

Rentenanstalt 

Swiss Life 

# **Swiss Life-Gruppe Halbjahresergebnis 2003 Medienpräsentation**

Zürich, 10. September 2003

# Agenda

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1. Einleitung

Rolf Dörig

2. Halbjahresergebnis

Bruno Pfister

3. Zusammenfassung und Ausblick

Rolf Dörig

# **Gute Fortschritte bei der Umsetzung der Strategie**

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**Rückkehr in die Gewinnzone**

**Restrukturierung der Planung voraus**

**Bilanz gestärkt**

# Übersicht über das Halbjahresergebnis 2003

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Basis IFRS

## **Rückkehr in die Gewinnzone**

- Reingewinn: CHF 66 Millionen

## **Restrukturierung der Planung voraus**

- Kostensenkungen: CHF - 107 Millionen; Stellenabbau: - 488 Vollzeitstellen
- Devestitionen von STG, Swiss Life UK und Swiss Life Spanien
- Schweiz: Tarifierungsanpassung im Kollektivgeschäft
- Verstärkung der Corporate Governance

## **Bilanz gestärkt**

- Eigenkapital: CHF 4,6 Milliarden (+ 11%)
- Wertminderungen: CHF - 274 Millionen, wovon Private Equity CHF - 103 Millionen
- Goodwill um CHF 252 Millionen reduziert
- Solvabilität der Rentenanstalt: 199%
- Verbesserung des Asset- und Liability-Management-Prozesses

# Finanzielle Kennzahlen

Mio. CHF (Basis IFRS)

	HJ 2003	HJ 2002	Veränderung
Bruttoprämien und Beiträge mit Anlagecharakter	11 836	11 684	1,3%
Bruttoprämien	9 943	9 759	1,9%
Finanzergebnis	2 916	3 274	- 10,9%
Betriebsergebnis	207	243	- 14,8%
<hr/> Halbjahresergebnis	<hr/> 66	<hr/> - 587	
Gewinn pro Aktie (in CHF)	3.07	- 37.54	
Eigenkapital	4 620	4 170 <sup>(1)</sup>	10,8%
Eigenkapitalbasis	9 003	7 540 <sup>(1)</sup>	19,4%
<hr/> Anzahl Mitarbeitende <sup>(2)</sup>	<hr/> 10 726	<hr/> 11 541 <sup>(3)</sup>	<hr/> - 7,1%

(1) per 31.12.2002

(2) Vollzeitstellen

(3) einschliesslich STG: 327 Vollzeitstellen per 31.12.2002

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Rolf Dörig

# Kennzahlen Erfolgsrechnung

Mio. CHF (Basis IFRS)

	HJ 2003	HJ 2002	Veränderung
Prämien und Beiträge mit Anlagecharakter	11 836	11 684	1,3%
• <i>Bruttoprämien</i>	9 943	9 759	1,9%
• <i>Beiträge mit Anlagecharakter</i>	1 893	1 925	- 1,7%
Finanzergebnis	2 916	3 274	- 10,9%
Versicherungsleistungen und Veränderung der technischen Rückstellungen	- 10 140	- 10 241	- 1,0%
Überschuss- und Gewinnanteile	- 448	- 176	
Betriebsaufwand	- 1 447	- 1 643	- 11,9%
Betriebsergebnis <sup>(1)</sup>	207	243	- 14,8%
Abschreibung auf Goodwill	- 45	- 703	
Ertragssteueraufwand, Minderheitsanteile	- 96	- 127	
Konsolidiertes Halbjahresergebnis Gruppe	66	- 587	

(1) Gewinn vor Abschreibung auf Goodwill, Ertragssteuern und Minderheitsanteilen

# Segmentergebnisse

Mio. CHF (Basis IFRS)

	HJ 2003	H2 2002	H1 2002
Leben Kerngeschäft	93	- 654	93
Leben Übrige	80	- 160	3
Nichtleben	17	- 79	- 16
Private Banking	- 66 <sup>(1)</sup>	- 183	74
Investment Management	60	- 15	120
Übrige	23	47	- 31
<b>Betriebsergebnis<sup>(2)</sup></b>	<b>207</b>	<b>- 1 044</b>	<b>243</b>

(1) einschliesslich Veräusserungsverlust STG von CHF 105 Millionen

(2) Gewinn vor Abschreibung auf Goodwill, Ertragssteuern und Minderheitsanteilen



# Betriebsaufwand

Mio. CHF (Basis IFRS)

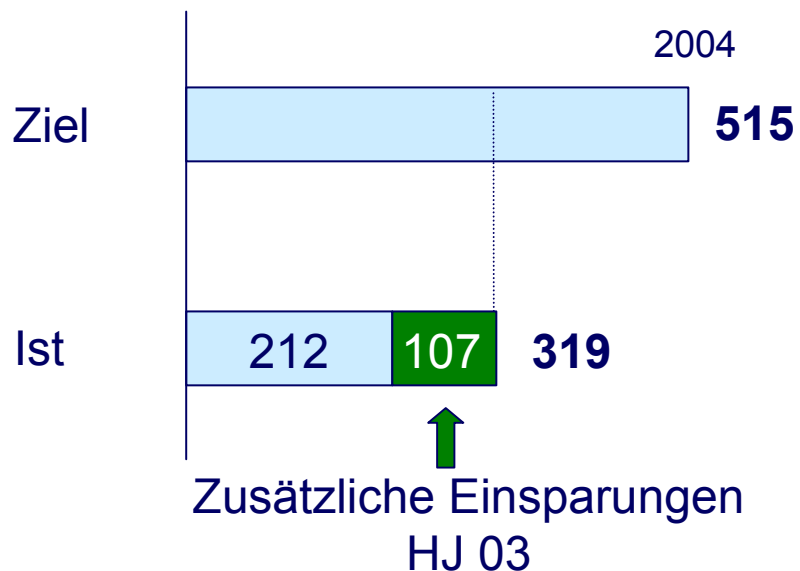
	HJ 2003	HJ 2002	Veränderung
Betriebsaufwand	1 447	1 643	- 196
Abschreibung aktivierter Abschlusskosten und Provisionen	- 348	- 438	+ 90
Schadenbearbeitungskosten	+ 83	+ 70	+ 13
Währungsumrechnungseffekte	0	+ 3	- 3
Restrukturierungskosten	- 9	0	- 9
Pensionsrückstellungen <sup>(1)</sup>	- 16	-14	- 2
Angepasster Betriebsaufwand	1 157	1 264	- 107

(1) IAS 19

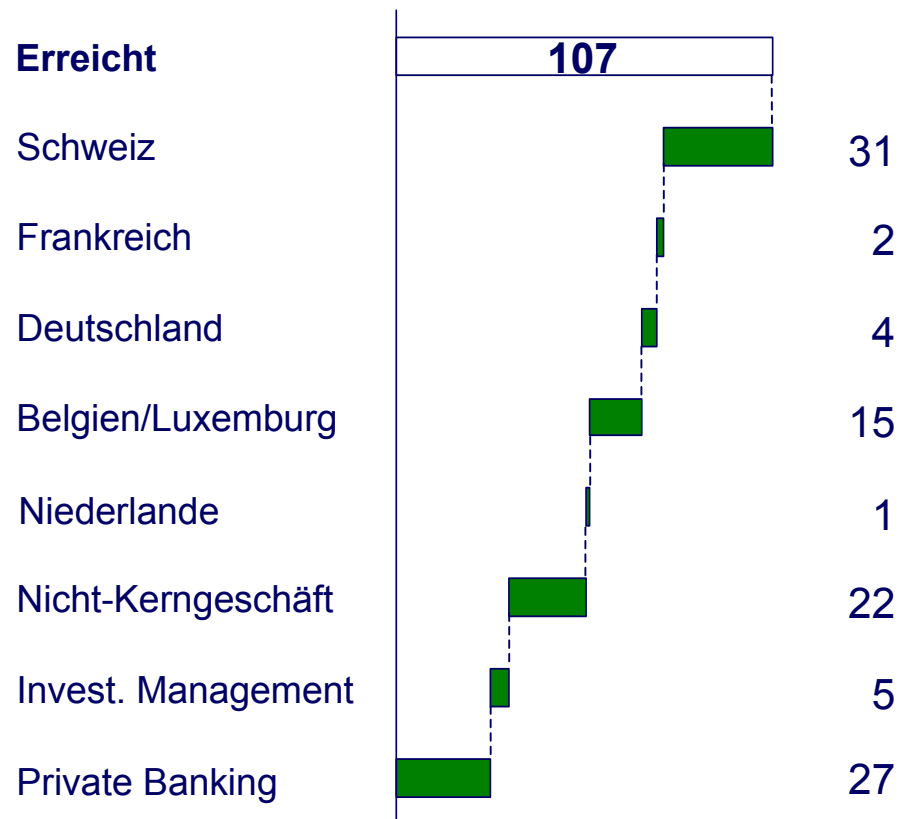
# Kostensenkungsziele über Plan

Mio. CHF (Basis IFRS)

## Kumulierte Kosteneinsparungen



## Zusätzliche Einsparungen

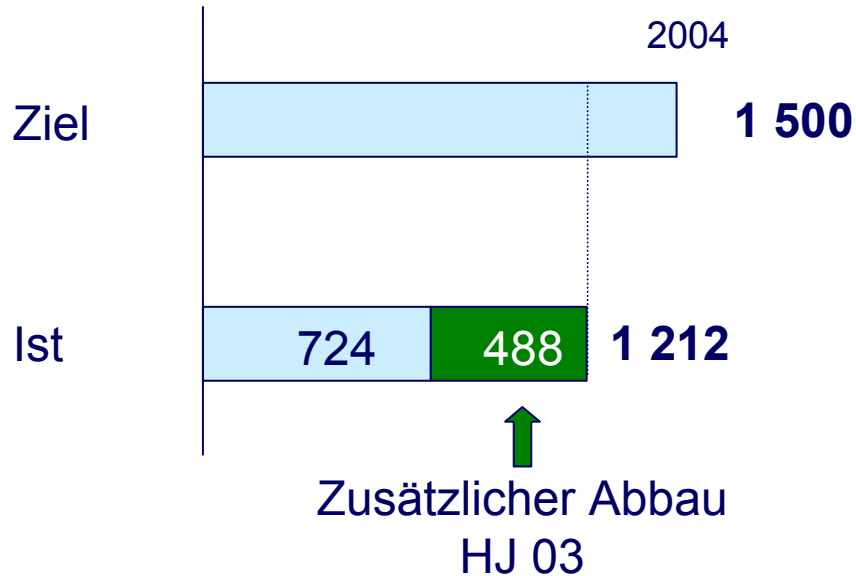


62% des gesamten Kostensenkungsziels für 2004 erreicht

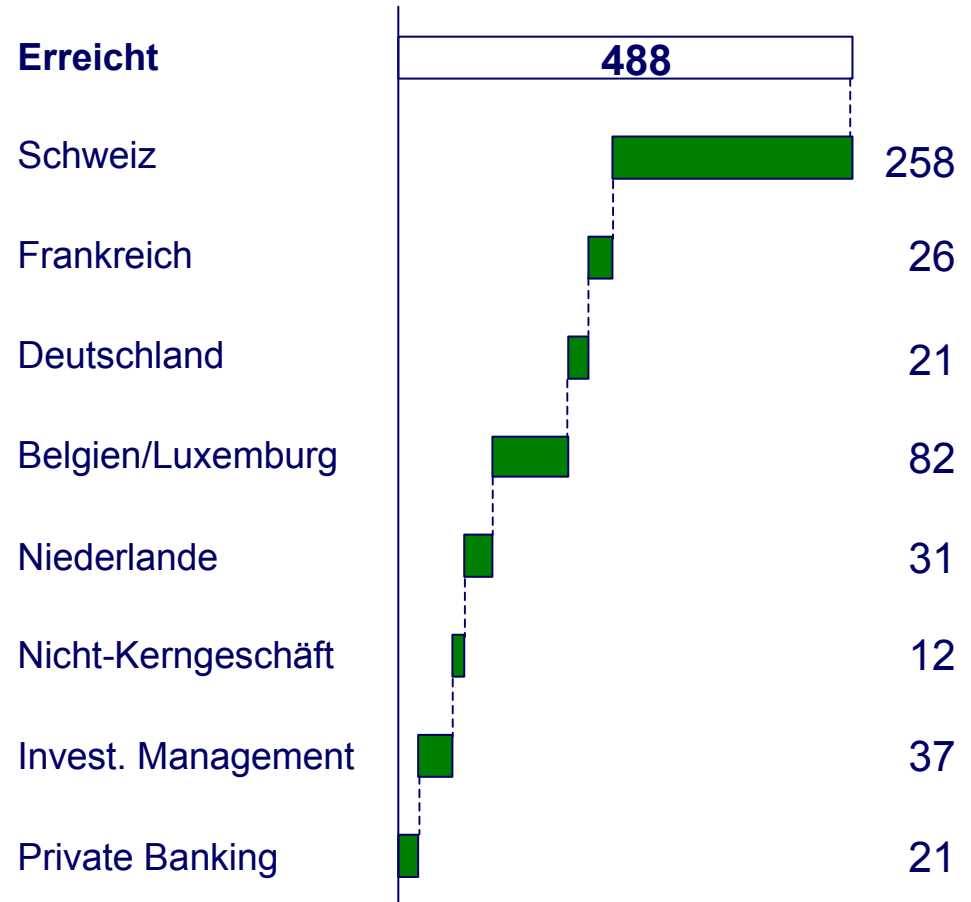
# Stellenabbau über Plan

Basis IFRS

## Kumulierter Stellenabbau<sup>(1)</sup>



## Zusätzlicher Stellenabbau<sup>(1)</sup>

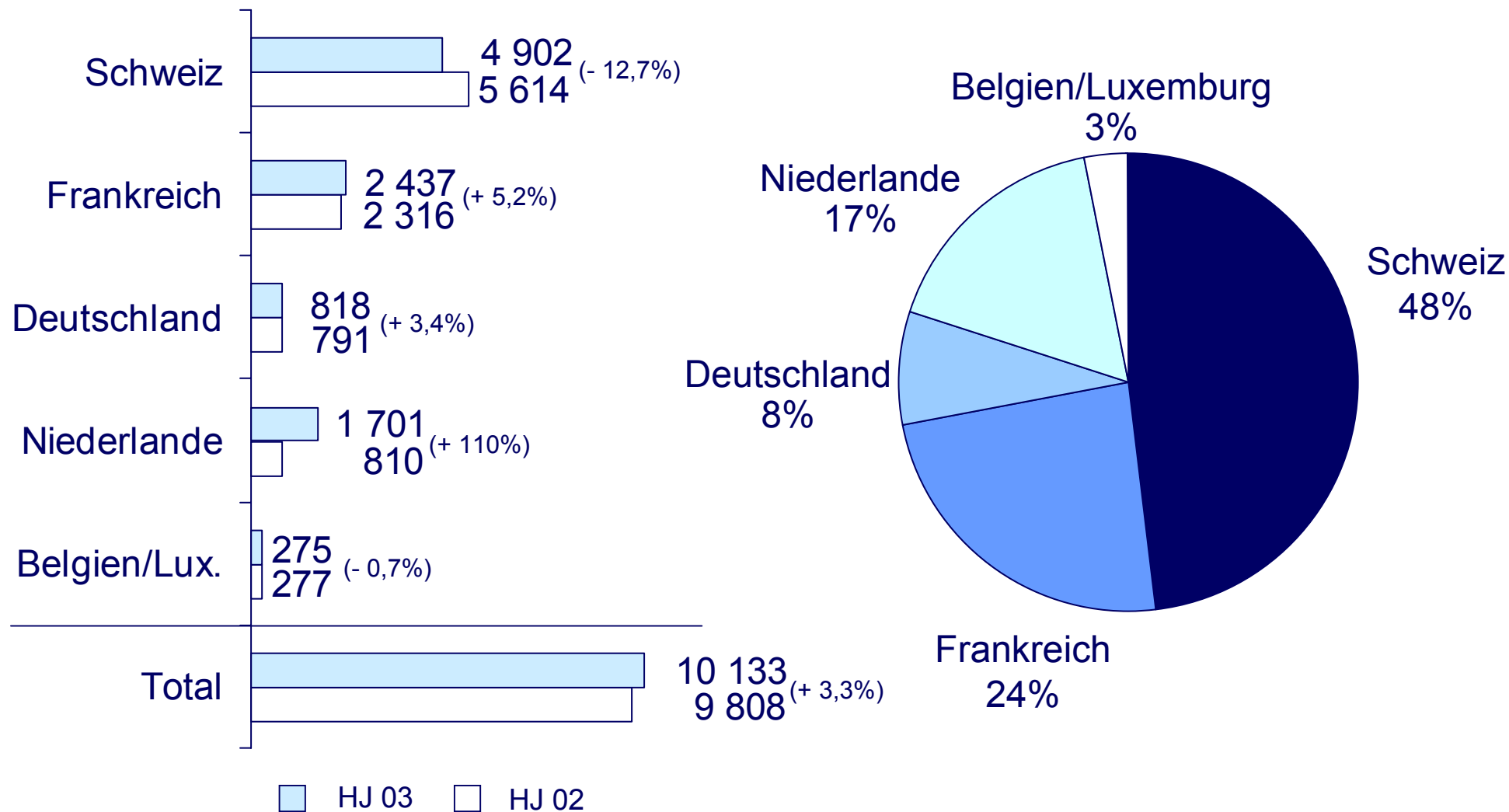


81% des gesamten Stellenabbauziels für 2004 erreicht

(1) Vollzeitstellen

# Leben Kerngeschäft: Prämien und Beiträge mit Anlagecharakter

Mio. CHF (Basis IFRS)



# Wichtigste Bilanzpositionen

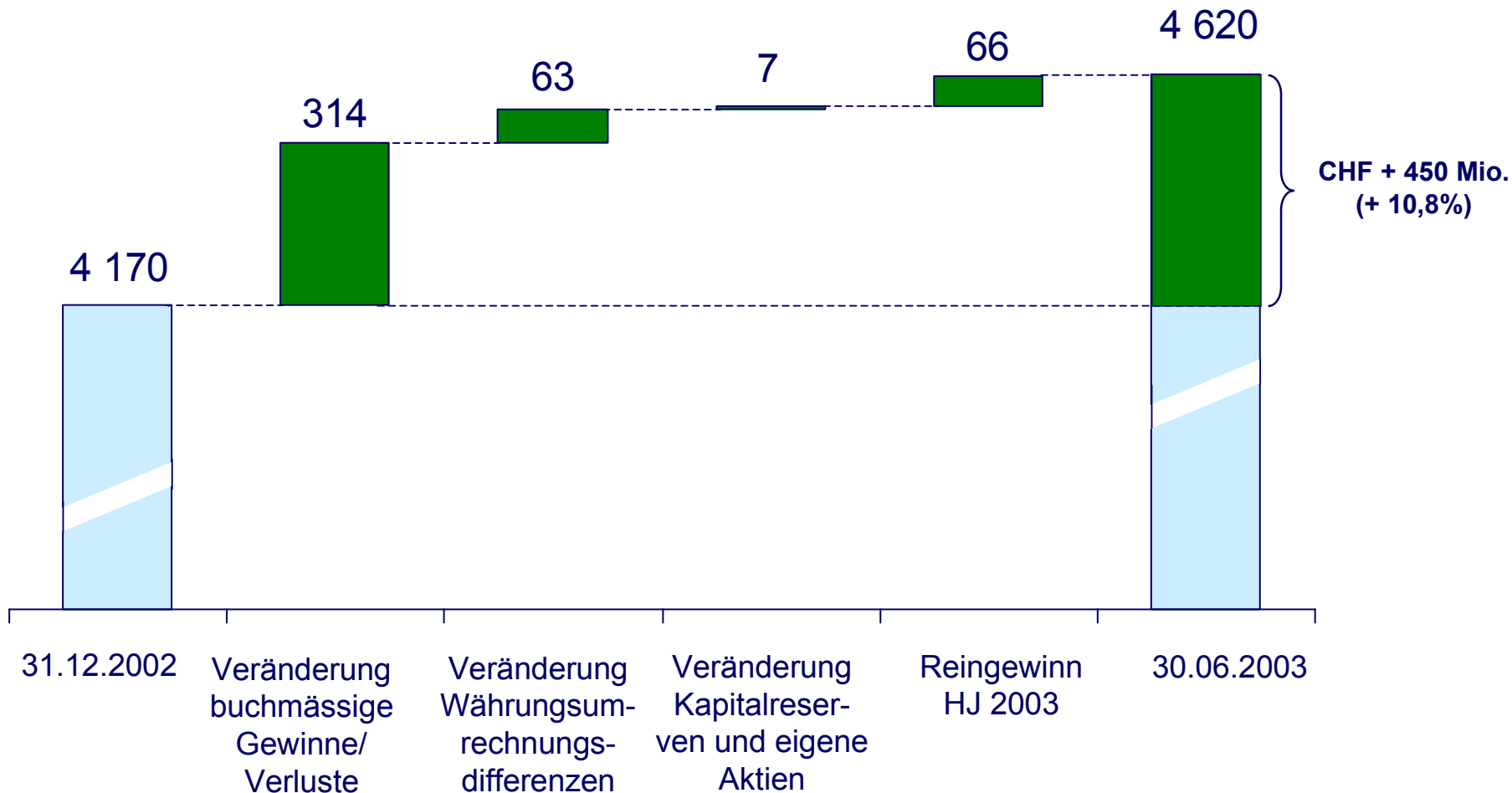
Mio. CHF (Basis IFRS)

	HJ 2003	2002	Veränderung
<b>Technische Rückstellungen</b>	<b>137 584</b>	130 028	<b>5,8%</b>
• <i>Vers.technische Rückstellungen</i>	105 789	100 638	
• <i>Beiträge mit Anlagecharakter</i>	22 451	20 652	
• <i>Separate Accounts</i>	9 344	8 738	
<b>Eigenkapital</b>	<b>4 620</b>	4 170	<b>10,8%</b>
• <i>Eigenkapital<sup>(1)</sup></i>	3 880	3 807	
• <i>Neubewertungsreserven</i>	740	363	
<b>Total Passiven</b>	<b>167 103</b>	159 566	<b>4,7%</b>
<b>Eigenkapitalbasis</b>	<b>9 003</b>	7 540	<b>19,4%</b>
• <i>Eigenkapital</i>	4 620	4 170	
• <i>Minderheitsanteile</i>	547	505	
• <i>Hybrides Kapital</i>	1 456	1 384	
• <i>Nachrangige Verbindlichkeiten</i>	214	213	
• <i>Unter Verbindlichkeiten ausgewiesene Positionen mit Eigenkapitalcharakter</i>	2 166	1 268	

(1) Ohne Neubewertungsreserven

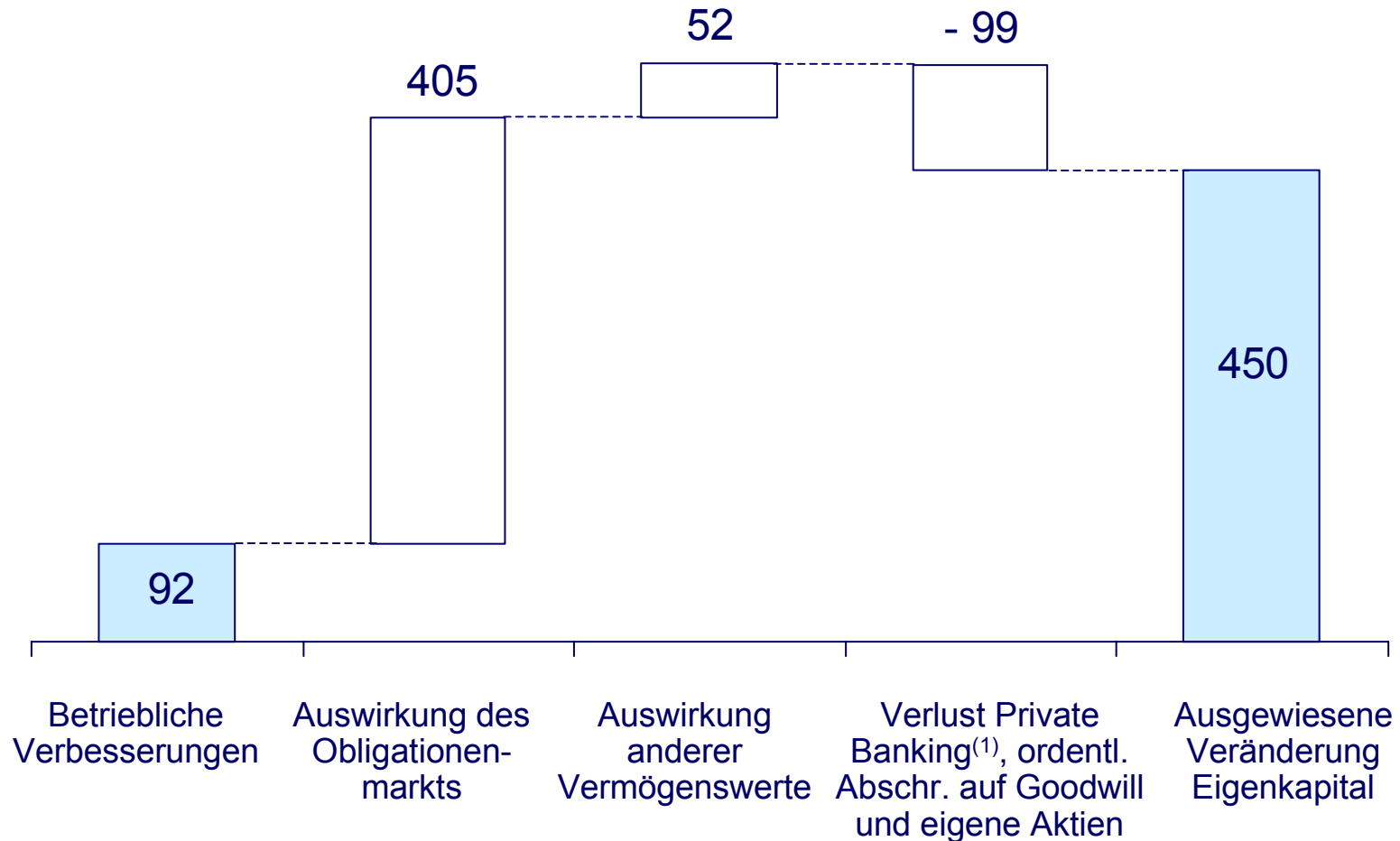
# Zunahme des Eigenkapitals um 10,8%

Mio. CHF (Basis IFRS)



# Auswirkung der betrieblichen Verbesserungen auf das Eigenkapital

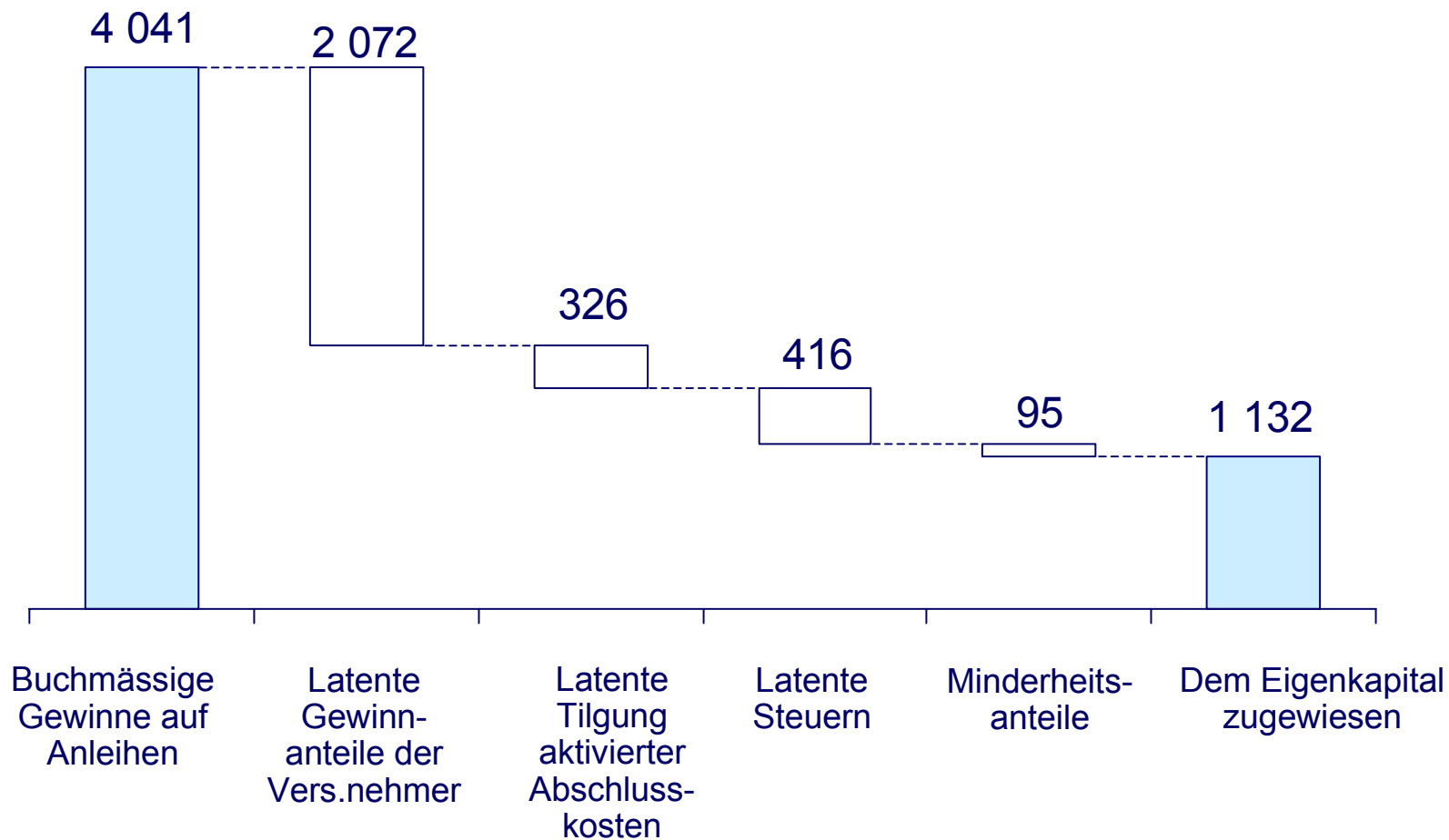
Mio. CHF (Basis IFRS); 01.01.-30.06.2003



(1) einschliesslich Veräusserungsverlust STG von CHF 105 Millionen

# Zuweisung buchmässiger Gewinne auf Anleihen

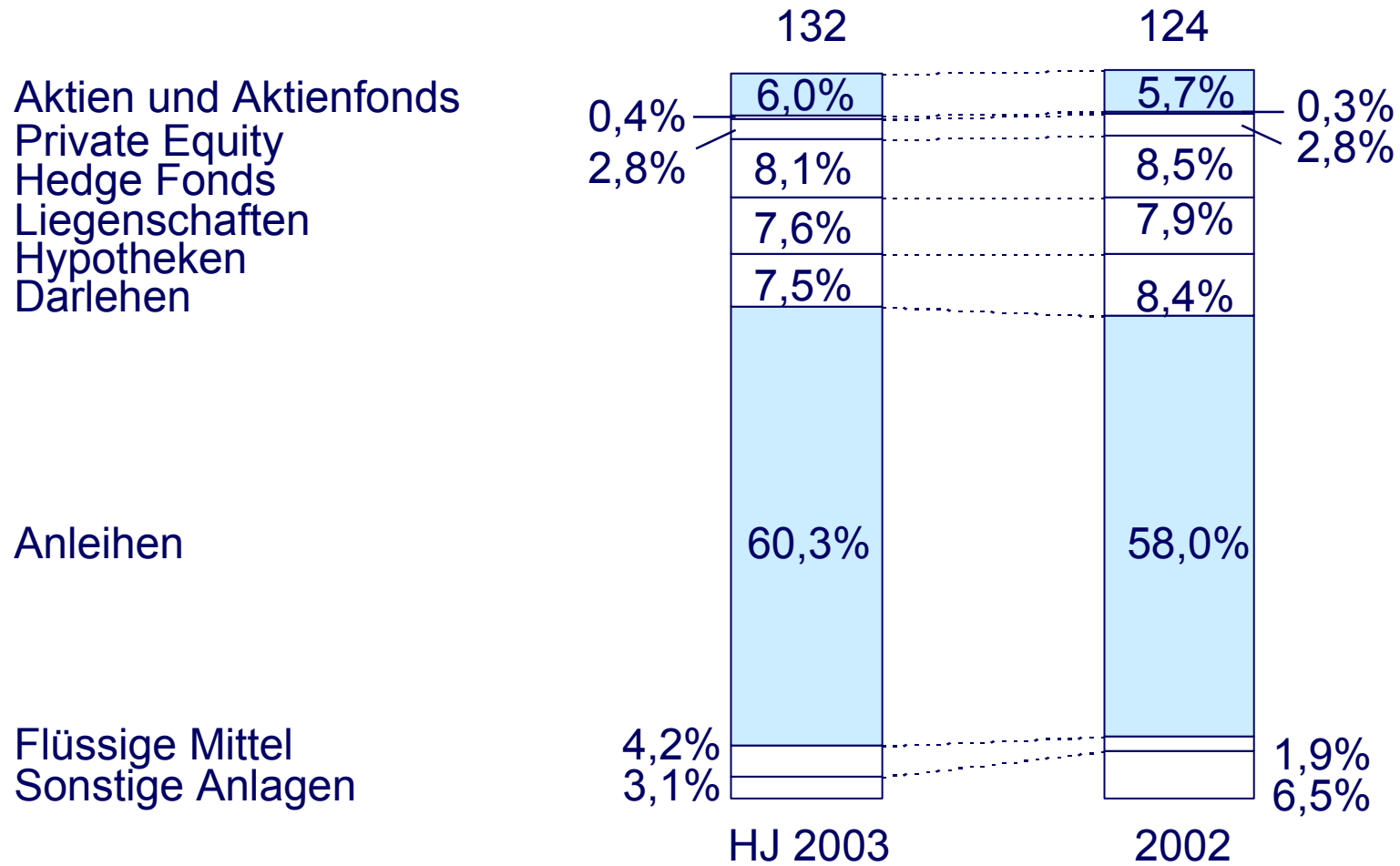
Mio. CHF (Basis IFRS); per 30.06.2003





# Aufteilung Anlagen des Versicherungsportfolios

Versicherungsportfolio, Mrd. CHF (Basis IFRS)



Aktienquote (netto)

4,1%

1,8%

# Anlagerendite auf dem Versicherungsportfolio

Mio. CHF (Basis IFRS); 01.01.-30.06.2003; Renditen nicht annualisiert

Direkte Rendite von **2,1%**

Gesamtrendite von **3,2%**<sup>(1)</sup>

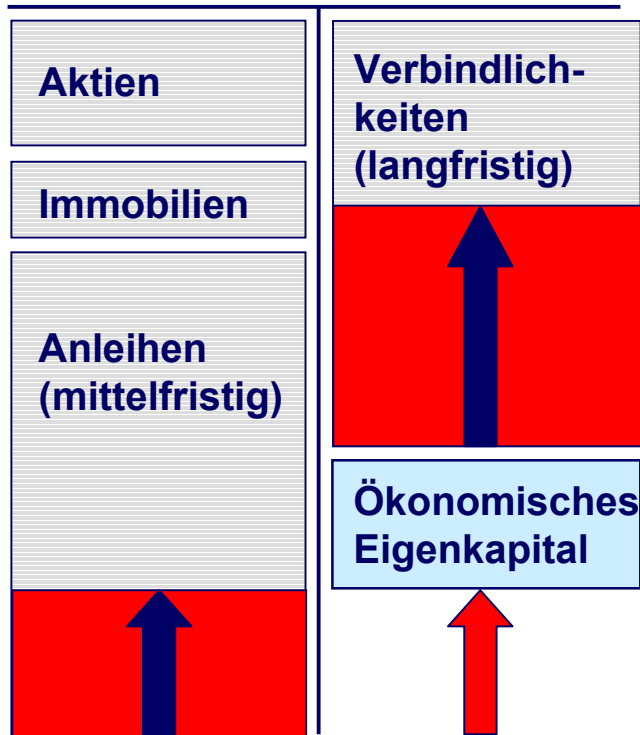
Anleihen	1 695	2,2%	3 231	4,3%
Aktien	111	1,5%	263	3,5%
Private Equity	1	0,0%	-5	- 1,1%
Hedge Fonds	36	1,0%	229	6,4%
Immobilien	341	3,2%	361	3,4%
Hypotheken	223	2,2%	224	2,3%
Darlehen	167	1,7%	152	1,5%
Flüssige Mittel	47	1,2%	47	1,2%
Handel und sonstige	98	1,6%	-161	- 2,6%
Kosten			-201	

(1) Ohne Berücksichtigung der Kosten; Gesamtrendite einschliesslich Kosten: 3,1%

# ALM: ökonomische Betrachtung zur Minderung der Auswirkung von Zinsschwankungen

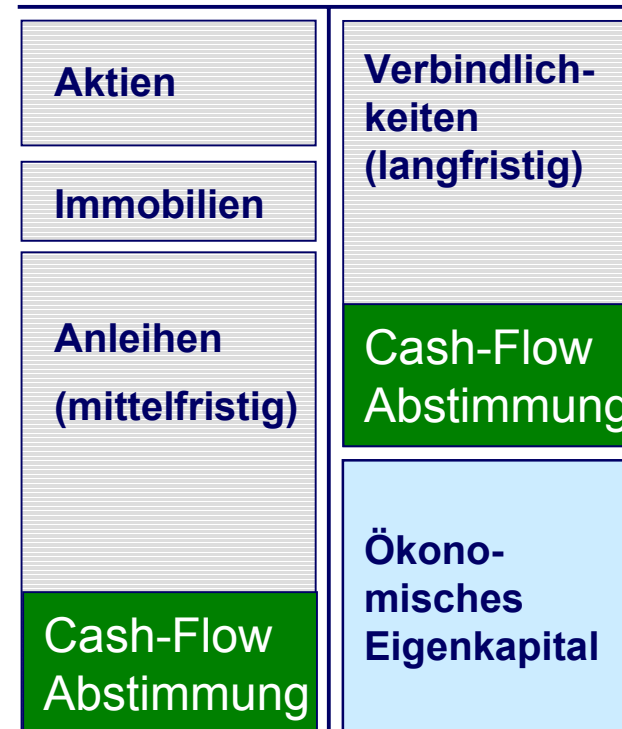
(Beispiel; parallele Aufwärtsbewegung der Zinsen)

Cash-Flows auf Aktiv- und Passivseite nicht abgestimmt



Hohe Volatilität des ökonomischen Eigenkapitals

Cash-Flows auf Aktiv- und Passivseite abgestimmt



Volatilität des ökonomischen Eigenkapitals eliminiert

# Verringerung des Duration-Gap

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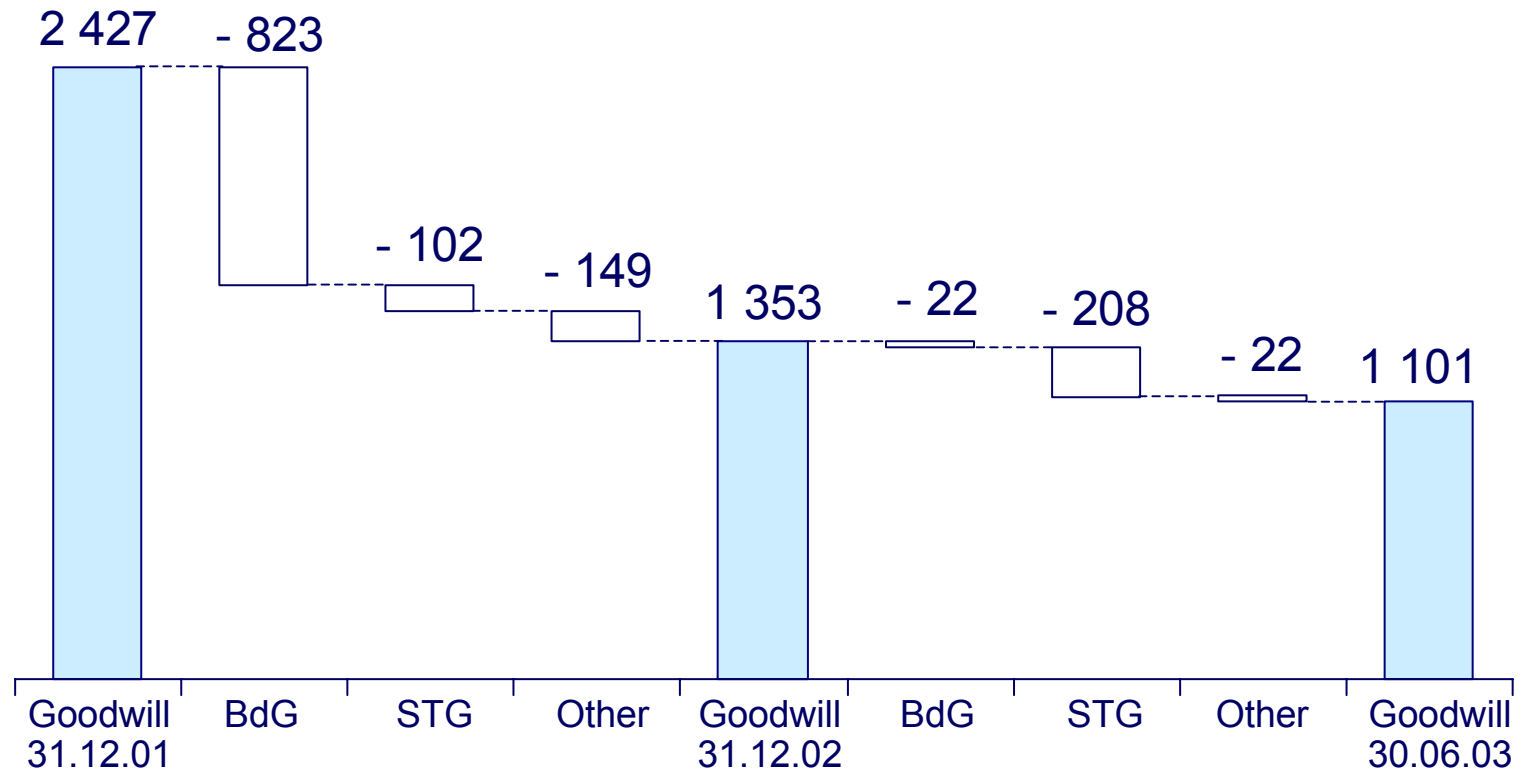
RA/SL

**Duration-Gap um 2,4 Jahre verringert**

**Risikokapital von rund CHF 1 Milliarde freigesetzt**

**Kreditqualität der Anleihen in der Schweiz verbessert**

# Goodwill weiter reduziert



## Goodwill in % von:

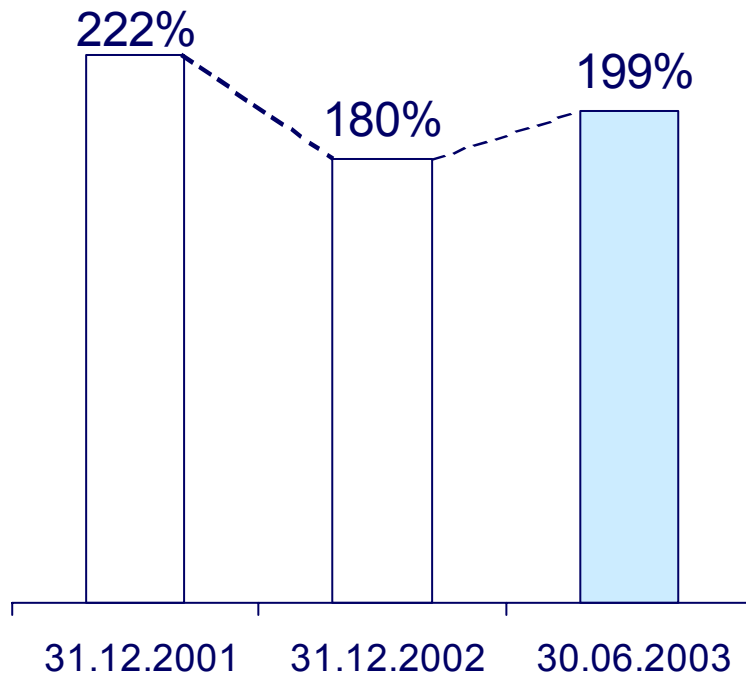
Eigenkapital:	48.7%	32.4%	23.8%
EK-Basis:	31.3%	17.9%	12.2%

# Verbesserung der Solvabilität

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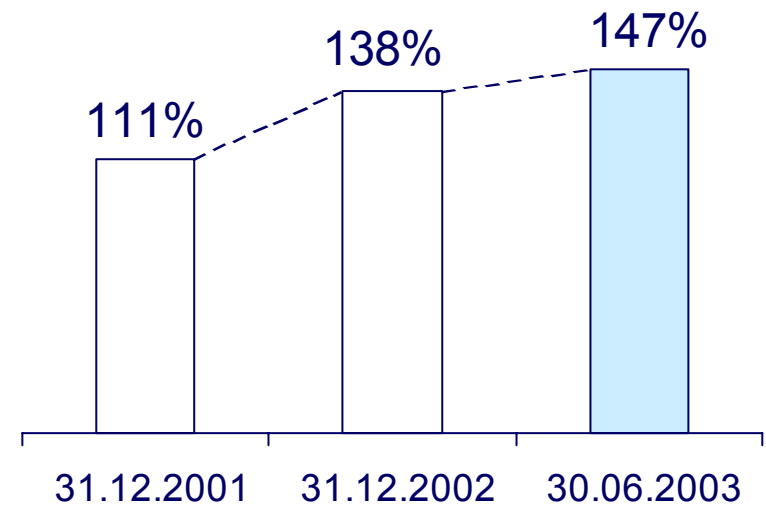
Solvabilität der Rentenanstalt<sup>(1)</sup>

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EU-Gruppen-Solvabilität<sup>(2)</sup>

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(1) Rentenanstalt/Swiss Life zeichnet für 90% aller technischen Rückstellungen verantwortlich

(2) Gemäss der Methode der französischen Aufsichtsbehörden; genehmigt vom schweizerischen Bundesamt für Privatversicherungen einschliesslich Banca del Gottardo

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# Zusammenfassung Halbjahresergebnis 2003

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**Rückkehr in die Gewinnzone**

**Restrukturierung dem Plan voraus**

**Bilanz gestärkt**



# Ausblick: Schweiz

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**Swiss Life steht für Garantien in der beruflichen Vorsorge, sofern die gesetzlichen Rahmenbedingungen dies erlauben**

**Preisgestaltung weiterhin nach wirtschaftlichen Grundsätzen**

**Effizienzsteigerung und Kostensenkungen weiterführen**

**Verbesserung der Servicequalität**

# Ausblick: EU

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## Frankreich

- Vereinfachung der Vertriebsstruktur
- Lösung für das Nichtleben-Geschäft

## Deutschland

- Prämienwachstum trotz Kostensenkungen und IT-Migration
- Festigung der Beziehungen mit Brokern

## Niederlande

- Kostensenkungen und Effizienzsteigerung
- Verbesserung der Servicequalität (Ausführung und Reaktionszeit)

## Belgien/Luxemburg

- Nutzung des Standortvorteils Swiss Life Luxemburg im grenzüberschreitenden Geschäft
- Devestition von Zelia

# Ausblick: übrige Segmente

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## «La Suisse»

- September 2002 Entscheid bestätigt - «La Suisse» wird nicht Kerngeschäft

## Banca del Gottardo

- Gewinn<sup>(1)</sup> von über CHF 80 Millionen für 2003 erwartet

## Dekotierung von RAN VX

- Letzter Handelstag: 17. September 2003
- Ausserbörslicher Handel über Banca del Gottardo: vom 18. September bis 17. Oktober 2003

# **Wir halten an unseren Zielen fest**

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**Rückkehr in die Gewinnzone im Jahr 2003**

**Kostensenkungsziele bis 2004 erreicht**

**Eigenkapitalrendite von 10% weiterhin mittelfristiges Ziel**

# Swiss Life-Gruppe Halbjahresergebnis 2003 Anhang

# Appendix

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Profit and Loss

Balance Sheet

Embedded Value

Contact Details

# Foreign currency exchange rates and interest rates

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## Foreign exchange rates

	30.06.03	31.12.02	1.1.-30.06.03	1.1.-30.06.02
1 EUR	1.55	1.46	1.49	1.47
1 GBP	2.24	2.23	2.18	2.36
1 USD	1.36	1.39	1.35	1.64

## Interest rates

	30.06.03	31.12.02
CHF <sup>(1)</sup>	2.432	2.192
EUR <sup>(1)</sup>	3.800	4.204
USD <sup>(1)</sup>	3.513	3.814

# Life Core: Overview of key financials

In million CHF (IFRS basis)

	HY 2003	HY 2002	Change
Insurance premiums and policy fees <sup>(1)</sup>	8 213	7 872	4.3%
Financial result	2 532	2 728	- 7.2%
Other income	32	97	- 67.0%
<b>Total revenue</b>	<b>10 777</b>	<b>10 697</b>	<b>0.7%</b>
Interest expenses	- 436	- 595	- 26.7%
Benefits paid and changes in insurance res.	- 8 908	- 8 769	1.6%
PH bonuses and participation in surplus	- 414	- 209	98.1%
Operating expenses	- 926	- 1 031	- 10.2%
<b>Total benefits, claims and expenses</b>	<b>- 10 684</b>	<b>- 10 604</b>	<b>0.8%</b>
<b>Operating result<sup>(2)</sup></b>	<b>93</b>	<b>93</b>	<b>0.0%</b>

(1) Excluding policyholder deposits

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



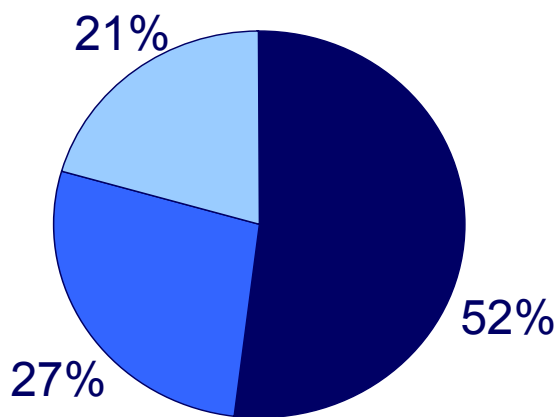
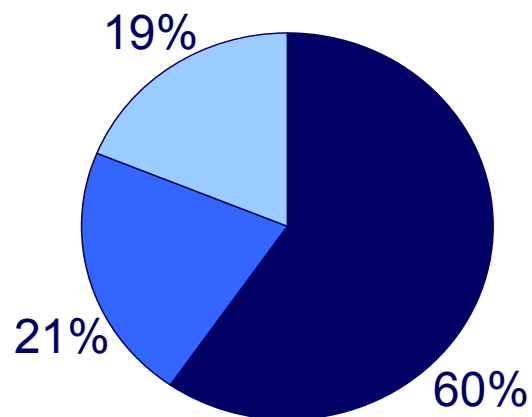
# Life Core: Premiums and policyholder deposits

In million CHF (IFRS basis)

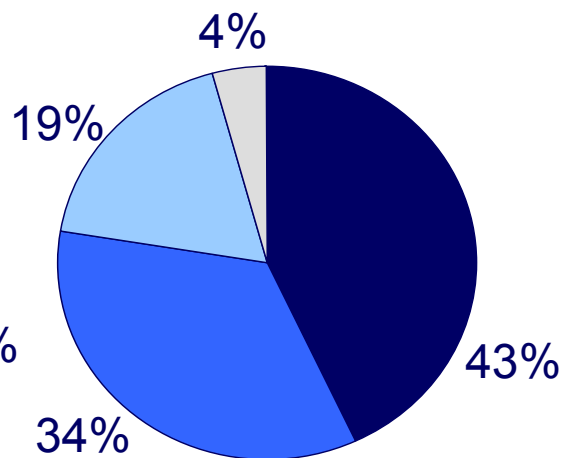
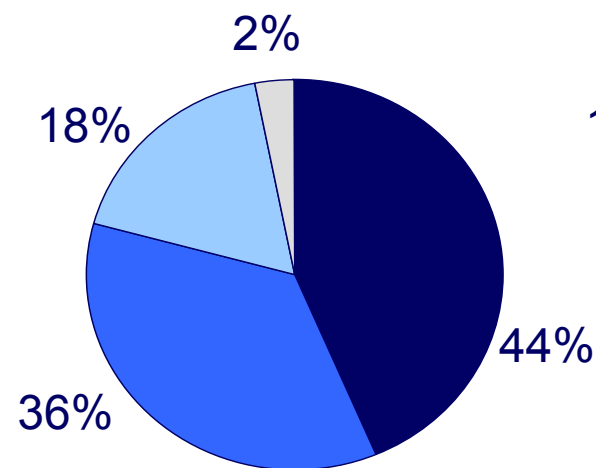
HY 2003: **10 133**

HY 2002: **9 808**

Growth in life core  
premiums by line of business



Group	+ 18.8%
Individual	- 19.7%
Policyholder deposits, assumed premiums	- 4.9%



Periodic	+ 4.6%
Single	+ 7.1%
Policyholder deposits	- 0.3%
Other(1)	- 25.4%

(1) Policy fees and surrender charges, assumed premiums

# Premiums overview: Switzerland

In million CHF (statutory basis)

	HY 2003	HY 2002	Change
Individual life			
• single premiums	379	912	- 58.5%
• periodic premiums	475	491	- 3.3%
<b>Subtotal</b>	<b>854</b>	<b>1 403</b>	<b>- 39.1%</b>
Group life			
• single premiums	1 714	1 939	- 11.6%
• periodic premiums	2 298	2 216	3.7%
<b>Subtotal</b>	<b>4 012</b>	<b>4 155</b>	<b>- 3.4%</b>
Total Life			
• single premiums	2 093	2 851	- 26.6%
• periodic premiums	2 773	2 707	2.4%
<b>Total</b>	<b>4 866</b>	<b>5 558</b>	<b>- 12.5%</b>

# Life Non-Core: Overview of key financials

In million CHF (IFRS basis)

	HY 2003	HY 2002	Change
Insurance premiums and policy fees <sup>(1)</sup>	828	973	- 14.9%
Financial result	238	190	25.3%
Other income	9	12	- 25.0%
<b>Total revenue</b>	<b>1 075</b>	<b>1 175</b>	<b>- 8.5%</b>
Interest expenses	- 25	- 22	13.6%
Benefits paid and changes in insurance res.	- 841	- 1 011	- 16.8%
PH bonuses and participation in surplus	- 27	0	
Operating expenses	- 102	- 139	- 26.6%
<b>Total expenses</b>	<b>- 995</b>	<b>- 1 172</b>	<b>- 15.1%</b>
<b>Operating result<sup>(2)</sup></b>	<b>80</b>	<b>3</b>	

(1) Excluding policyholder deposits

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

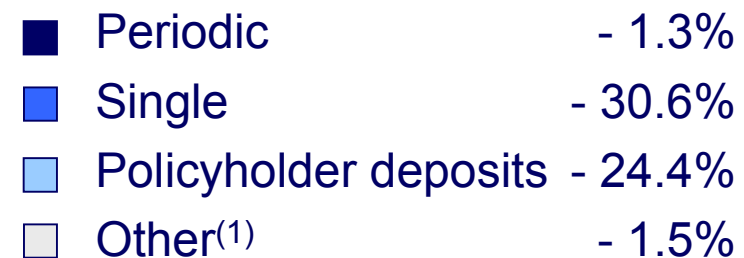
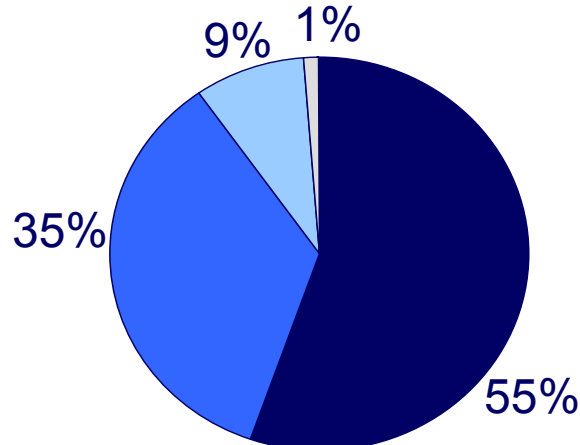
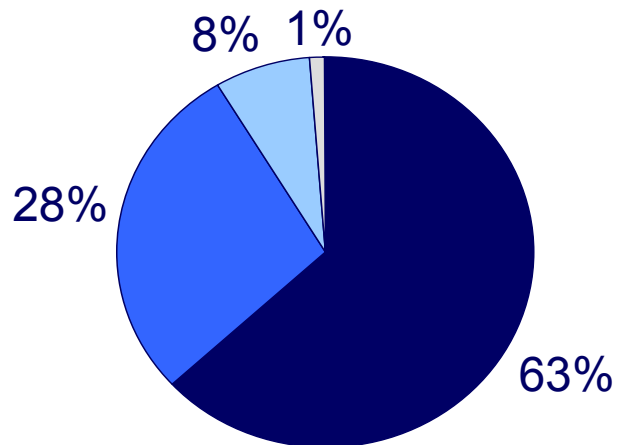
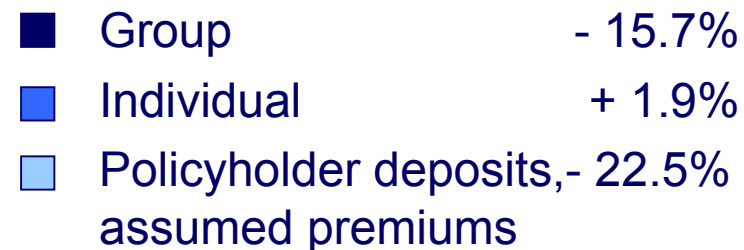
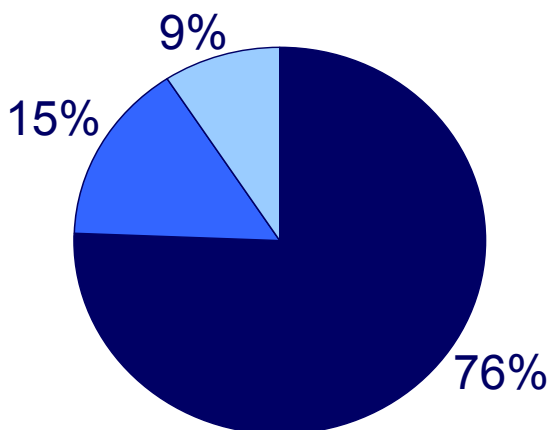
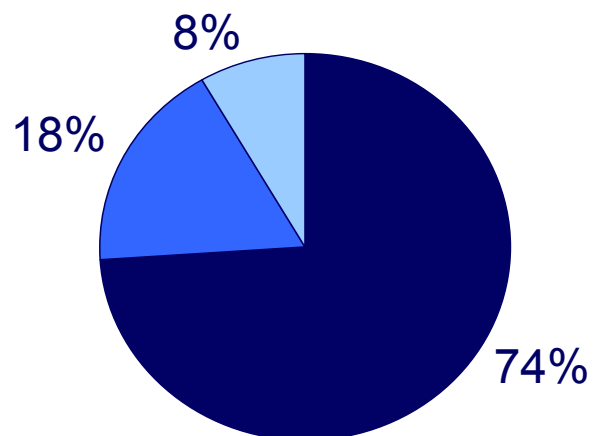
# Life Non-Core: Premiums and policyholder deposits

In million CHF (IFRS basis)

HY 2003: 1 052

HY 2002: 1 219

Growth in life non-core premiums by line of business



(1) Policy fees and surrender charges, assumed premiums

# Non-Life: Overview of key financials

In million CHF (IFRS basis)

	HY 2003	HY 2002	Change
Revenues from insurance	504	531	- 5.1%
Benefits paid and changes in insurance res. PH bonuses and participation in surplus	- 392	- 462	- 15.2%
Operating expenses	- 156	- 168	- 7.1%
Total expenses from insurance	- 557	- 597	- 6.7%
Technical result	- 53	- 66	- 19.7%
Financial result	68	45	51.1%
Interest expenses	- 2	- 1	
Other income	4	6	- 33.3%
Operating result <sup>(1)</sup>	17	- 16	
Combined ratio	106.8%	116.9%	- 10.1ppt

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

# Banca del Gottardo: Overview of key financials

In million CHF (statutory basis)

	HY 2003	HY 2002	Change
Results from interest activities	74.6	79.4	- 6.1%
Results from commission and service act.	114.7	134.4	- 14.7%
Results from trading operations	45.4	32.0	+ 41.9%
Other	4.6	-5.5	
<b>Net revenues</b>	<b>239.3</b>	<b>240.4</b>	<b>- 0.5%</b>
Personnel expenses	- 94.4	- 103.8	- 9.1%
Other operating expenses	- 49.6	- 56.1	- 11.6%
<b>Total operating expenses</b>	<b>- 144.0</b>	<b>- 159.9</b>	<b>- 9.9%</b>
<b>Gross profit</b>	<b>95.2</b>	<b>80.5</b>	<b>+ 18.4%</b>
Depreciation, adj. provisions and losses	- 41.5	- 49.2	- 15.5%
Extraordinary result	7.2	11.2	- 35.5%
Taxes	- 6.7	- 13.7	- 51.3%
<b>Net profit</b>	<b>54.3</b>	<b>28.8</b>	<b>+ 88.2%</b>

# Banca del Gottardo: Key ratios

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In billion CHF (statutory basis)

	HY 2003	FY 2002	Change
Net new money inflow	1.0	- 4.9	
Cost/income ratio	60.2%	66.5%	- 630bps
BIS ratio (Tier 1)	11.1%	10.0%	+ 102bps
BIS ratio (Tier 2)	12.4%	11.3%	+ 110bps
Assets under management	37.8	36.8	+ 2.7%

# Investment Management: Overview of key financials

In million CHF (IFRS basis)

	HY 2003	HY 2002	Change
Investment management and other income	106	118	- 10.2%
Financial result	28	86	- 67.4%
<hr/> Total revenues	<hr/> 134	<hr/> 204	<hr/> - 34.3%
<hr/> Total expenses	<hr/> - 74	<hr/> - 84	<hr/> - 11.9%
<hr/> Operating result <sup>(1)</sup>	<hr/> 60	<hr/> 120	<hr/> - 50.0%
<hr/> Third party assets under management	<hr/> 17 850	<hr/> 14 744	<hr/> + 21.1%

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



# Financial result

In million CHF (IFRS basis)

	HY 2003	HY 2002	Change
Investment income, net	2 690	2 834	- 5.1%
Realised and unrealised gains/losses <sup>(1)</sup>	505	- 380	
Trading income, net <sup>(2)</sup>	- 279	820	
<b>Financial result</b>	<b>2 916</b>	<b>3 274</b>	<b>- 10.9%</b>

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

(2) Includes hedges on foreign currencies and equities

# Appendix

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Profit and Loss

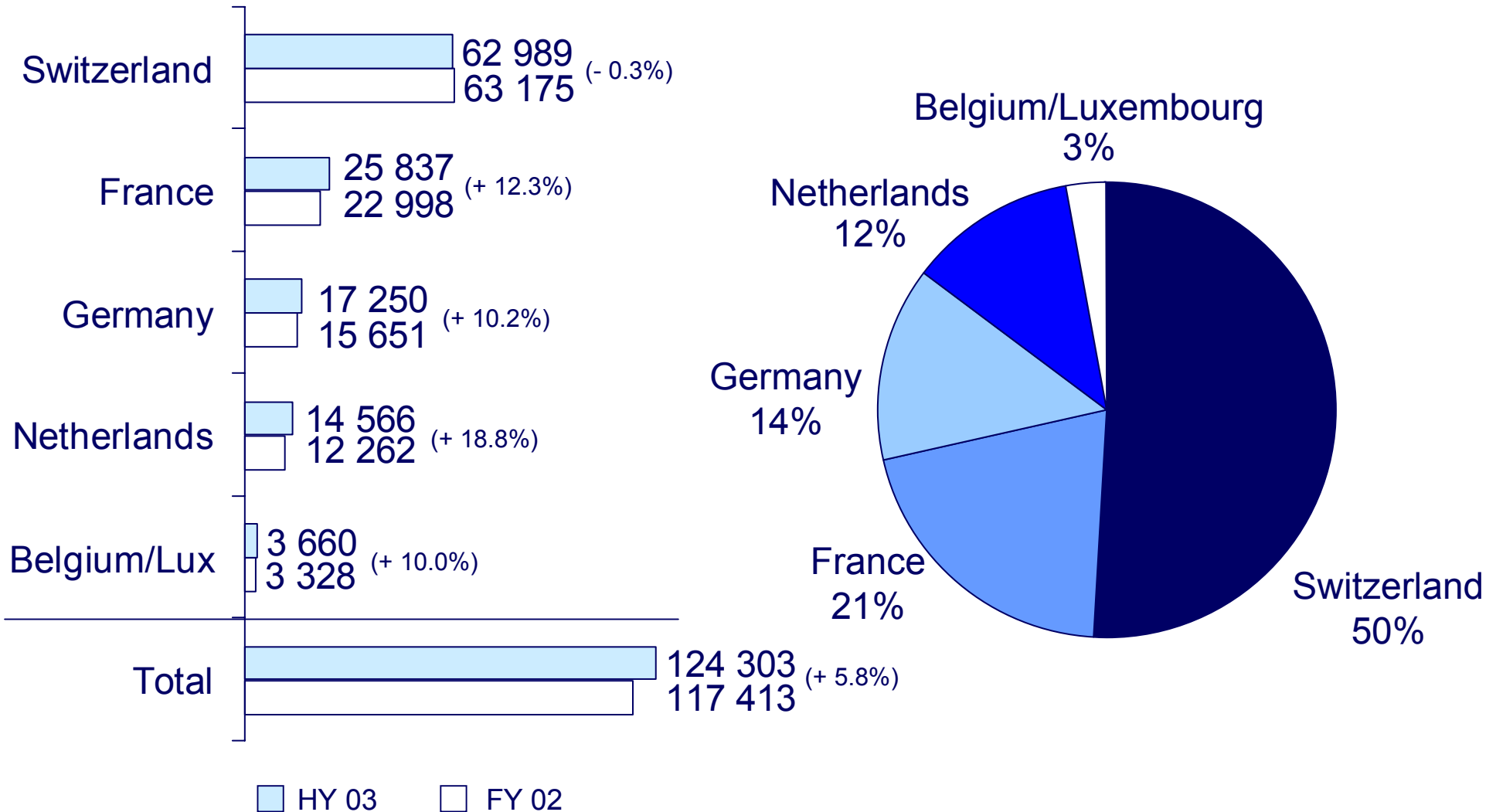
Balance Sheet

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# Life Core: Technical reserves

In million CHF (IFRS basis)



# Assets under management

In billion CHF (IFRS basis)

	HY 2003	FY 2002	Change
Total on-B/S-assets <sup>(1)</sup>	153.7	146.2	5.1%
minus externally managed on-B/S-assets			
• Assets of unit-linked business	- 3.4	- 4.0	- 15.0%
• Ext. managed alternative investments and other assets	- 6.6	- 5.8	13.8%
<hr/> Total on-B/S-assets managed in-house	<hr/> 143.7	<hr/> 136.4	<hr/> 5.4%
Third party off-B/S-assets	44.9	47.6	- 5.7%
<hr/> Total assets under management	<hr/> 188.6	<hr/> 184.0	<hr/> 2.5%

(1) Including fair value adjustments

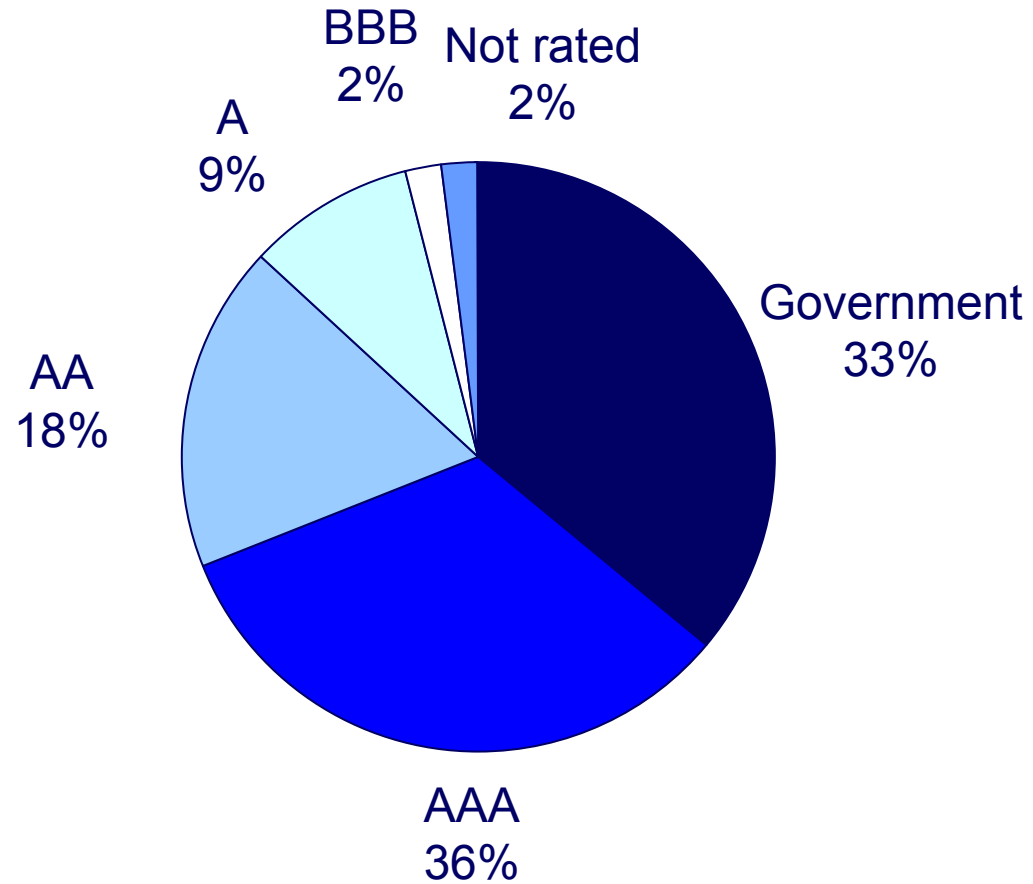
# Bond portfolio

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Insurance portfolio (IFRS basis)

Breakdown by rating

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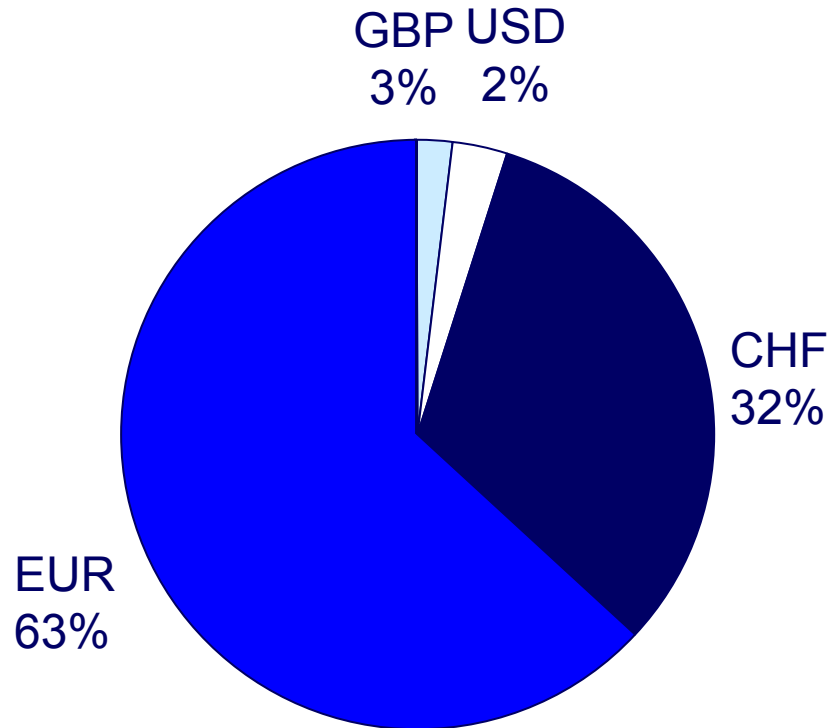
# Bond portfolio: currency exposure

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Insurance portfolio (IFRS basis)

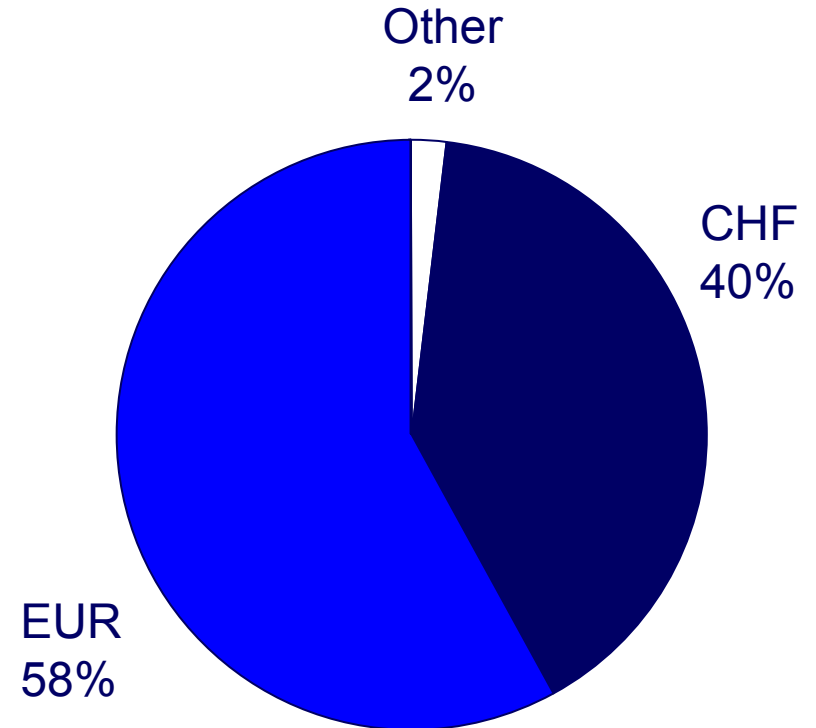
Before hedges

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After hedges

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# Bond portfolio: duration

Insurance portfolio (IFRS basis)

	Modified duration <sup>(1)</sup>	
CHF	31.8%	7.4
EUR	63.0%	6.0
GBP	3.0%	14.7
USD	2.1%	6.2
Other	0.1%	2.8
<b>Average</b>	<b>100.0%</b>	<b>6.7</b>

(1) After currency hedges

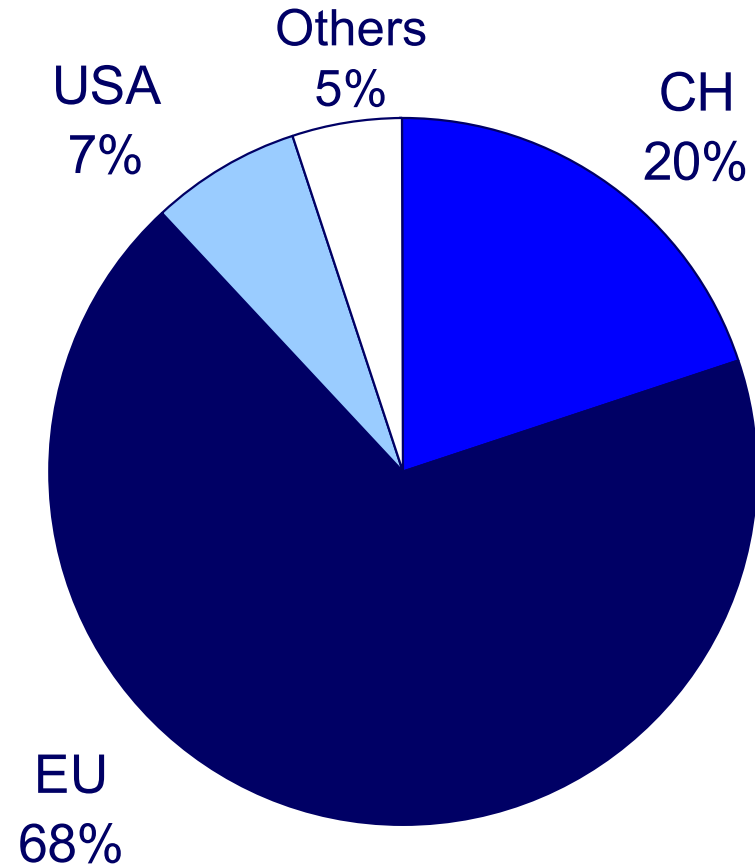
# Equity portfolio

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Insurance portfolio (IFRS basis)

## Breakdown by country

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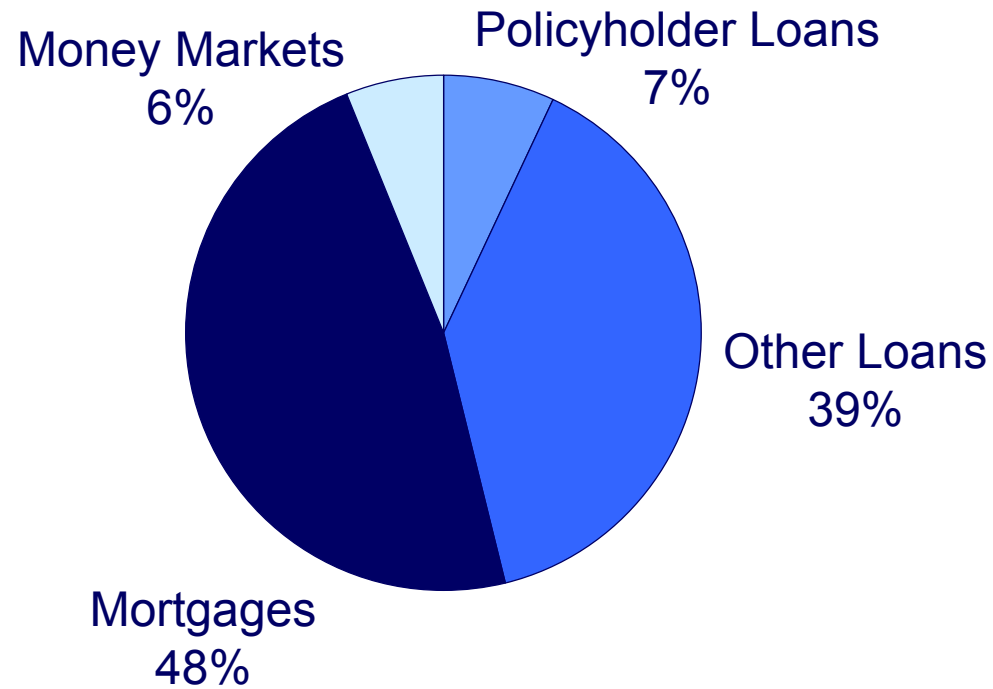
# Loan portfolio

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Insurance portfolio (IFRS basis)

## Breakdown by type

---



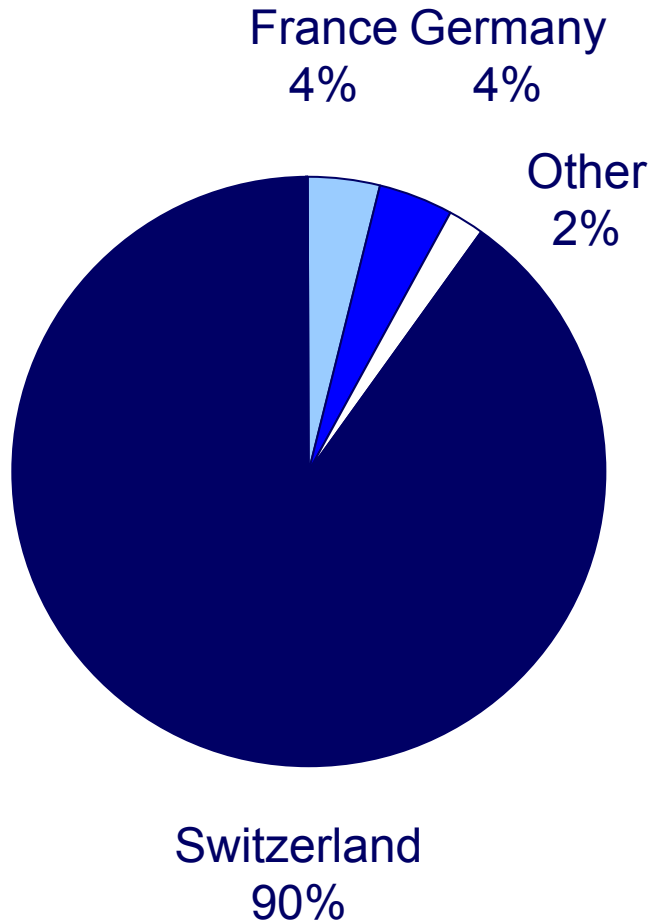
# Real estate portfolio

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Insurance portfolio (IFRS basis)

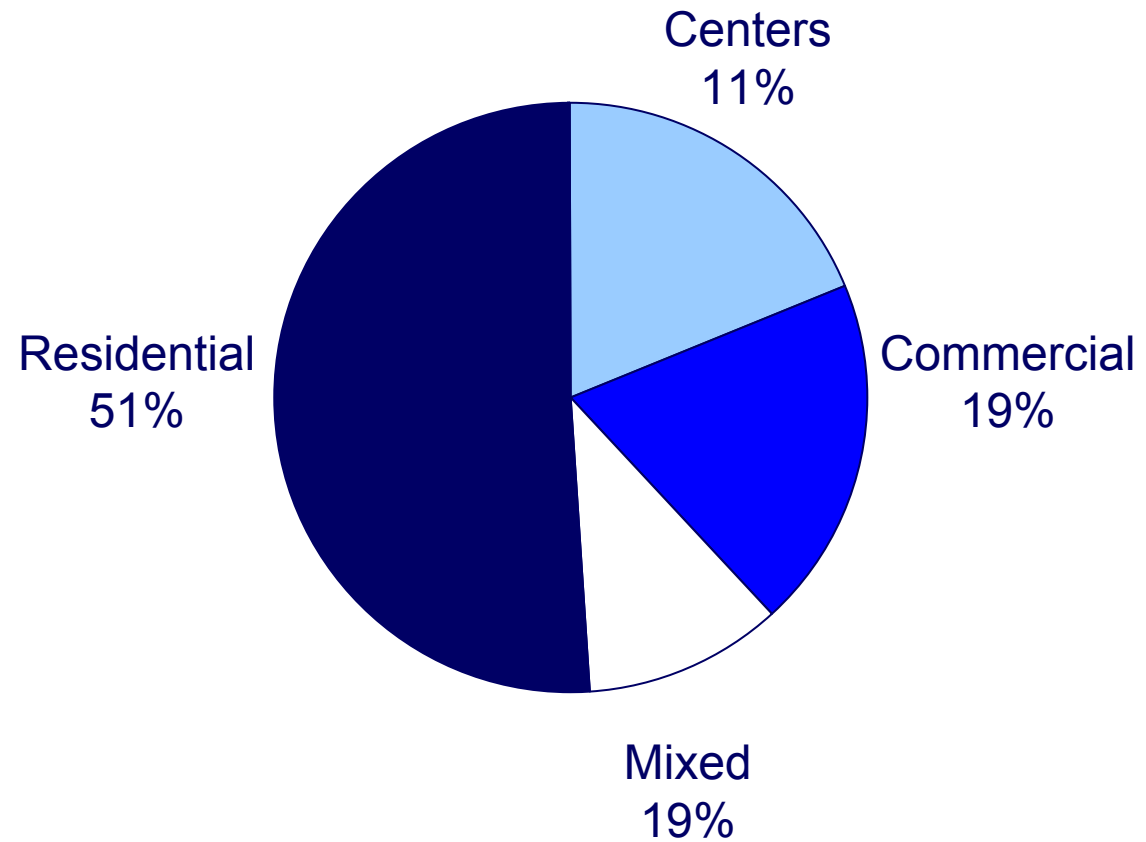
Breakdown by country

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Breakdown by type

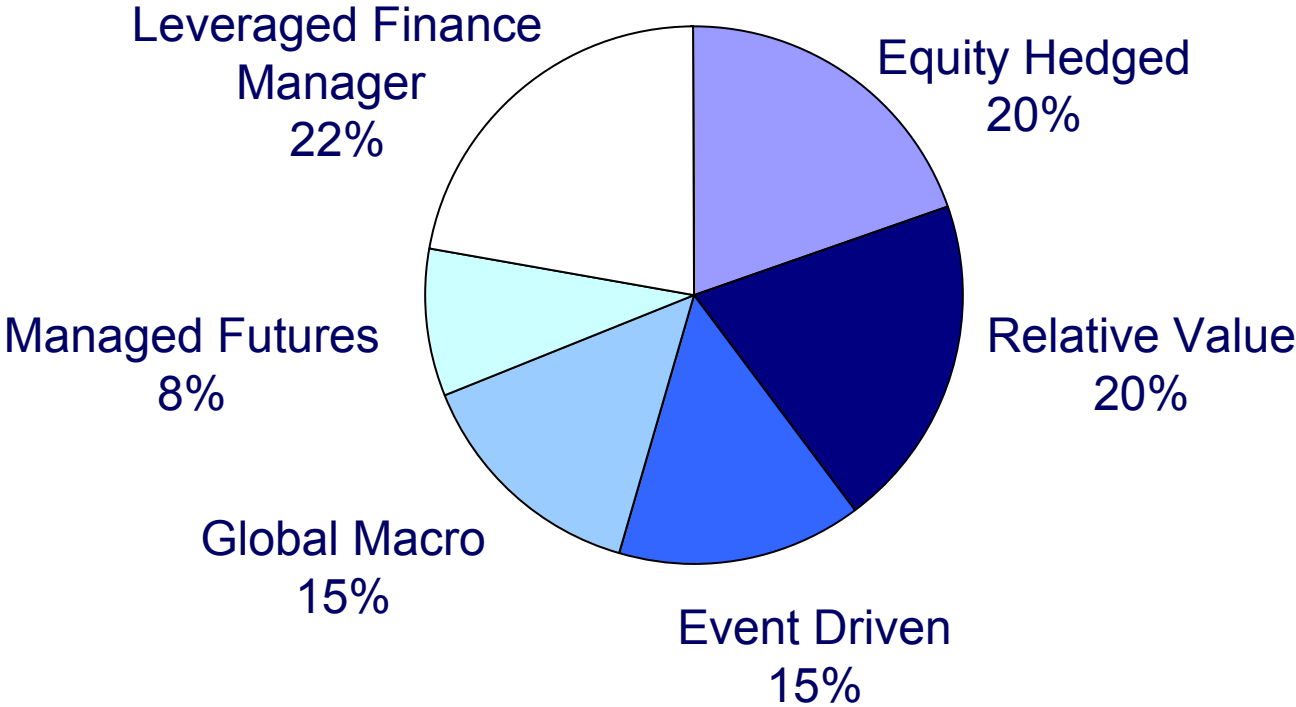
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# Hedge funds portfolio

Insurance portfolio

Breakdown by style



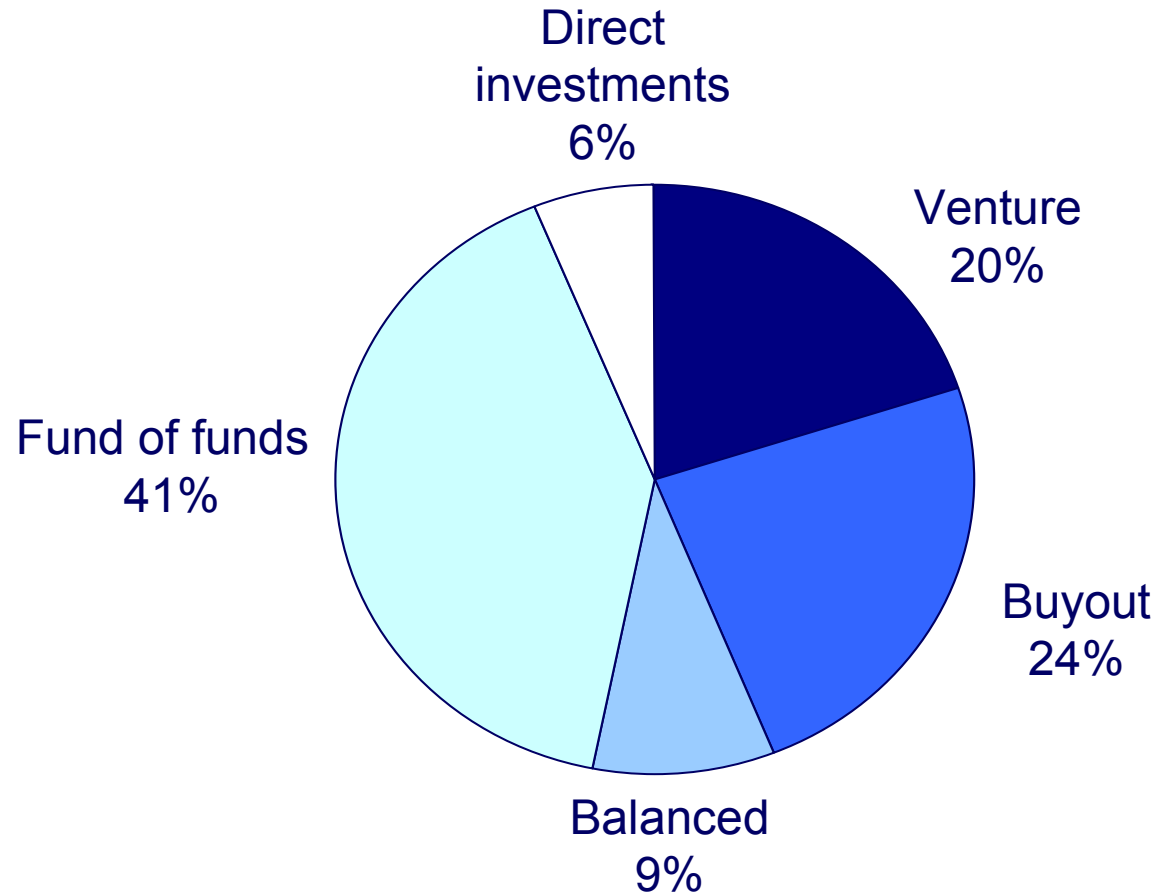
# Private equity portfolio

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Insurance portfolio

Investments: CHF 547 million

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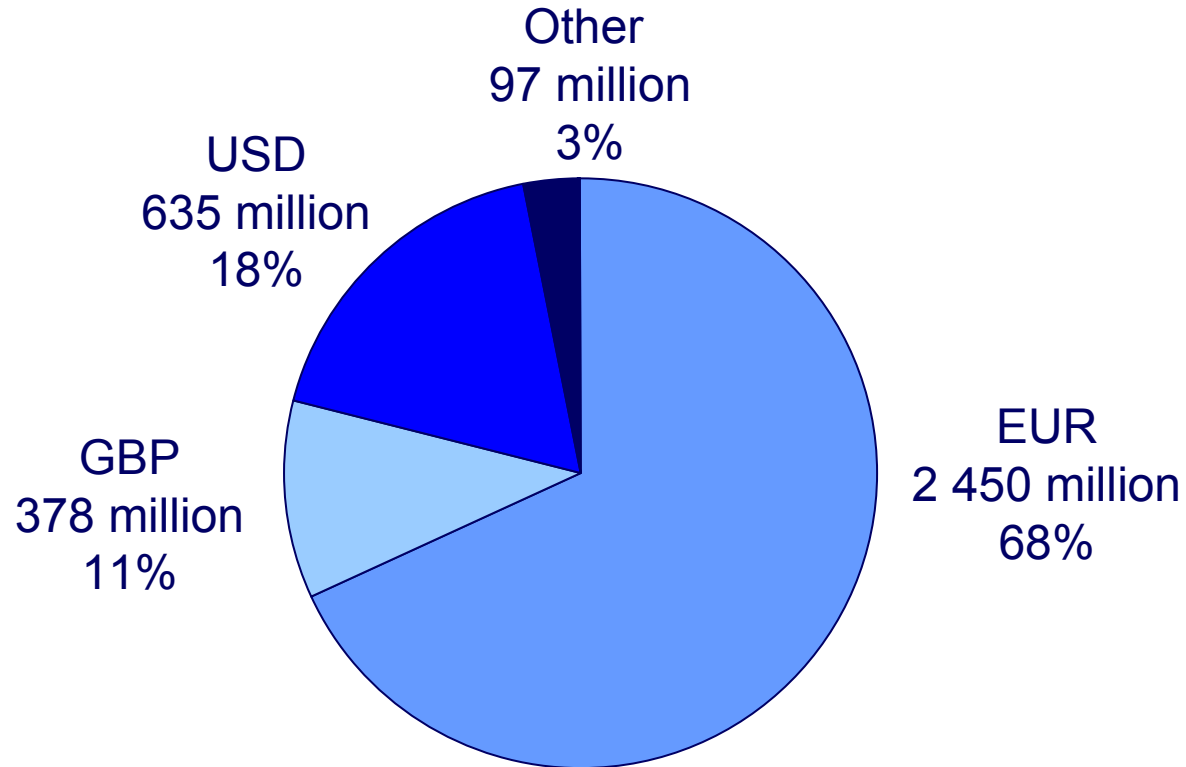


Open commitments: CHF 525 million

# Currency exposure

Insurance portfolio

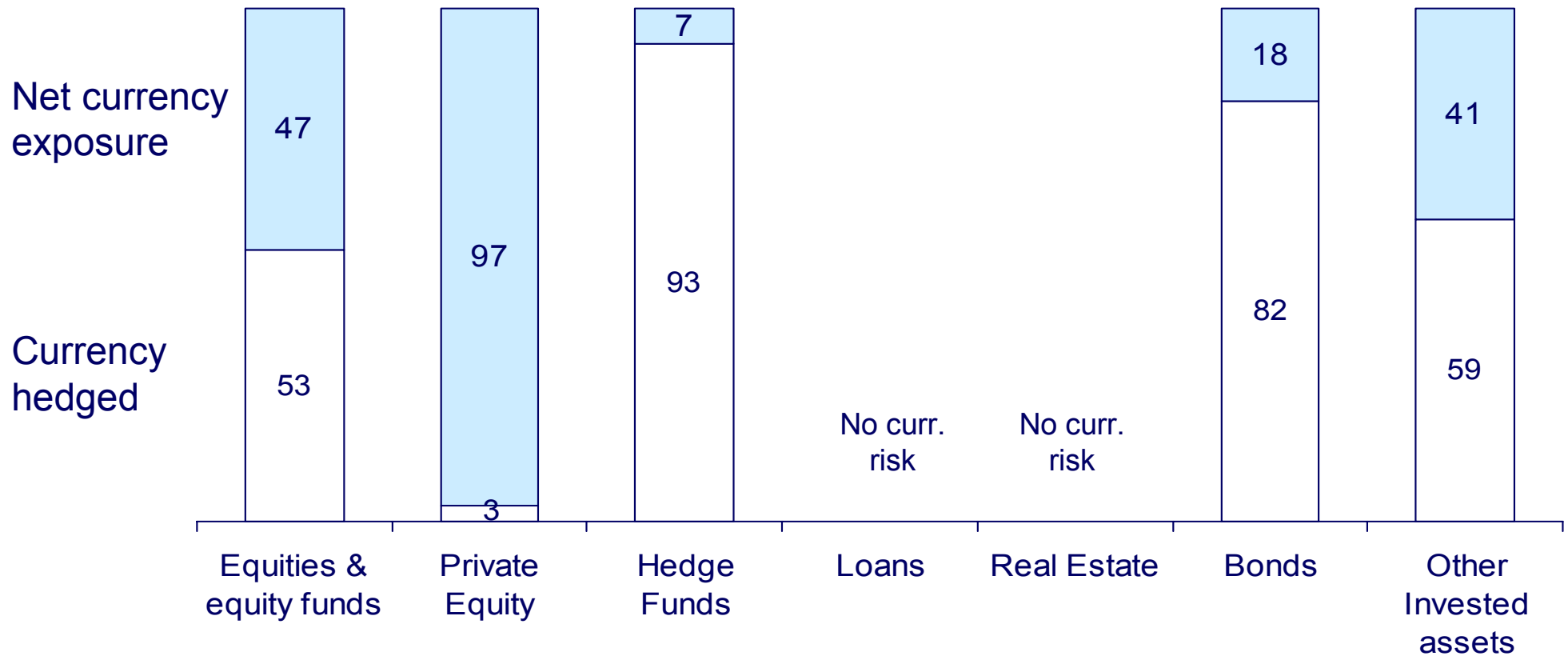
Net: 2.7% of total insurance portfolio assets



Net currency exposure	CHF 3 560 million
Hedged	CHF 12 158 million
Gross exposure	CHF 15 718 million

# Currency hedging ratios

Group; not consolidated



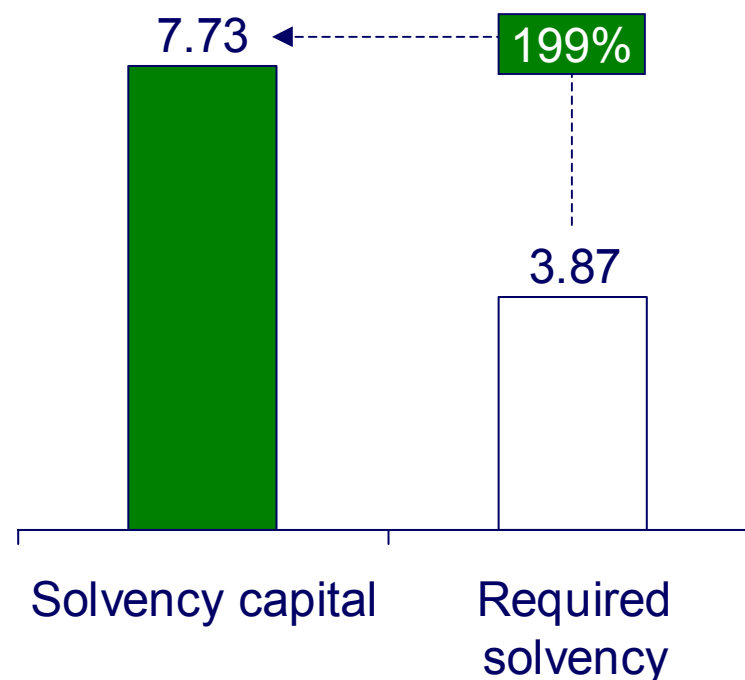
# Statutory solvency improved to 199%

In billion CHF (statutory basis); per 30 June 2003

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

Rentenanstalt stat.equity capital	1.41
Intangibles	- 0.08
Hybrid capital	+ 1.30
Additional Zillmerisation	+ 0.44
Unrealised capital gains	+ 4.02
Unattributed surplus	+ 0.64
<b>Solvency capital</b>	<b>7.73</b>

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



Free capital and additional reserves not included in solvency capital

(1) Rentenanstalt represents 90% of total mathematical reserves

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# Components of the embedded value

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**ANAV:** Adjusted Net Asset Value:  $ANAV = \text{Equity} + \text{Adjustments}$

**PVFP:** Present Value of Future Profits: Cash flow projection model

- Calculation of the yearly statutory profits and losses
- Long-term perspective

**Lock-in:** Cost of solvency capital

Value of the existing portfolio only: not appraisal value

No PVFP calculated for Non-Life and Health Insurance

$$EV = ANAV + PVFP - \text{Lock-in}$$

# Implementation of embedded value at Swiss Life

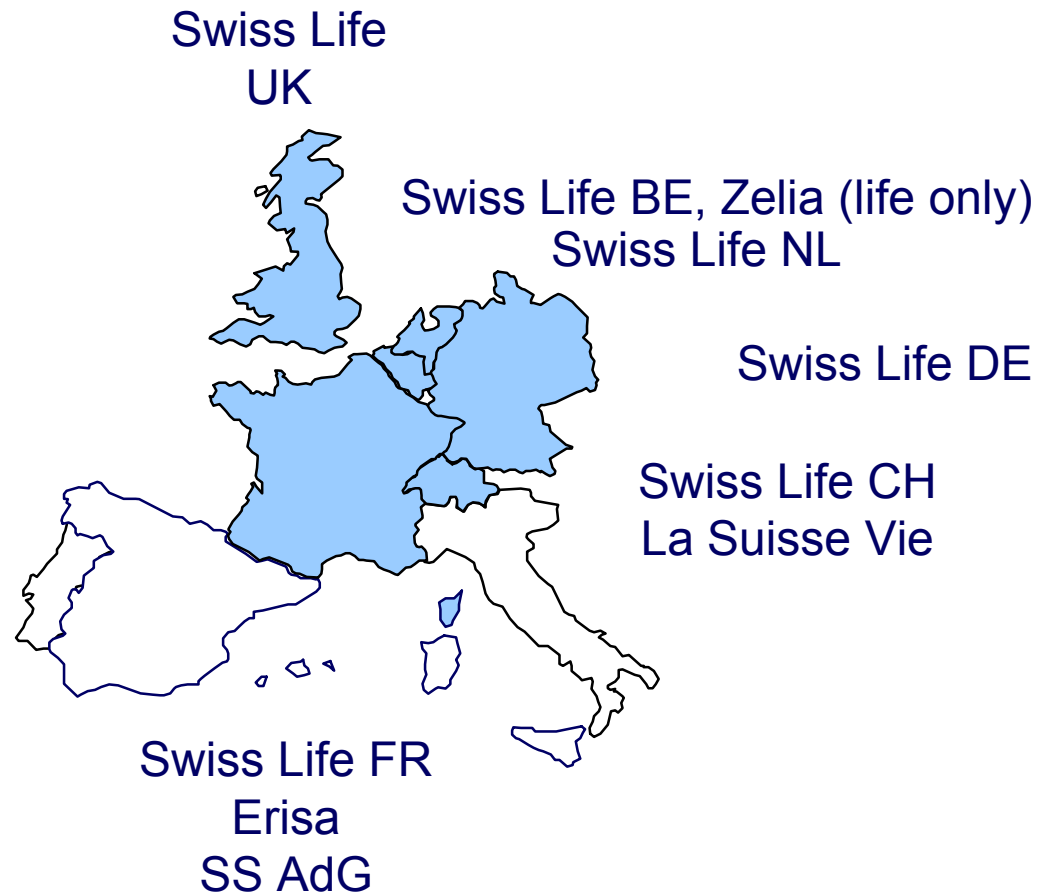
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ANAV and PVFP have been calculated for more than 95% of the mathematical reserves

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

B&W Deloitte has reviewed the embedded value calculations



# Asset allocation by region

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## Assumptions

	HY 2003		FY 2002	
	CH	EU	CH	EU
Cash and cash-equivalents	1%	1%	1%	3%
Bonds and loans	61%	73%	61%	75%
Mortgages	10%	10%	10%	5%
Real estate	14%	4%	14%	3%
Equities	3%	8%	3%	8%
Participation	4%	3%	4%	6%
Alternative investments	7%	1%	7%	0%

# Key assumptions for embedded value calculation

HY 2003		FY 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 – FX	2.5%	-	4.5%	-
Non-FX	2.5%	4.0%	2.5%	4.3%
Real estate return	4.3%	5.7%	4.6%	5.4%
Hedge fund return	5.0%	6.0%	5.5%	5.5%
Weighted new money rate	3.1%	4.3%	3.9%	4.7%

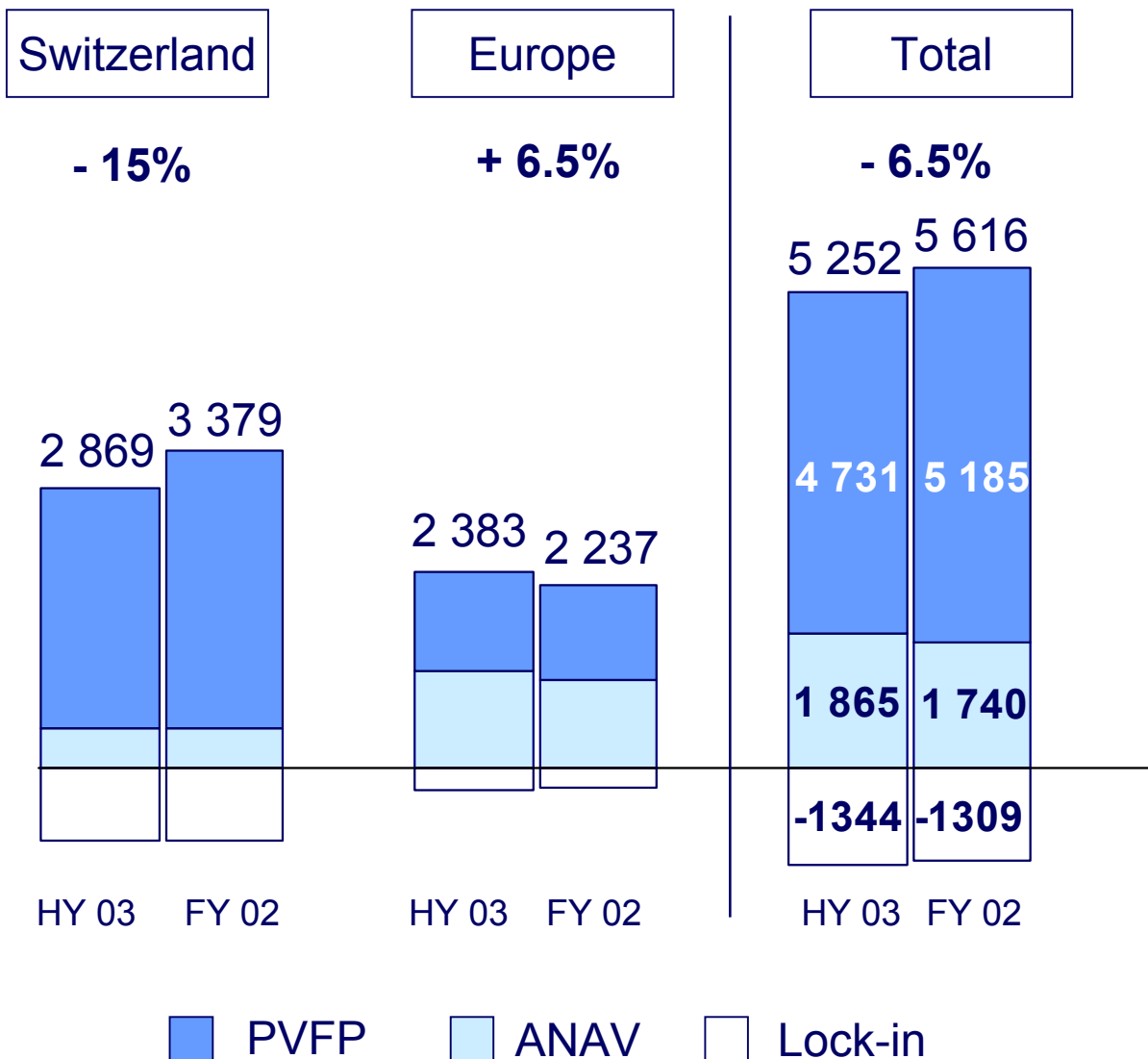
- Weighted new money return based on asset allocation
- Weighted returns are lower due to reduced future assumed investment returns
- Long-term bond return from 2008 onwards
 

CH	3.5%
EU	4.9%
- Long-term weighted new money rate from 2008 onwards
 

CH	3.9%
EU	4.8%

# Embedded value impacted by lower economic assumptions

RA/SL, in million CHF (statutory basis)



## Decrease due to

- Lower interest rates and lower expected equity returns

## But partially offset by

- Reduced expenses
- Positive value of new business

## EV estimate (05.09.2003)

- CHF 5.9 billion (+ 5%) due to rise in interest rates of 40bps (CHF + 640 million)

# Embedded value for Swiss Life Holding

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RA/SL, in million CHF (statutory basis)

RA/SL embedded value HY 2003 5 252

SL Holding owns 92.52%

SL Holding share of embedded value 4 859

Free capital 881

**Total 5 740**

EV per share<sup>(1)</sup> CHF 265

EV per share (fully diluted)<sup>(2)</sup> CHF 245

(1) Based on 21 679 408 shares

(2) Based on 23 447 943 shares; including shares issued for Mandatory Convertible Security

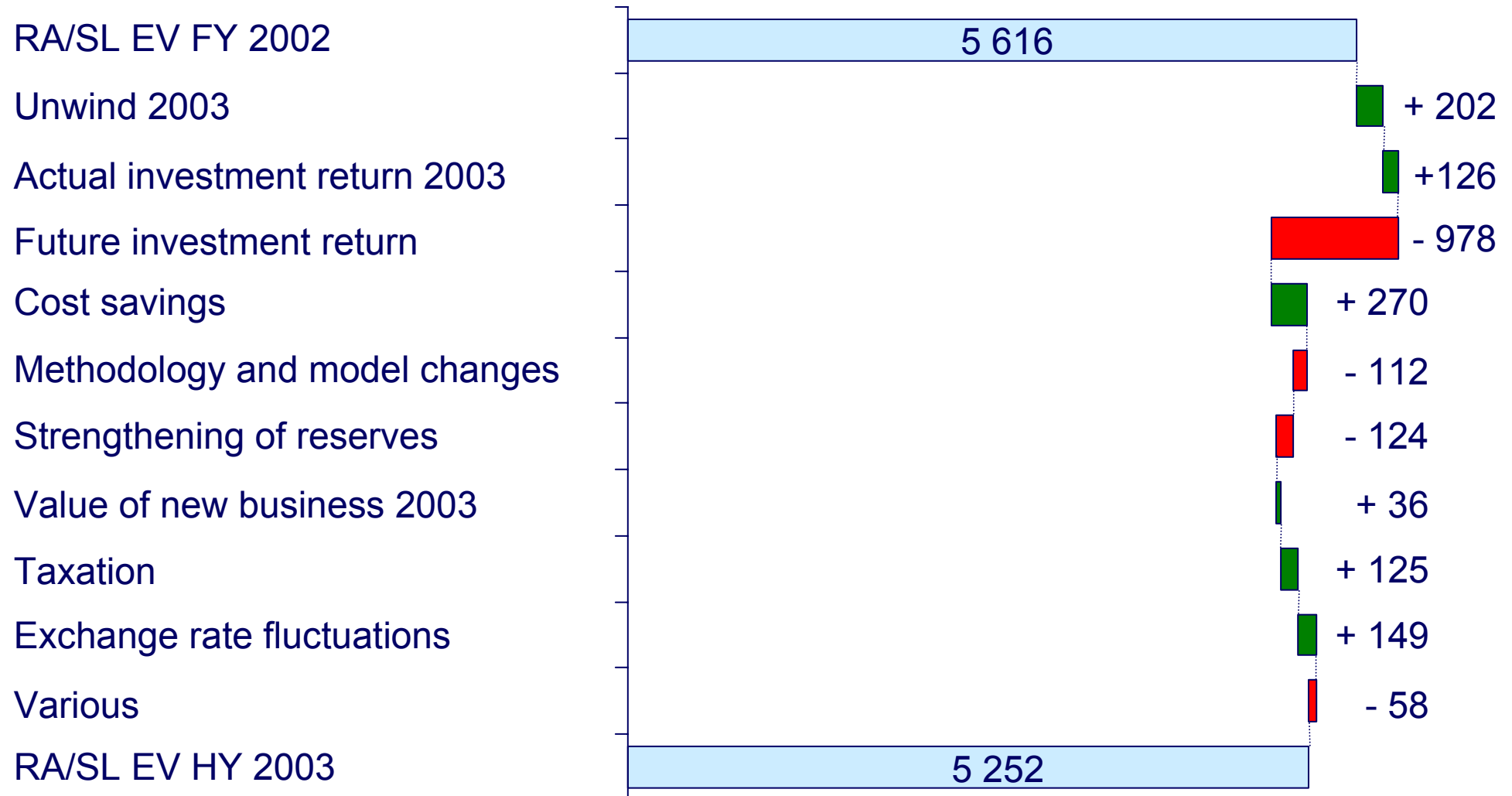
# ANAV improved from CHF 1.7 to 1.9 billion

RA/SL, in million CHF (statutory basis)

	HY 2003	FY 2002	Change
Statutory equity of RA/SL	1 409	1 327	6.2%
Unrealised capital gains after tax & policyholder participation	+ 1 084	+ 1 019	6.4%
Statutory book value of life subsidiaries	- 898	- 854	5.2%
Net asset value of other units	+ 270	+ 248	8.9%
Adjusted net asset value (ANAV)	1 865	1 740	7.2%

# Embedded value decreased by CHF 364 million

RA/SL, in million CHF (statutory basis)





# Embedded value decreased by 6.5%

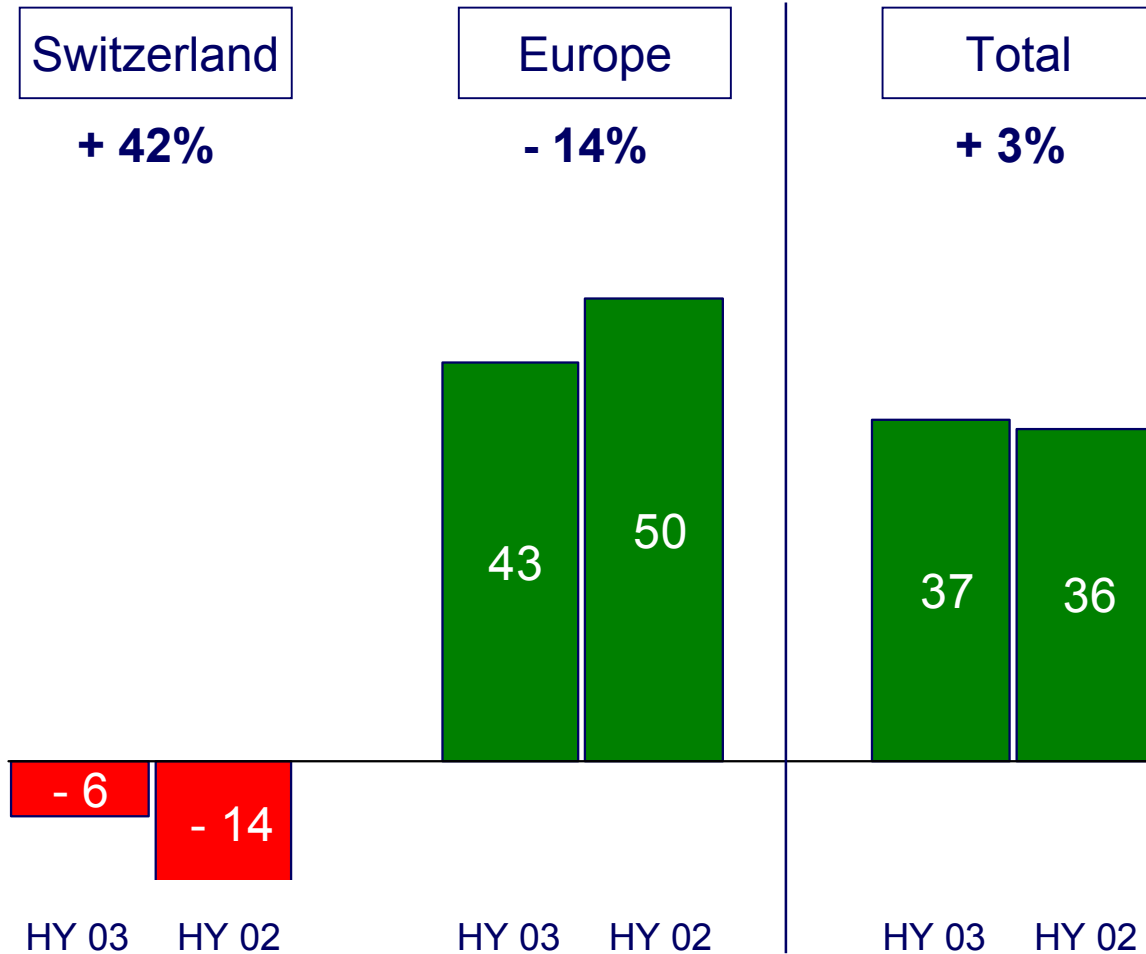
RA/SL, in million CHF (statutory basis)

<b>RA/SL EV FY 2002</b>	<b>5 616</b>	<b>100%</b>
Unwind 2003	202	+ 4%
Investment returns	- 852	- 15%
• <i>Actual 2003</i>	126	
• <i>Future</i>	- 978	
Cost savings	270	+ 5%
Methodology and model changes	- 112	- 2%
Strengthening of reserves	- 124	- 2%
Value of new business 2003	36	+ 1%
Taxation	125	+ 2%
Exchange rate fluctuations	149	+ 3%
Various	- 58	- 1%
<b>RA/SL EV HY 2003</b>	<b>5 252</b>	<b>94%</b>

**Jan-Jun 03: - 364 (- 6.5%)**

# Value of new business increased by 3%

RA/SL, in million CHF (statutory basis)



## Value of new business of CHF 37 million due to

- (-) Lower interest rates in bonds
- (-) Lower expected equity returns

## Switzerland

- (+) Lower expenses
- (-) Reduced volumes

## EU

- (+) Reduced expenses
- (-) Decreased margins

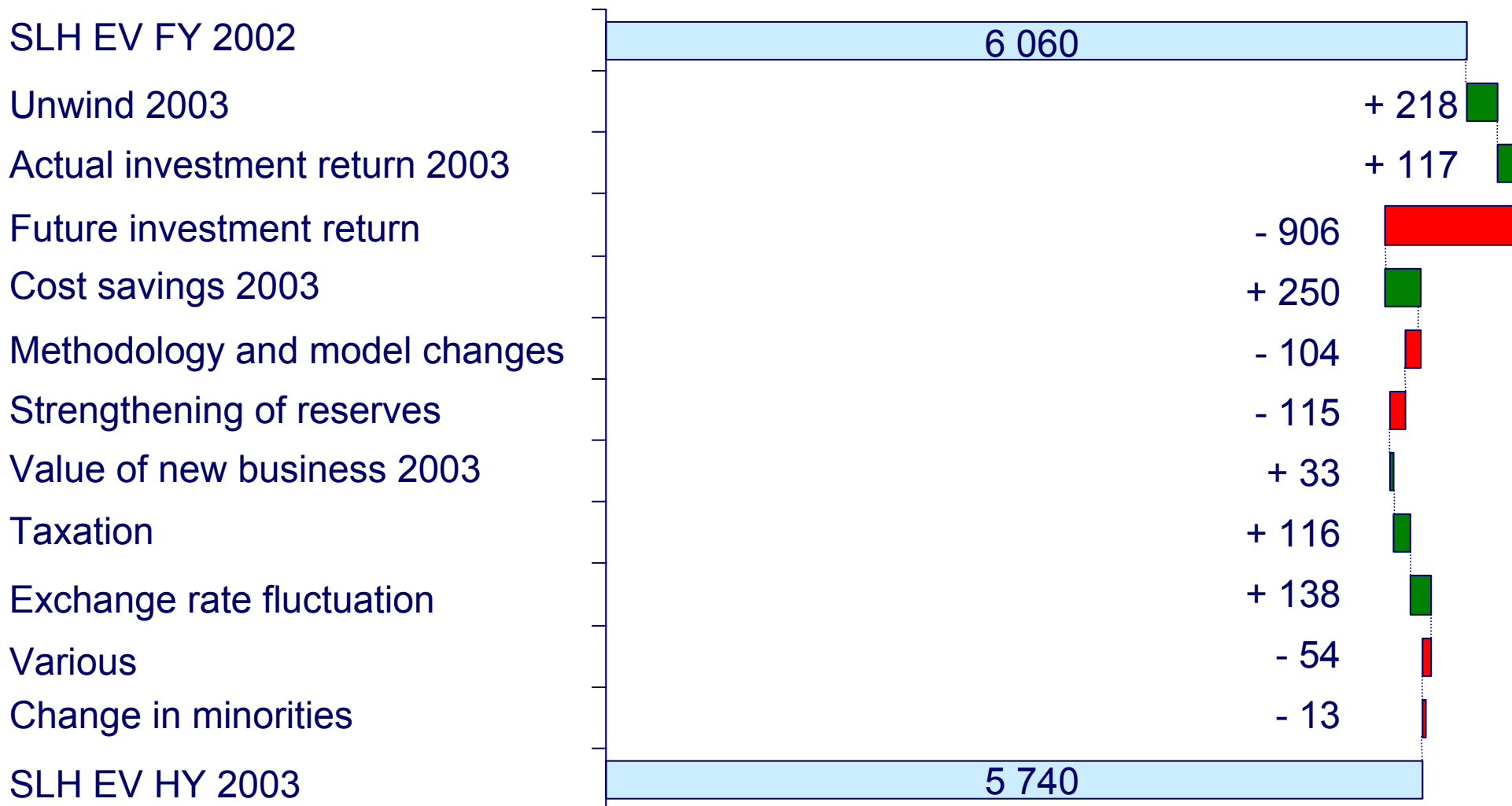
# Sensitivities of embedded value

RA/SL, in million CHF (statutory basis)

	Switzerland	Europe	Total
<b>RA/SL EV HY 2003 (base case)</b>	2 869	2 383	5 252
• $\Delta$ Risk discount rate - 50bps	+ 194	+ 86	+ 280
• $\Delta$ Investment returns + 50bps	+ 527	+ 276	+ 803
• $\Delta$ Investment returns - 50bps	- 1 756	- 303	- 2 059
• $\Delta$ Equity values + 10%	+ 143	+ 70	+ 213
• $\Delta$ Property values + 10%	+ 660	+ 22	+ 682

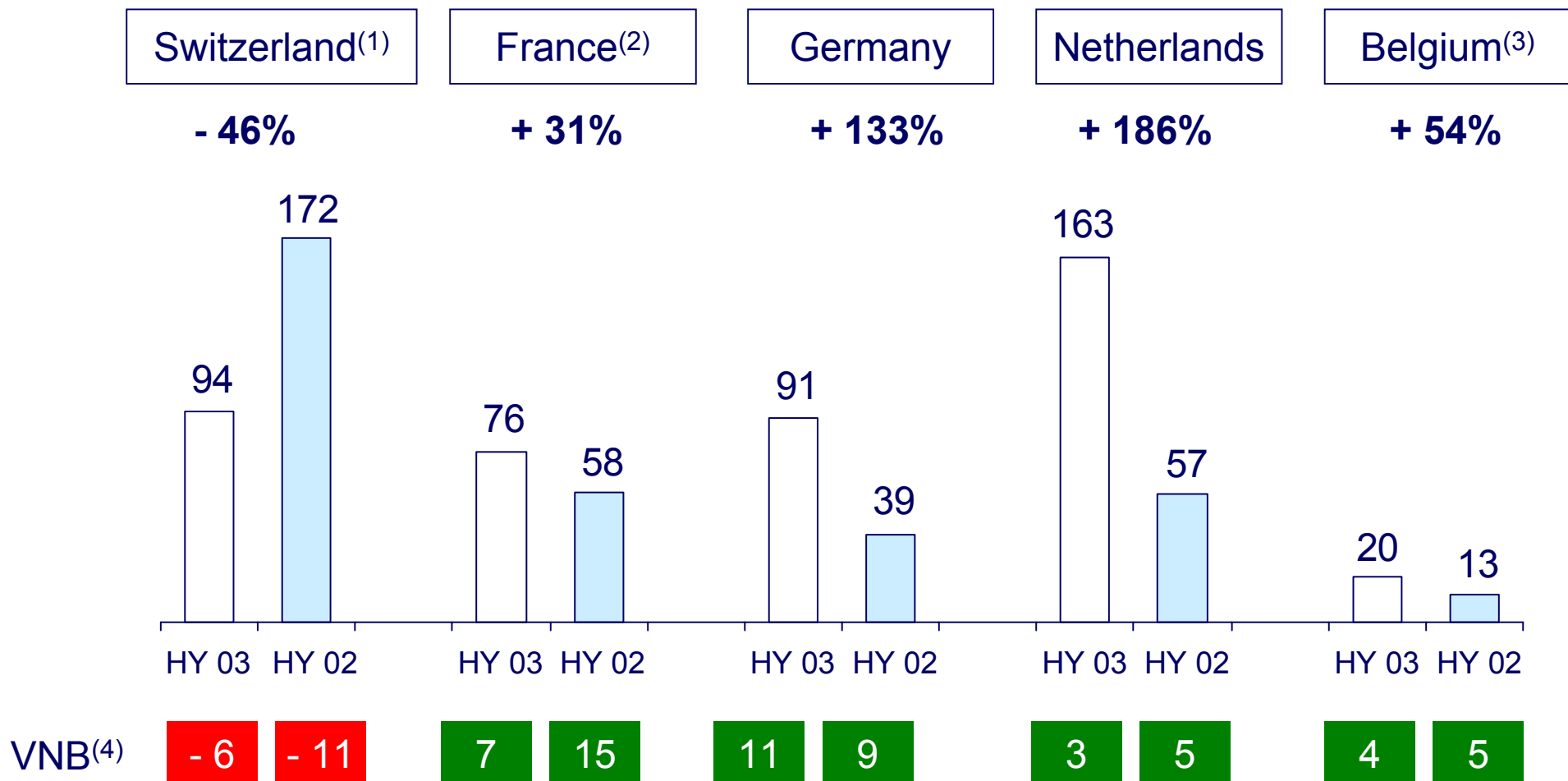
# Analysis of change (for Swiss Life Holding)

In million CHF (statutory basis)



# Annual premium equivalents

In million CHF (statutory basis)



(1) Without La Suisse Vie; (2) Without SS ADG and Erisa; (3) Without Luxembourg; (4) Value of New Business

# Average Swiss technical interest rate of 3.11%

RA/SL and La Suisse Vie, in million CHF (statutory basis)

Technical interest rate	HY 2003	FY 2002
0% - < 2%	2 658 (0.00%)	1 998 (0.00%)
2% - < 3%	3 416 (2.49%)	3 037 (2.50%)
3% - < 4%	53 975 (3.26%)	32 725 (3.25%)
4% - < 5%	2 532 (4.05%)	24 340 (4.00%)
5% - < 6%	81 (5.47%)	81 (5.47%)
6% - < 7.5%	25 (6.00%)	25 (6.00%)
<b>Total Reserves</b>	<b>62 687 (3.11%)</b>	<b>62 205 (3.41%)</b>

# Cautionary statement regarding forward-looking information

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# Appendix

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# Contact the Media Relations Team

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