

**Swiss Life Group**  
**Swiss Equities Conference**

**Michael Koller, Chief Risk Officer**

Lucerne, 12 May 2004

# Agenda

<b>1.</b>	<b>Overview</b>	<b>2</b>
2.	Financial Results	4
3.	Embedded Value	12
4.	Banca del Gottardo	16
5.	Outlook	20

# Highlights 2003

- Return to profitability achieved
  - Operating result: MCHF 557
  - Net result: MCHF 233
  - All life core markets profitable; Switzerland operating result: MCHF 76
- Operational improvements materialising
  - Cost and headcount reduction program completed (one year ahead of plan)
  - New business margin: 6.1% (+30%)
- Balance sheet strengthened
  - Shareholders' equity: MCHF 4 964 (+19%)
  - Impairments: MCHF 735
  - Goodwill reduction: MCHF 309

# Agenda

1.	Overview	2
<b>2.</b>	<b>Financial Results</b>	<b>4</b>
3.	Embedded Value	12
4.	Banca del Gottardo	16
5.	Outlook	20

# Profit and loss highlights

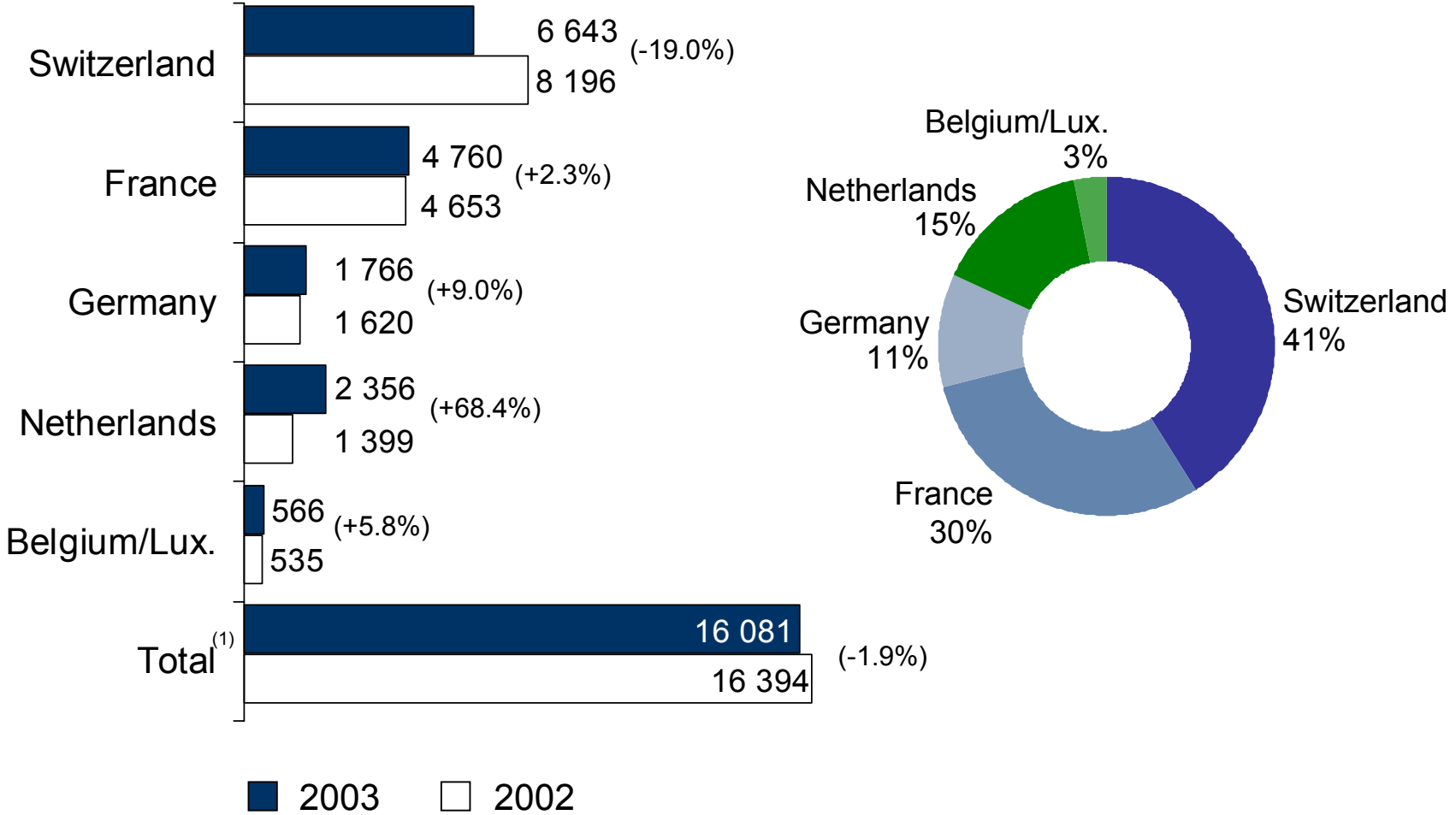
MCHF (IFRS basis)

	2003	2002	Change
Premiums and PH deposits (gross)	18 760	19 473	-3.7%
• <i>Gross written premiums</i>	15 378	15 757	
• <i>Policyholder deposits</i>	3 382	3 716	
Financial result	5 836	4 713	23.8%
Benefits paid and changes in insurance res.	-15 726	-16 329	-3.7%
PH bonuses and participations in surplus	-871	-340	
Operating expenses	-2 880	-3 436	-16.2%
<b>Operating result<sup>(1)</sup></b>	<b>557</b>	<b>-801</b>	
Goodwill amortisation	-80	-1 046	
Taxes & minority interests	-244	153	
<b>Net result</b>	<b>233</b>	<b>-1 694</b>	

(1) Profit before goodwill amortisation, taxes and minority interests

# Life Core: Premiums and policyholder deposits

MCHF (IFRS basis)

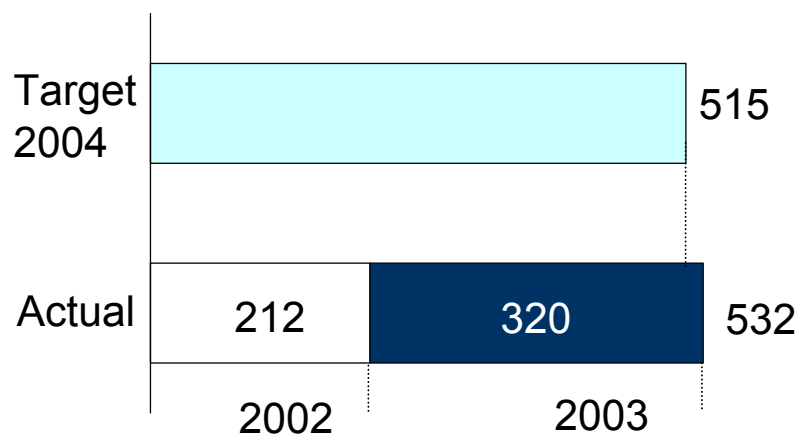


(1) Gross written premiums and PH-deposits after intercompany eliminations between Life Core countries of MCHF -10 for 2003, MCHF -9 for 2002

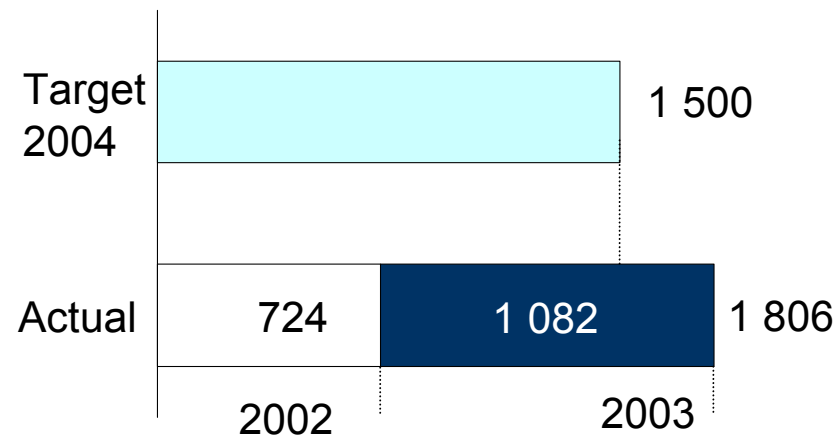
# Costs and headcount

MCHF (IFRS basis)

## Cost savings accumulated<sup>(1)</sup>



## Headcount reduction accumulated<sup>(2)</sup>



(1) Based on adjusted operating expenses; see appendix for details

(2) In full time equivalents (FTE)

# Segment results

MCHF (IFRS basis)

	2003	2002
Life Core	341	-561
Life Non-Core	67	-157
Non-Life	23	-95
Private Banking	<sup>(1)</sup> -19	-109
Investment Management	95	105
Other	50	16
<b>Operating result<sup>(2)</sup></b>	<b>557</b>	<b>-801</b>

(1) Including loss on disposal of STG of MCHF 105

(2) Profit before goodwill amortisation, taxes and minority interests



# Balance sheet highlights

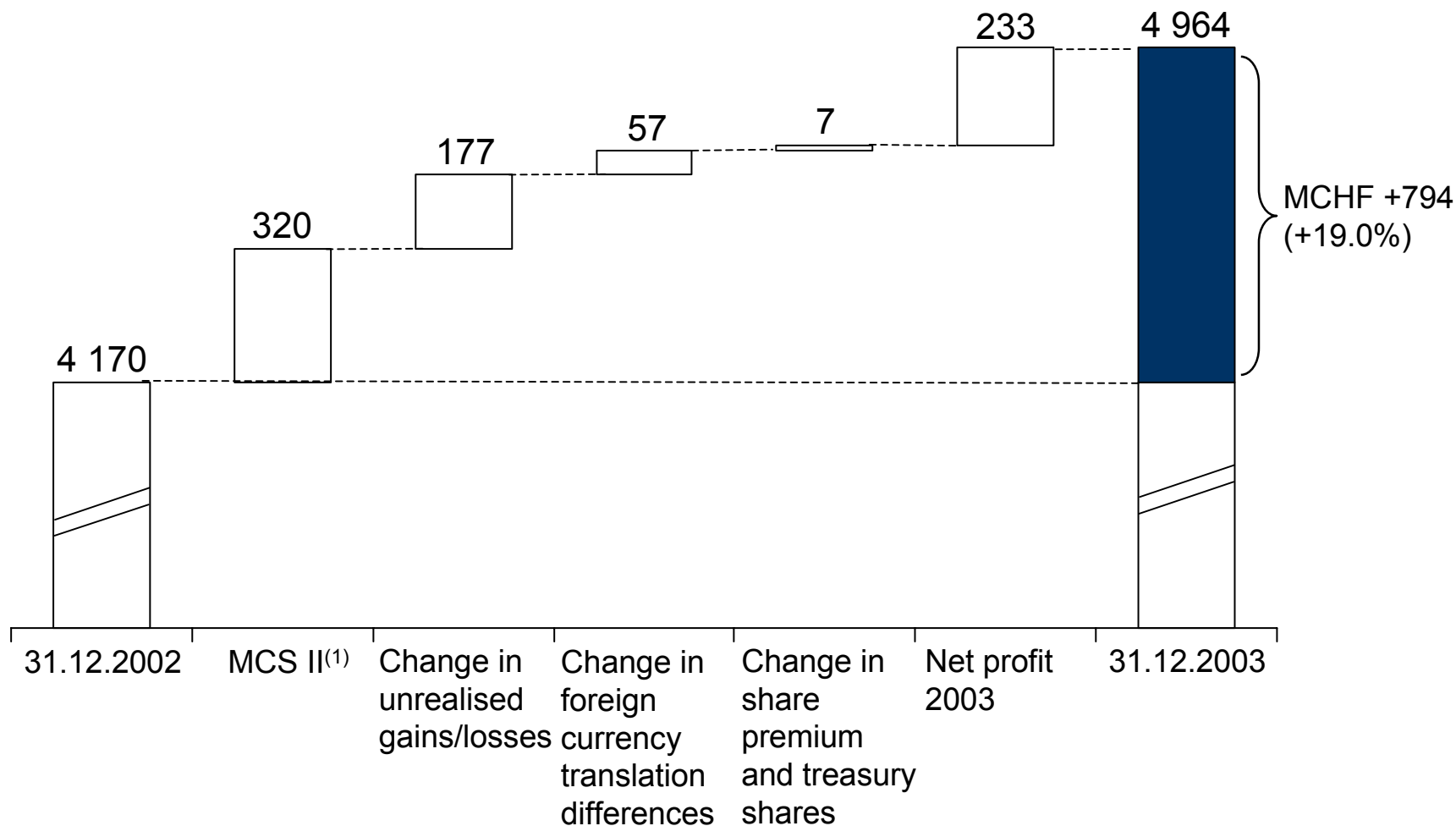
MCHF (IFRS basis)

	2003	2002	Change
<b>Mathematical reserves</b>	<b>136 214</b>	130 595	4.3%
• Insurance reserves	<b>103 862</b>	100 638	
• Policyholder deposits	<b>23 678</b>	21 219	
• Separate accounts	<b>8 674</b>	8 738	
<b>Shareholders' equity</b>	<b>4 964</b>	4 170	19.0%
• Shareholders' equity <sup>(1)</sup>	<b>4 367</b>	3 807	
• Revaluation reserves	<b>597</b>	363	
<b>Total liabilities and equity</b>	<b>162 478</b>	159 566	
<b>Core Capital</b>	<b>8 820</b>	7 540	17.0%
• Shareholders' equity	<b>4 964</b>	4 170	
• Minority interests	<b>215</b>	505	
• Hybrid debt	<b>1 461</b>	1 384	
• Subordinated debt	<b>216</b>	213	
• Deferred Group-related funds	<b>1 964</b>	1 268	

(1) Excluding revaluation reserves

# Shareholders' equity increased by 19%

MCHF (IFRS basis)



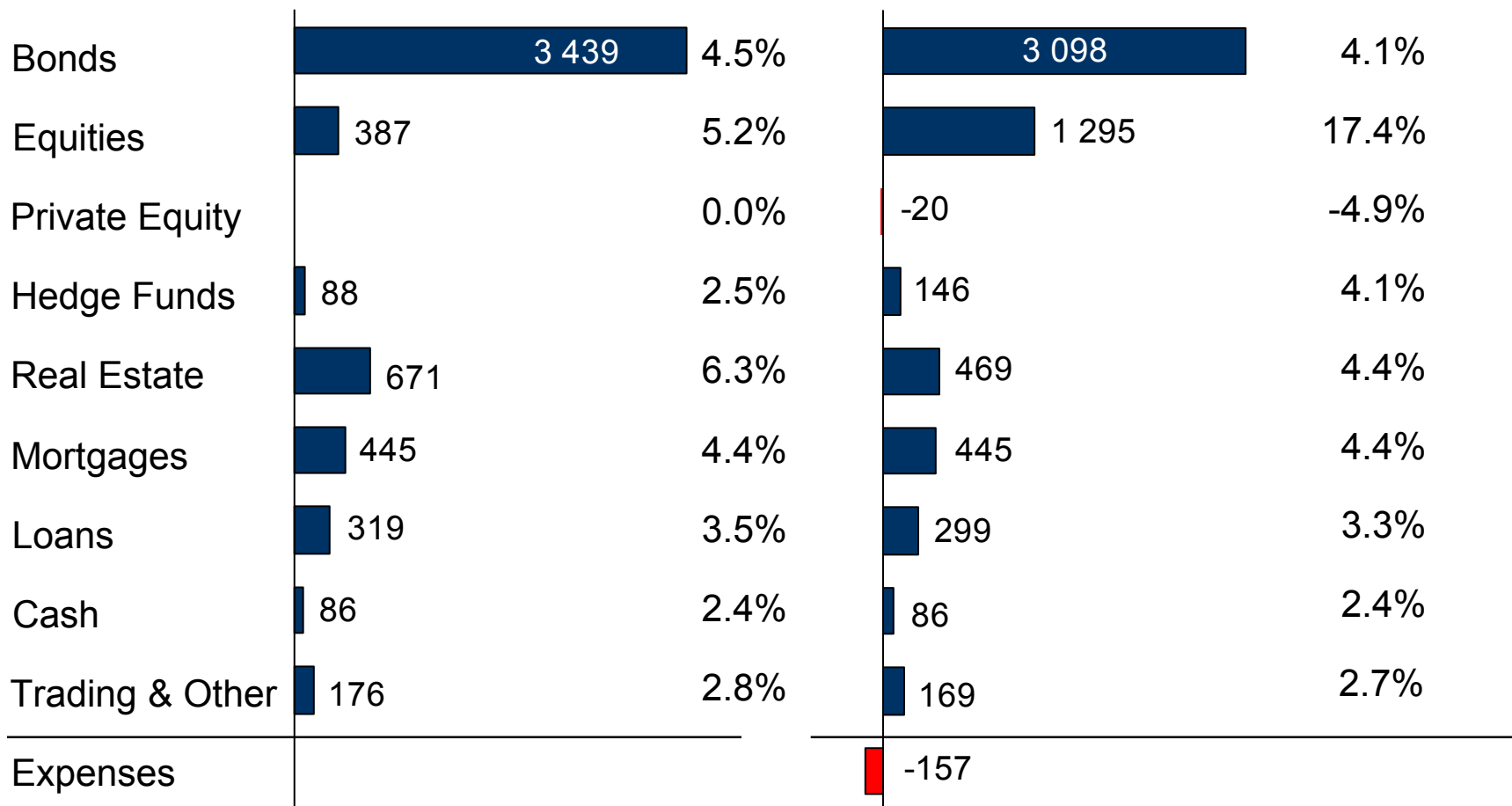
(1) Mandatory convertible securities (MCS)

# Investment return on insurance portfolio

MCHF (IFRS basis)

## Direct return of 4.4%

## Total return of 4.7%<sup>(1)</sup>



(1) Excluding asset management expenses; total return including expenses: 4.6%

# Agenda

1.	Overview	2
2.	Financial Results	4
<b>3.</b>	<b>Embedded Value</b>	<b>12</b>
4.	Banca del Gottardo	16
5.	Outlook	20

# Embedded value for Swiss Life Holding

MCHF (statutory basis)

	2003	2002
RA/SL embedded value FY 2003 <sup>(1)</sup>	5 832	5 616
SL Holding owns	99.72%	92.23%
SL Holding share of embedded value	5 816	5 179
Free capital <sup>(2)</sup>	1 095	881
<b>Embedded value for Swiss Life Holding</b>	<b>6 911</b>	<b>6 060</b>
EV per share <sup>(3)</sup>	CHF 276	CHF 259
New business margin <sup>(4)</sup>	6.1%	

(1) Including anticipated legal quote in group life Switzerland

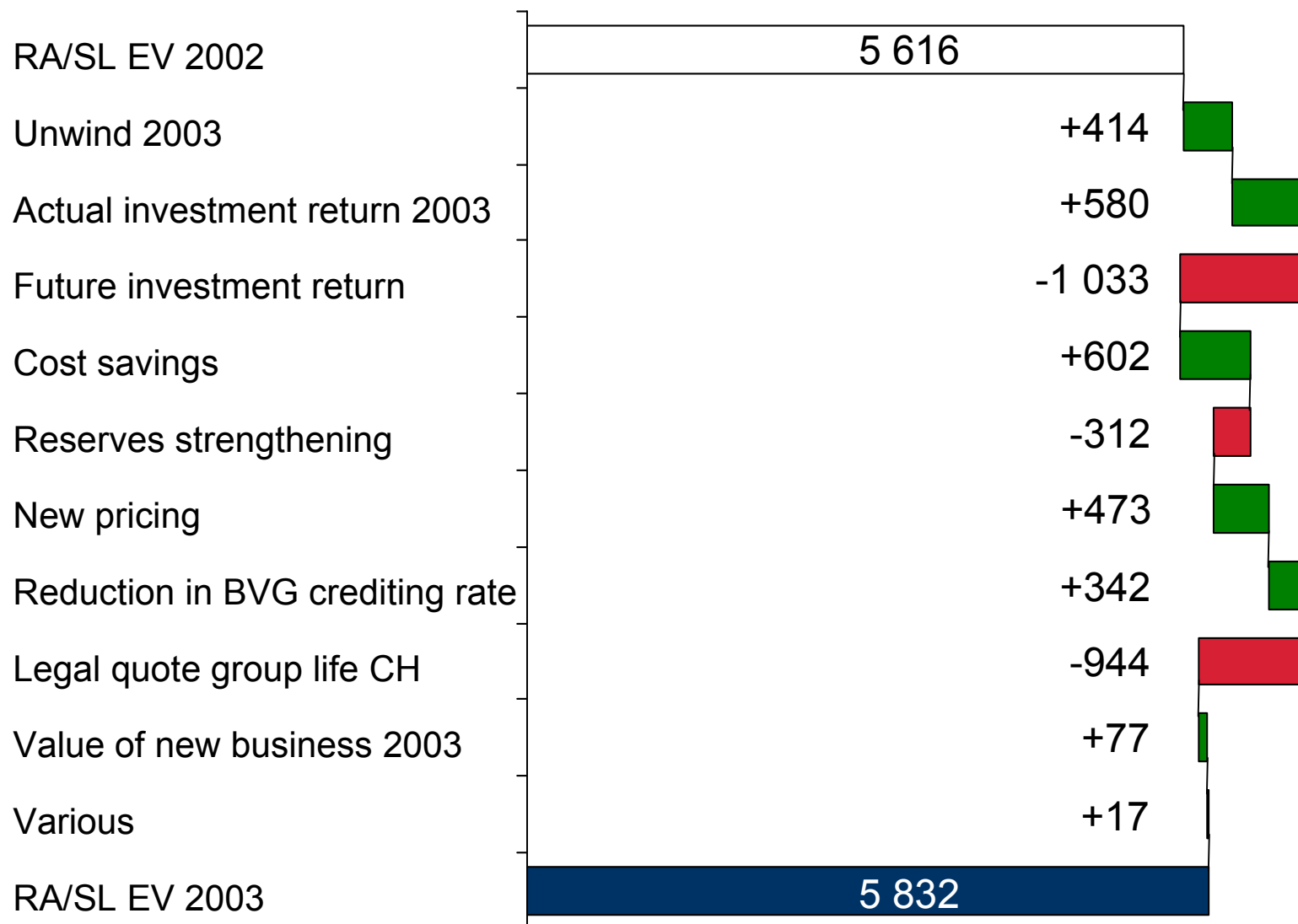
(3) Based on 25 034 041 shares

(2) Equity of SL Holding less book value of RA/SL

(4) Without Swiss Life Assurances et Patrimoine, Erisa and Swiss Life UK

# Embedded value: Analysis of change

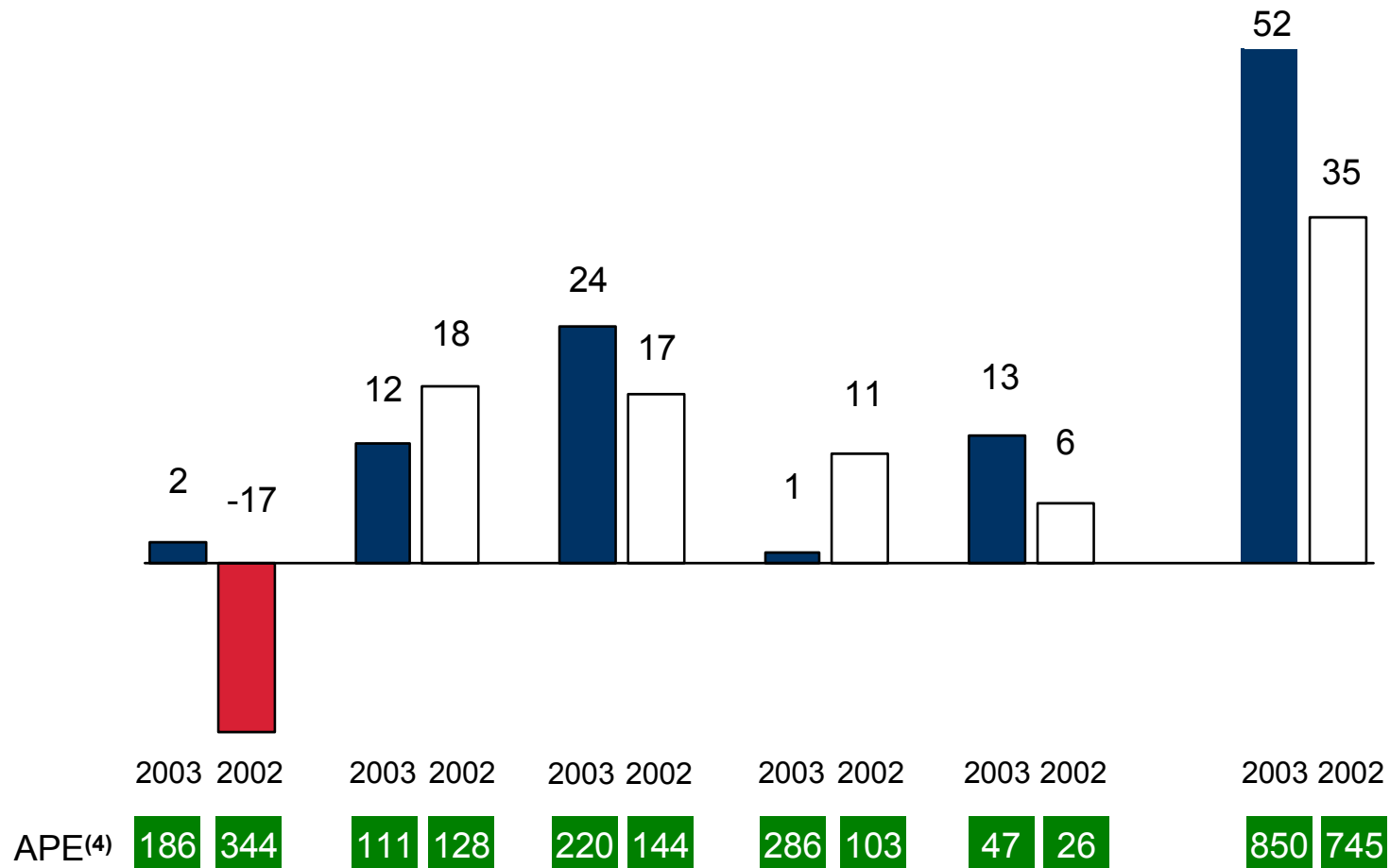
MCHF (statutory basis); RA/SL



# Increased value of new business

MCHF (statutory basis)

Switzerland<sup>(1)</sup> France<sup>(2)</sup> Germany Netherlands Belgium<sup>(3)</sup> Sum



(1) Including La Suisse Vie  
(3) Without Luxembourg

(2) Without Swiss Life Assurances et Patrimoine and Erisa  
(4) Annual premium equivalent

# Agenda

1.	Overview	2
2.	Financial Results	4
3.	Embedded Value	12
<b>4.</b>	<b>Banca del Gottardo</b>	<b>16</b>
5.	Outlook	20



# Rationale for retention and transfer of the bank

- Further step in streamlining Swiss Life Group structure
  - Increased transparency and strategic flexibility
  - Strengthen insurance business
- More stable and secure investment portfolio for policyholders
  - Replacement of illiquid asset with liquid, diversified portfolio
  - Better matched assets and liabilities (ALM)
  - Full credit for transaction proceeds in security fund
- Further upside potential for shareholders
  - Resolution of current asymmetric risk-return profile for shareholders
  - Continued improvement of BdG performance
  - Reinforcing cash generation at Swiss Life Holding level
- Overall transaction to further bolster company's capital base

# Banca del Gottardo

- Sizeable Swiss private bank based in Lugano
  - Swiss and European network of branches and affiliates
  - Focus on private banking in offshore and onshore markets
  - Total AuM of CHF 39 billion; 1 200 employees
- Significant improvements in profitability
  - 2003 statutory earnings of MCHF 85; RoE of 10%
  - Cost income ratio down to 63% (75% in 2002)
  - Balance sheet strengthened, with lowered risk profile
- 2004 budgeted pre-tax profit of MCHF 112 (+19%)
  - Ongoing growth initiatives in selective onshore markets
  - Enhanced Group support with increased Board representation

# Accessing Capital Markets

- Planned group funding need
  - Transaction consideration of approx. MCHF 1 340
  - In addition, refinancing existing debt, taking opportunity of favourable market conditions
- Financing mix
  - Internal resources of up to MCHF 250
  - Equity issue of MCHF 800
  - Convertible bond of up to MCHF 350
  - Debt of up to MCHF 450
- Shareholders will be invited to approve the creation of necessary capital at the AGM on 18 May 2004
- Swiss Life does not envisage to further access the equity capital markets

# Agenda

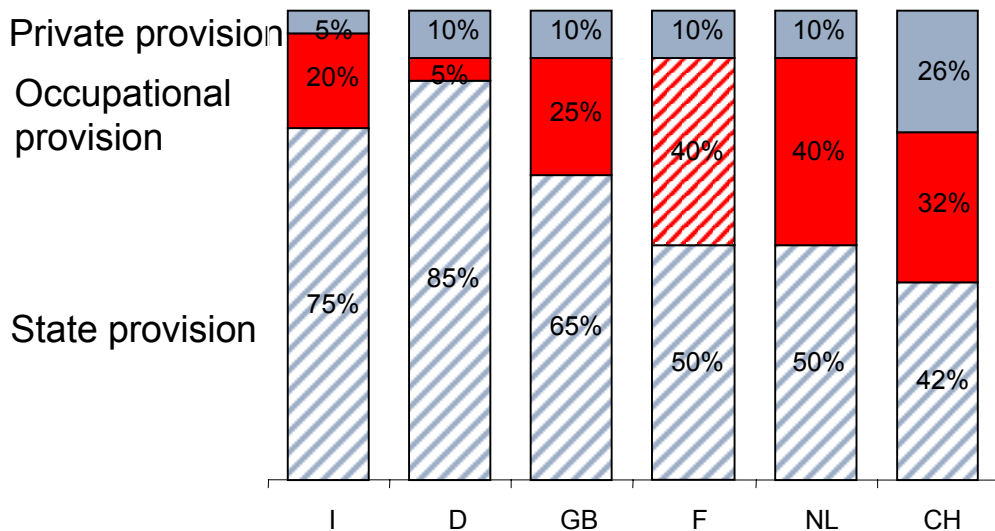
1.	Overview	2
2.	Financial Results	4
3.	Embedded Value	12
4.	Banca del Gottardo	16
<b>5.</b>	<b>Outlook</b>	<b>20</b>

# Long-term attractive environment for life insurance in Europe, due to growing 2nd and 3rd pillars



Income sources of retired people

- shaded areas: pay-as-you-go (unfunded systems)
- other areas: funded systems



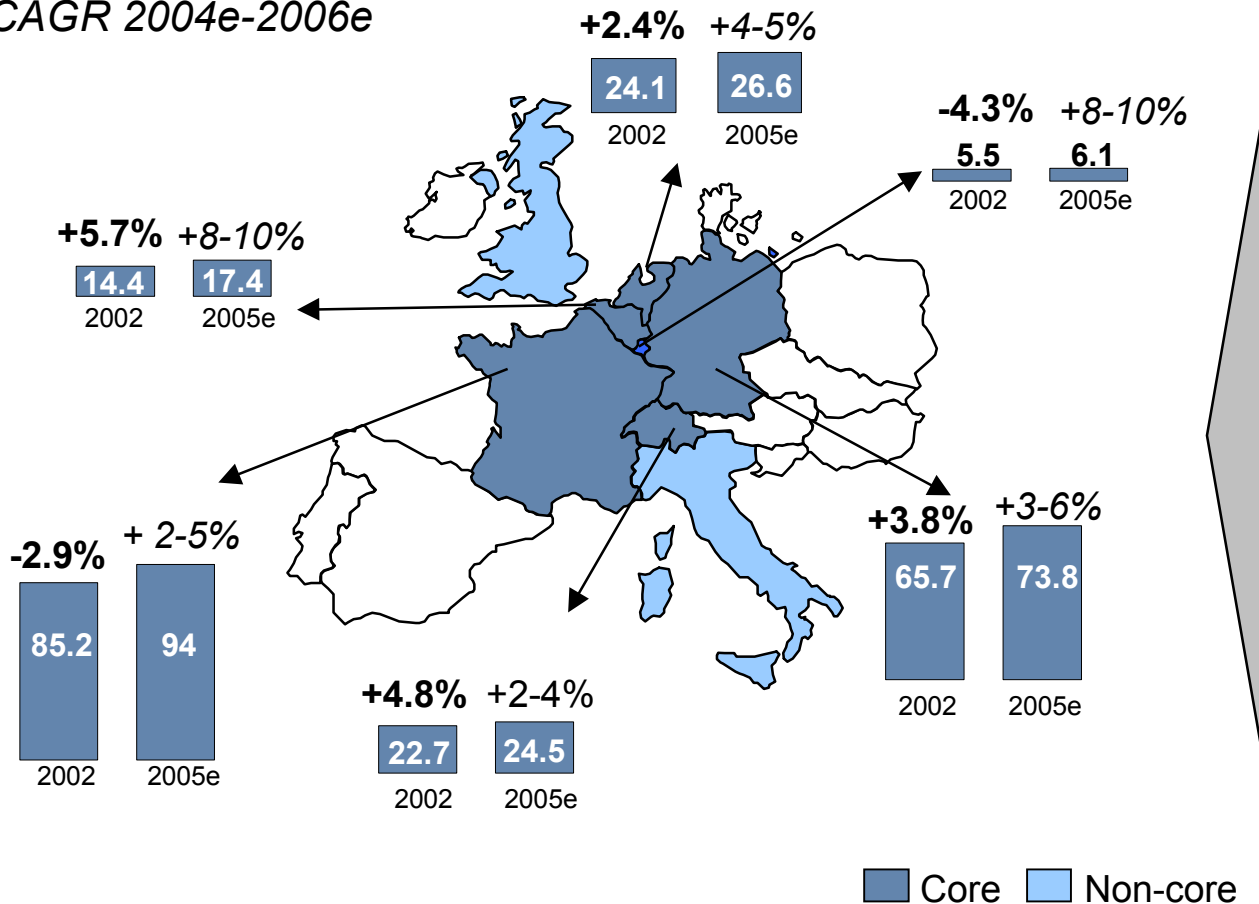
Life markets in Europe

- State-owned pensions system under high pressure
- Increase of funded pensions security systems

# Swiss Life's European core life markets with attractive growth potential

Life premiums in billion EUR

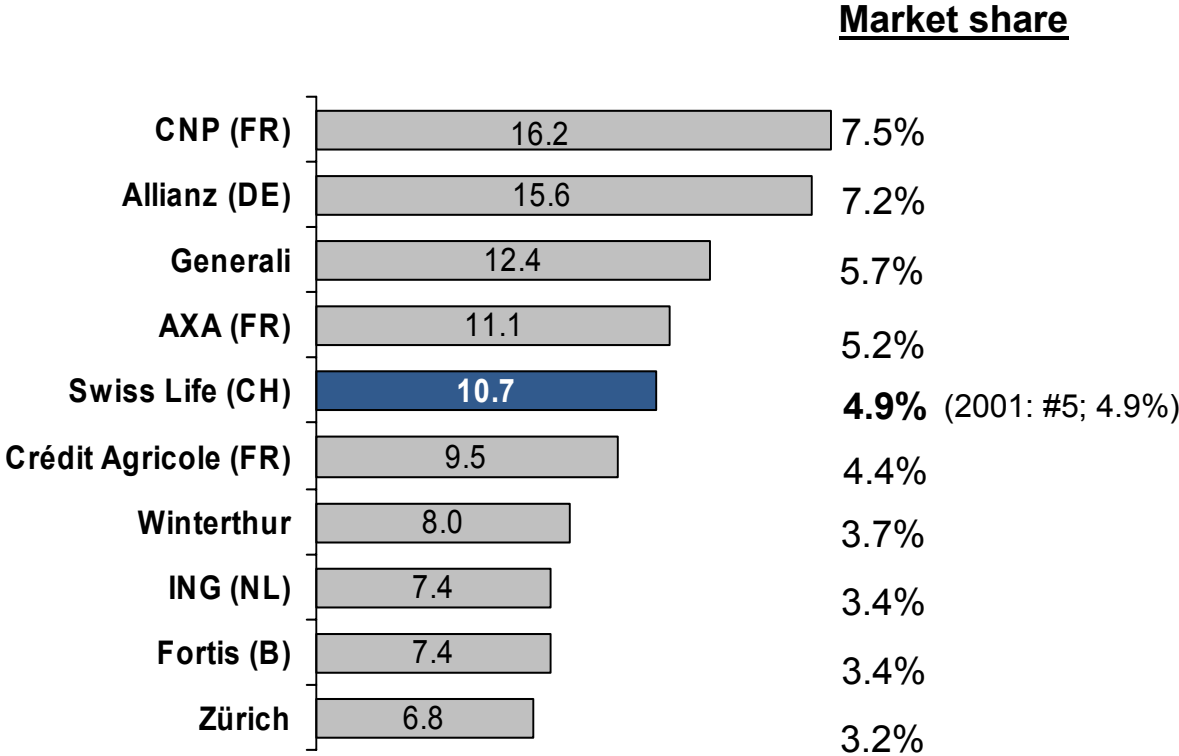
**CAGR 2000-2002**  
**CAGR 2004e-2006e**



- Attractive market potential in all core life markets
- Demographic development as main growth driver
- Concentrated and increasingly linked core markets

# Swiss Life Top 5 in chosen markets

Gross written life premiums in chosen markets<sup>(1)</sup>, 2002: in Euro billion

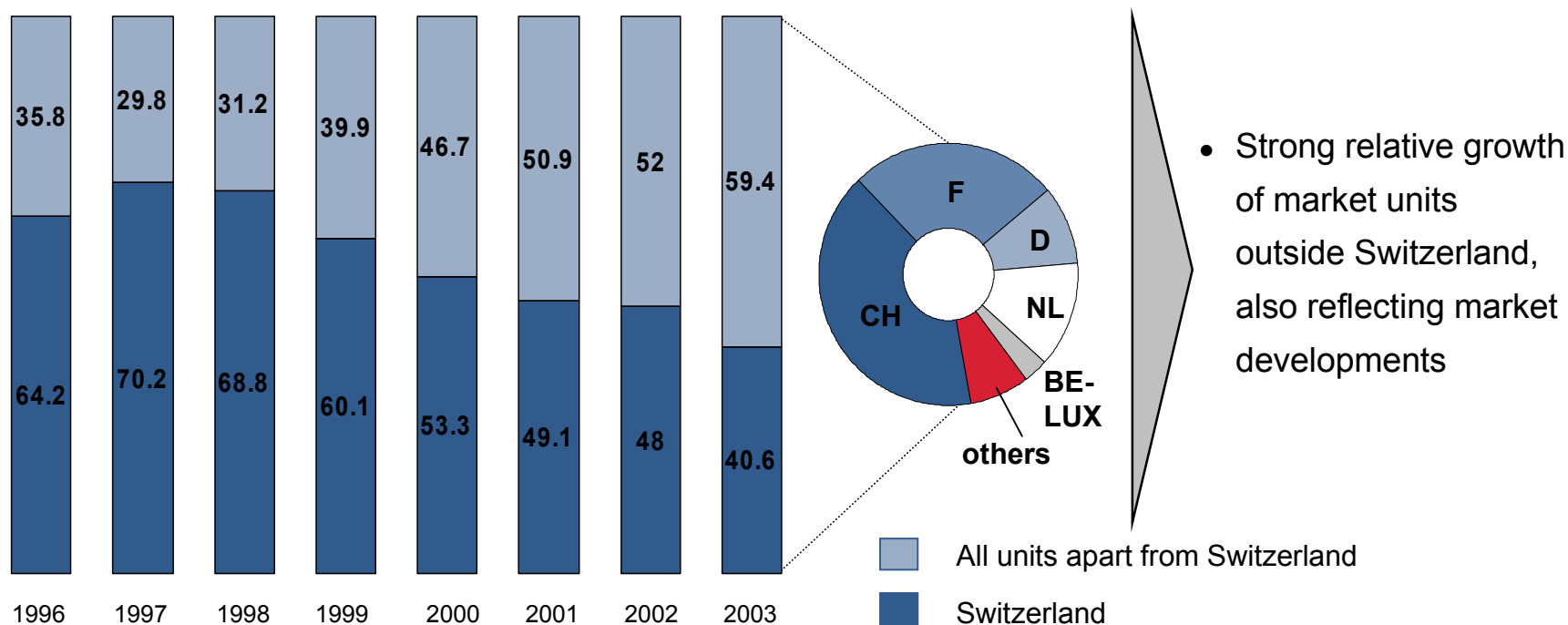


- **Unique positioning of** Swiss Life as a focused and international provider of life insurance within core markets  
 Top 2 **group life** provider in core markets (Winterthur #1)  
 Other top 5 competitors are **composite insurers** (Allianz, AXA, Generali) or are „only“ national (CNP)
- Position 8 in **total European market:**

(1) CH, F, D, NL, BE, Lux Source: MTP country analysis; Premiums (2002) for companies in the Netherlands estimated

# Increasing importance of markets units outside Switzerland, ....

Swiss Life: Gross written life premiums & policyholder deposits 1996-2003<sup>(1)</sup> in %



(1) Figures 1996-1998: Swiss GAAP, from 1999: IAS



# ... with clear opportunities for profitable growth

## Switzerland

- Changing competitive landscape (withdrawal of competitors) in Swiss market defined by high volumes and considerable scope for earnings improvements
- Continue to provide full-value insurance following strict profit guidelines

## France

- Pension reform and increasing public concern over future state pensions leading to opportunities for life insurers
- Swiss Life as "Assureur de personnes" focused on affluent self-employed and SME

## Germany

- Increasing pressure on government to reform pension system, leading to opportunities in 2nd pillar and occupational pension schemes
- Premium broker brand with excellence in employee and disability solutions

## Netherlands

- Independent pension funds are driven towards life insurers for pension security reasons
- Leverage strong brand with pension image to continue to outgrow the market

## Belgium

- Pension reform with high impact on business growth for self-employed
- Leverage new pension legislation by focusing on pension market for above average income individuals and self-employed professionals

**→ Target premium growth for Swiss Life: 1% above market growth rate<sup>(1)</sup>**

# Outlook 2004

- Transfer Banca del Gottardo to Swiss Life Holding level
- Return to profitable premium growth; 1% above market growth rate<sup>(1)</sup>
- Increase profitability substantially
- Resume dividend payments



**SwissLife**  
Prepared for the future.



SwissLife

**Supplementary information**

# Supplementary information

1. **Profit and Loss**
2. Balance Sheet
3. Embedded Value
4. Swiss Business
5. Contact details

# Foreign currency exchange rates and interest rates



## Foreign currency exchange rates

	31.12.03	30.06.03	31.12.02	1.1.-31.12.03	1.1.-30.06.03	1.1.-31.12.02
EUR	<b>1.56</b>	1.55	1.46	1.52	1.49	1.47
GBP	<b>2.20</b>	2.24	2.23	2.20	2.18	2.33
USD	<b>1.24</b>	1.36	1.39	1.35	1.35	1.56

## Interest rates

	31.12.03	30.06.03	31.12.02
CHF <sup>(1)</sup>	<b>2.717</b>	2.432	2.192
EUR <sup>(1)</sup>	<b>4.290</b>	3.800	4.204
USD <sup>(1)</sup>	<b>4.246</b>	3.513	3.814
GBP <sup>(1)</sup>	<b>4.802</b>	4.157	4.374

(1) 10-year government bond

# Introduction of Management P&L

- Integrated system for performance measurement and compensation
- Business view with a clear focus on operational performance, fully reconcilable with IFRS
- Introduced for main insurance market units
- Closely linked to Group strategy

# Management P&L - insurance business

MCHF (IFRS basis); main insurance market units<sup>(1)</sup>

	<b>2003</b> actual	<b>2002</b> pro forma <sup>(2)</sup>
<b>KPI 1</b> Gross written premiums incl. PH deposits	<b>17 807</b>	18 374
<b>KPI 2</b> Operating expenses incl. LAEs	<b>-1 669</b>	-1 823
<b>KPI 3</b> Technical result after fixed PH dividends	<b>201</b>	-185
<b>Insurance result</b> ("Risk free" investment returns)	<b>291</b>	-363
<b>KPI 4</b> Group contribution	<b>535</b>	-279
<b>IFRS profit contribution</b>	<b>163</b>	-783

(1) Data are based on the 6 main insurance market units of the Group: Switzerland, France, Germany, Netherlands, Belgium/Luxembourg and La Suisse. See appendix for detailed definitions.

(2) 2002 is shown using the same currency rates and risk free bond yields as in 2003



# Four KPIs are derived from Management P&L

Market unit level, derived from group level

KPI on market unit level	Value Drivers	Interpretation	Definition
<b>KPI 1</b> Gross written premiums (incl. PHD)	Growth	Does the market unit grow and build up business?	Premium income as it is traditionally defined, including all savings components
<b>KPI 2</b> Operating expenses incl. LAEs	Costs	Does the market unit control costs and reach cost saving targets?	All operating costs <sup>(1)</sup> , adjusted for restructuring costs and other one time accounting effects (e.g. IAS 19)
<b>KPI 3</b> Technical result after fixed PH Dividends	Costs Underwriting Pricing	Is the market unit profitable on a technical basis only?	Sum of premium and other technical income minus claims <sup>(2)</sup> and costs <sup>(1)</sup>
<b>Insurance result</b>	KPI 3 & Guarantees for PH	Does the market unit write profitable business regardless of financial market conditions?	KPI 3 + “risk free” investment result minus allocated policyholder bonuses
<b>KPI 4</b> Group contribution	Investment perf. & PH bonuses	Does the market unit generate sustainable total returns (P&L & B/S) for the Group?	Insurance result plus net result of total investment return and PH dividends (before interest & tax)

(1) DAC effect normalised, excluding commissions

(2) Technical interest neutralised

# Profit transition Management P&L

MCHF (IFRS basis)

	<b>2003</b>
IFRS profit contribution Management P&L	163
Elimination effects within Management P&L scope <sup>(1)</sup>	-25
IFRS profit other insurance units	+36
IFRS profit Investment Management & Private Banking <sup>(2)</sup>	+35
IFRS profit Holding & other units	+24
<b>Total Group IFRS profit</b>	<b>233</b>

(1) E.g. reinsurance between Switzerland and SL France

(2) Including loss on STG transaction

# Segment Life Core: Operating result by country

MCHF (IFRS basis)

	2003	2002
Switzerland	76	-566
France	123	106
Germany	40	-9
Netherlands	101	34
Belgium/Luxembourg	1	-126
<b>Life Core<sup>(1)</sup></b>	<b>341</b>	<b>-561</b>

(1) Profit before goodwill amortisation, taxes and minority interests

# Life core: Overview of key financials

MCHF (IFRS basis)

	2003	2002	Change
Premiums and policy fees <sup>(1)</sup>	12 532	12 661	-1.0%
Financial result	5 038	3 913	28.8%
Other income	-50	107	
<b>Total revenues</b>	<b>17 520</b>	<b>16 681</b>	<b>5.0%</b>
Interest credited to clients & borrowings	-941	-1 070	-12.1%
Provisions for ins. reserves + benefits paid	-13 557	-13 805	-1.8%
PH dividends and participation in profit	-805	-349	
Operating expenses	-1 876	-2 018	-7.0%
<b>Total benefits, claims and expenses</b>	<b>-17 179</b>	<b>-17 242</b>	<b>-0.4%</b>
<b>Segment result<sup>(2)</sup></b>	<b>341</b>	<b>-561</b>	

(1) Excluding policyholder deposits

(2) Profit before goodwill amortisation, taxes and minority interests

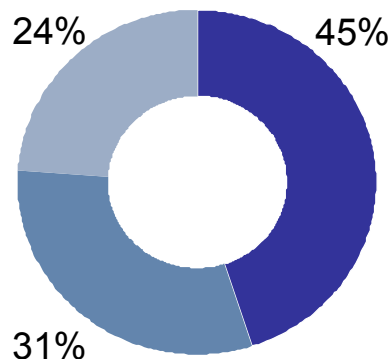
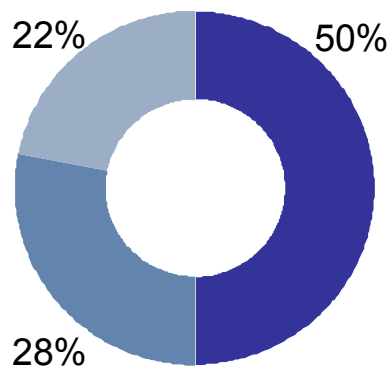
# Life Core: Premiums and policyholder deposits

MCHF (IFRS basis)

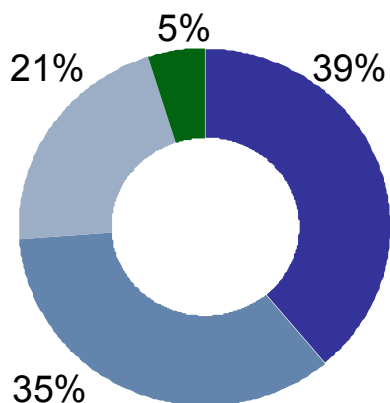
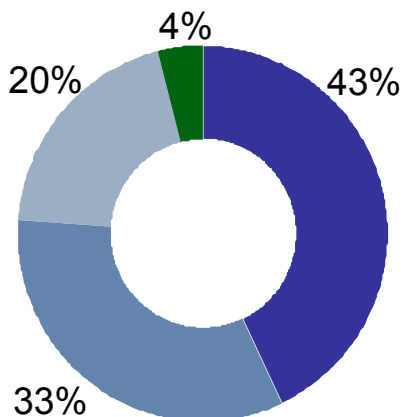
**2003: 16 081**

**2002: 16 394**

## Growth in life core premiums by line of business



Group	+7.7%
Individual	-10.1%
Policyholder deposits, assumed premiums	-9.4%

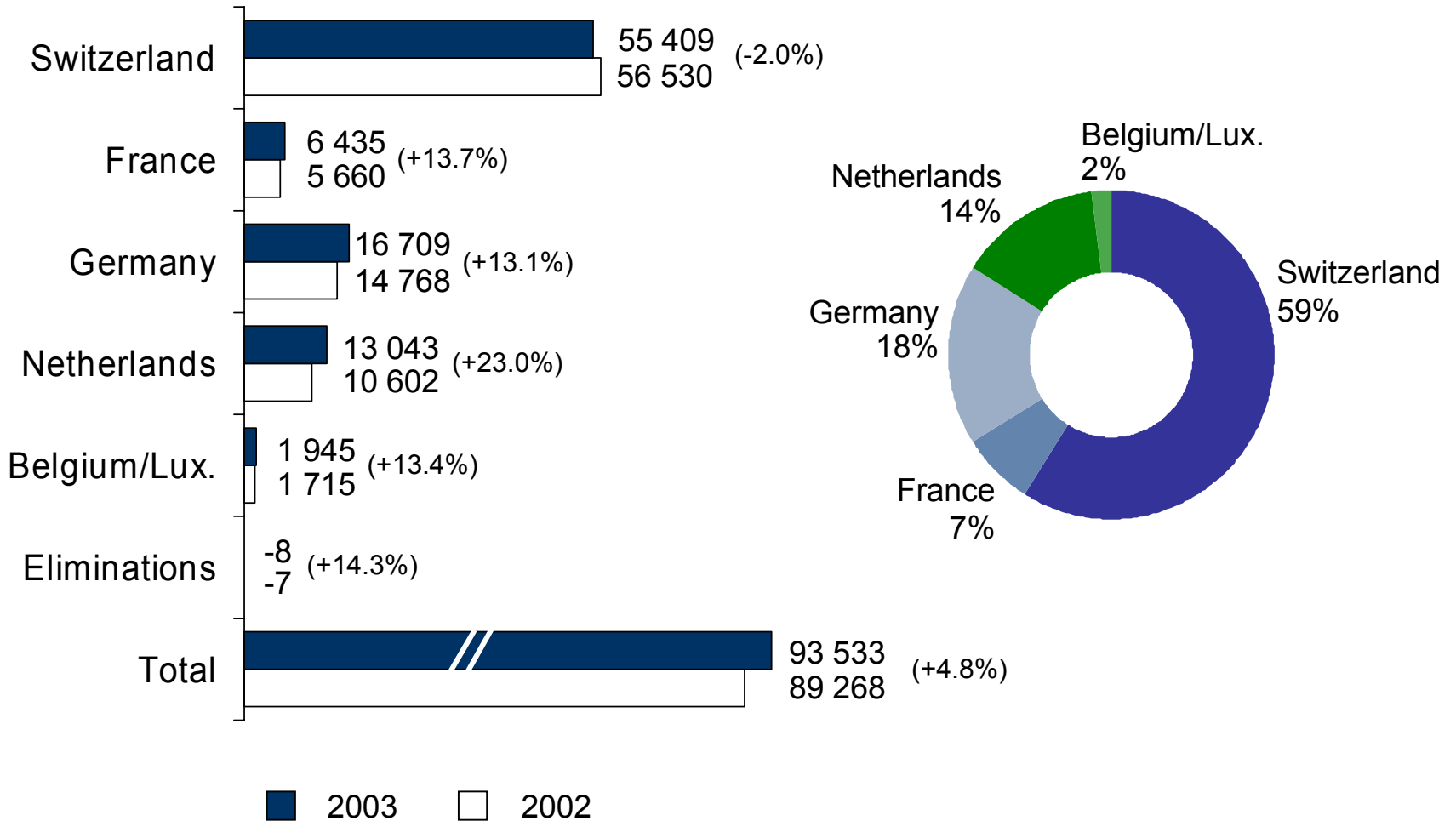


Periodic	+6.5%
Single	-6.8%
Policyholder deposits	-4.9%
Other <sup>(1)</sup>	-22.9%

(1) Policy fees and surrender charges, assumed premiums

# Life Core: Technical reserves by core countries

MCHF (IFRS basis)



# Opportunities for profitable growth in core markets (1/2)



## Switzerland

- Changing competitive landscape (withdrawal of competitors) in a market defined by high volumes and considerable scope for earnings improvements
- Continue to provide full-value insurance following strict profit guidelines

## France

- Pension reform and increasing public concern over future state pensions leading to opportunities for life insurers
- "Assureur de personnes" focused on affluent self-employed and SME

## Germany

- Increasing pressure on government to reform pension system, leading to opportunities in 2nd pillar and occupational pension schemes
- Premium broker brand with excellence in employee and disability solutions

# Opportunities for profitable growth in core markets (2/2)

## Netherlands

- Independent pension funds are driven towards life insurers for pension security reasons
- Leverage strong brand with pension image to continue to outgrow the market

## Belgium

- Pension reform with high impact on business growth for self-employed
- Leverage new pension legislation by focusing on pension market for above average income individuals and self-employed professionals



**Target premium growth for Swiss Life:  
1% above market growth rate<sup>(1)</sup>**



# Life Non-Core: Overview of key financials

MCHF (IFRS basis)

	2003	2002	Change
Premiums and policy fees <sup>(1)</sup>	1 322	1 592	-17.0%
Financial result	450	315	42.9%
Other income	18	17	5.9%
<b>Total revenues</b>	<b>1 790</b>	<b>1 924</b>	<b>-7.0%</b>
Interest credited to clients & borrowings	-40	-39	2.6%
Provisions for ins. reserves + benefits paid	-1 445	-1 657	-12.8%
PH dividends and participation in profit	-49	-20	
Operating expenses	-189	-365	-48.2%
<b>Total expenses</b>	<b>-1 723</b>	<b>-2 081</b>	<b>-17.2%</b>
<b>Segment result<sup>(2)</sup></b>	<b>67</b>	<b>-157</b>	

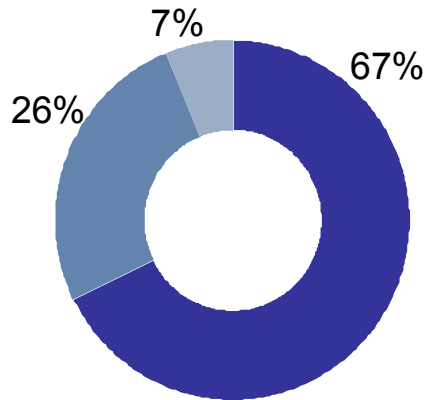
(1) Excluding policyholder deposits

(2) Profit before goodwill amortisation, taxes and minority interests

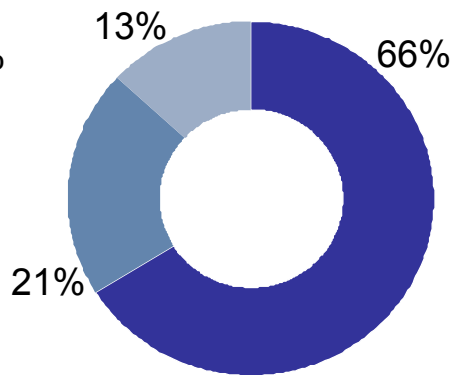
# Life Non-Core: Premiums and policyholder deposits

MCHF (IFRS basis)

**2003: 1 646**

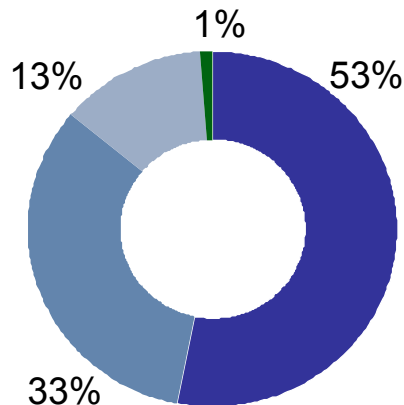
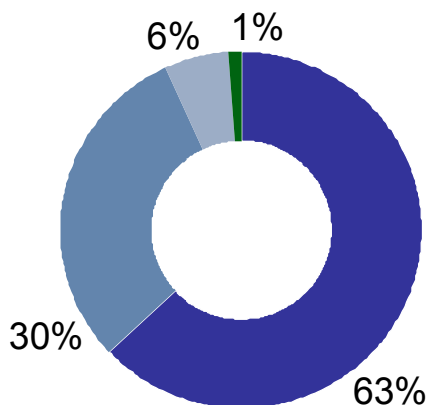


**2002: 2 045**



## Growth in life core premiums by line of business

Group	-18.5%
Individual	+3.4%
Policyholder deposits, assumed premiums	-60.9%



Periodic	-3.6%
Single	-28.8%
Policyholder deposits	-63.2%
Other <sup>(1)</sup>	-7.6%

(1) Policy fees and surrender charges, assumed premiums

# Non-Life: Overview of key financials

MCHF (IFRS basis)

	2003	2002	Change
Premiums	962	1 004	-4.2%
Provisions for ins. reserves + benefits paid	-726	-868	-16.4%
PH dividends and participation in profit	-18	25	
Operating expenses	-316	-351	-10.0%
Total insurance expenses	-1 060	-1 194	-11.2%
Technical result	-98	-190	-48.4%
Financial result	119	84	41.7%
Interest credited to clients & borrowings	-3	-4	-25.0%
Other income	5	15	-66.7%
<b>Segment result<sup>(1)</sup></b>	<b>23</b>	<b>-95</b>	
Combined ratio	<b>108.3%</b>	120.7%	

(1) Profit before goodwill amortisation, taxes and minority interests

# Banca del Gottardo: Overview of key financials



MCHF (statutory basis)

	2003	2002	Change
Results from interest activities	148	155	-4.6%
Results from commission and service act.	232	250	-7.2%
Results from trading operations	79	52	51.6%
Other	8	-9	
<b>Net revenues</b>	<b>467</b>	<b>448</b>	<b>4.2%</b>
Personnel expenses	-189	-210	-9.9%
Other operating expenses	-104	-126	-17.5%
<b>Total operating expenses</b>	<b>-293</b>	<b>-335</b>	<b>-12.7%</b>
<b>Gross profit</b>	<b>174</b>	<b>113</b>	<b>54.4%</b>
Depreciation, adj. provisions and losses	-98	-284	-65.6%
Extraordinary result	18	17	7.5%
Taxes	-9	-6	51.1%
<b>Net profit</b>	<b>85</b>	<b>-161</b>	

# Banca del Gottardo: Key ratios

MCHF (statutory basis)

	<b>2003</b>	<b>2002</b>	<b>Change</b>
Return on equity	<b>9.8%</b>		
Cost/income ratio	<b>62.7%</b>	74.9%	
BIS ratio (Tier 1)	<b>12.6%</b>	10.0%	260 bps
BIS ratio (Tier 2)	<b>13.7%</b>	11.3%	240 bps
Assets under management	<b>38 531</b>	36 788	4.7%

# Financial result

MCHF (IFRS basis)

	2003	2002	Change
Investment income, net	5 552	5 505	0.9%
Realised and unrealised gains/losses <sup>(1)</sup>	334	-2 304	
Trading income, net <sup>(2)</sup>	-50	1 512	
<b>Financial result</b>	<b>5 836</b>	<b>4 713</b>	<b>23.8%</b>

(1) Includes foreign currency gains and losses on investments recorded in the income statement

(2) Includes hedges on foreign currencies and equities

# Investment Management: Overview of key financials

MCHF (IFRS basis)

	2003	2002	Change
Investment management, other income	196	229	-14.4%
Financial result	42	50	-16.0%
Total revenues	238	279	-14.7%
Total expenses	-143	-174	-17.8%
<b>Operating result<sup>(1)</sup></b>	<b>95</b>	105	-9.5%

(1) Profit before amortization of goodwill, taxes and minority interests

# Adjusted operating expenses

MCHF (IFRS basis)

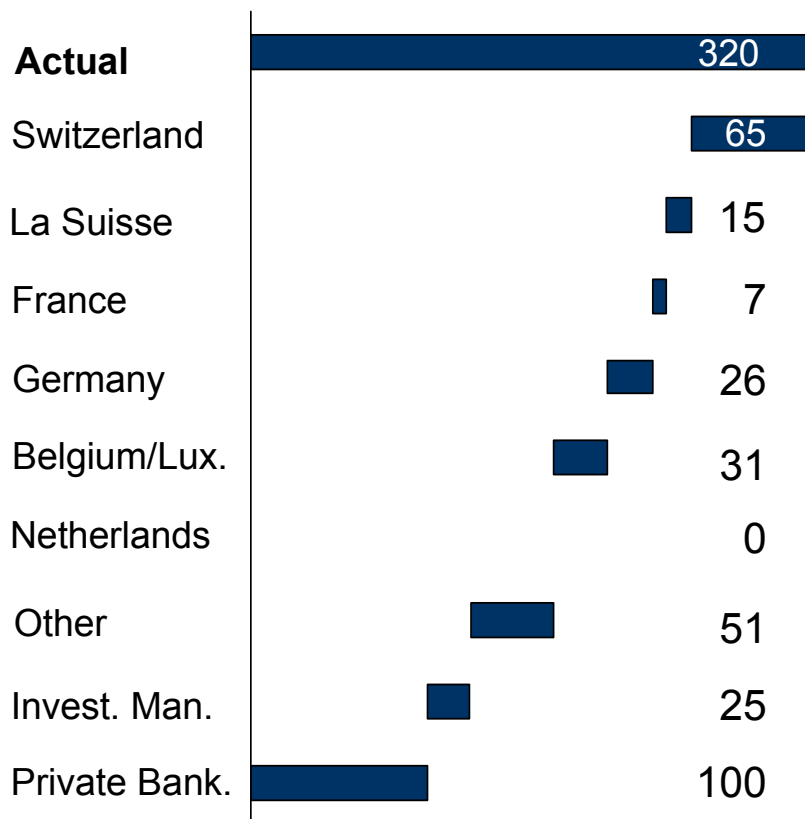
	2003	2002	Change
Operating expenses	2 880	3 436	-16.2%
Commissions and DAC amortisation	-703	-744	-5.5%
Loss adjustment expenses	161	181	-11.1%
Currency effects		33	
Restructuring cost	-58	-144	-59.7%
Change in reserves for employee benefits	36	-68	
Cost base of STG and SL Spain (sold)	-45	-103	-56.3%
<b>Adjusted operating expenses</b>	<b>2 271</b>	<b>2 591</b>	<b>-12.4%</b>



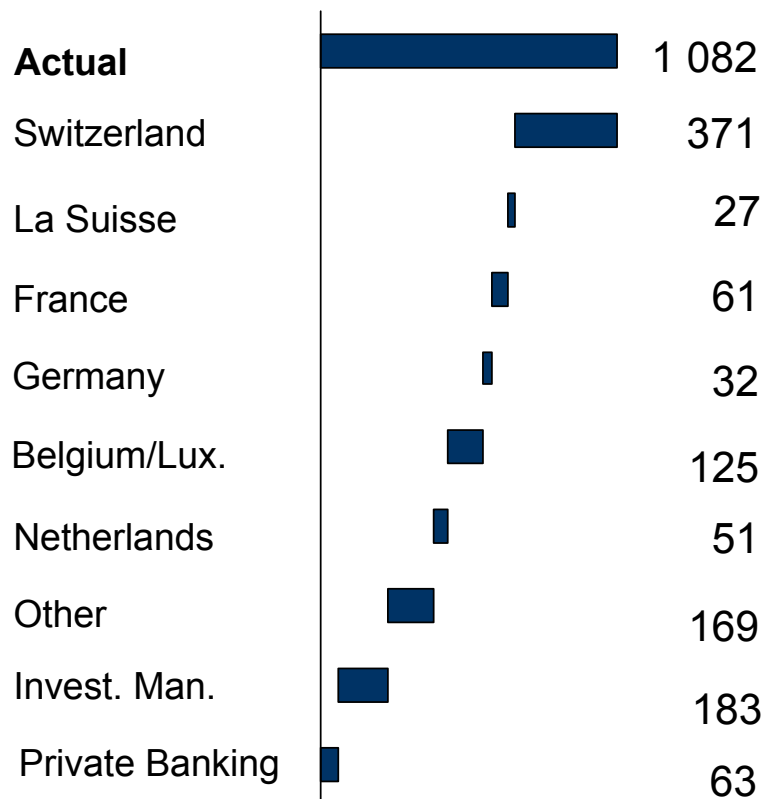
# Details on costs and headcount reduction

MCHF (IFRS basis)

## Incremental savings 2003



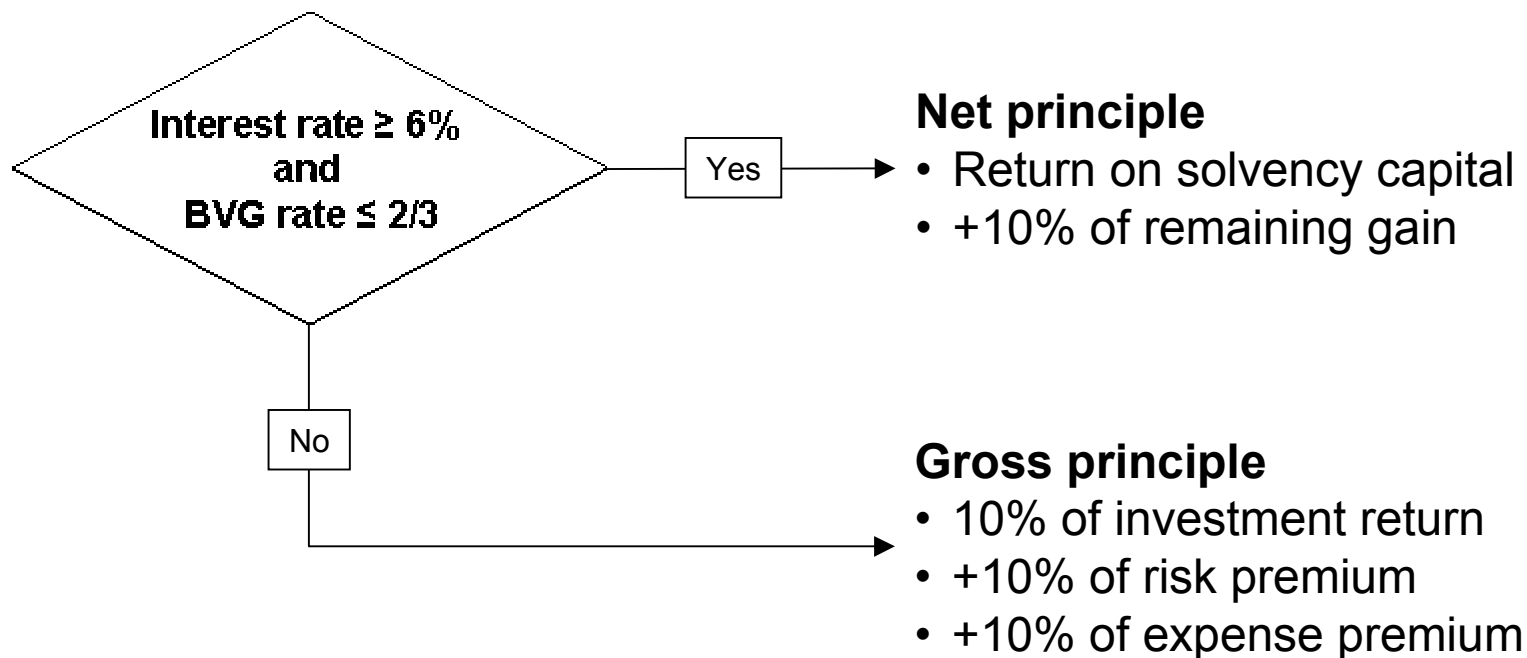
## Incremental headcount reduction<sup>(1)</sup>



(1) In full time equivalents (FTE)

# Legal quote mechanism: shareholder view<sup>(1)</sup>

- Net principle: legal quote based on profit
- Gross principle: legal quote applied to income only



## Legal quote mechanism: policyholder view

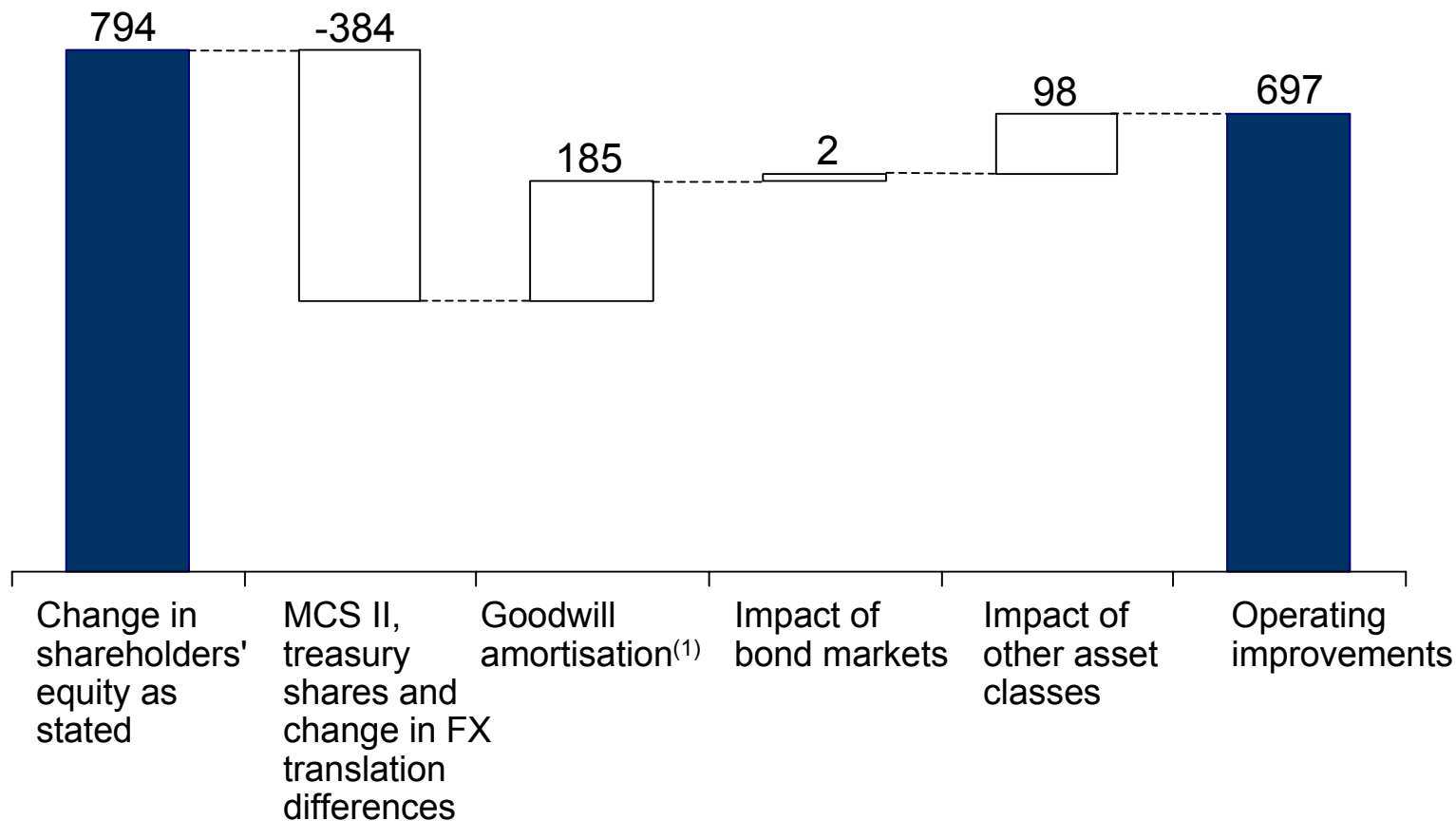
- Remaining part of return (ie 90%) not attributable to shareholders for
  - Reserve strengthening
  - Bonus reserves, including bonuses
  
- Bonus reserves can be used for losses. They need to be consumed within 5 years

# Supplementary information

1. Profit and Loss
- 2. Balance Sheet**
3. Embedded Value
4. Swiss Business
5. Contact details

# Increase in shareholders' equity through operating improvements

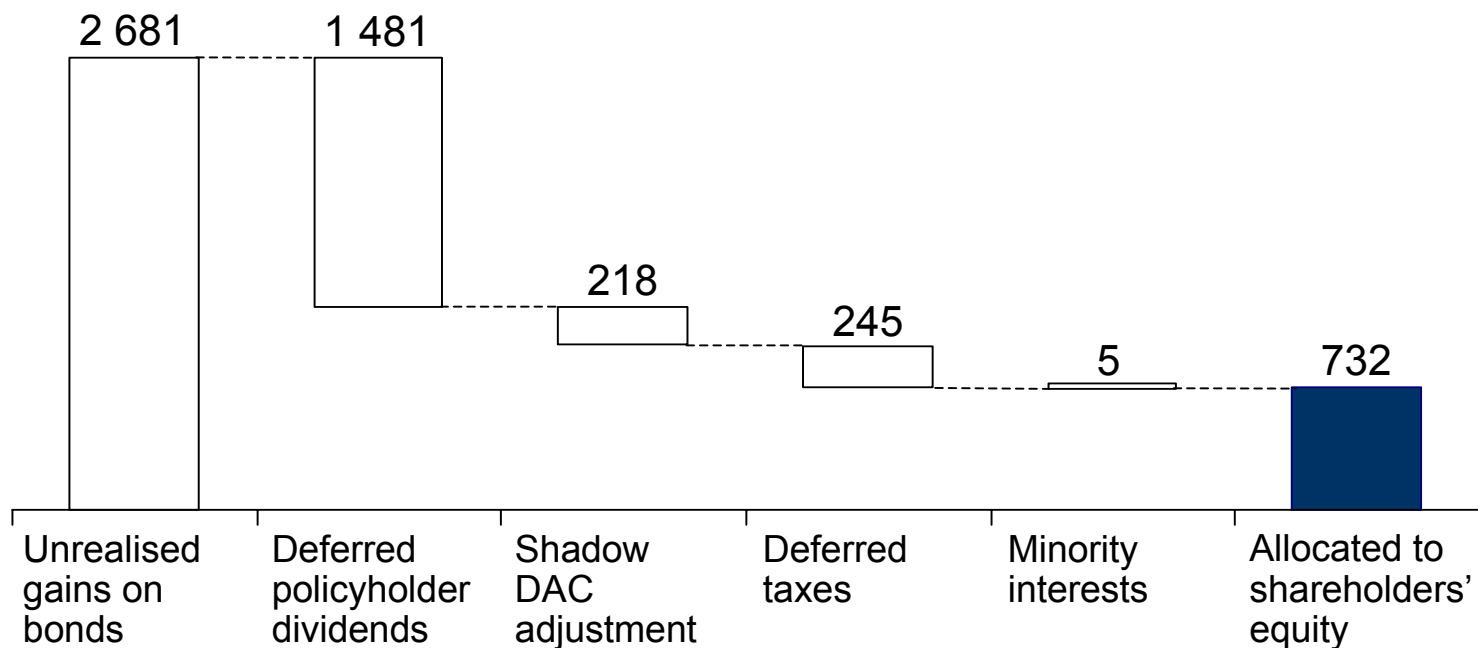
MCHF (IFRS basis)



(1) Including realised loss on sale of STG of MCHF 105

# Allocation of unrealised gains on bonds

MCHF (IFRS basis)



# Assets under management

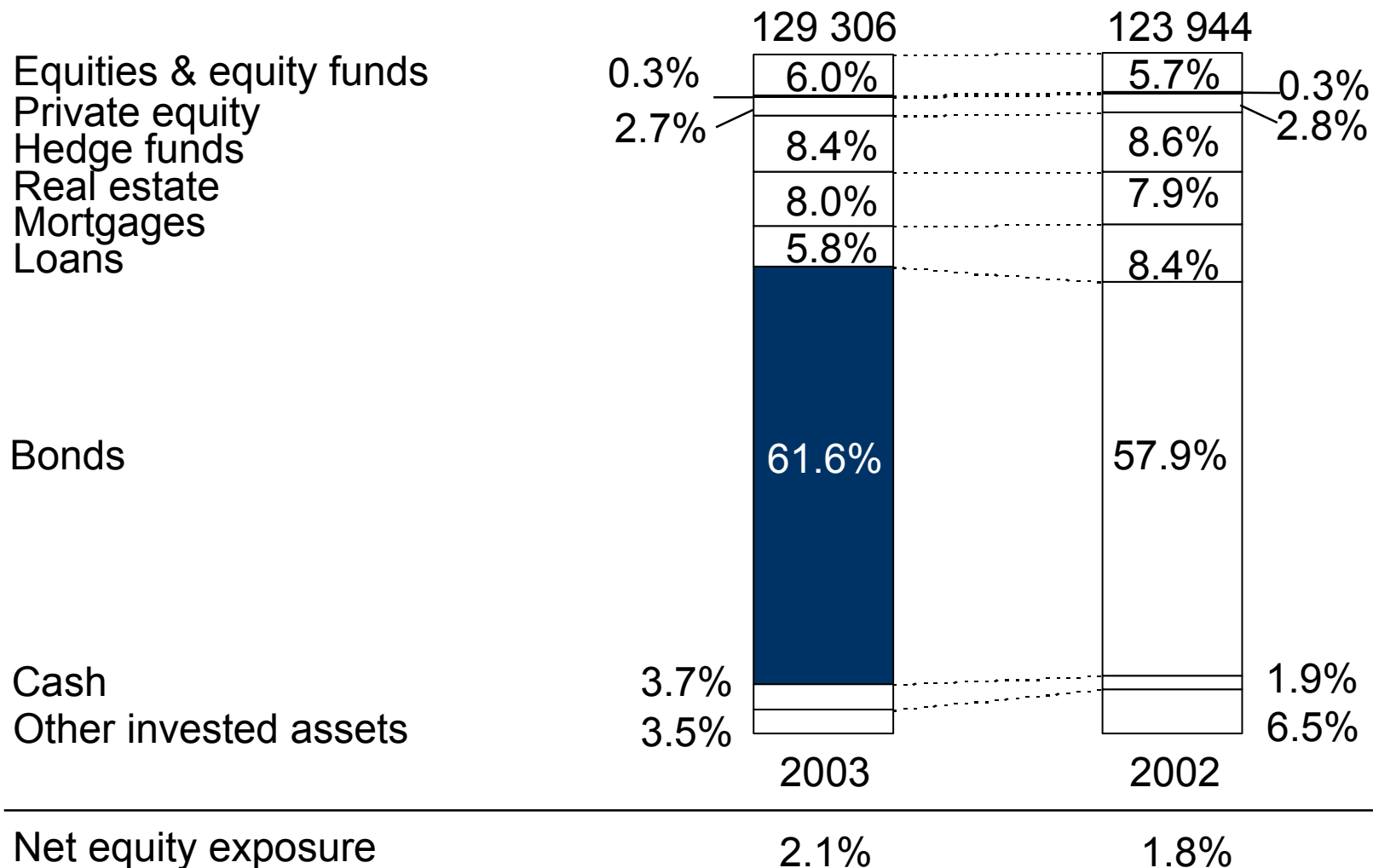
MCHF (IFRS basis)

	2003	2002	Change
Total on-B/S-assets <sup>(1)</sup>	149 476	146 171	2.3%
<i>minus</i>			
• Assets of unit-linked business	-3 250	- 4 006	-18.9%
• Externally managed alternative investments and other assets	-6 312	-5 790	9.0%
<b>Total on-B/S-assets managed in-house</b>	<b>139 914</b>	136 375	2.6%
Third party off-B/S-assets	44 330	47 638	-6.9%
<b>Total assets under management</b>	<b>184 244</b>	184 013	0.1%

(1) Including fair value adjustments

# Asset allocation insurance portfolio

MCHF (IFRS basis)



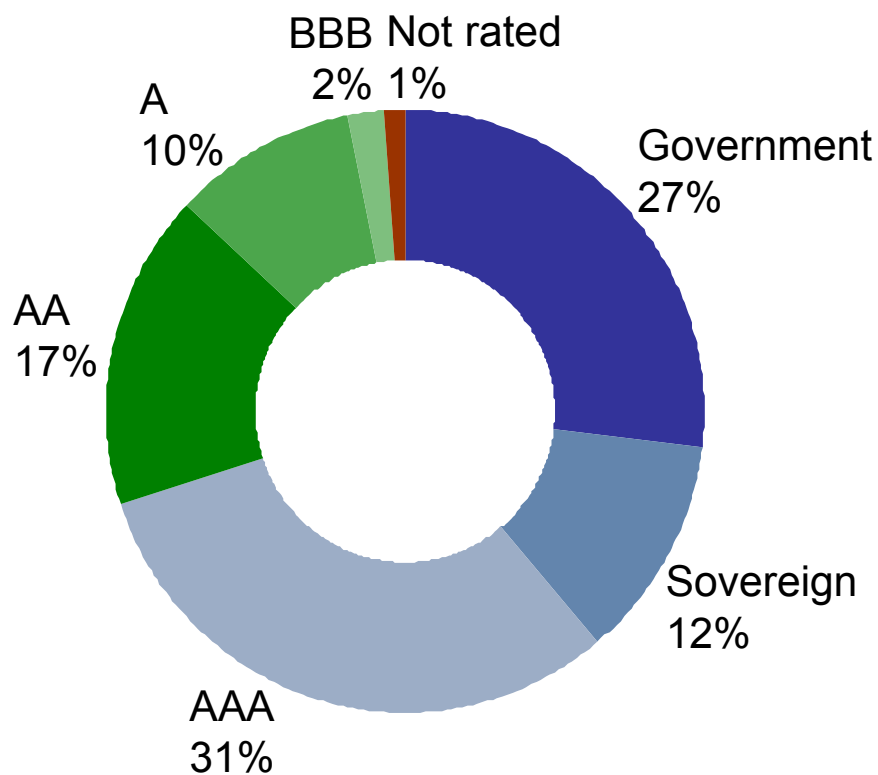


# Bond portfolio: ratings

Insurance portfolio (IFRS basis)

**Investments: MCHF 79 500**

## Breakdown by rating

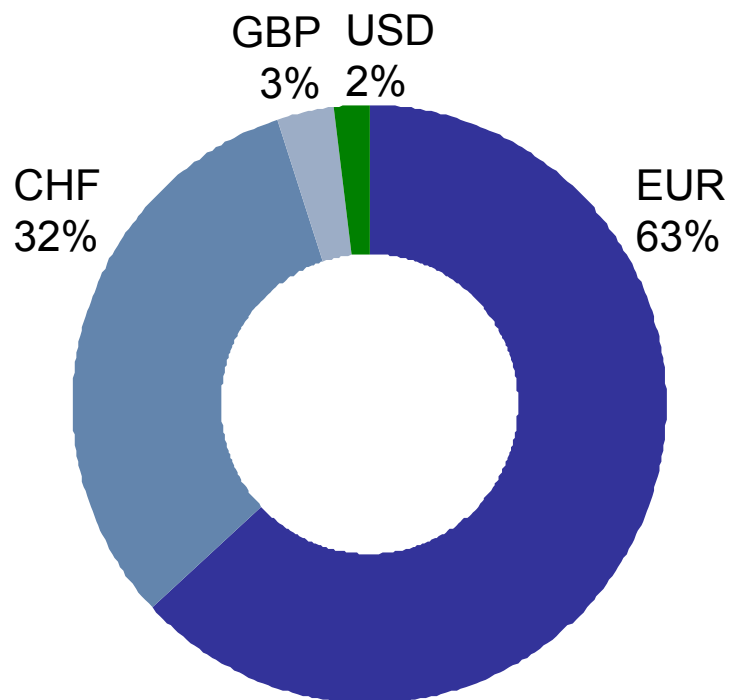


# Bond portfolio: currency exposure

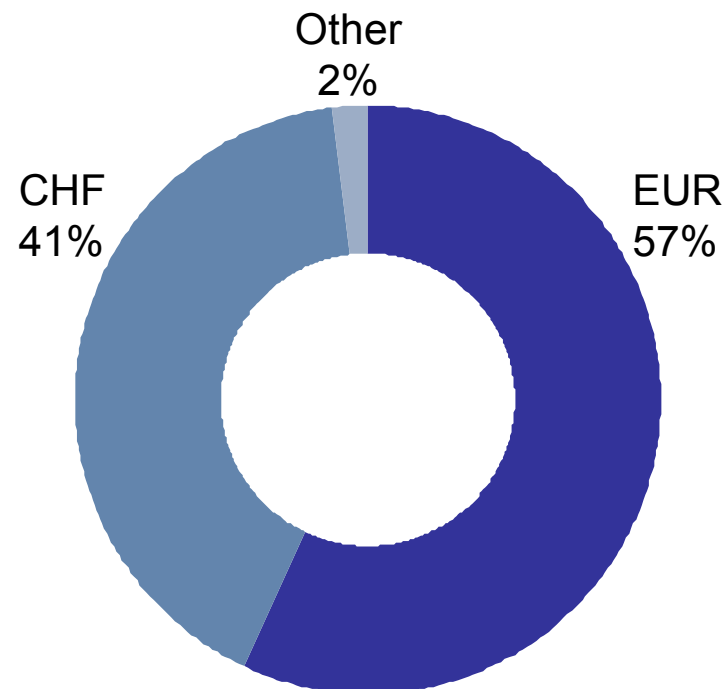
Insurance portfolio (IFRS basis)

Investments: MCHF 79 500

Before hedges



After hedges



# Bond portfolio: duration

Group, not consolidated

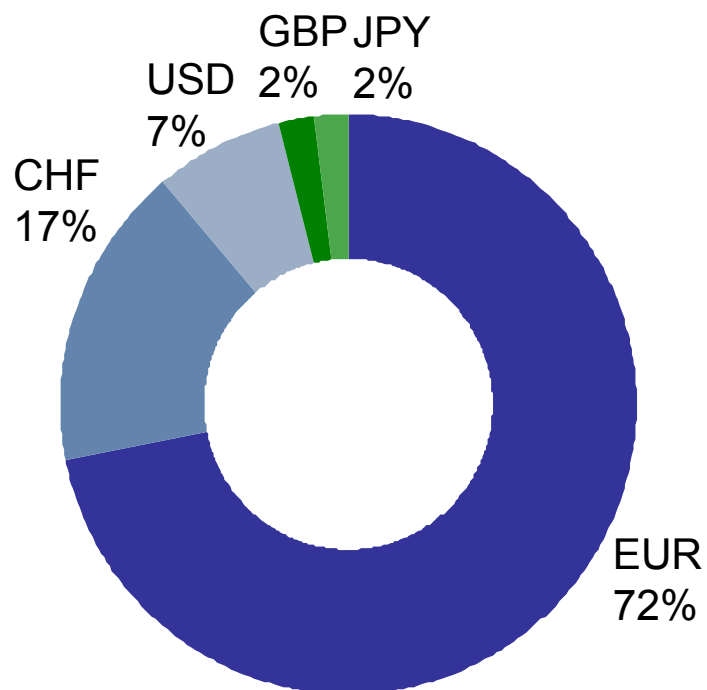
	<b>Market value</b>	<b>Effective duration</b>
CHF	32.8%	7.8
EUR	61.6%	6.2
GBP	3.2%	13.9
USD	2.3%	7.7
Other	0.1%	2.3
<b>Average</b>	<b>100%</b>	<b>7.0</b>

# Equity portfolio: currency exposure

Insurance portfolio (IFRS basis)

Investments: MCHF 7 780

Before hedges

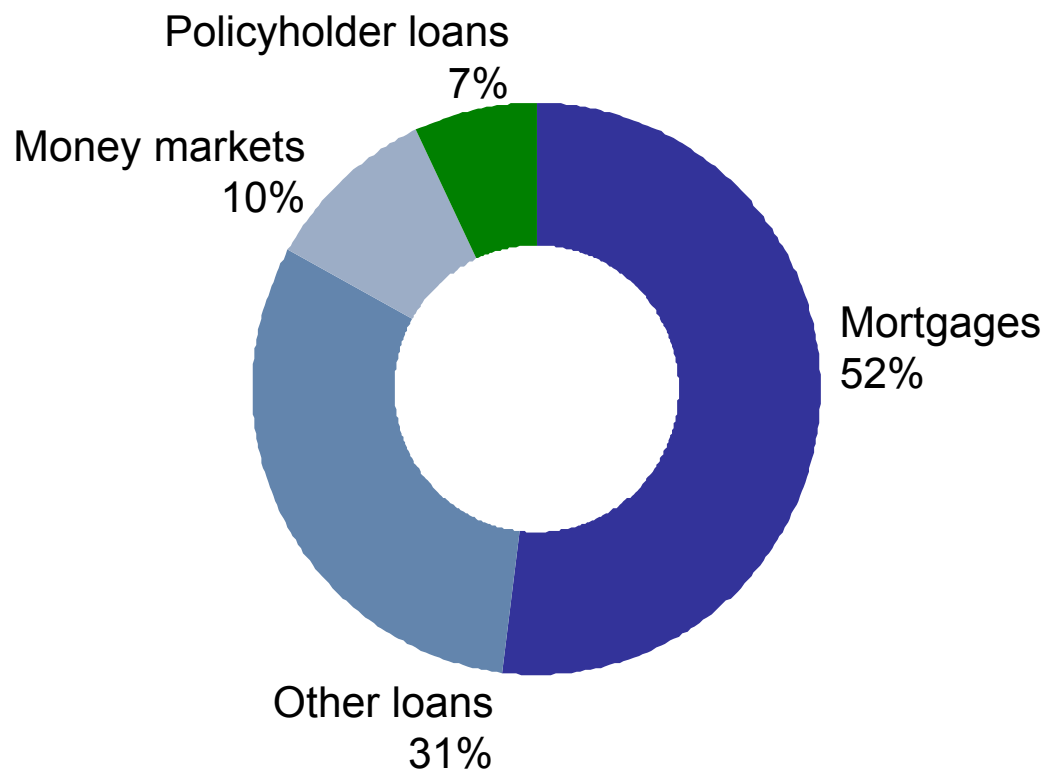


# Loan and mortgages portfolio

(IFRS basis)

**Investments: MCHF 19 920**

## Breakdown by type

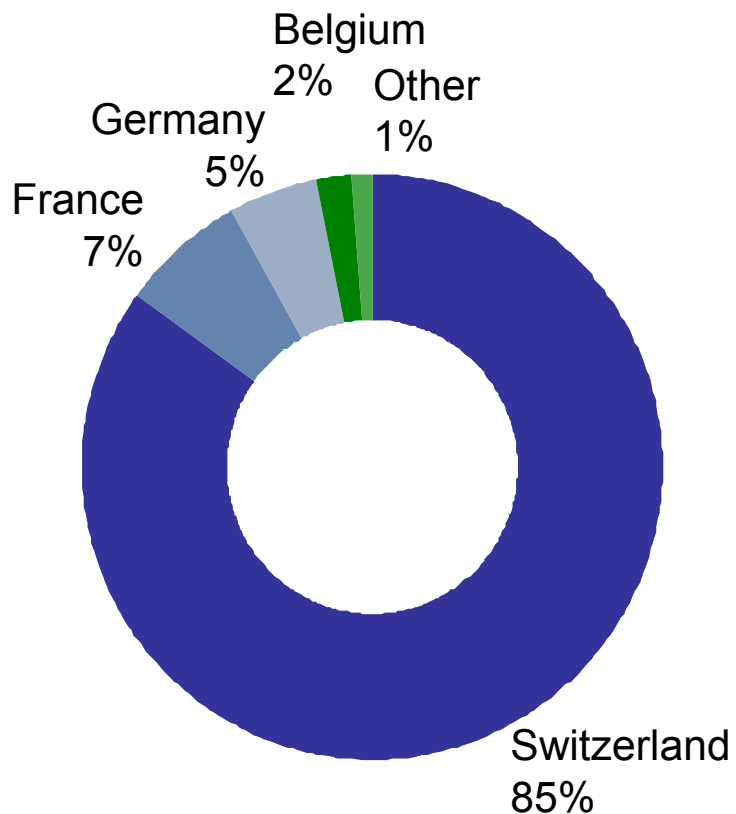


# Real estate portfolio

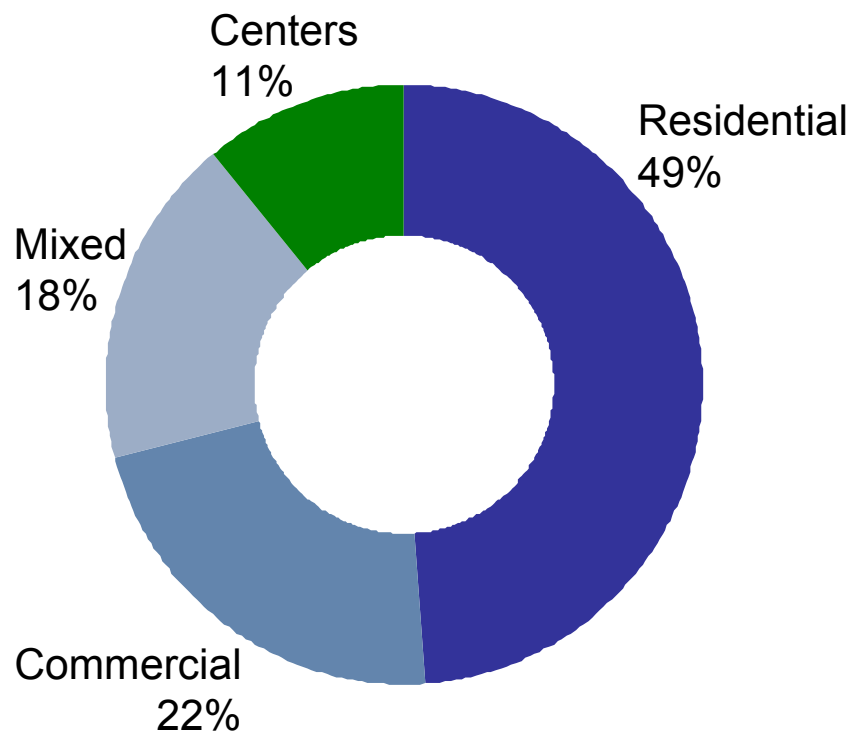
Insurance portfolio excl. La Suisse (IFRS basis)

**Investments: MCHF 9 850**

**Breakdown by country**



**Breakdown by type**

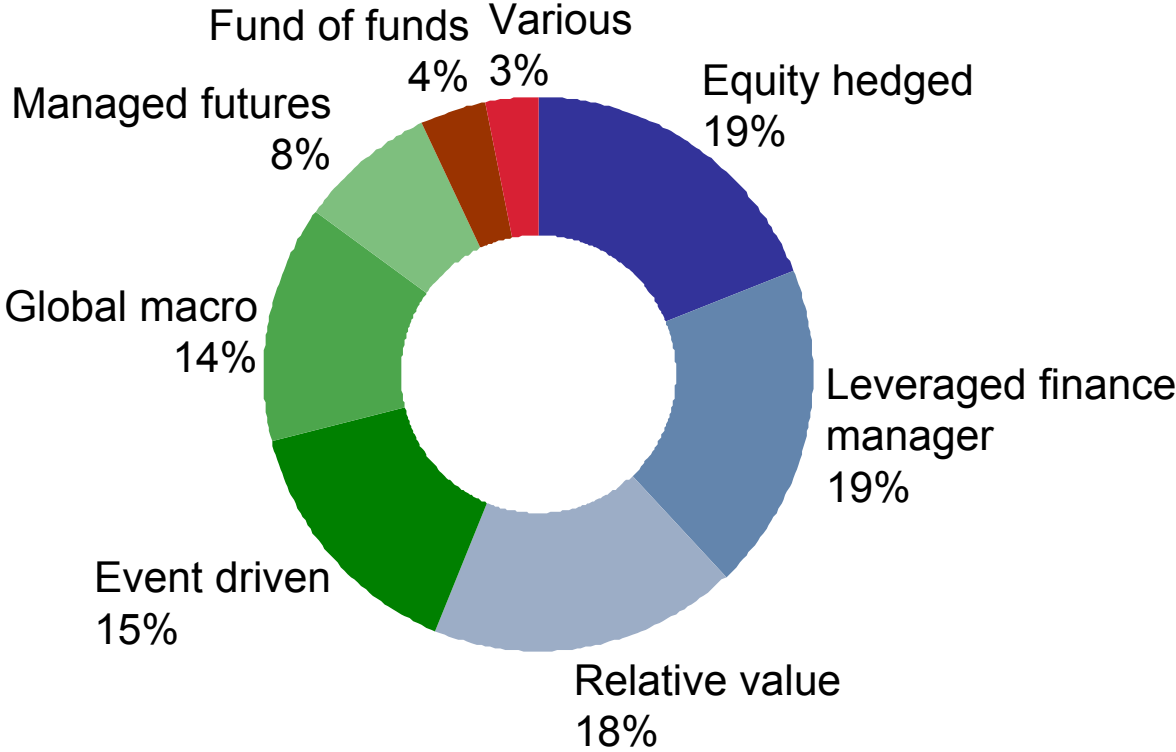


# Hedge funds portfolio

Group, not consolidated

**Investments: MCHF 3 550**

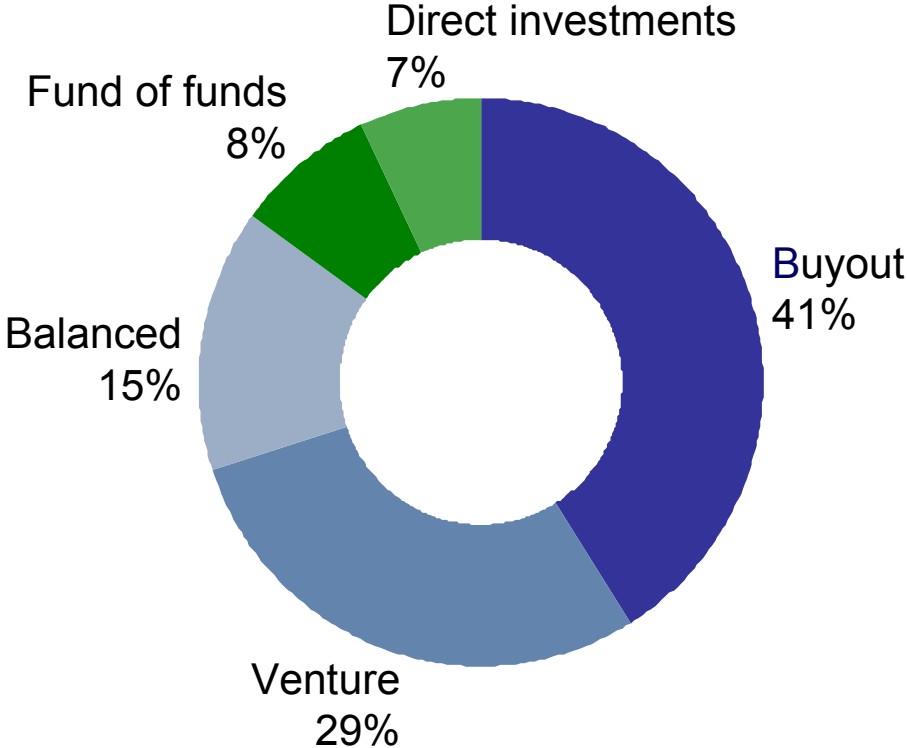
## Breakdown by style



# Private equity portfolio

Group, not consolidated

## Investments: MCHF 400



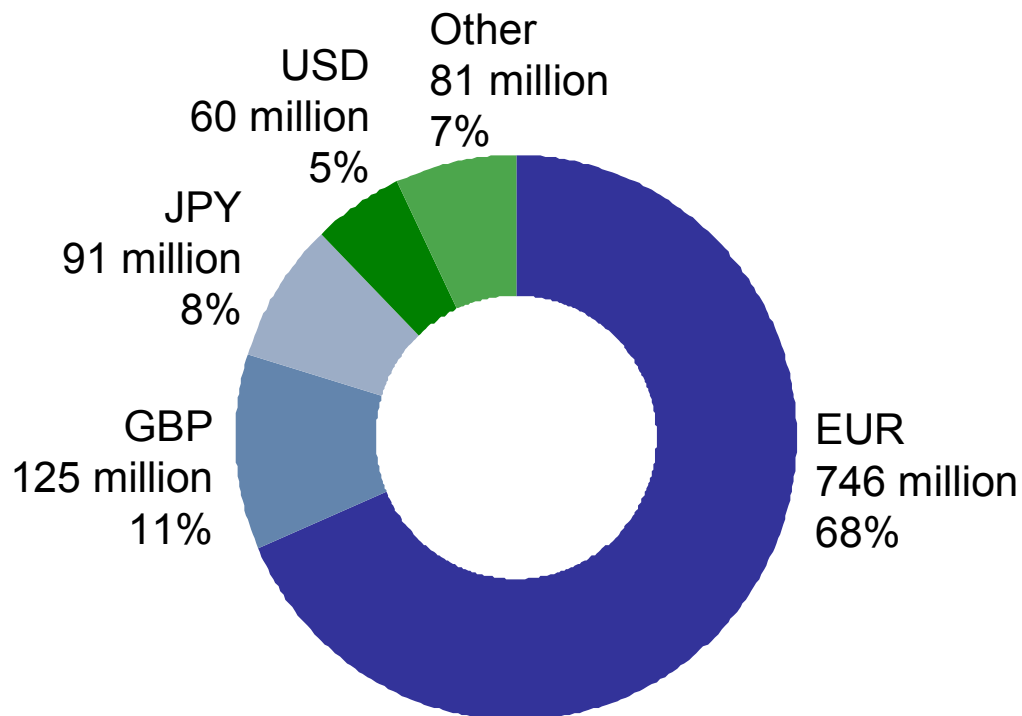
## Open commitments: MCHF 452



# Currency exposure

Group, not consolidated

**Net: 0.85% of total insurance portfolio assets**



Net currency exposure

MCHF 1 103

Hedged

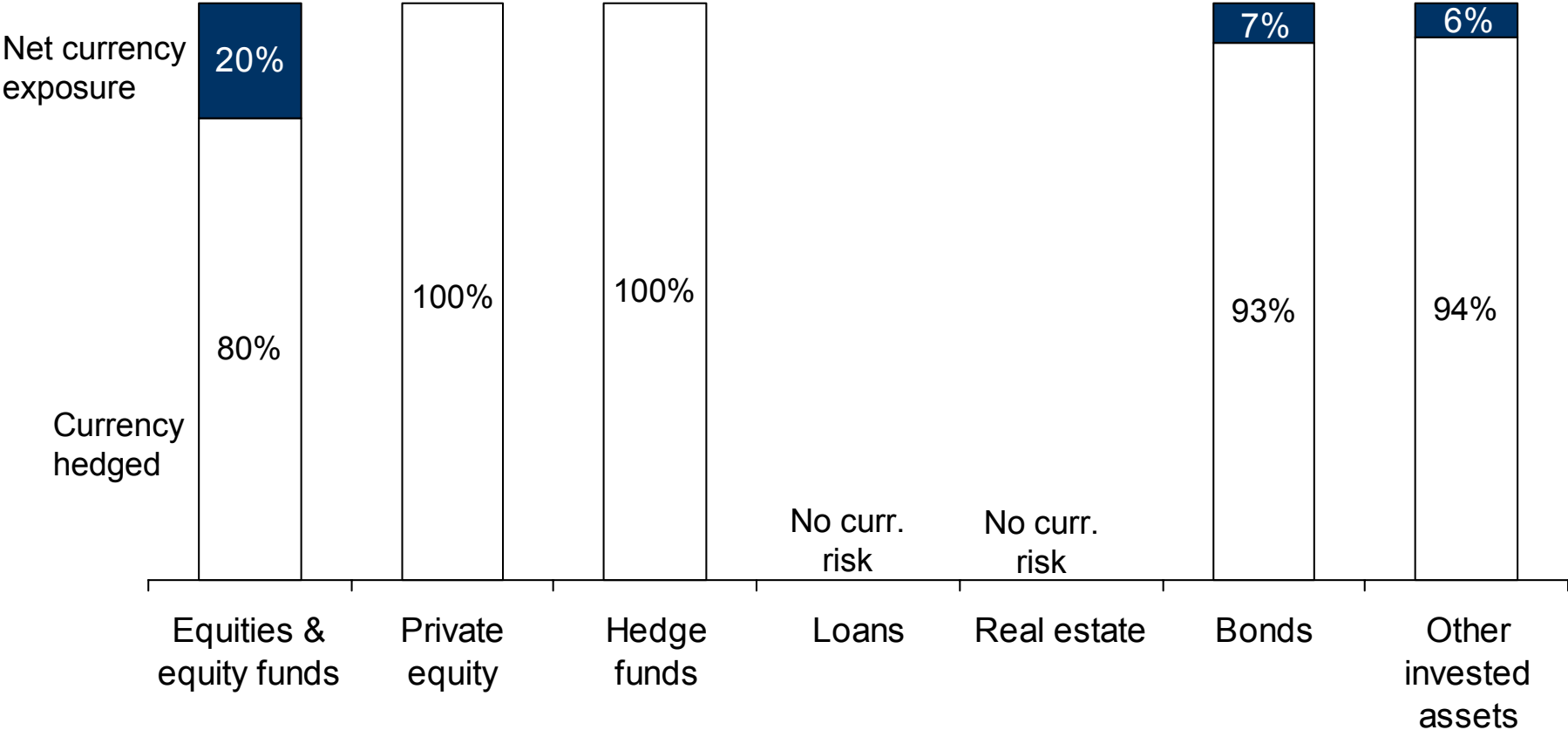
MCHF 12 927

Gross exposure

MCHF 14 030

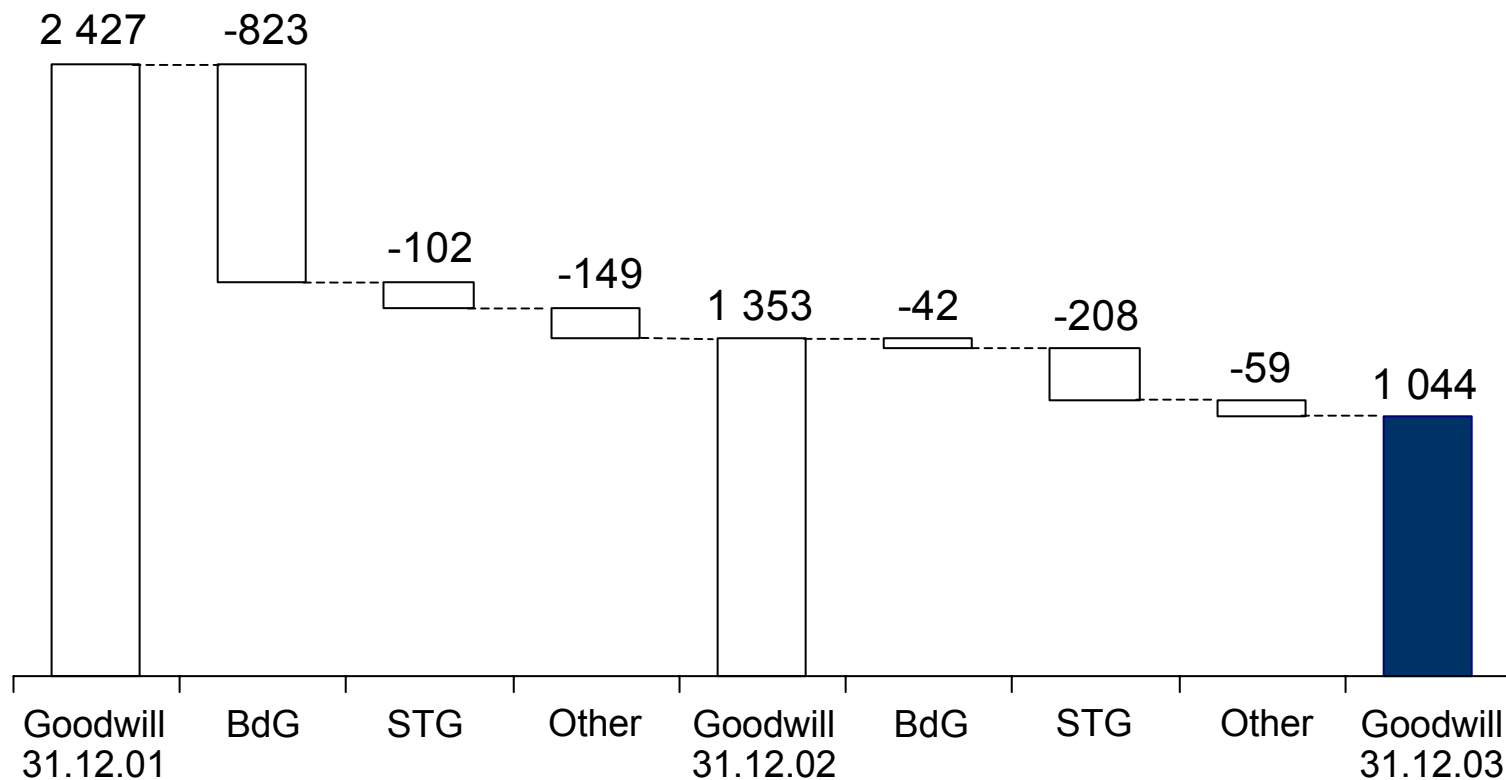
# Currency hedging ratios

Group, not consolidated



# Goodwill development

MCHF (IFRS basis)



Goodwill in % of:

SH equity: 48.7%

Core capital: 31.3%

32.4%

17.9%

21.0%

11.8%

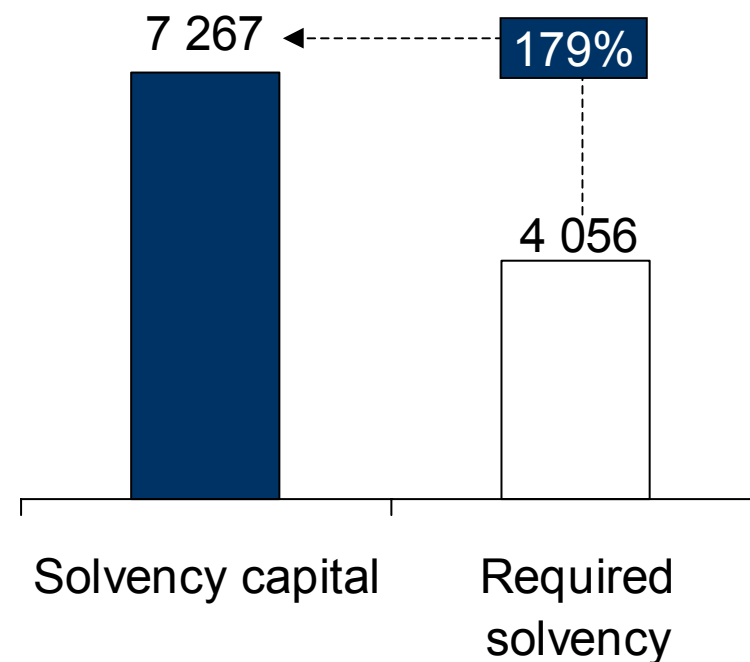
# Statutory solvency remains strong at 179%

MCHF (statutory basis)

## Solvency capital<sup>(1)</sup>

Rentenanstalt stat.equity capital	1 919
<hr/>	
Intangibles	-81
Hybrid capital	1 305
Additional Zillmerisation	+424
Unrealised capital gains	+3 128
Unattributed surplus	+572
<hr/>	
<b>Solvency capital</b>	<b>7 267</b>

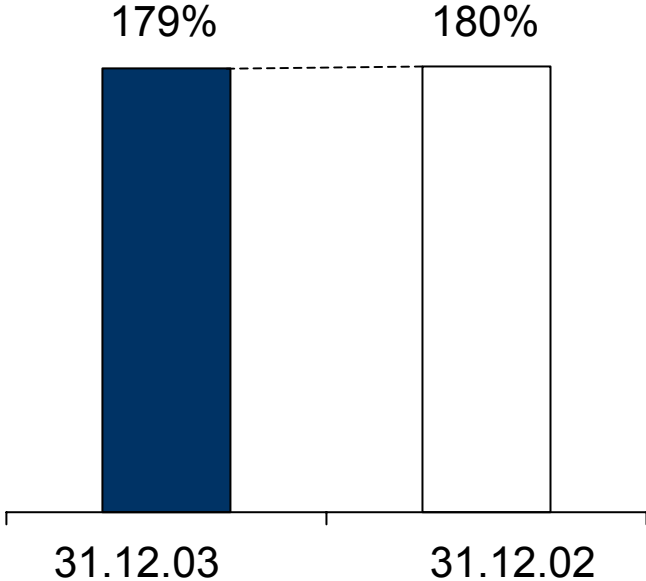
## Statutory solvency<sup>(1)</sup>



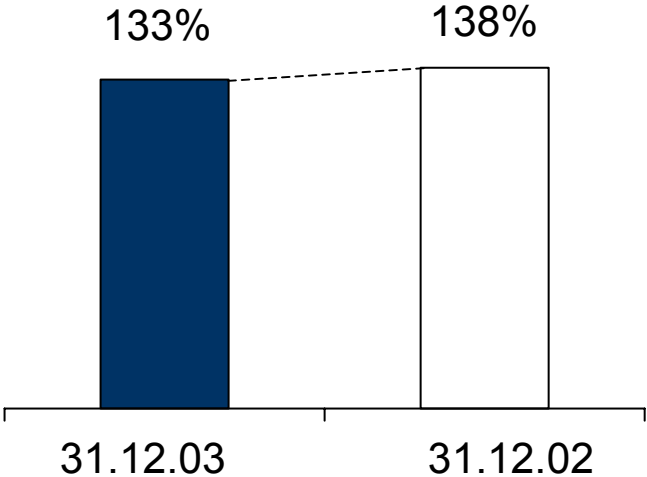
(1) Rentenanstalt represents 84% of total mathematical reserves

# Solvency

Rentenanstalt solvency<sup>(1)</sup>



EU Group solvency<sup>(2)</sup>

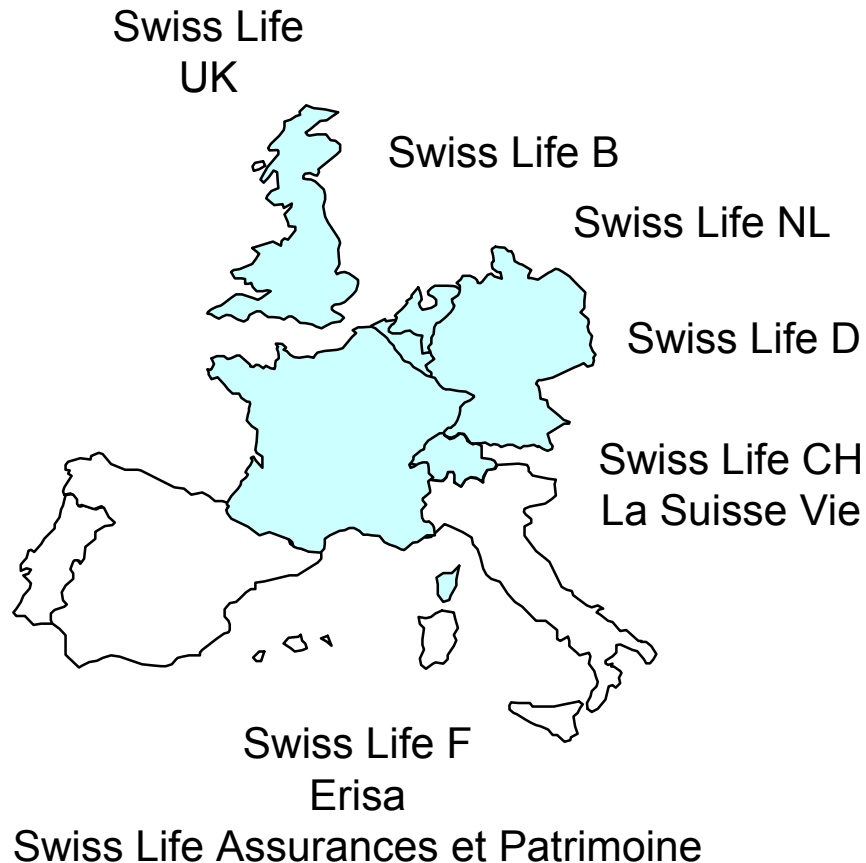


(1) Rentenanstalt represents 84% of total mathematical reserves  
 (2) According to methodology applied by the French regulator; including Banca del Gottardo

# Supplementary information

1. Profit and Loss
2. Balance Sheet
- 3. Embedded Value**
4. Swiss Business
5. Contact details

# Implementation of embedded value at Swiss Life



- ANAV and PVFP have been calculated for more than 95% of the mathematical reserves
- For other life insurance entities only the NAV has been included
- The banking and non-life insurance businesses have also been included at book values
- Deloitte has reviewed the embedded value calculations

# Key assumptions for embedded value calculation

	2003		2002	
	CH	EU	CH	EU
Risk discount rate	7.0%	7.9%	7.0%	7.9%
Equity return	5.0%	6.0%	7.0%	8.0%
Bond return	3.0%	4.5%	2.5%	4.3%
Real estate return	4.2%	5.1%	4.6%	5.6%
Hedge fund return	5.0%	6.0%	5.5%	5.5%
Weighted new money rate	3.5%	4.6%	3.9%	4.7%

- Weighted new money return based on asset allocation

- Weighted returns are lower due to reduced future assumed investment returns

- Long-term bond return from 2009 onwards
 

CH	3.8%
EU	5.1%

- Long-term weighted new money rate from 2009 onwards
 

CH	4.0%
EU	5.2%

- No uplift for foreign currency bonds assumed

10-year government bond:

	31.12.2003	31.12.2002
Switzerland (CHF)	2.717%	2.192%
Europe (EUR)	4.290%	4.204%



# Embedded value breakdown

MCHF (statutory basis); RA/SL

**Switzerland**

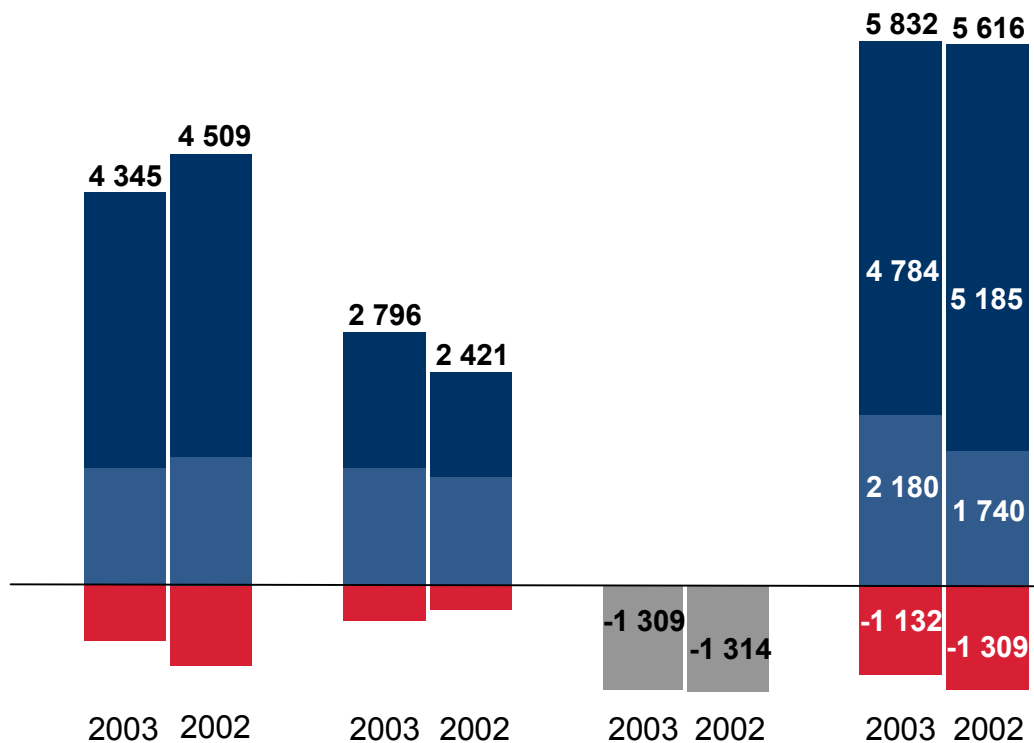
**-3.6%**

**Europe**

**+15.5%**

**Total**

**+3.8%**



Increase result of

- Reduced expenses
- Positive value of new business
- Re-pricing of products
- Investment performance

■ PVFP ■ ANAV ■ Lock-in ■ Overhead and elimination effects

# Asset allocation by region

Assumptions

	2003		2002	
	CH	EU	CH	EU
Cash and cash equivalents	1%	4%	1%	3%
Bonds and loans	61%	74%	61%	75%
Mortgages	10%	11%	10%	5%
Real estate	14%	4%	14%	3%
Equities	3%	3%	3%	8%
Participations	4%	3%	4%	6%
Alternative investments	7%	1%	7%	0%

# ANAV improved substantially

MCHF (statutory basis); RA/SL

	2003	2002	Change
Statutory equity of RA/SL <sup>(1)</sup>	1 919	1 327	44.6%
Unrealised capital gains after tax	1 123	1 019	10.2%
Statutory book value of life subsidiaries	-834	-854	2.3%
Net asset value of other units	587	248	136.7%
<b>Adjusted net asset value 31.12.2003</b>	<b>2 795</b>	<b>1 740</b>	<b>60.6%</b>
Policyholder participation <sup>(2)</sup>	-615		
ANAV as of 01.01.2004	2 180		

(1) After allocation of profits

(2) Anticipated effect of introduction of "legal quote"

# Analysis of change

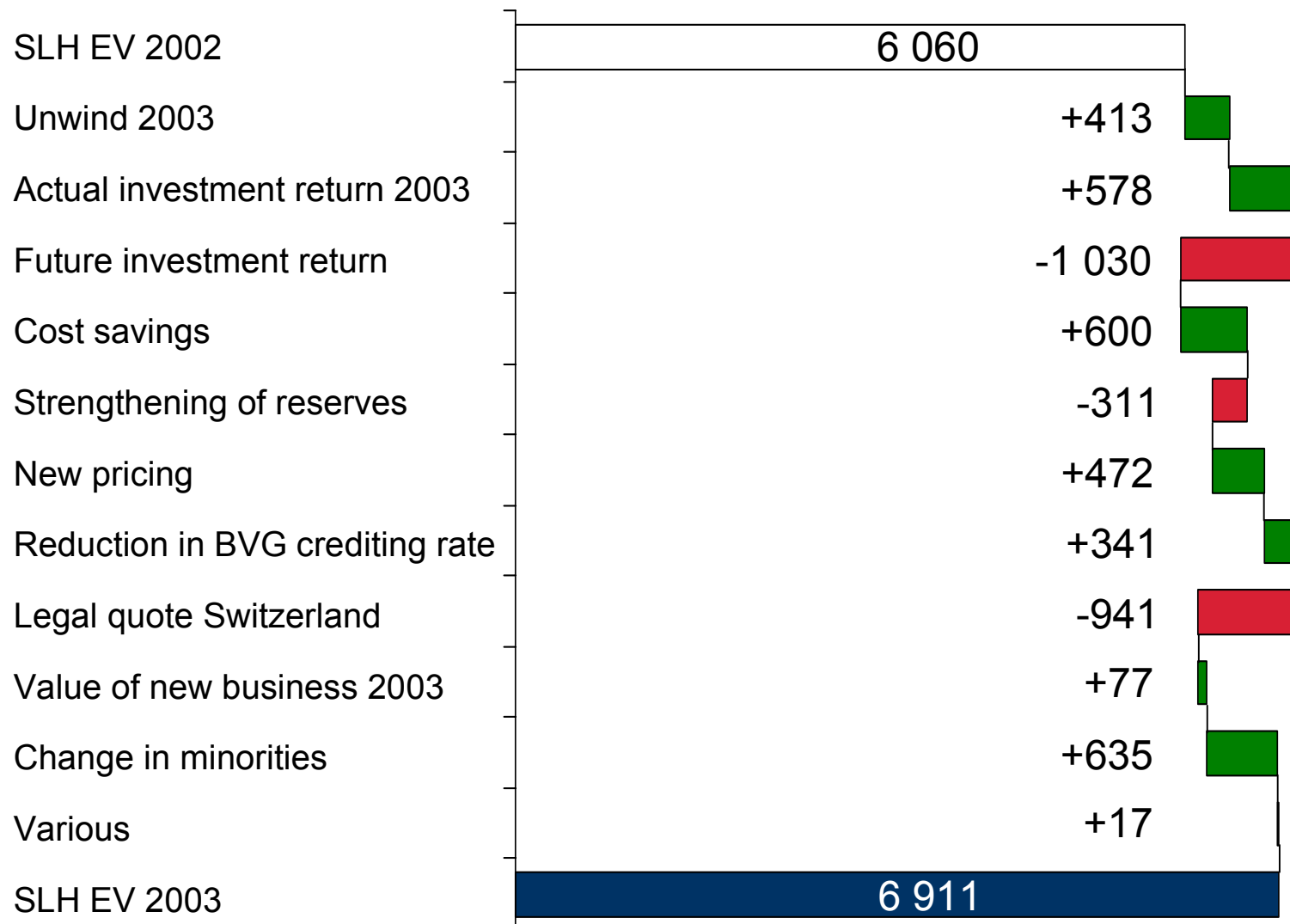
MCHF (statutory basis); RA/SL

<b>RA/SL EV 2002</b>	<b>5 616</b>	<b>100%</b>
Unwind 2003	414	+7%
Investment returns	-453	-8%
• <i>Actual 2003</i>	580	
• <i>Future investment returns</i>	-1 033	
Cost savings	+602	+11%
Strengthening of reserves	-312	-5%
New pricing	+473	+9%
Reduction in BVG crediting rate	+342	+6%
Legal quote Switzerland	-944	-17%
Value of new business 2003	+77	+1%
Various	+17	
<b>RA/SL EV 2003</b>	<b>5 832</b>	<b>104%</b>

Jan-Dec 03: +216 (4%)

# Analysis of change

MCHF (statutory basis); Swiss Life Holding



# Sensitivities of embedded value

MCHF (statutory basis); RA/SL

	Switzerland	Europe	Total
<b>RA/SL EV FY 2003 (base case)</b>	<b>4 345<sup>(1)</sup></b>	<b>2 796</b>	<b>5 832<sup>(2)</sup></b>
Δ Risk discount rate -50 bps	+204	+107	+311
Δ Investment returns +50 bps	+316	+304	+620
Δ Investment returns -50 bps	-647	-332	-979
Δ Equity values -10%	-18	-36	-54
Δ Property values -10%	-498	-30	-528
Δ Investment margin -10 bps	-399	-85	-484

(1) Including anticipated legal quote in group life Switzerland

(2) Including overhead and elimination effects of MCHF -1 309

# Average technical interest rate of 3.20%

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

Technical interest rate	CHF	EUR	USD	GBP
0% - < 2%	1 719	935	2	155
2% - < 3% <sup>(1)</sup>	23 161	1 175	0	0
3% - < 4%	34 427	13 609	2	83
4% - < 5%	2 301	15 135	444	627
5% - < 6%	138	362	25	0
6% - < 7.5%	0	69	10	0
<b>Total reserves</b>	<b>61 746</b>	<b>31 285</b>	<b>483</b>	<b>864</b>
<b>Mean technical interest rate</b>	<b>2.85%</b>	<b>3.60%</b>	<b>4.15%</b>	<b>3.79%</b>

Overall: 3.20% (-28 bps)

(1) Based on BVG crediting rate of 2.25%

# Supplementary information

1. Profit and Loss
2. Balance Sheet
3. Embedded Value
- 4. Swiss Business**
5. Contact details



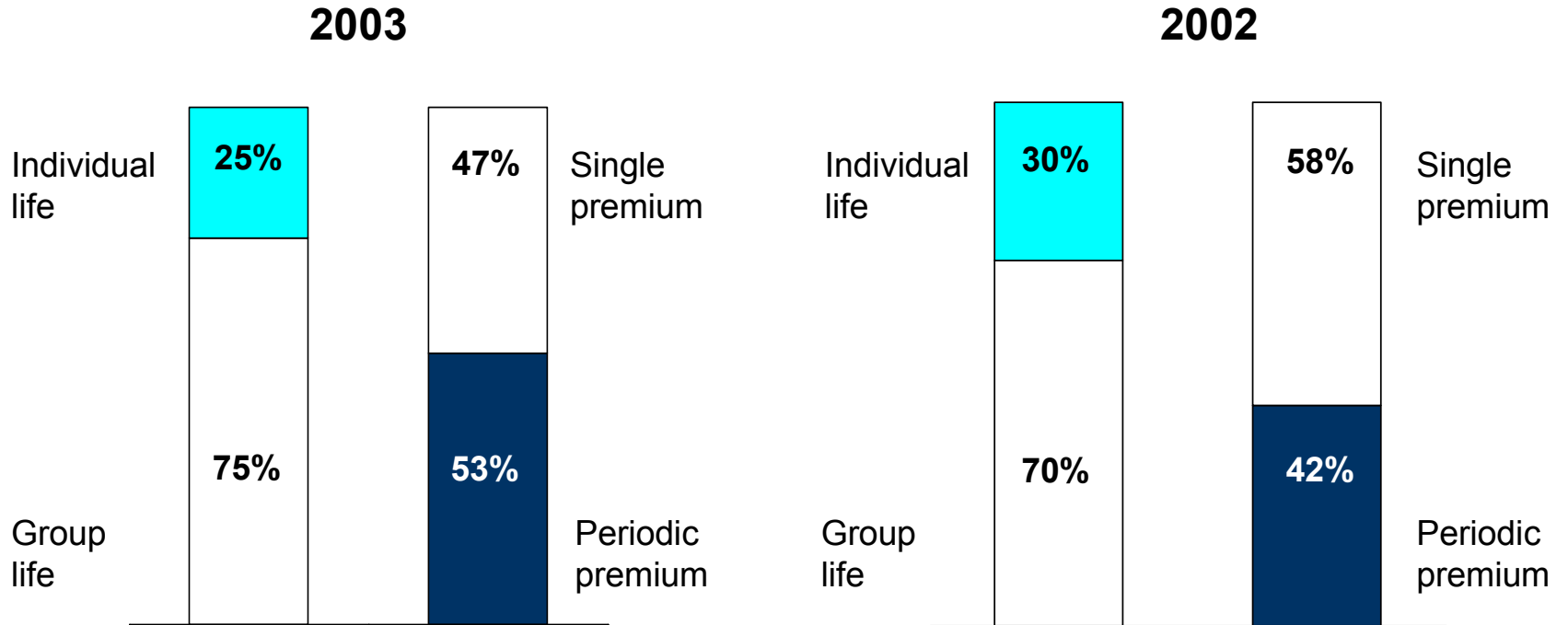
# Premiums overview

MCHF (statutory basis); RA/SL ZH

	2003	2002	Change
Individual life			
• Single premiums	643	1 377	-53.3%
• Periodic premiums	1 020	1 049	-2.8%
<b>Subtotal</b>	<b>1 663</b>	<b>2 426</b>	<b>-31.5%</b>
Group life			
• Single premiums	2 452	3 296	-25.6%
• Periodic premiums	2 462	2 401	2.5%
<b>Subtotal</b>	<b>4 914</b>	<b>5 697</b>	<b>-13.8%</b>
Total life			
• Single premiums	3 095	4 673	-33.8%
• Periodic premiums	3 482	3 450	1.0%
• Reinsurance assumed	66	73	-8.3%
<b>Total</b>	<b>6 643</b>	<b>8 196</b>	<b>-19.0%</b>

# Portfolio structure

(statutory basis)



# Costs and headcount reduced

MCHF (IFRS basis); RA/SL ZH

	2003	2002	Change
Staff costs	376	417	-10%
Other costs	319	456	-30%
<b>Total operating costs</b>	<b>695</b>	<b>873</b>	<b>-20%</b>
DAC and commissions	-91	-134	-32%
Other adjustments (incl. restructuring costs)	-8	-78	-85%
<b>Total adjusted operating costs</b>	<b>596</b>	<b>661</b>	<b>-10%</b>
<b>FTE</b>	<b>2 600</b>	<b>2 971</b>	<b>-13%</b>

# Analysis of surplus

MCHF (statutory basis); RA/SL ZH

	Individual	Group	Total
Risk result	39.6	65.4	105.0
Net interest income	122.9	-42.5	80.4
Cost result	-52.8	-26.6	-79.4
<b>Technical result</b>	<b>109.7</b>	<b>-3.7</b>	<b>106.0</b>
Investment result	240.8	418.5	659.3
Reserves strengthening	-280.5	-184.8	-465.3
Policyholder bonuses	-100.1	-111.2	-211.3
Other income and expenses	10.0	46.6	56.6
<b>Net result for the year<sup>(1)</sup></b>	<b>-20.1</b>	<b>165.4</b>	<b>145.3</b>

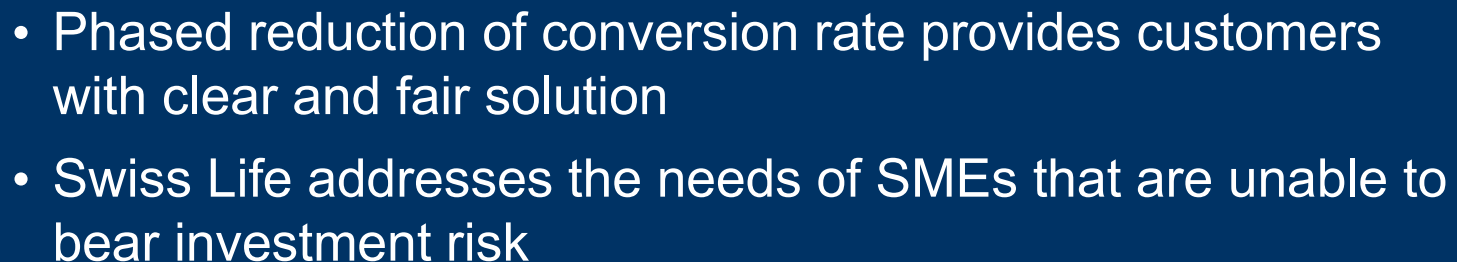
(1) Excluding inter-company (I/C) dividend of MCHF 300; net result for the year as published: MCHF 445.3

# Regulatory framework in group life

- Revised BVG law to be fully introduced on 1 January 2005
  - Legal quote for group life (effective as of 1 April 2004)
  - Asset split as additional requirement to increase transparency
  - Slow reduction of mandatory conversion rate to 6.8% (until 2014)
  - Surrender penalty limitations
- Regulatory framework continues to be difficult

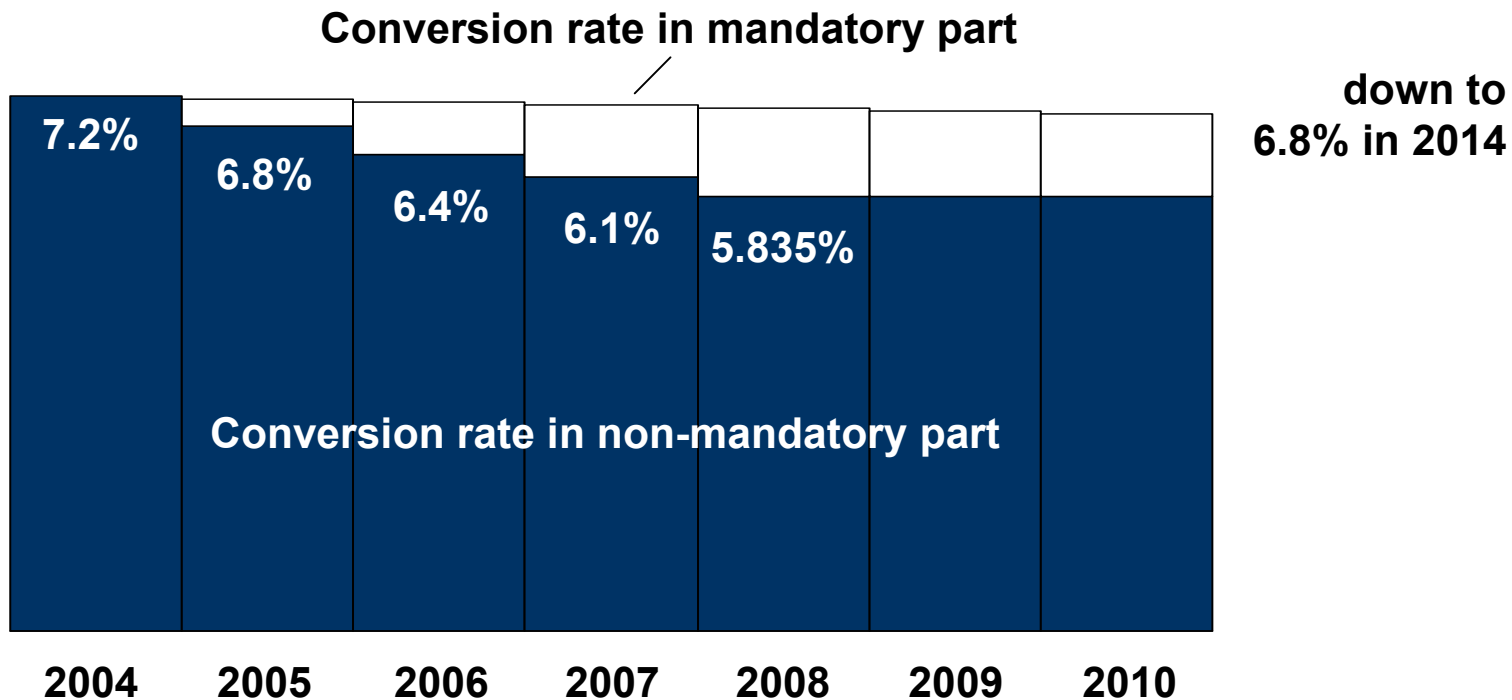
## Swiss Life's offer in group life in 2005

- Customer-oriented BVG solution
  - Fair offer for existing Swiss Life customers
  - First in the market to provide clear mid-term perspective
- Attractive offer based on full-value insurance (“Vollversicherung”)
  - Reduction of non-mandatory conversion rate to 5.835% by 2008
  - Same conversion rate for men and women
  - Limited offer to be accepted by 30 October 2004

- 
- Phased reduction of conversion rate provides customers with clear and fair solution
  - Swiss Life addresses the needs of SMEs that are unable to bear investment risk

# Conversion rate group life starting in 2005

## Existing portfolio



	2004	2005	2006	2007	2008	2009	2010	
Men		1940	1941	1942	1943			Year of birth affected
Women			1942	1943	1944			

# Outlook Swiss business

- Swiss Life continues to assume all pension risks on behalf of its customers
  - Full-value insurance ("Vollversicherung")
  - Phased reduction of non-mandatory conversion rate
  - Same conversion rate for men and women
  - Portfolio of pensioners to stay with Swiss Life
- Focus on profitable growth
- Initiatives launched to improve quality and service
- New brand supports Swiss Life's market presence and perception



# 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.

The purpose of this presentation is to inform Swiss Life shareholders and the public of Swiss Life's business activities for the year ended December 31, 2003. This presentation does not constitute an offer or a solicitation to exchange, buy or subscribe for securities and it does not constitute an offering circular within the meaning of Art. 652a of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of SWX Swiss Exchange. Should Swiss Life make in the future one or more capital increases, investors should make their decision to buy or to subscribe for new shares or other securities solely based on the relevant offering circular.

# Supplementary information

1. Profit and Loss
2. Balance Sheet
3. Embedded Value
4. Swiss Business
- 5. Contact details**

# Contact the Investor Relations Team

**Peter Huber**

Head Investor Relations

Tel. +41 (43) 284 41 99

E-mail: [peter.huber@swisslife.ch](mailto:peter.huber@swisslife.ch)

**Karin Schack**

Manager Investor Relations

Tel. +41 (43) 284 49 19

E-mail: [karin.schack@swisslife.ch](mailto:karin.schack@swisslife.ch)

**Visit our website for up-to-date information**  
**[www.swisslife.com](http://www.swisslife.com)**



**SwissLife**  
Prepared for the future.