

Investors' Day 2006
**International strategy and
sustainability of growth**

Bruno Pfister, CEO International
Zurich, 5 December 2006

Agenda



1. Demographic development

2. Strategic positioning

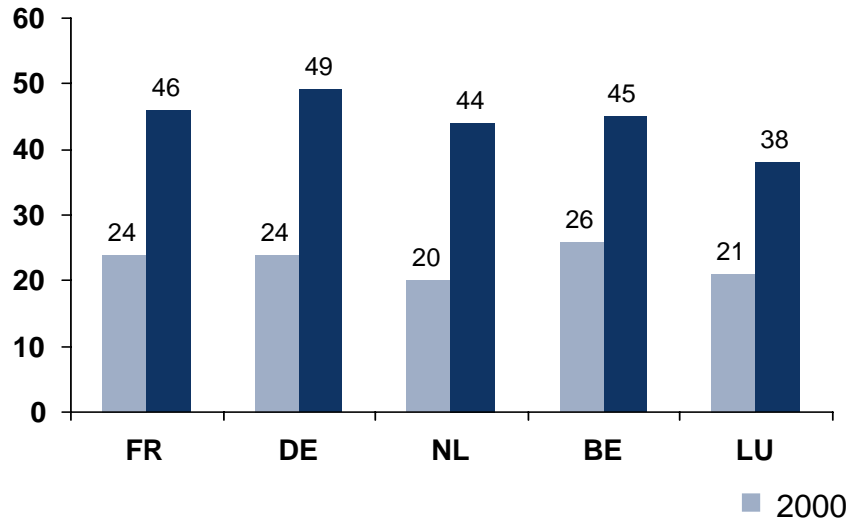
- Growth
- Efficiency
- Leadership

3. Outlook

Strong financial pressure on 1st pillar accelerates shift to 2nd and 3rd pillar

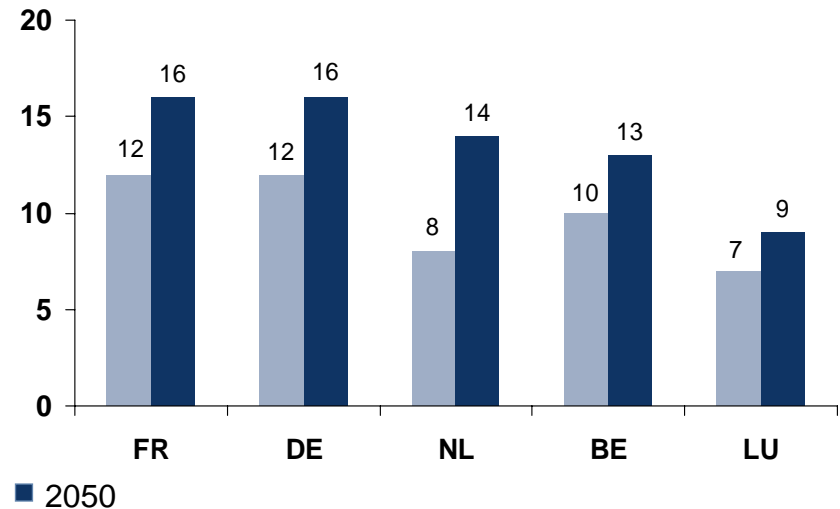
Old-age dependency ratio

Population aged 65+ as % of population aged 15-64



Public pension ratio

Public pension expenditure as % of GDP



- Demographic development in EU is characterised by rising life expectancy and low birth rates
- The proportion of pensioners is expected to increase strongly in the next decades

- Public pension expenditure is projected to increase in the next decades
- Increasing pressure on 1st pillar will increase people's awareness of the need for private savings

Agenda

1. Demographic development

2. Strategic positioning

- **Growth**
- **Efficiency**
- **Leadership**

3. Outlook

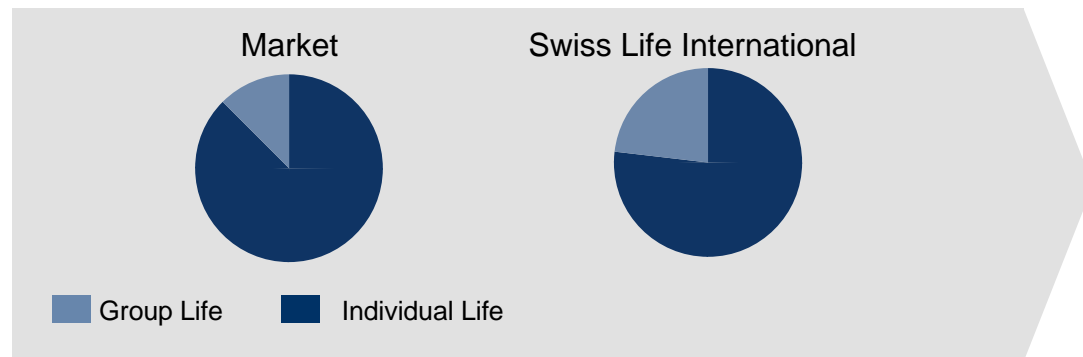
International strategy focuses on profitable growth

Group strategic directions		International objectives	International priorities
Growth	Focus on “pensions” related value proposition	<ul style="list-style-type: none"> • Top 10 / within niches top 5 position in each market • Focus on HNWI, upper retail affluent, SME, large corporate clients • High-performing, profitable, long-term savings products 	<ul style="list-style-type: none"> • Develop Group-wide business model for individual life • Expand profitable pension products and services • Leverage existing skills in distribution and product development
	Develop own and third-party channels	<ul style="list-style-type: none"> • Multi-channel distribution • Above average sales effectiveness and service quality 	<ul style="list-style-type: none"> • Be present in growing distribution channels • Reinforce / develop partnerships with banks
Efficiency	Increase basic insurance profitability substantially	<ul style="list-style-type: none"> • Increase risk margin • Attractive investment performance 	<ul style="list-style-type: none"> • Further decrease cost ratio • Increase risk cover in new business • Further develop risk management including underwriting
	Reduce complexity at all stages of the value chain	<ul style="list-style-type: none"> • Elimination of cost overrun 	<ul style="list-style-type: none"> • Pursue operational excellence • Search for synergies in IT, operations, sourcing and investment management
Leadership	Enhance entrepreneurial responsibility and steering	<ul style="list-style-type: none"> • Leverage existing know-how and coordinate efforts through best practice sharing and cross-border initiatives 	<ul style="list-style-type: none"> • Provide high service quality • Improve brand, image and reputation
	Develop integrated human capital portfolio	<ul style="list-style-type: none"> • Reach commitment of 80 index points (out of 100) 	<ul style="list-style-type: none"> • Strengthen performance culture • Improve coordination and internal communication

Growth: Attractive and sustainable position with further growth potential in group life

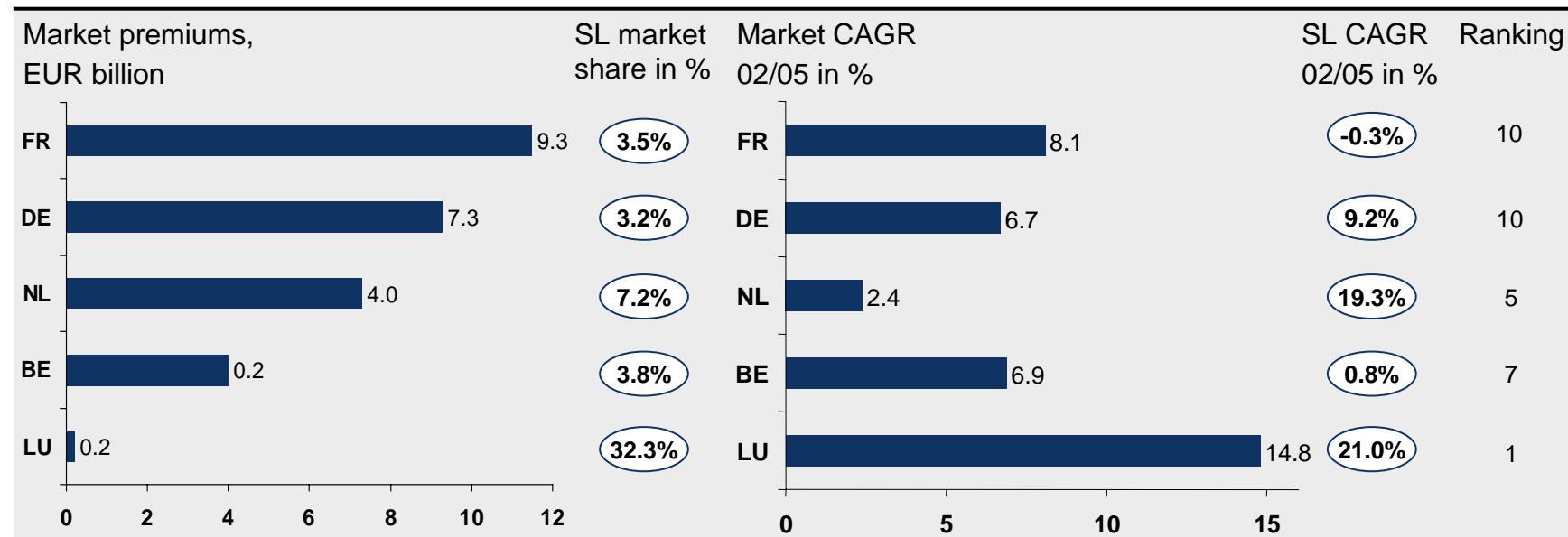


Group life vs individual life 2005



Swiss Life with relatively strong focus on group life business

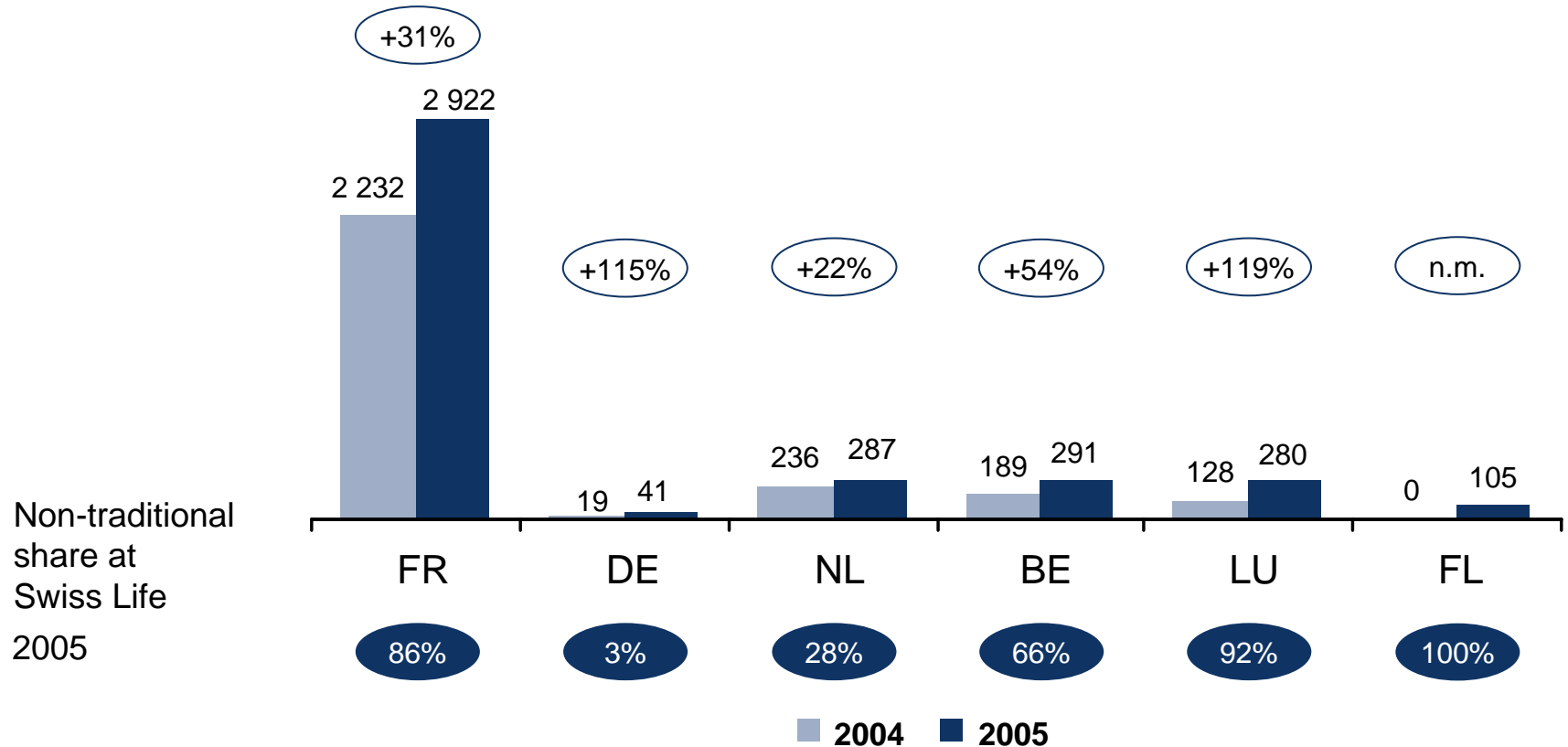
Group life business 2005



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



Non-traditional premiums; EUR million



Non-traditional share at Swiss Life 2005

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

Growth: Innovative products developed to meet changing customer needs (1/2)

	Customer needs	Client segment	Product description
France	<ul style="list-style-type: none"> • Maintain downside protection and achieve upside flexibility with higher returns 	<ul style="list-style-type: none"> • Individual customers (affluent and HNWI) • Institutional clients and possibly private customers 	<ul style="list-style-type: none"> • Multi-support • Fund of inflation-linked bonds
Germany	<ul style="list-style-type: none"> • Participation in financial markets with downside protection (also feasible for second pillar) 	<ul style="list-style-type: none"> • Retail and affluent clients 	<ul style="list-style-type: none"> • SL Auro: Index-linked product with capital guarantee • SL Synchro: Hybrid product, combining traditional and unit-linked product
Netherlands	<ul style="list-style-type: none"> • Customers demand comprehensive, transparent and fast / convenient products • Make use of revised fiscal advantages 	<ul style="list-style-type: none"> • SME • Private 	<ul style="list-style-type: none"> • I-Pensioen: Web-based standardised product line with self-service, allowing lower costs and better information for customers. Brokers selling I-Pensioen can manage policyholder information using the extranet platform “my workplace” • Introduction of ‘Levensloop’, savings product with a risk insurance element

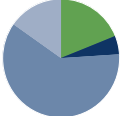




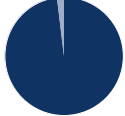
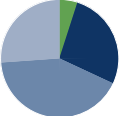

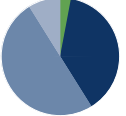



Growth: Innovative products developed to meet changing customer needs (2/2)



	Customer needs	Client segment	Product description
Belgium	<ul style="list-style-type: none"> • Security • Flexibility & high return • POS/brokers and customers online (achieve fully integrated e-sales) 	<ul style="list-style-type: none"> • Affluent clients, self employed • Above-average individuals • HNWI • SME 	<ul style="list-style-type: none"> • New traditional product range • Unit-linked dedicated funds, deposit with withdrawals • “My workplace” products in group business
Luxembourg	<ul style="list-style-type: none"> • Tax optimisation of assets • Secure generational transfer of assets / estate planning 	<ul style="list-style-type: none"> • Upper middle class and HNWI, as well as legal entities within the EU 	<ul style="list-style-type: none"> • ModuLife Universal product with mix of mutual, dedicated and with guaranteed funds • Pure savings product without insurance • Investment product in unlisted shares / real estate
Liechtenstein	<ul style="list-style-type: none"> • Tax optimisation of assets • Secure generational transfer of assets / estate planning • US-compliant rules • Estate planning needs and access to attractive BdG investments 	<ul style="list-style-type: none"> • HNWI worldwide • HNWI with links to the US • Targeting Asian offshore HNWI customers 	<ul style="list-style-type: none"> • LAP (life asset portfolio) Universal / Germany / Italy / Sweden / Norway • DVA - USA (deferred variable annuity) • VUL - Asia (variable universal life)

Growth: Implement strong multi-channel distribution in all countries

Distribution mix (SL/market) in 2005

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

1) FY 2004 for the market

2) HY 2006 figures, best estimate for market

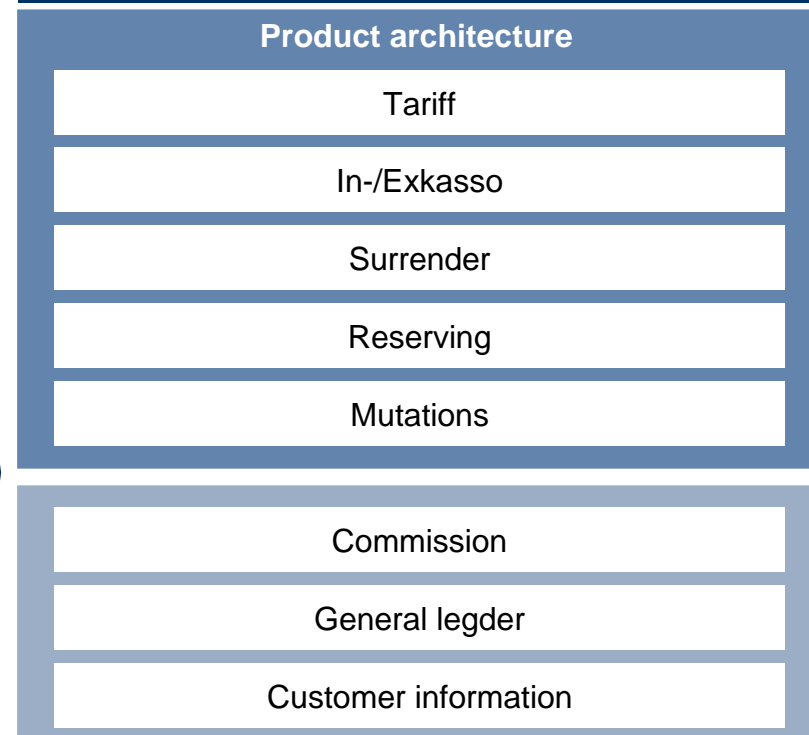
Growth and efficiency: Paradigm shift in the individual life product architecture

Current situation

Product	A	Product	B	Product	n	
Tariff	A	Tariff	B	Tariff	n	
In-/Exkasso	A	In-/Exkasso	B	In-/Exkasso	n	
Commission	A	Commission	B	Commission	n	
Surrender	A	Surrender	B	...	Surrender	n
Reserving	A	Reserving	B	Reserving	n	
Client	A	Client	B	Client	n	
Mutations	A	Mutations	B	Mutations	n	
General ledger	A	General ledger	B	General ledger	n	

- Reinventing the wheel for each new product
- Different definitions and therefore multiplication of identical components
- High costs, not only in development but also in maintenance
- Complex, unclear documentation obstructing know-how transfer

New business model



- Modular products with standard components
- Global product architecture enabling local specialities and innovation
- Low costs & short time-to-market
- Leverage cross-border know-how
- Flexibility to outsource modules

Efficiency: Projects in progress in all countries

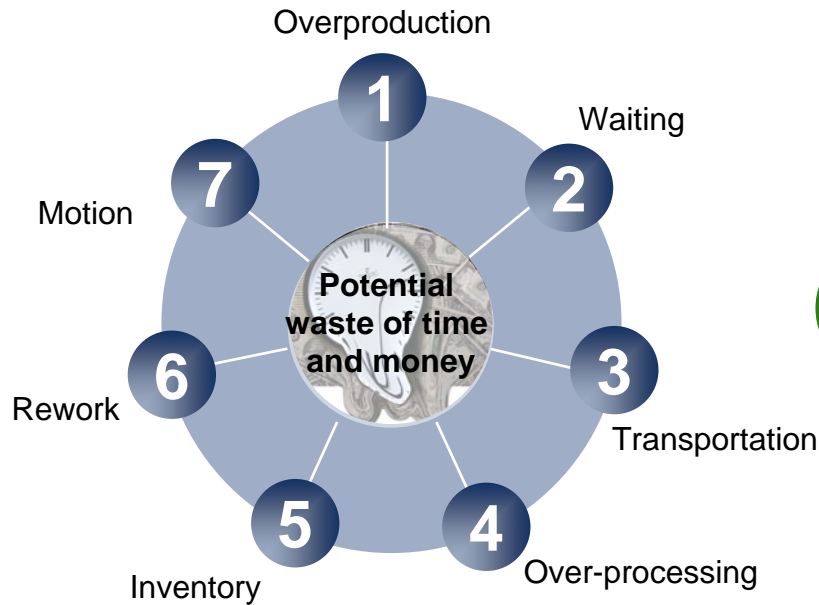
	Project...	...initiatives...to deliver
France	<ul style="list-style-type: none"> Lean Six Sigma 	<ul style="list-style-type: none"> Improve client service while maintaining cost levels despite growth 	<ul style="list-style-type: none"> Unchanged costs with 30% increase in business
Germany	<ul style="list-style-type: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

Significant improvement in efficiency

Efficiency: Pursue coordinated operational excellence initiatives

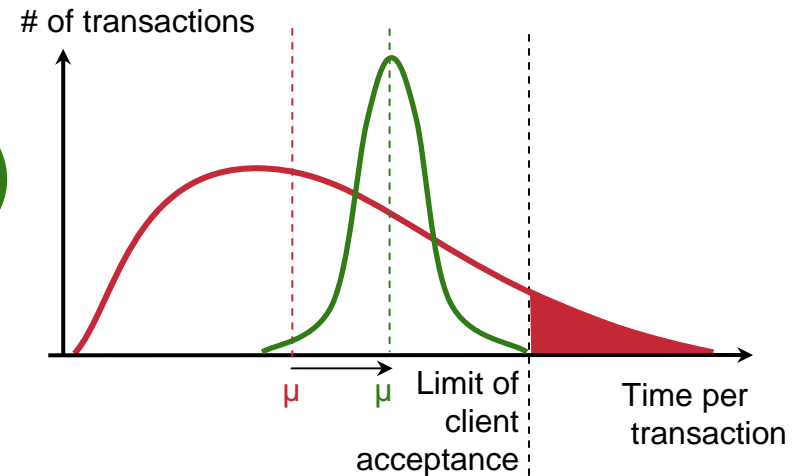
Lean Six Sigma: Combination of “Lean” and “Six Sigma”

“Lean” to improve efficiency



- “Lean” service delivery to
- Reduce process time
 - Reduce cycle time

“Six Sigma” to improve quality



- “Six Sigma” service delivery to
- Reduce process variability
 - Reduce error rate

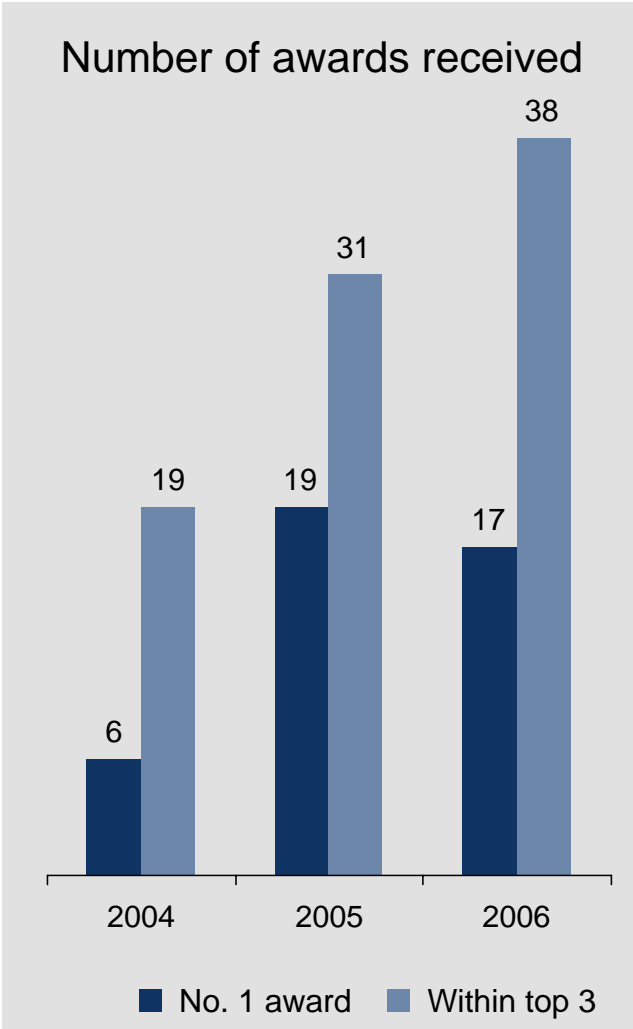
Leadership: Strong recognition with awards in all countries



Incompany 100 onderzoek:
Zwitserleven heeft de meest tevreden
collectieve pensioenrelaties.



Zwitserleven first insurer in the
Netherlands to receive SAS 70
(Type I) certification



SL BE 2005: Best
campaign



SL BE 2006: Innovation
prize for MyWorkplace



BEST PENSIONS SOLUTIONS



Agenda

1. Demographic development

2. Strategic positioning

- Growth
- Efficiency
- Leadership

3. Outlook

Pensions Leadership strategy with concrete actions and proven success

Growth

- Develop innovative products to satisfy changing customer needs
- Strengthen multi-distribution channels to support growth
- Invest in internet as a rapidly growing support channel

Efficiency

- Continue projects to achieve operational excellence
- Promote cross-border projects to increase efficiency
- Look for add-on acquisitions to reach competitive cost levels

Leadership

- Capitalise on strong Swiss quality brand
- Reinforce international cooperation
- Aspire to Pensions Leadership

Cautionary statement regarding forward-looking information



This presentation is made by Swiss Life and may not be copied, altered, offered, sold or otherwise distributed to any other person by any recipient without the consent of Swiss Life. Although all reasonable effort has been made to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Swiss Life. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Swiss Life as being accurate. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this information. The facts and information contained herein are as up to date as is reasonably possible and may be subject to revision in the future. Neither Swiss Life nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Swiss Life nor any of its directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. This presentation may contain projections or other forward-looking statements related to Swiss Life that involve risks and uncertainties. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. All forward-looking statements are based on information available to Swiss Life on the date of its posting and Swiss Life assumes no obligation to update such statements unless otherwise required by applicable law. This presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of Swiss Life.

Contact details



Iris Welten
Head Investor Relations

Tel. +41 (43) 284 67 67
E-mail: iris.welten@swisslife.ch

Fabrizio Croce

Tel. +41 (43) 284 49 19
E-mail: fabrizio.croce@swisslife.ch

Visit our website for up-to-date information
www.swisslife.com



SwissLife
Prepared for the future.