



SwissLife

Investors' Day 2006
Optimising the market position
in Switzerland

Paul Müller, CEO Switzerland
Martin Suter, CFO Switzerland
Zurich, 5 December 2006

Agenda



1. Positioning

Paul Müller

2. Client segmentation and potential

3. Product innovations

Martin Suter

4. Distribution efficiency

5. Operational efficiency

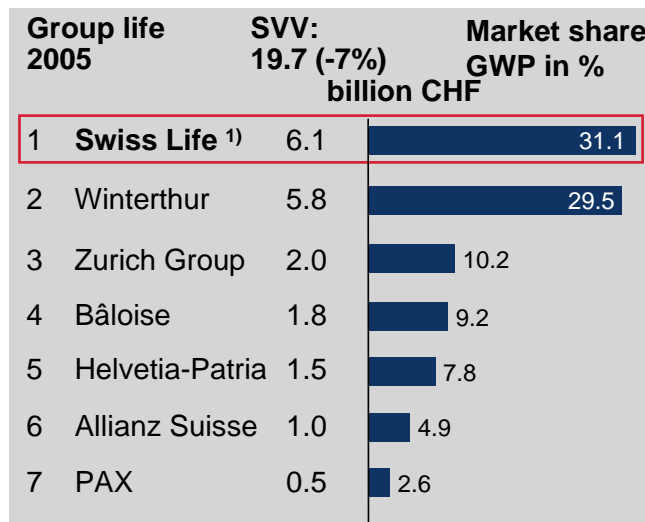
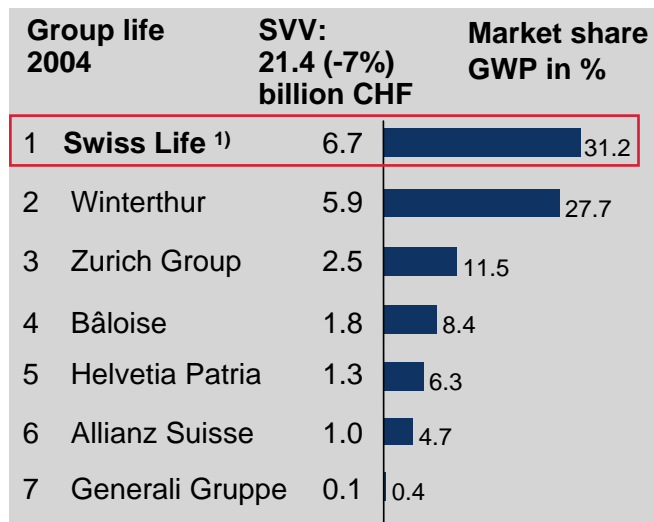
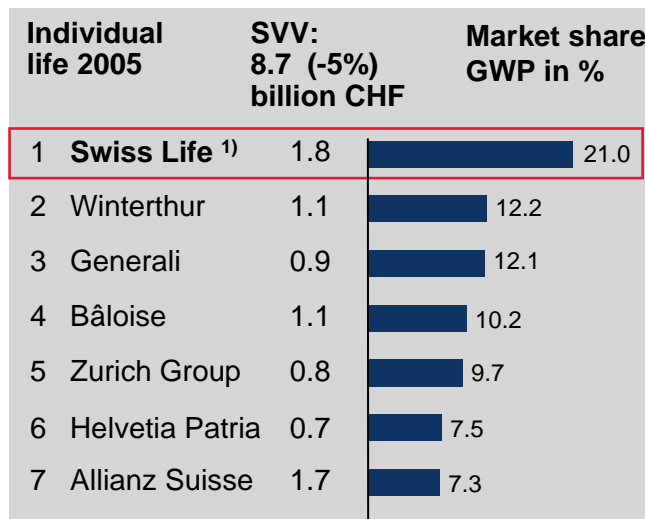
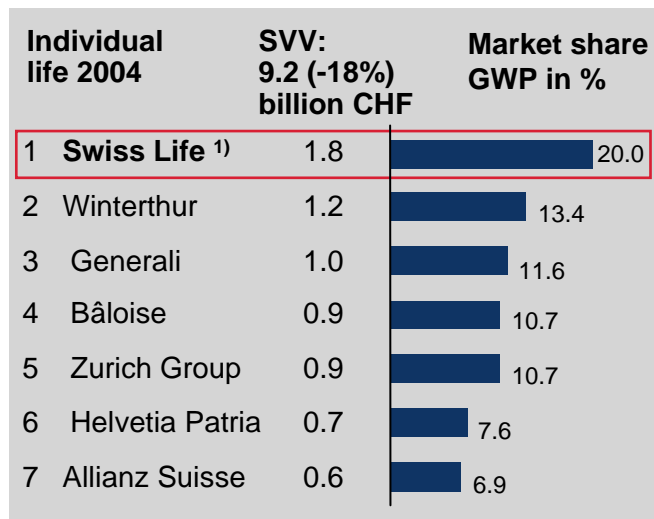
6. Summary and outlook

Paul Müller

Swiss Life Switzerland strategy up to 2008

Growth	Create best solutions to meet increasing customer needs for pensions	➔	<ul style="list-style-type: none">• Maintain market leadership• Customer satisfaction 4.25 index points (out of 5)
	Improve opportunities for getting in touch with customers	➔	<ul style="list-style-type: none">• Premiums CHF 8.5 billion• Growth 1% above market
Efficiency	Reduce dependency on financial result	➔	<ul style="list-style-type: none">• Basic insurance result CHF 150 million
	Design more efficient processes and reduce costs	➔	<ul style="list-style-type: none">• Reduce administration costs• Tighten structures
Leadership	Enable decisions close to the needs of the market	➔	<ul style="list-style-type: none">• Customer focus 80 index points (out of 100)
	Enforce company values based on excellence	➔	<ul style="list-style-type: none">• Commitment 80 index points (out of 100)

Swiss Life: Leader in Life market Switzerland



- Position of Swiss Life strengthened
- Market volume stabilised
- Stable premium development of CHF 7.8.bn for 2006 expected, despite market decline
- Swiss Life with stable market share in group life business

1) Incl. La Suisse
 Estimate based on media reports and assumptions by Swiss Life; Source: FOPI
 SVV = Swiss Insurance Association (Schweizerischer Versicherungsverband)

Optimisation along the value chain driven by client needs

Value Chain	Client needs	Actions
Clients	“I want excellent service”	<ul style="list-style-type: none"> • Process and service quality increase
Products	“I want financial security, reliability and attractive participation in financial markets performance”	<ul style="list-style-type: none"> • Individual life: Innovations focused on performance-oriented products • Group life: Flexible solutions to cover client-specific complexity and risk appetite
Distribution	“I want expertise and accessability”	<ul style="list-style-type: none"> • Specialised sales force for appropriate client segments • Further invest in education of sales staff • Organize and allocate distribution resources among market potentials
Administration	“I want cost-efficient solutions”	<ul style="list-style-type: none"> • Strategic efficiency projects

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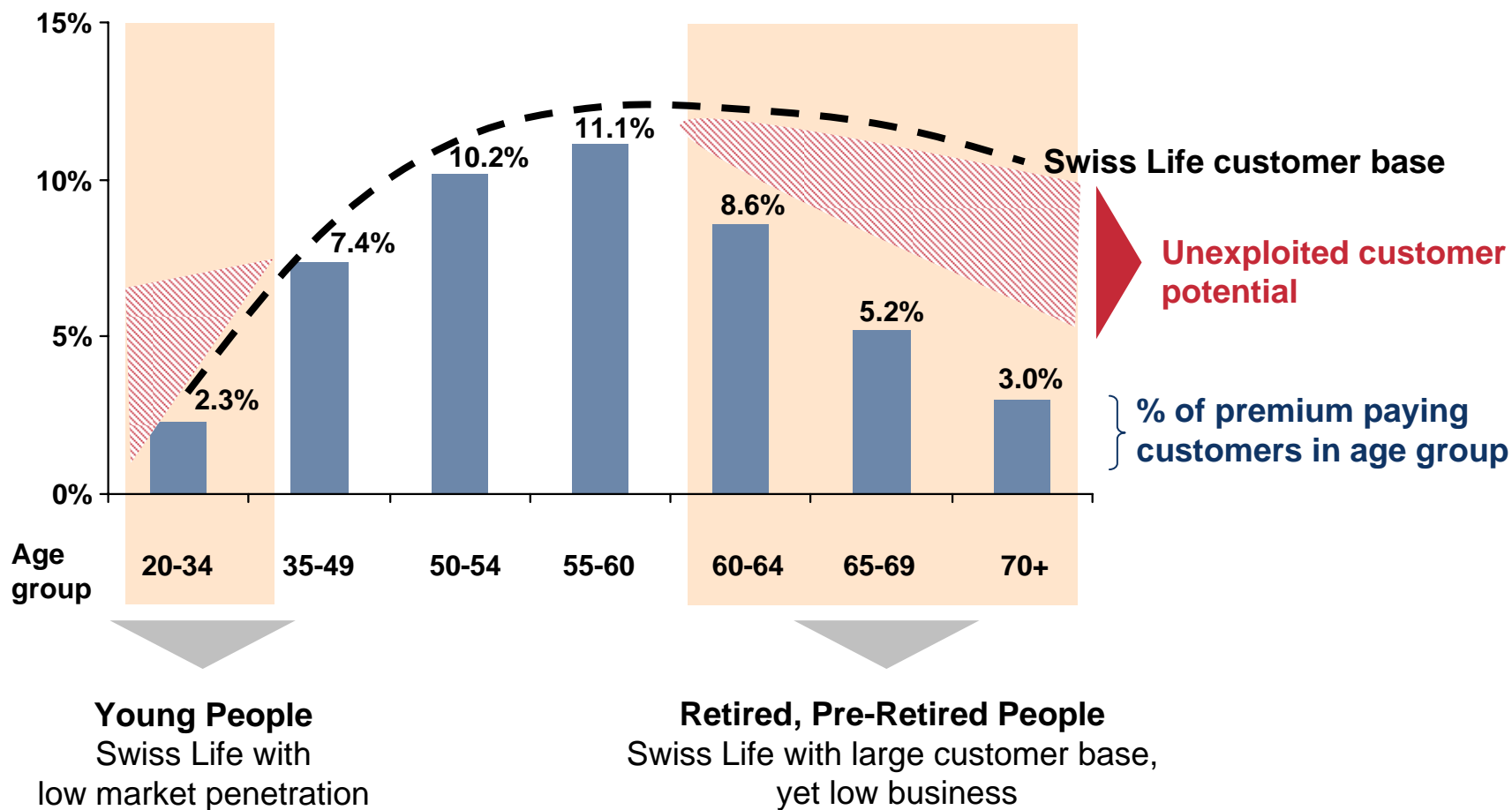
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Swiss Life sets focus on unexploited market segments



Market penetration
(customers per age group / population per age group)



Market segment "young people": Different clients addressed with a different sales approach



Goal: Increase market penetration in market segment "young people"

Sales approach

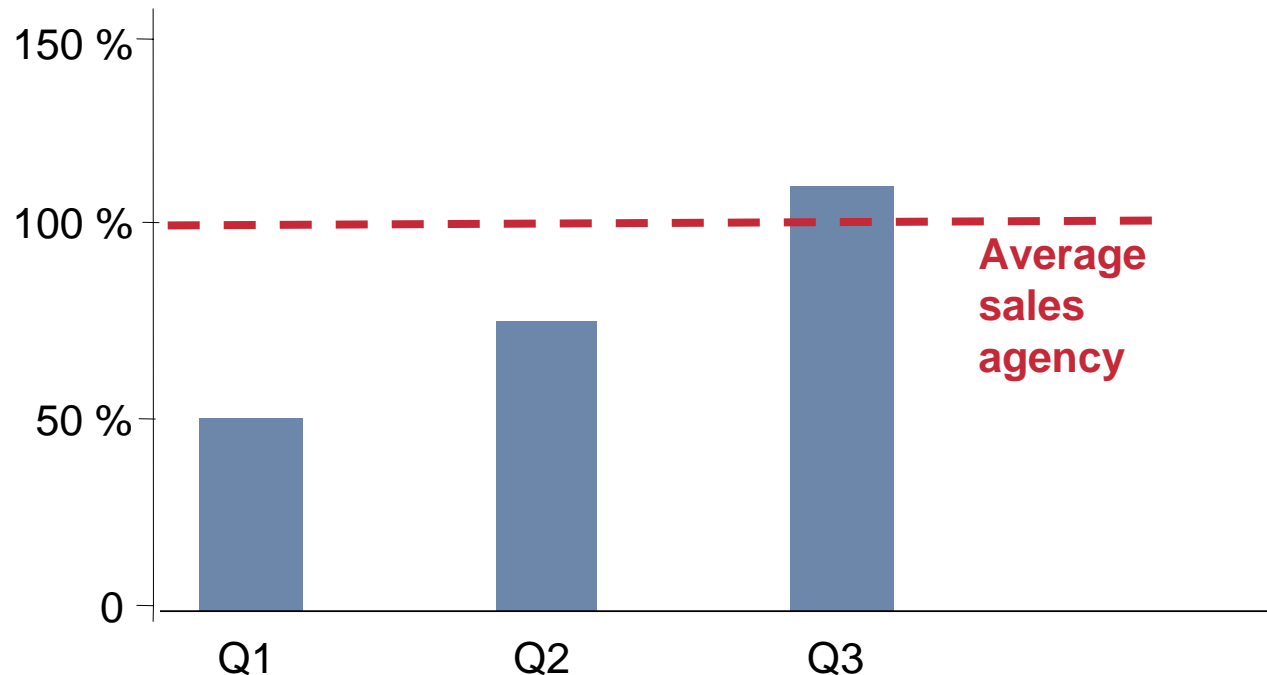
- **Choose the right people:**
"Young and hungry" sales agents
- **Build the right team:**
Centralised agency,
unique team training,
concentrated on young clients
only
- **Choose the right access:**
Sales process, documents and
products tailored to young clients
- **Ensure the right service:**
Quality checks through "mystery"
shopping

Implementation

- **Q405:**
 - Develop concept
 - Recruit agents
 - Build infrastructure
- **Q1, Q206:**
 - Training and experience on the
market with very positive
feedback from clients
- **Q306:**
 - Spread sales approach
throughout decentralized sales
agencies

Sales agency "young people" addresses target market

New business production of sales agency
"young people" in % of average sales agency 2006



- Production after Q3 above average sales agency
- 95% of sales from dedicated agency within target market "young people"

New business production confirms next step: Spread sales, training and recruiting approach throughout decentralized sales agencies

Market segment “retired and pre-retired people”: Large potential

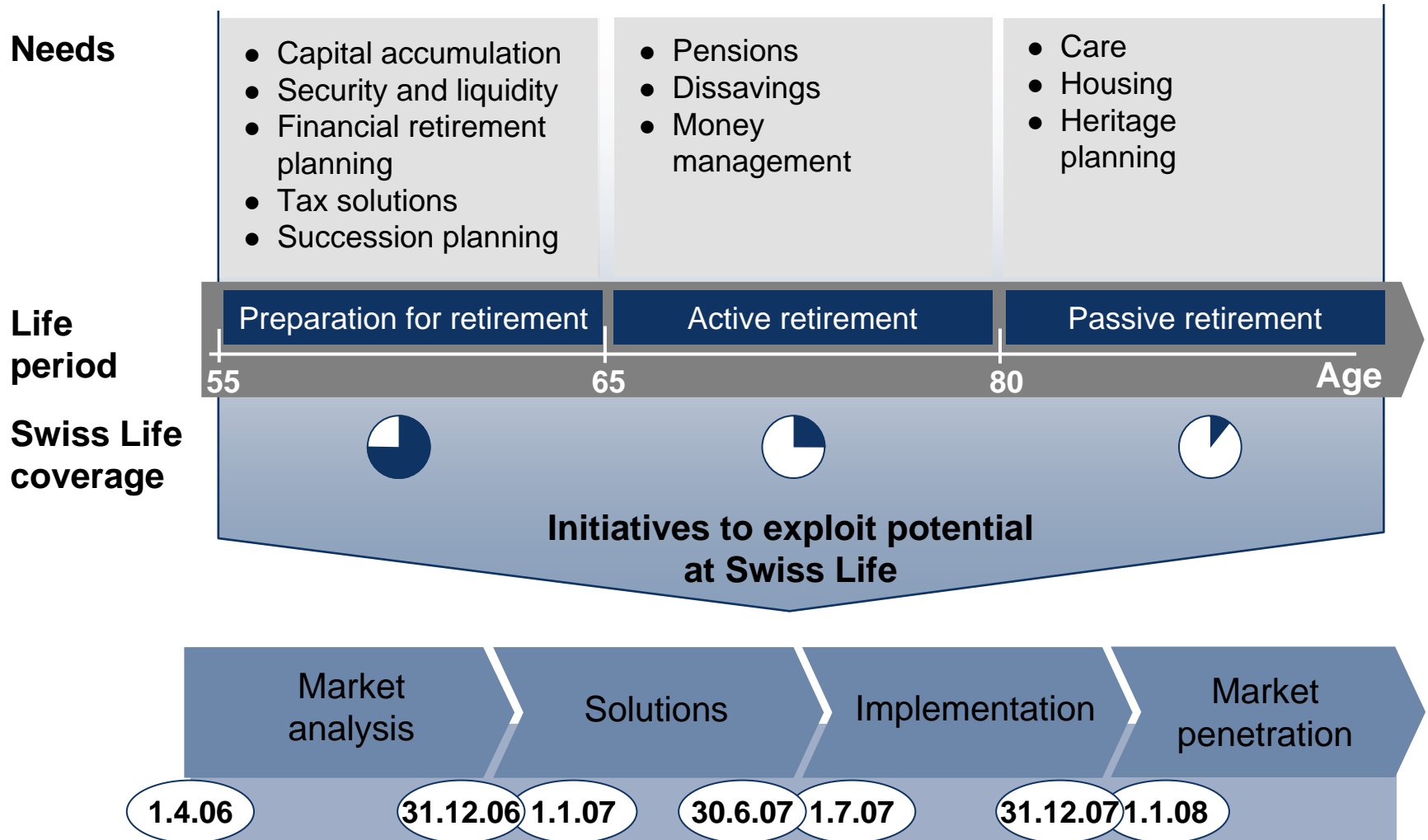
Population growth 2005-2015 (Switzerland)

Age	Growth until 2015	Population in million (2015 exp.)
< 50	+ 4 %	5.2
50-64	+ 14%	1.6
65-79	+ 22 %	1.1
> 80	+ 33 %	0.4

- Significant shift of market potential due to demographic change
- Old age ratio ¹⁾ (“Altersquotient”) to double by 2030
- Expected market growth for retirement provision to grow by 7% to 10 % p.a. in Western Europe (McKinsey, Mercer Oliver Wyman)
- Need for retirement provision generally rises with higher income

Focused life insurers like Swiss Life have a big opportunity to help 50+ close their pension gap

Targeting needs for clients before and after retirement



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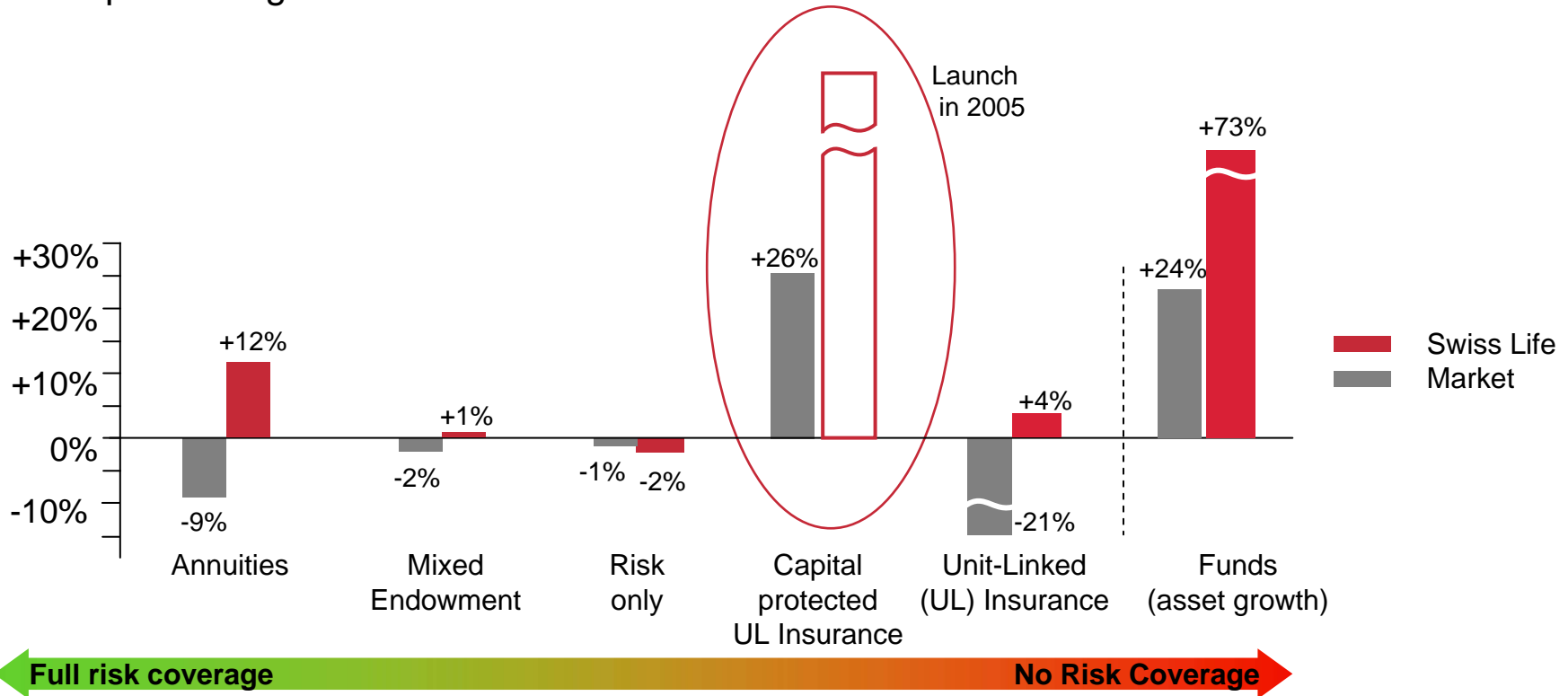
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Individual business: Strong in traditional segment with opportunities in non-traditional segment

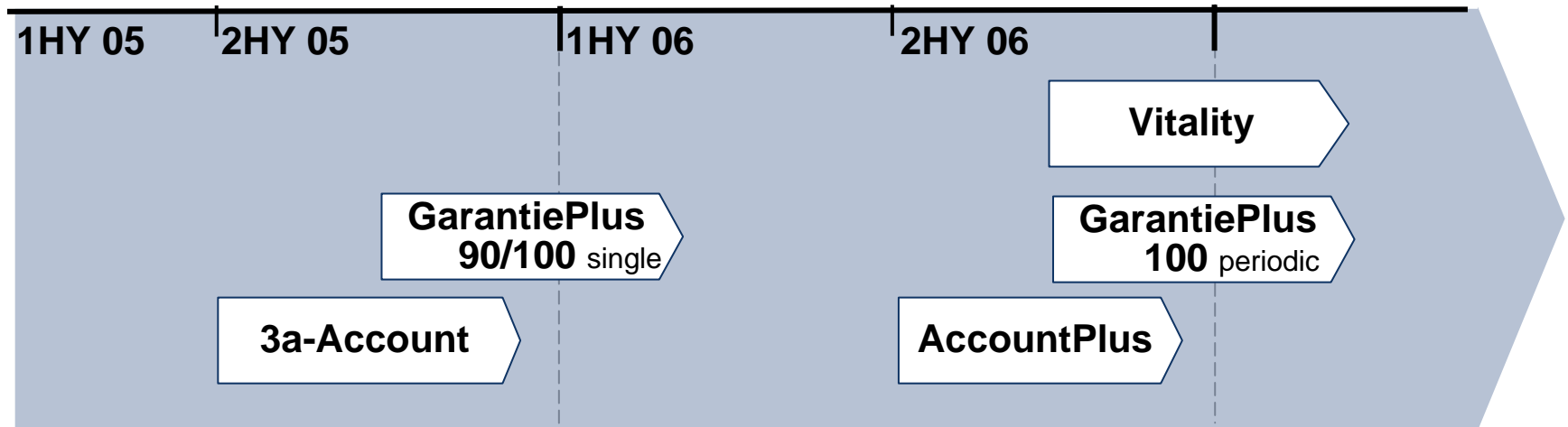
Gross premium growth 2005 in %



- Strong position in annuities successfully strengthened
- Overall market growth in specific non-traditional segments:
 - Products offering performance potential **with** capital protection are most successful
 - Customer expectations focused on both performance and security

Successful launch of performance-oriented products since September 2005 to exploit market opportunities and diversify risks

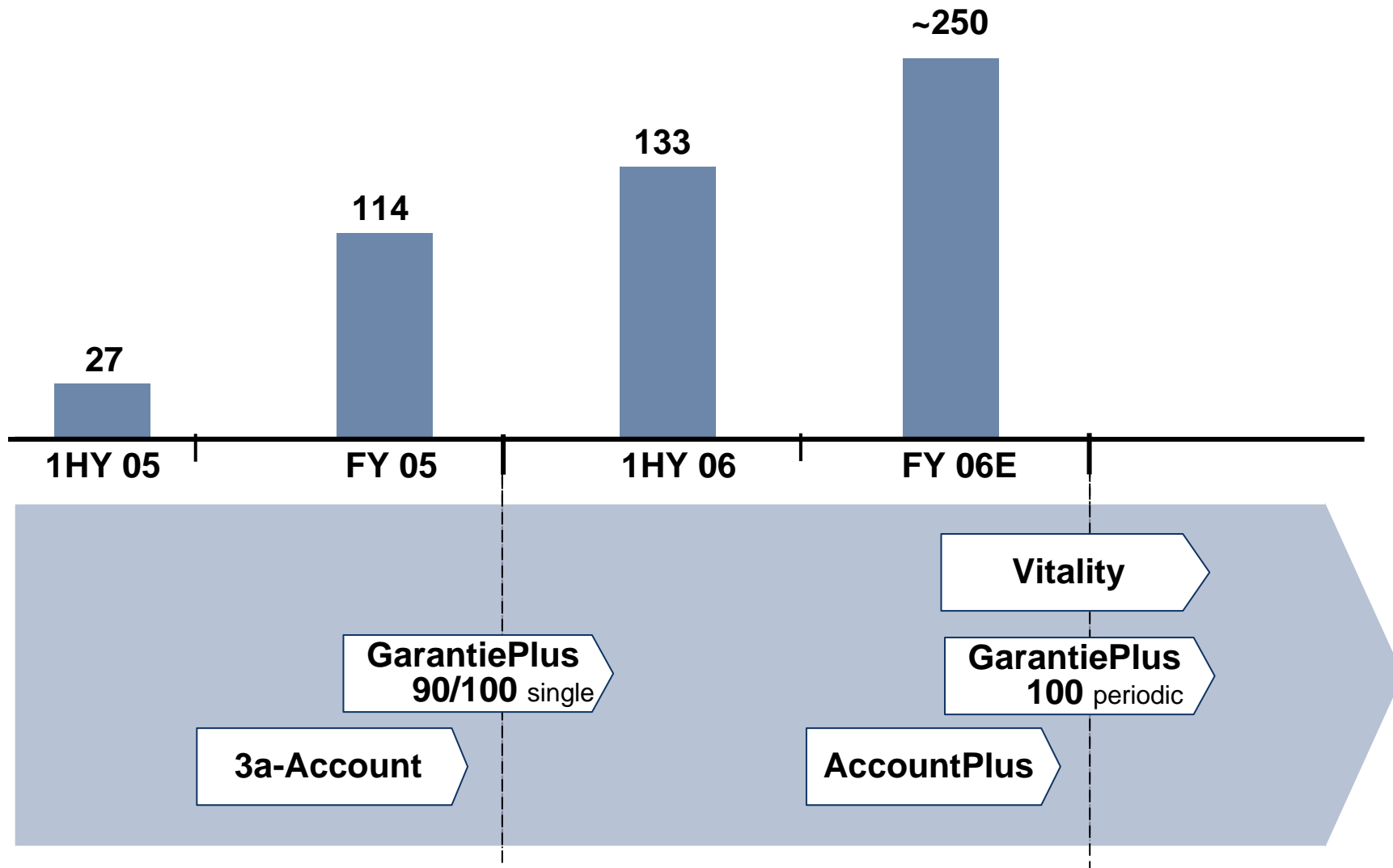
Individual Life: Product development is focusing on performance oriented products



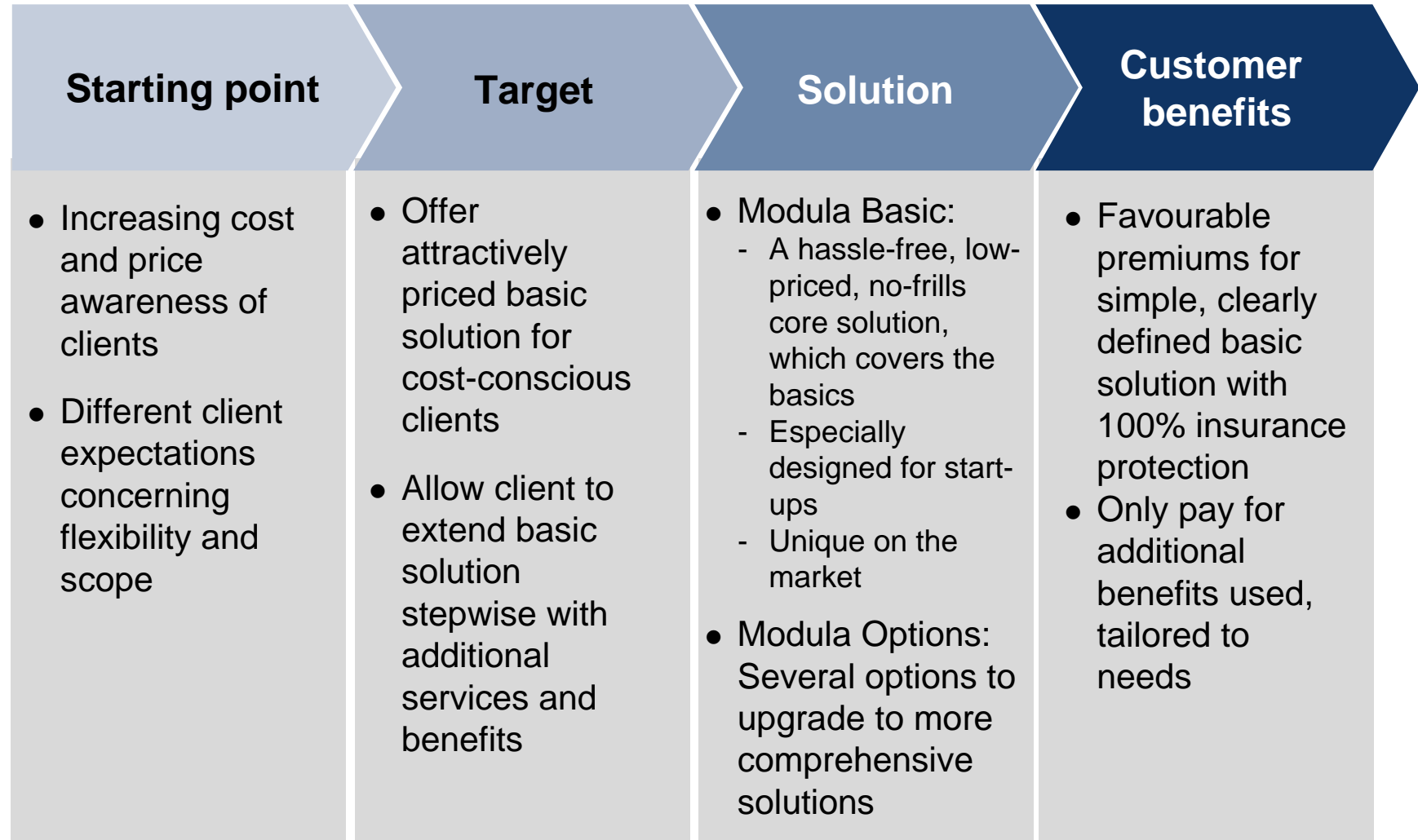
- GarantiePlus:** Unit-linked insurance with capital protection, single premium, regular premium
- Vitality:** New unit linked insurance without capital protection
- AccountPlus:** Special account without insurance protection (in cooperation with BdG)
- 3a-Account:** Tax-exempted savings account without insurance protection (in cooperation with BdG)

Individual Life: Initiative in performance oriented products with good market perception

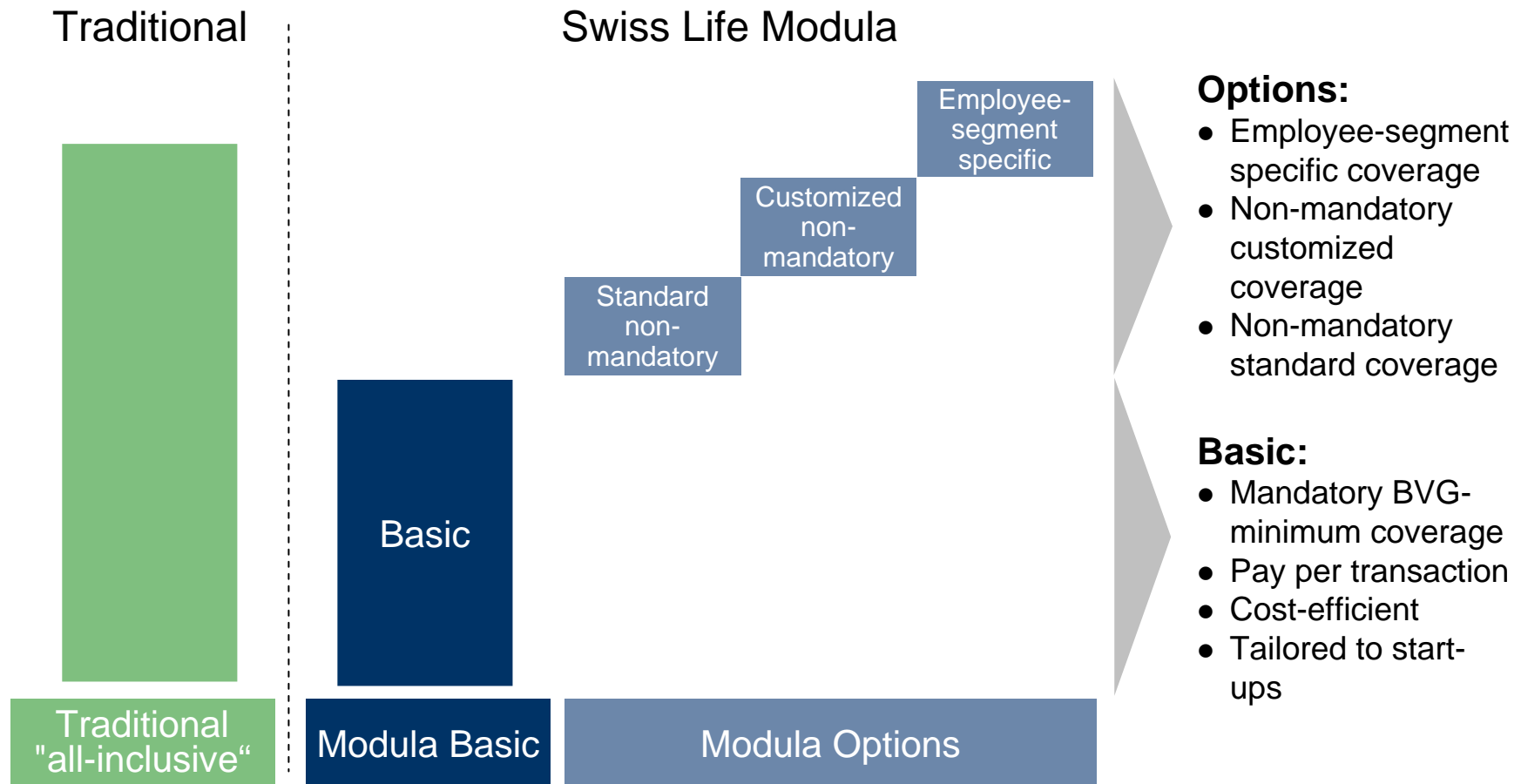
New business gross premium; CHF million



Group Life: Introduced a new cost-efficient, yet client-specific solution



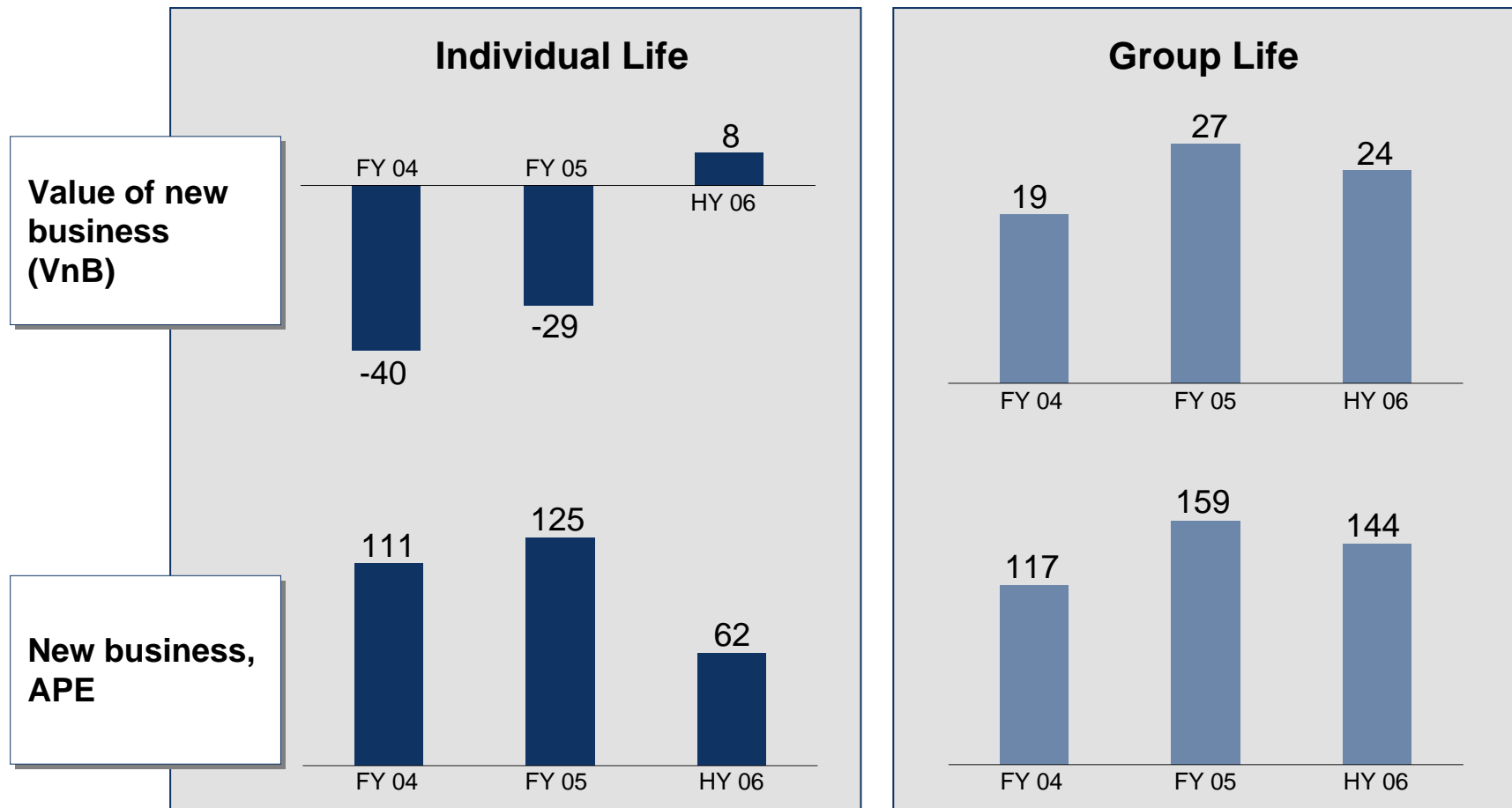
Modula Line: A solution which addresses cost-sensitive customers



True value added for the client: Low premium, simple and transparent solution, you only pay for what you need

Product development: Profitable growth is primary target

CHF million



- 2005: Sound new business growth while further improving profitability
- 2006: Growth potential limited due to tense interest rate situation

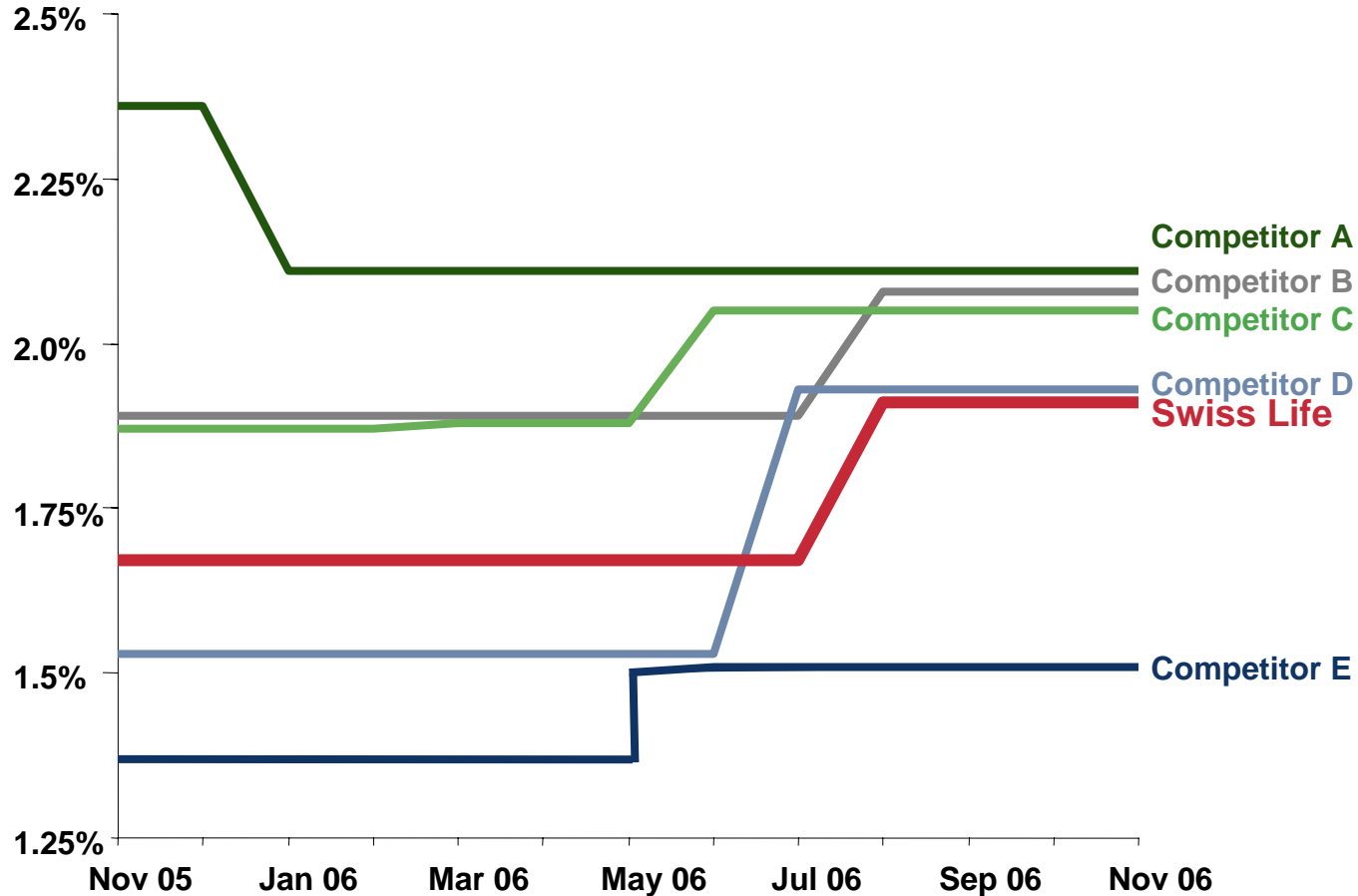
Individual Life: In comparison with competitors

Swiss Life is positioned in midfield



Comparison offers in mixed endowment ¹⁾

Net return (after risk and administration costs)



- To protect profitability we are not offering the highest net return
- Rising interest rates lead to increase in bonuses

1) Single premium of CHF 100 000, man, age at entry with 50, period of 10 years

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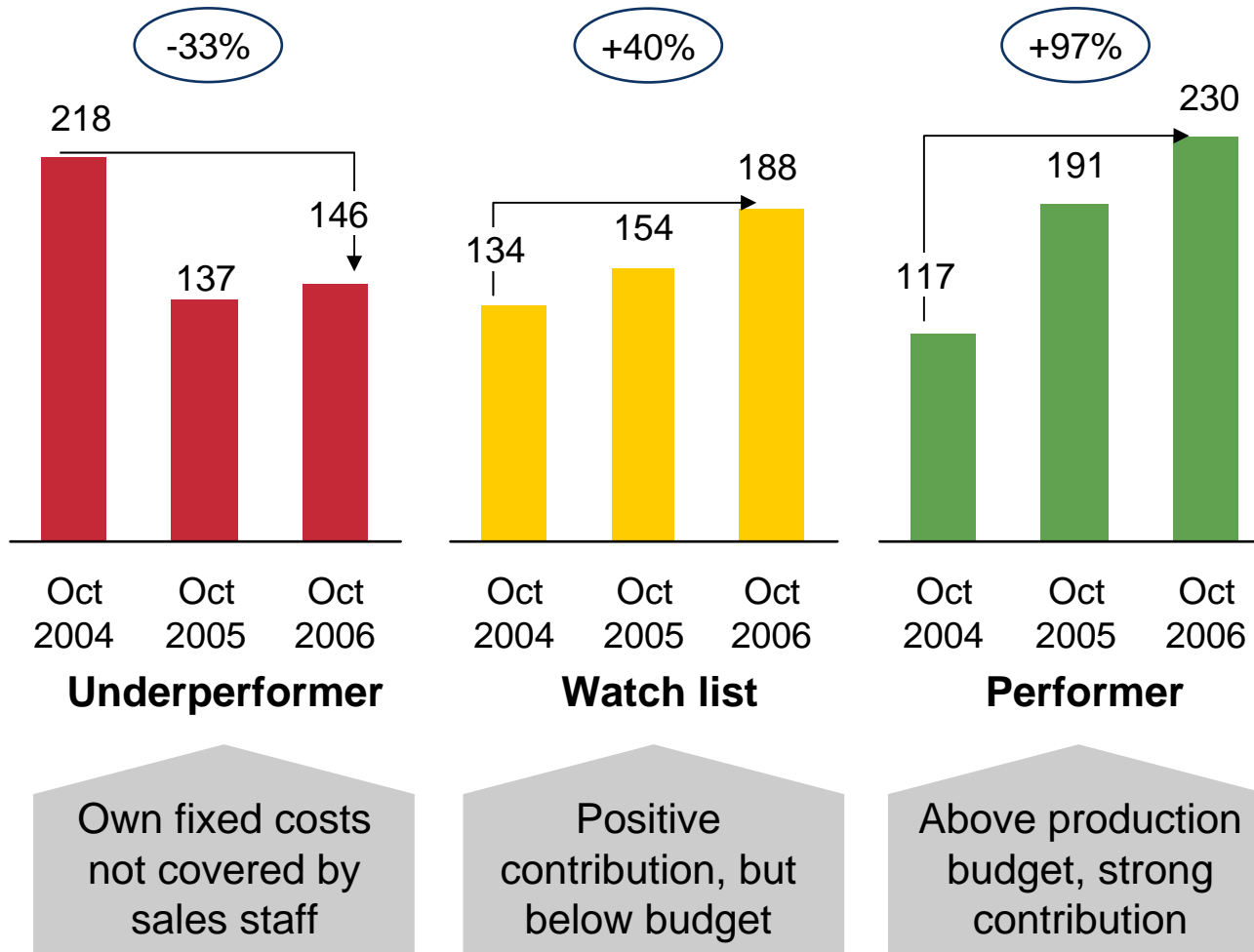
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Staff is developed systematically with new training architecture

Number of sales staff, excluding new hires



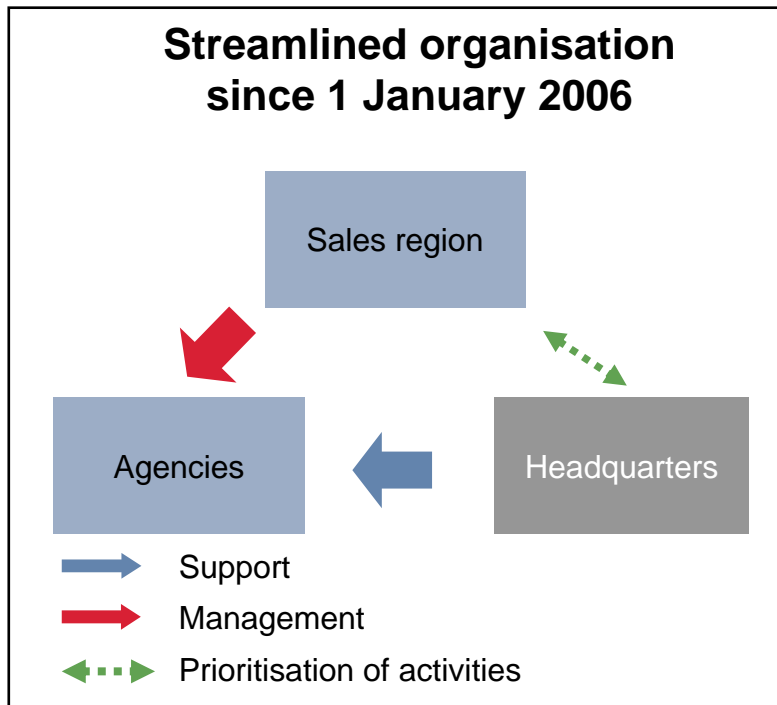
Initiatives

Simplify and shorten basic training course (sales employee serves market after 12 weeks)

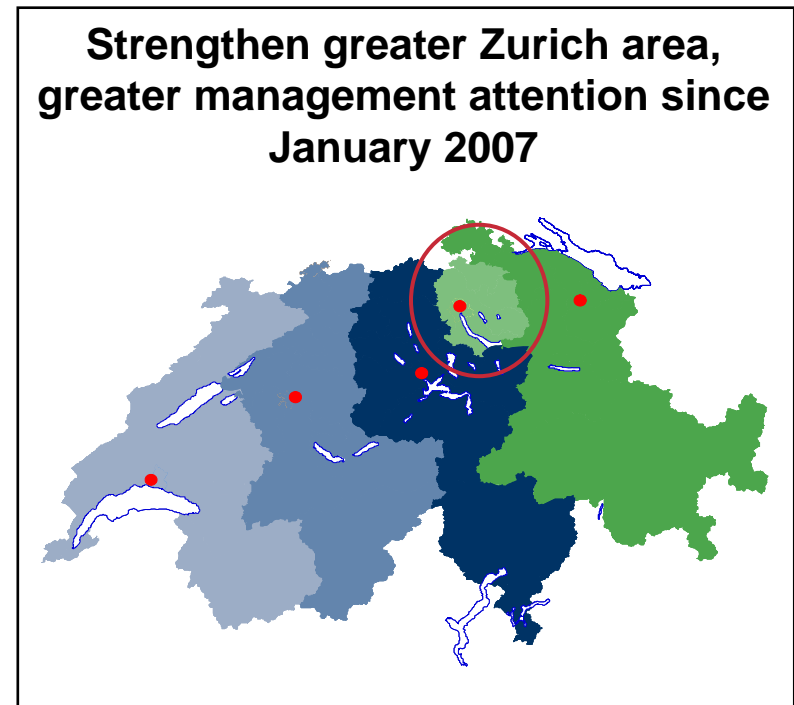
Focus on success-driven sales orientation (promote sales skills and step up closure)

Build and ensure standards for a common Swiss Life advisory standard

Enhancing distribution efficiency and strengthening greater Zurich area



- Increased sales power, regional sales directors focus on sales force management
- Increased efficiency
- Streamlined support processes, concentrated in one centralised unit

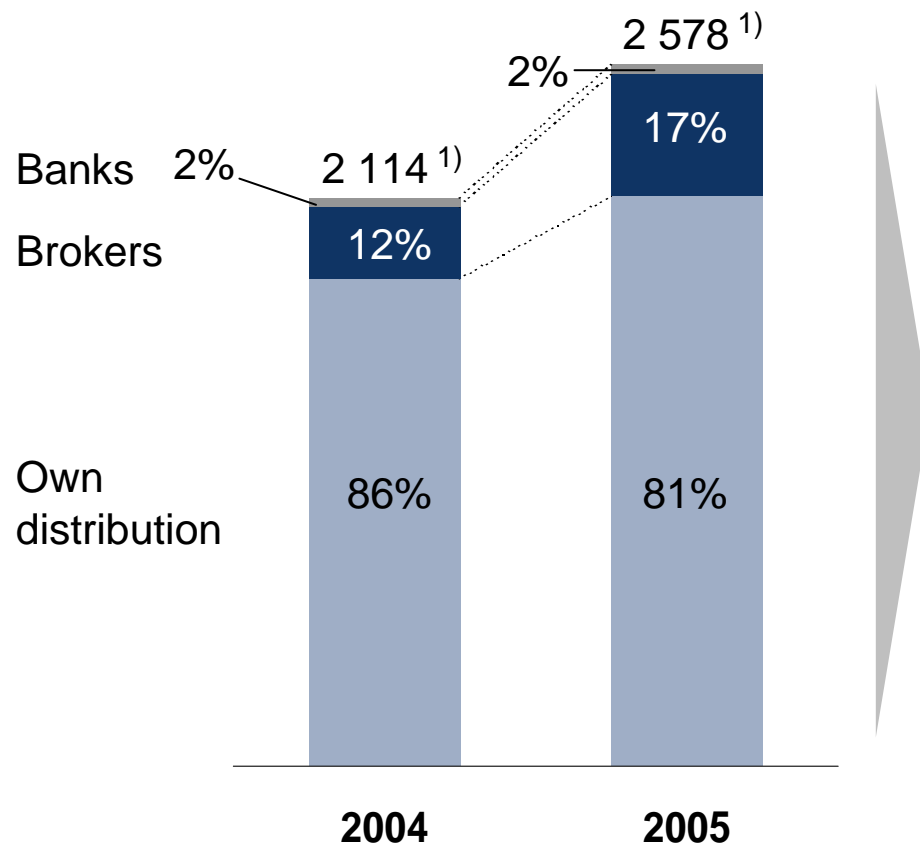


Additional sales region

- Bolster management in zones with growth potential
- Due to streamlined organisation no additional administration costs

Distribution mix: Broker channel with increasing importance

CHF million



Channel	2004	2005	Dev.
Banks	30	39	+30%
Brokers	262	445	+70%
Own distr.	1 822	2 094	+15%
Total	2 114	2 578	+22%

- Broker production shows especially strong growth thanks to new group business
- Production raised by 18% in individual life and 42% in group life

1) Group life (6*periodic premiums) + Funds (gross inflow) + Individual life (single premiums + 16*periodic premiums);
excl. vested benefit accounts at BdG

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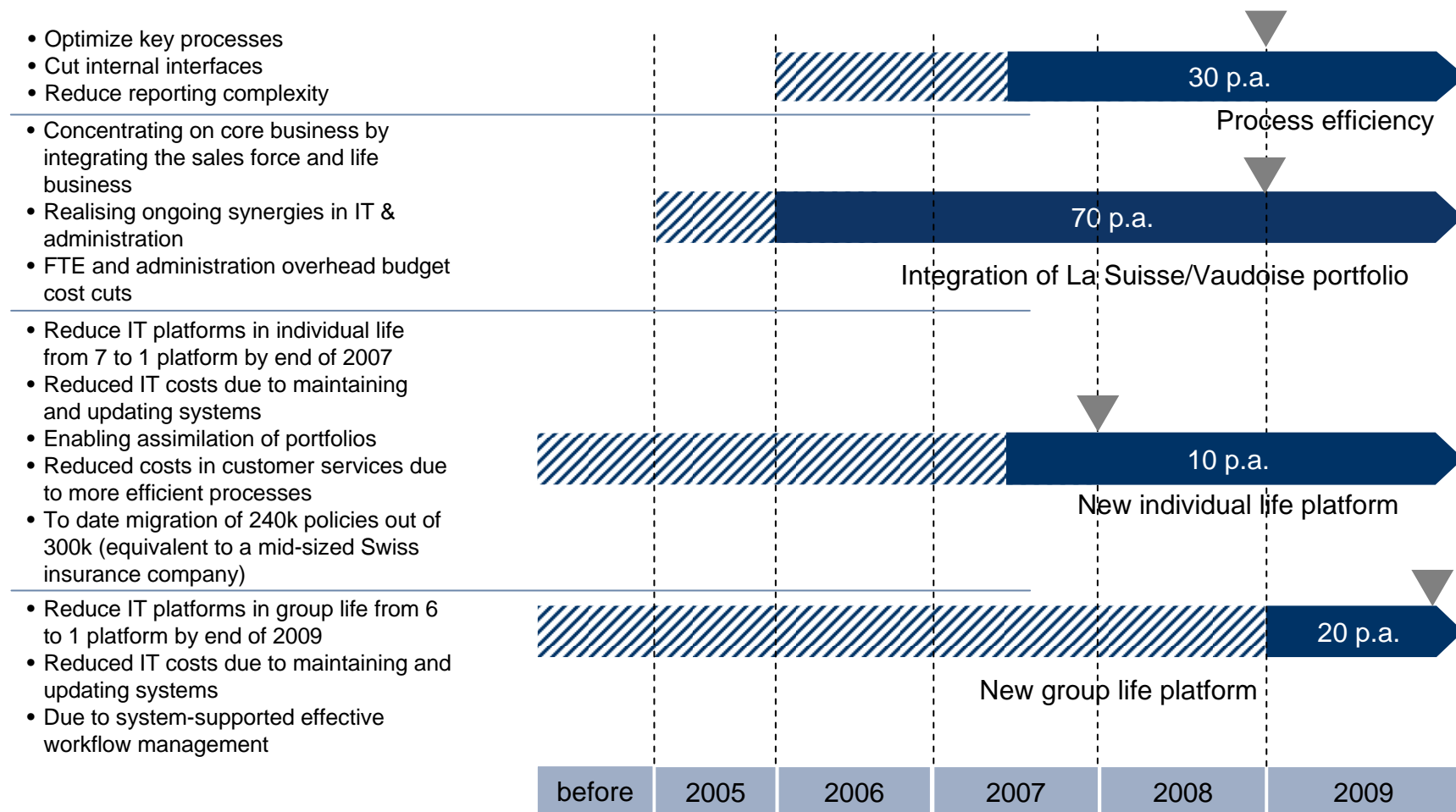
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Efficiency projects: Overall savings of CHF 130 million

Total impact on bottom line; CHF million (IFRS basis)



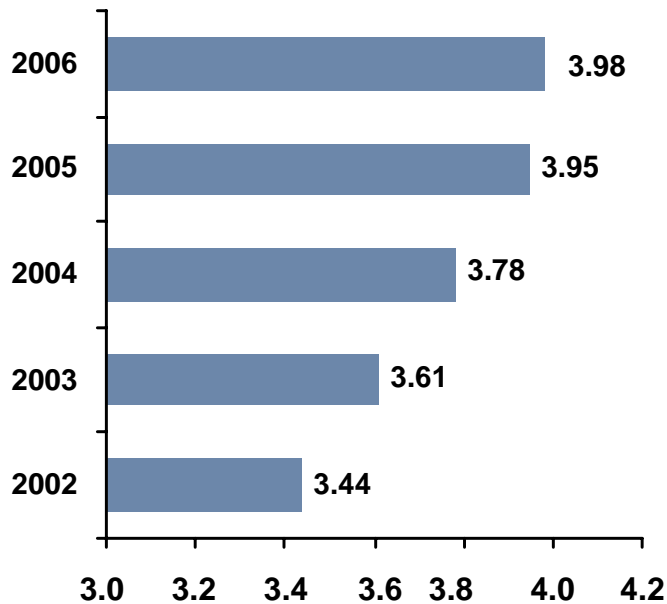
-  Timeline of projects
-  Cost savings
-  End of project

Clients recognize our constant efforts to improve service and operations

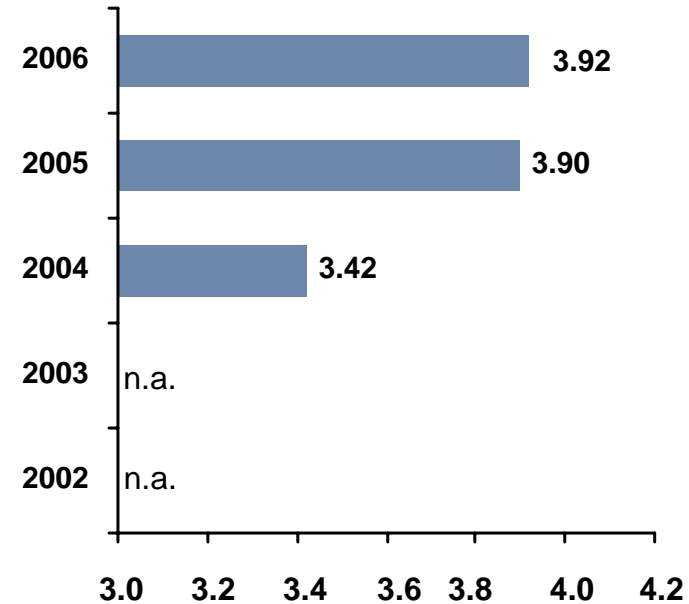


Impressive increase in customer satisfaction since start of service quality initiative in 2003; target set at 4.25 in 2008

Individual Life customer satisfaction ¹⁾



Group Life customer satisfaction ¹⁾



1) Source: Regular customer survey; question: How content are you with Swiss Life?

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Optimal market position in Switzerland

- We are targeting under-exploited market segments. Focus today is on “young people” with good start; further initiative will be on “retired / pre-retired people” with an excellent customer base as starting point
- Product innovations are specific to client needs and market opportunities, however, profitability is most important precondition
- Our ambitious efficiency projects are well on track and will pay off within the next years, total cost savings of 130 million from projects; cost ratio down 3% points
- Our constant efforts to improve service and operations quality are recognized by our clients: Continuous increase in customer satisfaction since start of dedicated activities

We confirm to achieve our profitability target

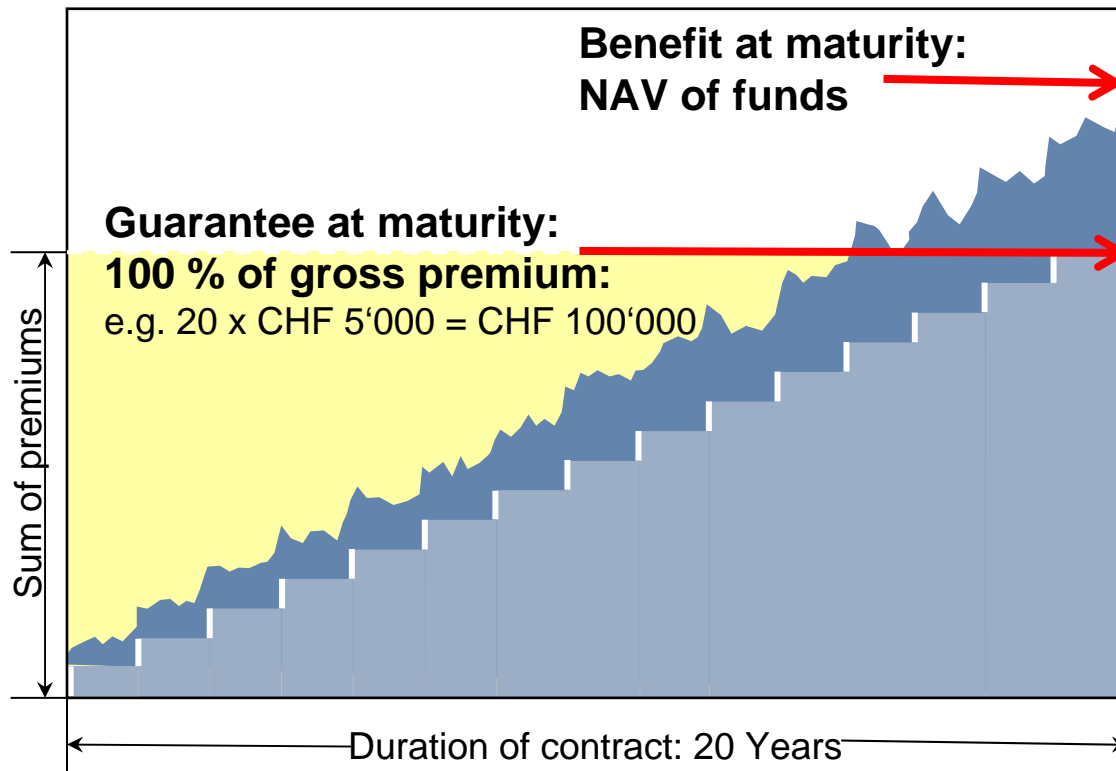


SwissLife

Supplementary information

Our latest product: A strong combination of both security and performance

GarantiePlus100: 100% guarantee on gross regular premiums with excellent return potential



- Regular premium product with attractive investment opportunity, due to long duration of contracts
- Swiss Life Fund, fund without fixed maturity
- Dynamic investment: Gradually increase risk exposure at beginning, and decrease towards end of contract

First sales figures confirm market acceptance of product

Cautionary statement regarding forward-looking information



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