

Half-year results 2011

Investors' presentation

Zurich, 17 August 2011

Agenda

→ Overview

Financial results and
MILESTONE update

Wrap-up

Bruno Pfister

Thomas Buess

Bruno Pfister

Highlights:

Key performance metrics further improved

HY 2011 vs HY 2010

- ✓ Net profit increased by 50% from CHF 269 m to CHF 403 m
- ✓ Operating profit increased 9% from CHF 415 m to CHF 452 m
- ✓ Premiums declined 13% in local currency but were of higher quality
- ✓ Strong net investment yield at 1.9%
- ✓ MILESTONE on track:
 - ✓ Share of modern and risk products in new business still at target level of 70%
 - ✓ New business margin improved from 0.9% to 1.6% and VNB increased by 46% from CHF 71 m to CHF 104 m
 - ✓ Operating expenses further reduced by CHF 17 m or -2%
 - ✓ Profit improvement driven by operational progress

Key figures

HY 2011 vs HY 2010

Net profit	➔	CHF 403 m	+50%
Profit from operations	➔	CHF 452 m	+9%
New business margin (% PVNBP)	➔	1.6%	+0.7 pts
GWP incl. PHD	➔	CHF 10.1 bn	-13% ¹⁾
Shareholders' equity	➔	CHF 7.5 bn	+1% ²⁾
Return on equity (pro forma ³⁾)	➔	8.7%	+1.4 pts
Group solvency	➔	177%	+5 pts ²⁾

1) Local currency

2) HY 2011 vs FY 2010

3) Excluding positive tax one-off

Agenda

Overview

Bruno Pfister

→ **Financial results and
MILESTONE update**

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Wrap-up

Bruno Pfister

Income statement

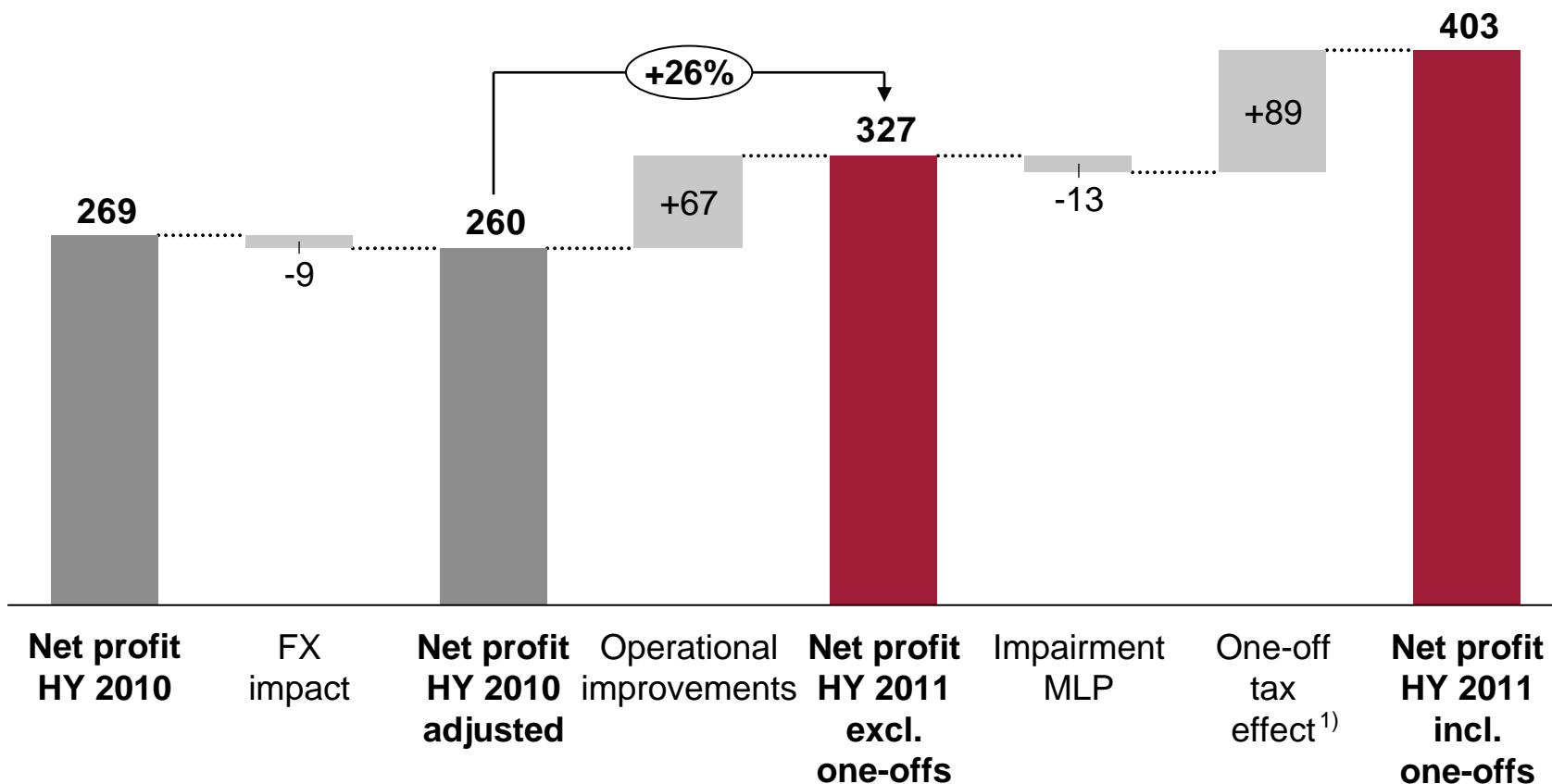
CHF million (IFRS basis)

	HY 2010	HY 2011
Gross written premiums, fees and deposits received	12 241	10 104
Commission income	467	405
Financial result for own risk	2 155	2 185
<i>Net investment result insurance portfolio for own risk</i>	2 311	2 083
Net insurance benefits and claims	-7 627	-7 667
Policyholder participation	-762	-747
Operating expense	-1 574	-1 412
Profit from operations	415	452
Borrowing costs	-54	-55
Share of results of associates	2	5
Income tax expense	-94	1
Net profit	269	403
Earnings per share (in CHF) ¹⁾	8.36	12.55

1) Diluted, based on 32 071 198 shares in HY 2011 and 32 022 677 shares in HY 2010

Change analysis of net profit

In CHF million (IFRS basis)



1) Due to disposal of business activities in prior years

Business review Insurance Switzerland

CHF million (IFRS basis, MCEV)

	HY 2010	HY 2011	Change	
GWP incl. PHD	5 285	5 856	+11%	<ul style="list-style-type: none"> Stronger growth than market; GL +12% and IL +3%
Operating expense adjusted ¹⁾	-199	-178	-11%	<ul style="list-style-type: none"> Impact of cost saving initiatives
Segment result	282	291	+3%	<ul style="list-style-type: none"> Driven by cost savings and good financial result
New business volume (PVNBP)	1 916 ²⁾	2 264	+18%	<ul style="list-style-type: none"> Increased single premiums in individual life modern products Higher regular premiums in GL
New business margin (% PVNBP)	0.6% ²⁾	1.2%	+0.6 ppts	<ul style="list-style-type: none"> Lowered expense base Repricing measures IL Improved capital market environment

1) Excluding unallocated corporate costs, prior year adjusted to reflect new organisational set-up

2) Excluding assumed reinsurance



Business review Insurance France

EUR million (IFRS basis, MCEV)

	HY 2010	HY 2011	Change	
GWP incl. PHD ¹⁾	1 942	1 828	-6%	<ul style="list-style-type: none"> Driven by life -15% (market -11%) Health & disability: +8% (market +3%) Life: Stable periodic premiums, growth in UL (22% vs market 0%)
Operating expense adjusted ²⁾	-135	-139	+3%	<ul style="list-style-type: none"> Expense savings more than offset by investments into distribution and growth initiatives
Segment result	33	58	+76%	<ul style="list-style-type: none"> Better margins in life and lower loss ratio in P&C
New business volume ¹⁾ (PVNBP)	1 818	1 893	+4%	<ul style="list-style-type: none"> Strong modern and risk (incl. health) business Decrease of single premiums in savings business
New business margin (% PVNBP)	0.6%	1.9%	+1.3 ppts	<ul style="list-style-type: none"> Improved product and business mix Lower served rates Improved capital market environment

1) HY 2010 adjusted for CMU tax; GWP: EUR 28 m; PVNBP: EUR 31 m

2) Excluding unallocated corporate costs, prior year adjusted for reclassifications of non-variable costs

Business review Insurance Germany

EUR million (IFRS basis, MCEV)

	HY 2010	HY 2011	Change	
GWP incl. PHD	736	686	-7%	<ul style="list-style-type: none"> ▪ Better than market (-8%) ▪ Single premiums: Deliberate reduction in capitalisation product ▪ Periodic premiums +3% (market +1%)
Operating expense adjusted ¹⁾	-54	-53	-2%	<ul style="list-style-type: none"> ▪ Impact of cost savings initiatives
Segment result	45	31	-31%	<ul style="list-style-type: none"> ▪ 2010 enhanced by realised gains (effect of duration lengthening)
New business volume (PVNBP)	634	624	-2%	<ul style="list-style-type: none"> ▪ Underlying business development offset by higher discount rate
New business margin (% PVNBP)	1.4%	2.6%	+1.2 pts	<ul style="list-style-type: none"> ▪ Ongoing high proportion of risk products ▪ Positive impact from change in profit sharing policy ▪ Improved capital market environment

1) Excluding unallocated corporate costs and restructuring costs; prior year adjusted to reflect new organisational set-up

Business review Insurance International¹⁾

CHF million (IFRS basis, MCEV)

	HY 2010	HY 2011	Change	
GWP incl. PHD ²⁾	3 047	1 157	-62%	<ul style="list-style-type: none"> ▪ Lower volumes in HNWI segment ▪ Negative FX effects
Operating expense adjusted ^{2,3)}	-42	-40	-5%	<ul style="list-style-type: none"> ▪ Expense management
Segment result ²⁾	-3	0	n.a.	<ul style="list-style-type: none"> ▪ Lower cost base ▪ Stable net fee income
New business volume (PVNBP)	2 667	1 025	-62%	<ul style="list-style-type: none"> ▪ Reduction in line with GWP
New business margin (% PVNBP)	1.2%	1.1%	-0.1 ppts	<ul style="list-style-type: none"> ▪ Improved pricing almost offsets negative volume and FX effects

1) Insurance International consists of Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS), Swiss Life Network, SL Products (SLP) and Swiss Life Austria

2) Prior year adjusted to reflect new organisational set-up

3) Excluding unallocated corporate costs, currency adjusted



Business review Investment Management

CHF million (IFRS basis)

	HY 2010	HY 2011	Change	
Total income	129	139	+8%	▪ Higher AuM with particularly strong growth in real estate related income
Operating expense adjusted ¹⁾	-70	-68	-3%	▪ Lower project costs and strict cost management
Segment result	46	57	+24%	▪ Improved cost/income ratio
	FY 2010	HY 2011	Change	
Assets under management ²⁾	121 971	126 007	+3%	
– of which PAM	109 713	110 839	+1%	▪ Increase mainly due to an acquisition of a group life portfolio
– of which TPAM ²⁾	12 258	15 168	+24%	▪ Higher real estate assets due to an acquisition in France
Average assets under management ²⁾	119 191	123 989	+4%	

1) Excluding unallocated corporate costs

2) Restated according to industry standard

Business review AWD

AWD, stand-alone, EUR million (IFRS basis)

	HY 2010	HY 2011	Change
Revenues	262.9	265.5	+1% <ul style="list-style-type: none"> ▪ Increase in advisors' productivity ▪ Higher recurring commissions
Germany	166.5	170.1	
Austria & CEE	36.4	34.8	
United Kingdom	23.2	25.4	
Switzerland	36.8	35.2	
EBIT	20.4	21.8	+7% <ul style="list-style-type: none"> ▪ Mainly due to cost discipline leading to reduced administration costs despite higher cost for sales support
Germany	24.0	26.5	
Austria & CEE	-1.6	-3.2	
United Kingdom	3.3	2.7	
Switzerland	4.2	3.2	
Holding	-9.5	-7.4	
EBIT margin in %	7.8	8.2	+0.4 ppts
Financial advisors	5 378	5 086	-5% <ul style="list-style-type: none"> ▪ Difficult market conditions and focus on further improving quality of advice

Expense development

CHF million (IFRS basis)

	HY 2010	HY 2011	Change
Total operating expense	1 574	1 412	-10% / -162
Commissions and DAC amortisation adjusted ¹⁾	-823	-725	
Operating expense (before FX)	754	687	-9% / -67
Restructuring costs and one-offs	-4	-5	
Currency effect	-51		
Operating expense adjusted	699	682	-2% / -17

Overall cost savings since FY 2008 amount to CHF 324 million

1) Adjustment in HY 2010 due to reclassification of non-variable costs



Investment result

CHF million (IFRS basis), insurance portfolio for own risk

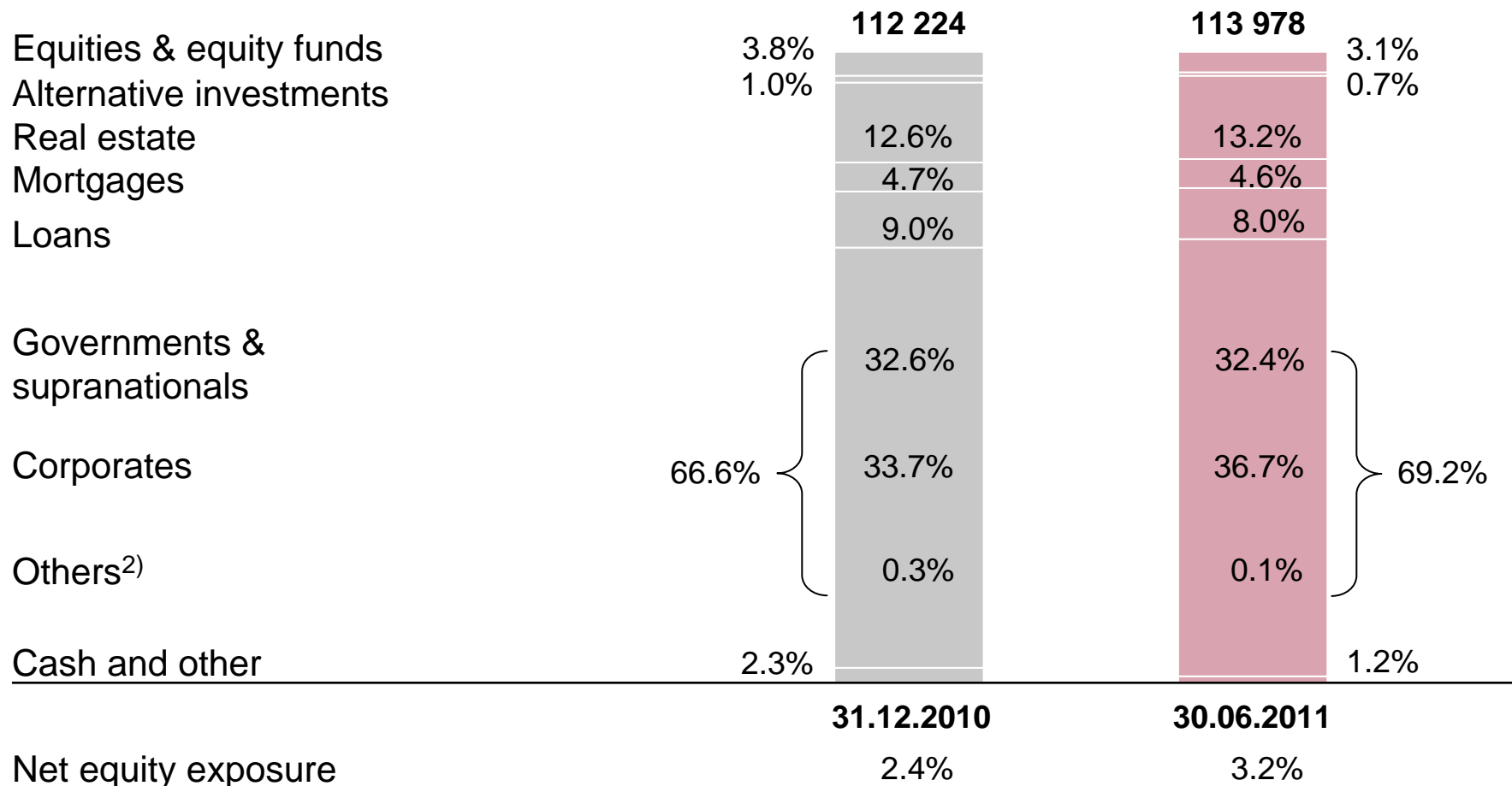
Yields not annualised

	HY 2010 ¹⁾	HY 2011
Direct investment income	2 120	2 055
Direct investment income in %	1.9%	1.8%
Expense	-108	-115
Net capital gains/losses on investments and impairments	299	143
Net investment result	2 311	2 083
Net investment result in %	2.1%	1.9%
Changes in unrealised gains/losses on investments	1 863	-710
Total investment result	4 174	1 373
Total investment result in %	3.7%	1.2%
Average net investments	111 877	111 976
Total investment performance (fair value) in %	4.9%	0.6%

1) Excluding PPI but including FX gains on hybrid (CHF 274 m), not published in HY 2010

Investment portfolio

CHF million (fair value basis), insurance portfolio¹⁾ for own risk



1) Excluding PPI

2) Exposure to CDO/CLO, ABS, MBS, etc.

Government and supranational bond portfolio: Split by country

Government and supranational bond portfolio (fair value basis), as per HY 2011, 32.4% of insurance portfolio (CHF 36.9 bn)

% of total government and supranational bond portfolio

Switzerland	25%
France	14%
Germany	12%
UK	7%
Netherlands	6%
Sovereigns under observation	2%
Supranationals	4%
Other	13%
Europe	83%
Canada	7%
US	4%
Supranationals	2%
Other	4%
Rest of the world	17%
Total	100%

In CHF million¹⁾

	FY10 FV ²⁾	HY11 FV ²⁾	31 July 11 FV ²⁾ ACV ³⁾	
Portugal	131	94	77	138
Italy	216	208	137	147
Ireland	186	163	151	218
Greece	48	37	36	34
Spain	214	215	169	193
Total	795	718	570	730

1) Before policyholder/shareholder split and tax 2) Fair value 3) Amortised cost value

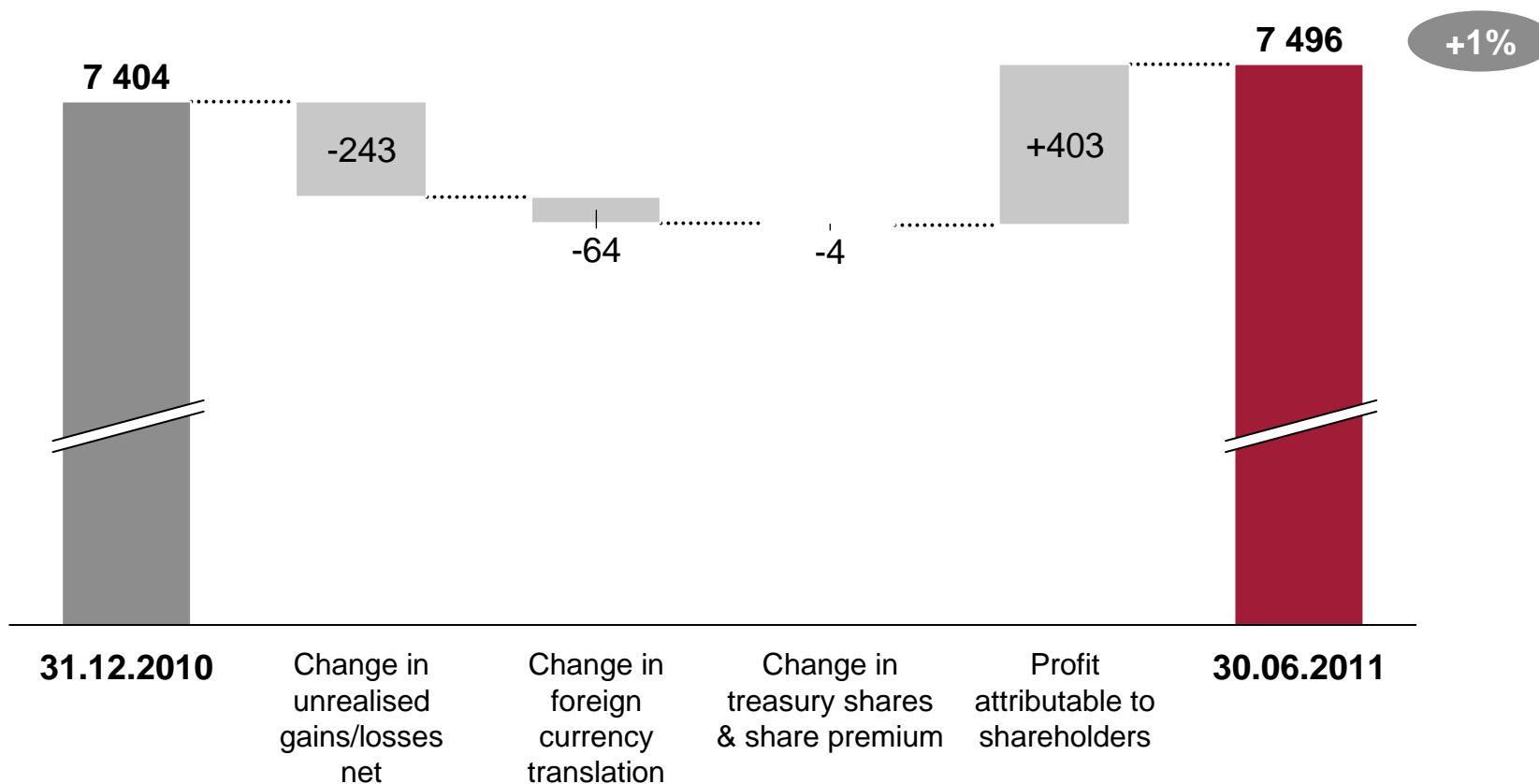
Insurance reserves and borrowings

CHF million (IFRS basis)

	31.12.2010	30.06.2011	Change	Local currency
Insurance reserves	122 279	125 247	+2%	+3%
Insurance liabilities	90 305	93 283		
Investment contracts	11 279	11 233		
Financial liabilities FVPL	17 259	17 275		
Policyholder participation liabilities	3 436	3 456		
Borrowings	2 142	2 723	+27%	

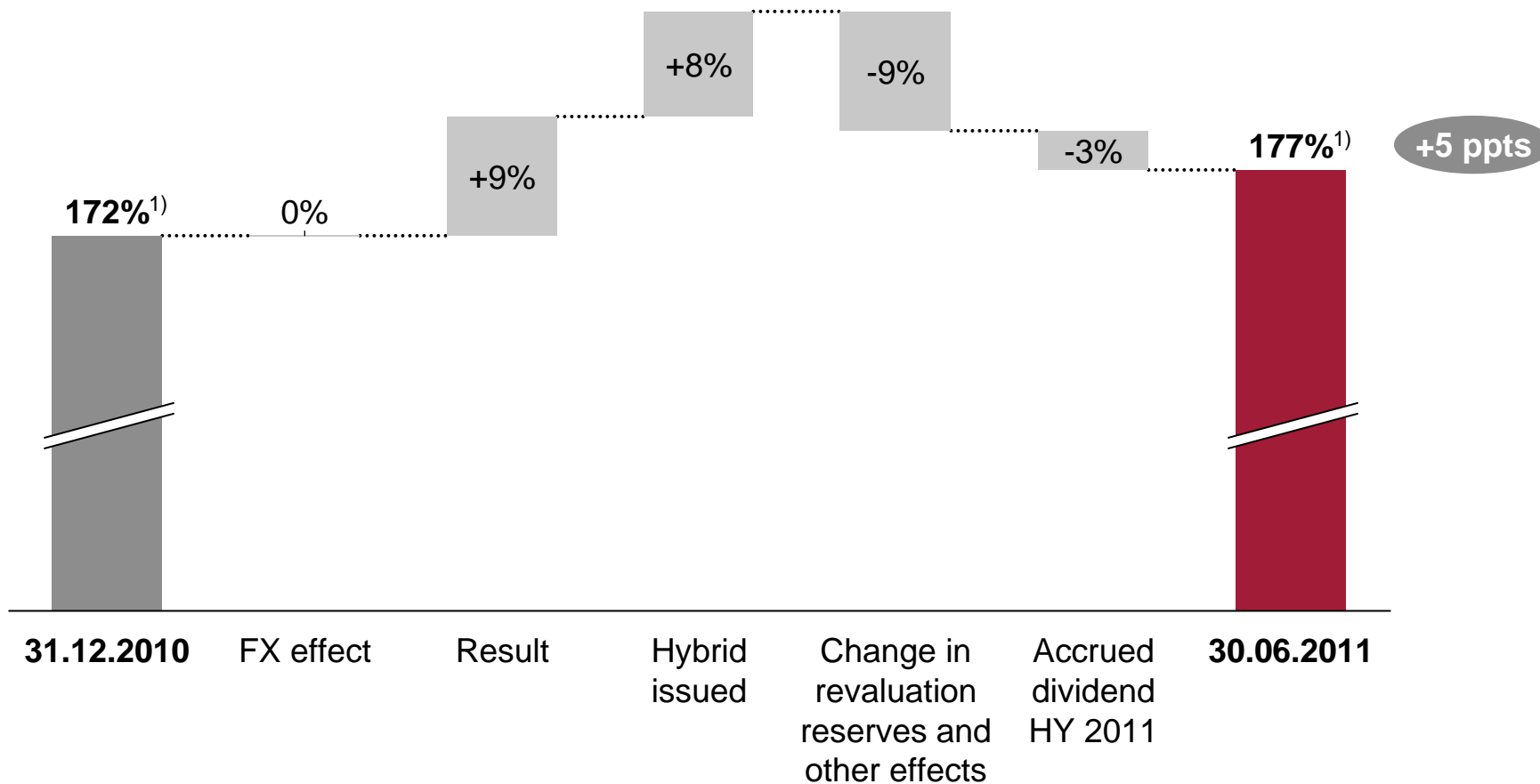
Development of shareholders' equity

CHF million (IFRS basis)



Group solvency

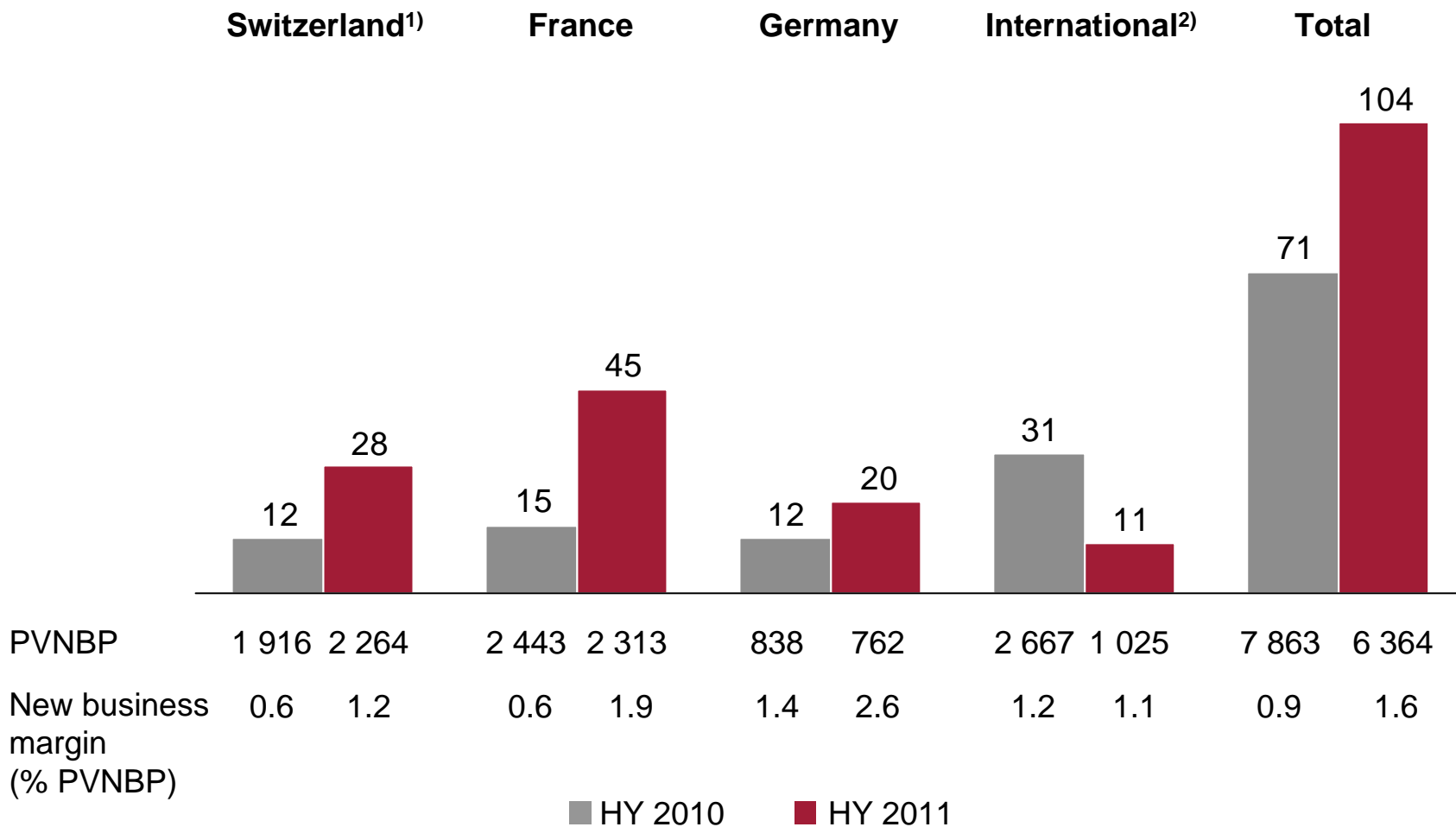
Based on IFRS equity



1) Group solvency excluding unrealised gains/losses on bonds: 166% (FY10) and 175% (HY11)

Value of new business

CHF million



1) HY 2011 including assumed reinsurance

2) Includes PPLI and Corporate Solutions Luxembourg



Update on MILESTONE programme

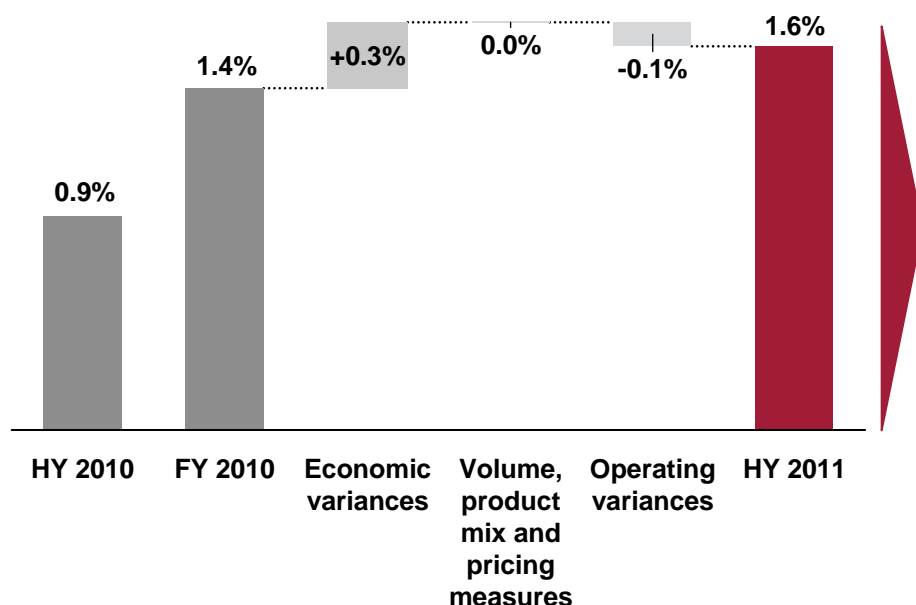
Workstream	Objectives	
1 Enhance customer value & new business profitability	<ul style="list-style-type: none">▪ Margin management focus: VNB and NBM▪ Drive shift to modern products & promote risk products	“We are growing – but not at the expense of value”
2 Increase distribution quality and power	<ul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

5 Drive disciplined execution



Capital market movement supports margin

New business margin
(VNB as % of PVNBP)



PVNBP	7 863	14 607	6 364
APE	790	1 486	638
VNB	71	209	104
NBM (APE)	9.0%	14.0%	16.2%

Economic variances

- Generally improved capital market conditions:
 - Higher interest rates
 - Lower interest rate volatilities

Volume, product mix, and pricing measures

- Improved product mix across units:
 - CH: Effect of pricing measures, seasonal effect from group life, further shift to modern products
 - FR: Increased share of modern and risk business
 - DE: Ongoing high proportion of risk business
- Ongoing margin management actions offset by difficult market environment in some segments

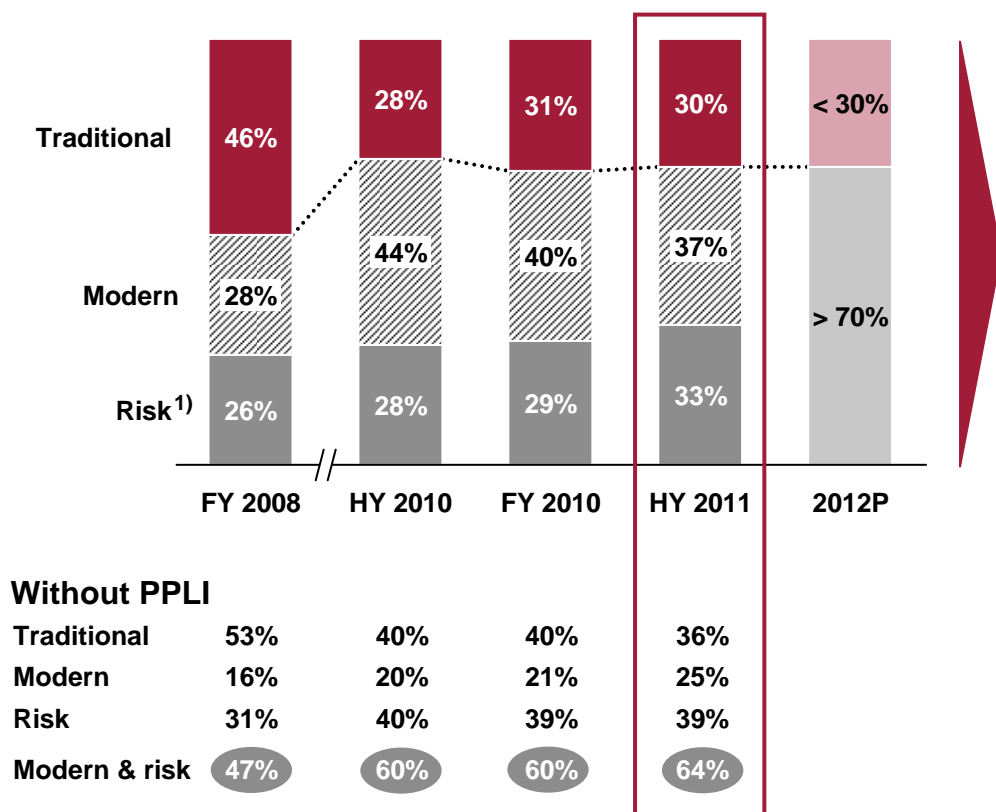
Operating variances

- Slightly better expense experience offset by changed asset allocation and refinements

Increasing share of modern and risk products despite lower PPLI production



New business product mix (based on NBP)



2012 target achieved in HY 2011

- CH: Strong sales of 'SL Champion' products. Tranche of 'SL Premium Select' sold
- FR: Solid growth of risk and health business. Increase in modern products
- DE: Continued strong sales of disability insurance products. Modern Riester launched in January 2011
- SLI: Lower HNWI production mainly due to baseline effect, reorientation in Private Banking and FX rates

Further product modifications/ improvements already put in place

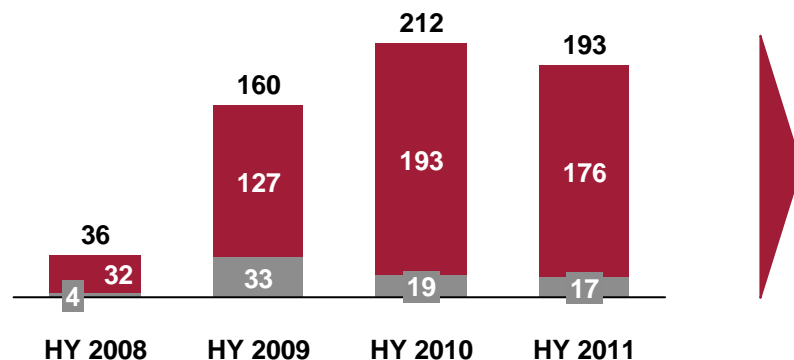
- CH: Additional product modifications, new tranche of structured product launched in July
- FR: Further tranche of structured product sold until August
- DE: Optimised charging structure for modern Riester product

1) Including health

Sales through AWD distribution channel increased by 36%¹⁾

Swiss Life in Germany – AWD channel

NBP²⁾ in EUR million



Reasons for development in first half of 2011

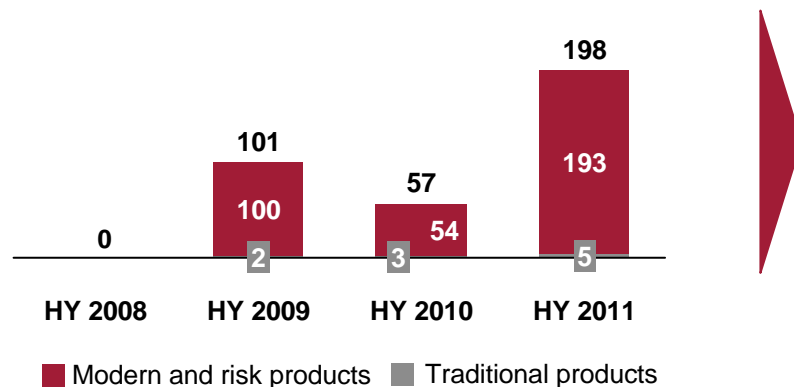
- Increased competition in disability products partially offset by successful sales of Champion products

Action points second half of 2011

- Introduction of innovative and competitive products (e.g. modern Riester) in order to maintain AWD's top select criteria
- Relaunch of disability product with optimised product features

Swiss Life in Switzerland – AWD channel

NBP²⁾ in CHF million



Reasons for development in first half of 2011

- 'SL Champion Duo' as main contributor to significant growth
- AWD with improved know-how of SL products through customised training

Action points second half of 2011

- Launch of new products 'SL Calmo' & 'SL Classic Duo' and redesign of product 'SL Champion Duo' planned
- Joint development of further product packages to specific target groups

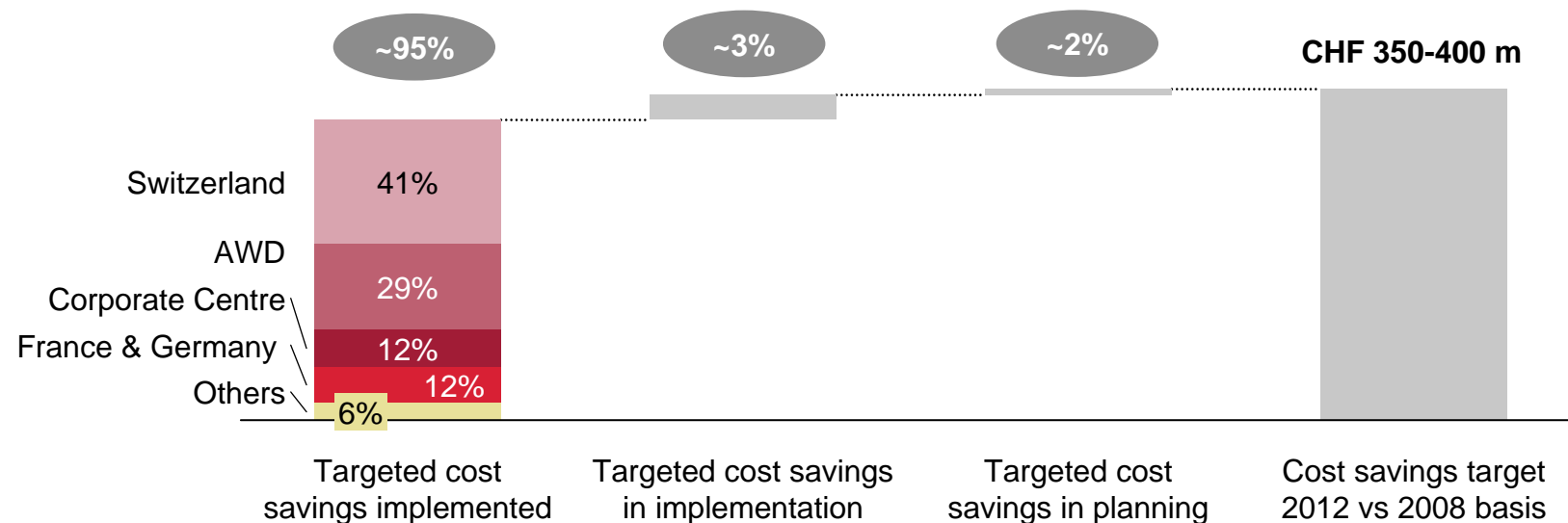
1) Including Germany, Switzerland, currency adjusted

2) New business production



95% of targeted cost savings implemented

Status of targeted cost savings implemented as per HY 2011 – project view



Major achievements

- CH: Additional cost savings of CHF 10 m realised in HY 2011
- FR & DE: Lean Six Sigma portfolios with 20+ running initiatives, 25 initiatives already closed with a contribution of approx. CHF 1.1 m. Initiatives mainly in the area of Operations & Customer Service followed by IT and Finance
- FR: Various ongoing initiatives mainly in operations
- DE: Change of branch office to lower cost location (expected in April 2014)
- Restructuring costs 2008-HY 2011: CHF 166 m; planned additional restructuring costs until 2012: CHF 10 m

Ongoing balance sheet measures and in-force business optimisation are effective

Levers to manage in-force business

Release risk capital and optimise profit streams

Increase profit

Interest result

Cost result

Risk result

Other effects

Selected initiatives per country

Achievements HY 2011

Group

- Capital management
- Reinsurance strategy
- S&P Rating
- Risk mitigations to protect the balance sheet

- Hybrid capital of CHF 400 m raised
- Assumed and ceded reinsurance optimised
- S&P rating outlook enhanced to 'positive'
- Group-wide measures taken to preserve the balance sheet and SST ratio as well as further contingency measures defined

Switzerland



- Risk mitigations to protect the balance sheet
- In-force business commission adjustment

- Measures taken to preserve the balance sheet
 - Interest rate sensitivity reduced
 - Equity exposure reduced
- In-force commission scheme for group life optimised

France



- Risk mitigations to protect the balance sheet
- Pricing adjustments
- Shift to modern on in-force
- Adjust policyholder sharing

- Measures taken to preserve the balance sheet
 - Equity hedging effectiveness improved
- Pricing of all business lines adjusted
- Served rates reduced
- Safeguard clauses introduced

Germany



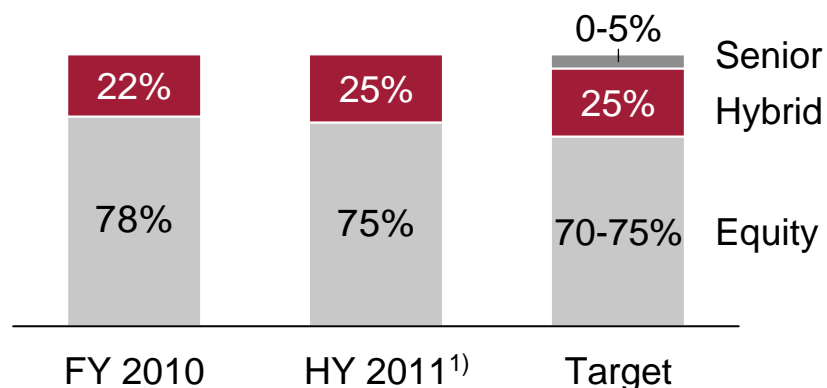
- Risk mitigations to protect the balance sheet
- Manage free 'RfB'

- Measures taken to preserve the balance sheet
 - Interest rate sensitivity reduced
- Measures to enhance free 'RfB' introduced

Well-balanced capital structure and maturity profile

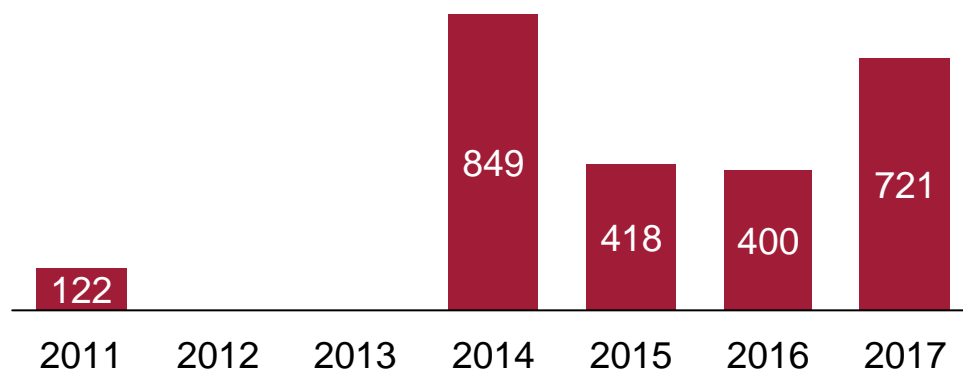
As per 30.06.2011

Capital structure



Hybrid debt maturity profile: next optional call dates

Nominal value, CHF million



- Strong capital structure, well-balanced leverage
- **HY 2011 highlight:**
CHF 400 m hybrid issued
 - Increased share of CHF denominated hybrid
 - Limited impact on borrowing costs (coupon 5.25%)
 - Call date in 2016 fits well into maturity profile

1) Financing debt only; excluding mortgage loans of CHF 226 m



Change analysis of profit from operations

Segment results adjusted¹⁾; CHF million (IFRS basis)

	HY 2010 adjusted	HY 2011 adjusted	Change	Driven by operating improvements
Insurance businesses	380	404	+24	~80%
Switzerland	282	291		
France	41	74		
Germany	57	39		
Fee businesses	57	73	+16	100%
Investment Management	46	57		
AWD	13	16		
Insurance International	-2	0		
Unallocated corp. costs & others	-37	-12	+25	100%
Profit from operations	400	465	+65	~90%

**Profit improvement mainly due to operational progress in line
with MILESTONE execution**

1) Adjusted for one-offs and FX effect EUR/CHF

MILESTONE: Swiss Life's response to the low interest rate environment

Comprehensive set of measures implemented over the course of last 18 months:

Measures

Asset side

- Enhance sustainable investment returns
- Preserve investment margin

- Solid and proven ALM: Duration gap kept below 1 year and significantly reduced interest rate sensitivity
 - SAA adjusted: Share of bonds and real estate increased at the expense of equities and hedge funds
 - FX and equity hedging in place
- **Protect direct yield**

Liability side

- Strengthen technical results
- Build up policyholder buffers

- In-force: Policyholder participation reduced
 - Cost base significantly reduced
 - Policyholder buffers and reserves strengthened
 - New business: Share of risk products increased, dynamic product offerings management
- **Improve technical margins**

Other

- Reduce dependency on investment income

- Fee income increased
 - Successful shift towards modern products
- **Diversify profit sources towards fee business**

Increased resilience of business model

Agenda

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MILESTONE update








→ **Wrap-up**


Bruno Pfister

Thomas Buess

Bruno Pfister

MILESTONE: Managing for value at Swiss Life

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

5 **Drive disciplined execution** 

Reporting on achievements, challenges, and actions on ongoing basis

Half-year results 2011
Investors' presentation
Supplementary information

Supplementary information

→ Profit and loss

Balance sheet

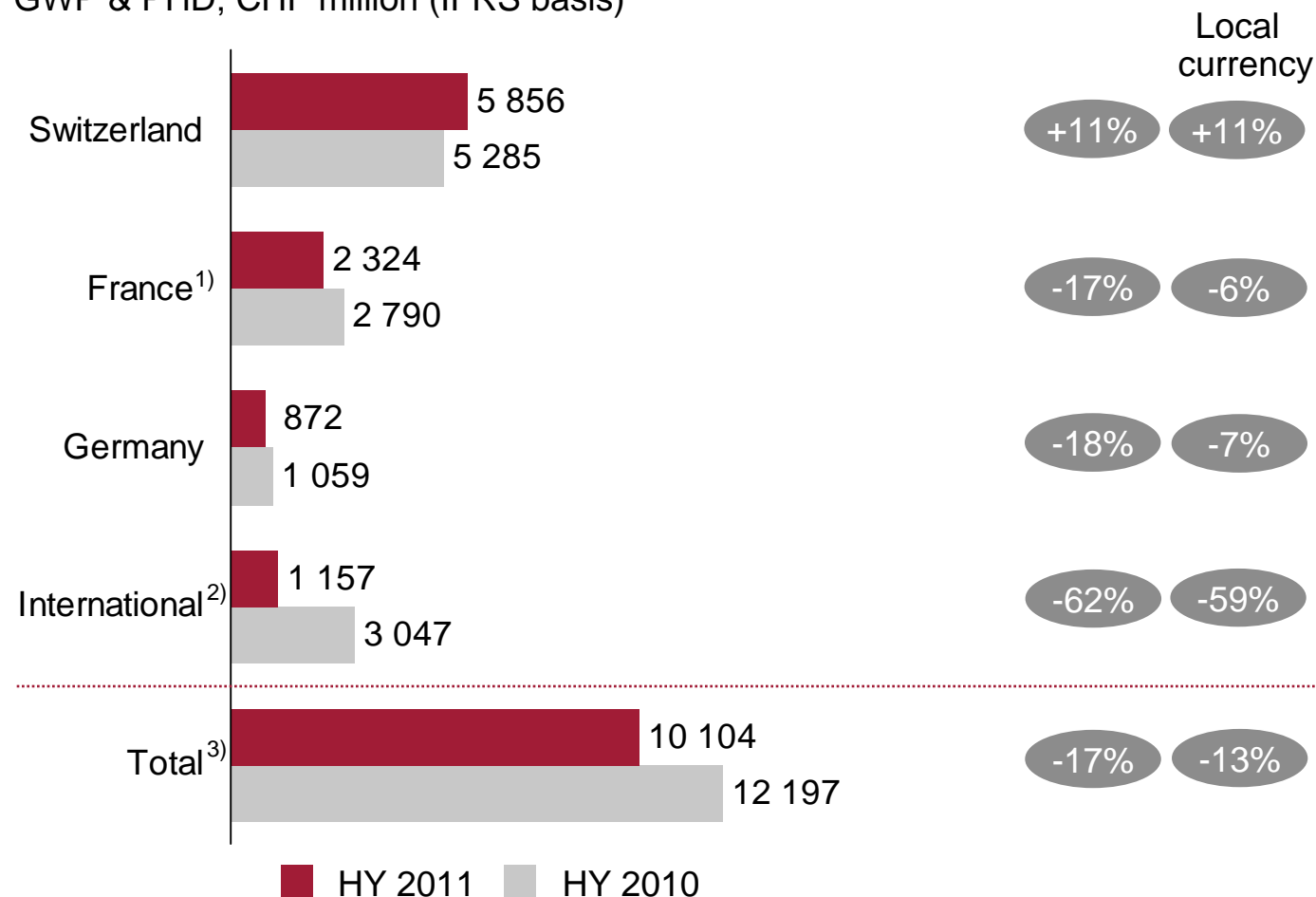
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Premium growth

GWP & PHD; CHF million (IFRS basis)



1) CMU of EUR 28 m in HY 2010 excluded

2) Includes Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS) and Swiss Life Products

3) Total includes intersegment eliminations of CHF -128 m in HY 2011, CHF -9 m in HY 2010 and Payment Protection Insurance (PPI) of CHF 23 m in HY 2011, CHF 25 m in HY 2010



Switzerland: Life insurance premiums

CHF million (IFRS basis)

	HY 2010	HY 2011	Change
Total life GWP incl. PHD	5 285	5 856	+11%
Single premiums	2 060	2 587	+26%
Periodic premiums	3 225	3 269	+1%
Group life	4 589	5 142	+12%
Single premiums	1 836	2 335	+27%
Periodic premiums	2 753	2 807	+2%
Individual life	696	714	+3%
Single premiums	224	252	+13%
Periodic premiums	472	462	-2%



Details of net investment result

CHF million (IFRS basis), insurance portfolio for own risk HY 2011

	Direct investment income	Impairments	Gains & losses through income statement			Net investment result
			on underlyings	on derivatives	Net	
Bonds	1 429	-45	99	-75	24	1 408
Equities	42	-26	115	-13	102	118
Loans	192		83		83	275
Mortgages	82	-1				81
Alternative investments	2		54	-21	33	35
Real estate	304		146		146	450
Cash & other	4		-3		-3	1
Total before FX	2 055	-72	494	-109	385	2 368
FX gains / losses ¹⁾			-1 970	1 800	-170	-170
Total after FX	2 055	-72	-1 476	1 691	215	2 198
Expense						-115
Net investment result						2 083

Net capital gains/
losses on investments

143

1) Including FX gains on hybrid of CHF 45 m

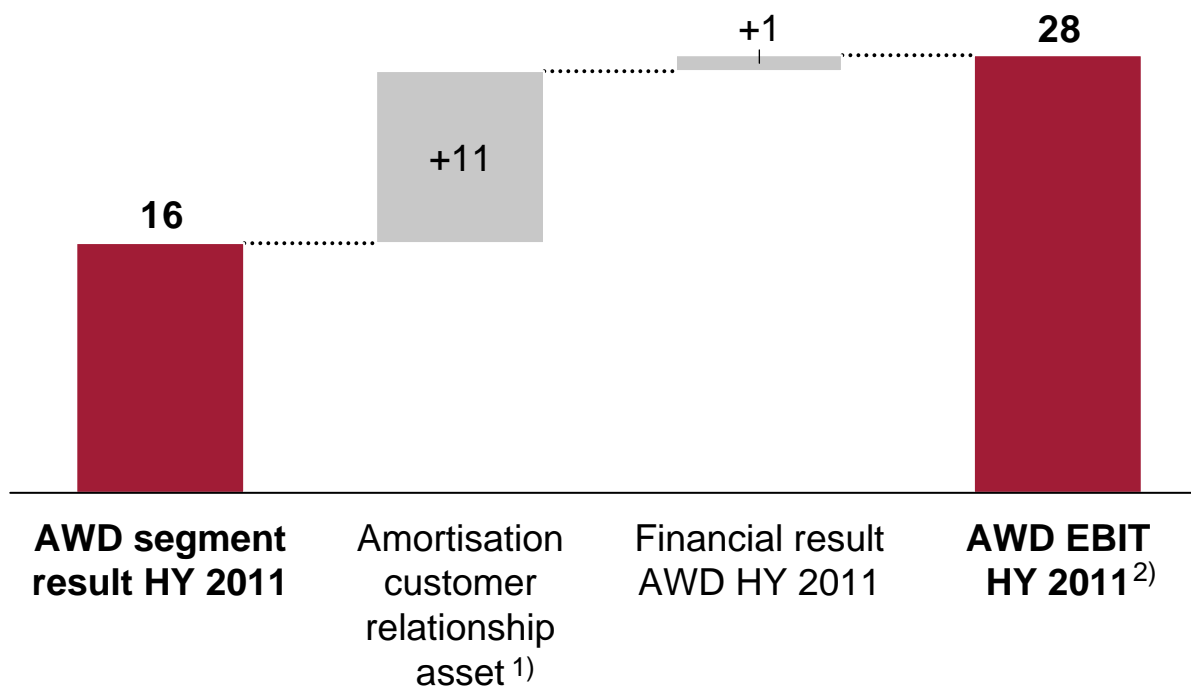
Operating result

Segment results; CHF million (IFRS basis)

	HY 2010	HY 2011
Insurance	390	404
of which - Switzerland	282	291
- France	47	74
- Germany	64	39
- International	-3	0
Investment Management	46	57
AWD	15	16
Other & eliminations	-14	-1
Unallocated corporate costs	-22	-24
Profit from operations	415	452

Reconciliation AWD segment result to AWD EBIT

CHF million (IFRS basis)



1) Annual amortisation: EUR 18 m

2) AWD EBIT HY 2011: EUR 21.8 m

Supplementary information

Profit and loss

→ **Balance sheet**

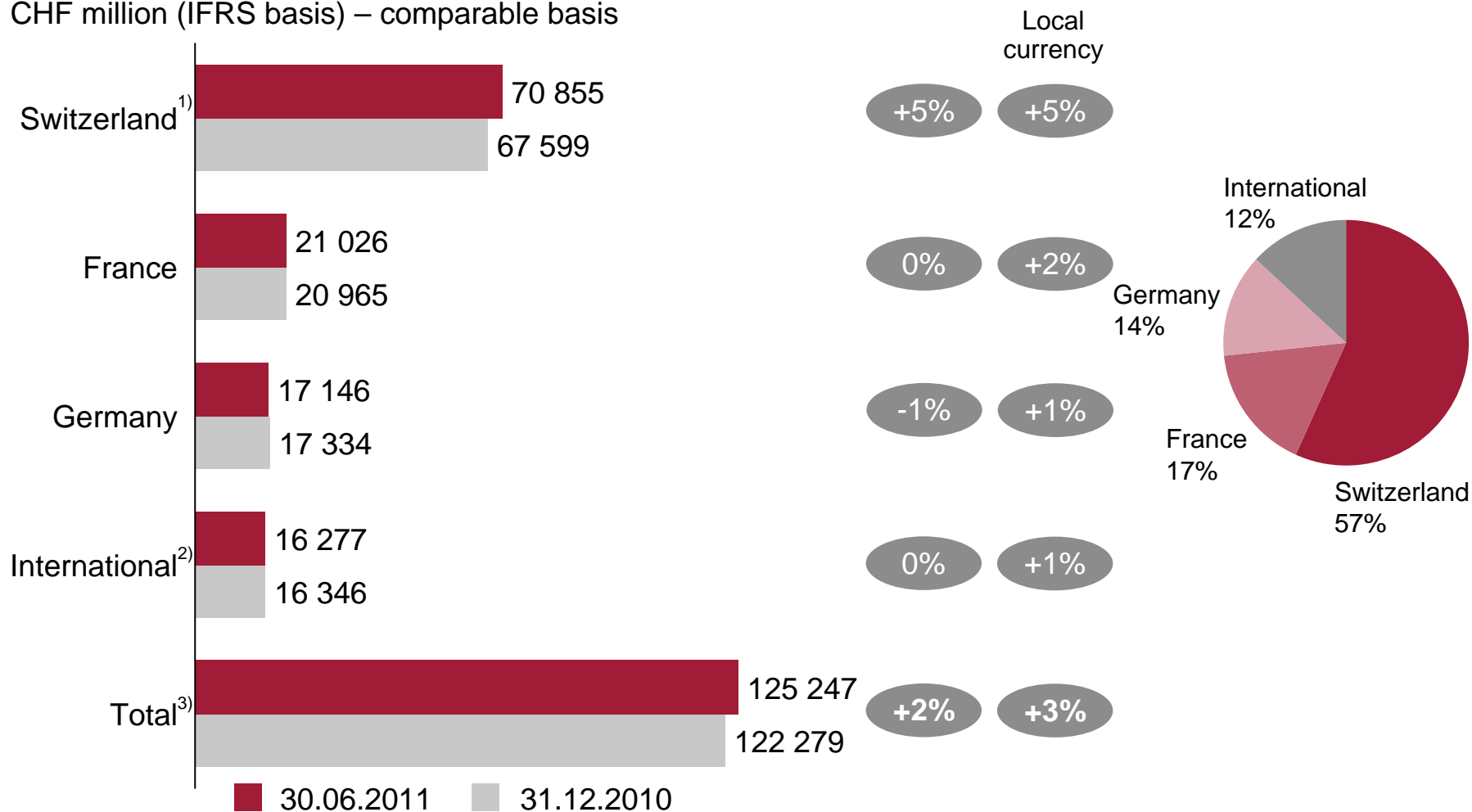
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Insurance reserves by country

CHF million (IFRS basis) – comparable basis



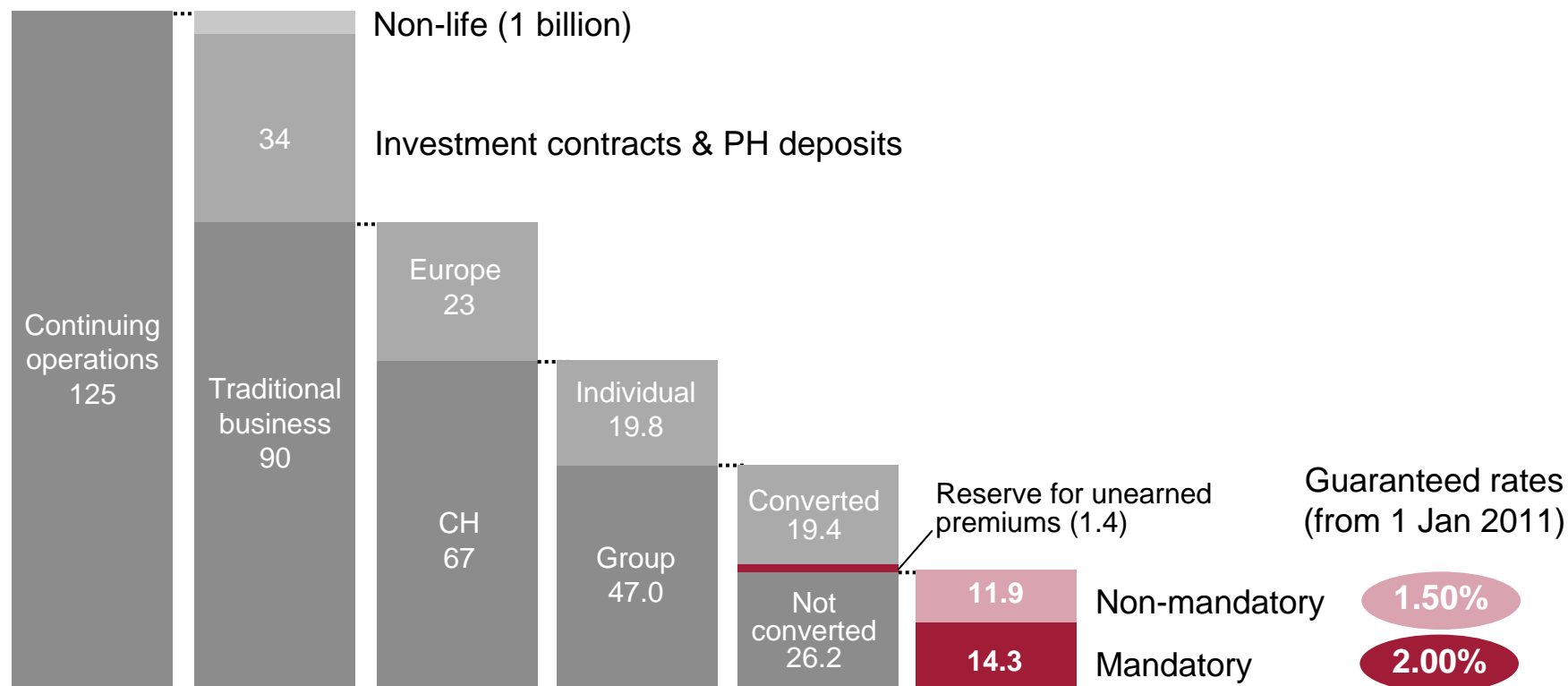
1) Includes insurance reserves Nationale Suisse Portfolio of CHF 1.7 bn in HY 2011

2) Includes Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS) and Swiss Life Products

3) Total includes intersegment eliminations of CHF -118 m in HY 2011 and CHF -27 m in FY 2010; and PPLI of CHF 61 m in HY 2011, CHF 62 m in FY 2010

Swiss Life Group reserves subject to BVG minimum interest rates

Breakdown of insurance reserves (incl. unit-linked) as per 30.06.2011;
CHF billion (IFRS basis)



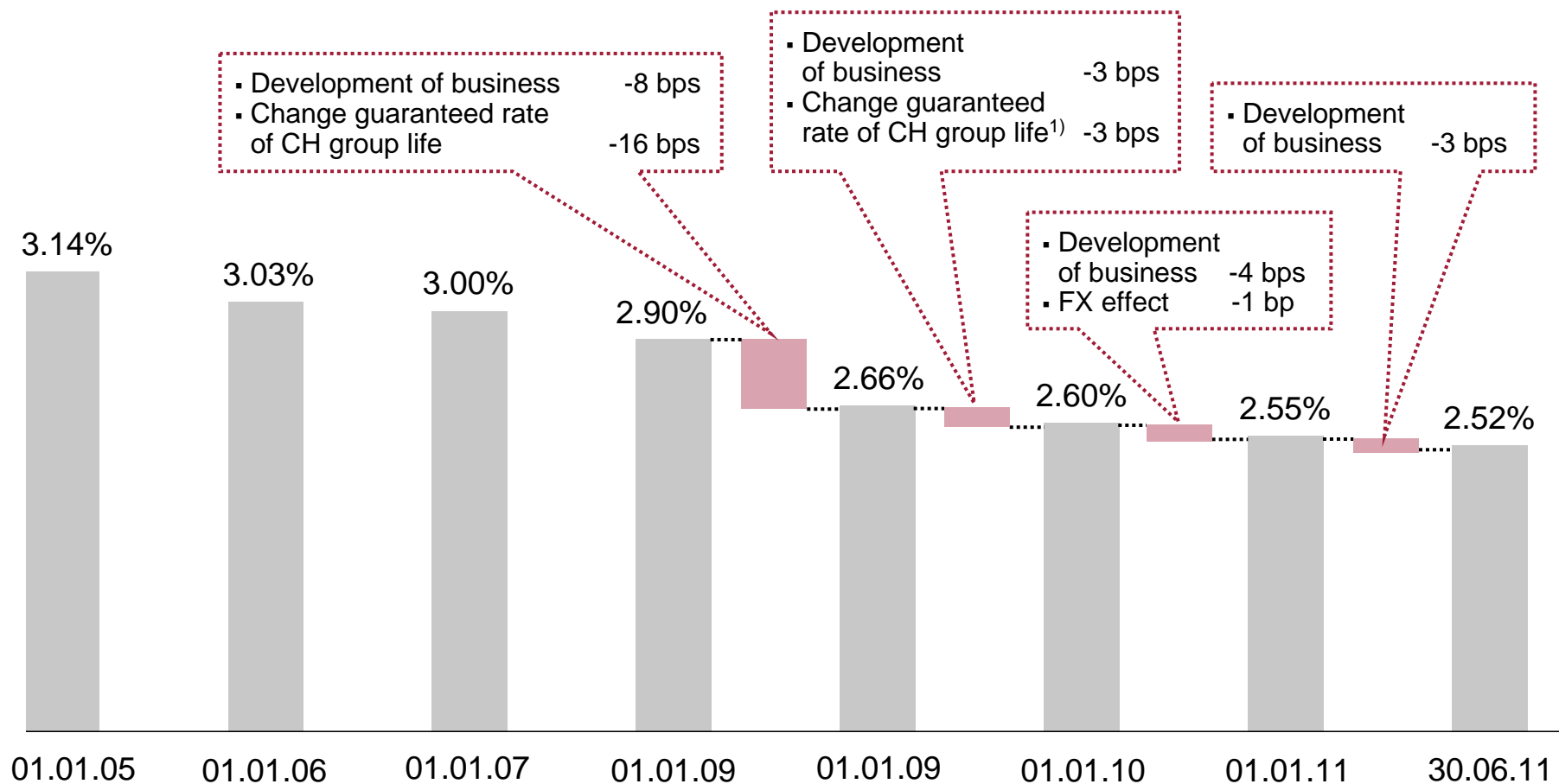
Average technical interest rate of 2.52%

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

	CHF	EUR	USD	GBP
Total reserves	66 558	24 747	107	8
Average technical interest rate	2.40%	2.79%	3.38%	3.53%

Overall: 2.52%
(01.01.2011: 2.55%)

Development of average technical interest rate



1) Guaranteed interest rate for non-mandatory group life business as from 2010: 1.50%

Group solvency

CHF million (IFRS basis)

	31.12.2010	30.06.2011
Available solvency margin		
IFRS equity (incl. minority interests)	7 437	7 530
Eligible part of hybrid capital ¹⁾	2 016	2 365
Unattributed surplus	722	724
Goodwill and other intangible assets	-1 948	-1 919
DAC non-life	-60	-73
Dividends and par value reduction	-144	-264
Tax losses	-14	-9
Total available solvency margin	8 009	8 354
Total required solvency margin	4 653	4 730
Solvency ratio	172%	177%

1) Limited to 50% of the required solvency margin

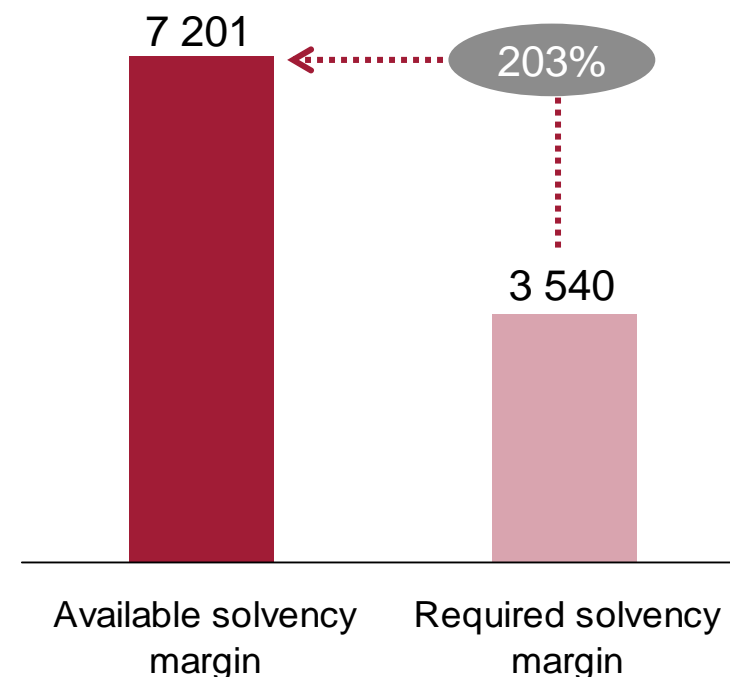
Statutory solvency

CHF million (statutory basis) as per 30.06.2011

Available solvency margin

Parent company statutory equity	2 011
Intangibles	-19
Eligible part of hybrid capital ¹⁾	1 770
Fund for future appropriation	162
Additional Zillmerisation	246
Unrealised capital gains	2 382
Unattributed surplus	649
Available solvency margin	7 201

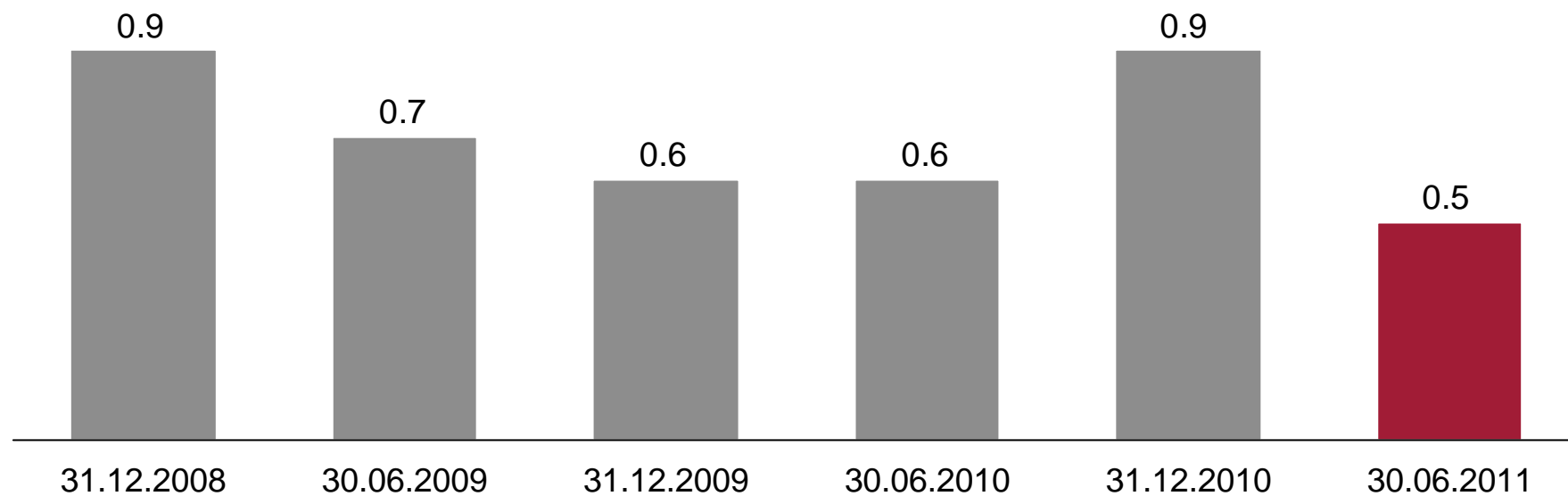
Statutory solvency



1) Limited to 50% of the required solvency margin

Total weighted duration gap¹⁾

in %



1) Explains the change in risk bearing capital due to a parallel shift of the underlying interest rate curve in percentage of the present value of insurance liabilities

Supplementary information

Profit and loss

Balance sheet

→ **Investments**

Market consistent embedded value (MCEV)

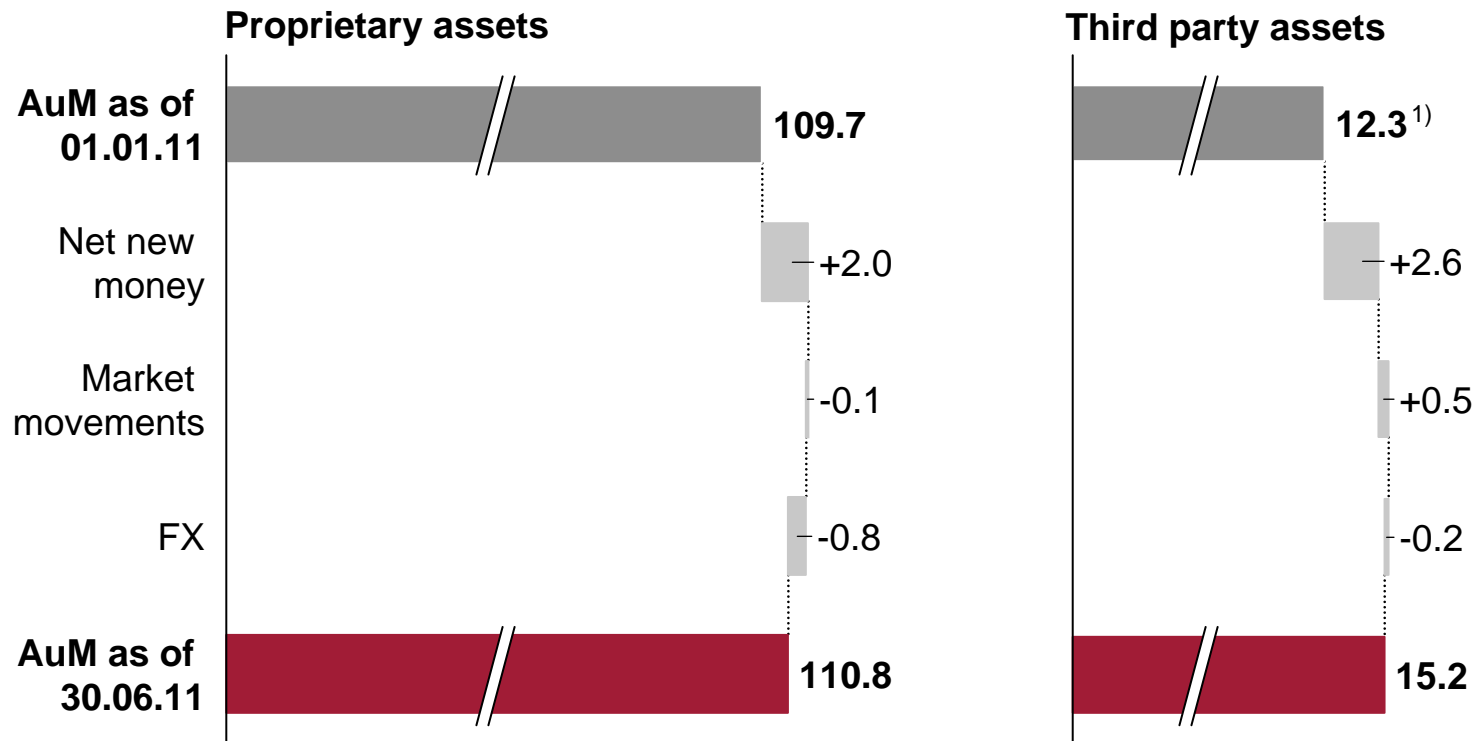
Contact details and financial calendar

Business review Investment Management: Change analysis of assets under management



SwissLife

CHF billion (fair value basis)

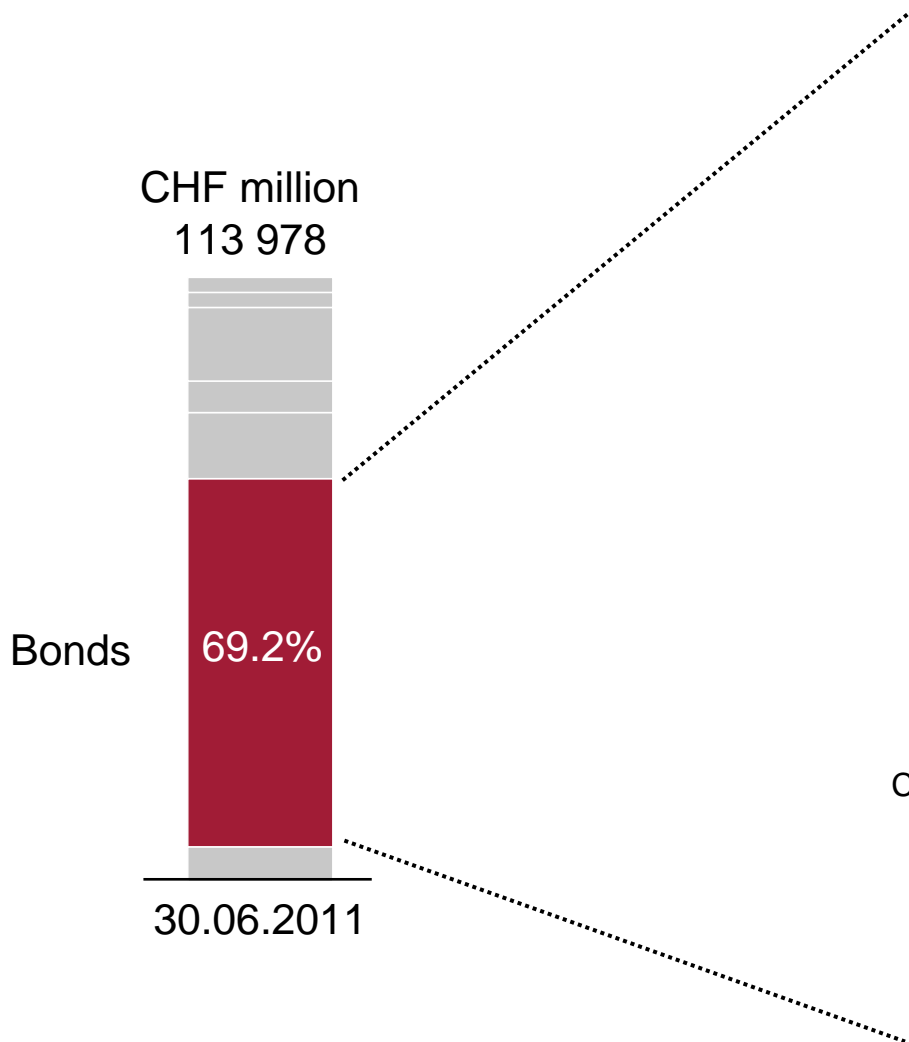


1) Restated according to industry standard

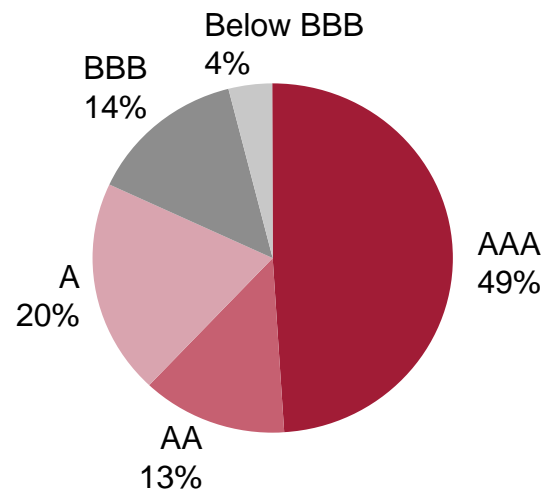


Bond portfolio: Ratings and classification

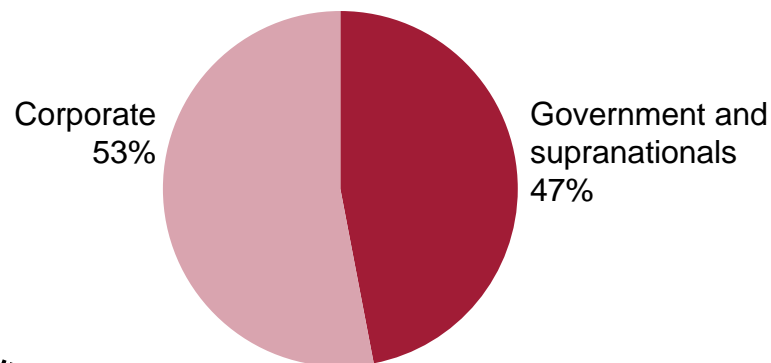
Insurance portfolio (fair value basis)



Breakdown by rating

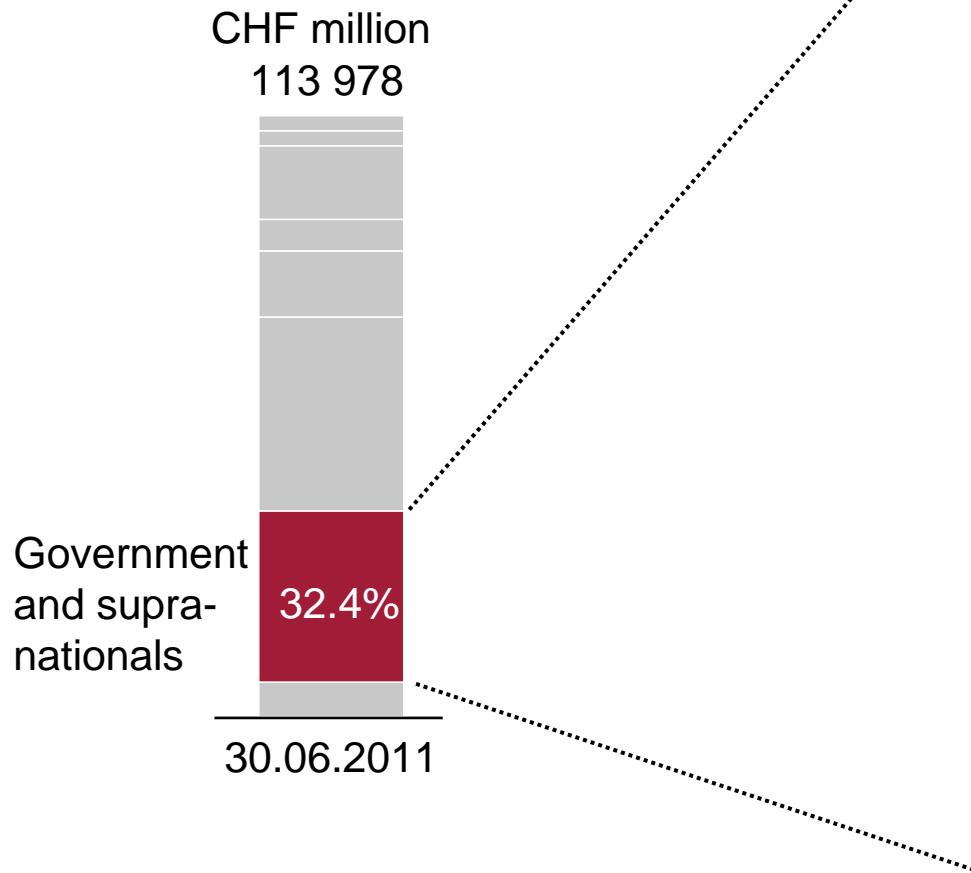


Breakdown by classification

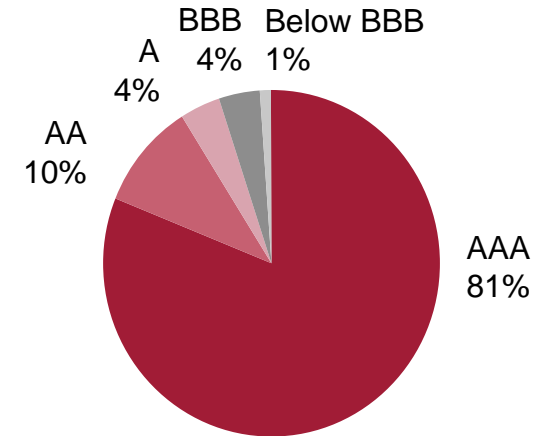


Government and supranational bond portfolio: Ratings and currency

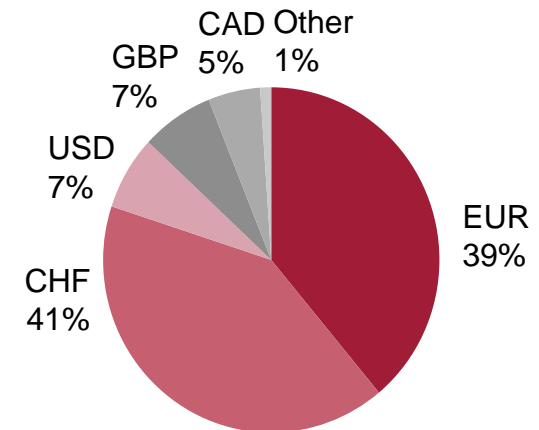
Insurance portfolio (fair value basis)



Breakdown by rating

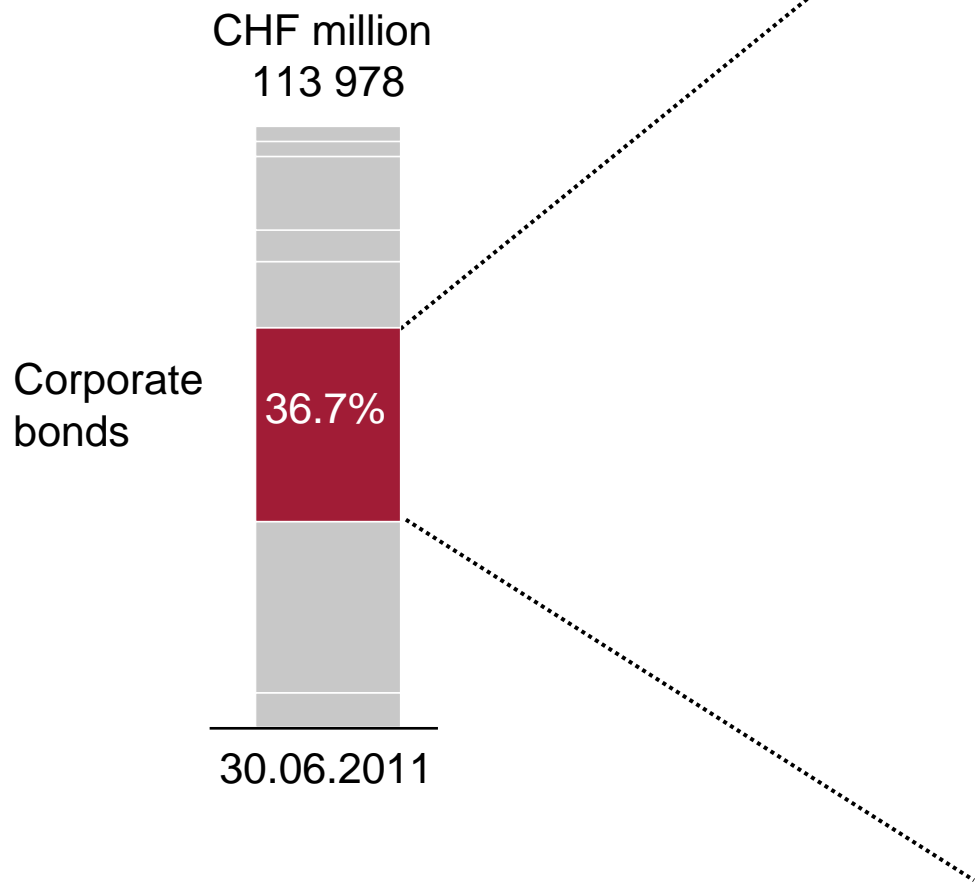


Breakdown by currency

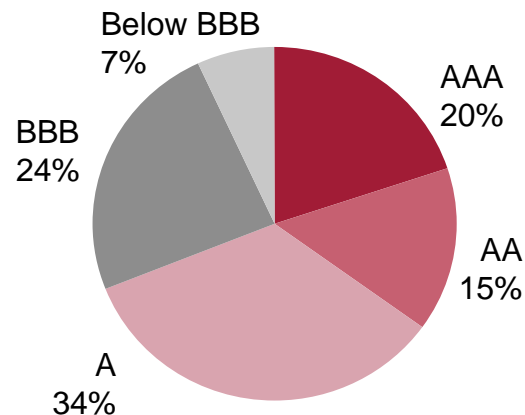


Corporate bond portfolio: Ratings and currency

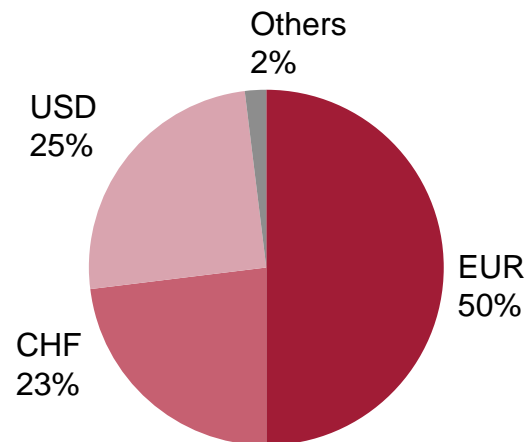
Insurance portfolio (fair value basis)



Breakdown by rating



Breakdown by currency



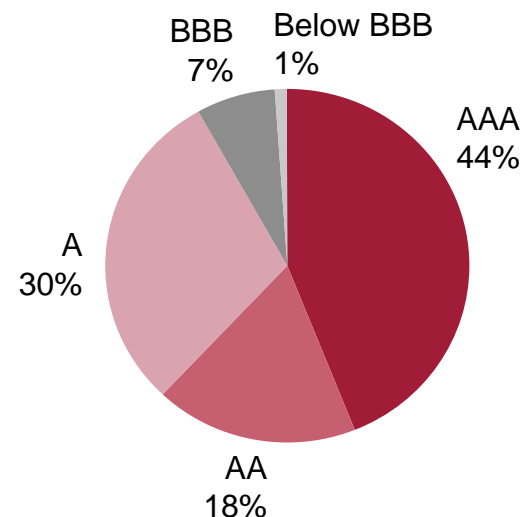
Corporate bond portfolio: Industry split

Corporate bond portfolio (fair value basis), as per HY 2011,
36.7% of insurance portfolio (CHF 41.8 bn)

Breakdown by industry

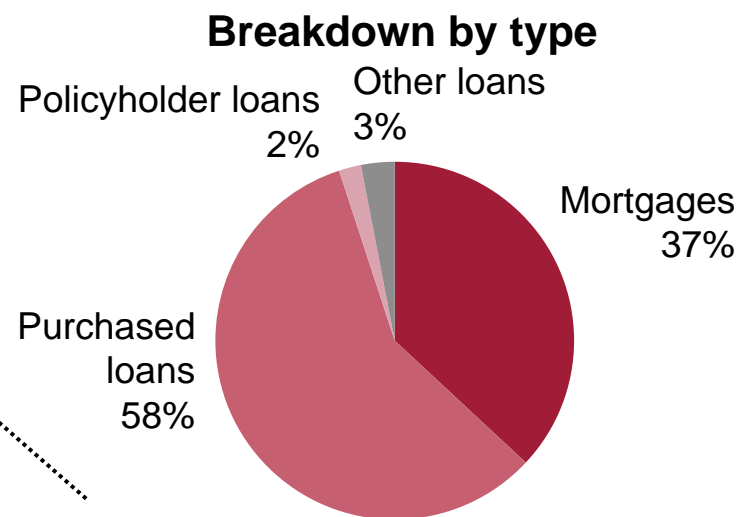
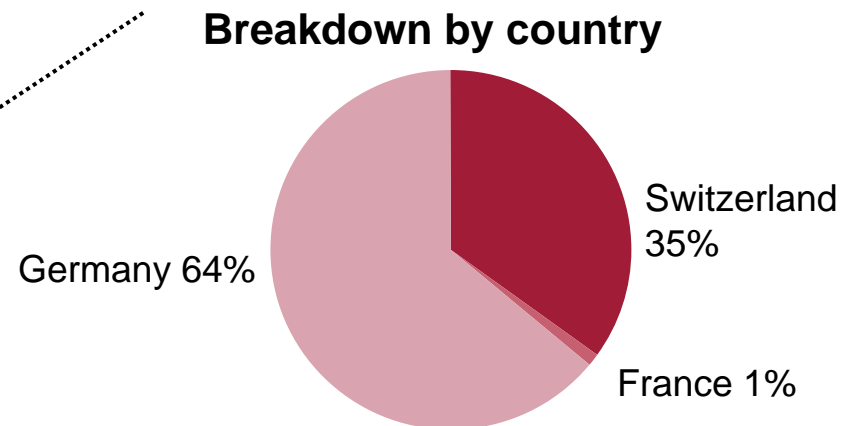
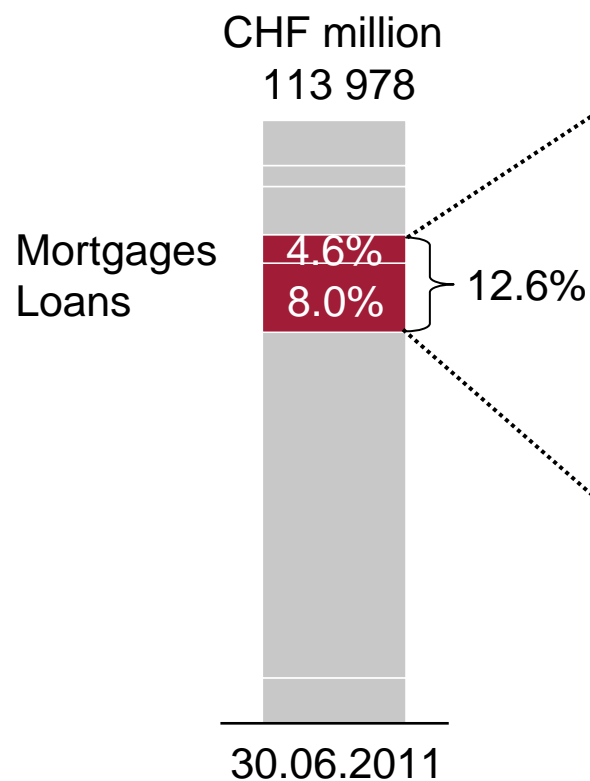
	% of total corporate bond portfolio
Financials	42%
Utilities	10%
Industrial	8%
Consumer non-cyclical	8%
Energy	7%
Communication	6%
Consumer discretionary	5%
Health	4%
Other	10%
Total	100%

Financials: Breakdown by rating



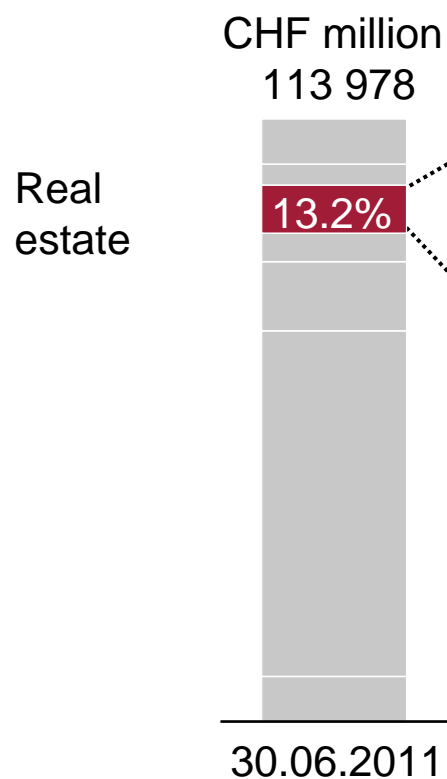
Loan and mortgage portfolio

Insurance portfolio (fair value basis)

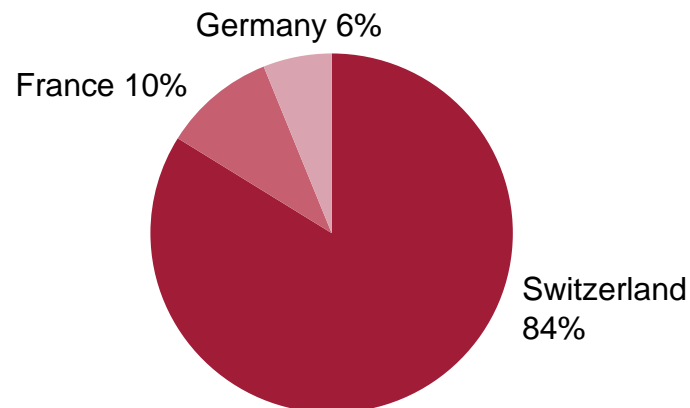


Real estate portfolio

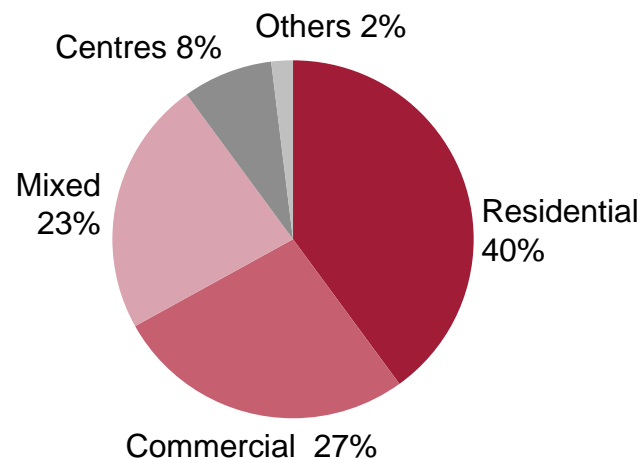
Insurance portfolio (fair value basis)



Breakdown by country

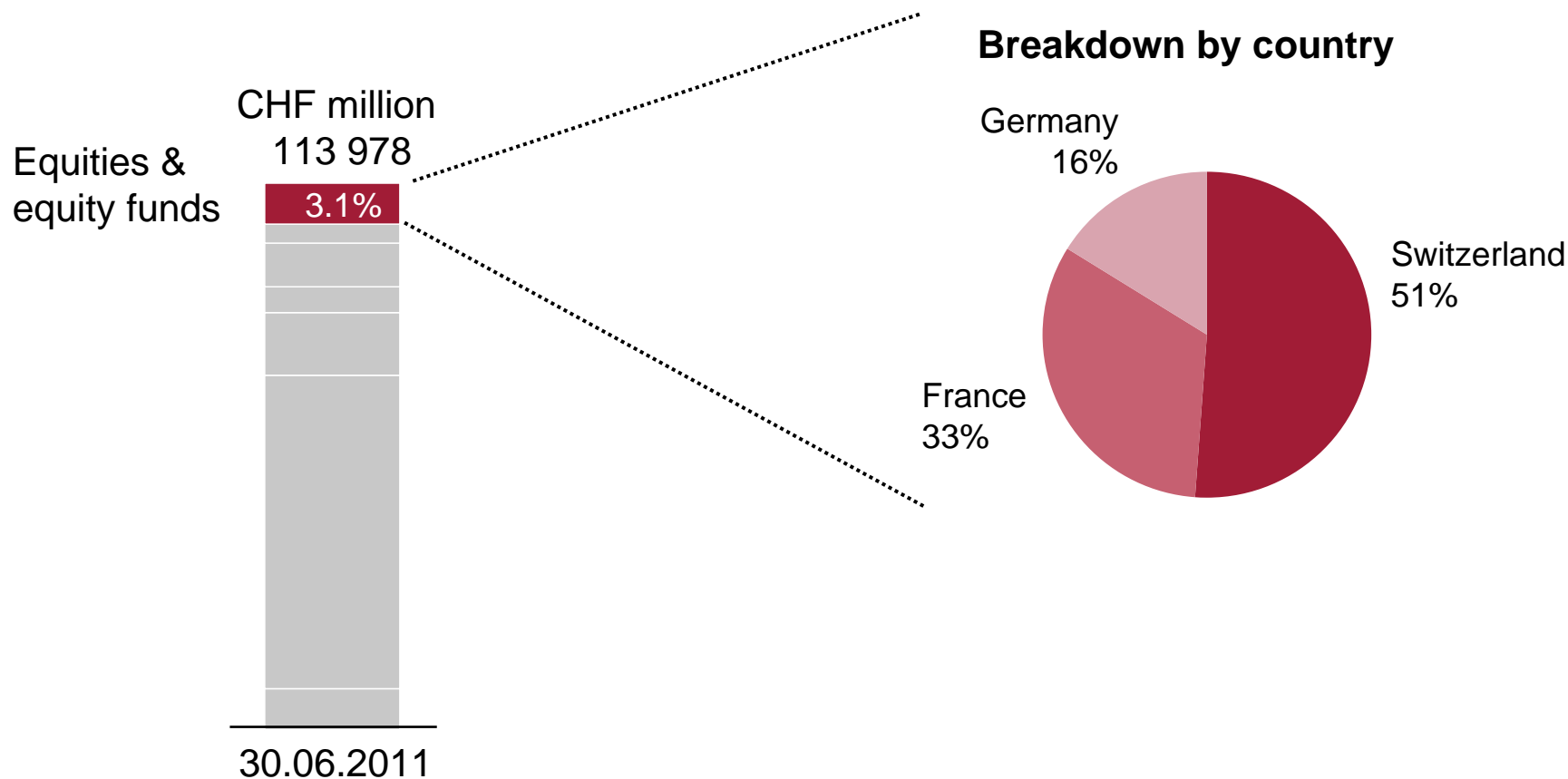


Breakdown by type



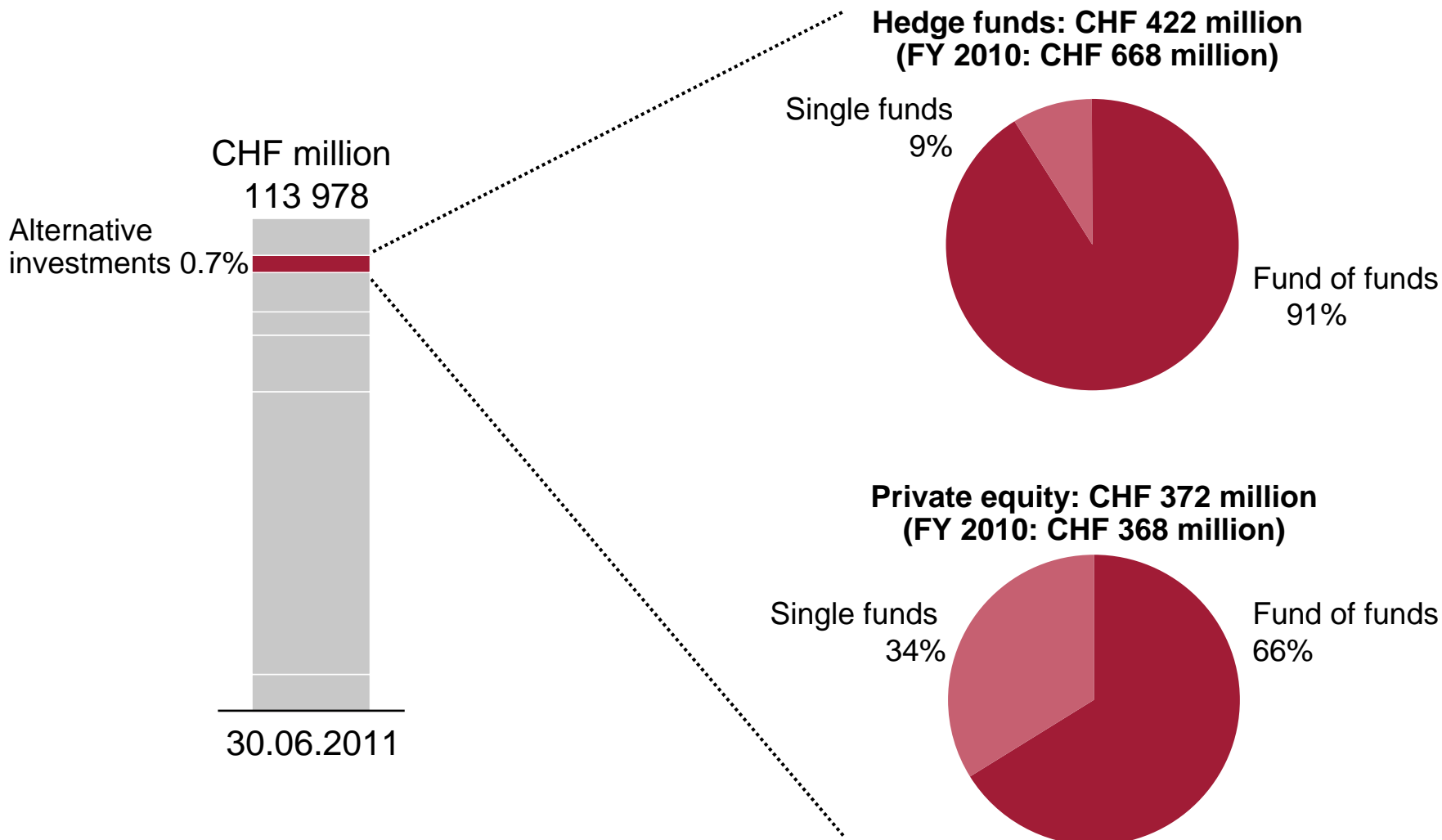
Equity portfolio: Gross exposure

Insurance portfolio (fair value basis)



Alternative investment portfolio

Insurance portfolio (fair value basis)



Forex and interest rates

Foreign currency exchange rates

	30.06.10	31.12.10	30.06.11	01.01.-30.06.10	01.01.-30.06.11
EUR	1.3210	1.2483	1.2217	1.4383	1.2713
GBP	1.6126	1.4560	1.3528	1.6524	1.4634
USD	1.0778	0.9339	0.8420	1.0829	0.9051

Interest rates¹⁾

	30.06.10	31.12.10	30.06.11
CHF	1.482	1.716	1.732
EUR	2.577	2.963	3.025
USD	2.931	3.294	3.160
GBP	3.355	3.396	3.380

1) 10-year government bond

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→ **Market consistent embedded value (MCEV)**

Contact details and financial calendar

Value of New Business

CHF million (MCEV)

	Switzerland ¹⁾	France	Germany	Inter- national	Total
Value of new business	28	45	20	11	104
New business strain	-25	-38	-5	-6	-73
VNB before new business strain	53	82	25	16	177
Annual premiums	110	190	60	3	363
Single premiums	756	839	151	1 005	2 751
Present value of new premiums (PVNBP)	2 264	2 313	762	1 025	6 364
Average annual premium multiplier	13.7	7.8	10.3	7.1	10.0
New business annual premium equivalent (APE)	186	274	75	103	638
change from HY 2010	+11%	+0%	-7%	-61%	-19%
New business margin (% PVNBP)	1.2%	1.9%	2.6%	1.1%	1.6%
change from HY 2010	+60 bps	+130 bps	+120 bps	-10 bps	+70 bps
New business margin (% APE)	15.1%	16.3%	26.9%	10.5%	16.2%
change from HY 2010	+770 bps	+1070 bps	+1200 bps	-110 bps	+720 bps

1) Incl. assumed reinsurance

Economic assumptions

Swap rates

Economy	1 year	2 year	5 year	10 year	15 year	30 year
Switzerland	0.22%	0.52%	1.35%	2.12%	2.39%	2.43%
Euro zone	2.01%	2.17%	2.84%	3.43%	3.78%	3.85%
USA	0.39%	0.69%	2.02%	3.26%	3.75%	4.06%

Forward inflation rates

Economy	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Switzerland	0.7%	0.6%	1.2%	1.7%	1.8%	1.6%
Euro zone	1.7%	1.5%	2.1%	2.6%	2.9%	2.4%
USA	0.39%	0.69%	2.02%	3.26%	3.75%	4.06%

Swaption implied volatilities (tenor: 20 years for EUR and USD, 10 years for CHF)

Economy	1 year option	2 year option	5 year option	10 year option	15 year option	30 year option
Switzerland	26.3%	25.5%	25.1%	26.5%	n/a	n/a
Euro zone	20.9%	20.6%	18.3%	16.4%	16.4%	13.9%
USA	24.5%	23.4%	20.2%	17.1%	15.6%	15.8%

Equity option implied volatilities

Economy	Index	Volatility
Switzerland	SMI	20.3%
Euro zone	EuroStoxx 50	24.7%
USA	S&P 500	26.1%

Real estate volatilities

Economy	Volatility
Switzerland	8.0%
Euro zone	13.0%

Cautionary statement regarding forward-looking information



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→ **Contact details and financial calendar**

Contact details and financial calendar

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Financial calendar

Interim statement Q3	15 November 2011
Full-year results 2011	29 February 2012
Annual General Meeting 2012	19 April 2012

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The future starts here.