



SwissLife

Investors' Day Group Strategy

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Zurich, 1 December 2005

1. Market environment and position

2. Group strategy

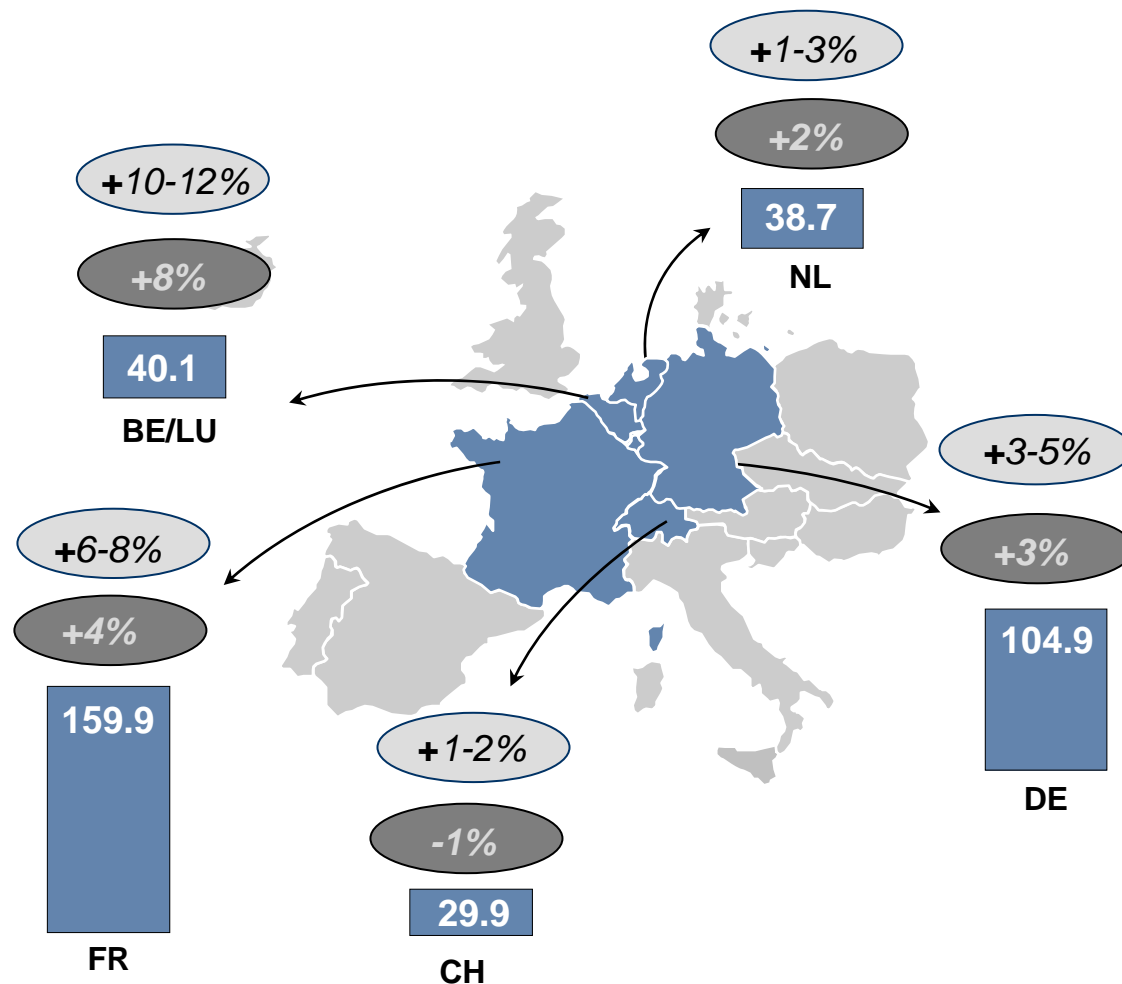
- Growth
- Efficiency
- Leadership

3. Financial targets

4. Summary

European life markets with growth potential

Life premiums in CHF billion 2004

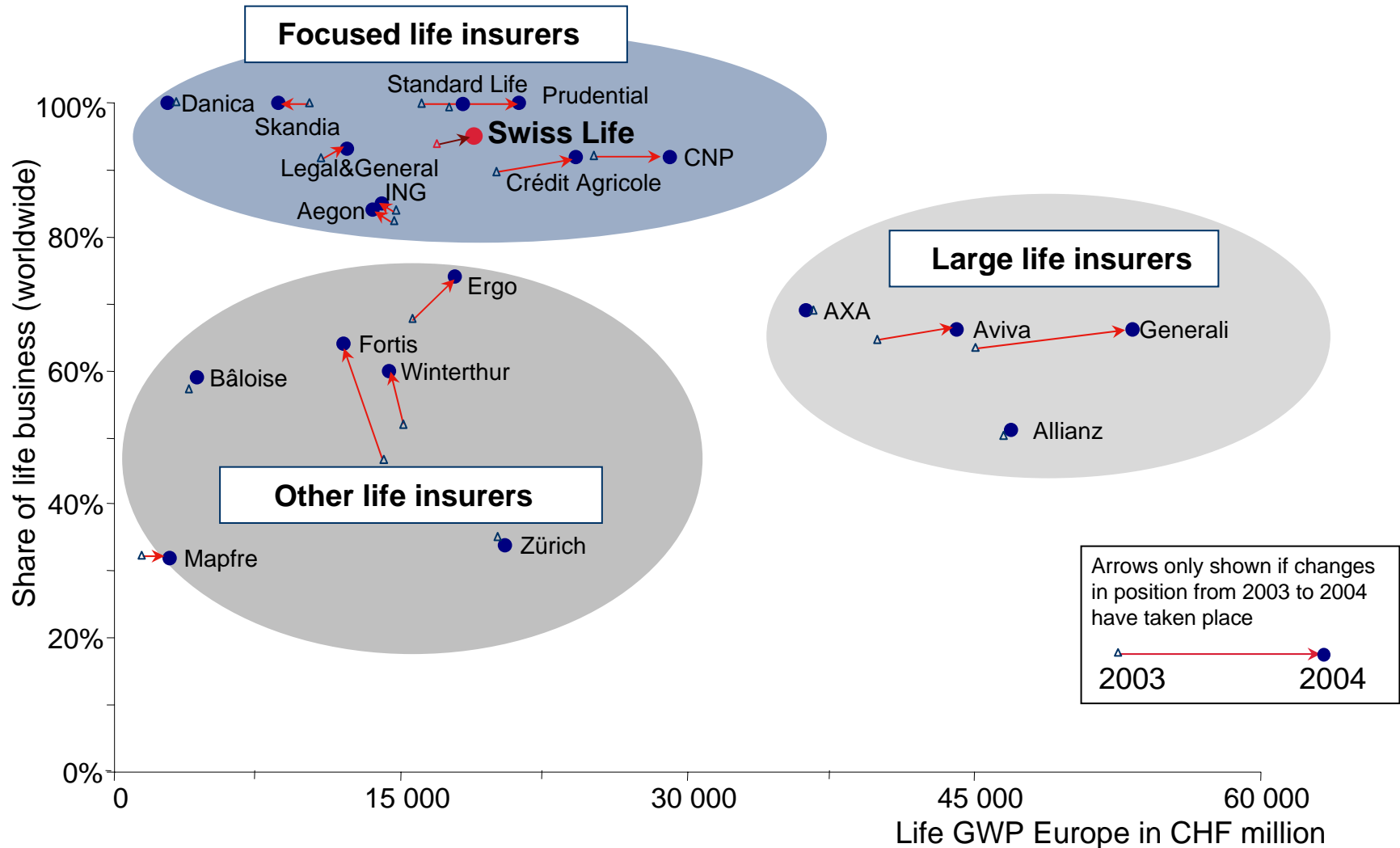


- Attractive market potential in all life markets
- Ageing population as main growth driver

Market growth per annum

<i>Expected</i>	<i>Historic</i>
2005-2008	2000-2004

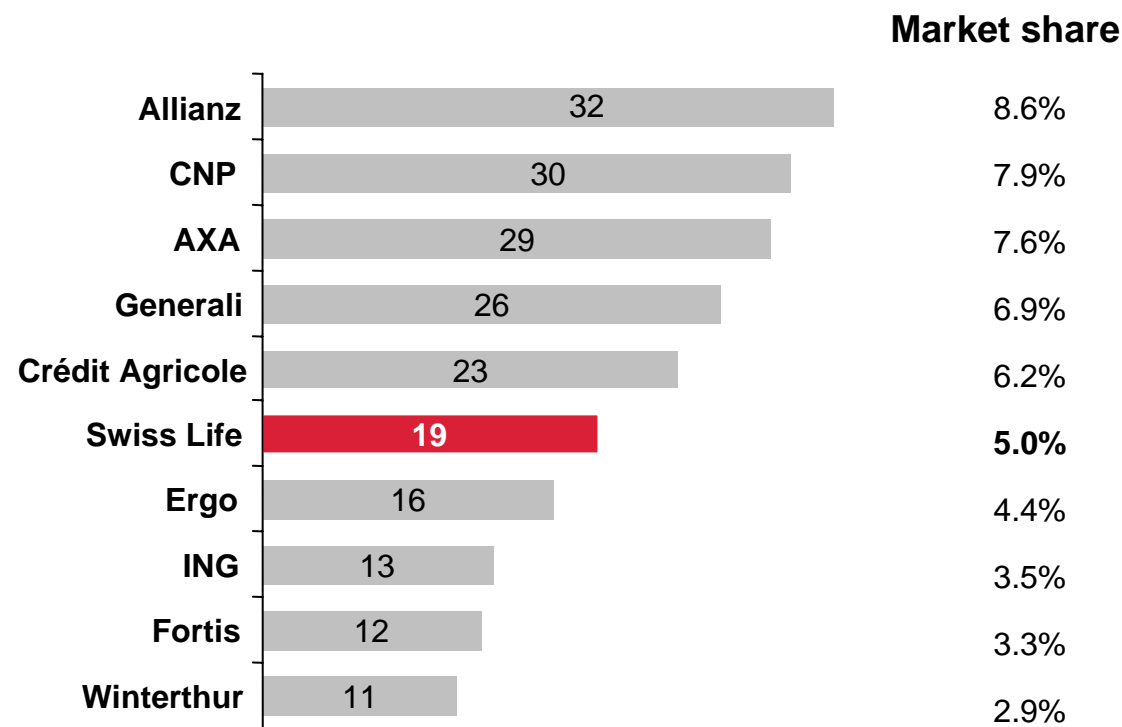
Well-positioned with strong focus on life



Significant peers move towards life insurance

Strong position in chosen markets

GWP in SL markets ¹⁾ 2004; CHF billion



- Swiss Life is the only focused, international provider of life insurance among top peers ²⁾
- SL markets ¹⁾
 - Number 6 life insurer
 - Number 2 group life provider
- European market:
 - Number 9 life insurer

1) CH, FR, DE, NL, BE, LU

2) Other top competitors are composite insurers (Allianz, AXA, Generali) or solely active in its domestic market (CNP, Crédit Agricole, Ergo)

Source: ISIS Database, company annual reports

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Three strategic directions for achieving our ambition

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...

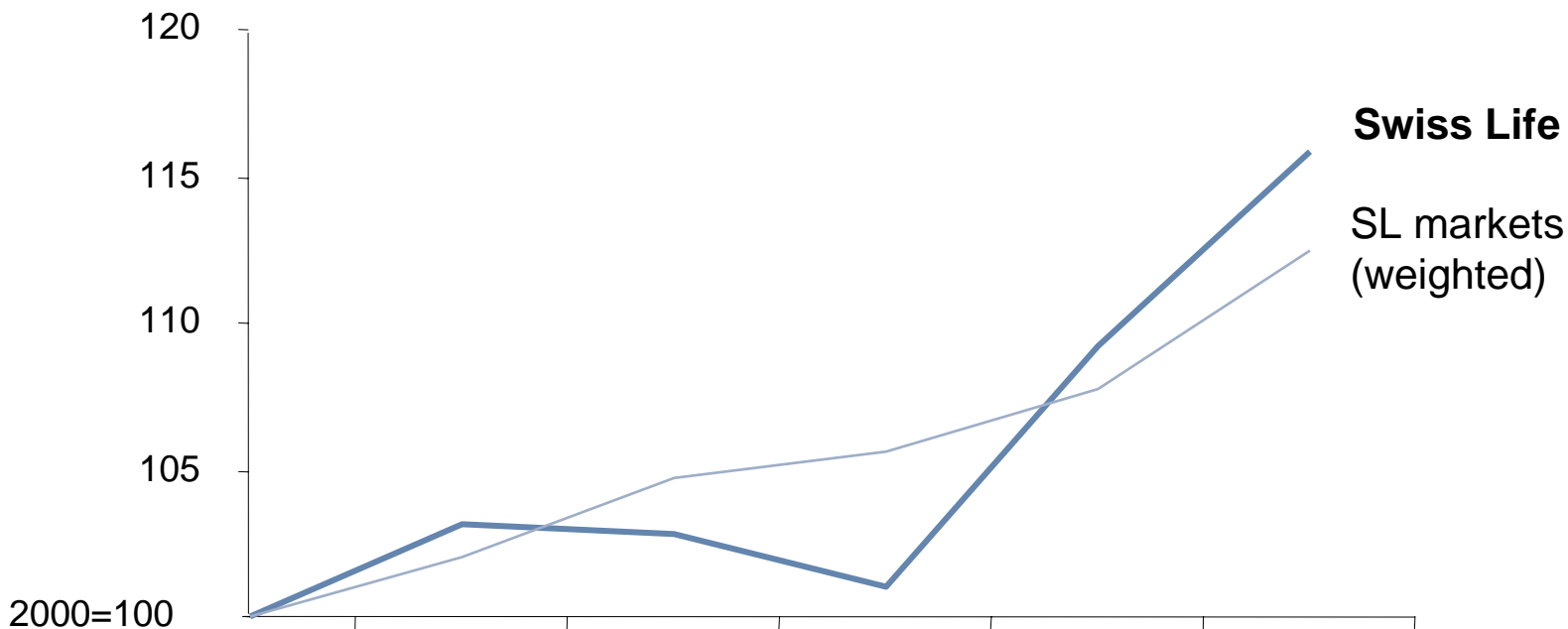


... to anchor our leadership culture

Growth: Swiss Life with higher overall growth than its markets since 2003



Development of life GWP in SL markets, 2000-2005 half year



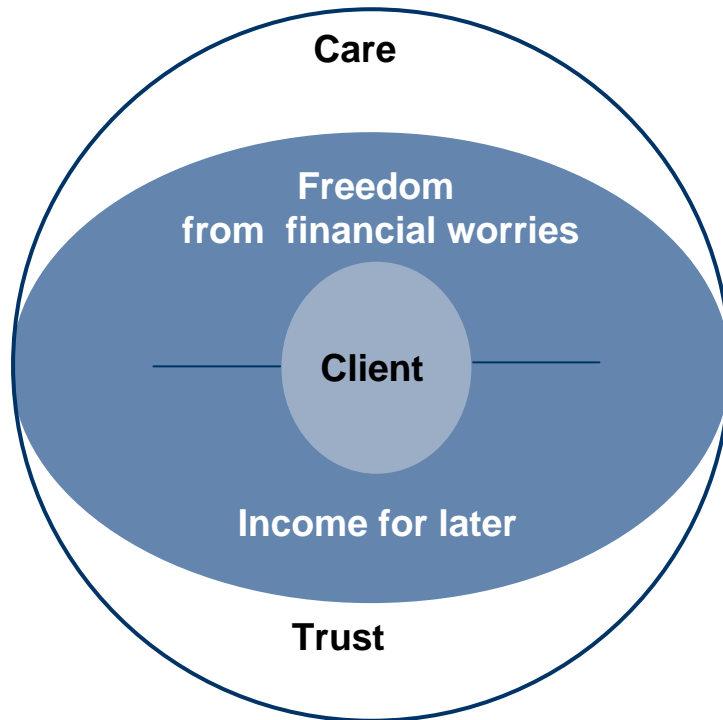
	2001	2002	2003	2004	2005 HY
Target achievement "1% above market"¹⁾	(✓)	-	-	✓	✓
Swiss Life	+3	-0	-2	+8	+6
SL markets (weighted) ²⁾	+2	+3	+1	+2	+4

1) Target relates to each market

2) Growth rate of each country multiplied by share of SL premiums in this country; annual growth in %
Source: Swiss Re Sigma, half-year 2005 market growth estimates by Swiss Life

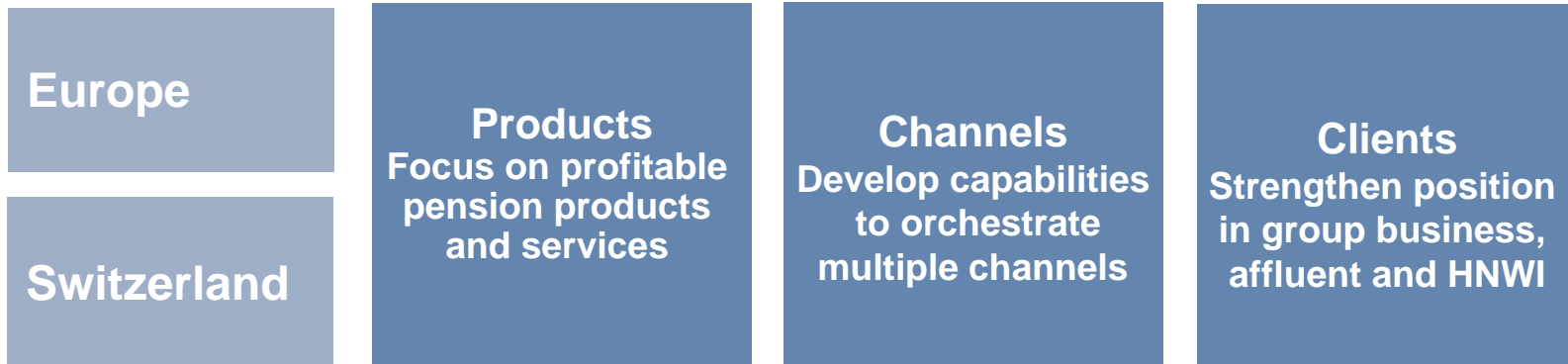
Growth: Our clients are at the heart of our strategy

Client proposition



- We care for our customers by helping them to solve all financial aspects associated with ageing
- With our products and services, we provide a secure income for later, and enable people to become free from financial worries
- We are committed to being a reliable and trustworthy partner

Growth: Integrated link from strategy to marketing mix



Growth: Targets underpinned by concrete actions

Key actions in Europe

- Focus on organic growth
- Focus on products and services with profitable growth
 - Launch new products in pensions with tailored advice
- Increase distribution capacity
 - Set up new distribution partnerships to increase sales capacity

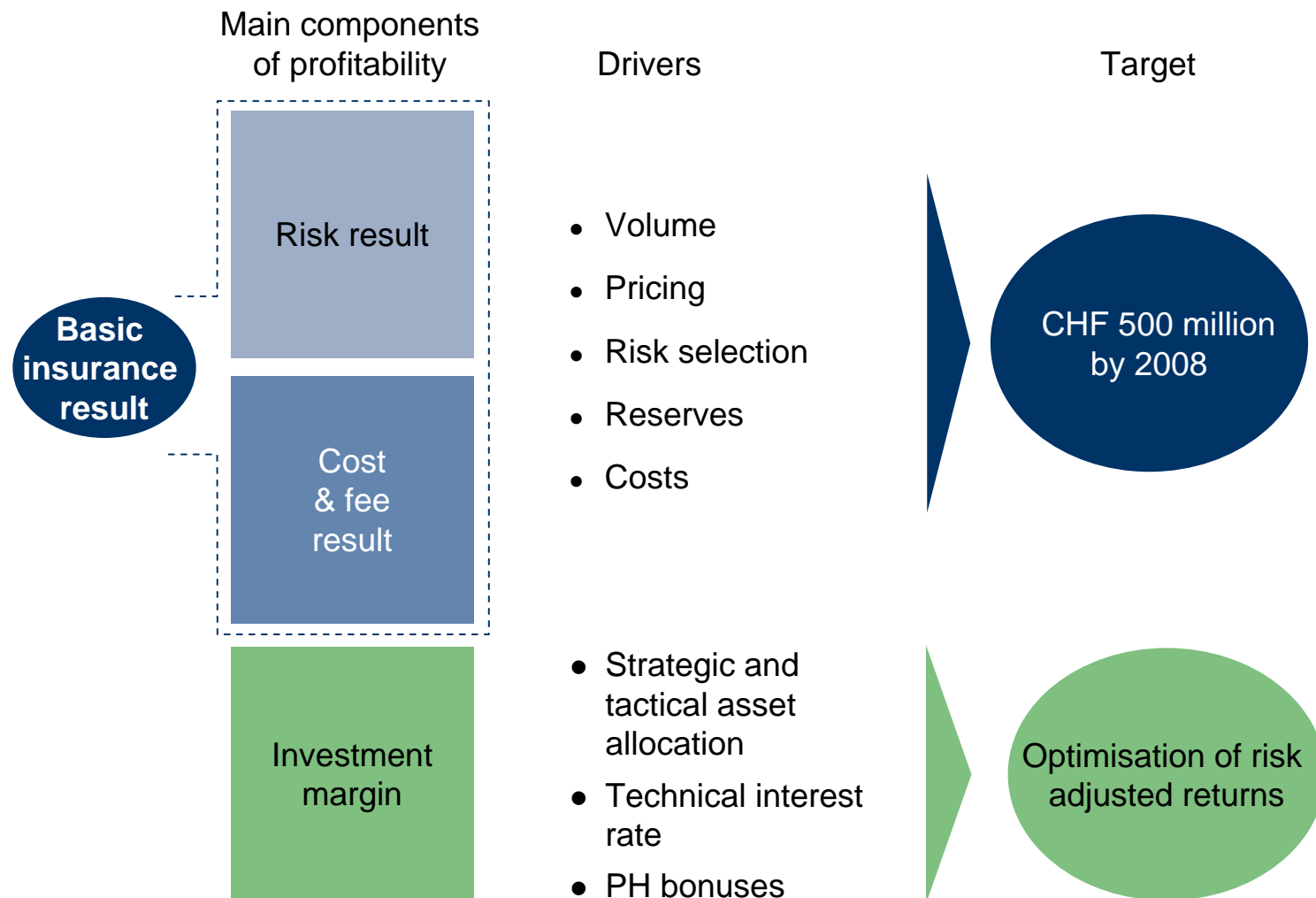
SL growth 2005-2008: 23%
vs. market expectation of 19%

Key actions in Switzerland

- Launch new products and less interest rate sensitive products
- Increase sales effectiveness of own sales force
- Develop relationships with brokers, banks and strategic partners

SL growth 2005-2008: 8%
vs. market expectation of 5%


Efficiency: Basic insurance result best reflects operational performance



Efficiency: Continue increase in efficiency on all levels

Key actions in Europe


- Continue efficiency improvement on all levels
 - Only marginal fixed-cost increase despite increasing premium volume
- Exit from unprofitable products or particularly price-sensitive areas



**Contribution to basic insurance
result by 2008: CHF 350 million**

Key actions in Switzerland

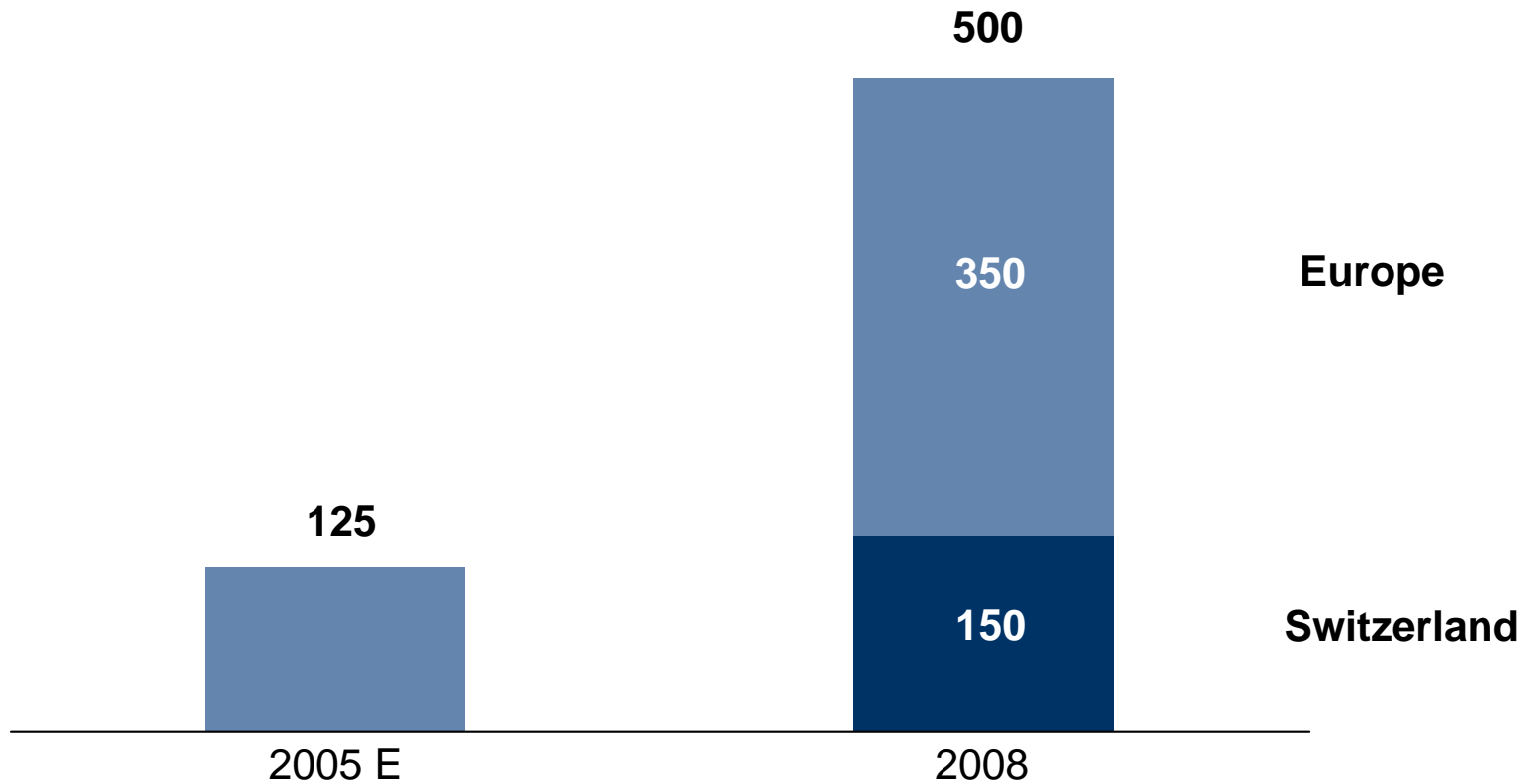
- Reap efficiency benefits of “La Suisse” and Vaudoise integration
- Continue efficiency driven by IT and Business Engineering projects to increase efficiency drive
- Increase effectiveness and efficiency of sales forces



**Contribution to basic insurance
result by 2008: CHF 150 million**

Efficiency: Measures lead to significant improvement in basic insurance result

Basic insurance result, CHF million

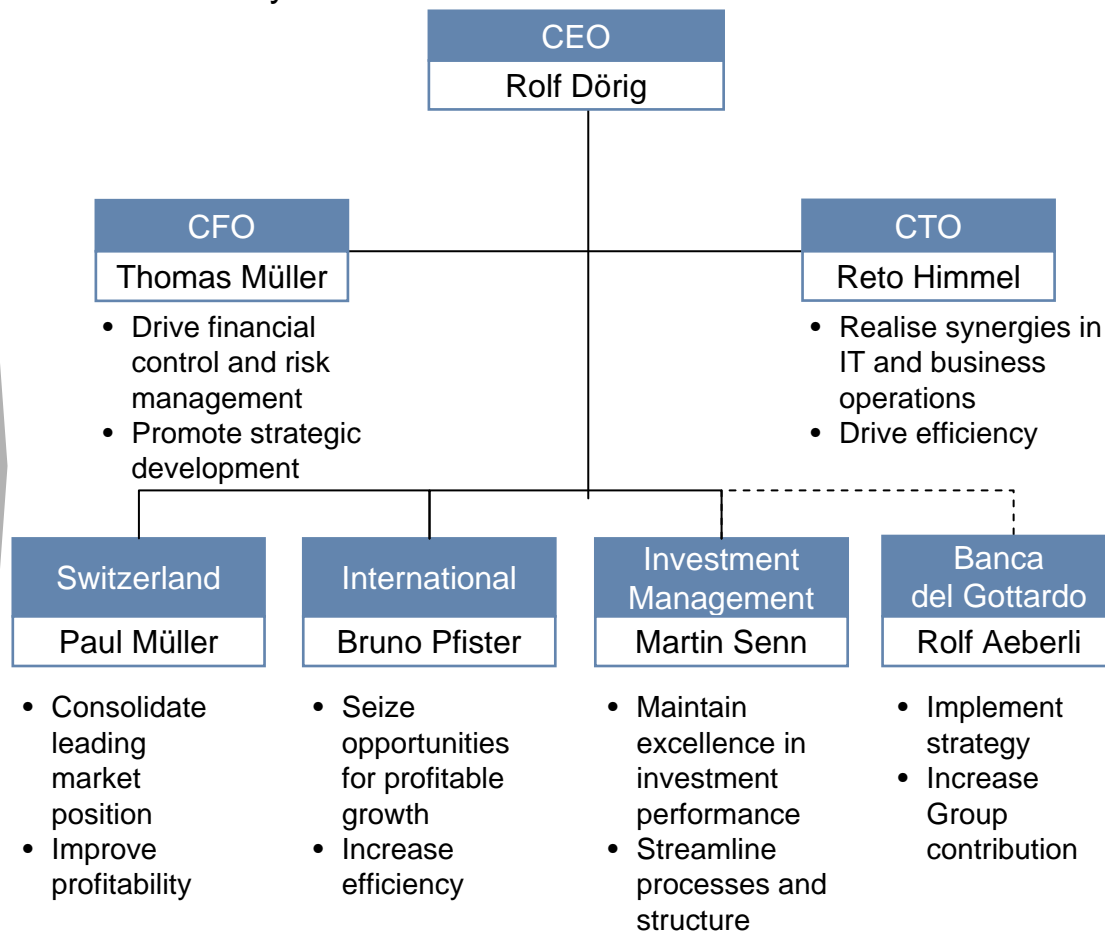


Leadership: Integration of new structure in group strategy

Implications of group strategy on structure

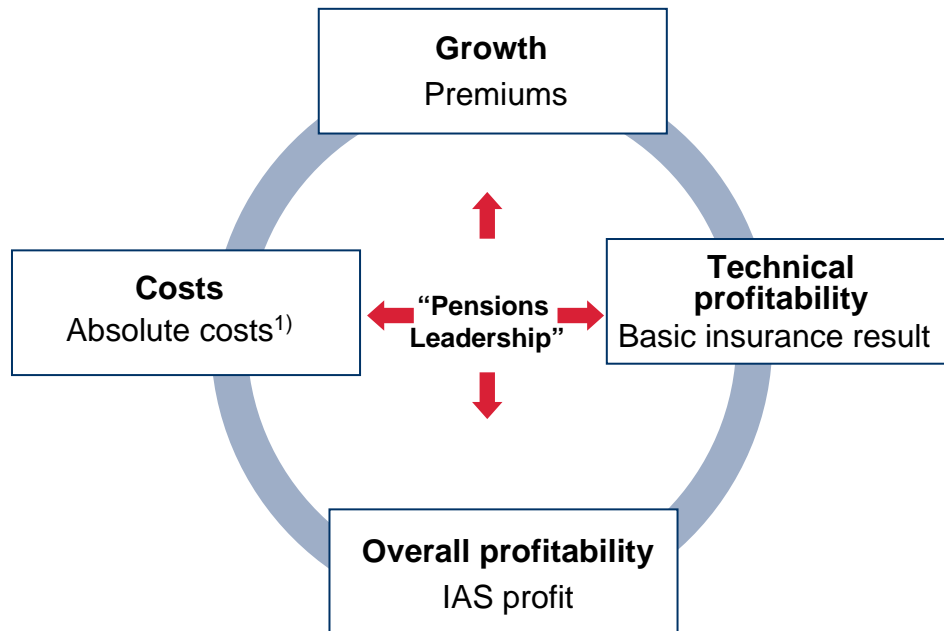
- Growth and efficiency: Management structure to respond to the specific challenges in EU and CH
- Efficiency: Strong need to improve business operations
- Leadership: Increased entrepreneurial responsibilities
- “Pensions Leadership” also implies a separate strategy for Banca del Gottardo

As of 1 January 2006



Leadership: Simple KPI framework supports strategic directions

KPIs are an integrated system



Potential imbalances

Mitigated by KPIs

Growth

Pushing unprofitable products

- Basic insurance result
- Value of new business

Cost

“Downsizing to death”

- Premiums / profit targets

Technical profitability

Focusing on risk margins only, becoming a niche player

- Premiums

Overall profitability

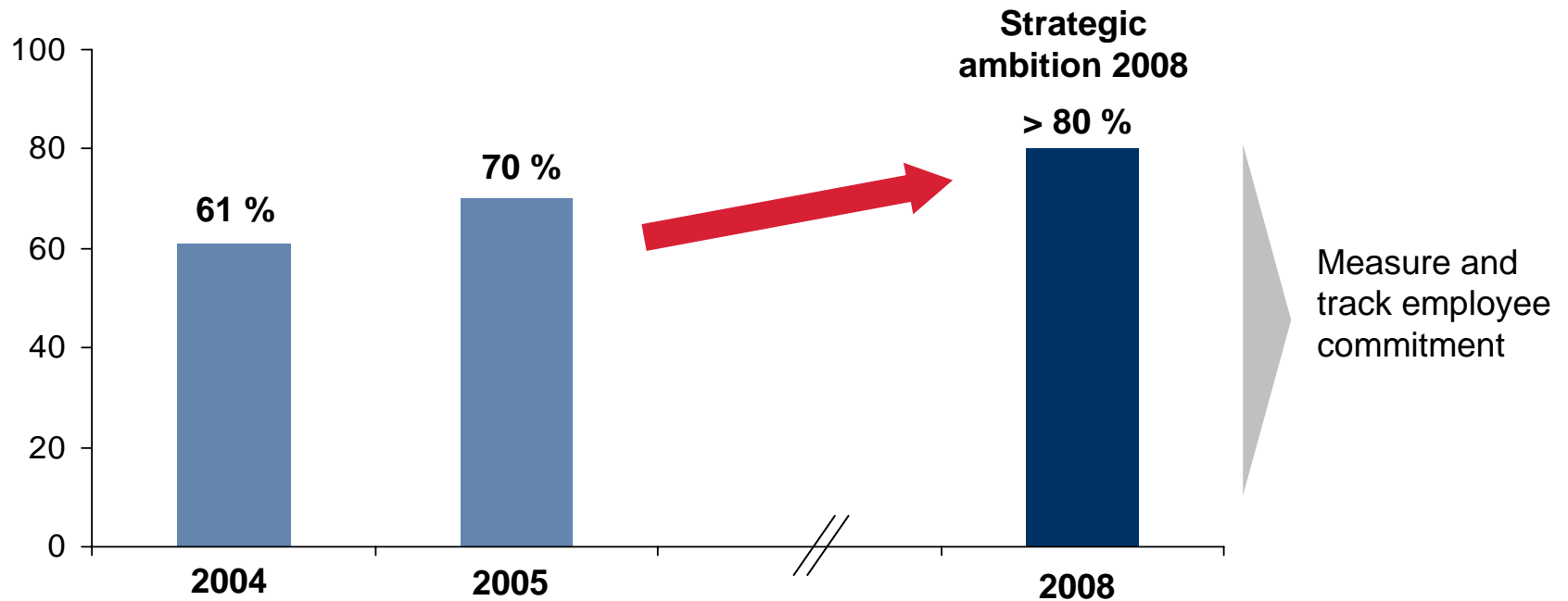
Excessive risk on the asset side (> risk capacity)

- ALM, basic insurance result

1) Excluding commissions

Leadership: Development of employee commitment 2004-2008

SL Group employee commitment, as measured by annual survey



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Decreasing dependency on investment margin
















Illustrative break-up

In CHF million		2004	2008	Outlook beyond 2008
Insurance	Basic insurance result ¹⁾	10	250	
	Investment margin ¹⁾	720	500	
Banking	Profit after tax	70	130	
Other ²⁾	Profit after tax	-200	120	
Net profit		600	1 000	
Investment margin in basis points of total assets		53	29	
Total assets (insurance portfolio) billion		135	175	

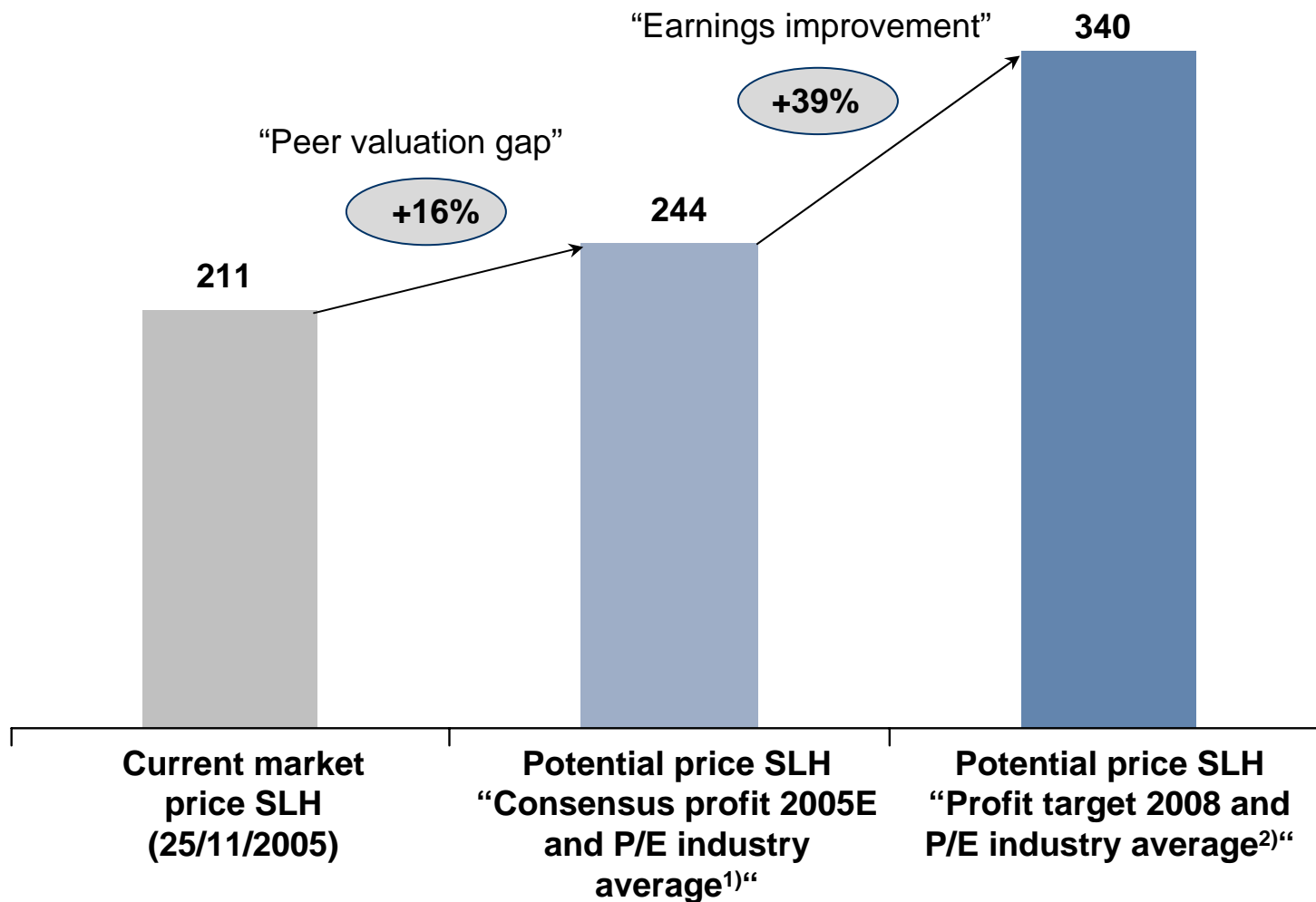
1) After tax and after policyholder participation

2) Investment management units, finance and holding, net of borrowing costs, one-off items and tax savings. Contains one-off items in 2004 (goodwill impairments CHF -163 million; CHF -125 million disposal loss UK; CHF +88 million mortgage portfolio Netherlands)

Positive contribution from investment margin expected in all interest rate scenarios

Drivers	Interest rates stay low	Interest rates rise	
		Initial reaction	Long term move
Direct yields on portfolio (+)			
Technical interest (guarantees) (-)			
Realised gains (net) (+)		 Sell-off	
PH bonuses (-)			
Overall (+)			 But offset by higher volumes

Swiss Life operational improvements not yet reflected in the share price



1) Calculated: P/E (industry average) = 11.5 * (I/B/E/S consensus profit of CHF 718m / number of shares)

2) Calculated: P/E (industry average) = 11.5 * (profit target 2008 / number of shares)

Source for P/E industry average: Deutsche Bank, Chevreux

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Swiss Life Group: Who we are



Ambition	Swiss Life Group wants to... <ul style="list-style-type: none"> • Achieve “Pensions Leadership” (“Führend in der finanziellen Vorsorge”) • Generate net profit of CHF 1 billion by 2008, and sustainable ROE > 10% 		
Lines of business ¹⁾	Insurance ²⁾	Investment Management	Banking
Est. profit contr. by 2008	~ 85%		~15%
Mission	Committed to helping people create a financially secure future. For life	Maintain excellence in investment performance	First-class private bank offering high-quality wealth management services to our HNWI and affluent
Focus	Pension products and services for corporate clients and private clients	Investment management for life insurance and third-party clients	Private Banking for affluent and HNWI
Geographic focus	Europe (CH, FR, DE, NL, BE, LU, FL)		CH, IT
Financial targets	<ul style="list-style-type: none"> • Achieve basic insurance result of CHF 500 million by 2008 • Achieve investment margin of at least 29 bps 		Achieve CHF 130 m net profit by 2008, sustainable ROE >15% and net new assets of CHF 1 bn p.a.

1) Mostly, but not fully congruent with "reporting segments"

2) Full value chain

Outlook

Five key issues

“Are the financial targets really achievable on a sustainable basis and what are the measures to get there?”



Key messages

- Measures are clearly defined; CHF 1 bn target is realistic
- Improvement in underlying profitability, thus quality of result

“How will you address profitability in Switzerland?”



- Good underlying profitability of existing portfolio
- We address additional profitability measures in order to further leverage the existing base

“How can Swiss Life manage associated risks in a different interest rate environment?”



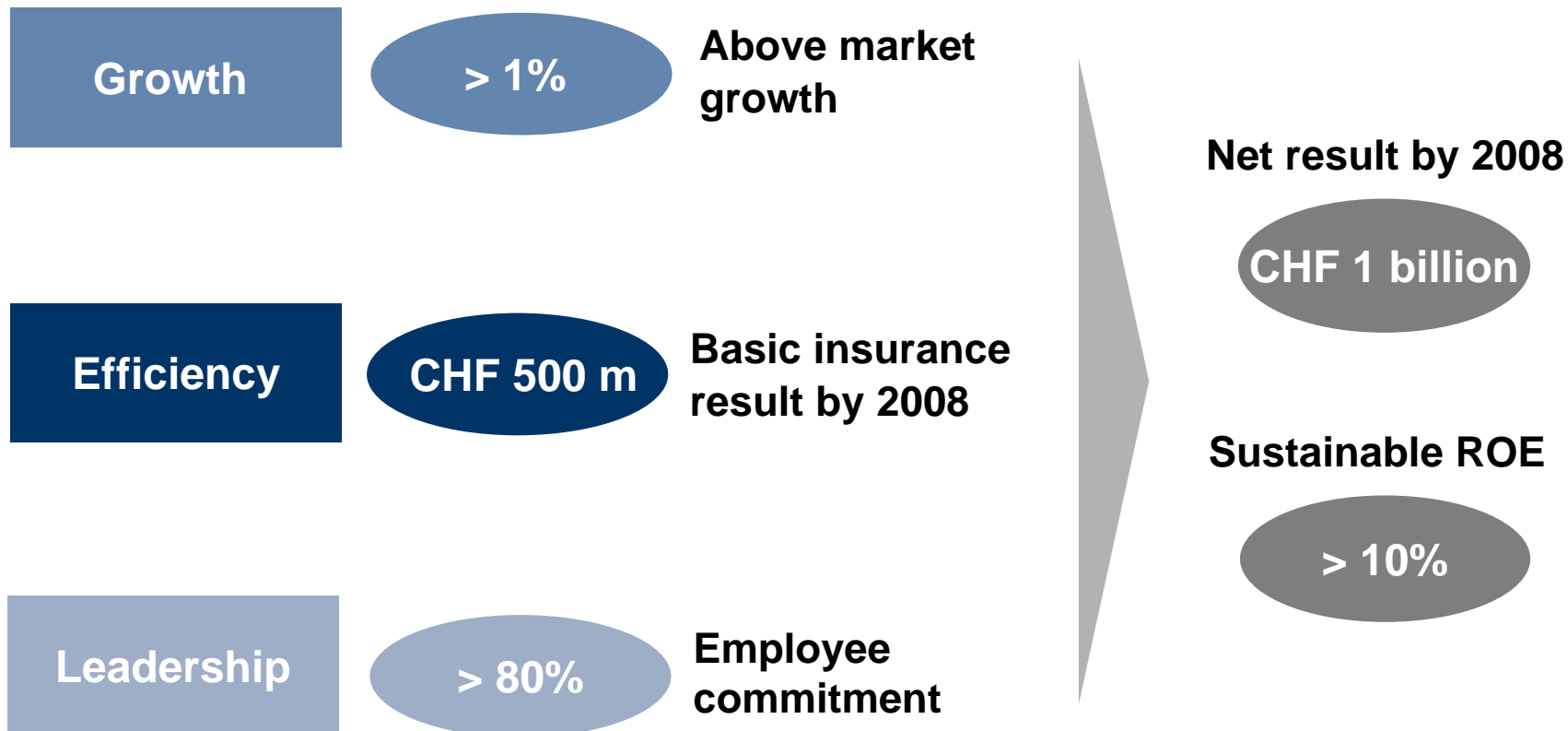
- Integrated risk and value management with ALM allows flexibility

“How does Banca del Gottardo contribute? What are the measures?”



- New BdG strategy with strong geographical, customer and product focus
- Solid profit contribution to Swiss Life Group

Outlook



Cautionary statement regarding forward-looking information



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