

Half-year results 2005 Investors' Presentation

Zurich, 5 September 2005

Agenda



1. Overview

Rolf Dörig

2. Financial results

Bruno Pfister

3. Outlook

Rolf Dörig

Results improving consistently



- **Operating improvements led to net result of CHF 463 million (+29%)**
- **Growth and efficiency achievements encouraging**
- **Financial strength further improved**

Results improving consistently

- **Operating improvements led to net result of CHF 463 million (+29%)**
 - Supported by positive tax effect
 - Affected by restructuring costs («La Suisse»)
- **Growth and efficiency achievements encouraging**
 - Organic premium growth of 6%
 - Adjusted operating expenses continue to decline (-2%)
- **Financial strength further improved**
 - Shareholders' equity up 19% to CHF 7.5 billion
 - Duration gap closed

Solid bottom line performance

- Return on equity: 13.4%; Earnings per share: CHF 12.93 (+9%)
- Embedded value per share: CHF 248 (+6%)

Solid business performance

- **Switzerland: Progress in profitability improvement**
 - Operating result significantly improved (excl. restructuring costs)
 - Solution for «La Suisse» strengthens market position and provides further potential for efficiency gains
- **International: Growth opportunities seized**
 - Premium volume up 16% with contribution from all markets
 - Distribution and product mix optimised
- **Investment management: Performance excellence maintained**
 - Total return of insurance portfolio at 8% (annualised)
 - Continued low risk profile
- **Banca del Gottardo: Sound basis to increase Group contribution**
 - Outsourcing of IT and back-office improves bottom line as of 2008
 - Transfer of excess capital to Swiss Life Holding of CHF 100 million before year end planned

Promising outlook

- **Strategy refined**
- **Growth perspectives attractive**
- **Further efficiency gains**

Net result of CHF 1 billion by 2008

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Organic premium growth of 6%

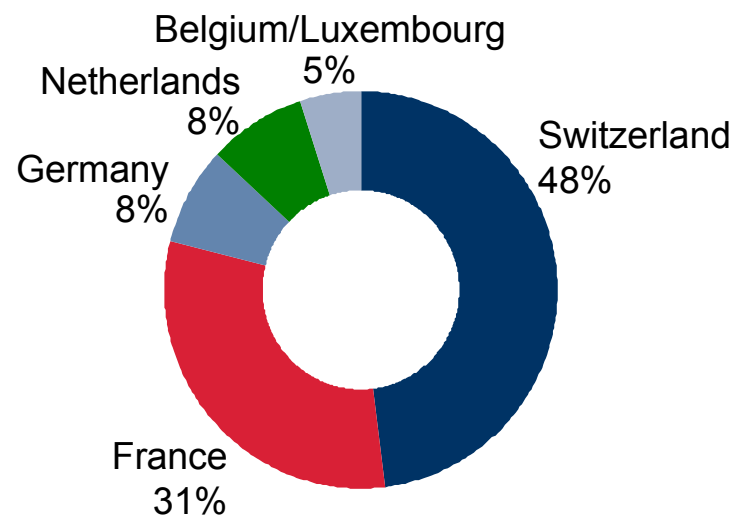
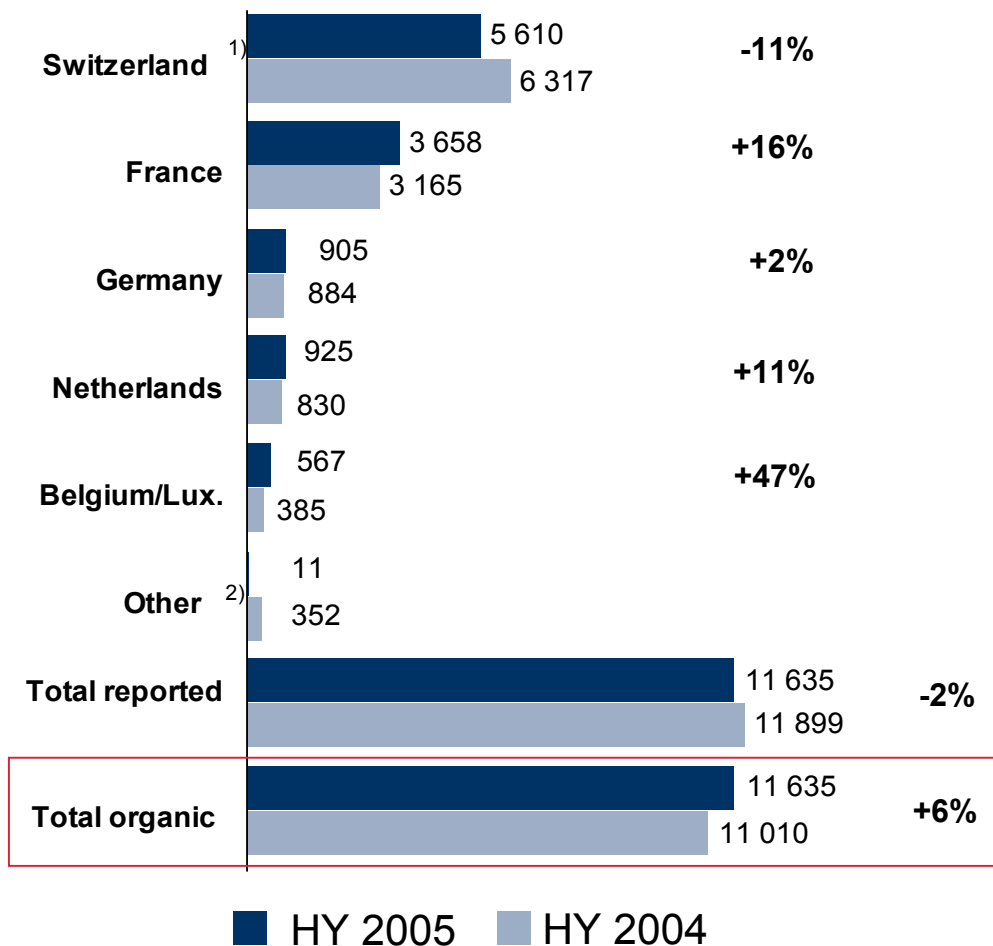
CHF million (IFRS basis)

	HY 2005	HY 2004	Change
GWP & PHD	11 635	11 899	-2%
«La Suisse» ¹⁾		-525	
United Kingdom		-340	
Currency effect		-24	
GWP & PHD (adjusted)	11 635	11 010	+6%

1) One-off impact of BVG contingency fund

Strong growth in Europe

GWP & PHD; CHF million (IFRS basis)



1) Including half-year 2004 CHF 525 million one-off impact of BVG contingency fund at «La Suisse»

2) Including United Kingdom CHF 340 million for half-year 2004

Continued stringent cost management



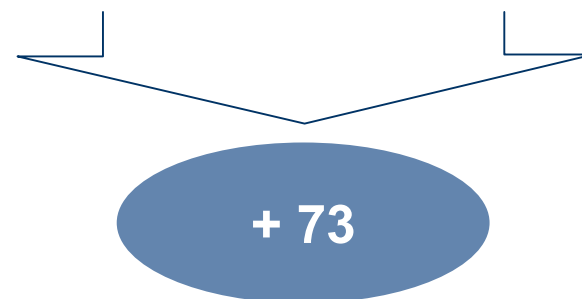
CHF million (IFRS basis)

	HY 2005	HY 2004	Change
Total operating expenses	1 528	1 469	4.0%
Commissions and DAC amortisation	-477	-391	22.0%
Goodwill amortisation		-39	
Currency effects		-2	
Adjustment UK		-26	
Restructuring cost «La Suisse»	-60		
Operating expenses (adjusted)	991	1 011	-2.0%

Net result from operations improved

CHF million (IFRS basis)

	HY 2005	HY 2004
Net result from operations	541	595
Restructuring cost «La Suisse»	+ 60	
PH participation France ¹⁾	+ 31	
Result UK		-75
Goodwill amortisation		+39
Net result from operations (adjusted)	632	559



1) In context of tax effect

Segment results

CHF million (IFRS basis)

	HY 2005	HY2004
Insurance	427	488
<i>Insurance (adjusted)</i>	518	431
Banking	80	76
Investment Management	22	34
Other	22	13
Eliminations	-10	-16
Net result from operations	541	595
Net result from operations (adjusted)	632	559

Insurance: Strong contribution from Switzerland

CHF million (IFRS basis)

	HY 2005	HY 2004
Switzerland	249 ¹⁾	264
France	51	37
Germany	20	43
Netherlands	65	80
Belgium/Luxembourg	50	6
Other ²⁾	-4	71
Eliminations	-4	-13
Net result from insurance operations	427	488
Net result from insurance operations (adjusted)	518	431

1) Including restructuring costs of CHF 60 million

2) Comprises Italy and Liechtenstein in 2005; Italy and UK in 2004

Net result increased to CHF 463 million (+29%)



CHF million (IFRS basis)

	HY 2005	HY 2004
Premiums, policy fees and PH deposits (gross)	11 635	11 899
Financial result ¹⁾	2 902	2 924
Net insurance benefits and claims	-8 529	-8 908
Policyholder participation	-870	-864
Operating expenses	-1 528	-1 469
Net result from operations	541	595
Borrowing costs	-95	-81
Taxes and results of associates	17	-156
Net result	463	358
Earnings per share (EPS in CHF) ²⁾	12.93	11.90
Return on equity (ROE)	13.4%	14.2%

1) Financial result for own risk

2) Diluted, based on 35 006 638 shares in 2005 and 28 902 958 shares in 2004

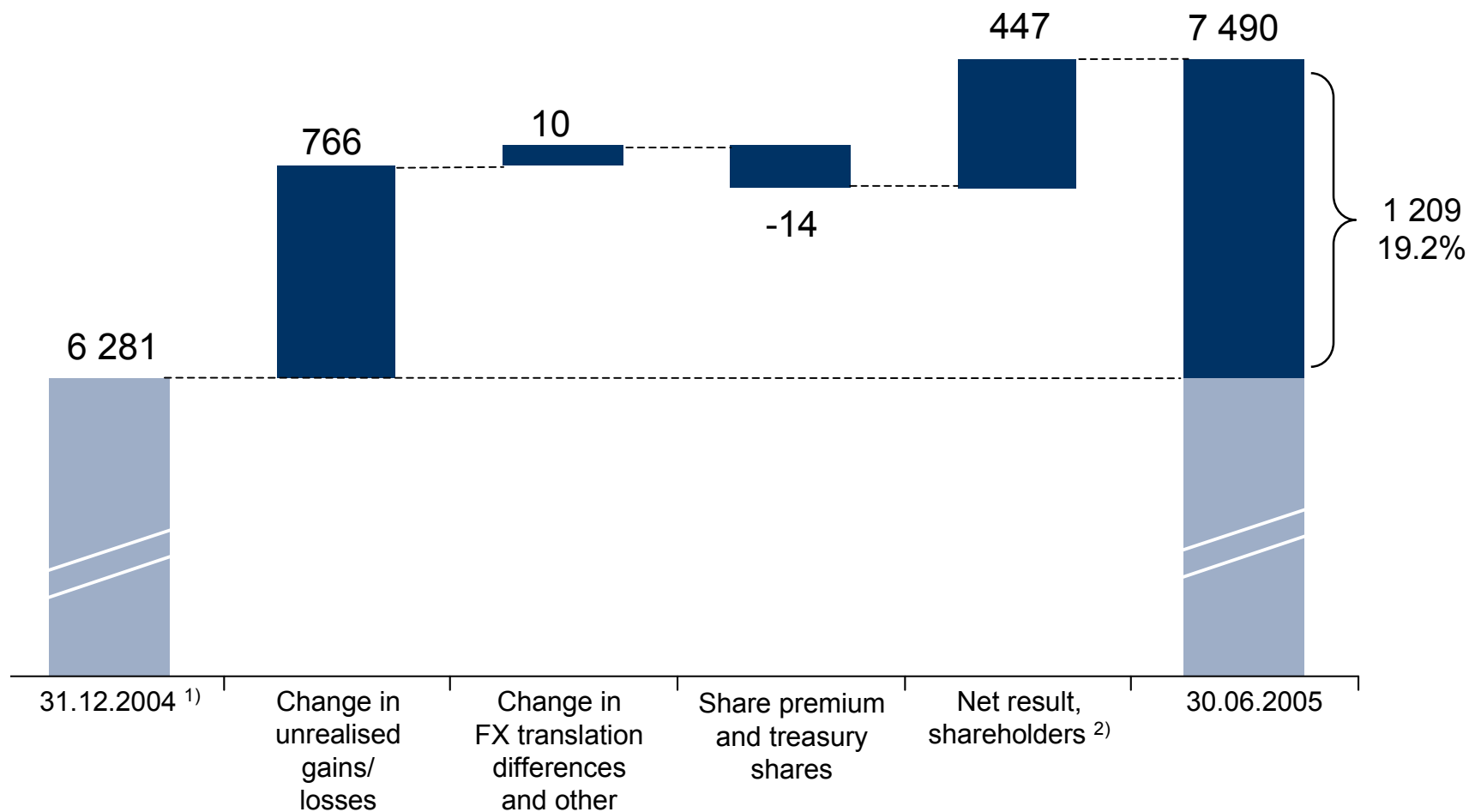
Balance sheet further strengthened

CHF million (IFRS basis)

	30.6.2005	31.12.2004
Insurance reserves	135 123	131 415
Insurance liabilities	103 462	103 068
Investment contracts with DPF	21 761	19 988
Investment contracts and PH deposits	2 615	2 679
Discretionary participation liabilities	7 285	5 680
Borrowings	6 359	6 313
Shareholders' equity	7 490	6 277
<hr/>		
Total liabilities and equity	173 772	164 736
<hr/>		
Core capital	17 064	13 740
Total equity	7 753	6 490
Mandatory convertible debt	250	250
Hybrid capital instruments	1 455	1 451
Deferred Group-related funds	7 606	5 549

Shareholders' equity up 19%

CHF million (IFRS basis)

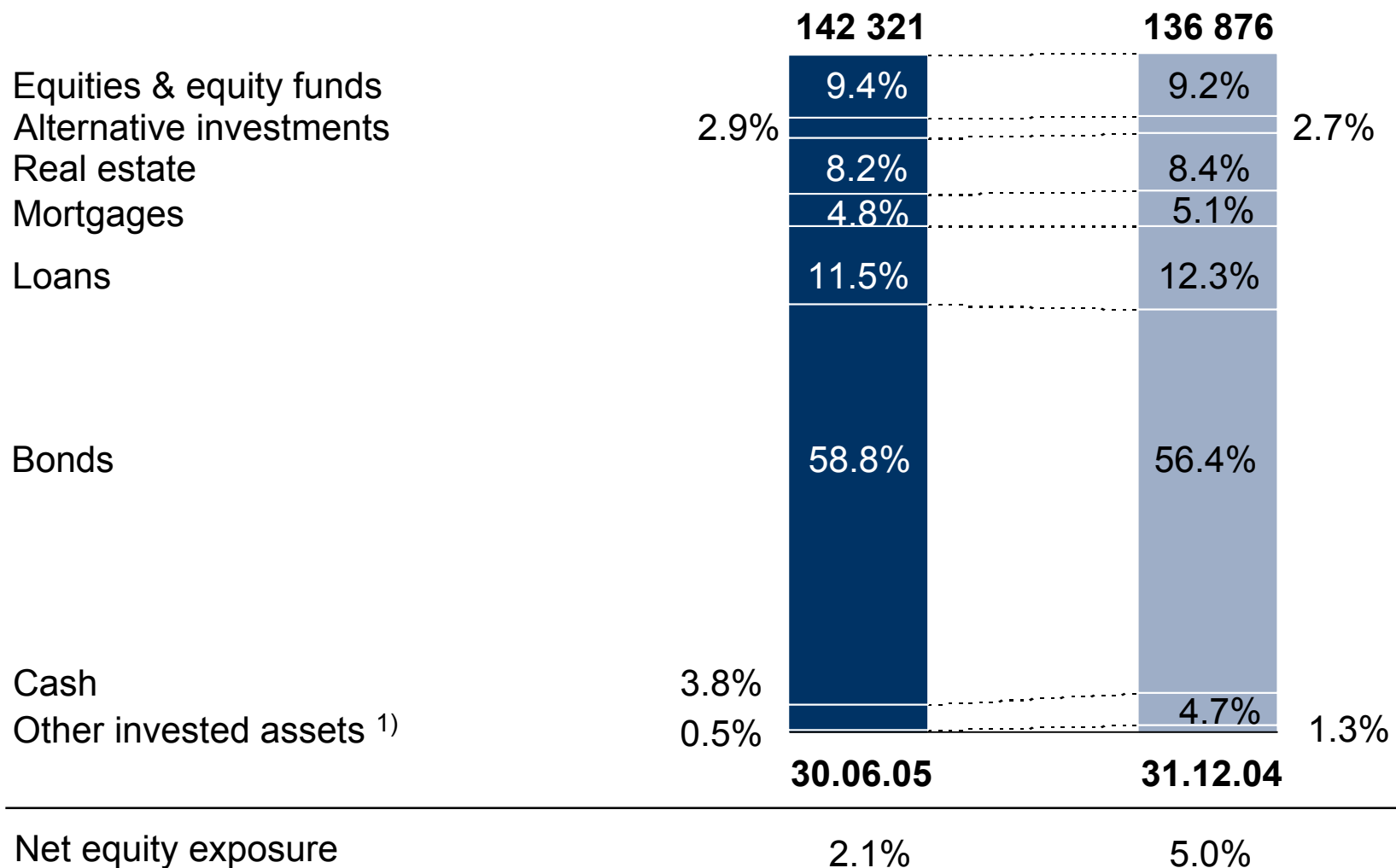


1) CHF 6 277 million plus IFRS 3 impact of CHF 4 million

2) Net result of CHF 463 million, less amount of CHF 16 million attributable to minority interest

Asset allocation insurance portfolio

CHF million (IFRS basis)

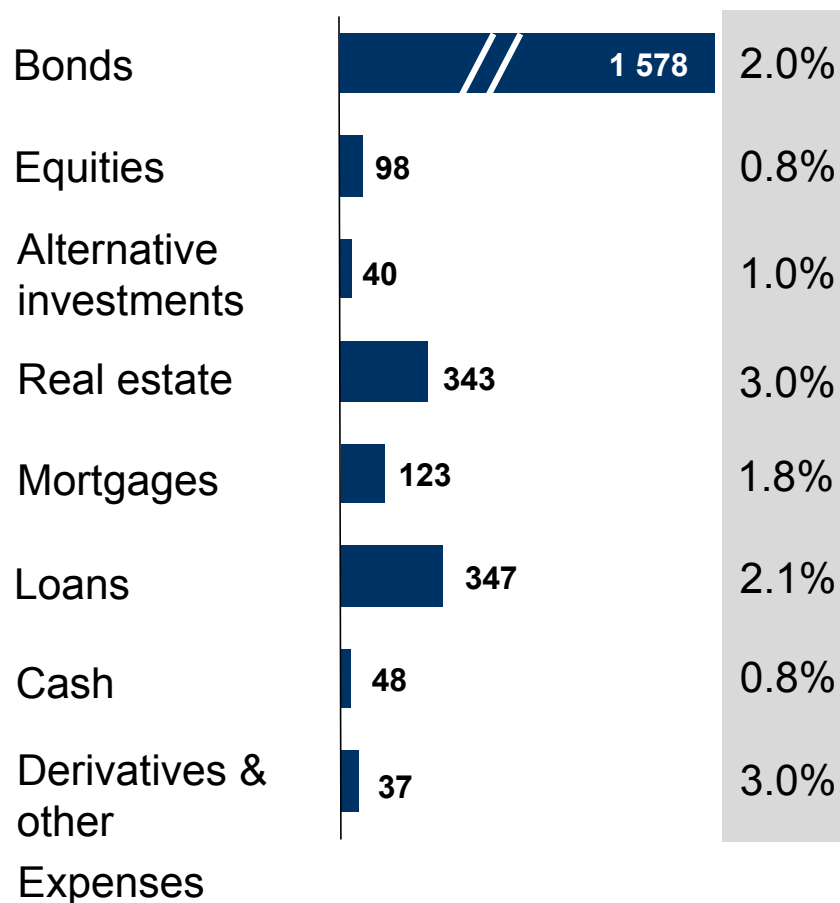


1) Including derivatives

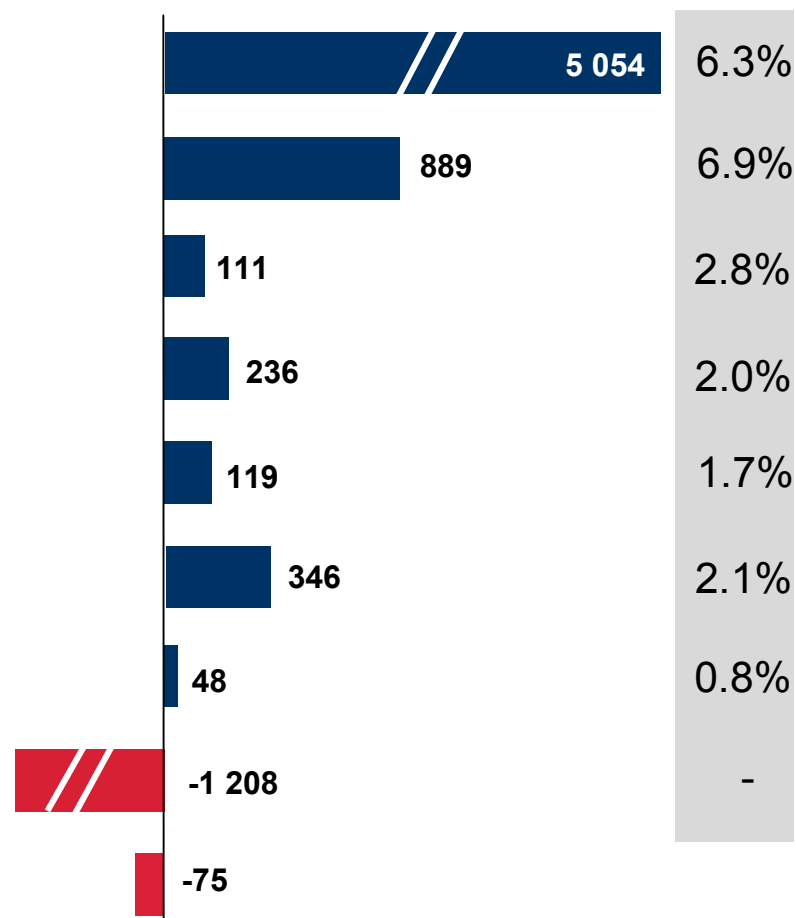
Investment return on insurance portfolio

CHF million (IFRS basis); Not annualised

Direct return of 1.9%



Total return of 3.9%



Embedded value highlights

CHF million (statutory basis)

	30.6.2005	31.12.2004	Change
Embedded value Switzerland	3 462	3 601	-3.9%
Embedded value Europe	2 934	2 819	+4.1%
ANAV of Swiss Life Holding ^{1) 2)}	1 981	1 516	
Embedded value Swiss Life Group	8 377	7 936	+5.6%
of which ANAV	5 762	4 909	
PVFP	4 210	4 507	
Cost of capital	-1 595	-1 480	
Embedded value per share ³⁾	248	235	

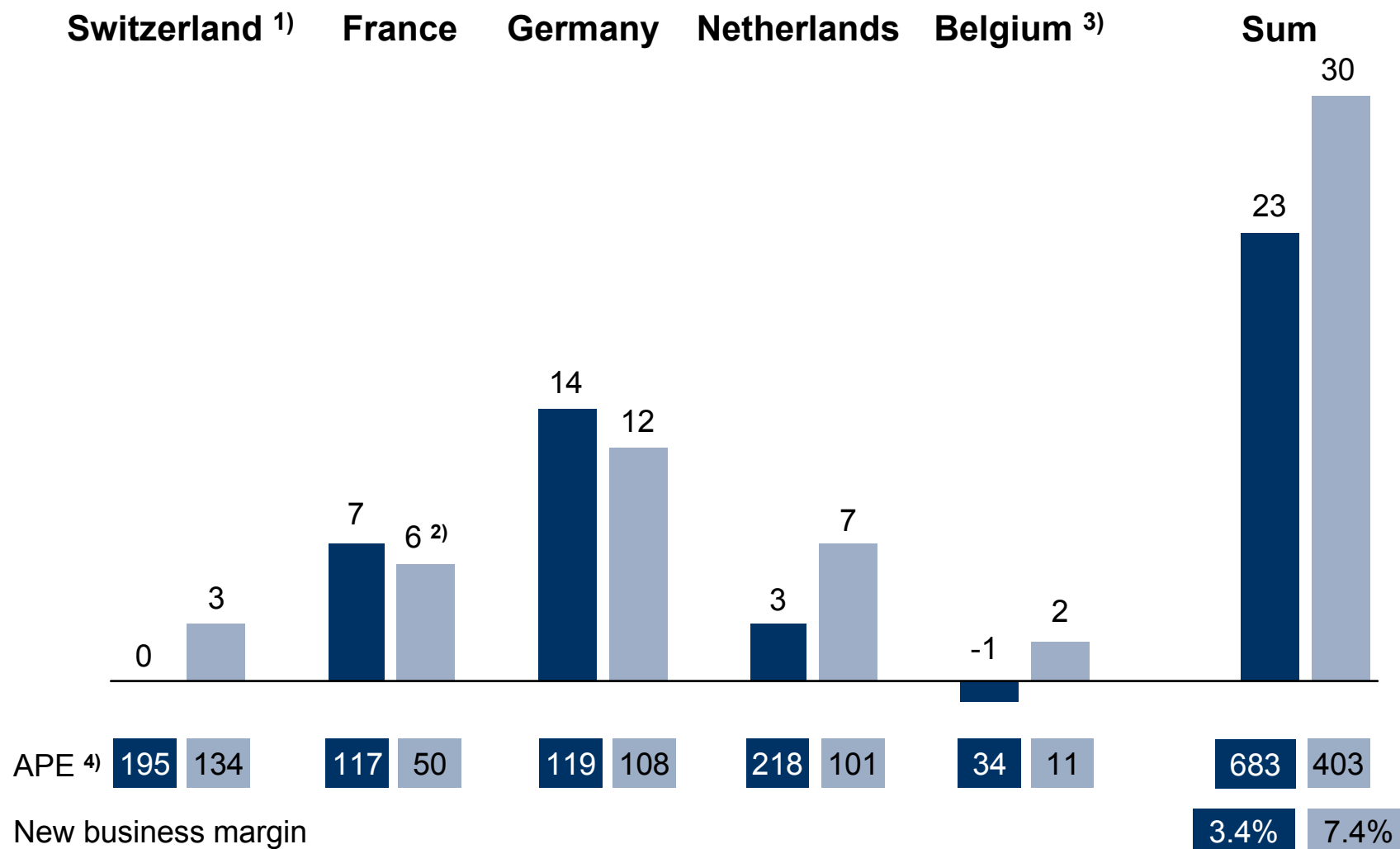
1) Equity of Swiss Life Holding less book value of Rentenanstalt/Swiss Life; including overhead

2) Including Banca del Gottardo at book value of CHF 1 340 million

3) Based on 33 775 818 shares

Value of new business

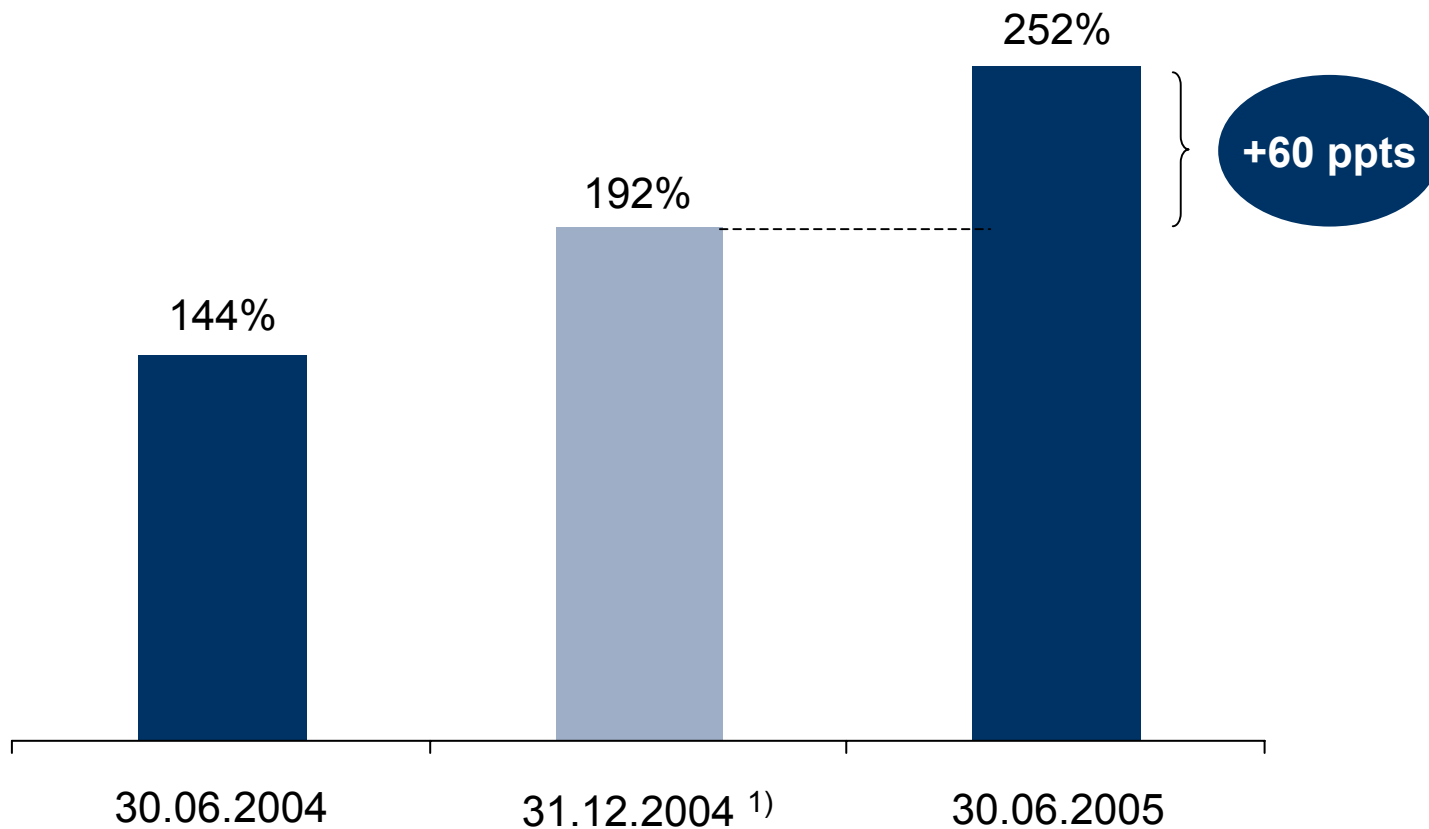
CHF million (statutory basis)



1) Including La Suisse Vie
3) Without Luxembourg

2) Excluding Swiss Life Assurance et Patrimoine; Erisa; Swiss Life Prévoyance et Santé
4) Annual premium equivalent

Group solvency substantially increased



1) Before restatement 195%

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Results improving consistently

- **Net result of CHF 463 million (+29%)**
- **Growth and efficiency achievements encouraging**
- **Financial strength further improved**

Our ambition: Pensions leadership

Growth

Focus on “pensions” related value proposition...



... to answer and satisfy clients’ growing pension needs

Develop own and third-party channels...



... to reduce single channel dependency

Efficiency

Increase basic insurance profitability substantially...



...to become less dependent on financial result

Reduce complexity at all stages of the value chain...



...to improve process efficiency and lower costs

Leadership

Enhance entrepreneurial responsibility and steering...



... to allow flexible and close-to-market decision making

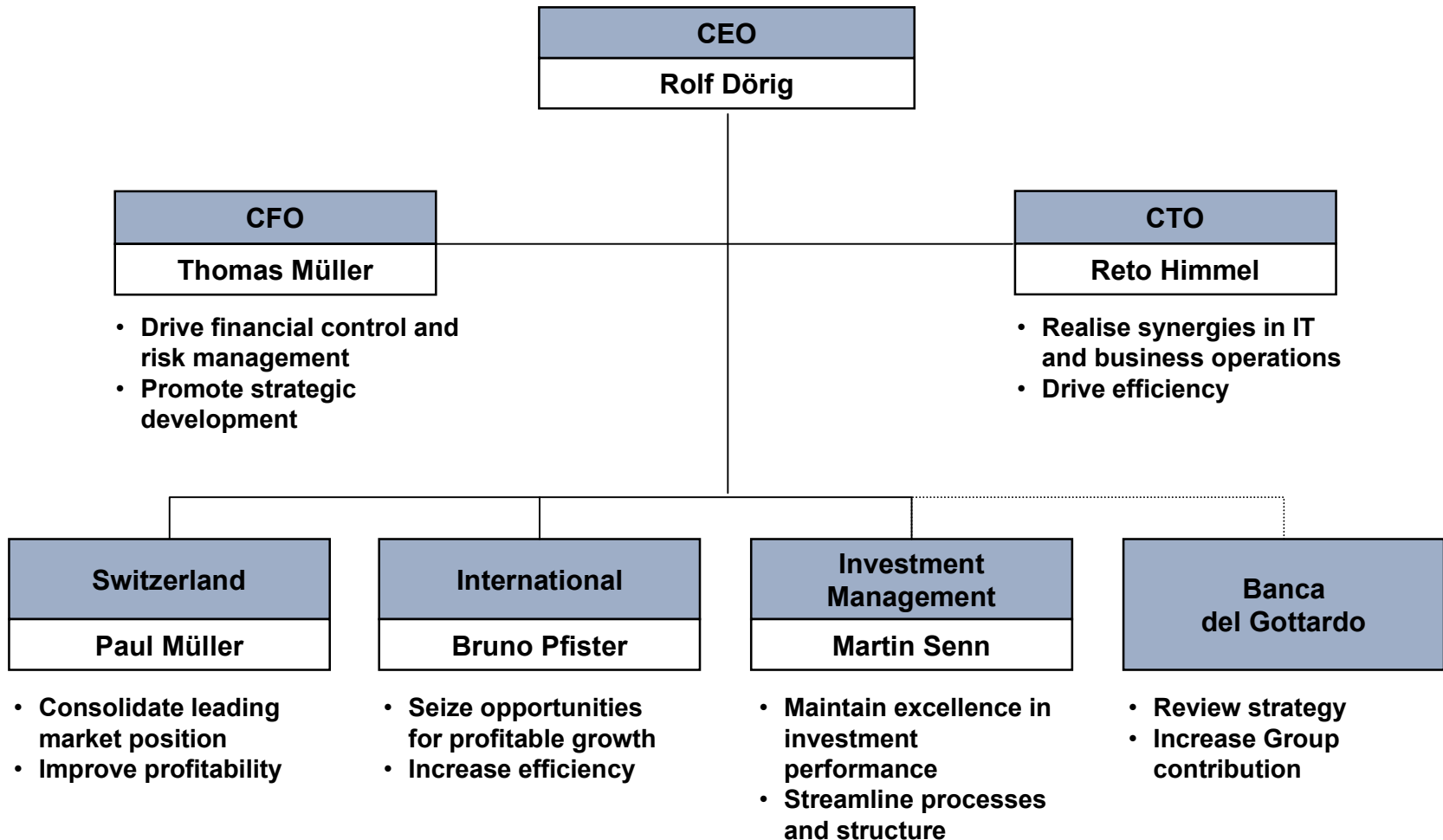
Develop integrated human capital portfolio...



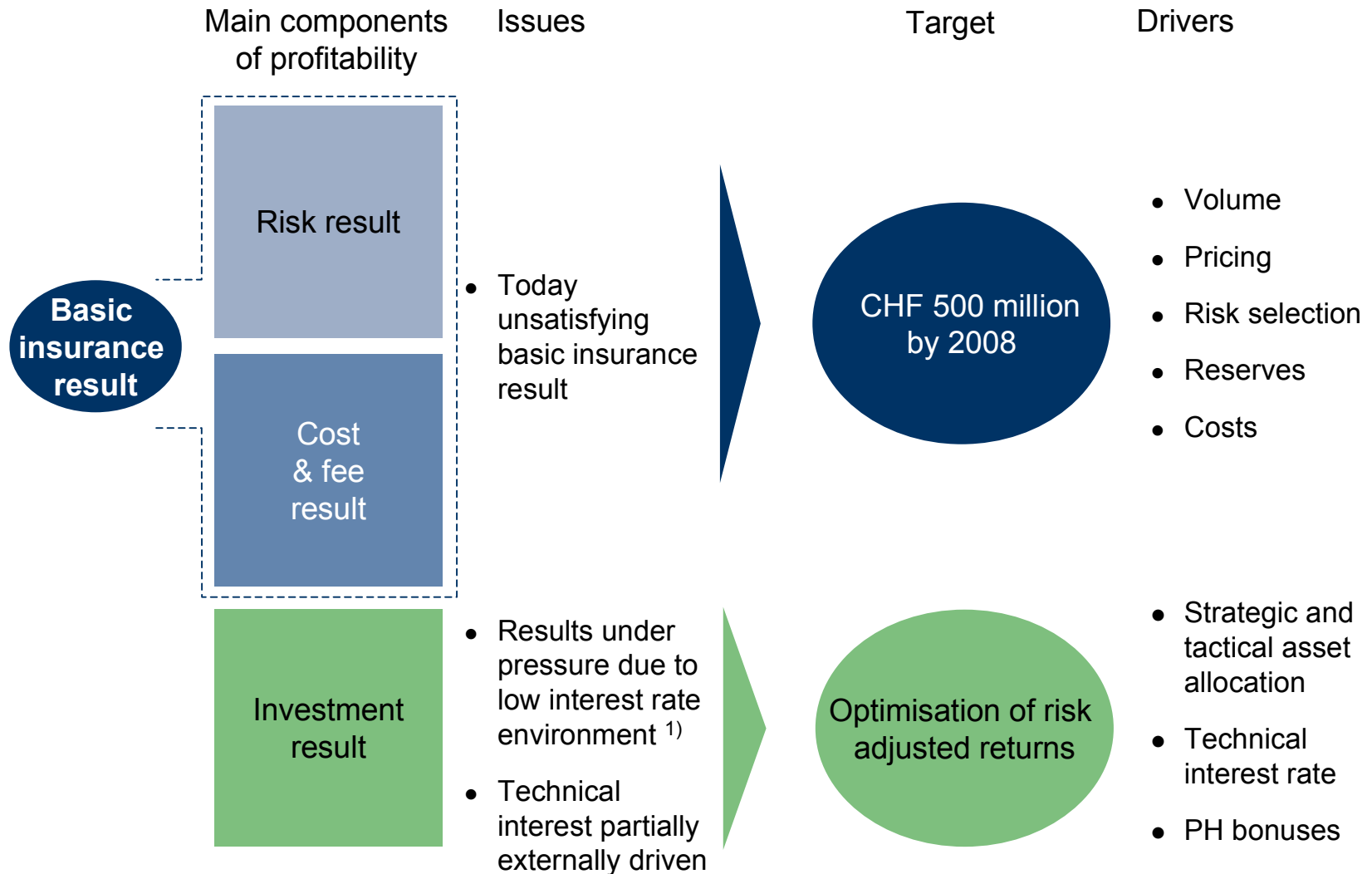
...to anchor our leadership culture

Management structure aligned to strategic priorities

As of 1 January 2006

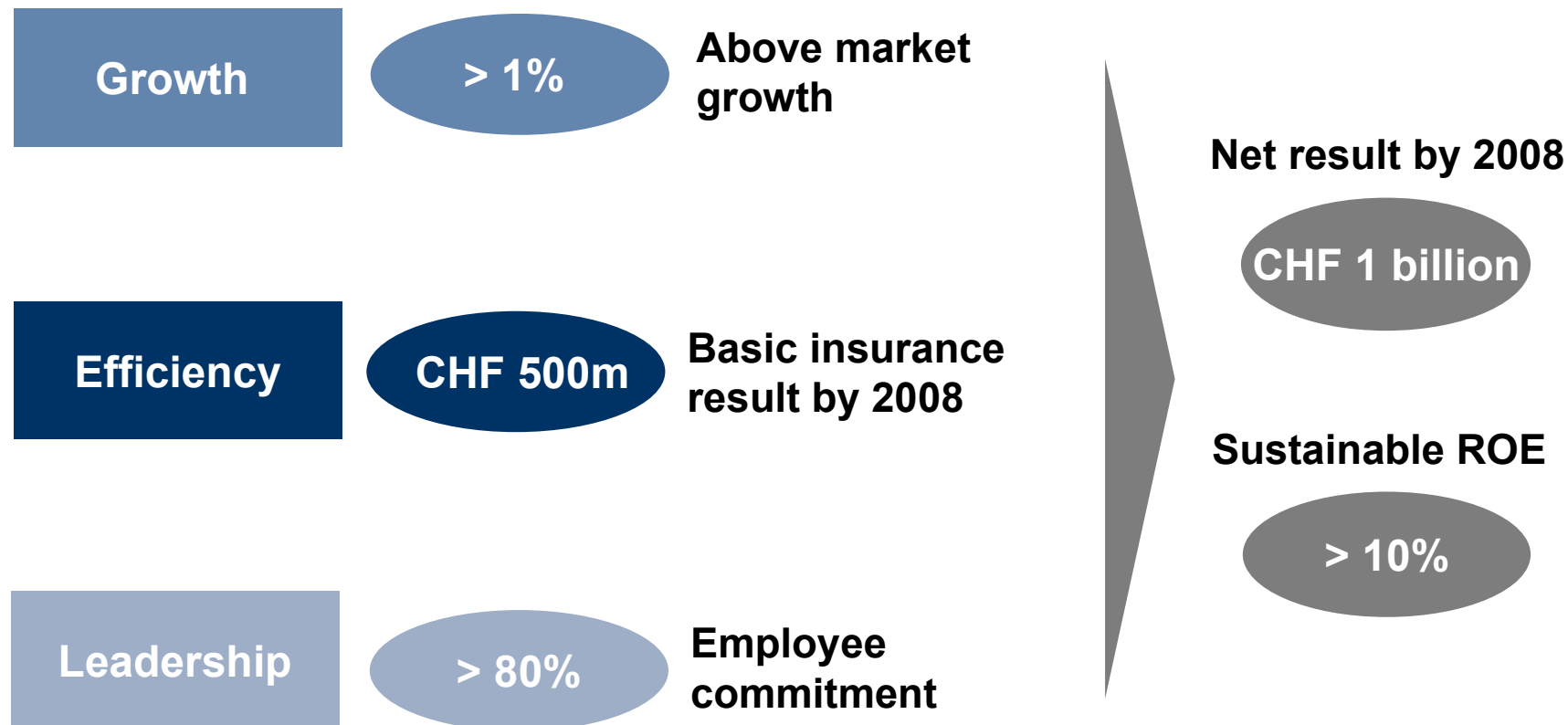


Basic insurance result best reflects operational performance



1) Due to reinvestments

Ambitious goals





Supplementary information

Supplementary information

1. Profit and loss

2. Balance sheet

3. Embedded value

4. Swiss business

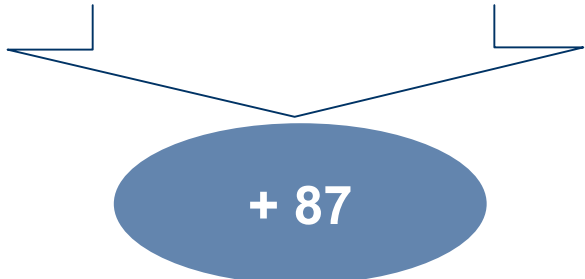
5. Banca del Gottardo

6. Contact details

Net result from insurance operations

CHF million (IFRS basis)

	HY 2005	HY 2004
Net result from insurance operations	427	488
Restructuring cost «La Suisse»	+ 60	
PH participation France ¹⁾	+31	
Result UK		-75
Goodwill amortisation		+18
Net result from insurance operations (adjusted)	518	431



1) In context of tax effect

Non-Life key figures

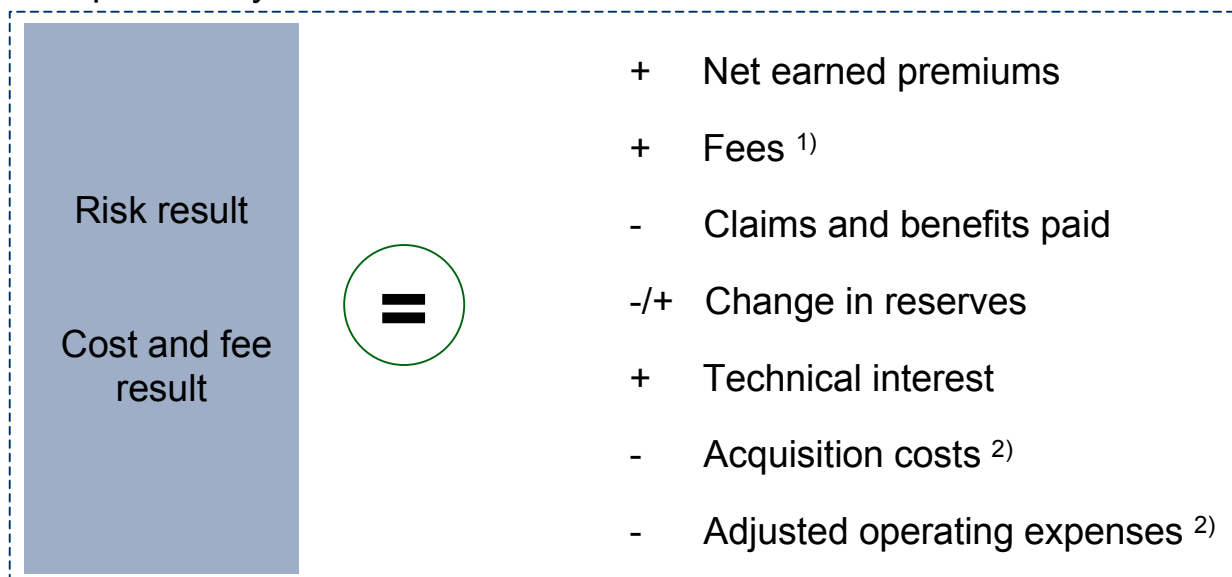
CHF million (IFRS basis)

	HY 2005	HY 2004	Change
Net earned premiums	472	479	-1.5%
Net claims & claims settlement costs	-310	-330	-6.1%
Operating expenses	-181	-184	-1.6%
Combined ratio net	104.0%	107.3%	-3.3ppt

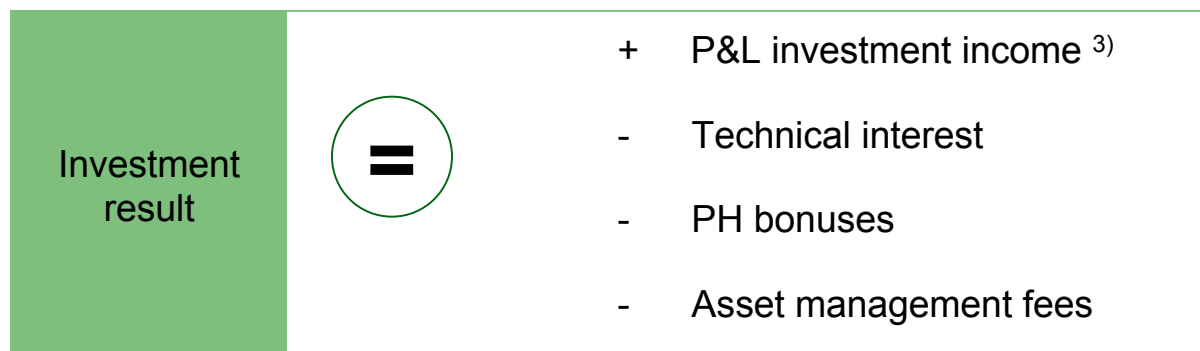
Basic insurance result: Definitions

Main components
of profitability

Definition (IFRS Basis)



**BASIC
INSURANCE
RESULT**



1) E.g. from unit linked, distribution of third party products
 2) Including cost normalisation e.g. DAC, restructuring costs
 3) Including costs

Forex and interest rates

Foreign currency exchange rates

	30.06.05	31.12.04	30.06.04	1.1.-30.06.05	1.1.-30.06.04
EUR	1.547	1.543	1.524	1.547	1.553
GBP	2.313	2.182	2.272	2.255	2.307
USD	1.280	1.131	1.253	1.204	1.266

Interest rates ¹⁾

	30.06.05	31.12.04	30.06.04
CHF	1.961	2.314	2.878
EUR	3.127	3.682	4.319
USD	3.913	4.218	4.581
GBP	4.173	4.537	5.099

1) 10-year government bond

Supplementary information

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Duration of bond portfolio

Group ¹⁾ effective duration

	30.6.2005	31.12.2004	30.6.2004
CHF	8.9	8.4	7.9
EUR	10.0	9.1	8.1
GBP	10.1	6.3	6.5
USD	12.1	9.5	9.1
Average	9.8	8.9	8.0

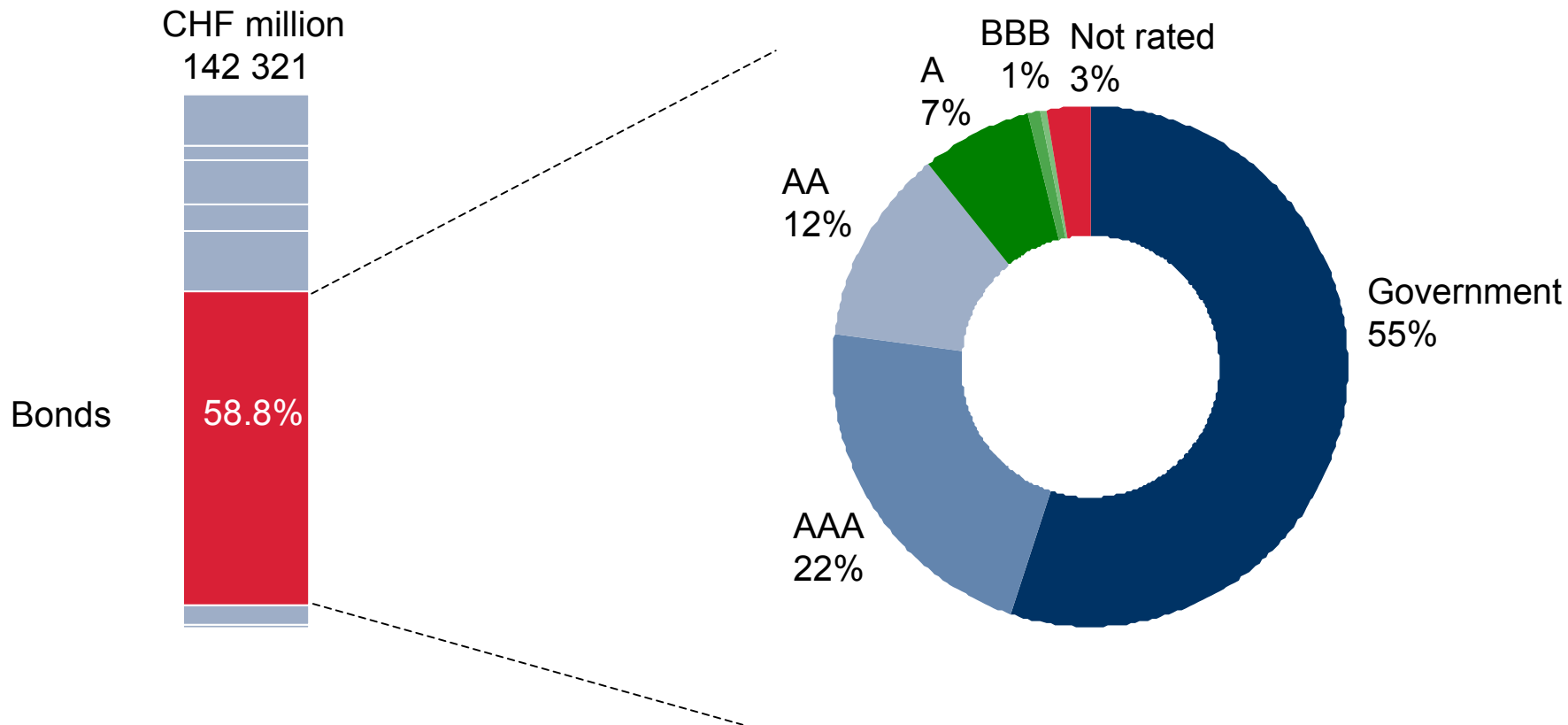
1) Including SL Zurich, SL Germany, SLAR (France), SL Netherlands, La Suisse Vie, SL Belgium

Bond portfolio: Ratings

Insurance portfolio (IFRS basis)

**Investments: CHF 83.7 billion
(2004: CHF 77.1 billion)**

Breakdown by rating



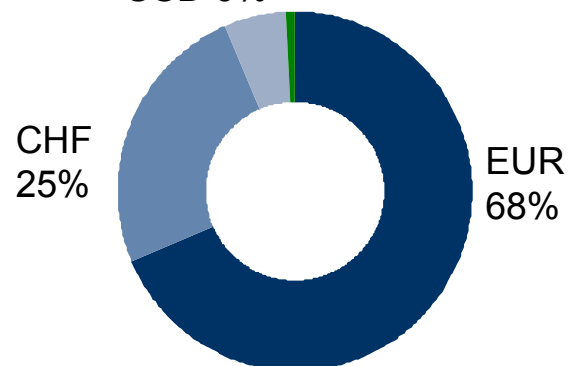
Bond portfolio: Currency exposure

Insurance portfolio (IFRS basis)

**Investments: CHF 83.7 billion
(2004: CHF 77.1 billion)**

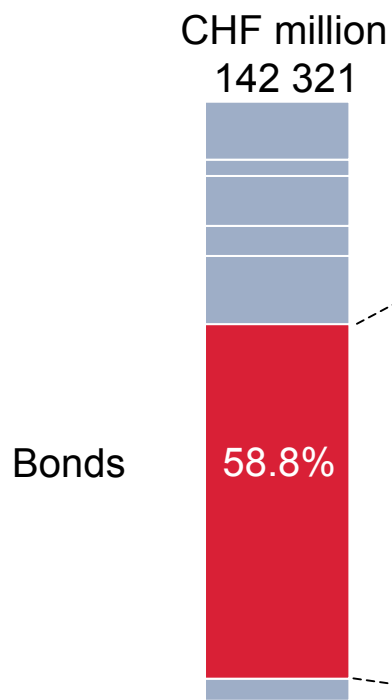
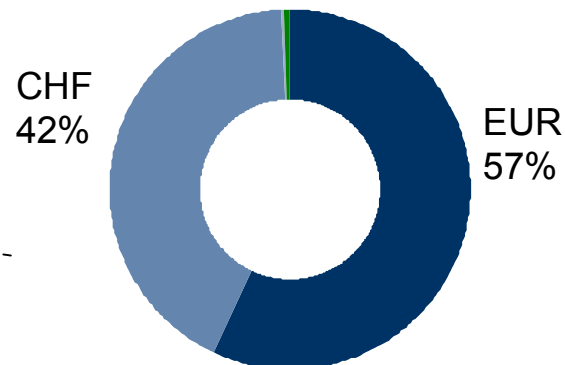
Before hedges

USD 6% GBP 1%



After hedges

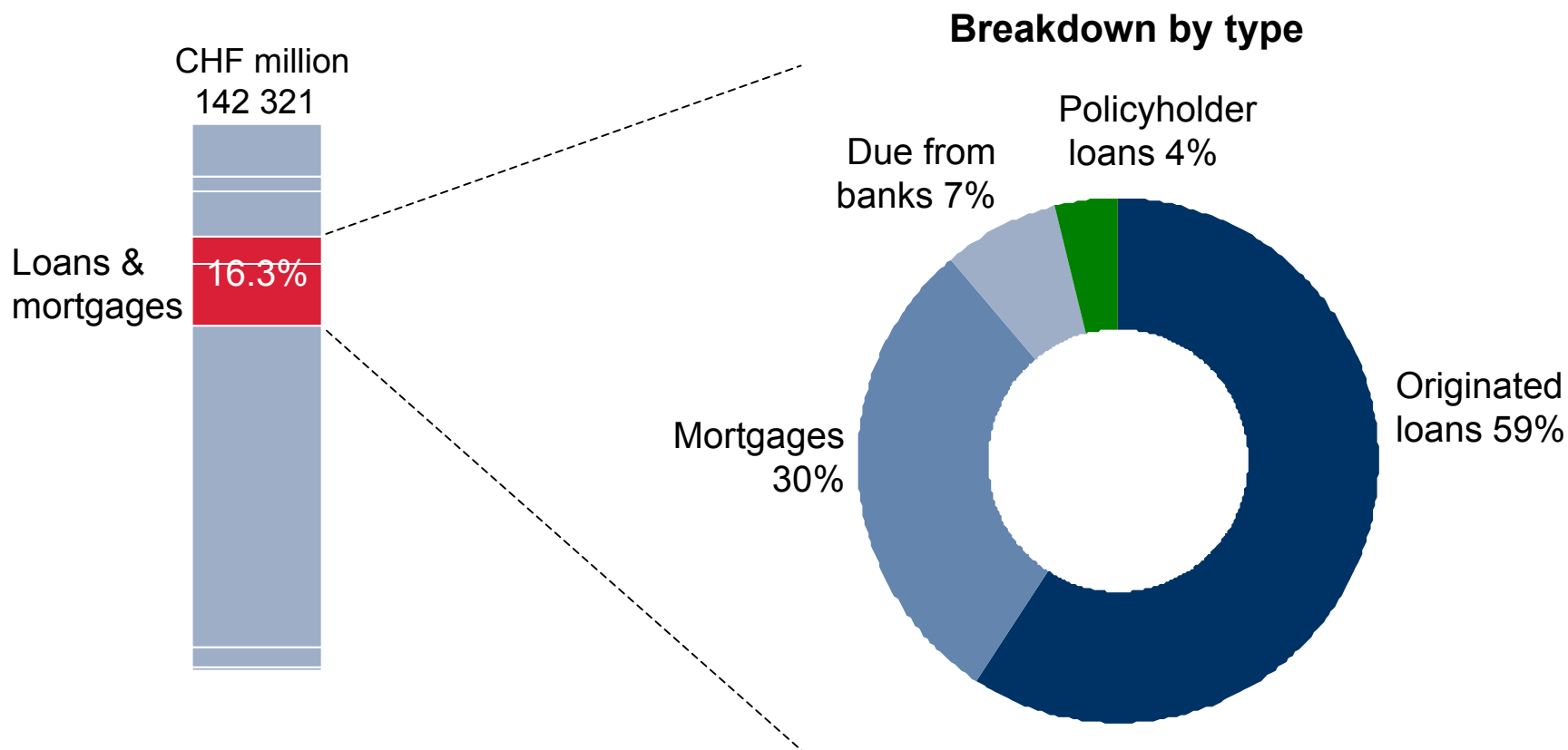
GBP 1%



Loan and mortgage portfolio

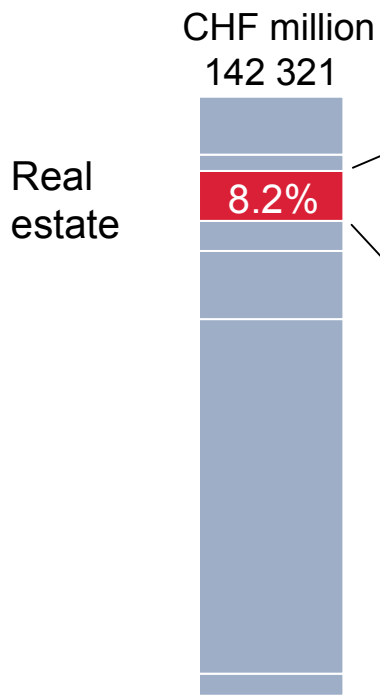
Insurance portfolio (IFRS basis)

Investments: CHF 23.2 billion
(2004: CHF 23.8 billion)



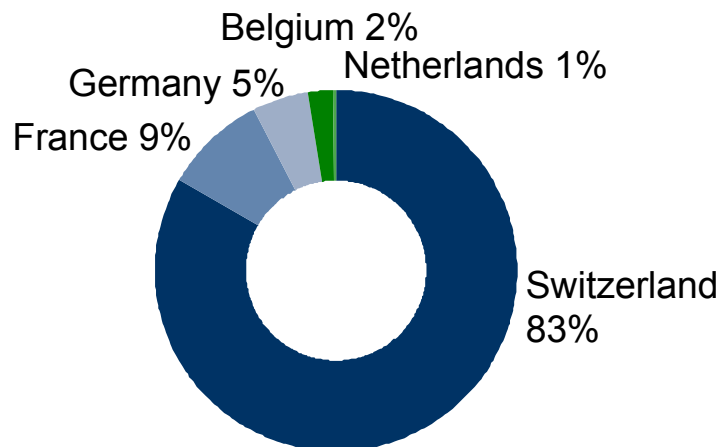
Real estate portfolio

Insurance portfolio (IFRS basis)

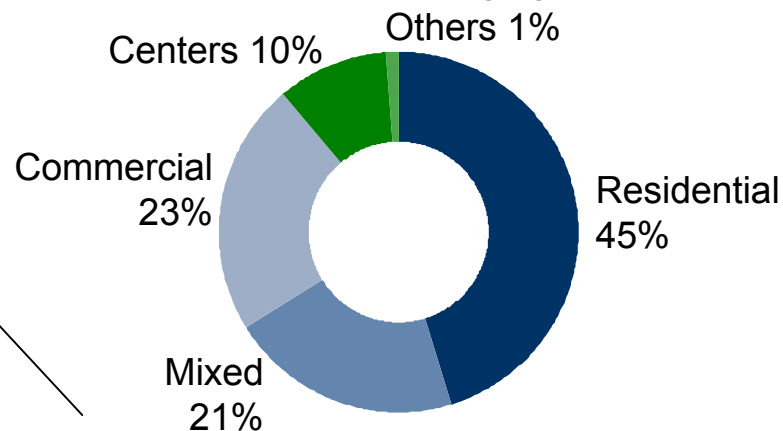


**Investments: CHF 11.6 billion
(2004: CHF 11.5 billion)**

Breakdown by country



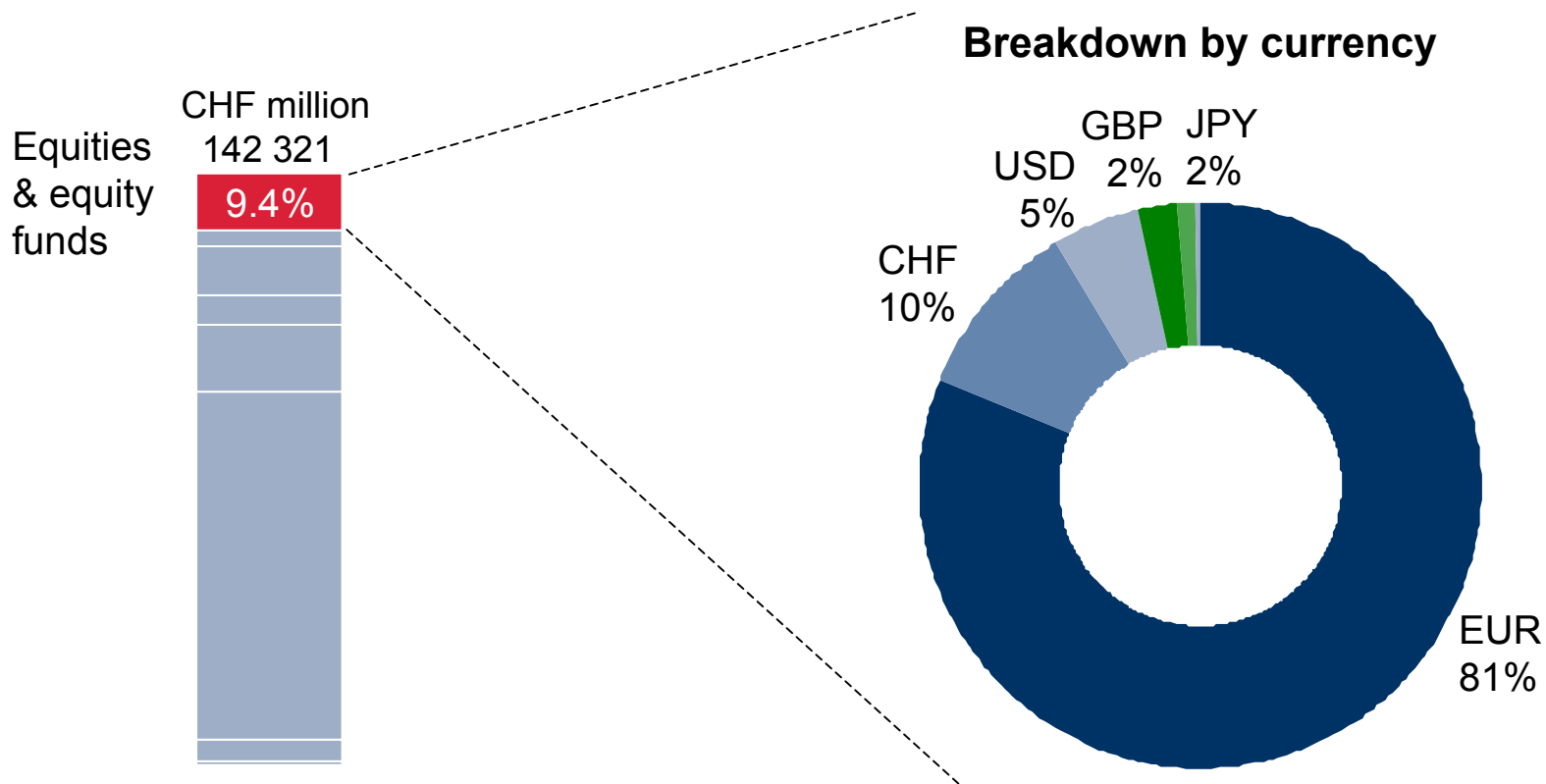
Breakdown by type



Equity portfolio: Currency exposure

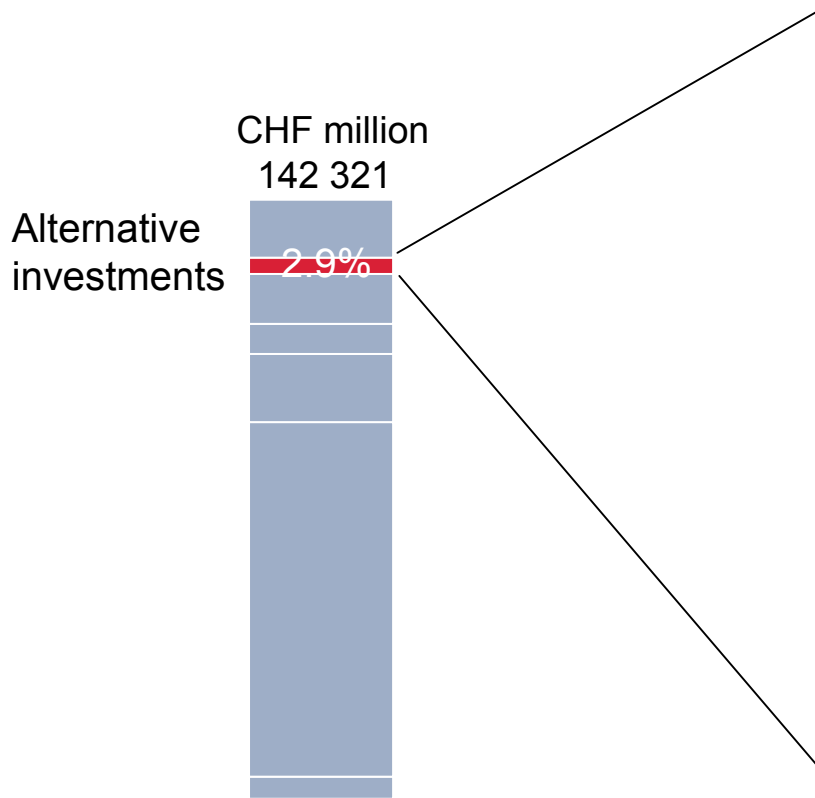
Insurance portfolio (IFRS basis)

**Investments: CHF 13.4 billion
(2004: CHF 12.5 billion)**

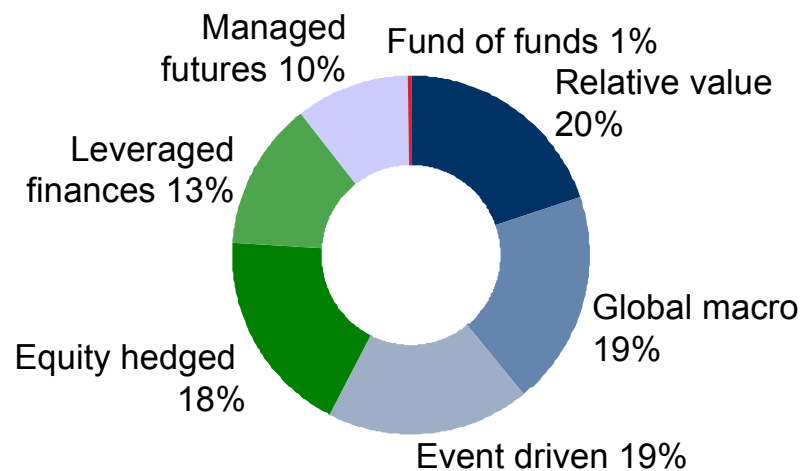


Alternative investment portfolio

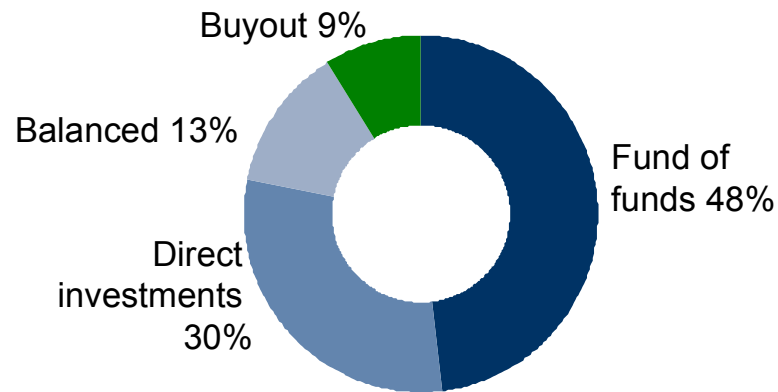
Insurance portfolio (IFRS basis)



Hedge funds: CHF 3.9 billion (2004: CHF 3.4 billion)



Private equity: CHF 206 million (2004: CHF 323 million)

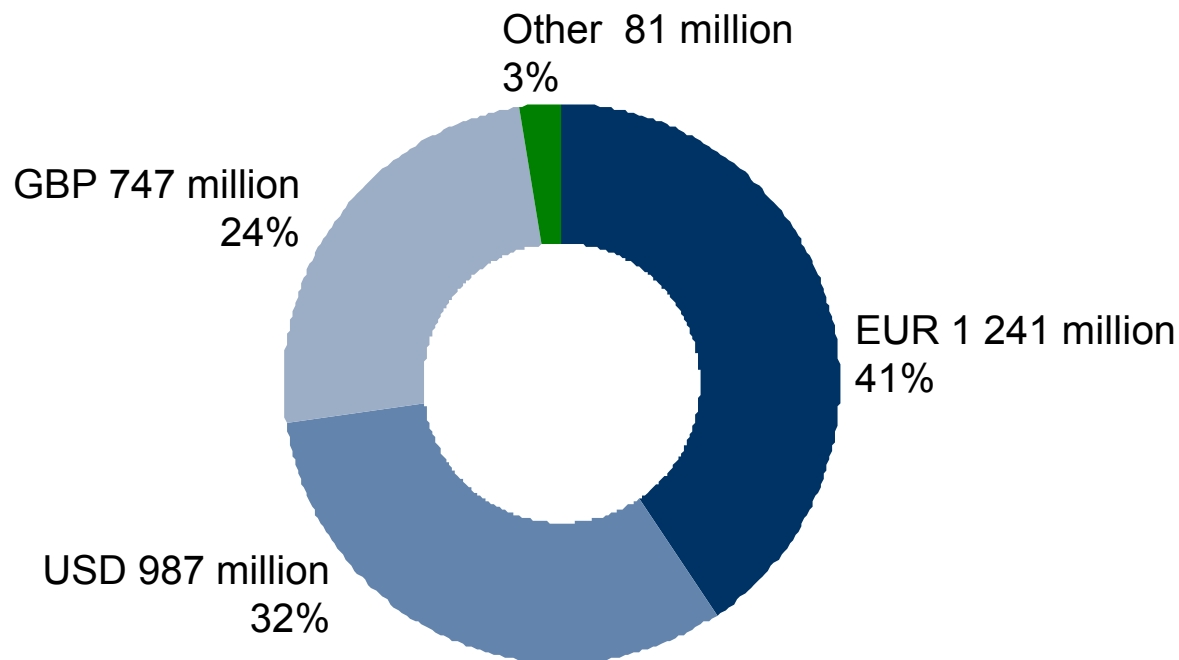


Private equity open commitments: CHF 73 million 41

Currency exposure

Insurance portfolio (economic view)

Net: 2.1% of total insurance portfolio assets

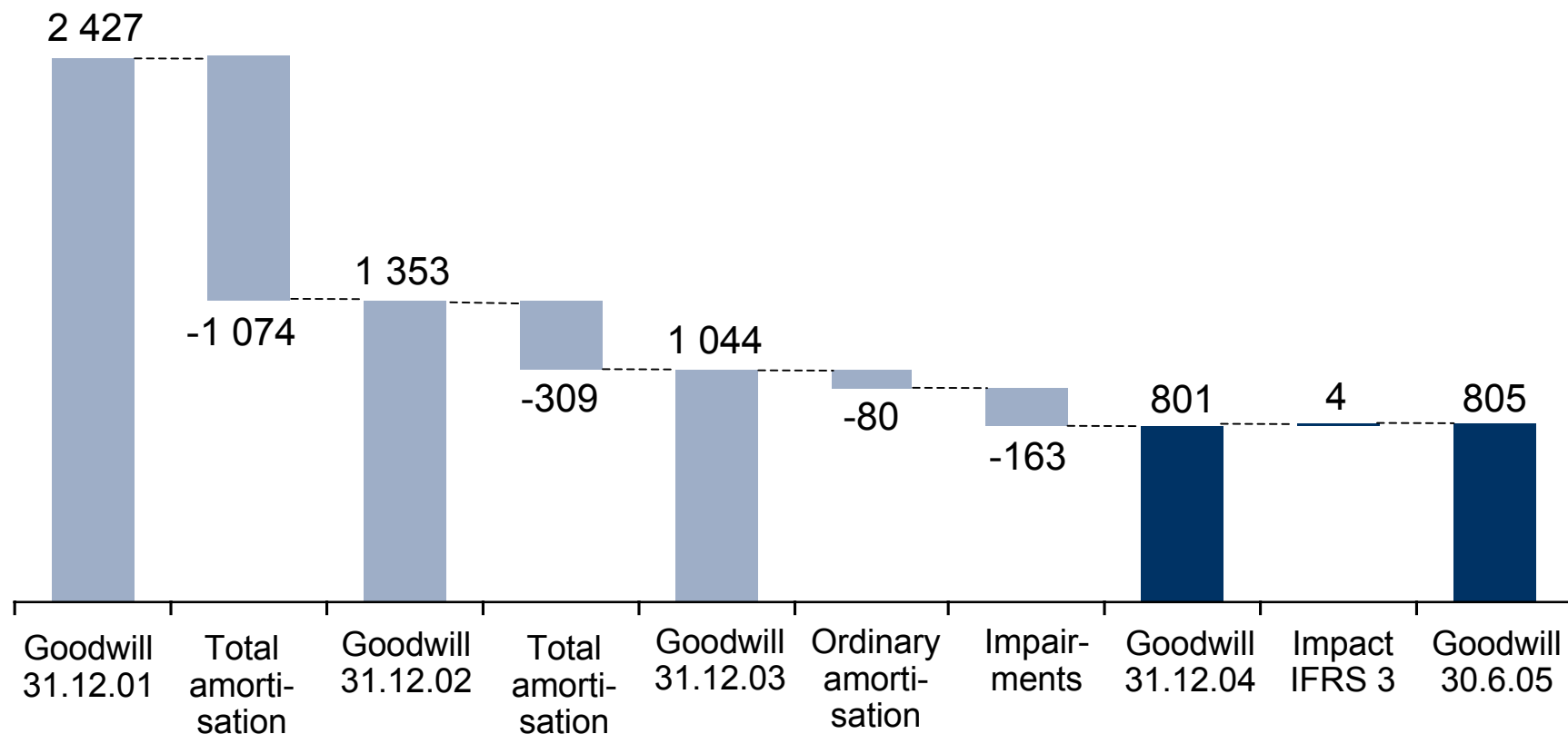


Gross currency exposure
Hedged currency exposure
Net currency exposure

CHF 25 434 million
CHF 22 378 million
CHF 3 056 million

Goodwill development

CHF million (IFRS basis)



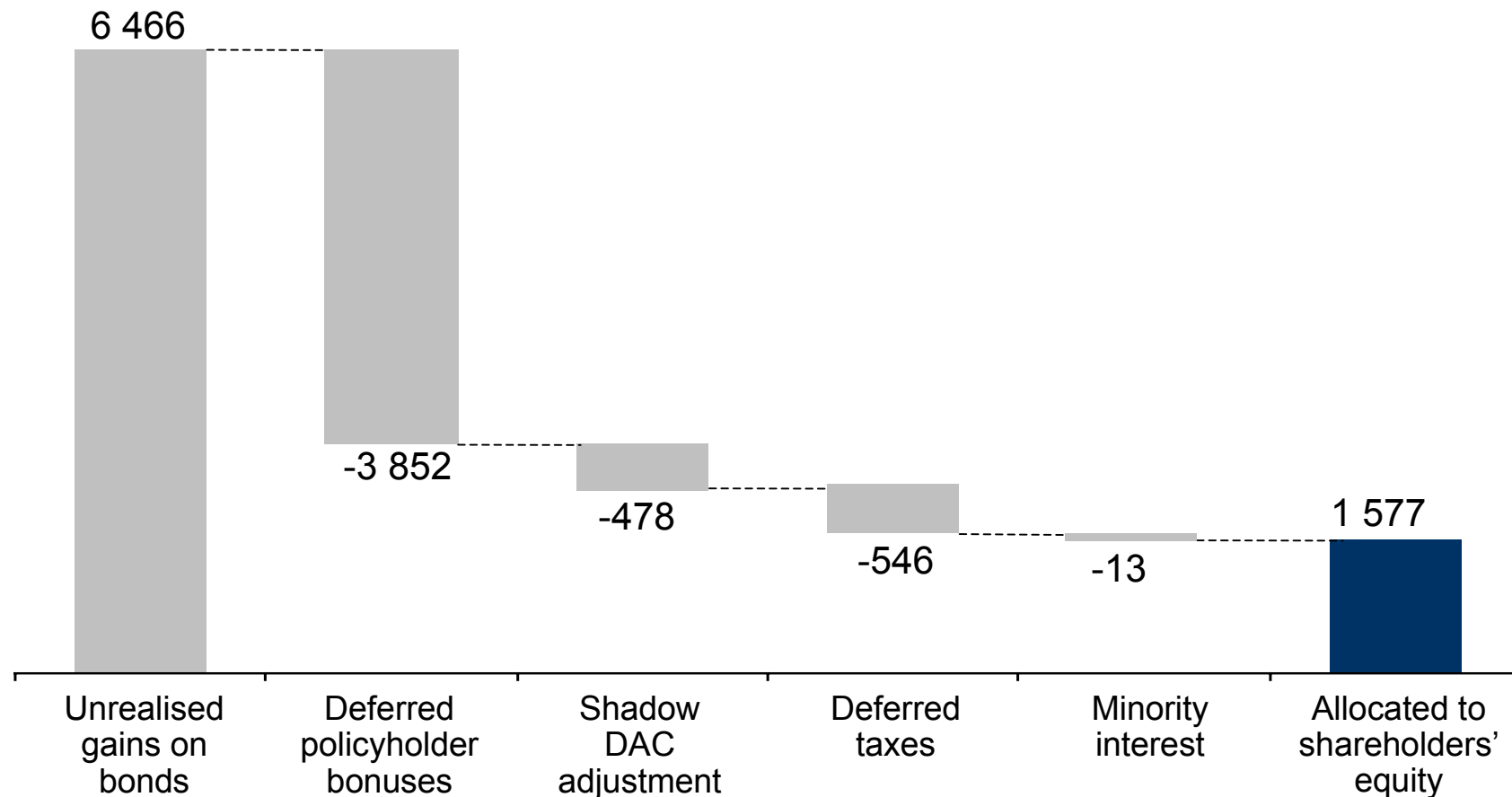
Goodwill
as % of:

SH equity:	48.7%	32.4%	21.0%	12.8% ¹⁾	10.7%
Core capital:	31.7%	17.9%	11.8%	5.8% ¹⁾	4.7%

1) Restated

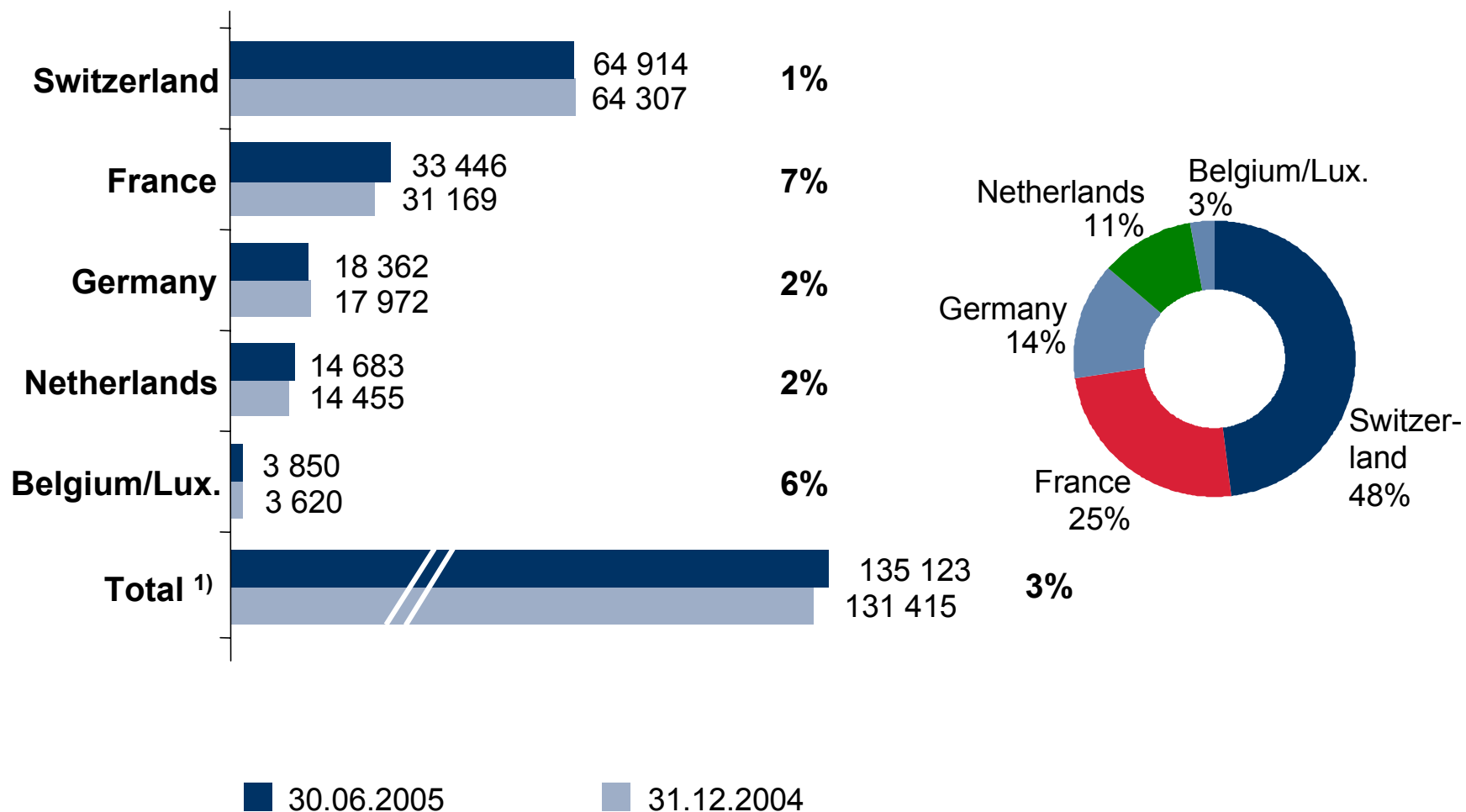
Allocation of unrealised gains on bonds

CHF million (IFRS basis)



Insurance reserves by country

CHF million (IFRS basis)



1) Includes other and intersegment eliminations: In half-year 2005 CHF -132 million; in full-year 2004 CHF -109 million

Average technical interest rate of 3.10%



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

	CHF	EUR	USD	GBP
Total reserves	61 203	31 073	507	9
Mean technical interest rate	2.81%	3.48%	4.11%	3.58%

Overall: 3.10% (-4 bps)

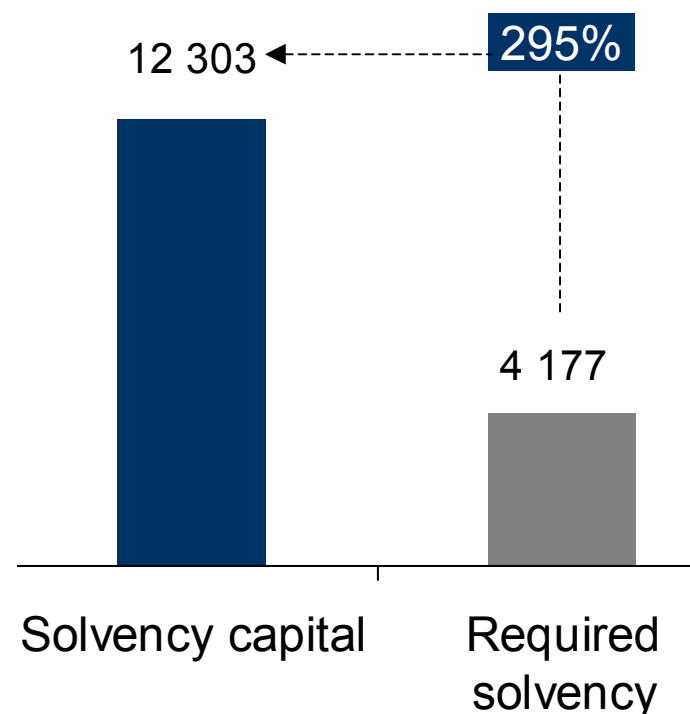
Statutory solvency improved to 295%

CHF million (statutory basis)

Solvency capital

Rentenanstalt stat.equity capital	2 441
Intangibles	-72
Hybrid capital	1 300
Fund for future appropriation	652
Additional Zillmerisation	380
Unrealised capital gains	7 084
Unattributed surplus	518
Solvency capital	12 303

Statutory solvency



Supplementary information

1. Profit and loss

2. Balance sheet

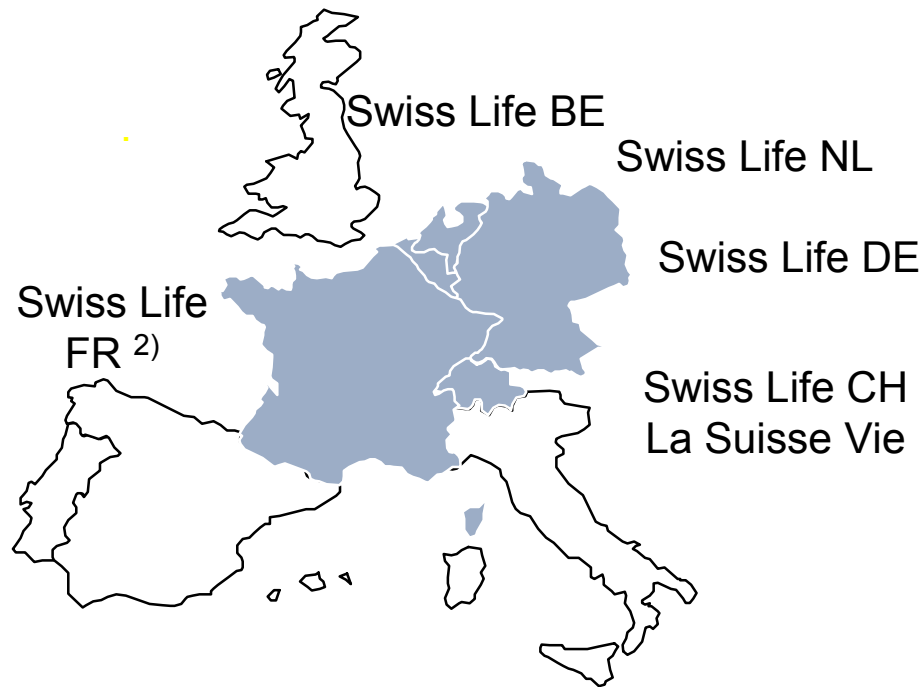
3. Embedded value

4. Swiss business

5. Banca del Gottardo

6. 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 ¹⁾ and non-life insurance businesses have also been included at book value
- Deloitte has reviewed the embedded value calculations

1) Including Banca del Gottardo at book value of CHF 1 340 million

2) Swiss Life France consists of: Swiss Life Assurance Retraite, Swiss Life Assurances et Patrimoine, Swiss Life Prévoyance et Santé, Erisa

Key assumptions for embedded value calculation

	30.06.2005		31.12.2004	
	CH	EU	CH	EU
Risk discount rate	7.0%	8.0%	7.0%	8.0%
Equity return	6.5%	7.5%	5.0%	6.0%
Bond return	2.0%	3.4%	2.5%	3.9%
Real estate return	4.0%	5.3%	4.2%	5.8%
Hedge fund return	6.5%	7.5%	5.0%	6.0%
Weighted new money rate	3.0%	3.7%	3.1%	4.0%

- Weighted new money return based on asset allocation
- Weighted returns are lower due to reduced assumed future investment returns
- Long-term bond return from 2010 onwards

CH	2.6%
EU	3.9%
- Long-term weighted new money rate from 2010 onwards

CH	3.6%
EU	4.2%
- No uplift for foreign currency bonds assumed

10-year government bond:	30.06.2005	31.12.2004
Switzerland (CHF)	2.0%	2.3%
Europe (EUR)	3.2%	3.7%

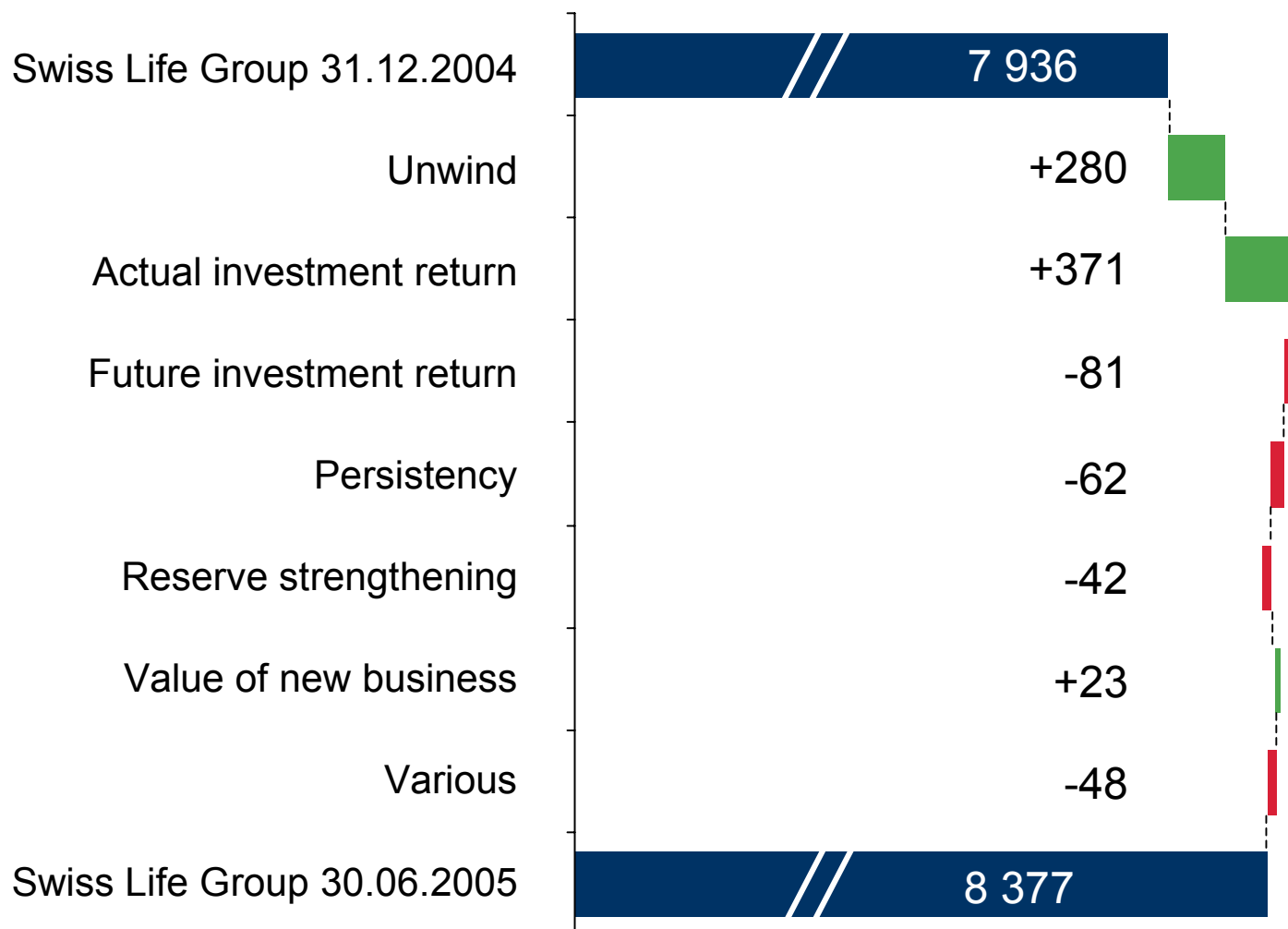
Asset allocation assumptions by region



	30.06.2005		31.12.2004	
	CH	EU	CH	EU
Cash and cash equivalents	3%	1%	3%	2%
Bonds and loans	58%	83%	58%	82%
Mortgages	9%	3%	9%	3%
Real estate	13%	5%	13%	5%
Equities	7%	6%	7%	6%
Participations	3%	0%	3%	1%
Alternative investments	7%	2%	7%	1%

Embedded value: Analysis of change

CHF million (statutory basis)



Sensitivities of embedded value

CHF million (statutory basis)

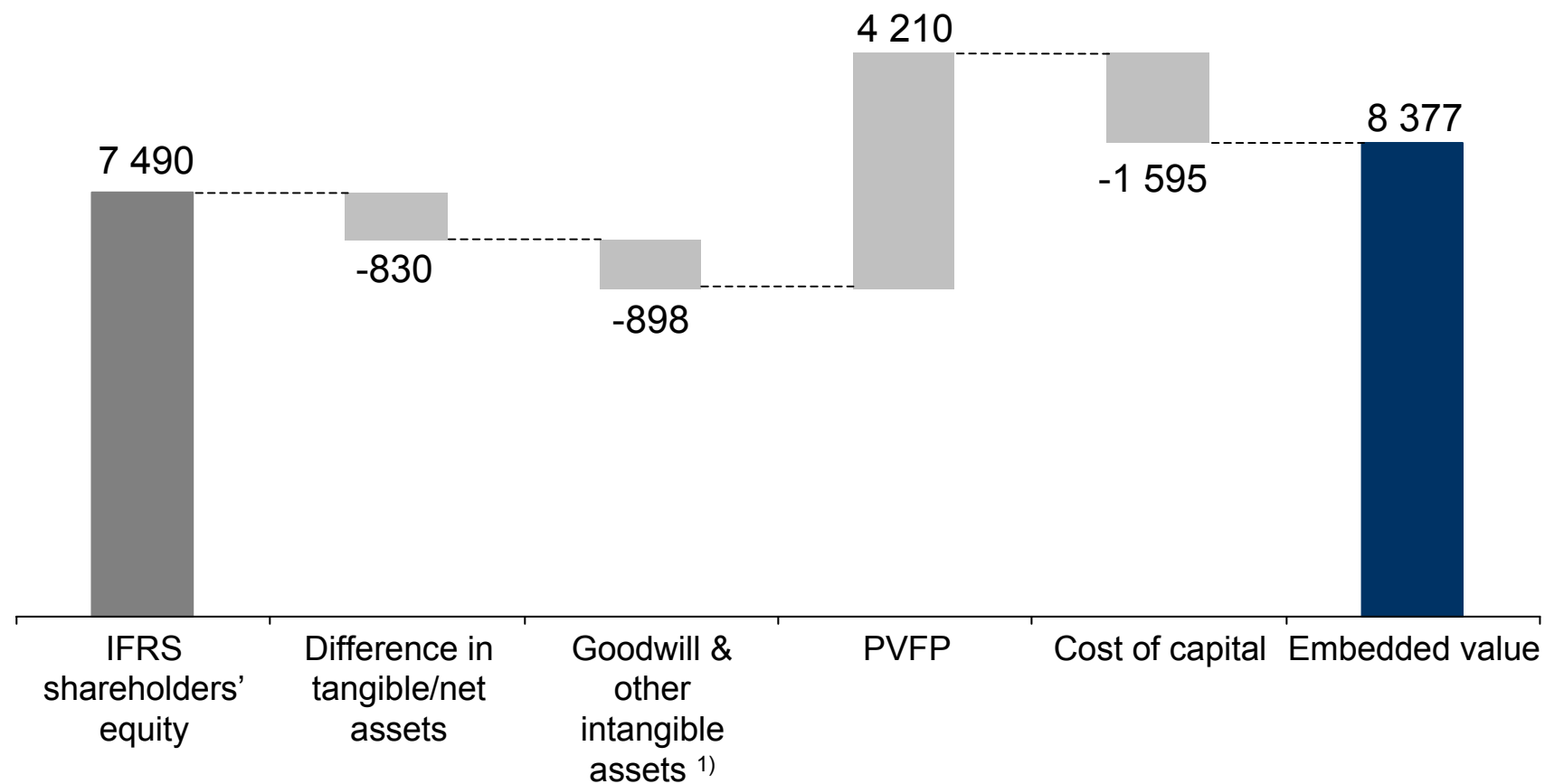
	Switzerland	Europe	Total
EV 30.06.2005 (base case)	3 462	2 934	8 377 ¹⁾
Δ Risk discount rate -50 bps	159	96	255
Δ Investment returns +50 bps	322	307	629
Δ Investment returns -50 bps	-636	-318	-954
Δ Bond returns +50 bps	103	153	256
Δ Bond returns -50 bps	-124	-163	-287
Δ Property values -10%	-542	-24	-566
Δ Investment margin -10 bps	-386	-94	-480
Δ Cost of capital at 150% ²⁾	-511	-252	-763

1) Including ANAV of Swiss Life Holding and overhead of CHF 1 981 million

2) Currently 100% cost of capital

IAS equity to embedded value bridge

CHF million (statutory basis)



1) Including goodwill CHF 805 million, customer relationship CHF 9 million and other intangible assets CHF 84 million

Supplementary information

1. Profit and loss
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3. Embedded value
- 4. Swiss business**
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Insurance premiums Switzerland excl. one-offs

CHF million (IFRS basis)

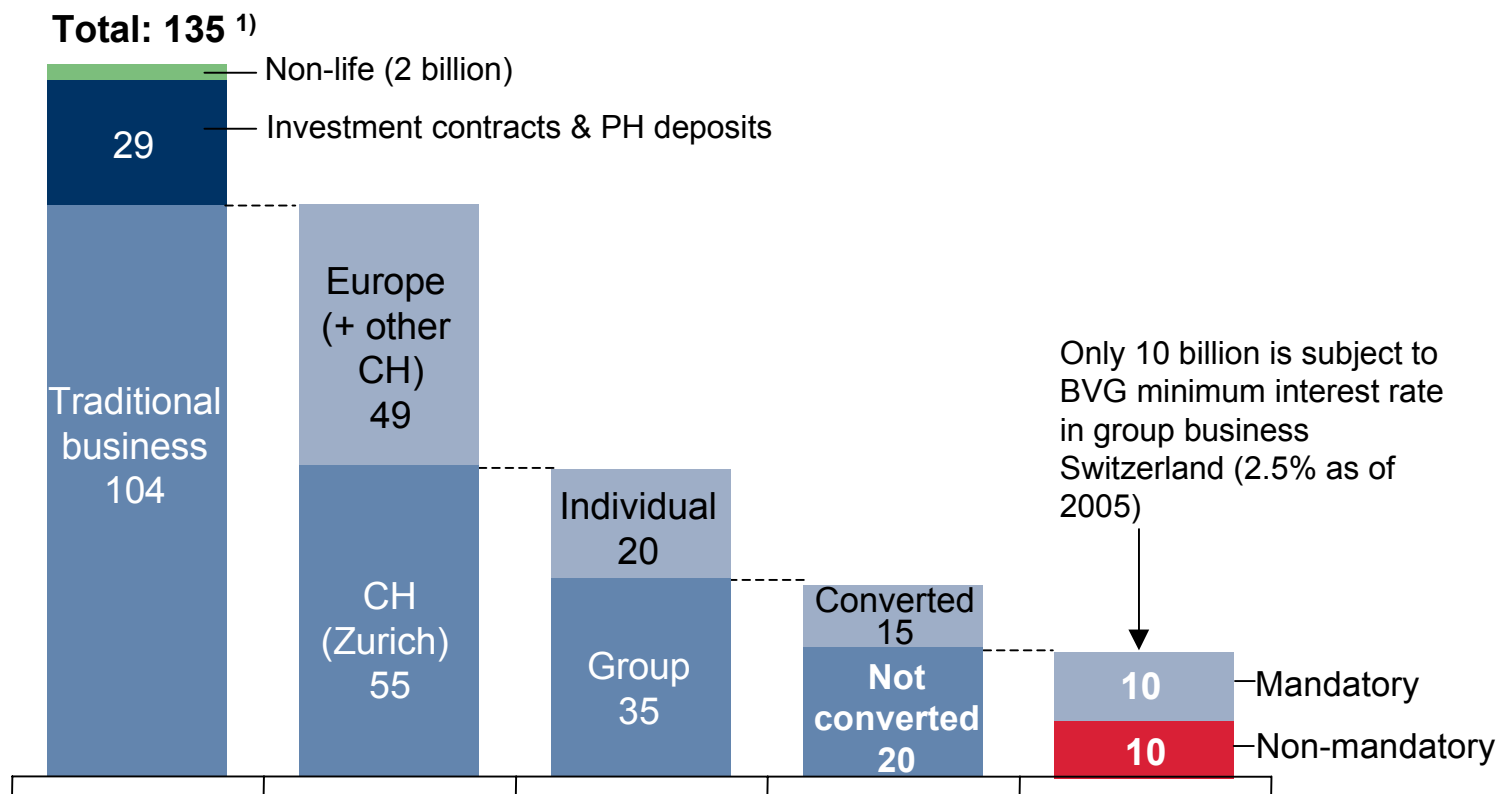
	HY 2005	HY 2004	Change
Total GWP incl. PH deposits ¹⁾	5 610	5 792	-3.2%
Single premiums	2 064	2 257 ²⁾	-8.5%
Periodic premiums	2 966	3 165	-6.3%
Investment contract prem. & policy fees	291	80	n.m.
Non-Life premiums	289	290	-0.4%
Group life	4 363	4 642	-6.0%
Single premiums	1 673	1 969 ²⁾	-15.0%
Periodic premiums	2 456	2 660	-7.7%
Investment contract prem. & policy fees	234	14	n.m.
Individual life	917	808	+13.5%
Single premiums	391	288	+35.7%
Periodic premiums	510	505	+0.9%
Investment contract prem. & policy fees	17	15	+11.9%

1) Including reinsurance assumed in half-year 2005 CHF 41 million and half-year 2004 CHF 52 million

2) Excluding CHF 525 million of one-off impact of BVG contingency fund at «La Suisse»

Breakdown of technical reserves

CHF million (IFRS basis); 30.06.2005



1) Excludes 3rd party reserves of CHF 5 billion: Separate accounts/unit linked and embedded derivatives insurance

Supplementary information

1. Profit and loss
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Banca del Gottardo: Overview of key financials



CHF million (statutory basis)

	HY 2005	HY 2004	Change
Results from interest activities	71	74	-4.1%
Results from commission and service act.	126	129	-2.3%
Results from trading operations	37	33	+12.1%
Other	3	4	-25.0%
Net revenues	237	240	-1.3%
Personnel expenses	-96	-95	+1.1%
Other operating expenses	-60	-57	+5.3%
Total operating expenses	-156	-152	+2.6%
Gross profit	81	88	-8.0%
Depreciation, adj. provisions and losses	-24	-28	-14.3%
Extraordinary result	1	1	0.0%
Taxes	-14	-17	-17.6%
Net profit	44	44	0.0%

Banca del Gottardo: Key ratios

CHF million (statutory basis)

	30.6.2005	31.12.2004	Change
Return on equity	8.9%	7.4%	+1.5 pts
Cost/income ratio	65.7%	68.7%	-3.0 pts
BIS ratio (Tier 1)	11.7%	13.2%	-1.5 pts
BIS ratio (Tier 2)	12.4%	13.9%	-1.5 pts
Assets under management	37 112	34 414	+7.8%
Assets under control ¹⁾	54 826	41 057	+33.5%
Risk-weighted assets	7 666	6 786	13.0%
Shareholders' equity	988	1 003 ²⁾	-1.5%
Excess capital ³⁾	334	402	-16.9%
FTEs	1 208	1 193	+1.3%

1) Of which assets under custody in half-year 2005 of CHF 17.7 billion and in 2004 of CHF 6.6 billion; In half year 2005 net transfer of CHF 11.1 billion custody assets by Swiss Life

2) Before dividend distribution

3) Capital in excess according to Swiss Federal law on banks

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