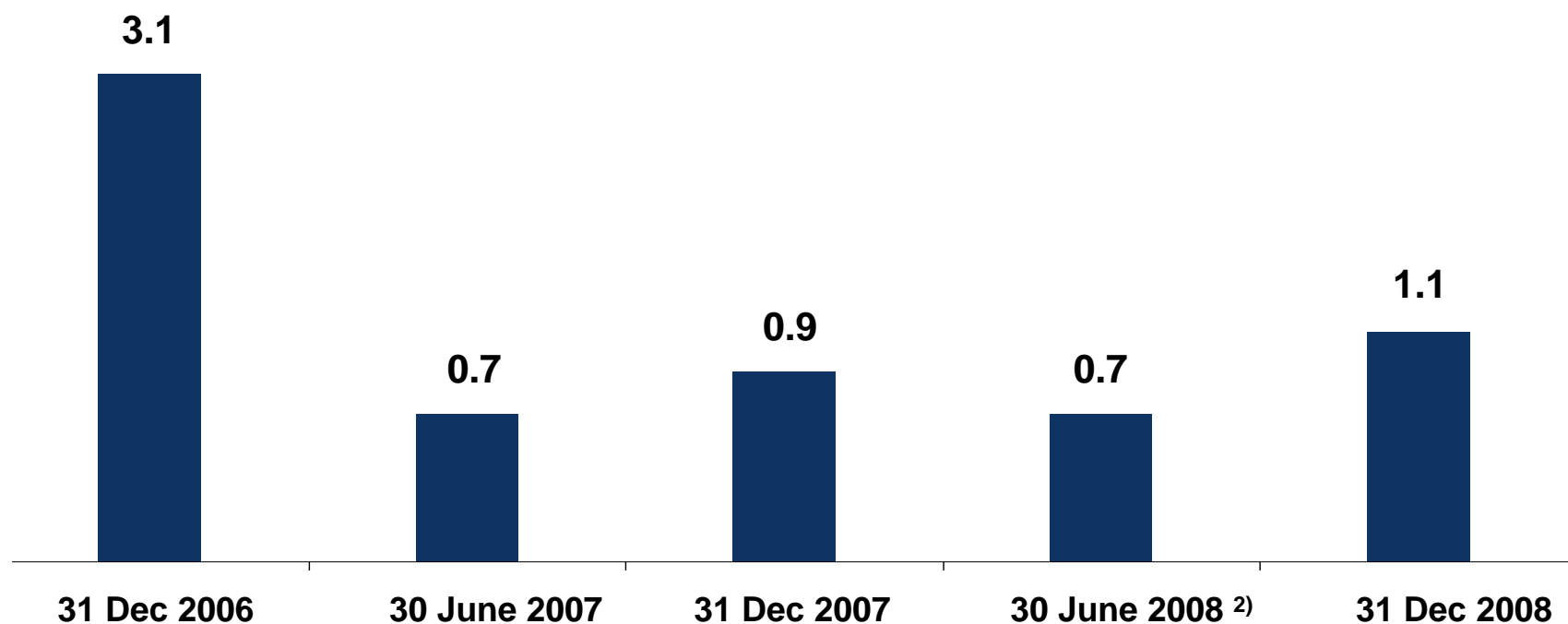
Development of average technical interest rate



Duration gap



Total weighted duration gap ¹⁾ in %



1) Explains the relative change in economic net worth due to a parallel shift of the underlying interest rate curve

2) Restatement due to bi-annual full liability projection

Capitalisation models, methods and scope



	Required capital	Available capital	
		Shareholders' equity includes:	Additional elements included ¹⁾ :
Solvency I Swiss Life Group (IFRS)	Factor Based ²⁾	Shareholder part of revaluation reserves	+ Minority interest - DAC non-life
Solvency I Parent company (statutory)	Factor based ²⁾	No revaluation reserves on assets	+ Revaluation reserves on assets (excl. bonds) + Fund for future appropriation + Additional Zillmerisation
S&P capital adequacy Swiss Life Group (IFRS)	Factor based ³⁾	Shareholder part of revaluation reserves	+ 50% present value of future profits - Unrealised gains on bonds + Unrealised losses on bonds
SST Parent company and Swiss Life Group (market consistent)	Stochastic ³⁾	Revaluation reserves on all assets and liabilities	+ Fund for future appropriation

1) All metrics include: + Eligible part of hybrid capital, + free part of PH dividend reserve, - intangible assets & dividend

2) Only liability risks considered

3) Asset and liability risks considered

Group solvency

CHF million (IFRS basis)



	2008	2007
Available solvency margin		
IFRS equity (incl. minority interests)	6 652	7 334
Eligible part of hybrid capital ¹⁾	2 323	2 770
Goodwill and other intangible assets	-2 205	-934
DAC non-life	-55	-54
Dividends and nominal value reduction	-152	-558
Unattributed surplus	811	1209
Total available solvency margin	7 374	9 767
Total required solvency margin	4 646 ²⁾	6 033
Solvency ratio	159%	162%

1) Limited to 50% of the required solvency margin

2) Decrease of CHF 1380 m due to selling of SL Netherlands, SL Belgium and BdG

Statutory solvency

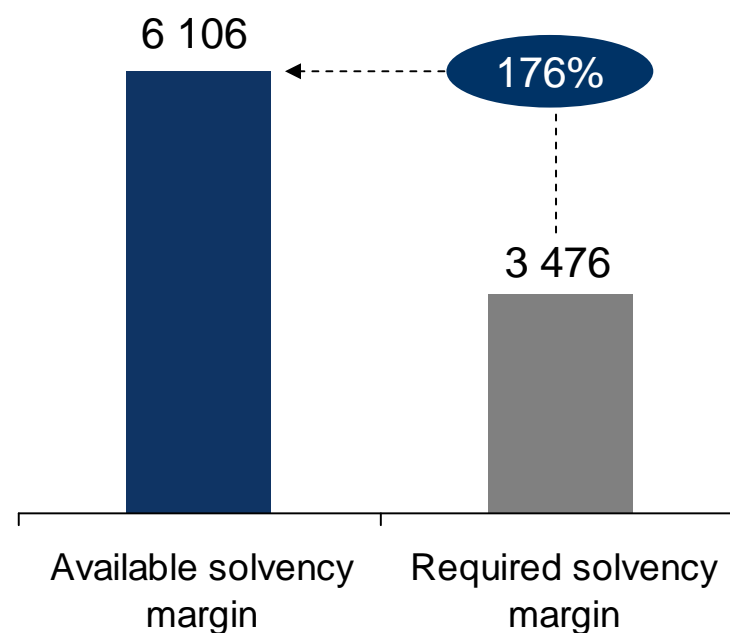
CHF million (statutory basis)



Available solvency margin

Parent company statutory equity	1 727
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Intangibles	-5
Hybrid capital ¹⁾	1 738
Fund for future appropriation	168
Additional Zillmerisation	476
Unrealised capital gains	1 516
Unattributed surplus	486
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Available solvency margin	6 106

Statutory solvency



1) Limited to 50% of the required solvency margin

Supplementary information



1. Profit and loss

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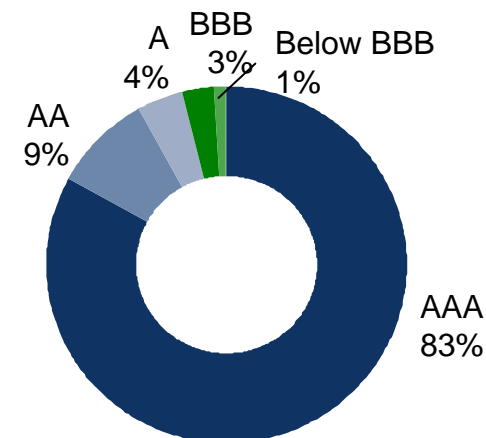
Government and supranational bond portfolio: Ratings and currency

Insurance portfolio (fair value basis)

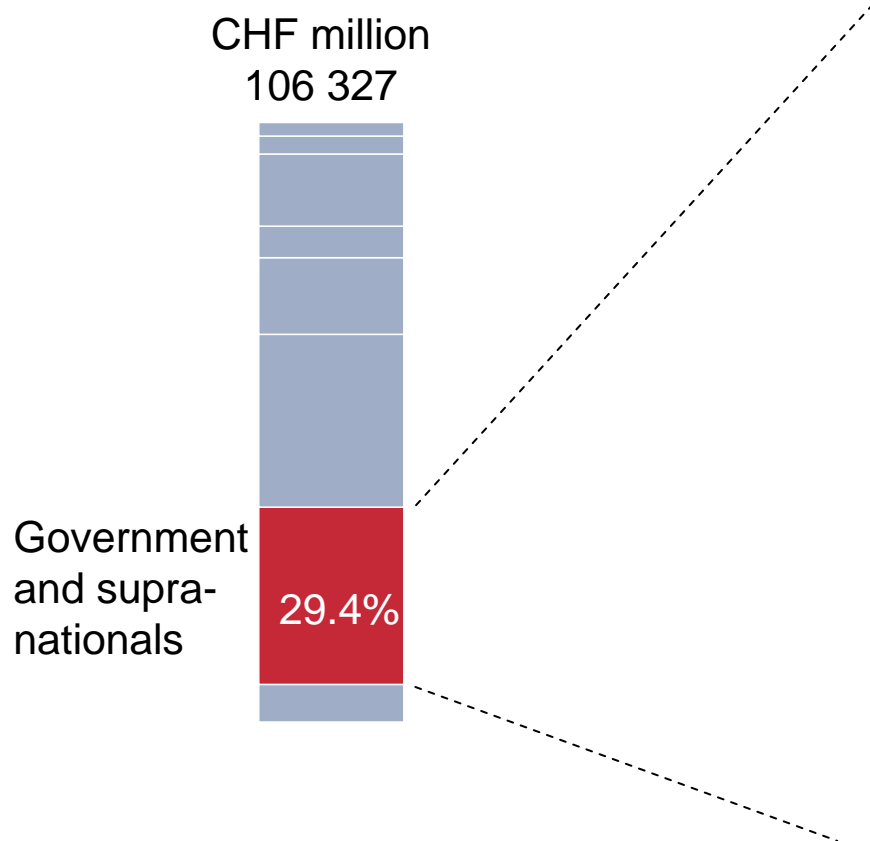
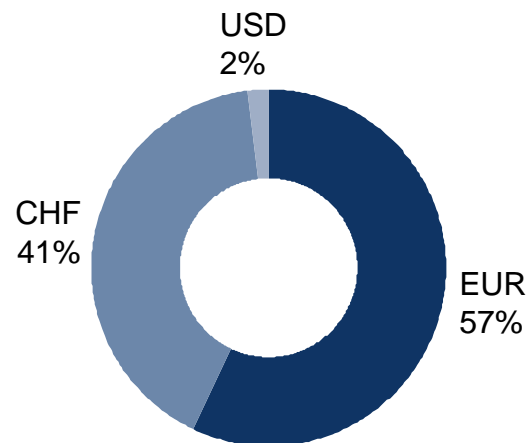


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Breakdown by rating



Breakdown by currency

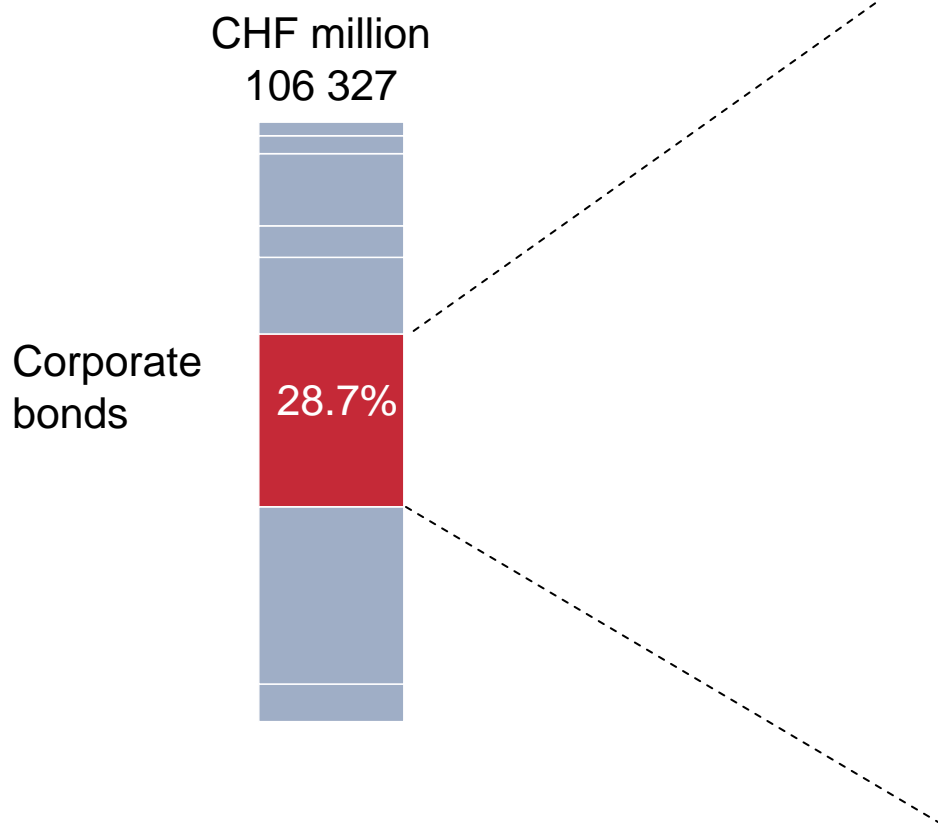


Corporate bond portfolio: Ratings and currency

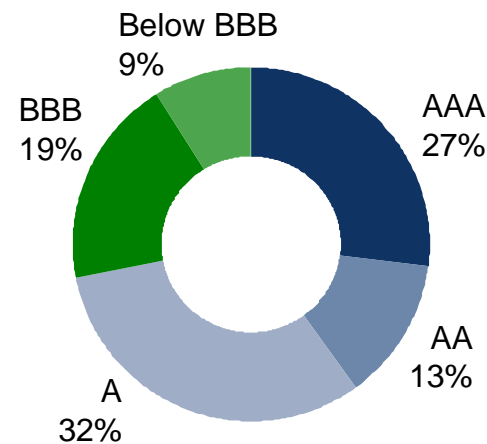


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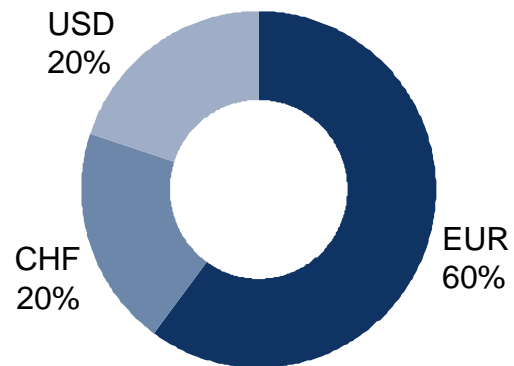
Insurance portfolio (fair value basis)



Breakdown by rating



Breakdown by currency



Corporate bond portfolio: Characteristics



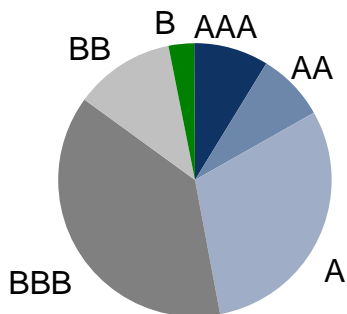
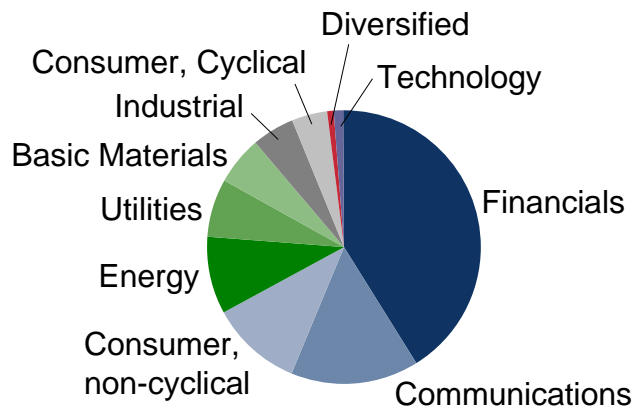
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31 December 2008

Loans (Duration: 5.8)

IFRS Book Value: CHF 16 251 million

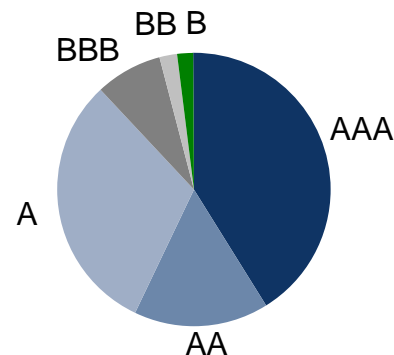
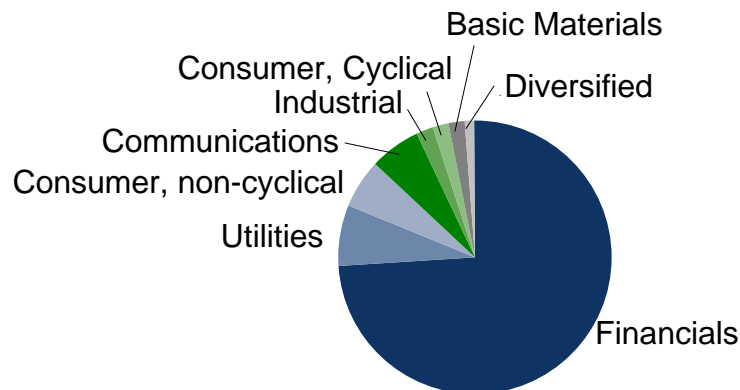
Fair Value: CHF 13 981 million
of which Tier 1-Bank Bonds: CHF 732 million (5.2%)



Available for sale (Duration: 5.6)

IFRS Book Value: CHF 15 567 million

Fair Value: CHF 15 567 million
of which Tier 1-Bank Bonds: CHF 193 million (1.2%)



Exposure to CDO/CLO, ABS, MBS, etc.



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Insurance portfolio (fair value basis), CHF million, as of 31.12.2008

Category	Fair value CHF m	Ratings					Year of maturity, percent		
		AAA	AA	A	BBB	Below BBB or unrated	2009	2010– 2012	After 2012
CDO/CLO ¹⁾	140	79%	0%	0%	0%	21%	67%	20%	13%
• <i>With ABS collateral</i>	34	48%	0%	0%	0%	52%	0%	48%	52%
• <i>Corporates</i>	106	89%	0%	0%	0%	11%	89%	11%	0%
ABS	324	57%	0%	6%	35%	2%	18%	28%	54%
• <i>Credit Cards</i>	186	100%	0%	0%	0%	0%	32%	45%	23%
• <i>Others</i>	138	0%	0%	13%	82%	5%	0%	5%	95%
RMBS	75	100%	0%	0%	0%	0%	0%	0%	100%
Total	538	69%	0%	3%	21%	7%	29%	22%	49%

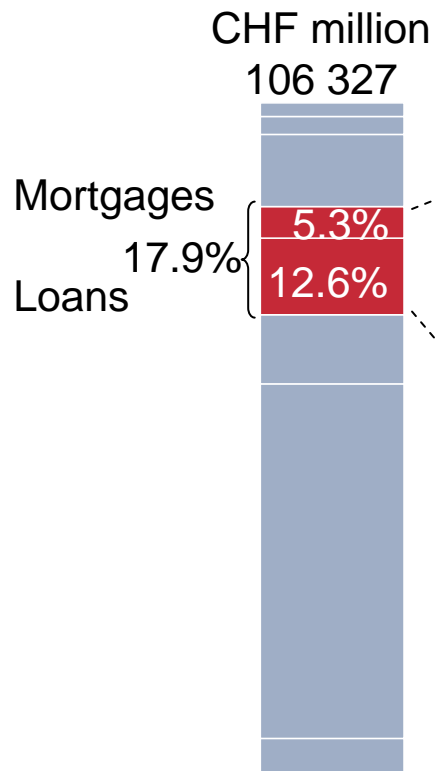
1) CDO, CLO, ABS, MBS: note volume with US subprime and Alt-A components less than CHF 10 m

Loan and mortgage portfolio

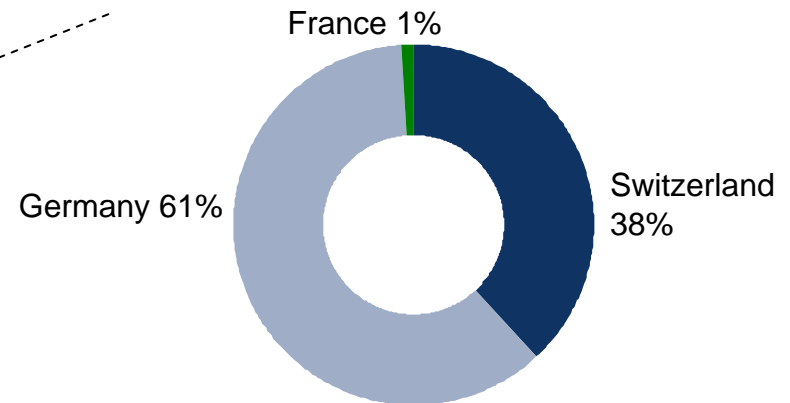


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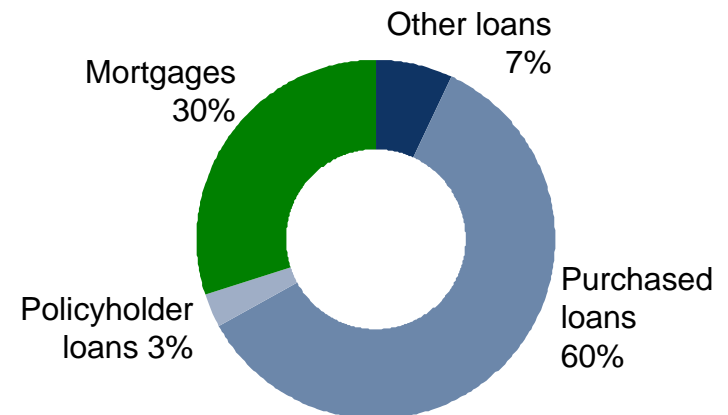
Insurance portfolio (fair value basis)



Breakdown by country



Breakdown by type

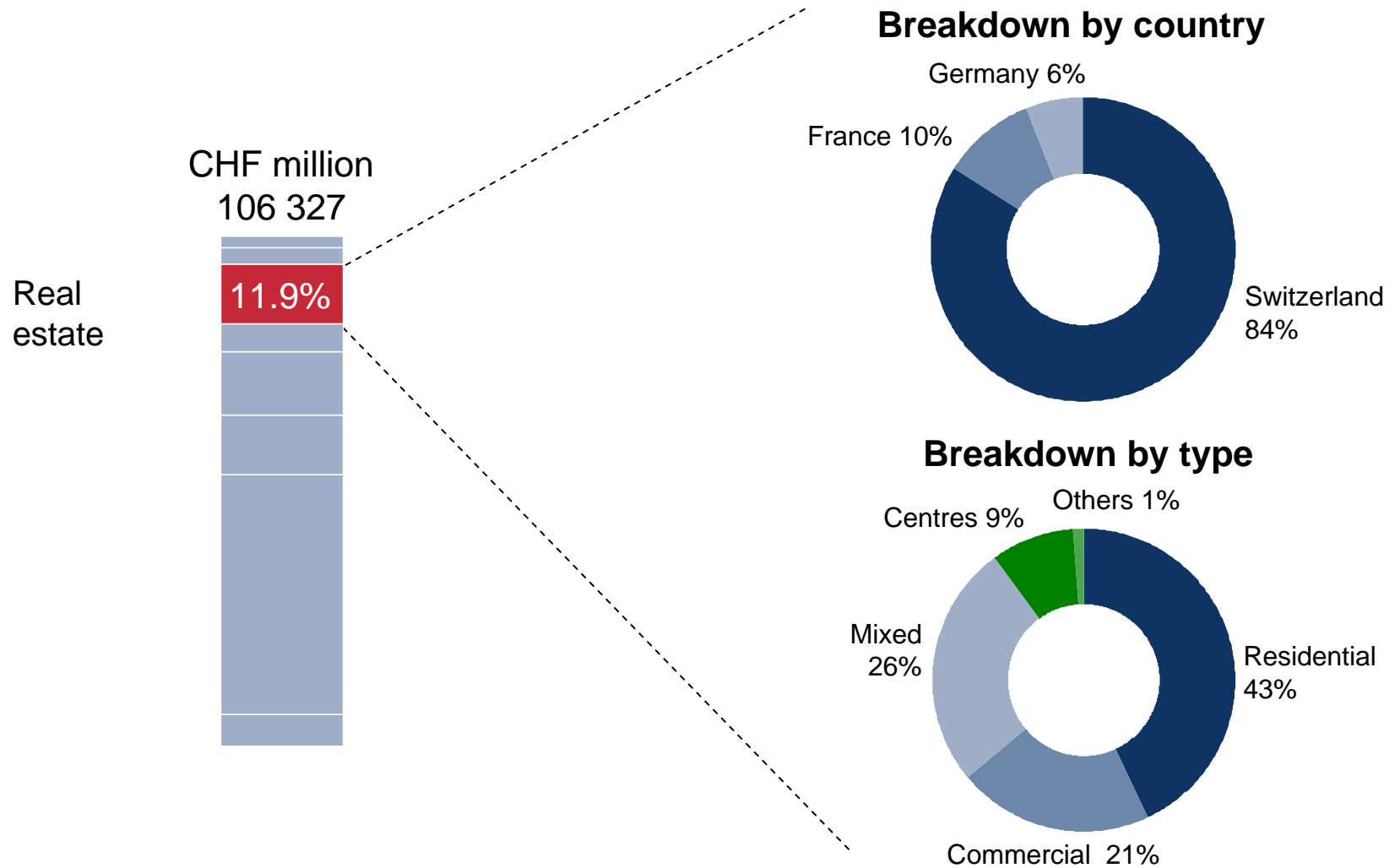


Real estate portfolio

Insurance portfolio (fair value basis)

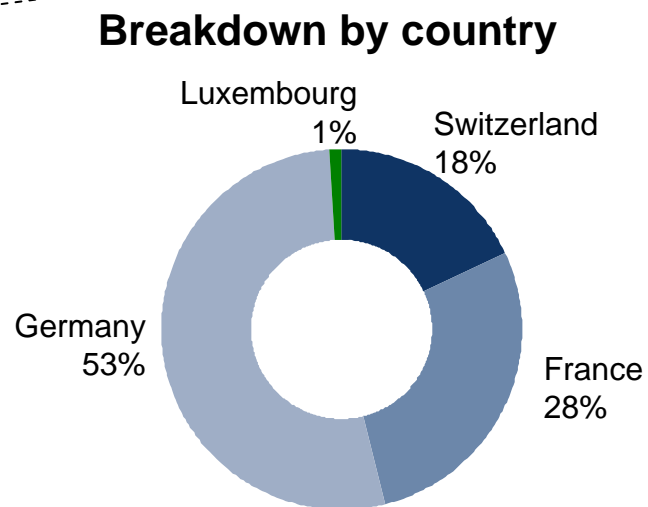
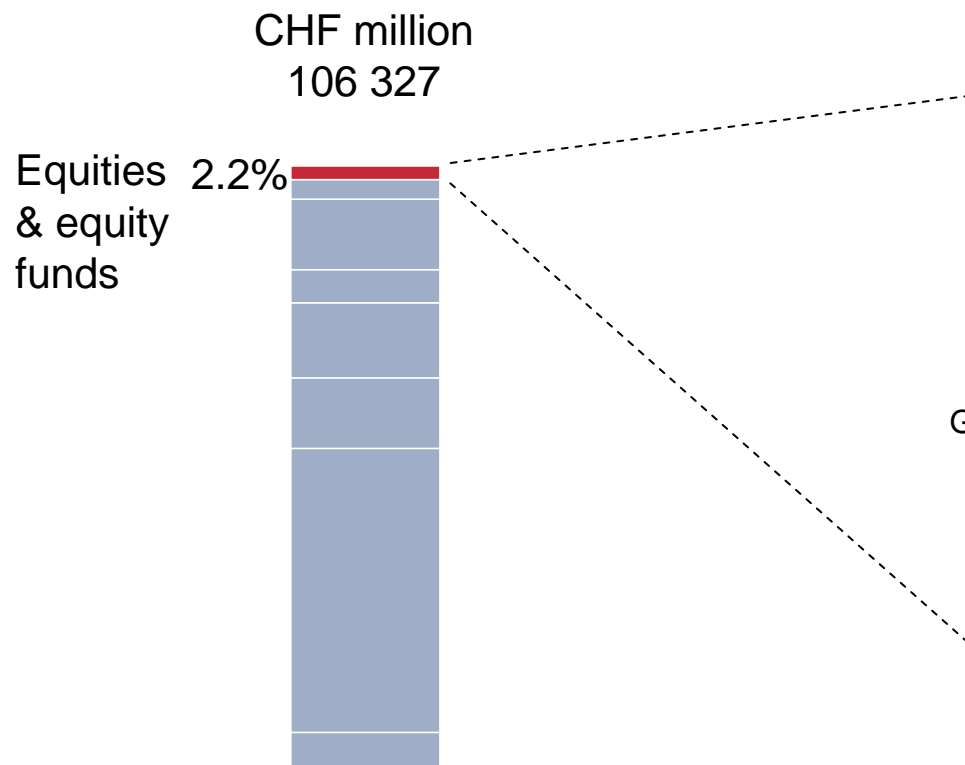


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Equity portfolio (gross)

Insurance portfolio (fair value basis)

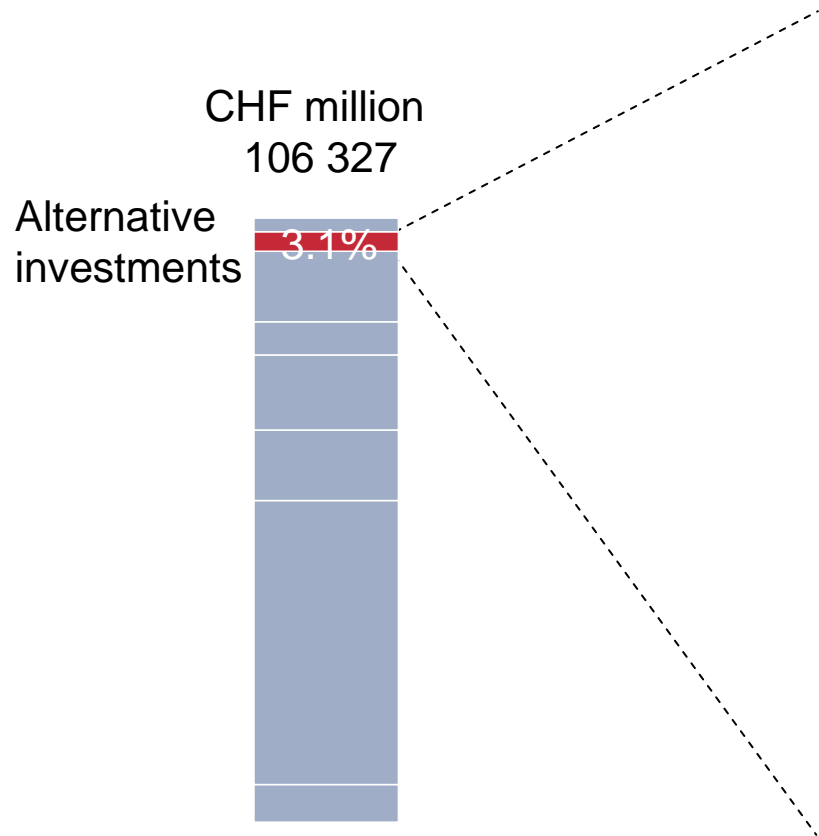


Alternative investment portfolio (gross)

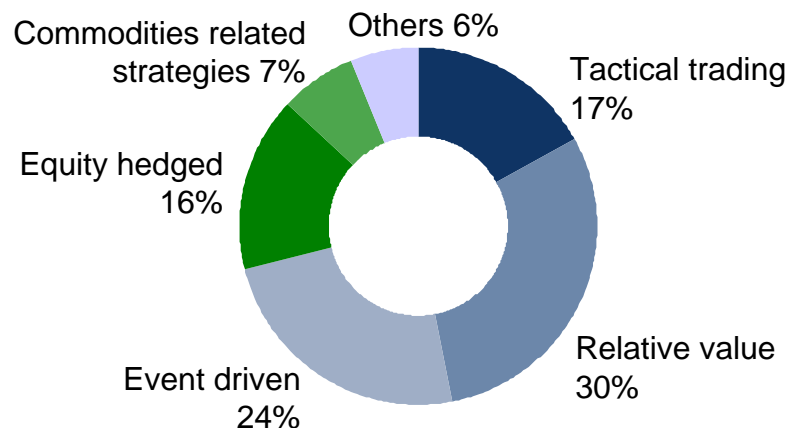


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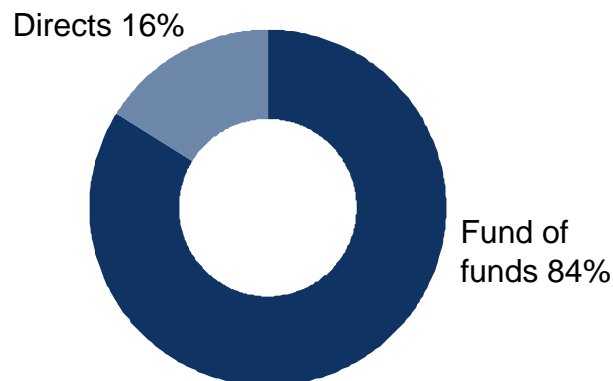
Insurance portfolio (fair value basis)



Hedge funds: CHF 3.0 billion



Private equity: CHF 234 million

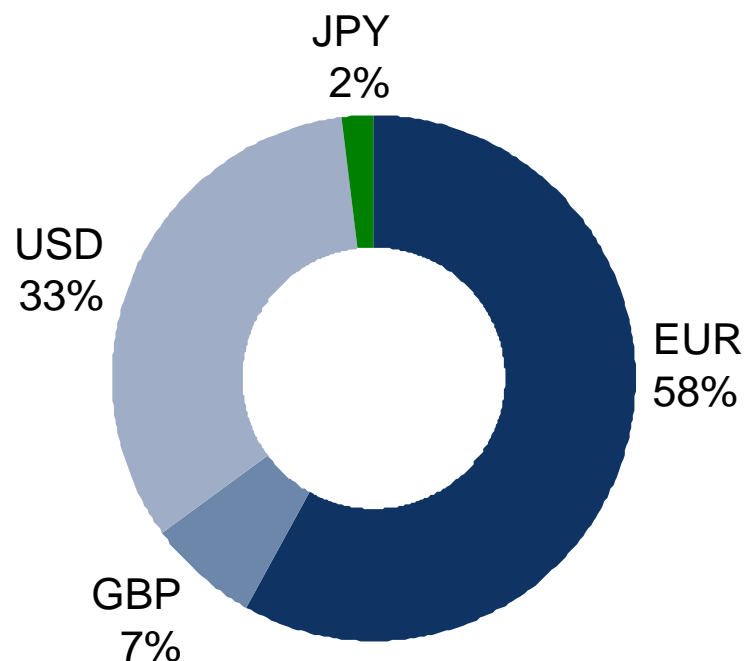


Currency exposure



Insurance portfolio (fair value basis)

Net 0.8% of insurance portfolio



Gross currency exposure

CHF 29 193 million

Hedged currency exposure

CHF 28 344 million

Net currency exposure

CHF 849 million

Cautionary statement



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Supplementary information



1. Profit and loss

2. AWD

3. Balance sheet

4. Investments

5. Embedded value

6. Contact details and financial calendar

Contact details and financial calendar



Contact

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Financial calendar

Interim statement Q1	5 May 2009
Annual General Meeting 2009	7 May 2009
MCEV 2008 disclosure	30 June 2009
Half-year Results 2009	26 August 2009
Investors' Day 2009	1 December 2009

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