

Investors' Day 2007
Capital management

Thomas Müller, Group CFO
Zurich, 4 December 2007

Agenda

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|---------------------------------------|----------------------|
| 1. Achievements and new targets | Rolf Dörig |
| 2. Capital management | Thomas Müller |
| 3. Key thrusts and market initiatives | Bruno Pfister |
| 4. Investments | Patrick Frost |
| 5. Wrap-up | Rolf Dörig |

Active capital management with clear measures



- 1 **Actively release and reinvest capital**
 - Significant capital releases through disposals
 - AWD: Accretive impact on earnings as of 2009 latest
- 2 **Increase shareholder return**
 - Share buyback programme of up to CHF 2.5 bn
 - Annual dividend payout of 40 – 60% of net IFRS profit
 - EPS growth at least 12% every year
- 3 **Optimise capital structure and allocation**
 - Optimise capital structure through proactive debt planning
 - Steer with a capital performance benchmarking concept
 - Further enhance internal capital allocation
- 4 **Underpin strong rating**
 - Keep strong S&P rating for enterprise risk management
 - Increase profitability to support S&P rating upgrade to A
- 5 **Develop expertise on transfer solutions**
 - Build up expertise on innovative risk transfer solutions
 - Apply a clear economic decision process
- 6 **Further increase transparency**
 - Report according to MCEV as of 2008 figures
 - Effectively steer businesses through adapted governance

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1 Actively release and reinvest capital

Significant capital releases through disposals



Banca del Gottardo

- Total consideration of CHF 1 875 million
- Multiples:
 - 5.2% of AuM
 - Normalised 2007 P/E: ~20x
- IFRS post-tax profit of about CHF 600 million in 1st HY 2008

Zwitzerleven and Swiss Life Belgium

- Total consideration of CHF 2 510 million
- Multiples:
 - 24.3x est. profit 2008
 - 1.1x traditional EV (30 June 2007)
- IFRS post-tax profit of CHF 200 million in 2007; CHF 1 000 million in 1st HY 2008

Impact on Swiss Life Group

- **Cash proceeds of CHF 4.1 billion after taxes**
- **Impact of disposals future profit contributions:**
 - Banca del Gottardo: - CHF 130 million
 - Zwitzerleven and Swiss Life Belgium: - CHF 100 million
- **Increase in EV: CHF 550 million**

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AWD: key deal terms and financial impact

Transaction terms

- Public offer for AWD shares
- EUR 30 per share
 - 36% premium over 3-month average
 - ~15x P/E 2008E
- Hard irrevocable commitment from Maschmeyer family to tender 20% stake
- Maschmeyer family retains 10% stake, linked to Swiss Life with a long-term option agreement

Partnership synergies

- Estimated annual synergies of ca. CHF 50m after tax
 - by 2012
 - approx. 50% revenue gains and 50% cost savings
- Revenue potential in all markets, cost potential in Switzerland and Germany

Operating principles

- Carsten Maschmeyer to remain as CEO
- No impact on independence; AWD brand not affected
- Operational independence to leverage AWD's proven open platform model
- "Arm's-length" terms with Swiss Life
- Cooperation for know-how transfer and efficiency gains
- AWD to remain listed on stock exchange

Transaction impact

- Accretive to EPS by 2009 at latest
- Strong capitalisation maintained
 - pro forma group solvency > 175%, incl. effect of divestitures, acquisition and buyback
- No impact on share buyback

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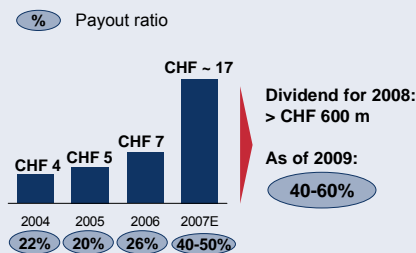


Share buyback and doubled dividend payout ratio

Share buyback of up to CHF 2.5 bn

- Over next 18 months, approval on AGM
- By way of second trading line on SWX
- CHF 1 bn in 2008, CHF 1.5 bn in 2009
- Assumption: share buyback of 8.25 m shares

Dividend payout ratio: 40-60% on net IFRS profit



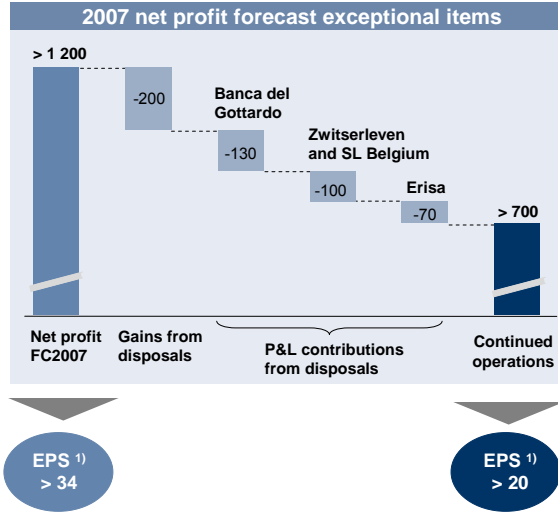
After all transactions and full share buyback, the pro forma Group solvency as of 30 June 2007 to remain above 175%

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EPS growth above 12% every year

CHF m



2008 exceptional items

Additional net profit contribution: CHF 1.6 bn from sale of operations

- Zwitserleven and Swiss Life Belgium: CHF 1 bn
- Banca del Gottardo: CHF 600 m

Targets 2008 - 2012

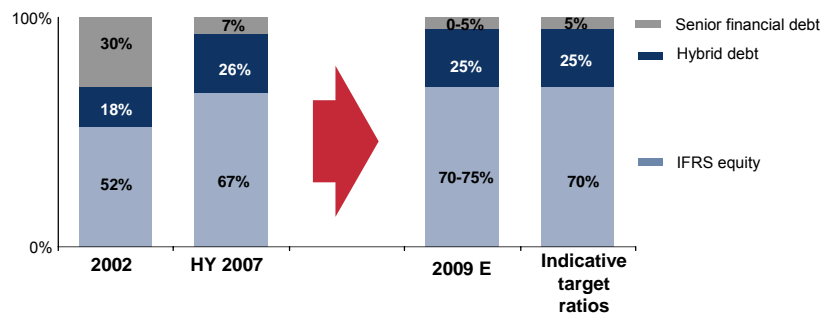
- ROE > 12 % every year
- EPS growth > 12 % every year

1) Number of shares: 35 m



Optimise capital structure through proactive debt planning

Capital structure and target ratios



Capital structure in line with economic, regulatory and S&P view



Further enhance internal capital allocation

Increase capital mobility

Objective:

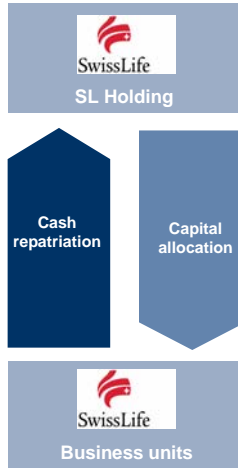
- Increase capital mobility

Measures taken:

- Legal structure
- BdG capital reduction
- Cash to Zurich concept implemented (management fees and dividend flows)

Outlook/further Initiatives:

- Ongoing management of legal structure



Enhance capital based steering

Objective:

- Allocate capital to higher yielding businesses

Measures taken:

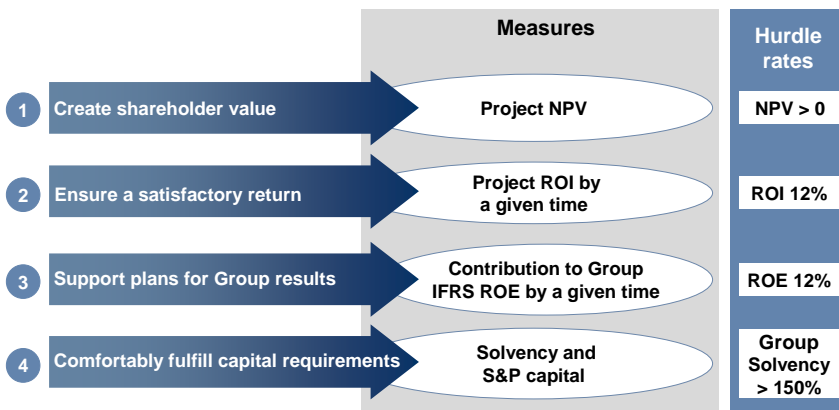
- Clear hurdle rates applied
- Add-on acquisitions in less capital-intensive businesses (e.g. CapitalLeben)
- Disposals of units in Belgium, The Netherlands and Banca del Gottardo

Outlook/further Initiatives:

- Implement an enhanced benchmarking concept
- Competition for capital
- AWD



Steer with a capital performance benchmarking concept





Keep strong enterprise risk management assessment by S&P

Statutory view

- Statutory accounting rules
- Focus of life insurers on coping with regulatory requirements

Economic view

In addition, risk management not restricted to regulatory requirements, but starting to focus on risks inherent to:

- Asset allocation
- Crediting policy
- Product principles

Holistic view

In addition, all constraints applicable to a life insurance company are included in all risk management thoughts and actions

Market consistent view

In addition, deploy market consistent steering through internal valuation model in line with upcoming regulatory framework and MCEV



Market consistent view to be integrated into overall risk management framework



Develop expertise on transfer solutions to support ROE improvement as of 2010

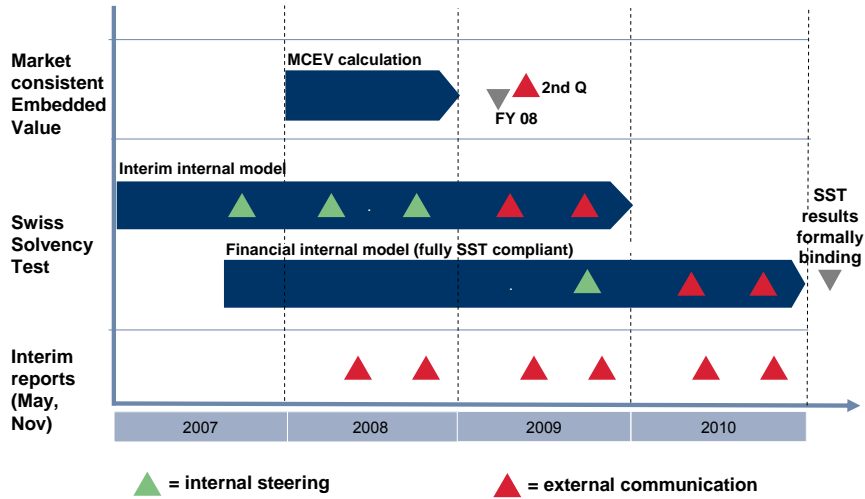
Combine existing expertise ...

...with innovative developments ...

... and include it in decision process



Swiss Life will increase transparency through MCEV, SST and interim reporting



Capital management: Key messages



- Raised benchmarks
- Significant payout to shareholders
- Investments will deliver against hurdle rates

Cautionary statement regarding forward-looking information



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Contact details and financial calendar



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Financial calendar

Results 2007	27 March 2008
Annual General Meeting 2008	8 May 2008
Half-Year Results 2008	28 August 2008

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