

Morgan Stanley
European Financials CEO Conference
MILESTONE: Managing for value at Swiss Life

Bruno Pfister, Group CEO
London, 31 March 2011

Agenda

- **Swiss Life Group and FY 2010 results at a glance**
- MILESTONE execution on track
- Wrap-up



Swiss Life Group at a glance

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

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

France

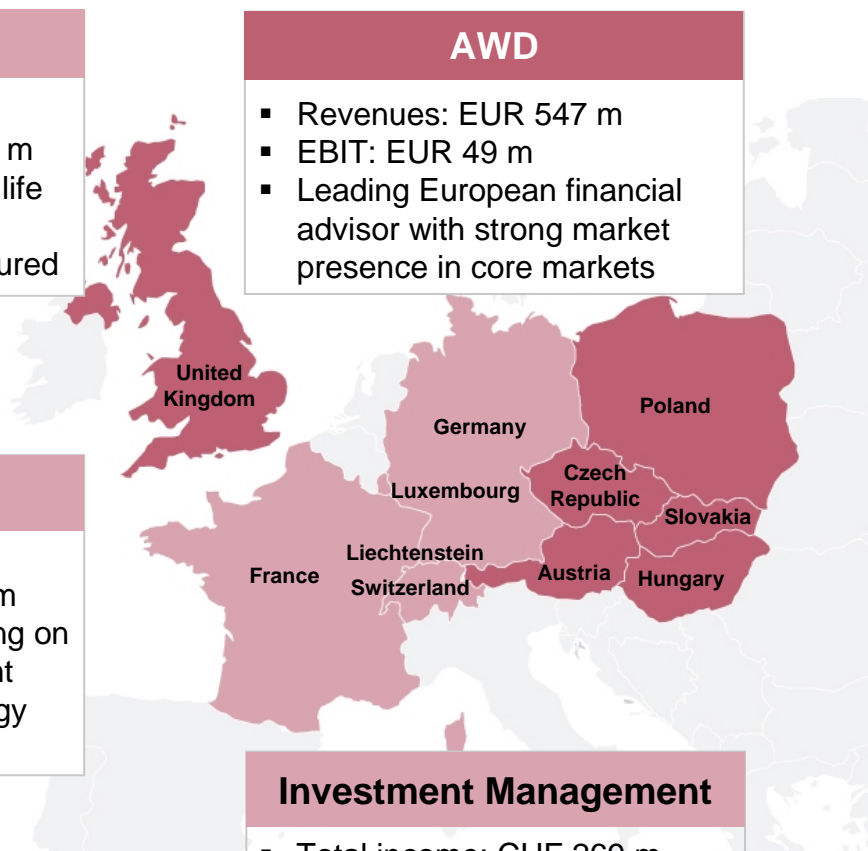
- GWP: EUR 3.8 bn
- Segment result: EUR 59 m
- Niche player in life focusing on affluent customer segment with private insurer strategy
- Top health insurer

Investment Management

- Total income: CHF 269 m
- Segment result: CHF 103 m
- Swiss Life's proprietary and third party asset manager

Transnational businesses¹⁾

- 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) Transnational businesses (Insurance Other) 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 with strong market positions in relevant business segments



FY 2010

	Market position	Opportunities
Switzerland	Individual Life: No 1 Group Life: No 2	<ul style="list-style-type: none"> ▪ Inherent growth in Group Life
France	Individual Health: No 2 ¹⁾ Life: No 14 ²⁾	<ul style="list-style-type: none"> ▪ Private individual health: a growing need for individuals
Germany	BUZ ³⁾ : a market leader BAV ⁴⁾ : No 7	<ul style="list-style-type: none"> ▪ Substantial growth potential in BUZ and BAV remaining
Insurance Other	PPLI : No 1 in Europe Swiss Life Network: No 1	<ul style="list-style-type: none"> ▪ Enlarge geographical and target segment footprint

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

Net profit	➔	CHF 560 m	+102%
Profit from operations	➔	CHF 694 m	+23%
New business margin (% PVNBP)	➔	1.4%	+0.5 pts
GWP incl. PHD	➔	CHF 20.2 bn	+4% ¹⁾
Shareholders' equity	➔	CHF 7.4 bn	+3%
Return on equity	➔	7.6%	+3.6 pts
Group solvency	➔	172%	+8 pts
Dividend (proposed)	➔	CHF 4.50	+88%

1) Local currency

Agenda

Swiss Life Group and FY 2010 results at a glance

→ **MILESTONE execution on track**

Wrap-up

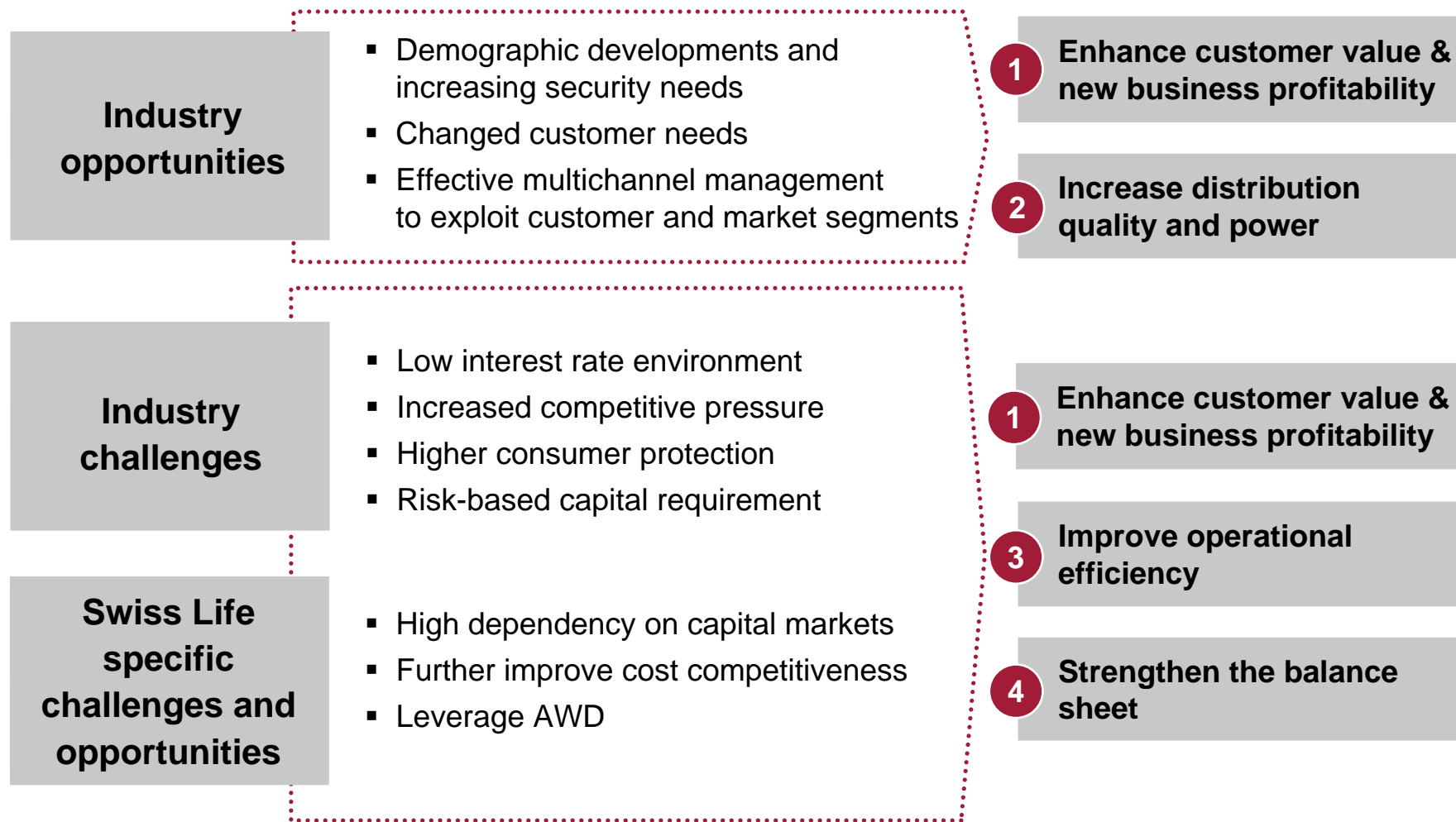


MILESTONE programme

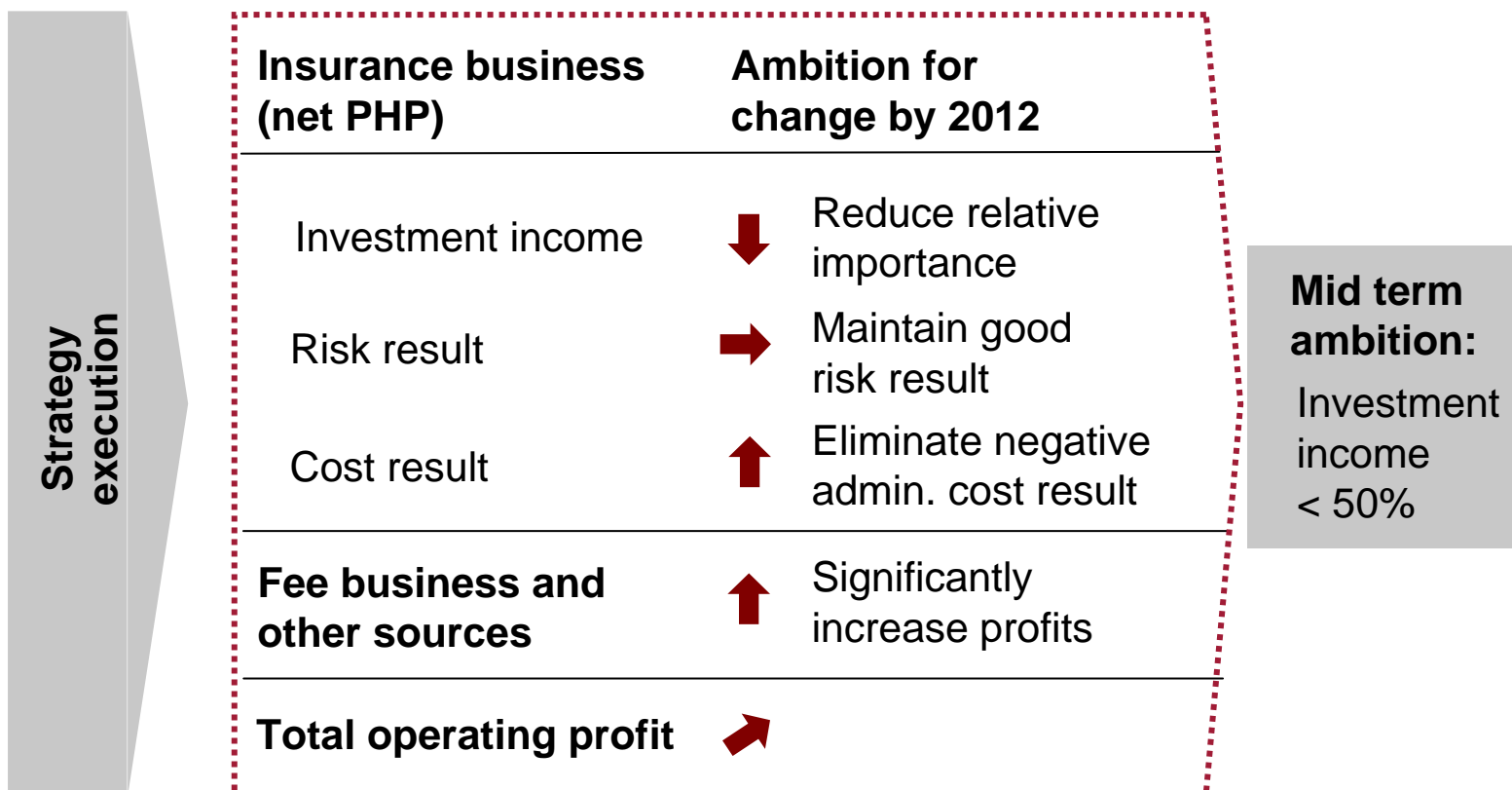
Workstream	Objectives	
1 Enhance customer value & new business profitability	<ul style="list-style-type: none">▪ Margin management focus: VNB and NBM▪ Drive shift to modern products & promote risk products	“We are growing – but not at the expense of value”
2 Increase distribution quality and power	<ul style="list-style-type: none">▪ Optimise distribution channel mix▪ Capture full potential of AWD	“We are increasing growth in 3rd party channels and AWD”
3 Improve operational excellence	<ul style="list-style-type: none">▪ Plan with clear accountabilities to achieve 2012 cost target▪ Eliminate negative cost result and move to continuous improvement	“We are managing our cost base rigorously and continuously”
4 Preserve the balance sheet & optimise in-force business	<ul style="list-style-type: none">▪ Initiatives to optimise profit stream from in-force business and risk capital usage	“We are actively managing our capital and in-force business”

5 Drive disciplined execution

Major opportunities addressed and challenges exploited by MILESTONE



Execution of MILESTONE will lead to increased earnings at reduced volatility



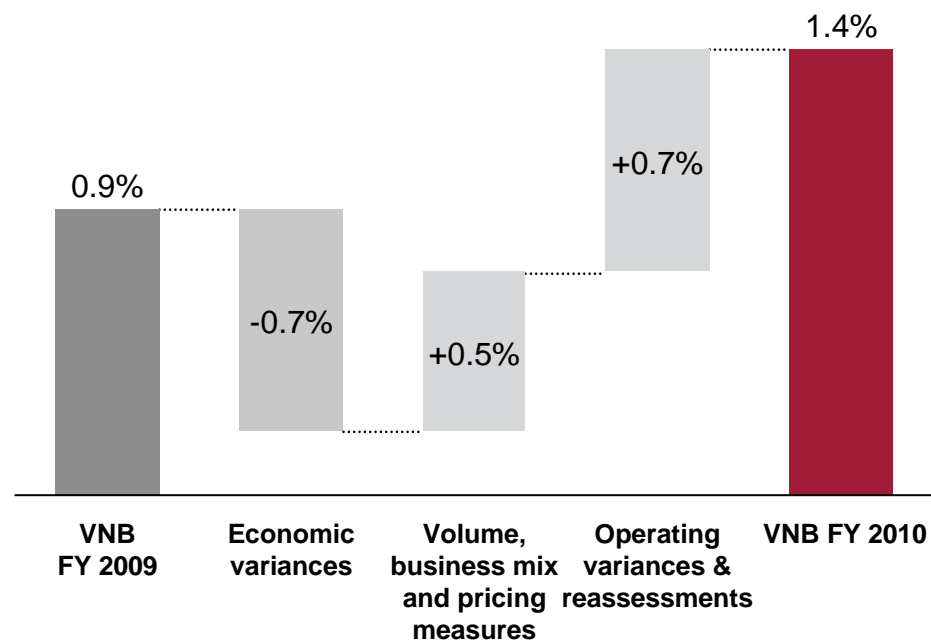
1. New business profitability

Margin management counteracted capital market movements



SwissLife

New business margin development
(VNB as % of PVNBP)



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

FY 2009 vs FY 2010, in CHF m

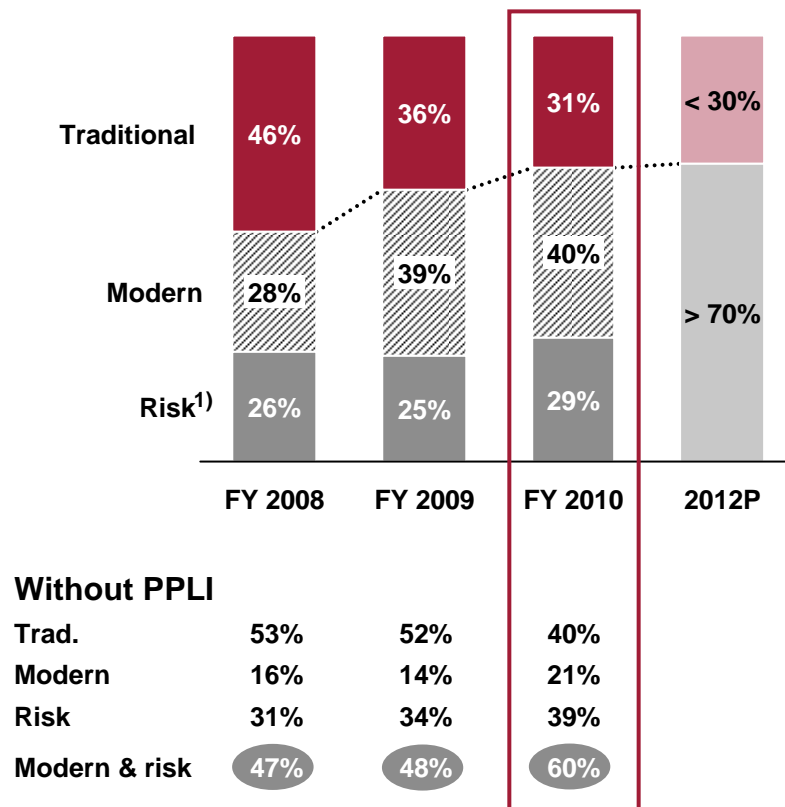
PVNBP	14 390	14 607
APE	1 493	1 486
VNB	123	209
NBM (APE)	8.2%	14.0%

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

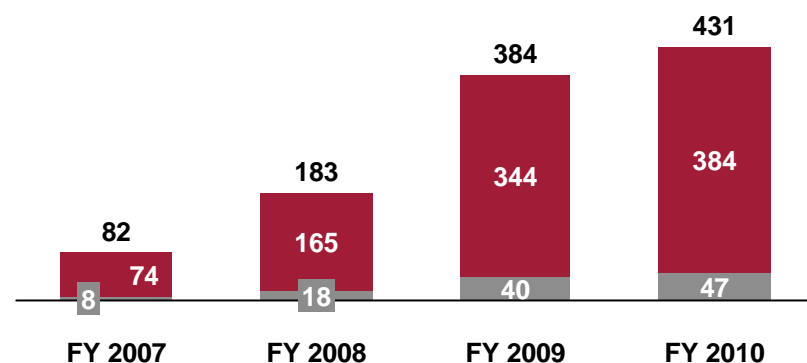
2. Distribution

Sales through AWD distribution channel increased by 9%¹⁾



Swiss Life in Germany – AWD channel

NBP²⁾ in EUR million



Reasons for development in 2010

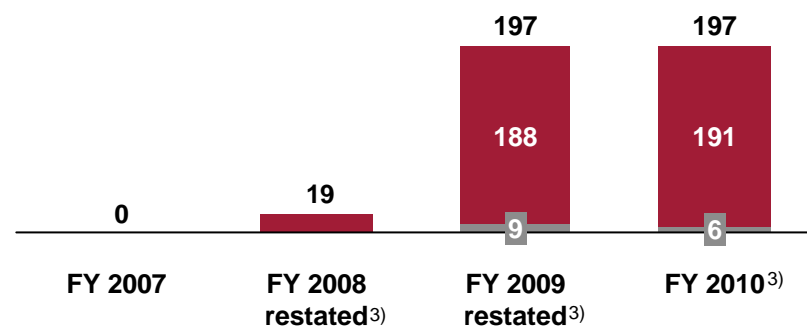
- Very successful sale of modern products e.g. disability insurance "Selbständige BU" & Champion products

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



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

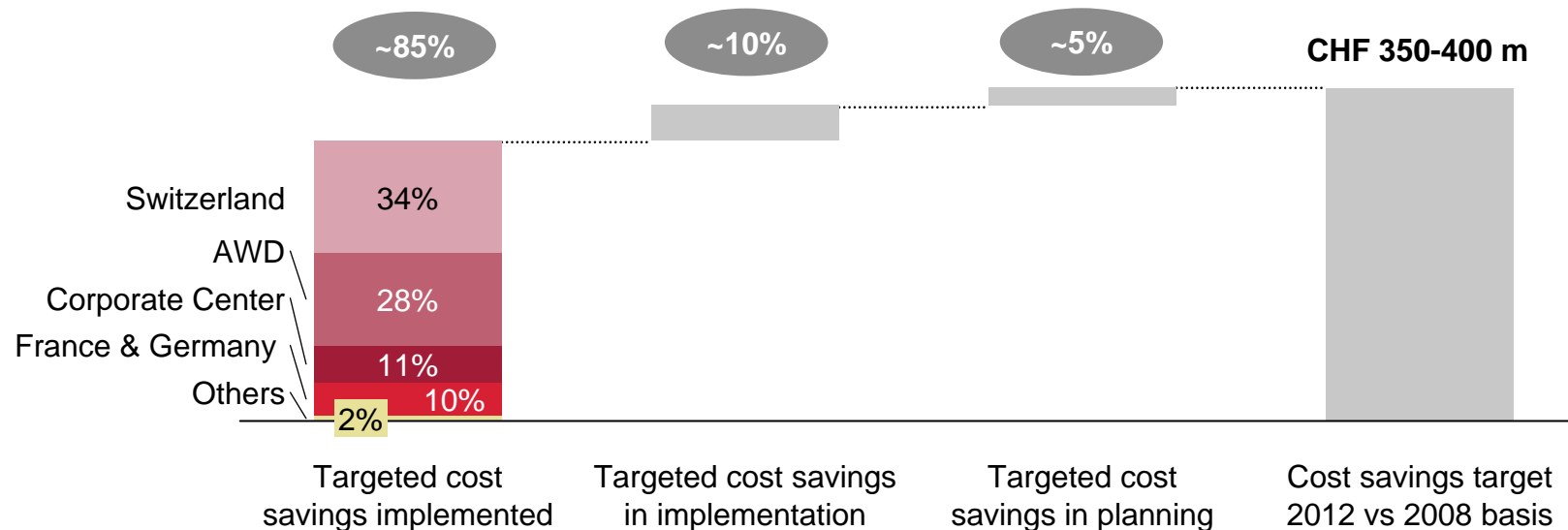
■ Modern or risk products
■ Traditional products

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



Major achievements

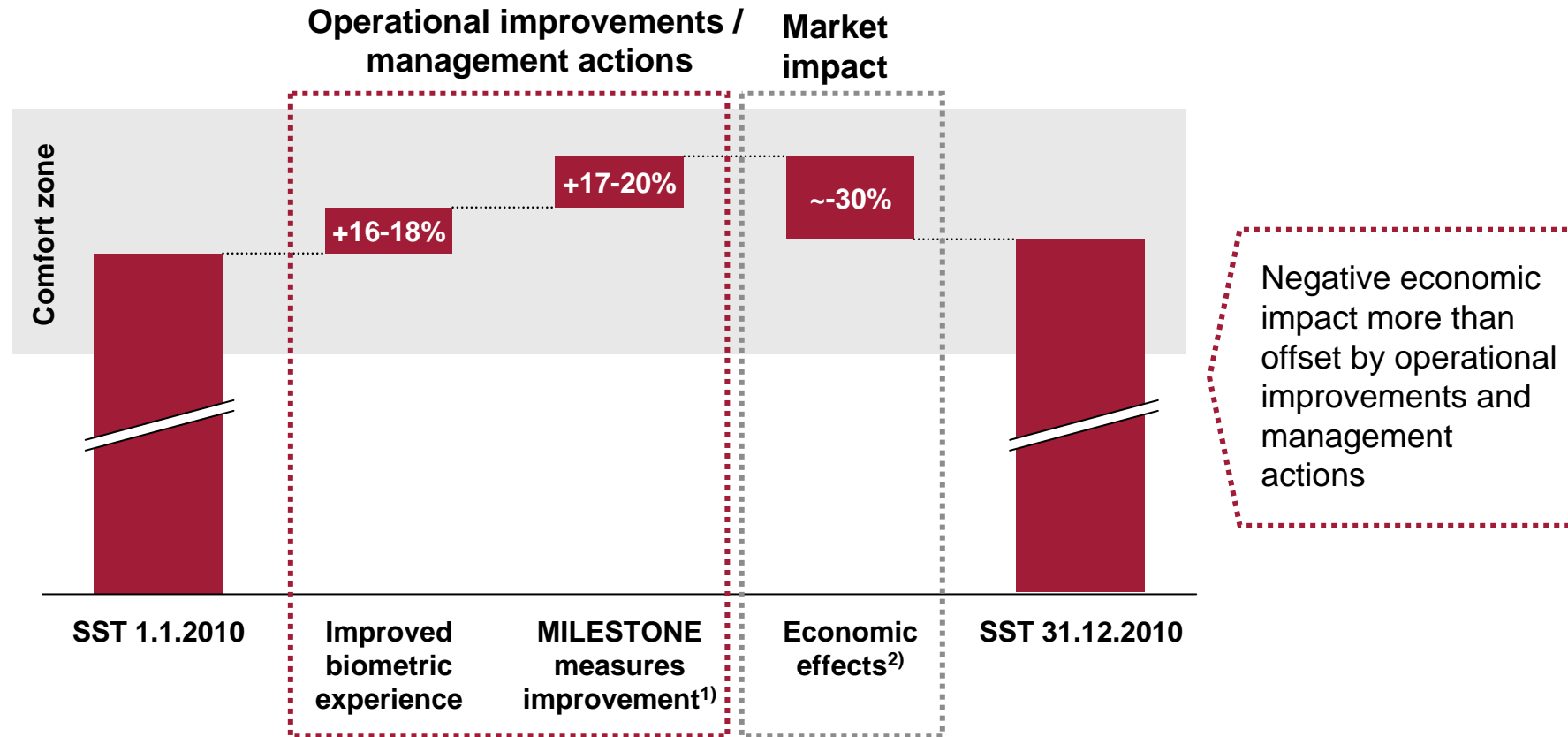
- CH: Support functions & sales organisation further adjusted and internal processes, services and project portfolio optimised
- FR: Efficiency initiatives of Swiss Life Banque Privée completed and administration costs decreased
- DE: Second part “Betriebsübergang” of occupational pensions – bAV initiative 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

4. Balance sheet & in-force business

Based on its internal model, Swiss Life meets SST requirements



SST ratio Swiss Life AG, estimate based on internal model



1) Incl. expense reductions and ALM measures

2) Incl. interest rates, volatility and currency effects

5. Disciplined execution



SwissLife

Change analysis of profit from operations

Segment results adjusted¹⁾ - continuing; CHF million (IFRS basis)

	FY 2009 adjusted	FY 2010 adjusted	Change	Driven by operating improvements
Insurance businesses	590	730	+140	>70%
Switzerland	403	466		
France	129	162		
Germany	58	102		
Fee businesses	27	111	+84	100%
Investment Management	77	103		
AWD	-10	43		
Insurance other	-40	-35		
Unallocated corp. costs and others	-79	-60	+19	100%
Profit from operations	538	781	+243	>80%

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 FY 2010 results at a glance
MILESTONE execution on track

→ **Wrap-up**

MILESTONE: Managing for value at Swiss Life



Workstream	Objectives 2012	Status
1 Enhance customer value & new business profitability	<ul style="list-style-type: none"> New business margin > 2.2% > 70% of NBP from modern and risk products 	
2 Increase distribution quality and power	<ul style="list-style-type: none"> 20–25% share of Swiss Life products in relevant product categories of AWD 	
3 Improve operational excellence	<ul style="list-style-type: none"> CHF 350–400 m reduced cost base vs 2008 	
4 Preserve the balance sheet & optimise in-force business	<ul style="list-style-type: none"> ROE 10–12% Dividend payout ratio 20–40% Comply with SST requirements 	

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 FY 2010 results at a glance

MILESTONE execution on track

Wrap-up

→ **Additional information on FY 2010 results:**

<http://www.swisslife.com/slcom/de/home/analysts/infokits/fy2010.html>

→ **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

Interim statement Q1	3 May 2011
Annual General Meeting 2011	5 May 2011
Half-year Results 2011	17 August 2011
Interim statement Q3	15 November 2011

Visit our website for up-to-date information
www.swisslife.com



SwissLife

The future starts here.