



SwissLife

Prepared for the future.



UBS
Swiss Alpine Summit

Thomas Müller, CFO Swiss Life Group
Gstaad, 19 January 2007

Agenda



1. Expedition start

Where do we come from?

2. Base camp

Where are we now?

3. Summit region

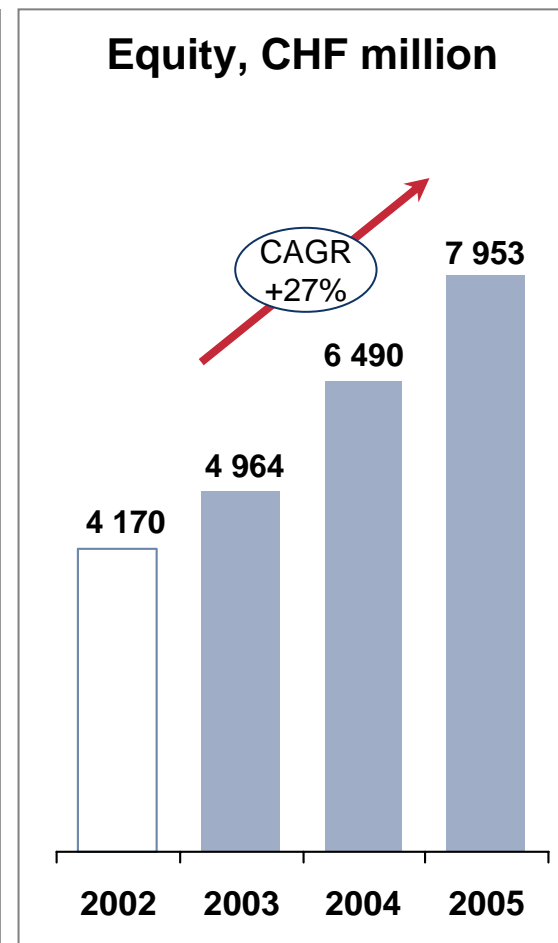
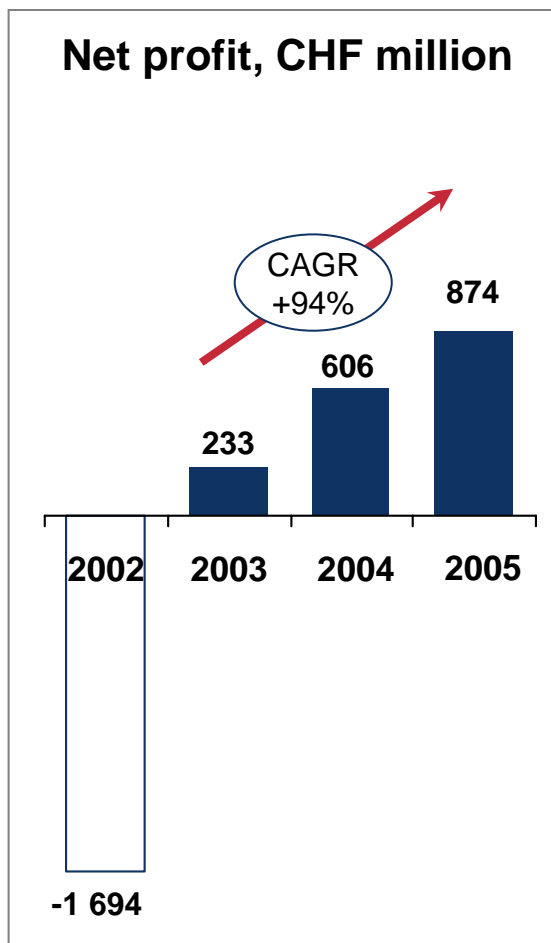
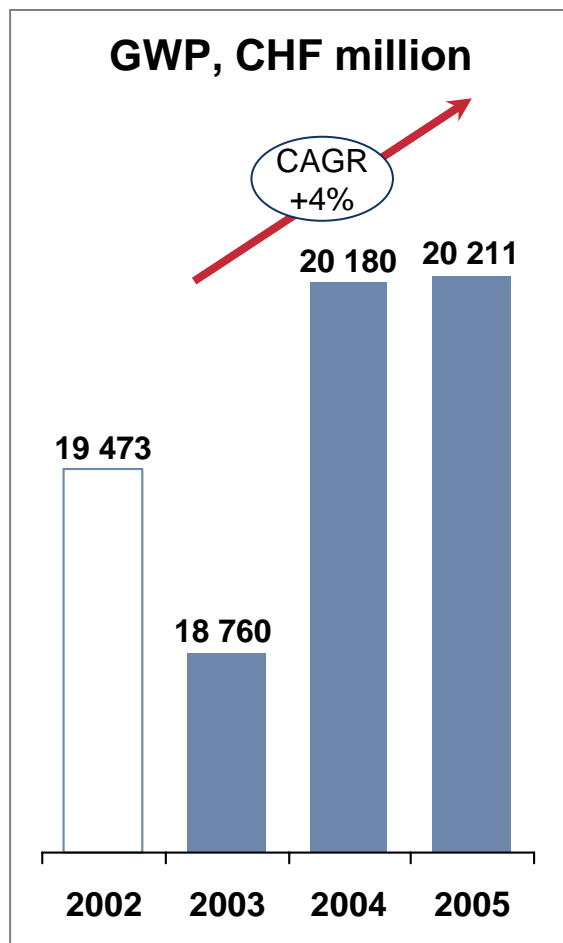
Where do we go and how do we get there?

- General market trends
- Profitable growth
- Efficiency management
- Risk management

4. Summary

Back to profitable growth

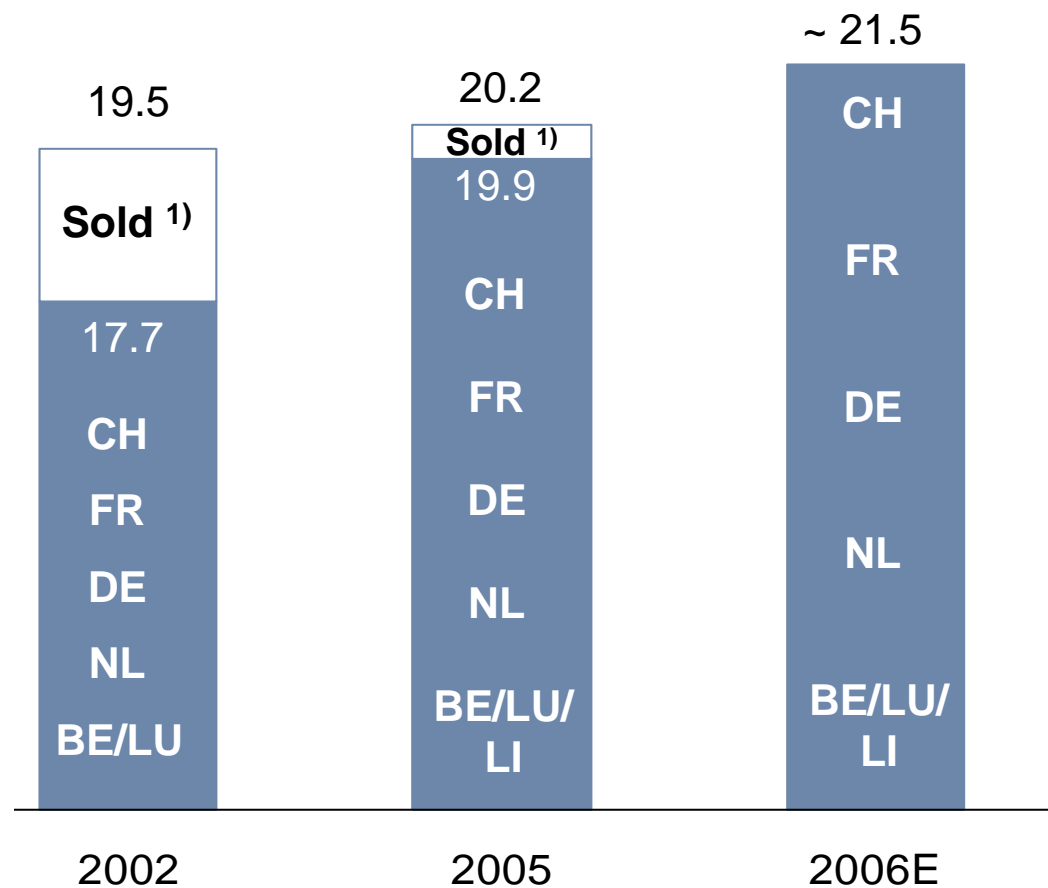
IFRS basis



Streamlined and focused portfolio



GWP incl. PH deposits; CHF billion



- Focused European life insurance player
- High quality and balanced portfolio

1) Sold ES, UK and La Suisse

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Net profit increased 13% to CHF 523 million



CHF million (IFRS basis)

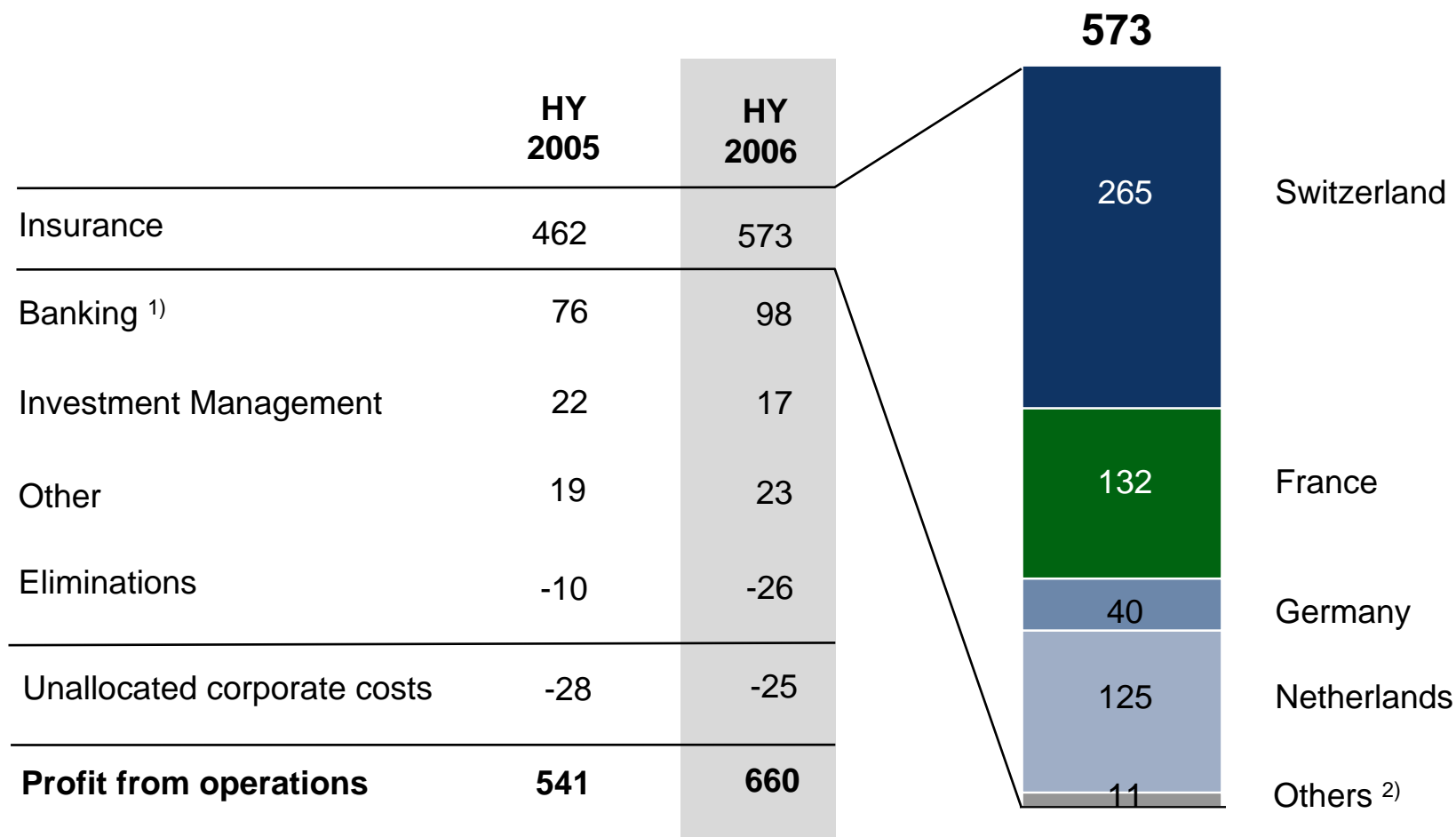
	HY 2006	FY 2005	HY 2005
Gross written premiums, fees and deposits received	12 693	20 211	11 635
Financial result for own risk	2 958	6 966	2 902
Net insurance benefits and claims	-8 783	-14 040	-8 529
Policyholder participation	-869	-2 227	-870
Operating expenses	-1 474	-3 390	-1 528
Profit from operations	660	1 023	541
Borrowing costs	-80	-173	-95
Taxes and results of associates	-57	24	17
Net profit	523	874	463
Earnings per share (in CHF) ¹⁾	14.72	24.82	12.93
Return on equity (ROE) annualised	14.3%	12.3%	13.4%

1) Diluted, based on 35 095 361 shares in HY 2006, 35 095 099 in FY 2005 and 35 006 638 shares in HY 2005

Increasing profit contribution of insurance and banking segments



Segment results; CHF million (IFRS basis)



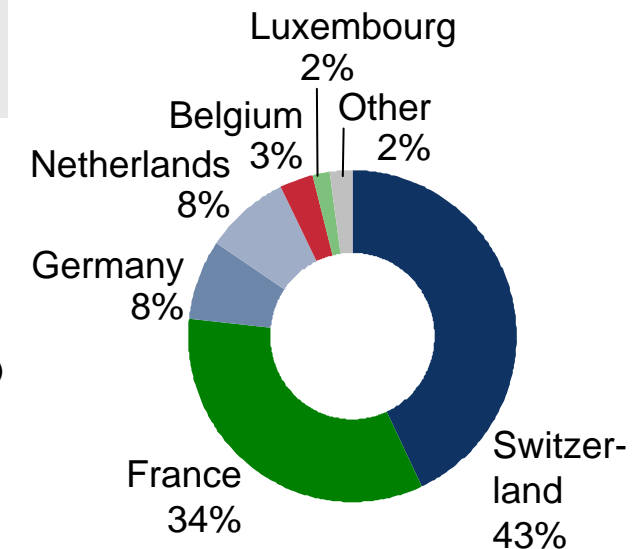
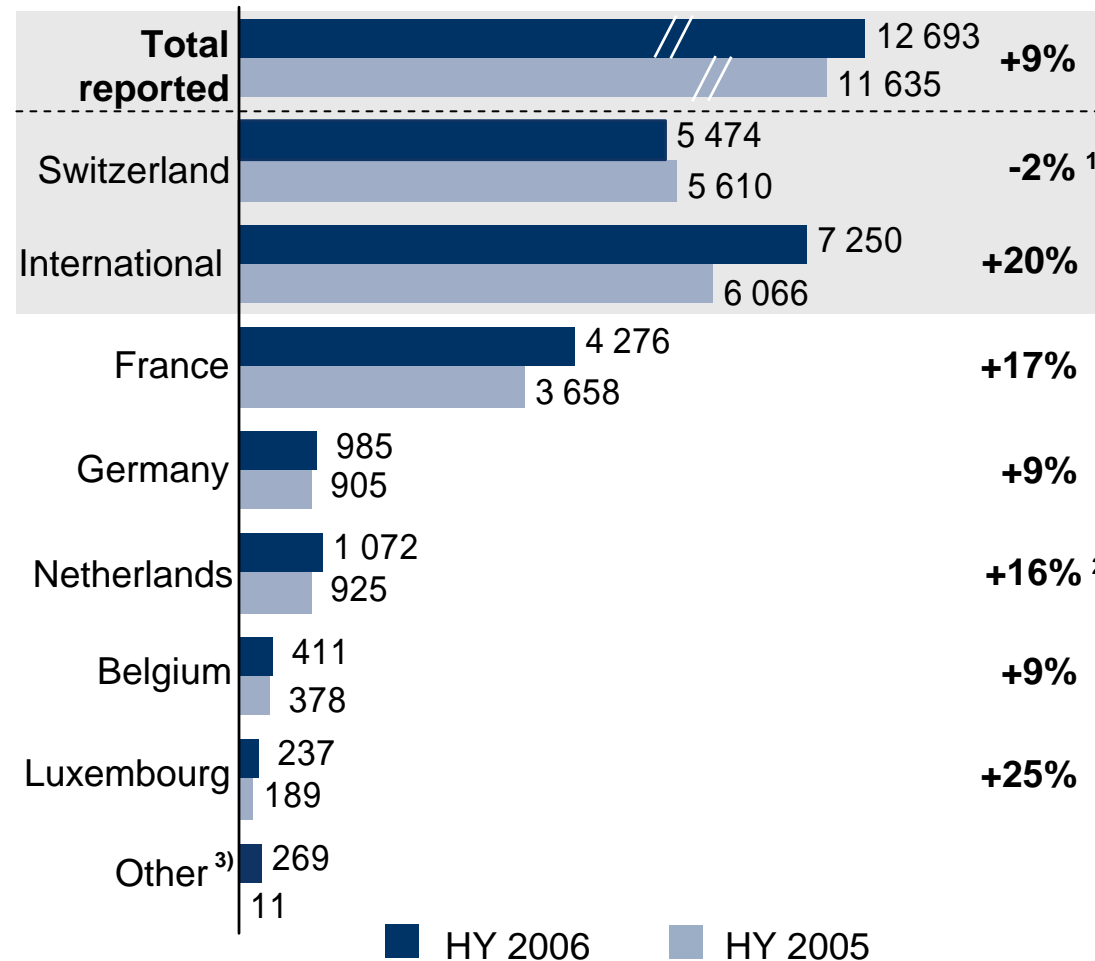
1) Including gains on sales of BdG (Monaco) & Dreieck Industrie Leasing CHF 50 million minus one-off effects of CHF 42 million in 2006

2) Comprises Belgium, Luxembourg, Liechtenstein, Italy, Eliminations

Strong premium growth of 20% in international markets



GWP & PHD; CHF million (IFRS basis)

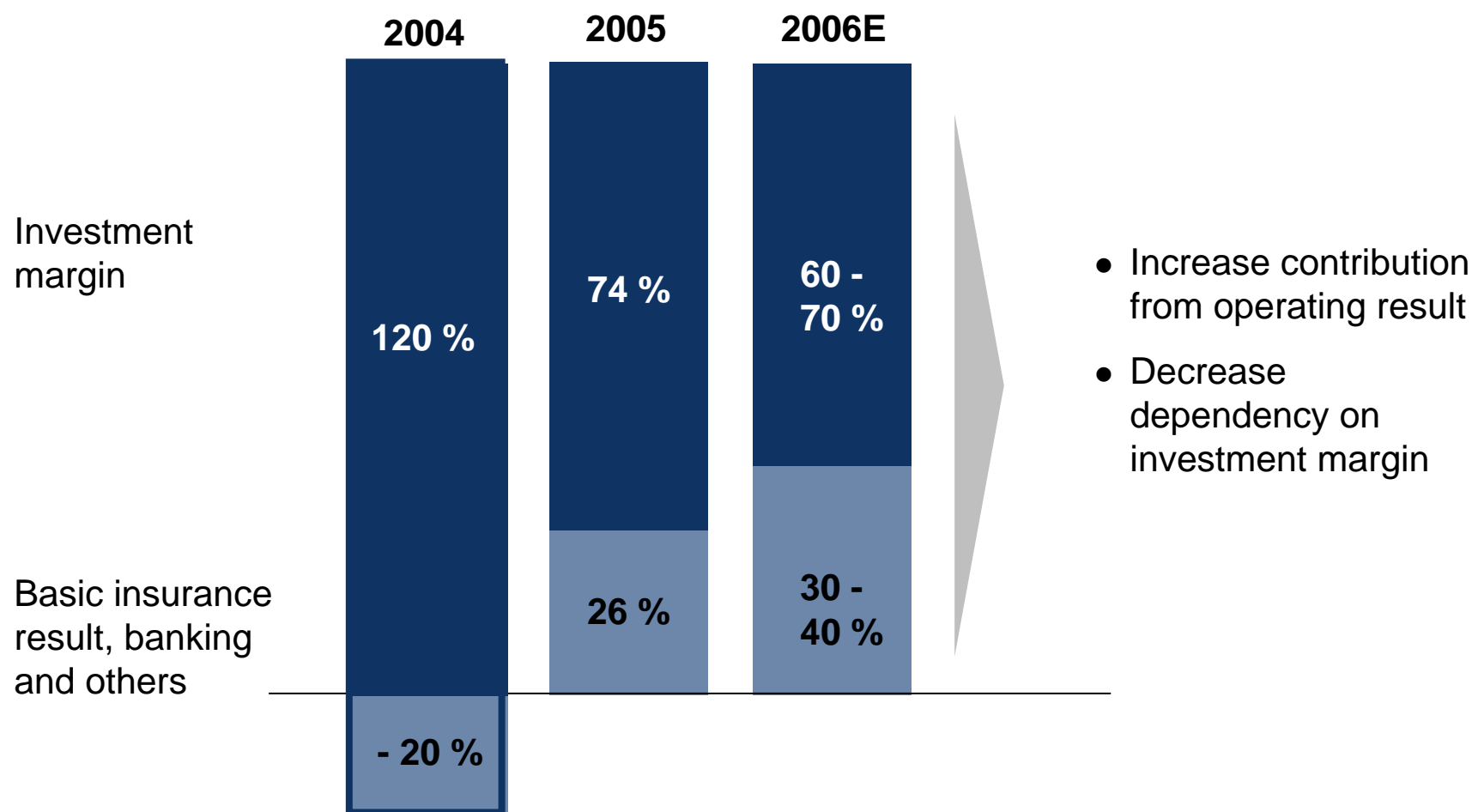


- 1) Growth +3% on an adjusted basis (excluding non-life premiums CHF 289 million in HY 2005); excluding intercompany eliminations
 2) Growth -6% on an adjusted basis (excluding Bols deal in 2006 CHF 202 million)
 3) Including Italy CHF 11 million in 2005 and CHF 10 million in 2006; including Liechtenstein CHF 259 million in 2006

Quality and sustainability of results increasing



In % of net profit



Increase benefits for shareholders and policyholders

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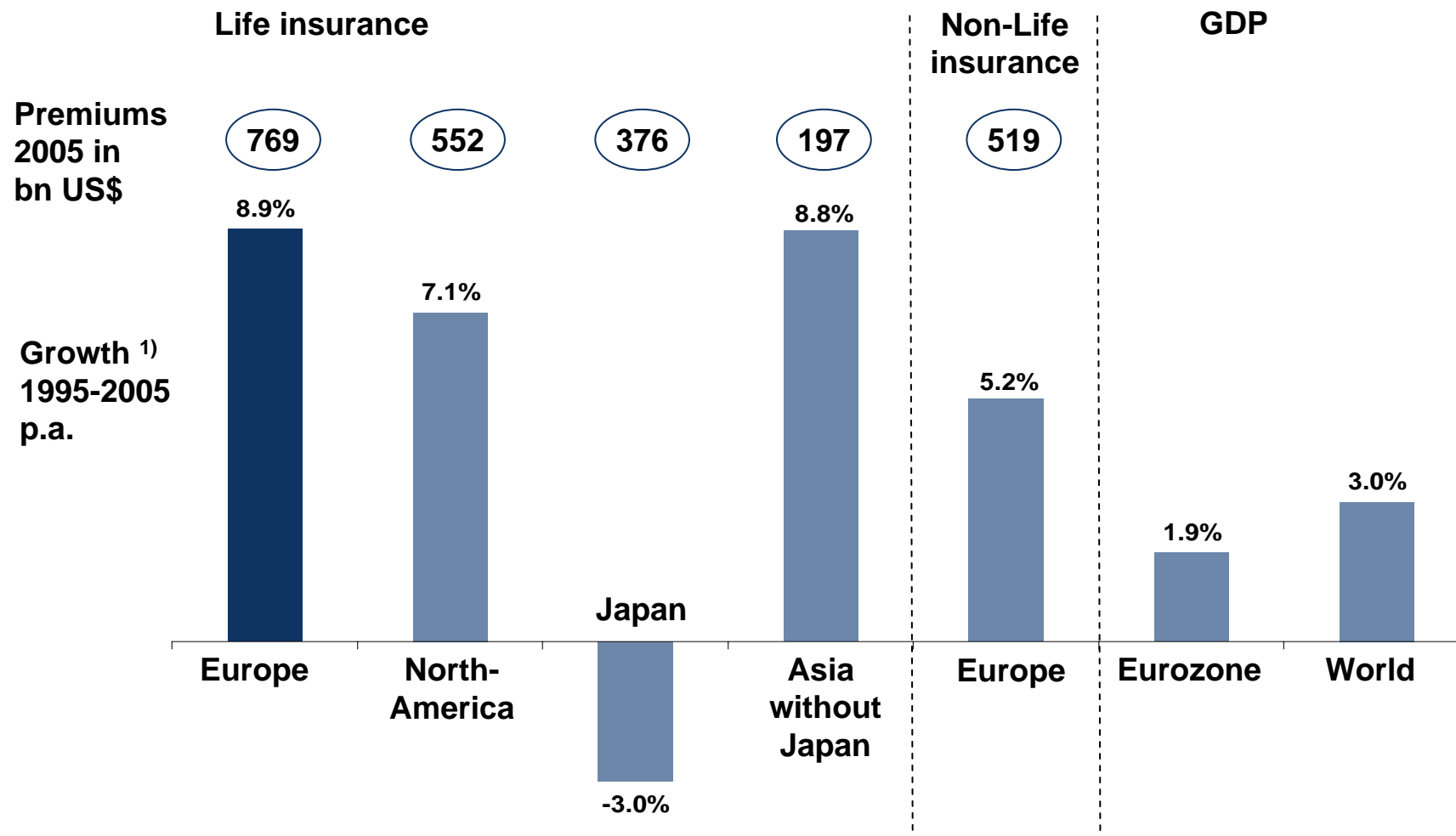
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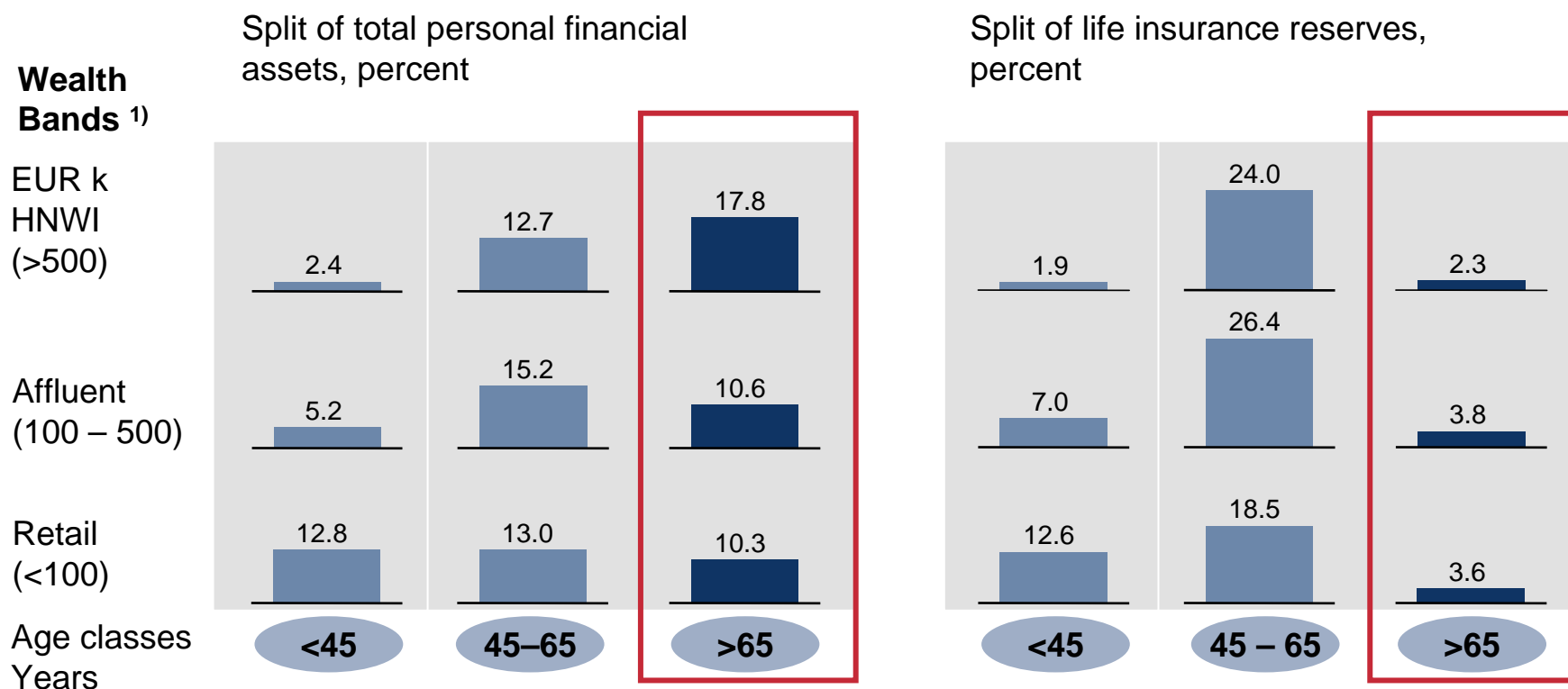
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Sustainable and strong European insurance market growth



1) Nominal
Source: Sigma, WTO, OEF

Transforming assets from pre-retirees to retirees delivers opportunity for life insurance



1) Liquid financial assets; estimates for German market
Source: European EFIC Retail Banking Profit Pools, Statistisches Bundesamt

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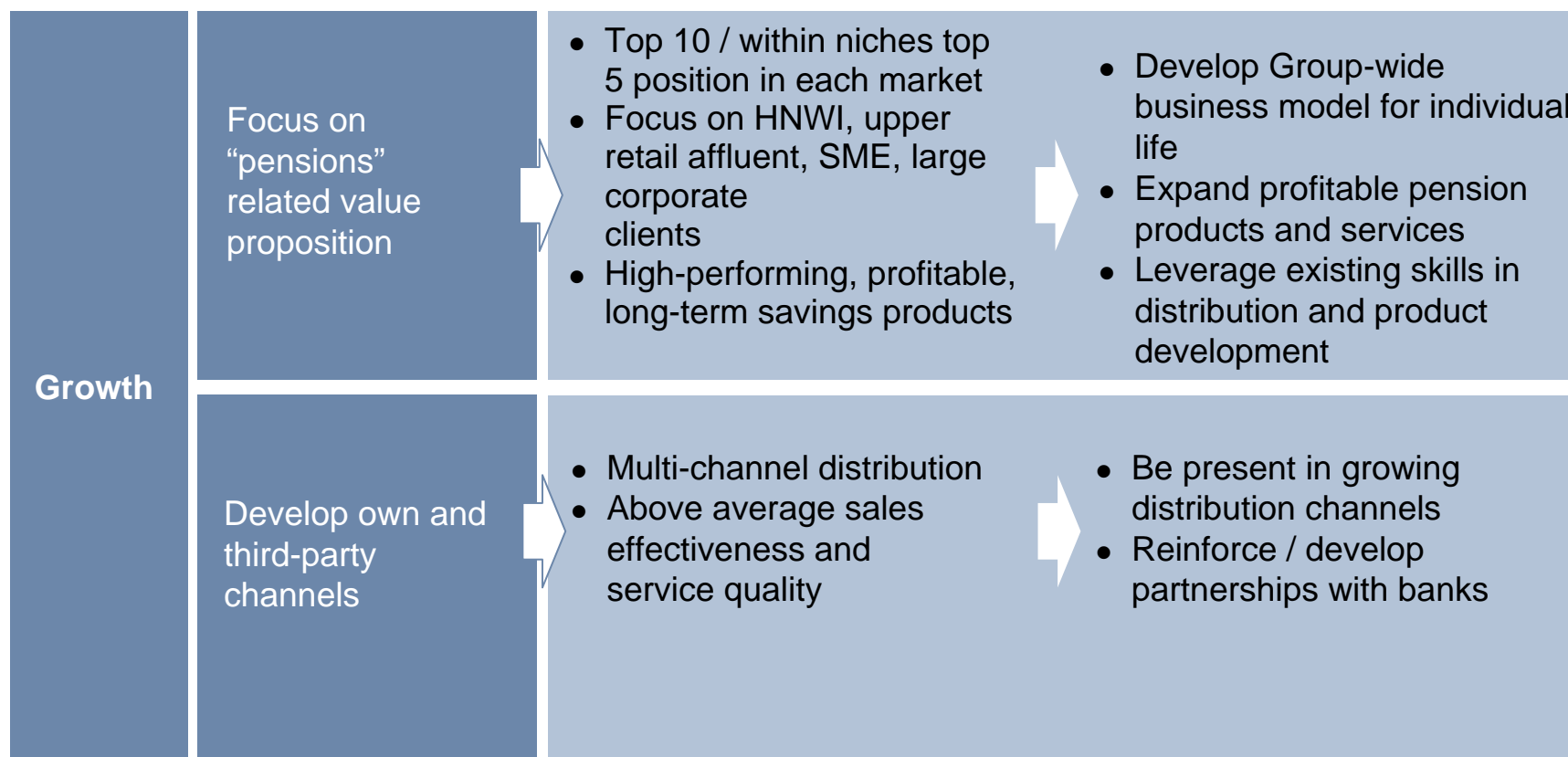
International: Strategy focuses on profitable growth



Group strategic directions

International objectives

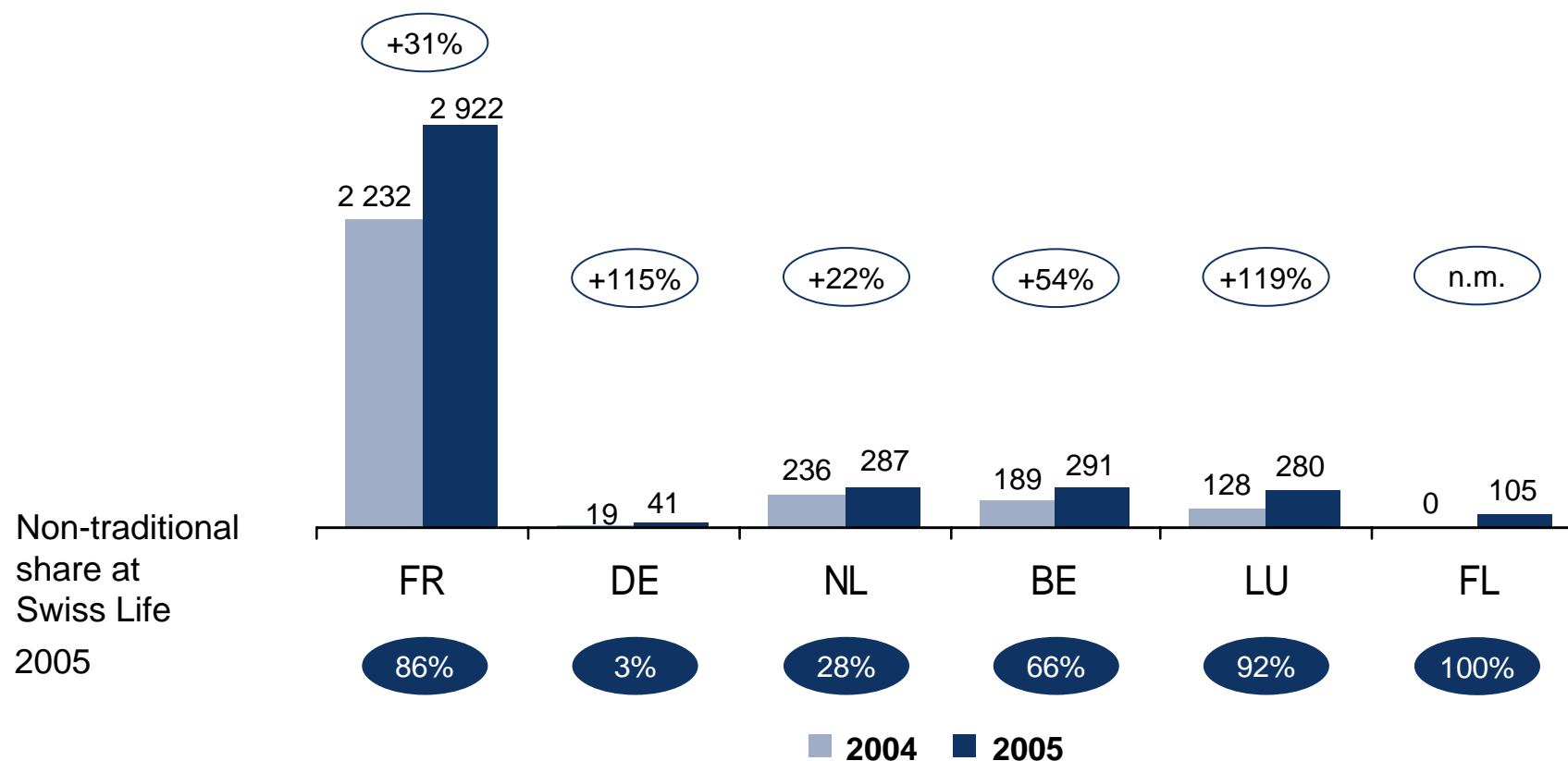
International priorities



International: Non-traditional products with strong growth in all market units



Non-traditional premiums; EUR million



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

International: Implement strong multi-channel distribution in all countries



Distribution mix (SL/market) in 2005

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

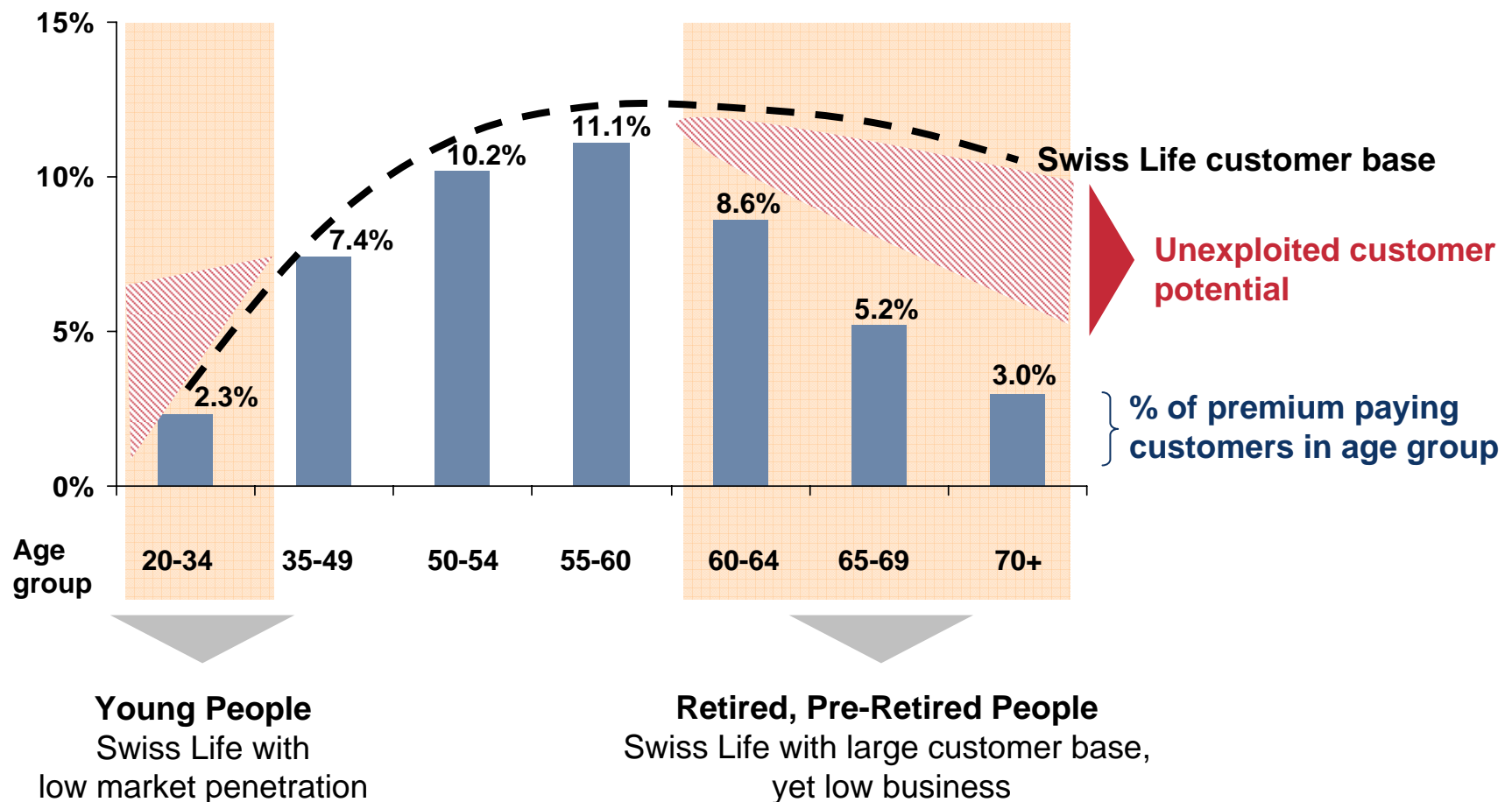
1) FY 2004 for the market

2) HY 2006 figures, best estimate for market

Switzerland: Swiss Life sets focus on unexploited market segments



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



Switzerland: Optimisation along the value chain driven by client needs



Value Chain	Client needs	Actions
Clients	"I want excellent service"	<ul style="list-style-type: none"> • Process and service quality increase
Products	"I want financial security, reliability and attractive participation in financial markets performance"	<ul style="list-style-type: none"> • Individual life: Innovations focused on performance-oriented products • Group life: Flexible solutions to cover client-specific complexity and risk appetite
Distribution	"I want expertise and accessibility"	<ul style="list-style-type: none"> • Specialised sales force for appropriate client segments • Further invest in education of sales staff • Organize and allocate distribution resources among market potentials
Administration	"I want cost-efficient solutions"	<ul style="list-style-type: none"> • Strategic efficiency projects

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International: efficiency projects in progress



	Project...	...initiatives...to deliver
France	<ul style="list-style-type: none"> • Lean Six Sigma 	<ul style="list-style-type: none"> • Improve client service while maintaining cost levels despite growth 	<ul style="list-style-type: none"> • Unchanged costs with 30% increase in business
Germany	<ul style="list-style-type: none"> • Opus 	<ul style="list-style-type: none"> • Streamline structure • Optimise processes through more automation 	<ul style="list-style-type: none"> • Reduce costs by 12%
Netherlands	<ul style="list-style-type: none"> • Lean Six Sigma 	<ul style="list-style-type: none"> • Improve and automate processes 	<ul style="list-style-type: none"> • Improve productivity by almost 20%
Belgium	<ul style="list-style-type: none"> • Technical profitability committee • Lean Six Sigma • E-business project 	<ul style="list-style-type: none"> • Reengineer business processes and implement integrated web based platform 	<ul style="list-style-type: none"> • Reduce costs by 11%
Luxembourg	<ul style="list-style-type: none"> • Lean Six Sigma 	<ul style="list-style-type: none"> • Improve efficiency and quality of business processes • Speed-up product development (time-to-market) 	<ul style="list-style-type: none"> • Almost double productivity
Liechtenstein	<ul style="list-style-type: none"> • E-BAO 	<ul style="list-style-type: none"> • Leveraging the existing tools 	<ul style="list-style-type: none"> • More than double productivity

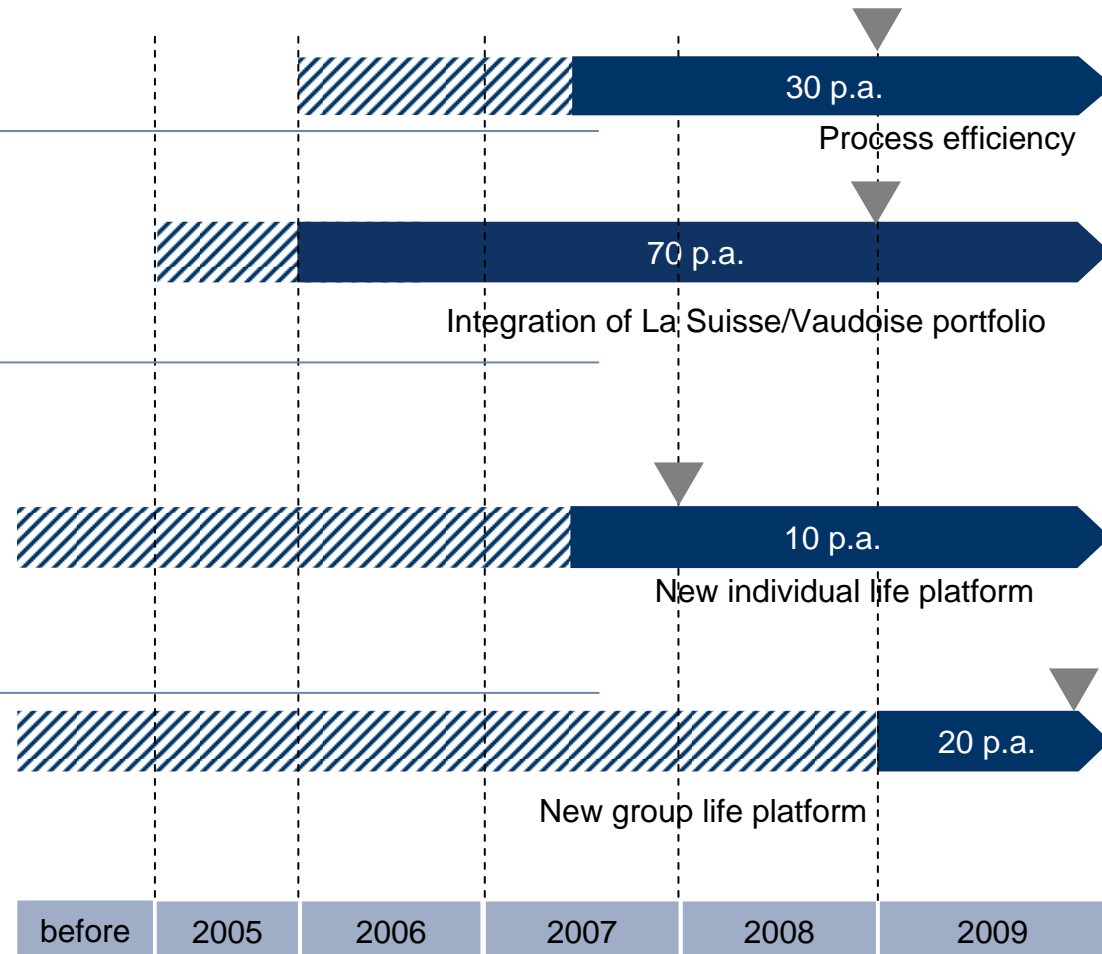
Significant improvement in efficiency

Switzerland: Efficiency savings of CHF 130 million



Total impact on bottom line; CHF million (IFRS basis)

- Optimize key processes
- Cut internal interfaces
- Reduce reporting complexity
- Concentrating on core business by integrating the sales force and life business
- Realising ongoing synergies in IT & administration
- FTE and administration overhead budget cost cuts
- Reduce IT platforms in individual life from 7 to 1 platform by end of 2007
- Reduced IT costs due to maintaining and updating systems
- Enabling assimilation of portfolios
- Reduced costs in customer services due to more efficient processes
- To date migration of 240k policies out of 300k (equivalent to a mid-sized Swiss insurance company)
- Reduce IT platforms in group life from 6 to 1 platform by end of 2009
- Reduced IT costs due to maintaining and updating systems
- Due to system-supported effective workflow management



- /// Timeline of projects
- Cost savings
- ▼ End of project

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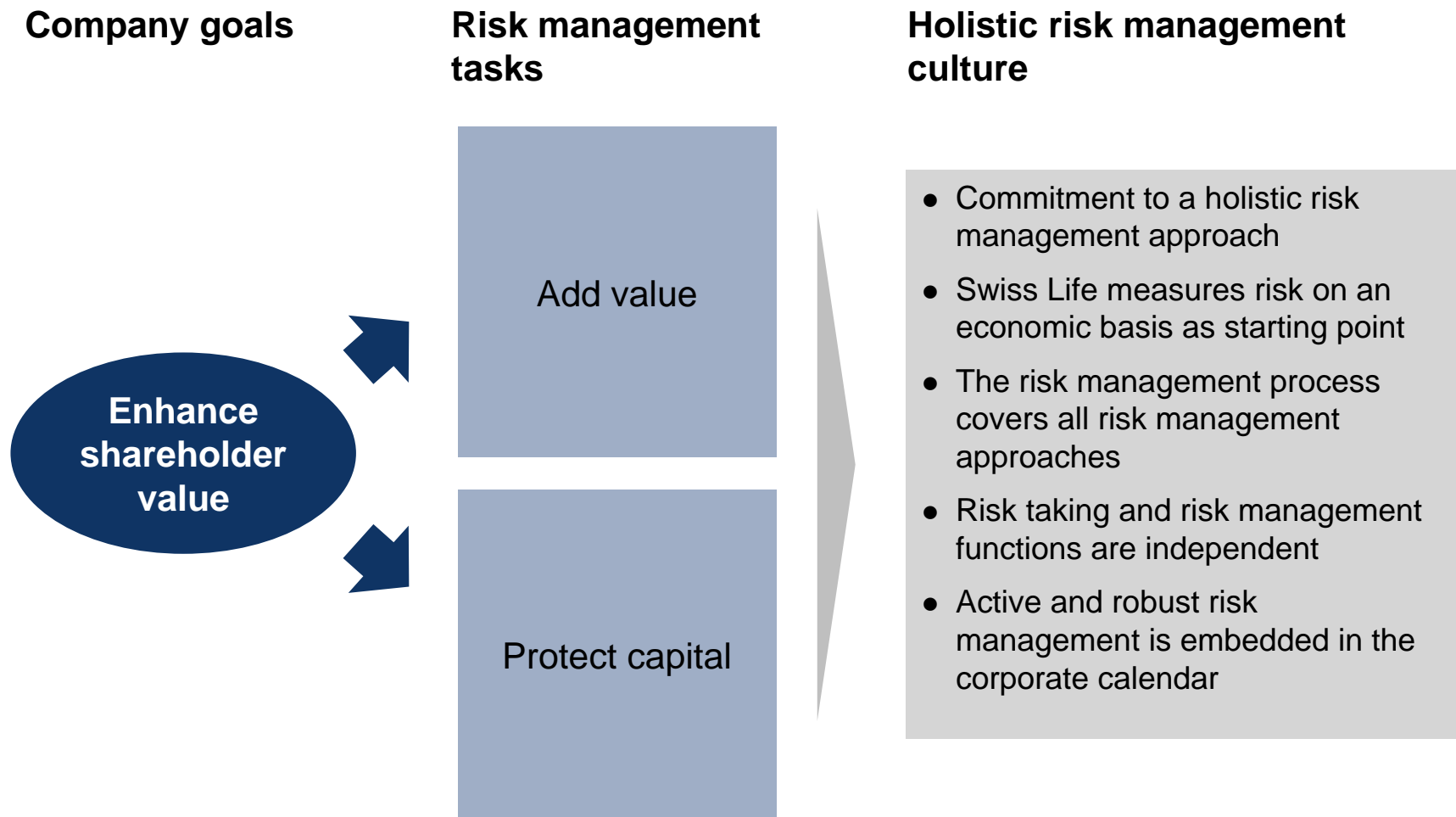
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Risk Management has a key dual role



The risk management processes are embedded in the Group-wide planning process

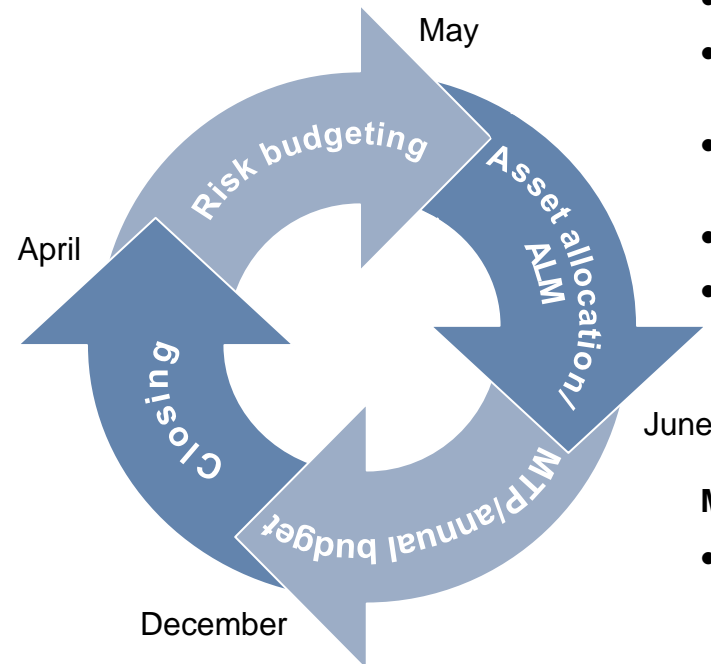


Risk budgeting

- Available risk capital determination
- Current risk capital consumption
- Risk budgeting by business unit

Closing

- Annual closing
- Embedded value
- Media / Analyst communication



ALM process

- Allocation of risk capital
- Determination of risk and capital limits
- Determination of strategic asset allocation
- Crediting policy
- Product principles

MTP ¹⁾ / annual budget

- Long-term objectives and strategic business priorities per core Life market unit
- Functional objectives and strategies
- Definition, monitoring and review of financial and functional KPI targets
- Capital transfers

1) Medium-term planning

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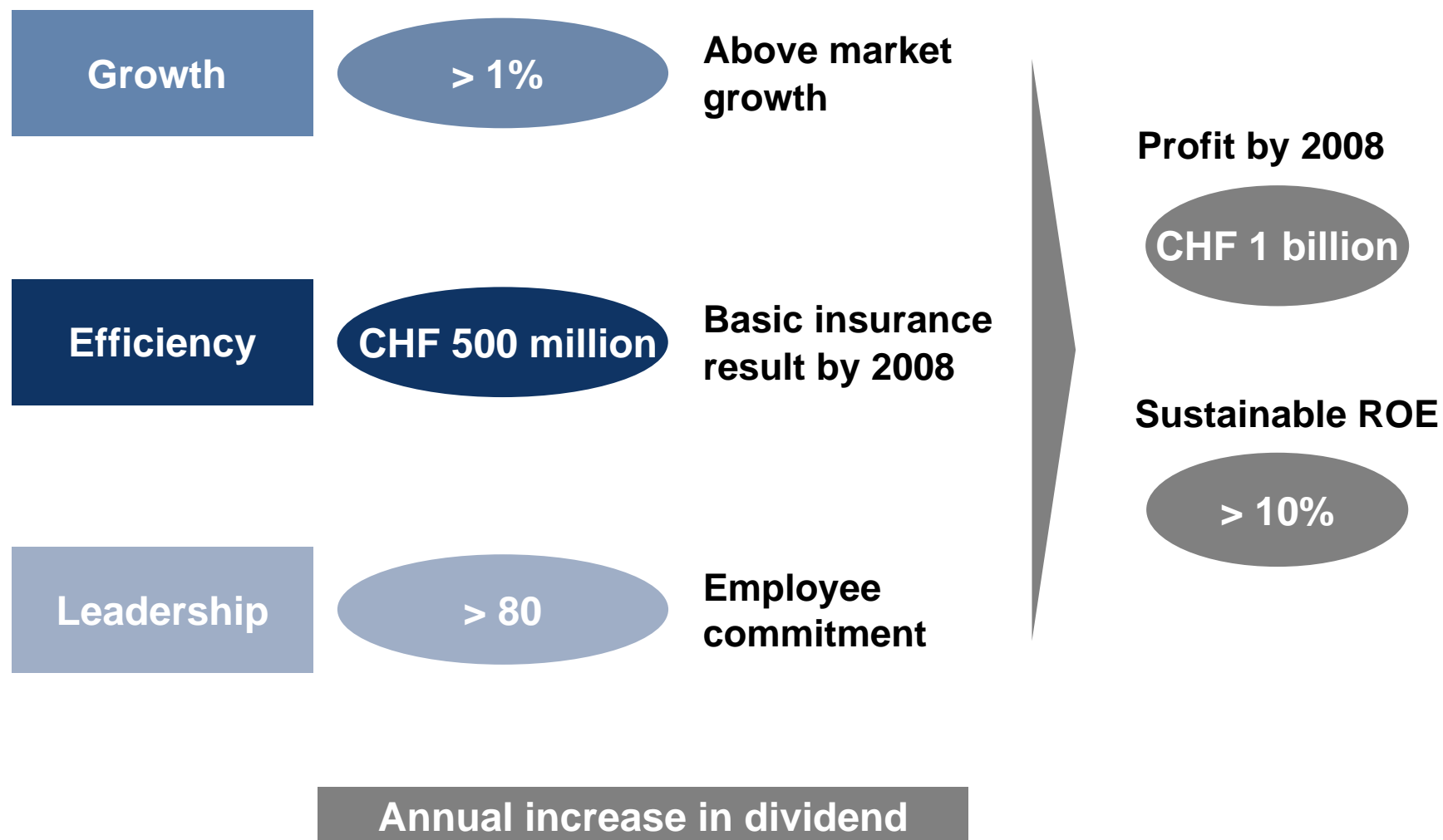
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Swiss Life is on track to achieve 2008 goals





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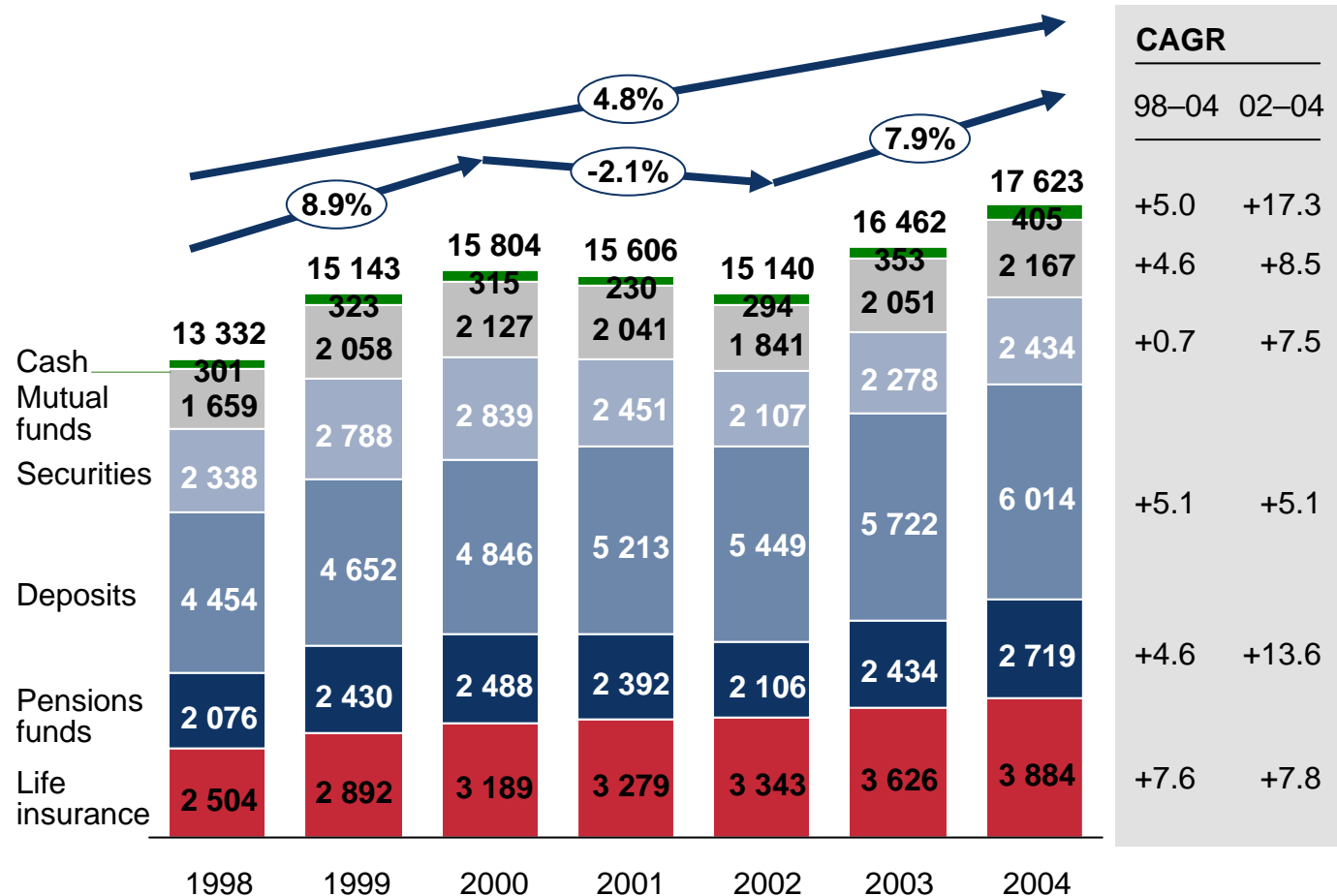
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Supplementary information

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

Europe ¹⁾, Personal Financial Assets ²⁾, EUR bn, percent



- Overall in the EU Life insurance with highest growth among PFA categories since 1998 but average growth since 2002
- PFA clearly impacted by stock market crash in 2000/01 followed by a boom
- Increased public awareness of retirement/pension themes leading to regulatory changes

1) Europe includes the following ten countries: Belgium, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland and UK

2) Life Insurance: Total Life technical reserves

Mutual funds: Funded corporate pension funds (partially managed by life insurers and asset managers)

Source: McKinsey EFIC Retail Banking Profit Pool Database

Switzerland: Market segment “retired and pre-retired people” with large potential



Population growth 2005-2015 (Switzerland)

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

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

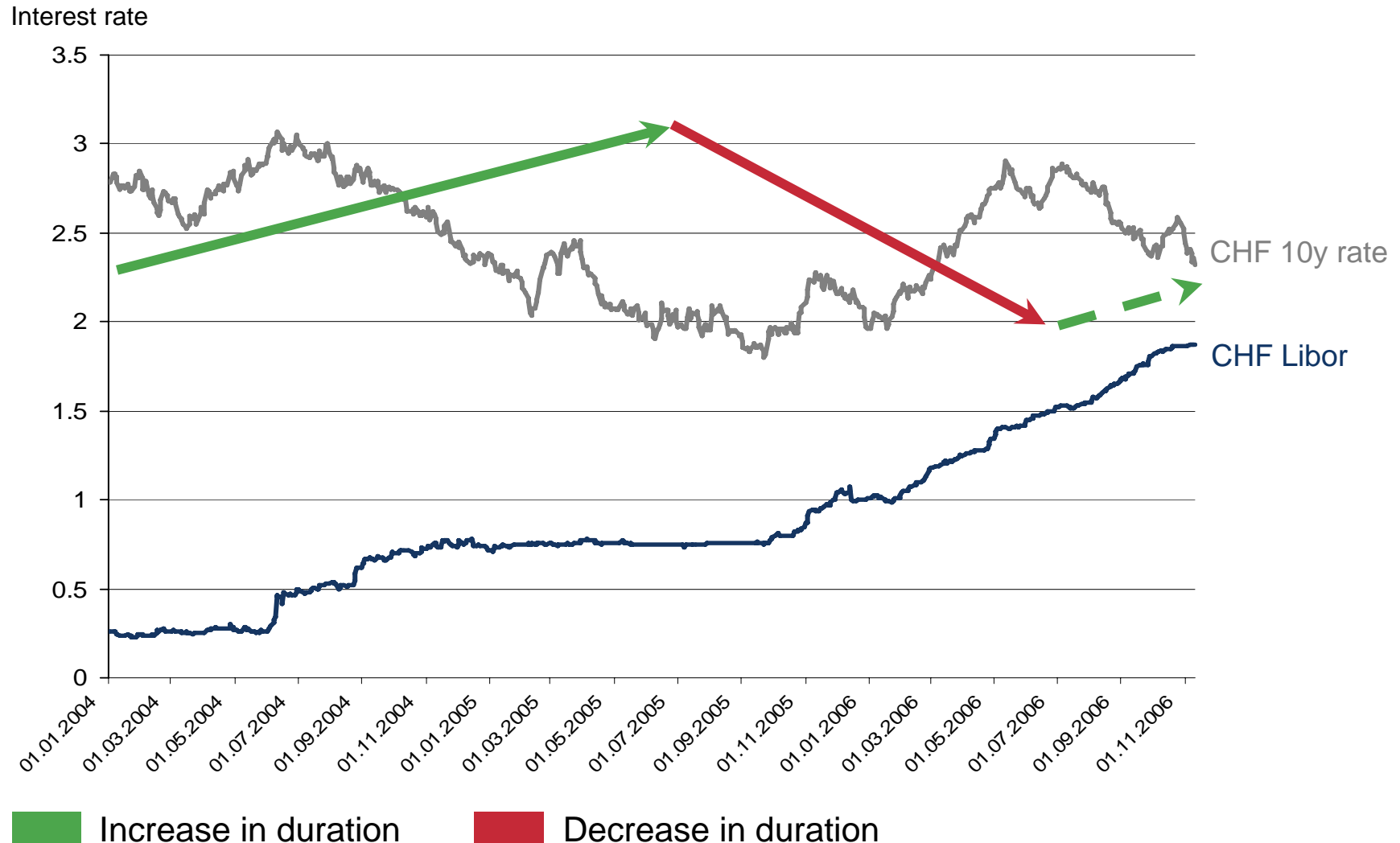
Focused life insurers like Swiss Life have a big opportunity to help 50+ close their pension gap

1) Population aged 65+ as % population aged 15-64

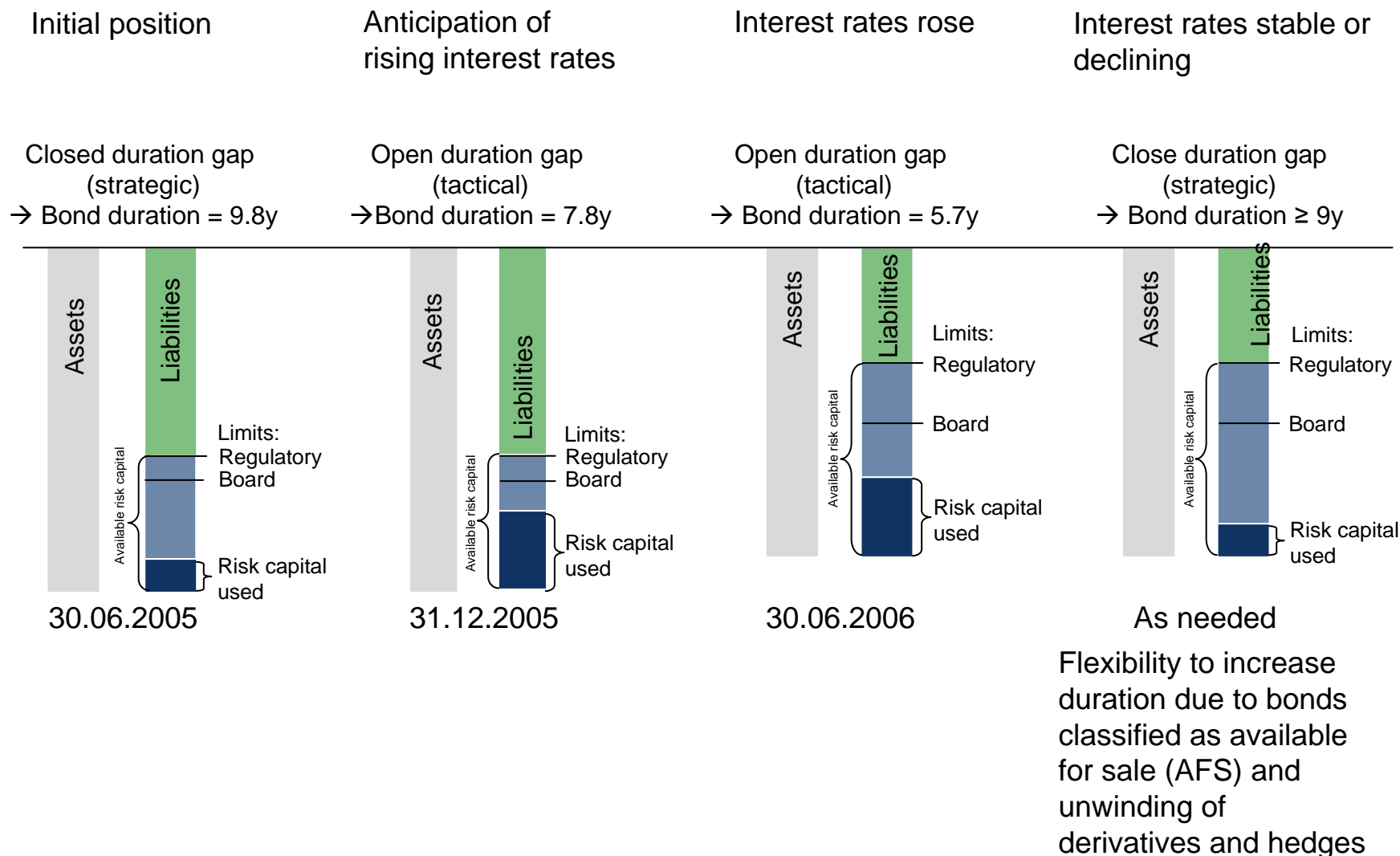
Active duration management is key

Interest rate sensitivity and interest rates since 2004

ILLUSTRATIVE



Active asset and liability management to add value and protect capital



International life insurance business in a changing environment



Increasing international regulation and harmonisation

- EU pension fund directives
- Solvency II
- IFRS IV

Cross-border life insurance business growing strongly

- Ireland, Luxembourg and Liechtenstein
- Multinational product platforms

International joint ventures by major players along the whole value chain

- Integrated and widely standardised processes
- Optimisation of local production range
- Reduction of IT platforms

Large European insurers are less and less dependent on their domestic markets

- Increasing internationalisation in life insurance business

Conclusions for life insurance

- The European life insurance market is growing at a sustainable rate and faster than most other regions and insurance segments
- Regulatory changes also create opportunities
- Insurers are steadily catching up with other financial institutions in terms of high added value
- Life insurance is increasingly driven by international factors
- Growing client demands for added value in products, including guarantees



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