

Vontobel
Swiss Equities Conference

Marcus Händel, Investor Relations Swiss Life
Frankfurt, 7 May, 2007

Agenda

1. Where do we come from?

2. Where are we now?

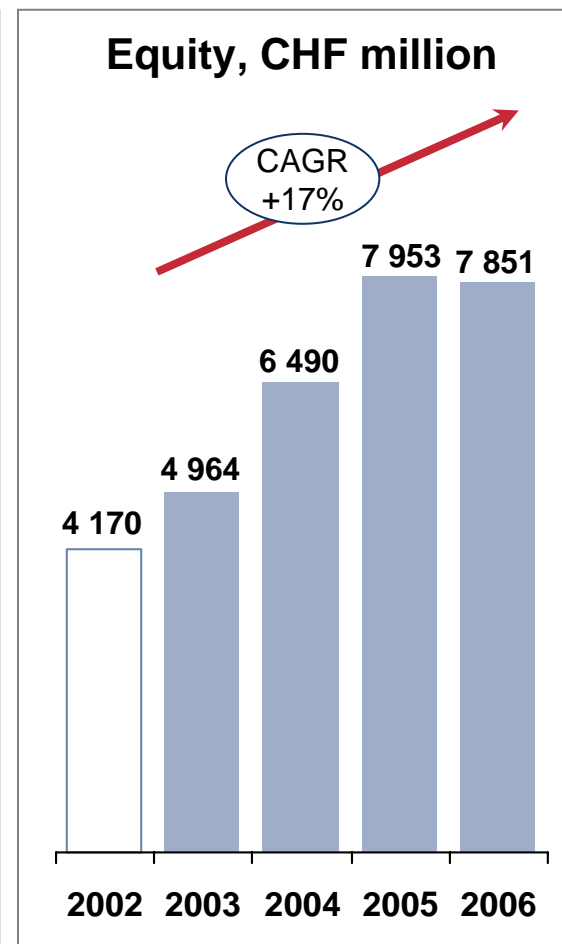
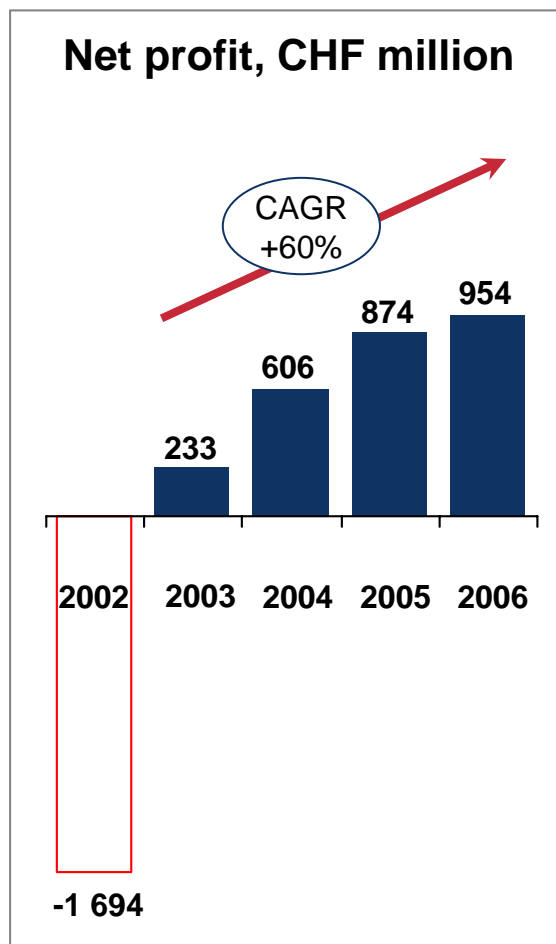
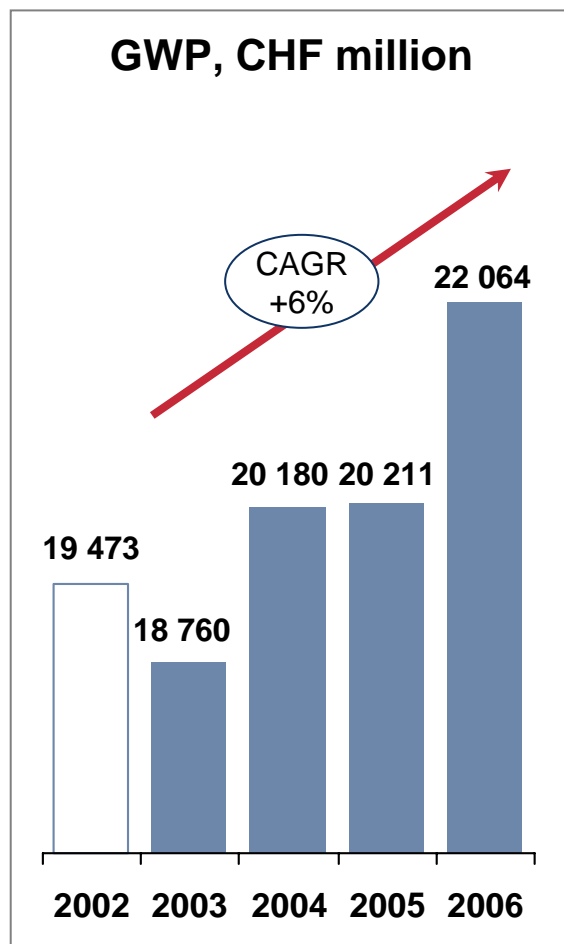
3. Where do we go and how do we get there?

- International
- Switzerland
- Risk management

4. Summary and outlook

Back to profitable growth

IFRS basis



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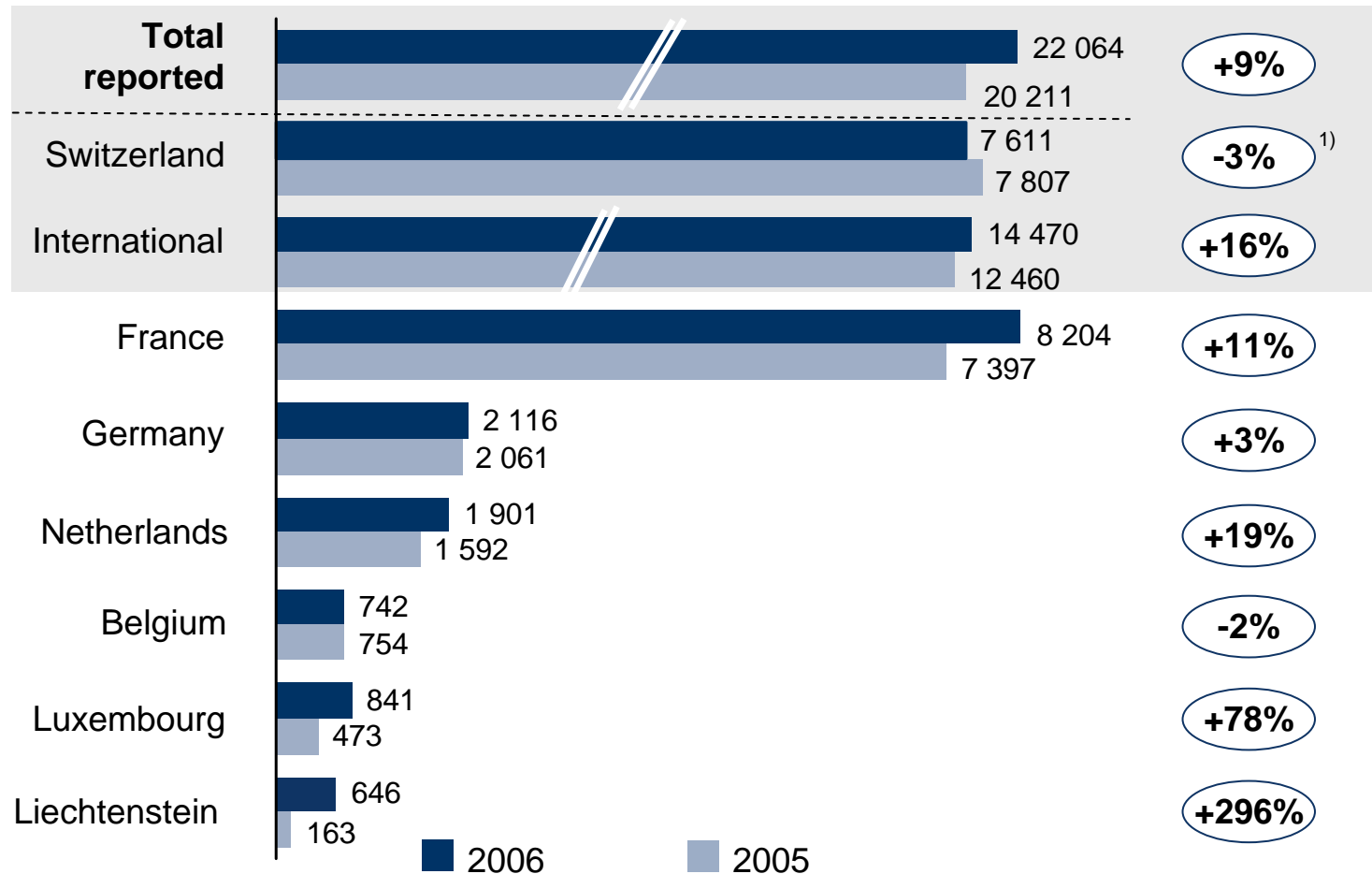
4. Summary and outlook

Advancing strongly towards our targets

Net profit	➔	CHF 954 million	+9%
Profit from operations	➔	CHF 1.3 billion	+23%
Return on equity	➔	12.2%	>10%
Embedded value	➔	CHF 10.7 billion	+20%
Value of new business	➔	CHF 121 million	+152%
Proposed dividend (par value reduction)	➔	CHF 7	+40%

Strong premium growth of 16% in international markets

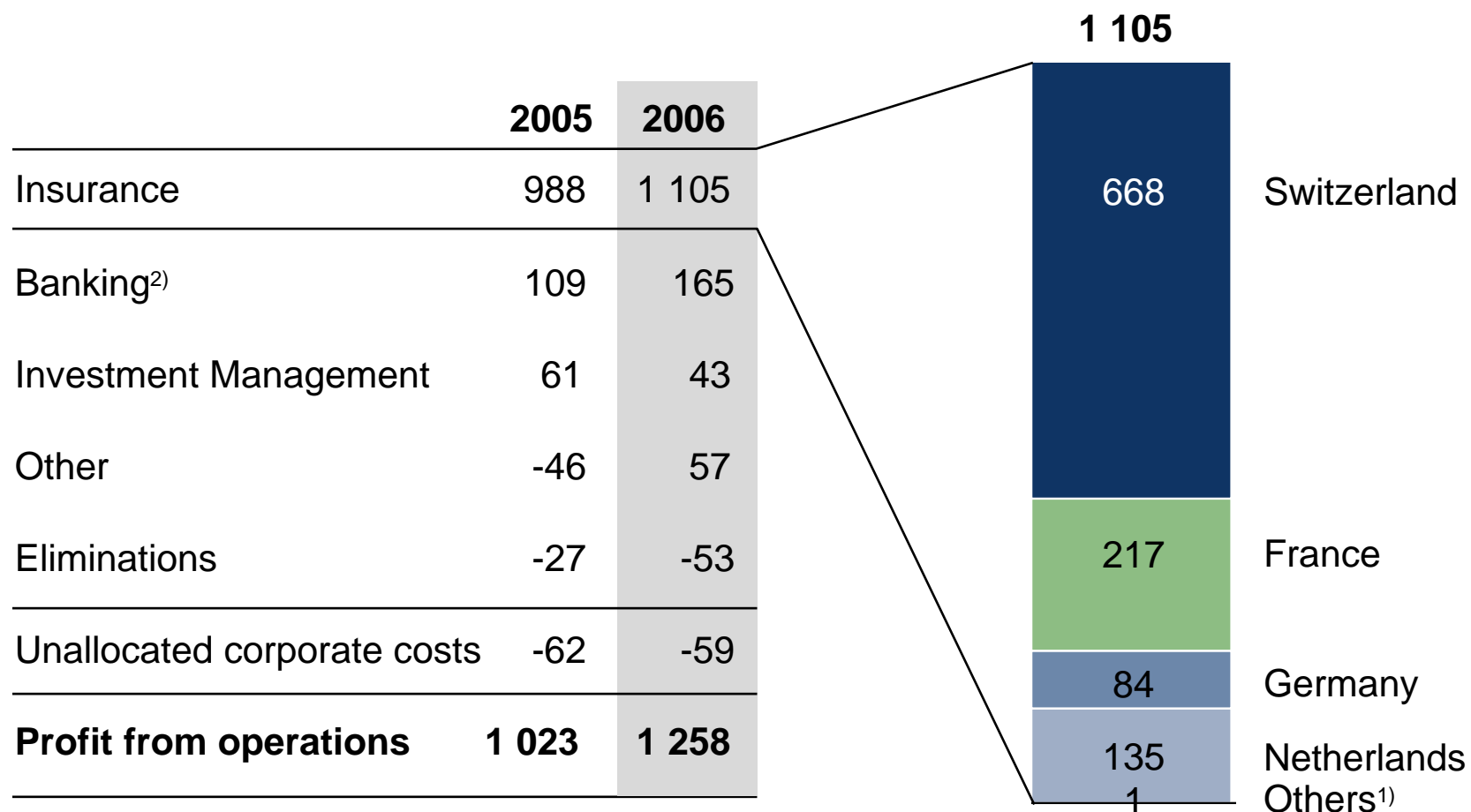
GWP & PHD; CHF million (IFRS basis)



1) Excluding non-life premiums in 2005 of CHF 290 million, life premium in Switzerland grew by 1.3%

Profit contribution of insurance and banking segments increased

Segment results; CHF million (IFRS basis)



1) Comprises Belgium, Luxembourg, Liechtenstein and Italy

2) Including gains on sales of BdG (Monaco) & Dreieck Industrie Leasing Ltd of CHF 50 million in 2006

Embedded value increased by 20%

CHF million (statutory basis)

	31.12.2006	31.12.2005	Change	RoEV ¹⁾
Embedded value Switzerland	4 053	3 614	+12.1%	+16.5%
Embedded value International	4 502	3 460	+30.1%	+29.4%
ANAV Swiss Life Holding	2 110	1 813		
Swiss Life Group	10 665	8 887	+20.0%	+21.9%
of which ANAV	6 793	5 942		
PVFP	4 922	4 809		
Cost of holding capital	-1 050	-1 864		
Embedded value per share ²⁾	316	263		

1) Net of intra-group transfers

2) Based on 33.8 million shares

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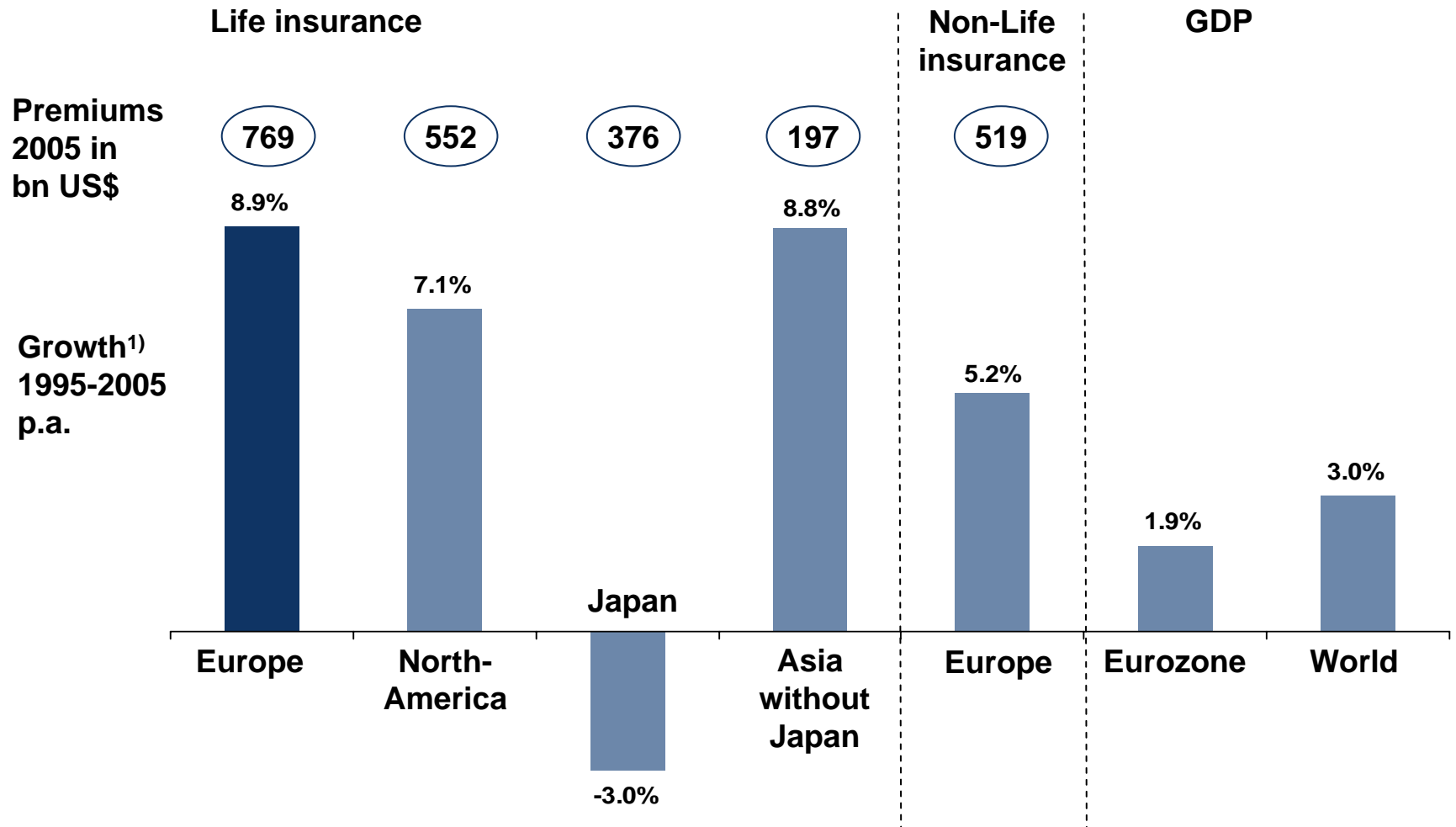
- International

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4. Summary and outlook

Sustainable and strong European insurance market growth



1) Nominal
Source: Sigma, WTO, OEF

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

International efficiency projects in progress



	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

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- International

- **Switzerland**

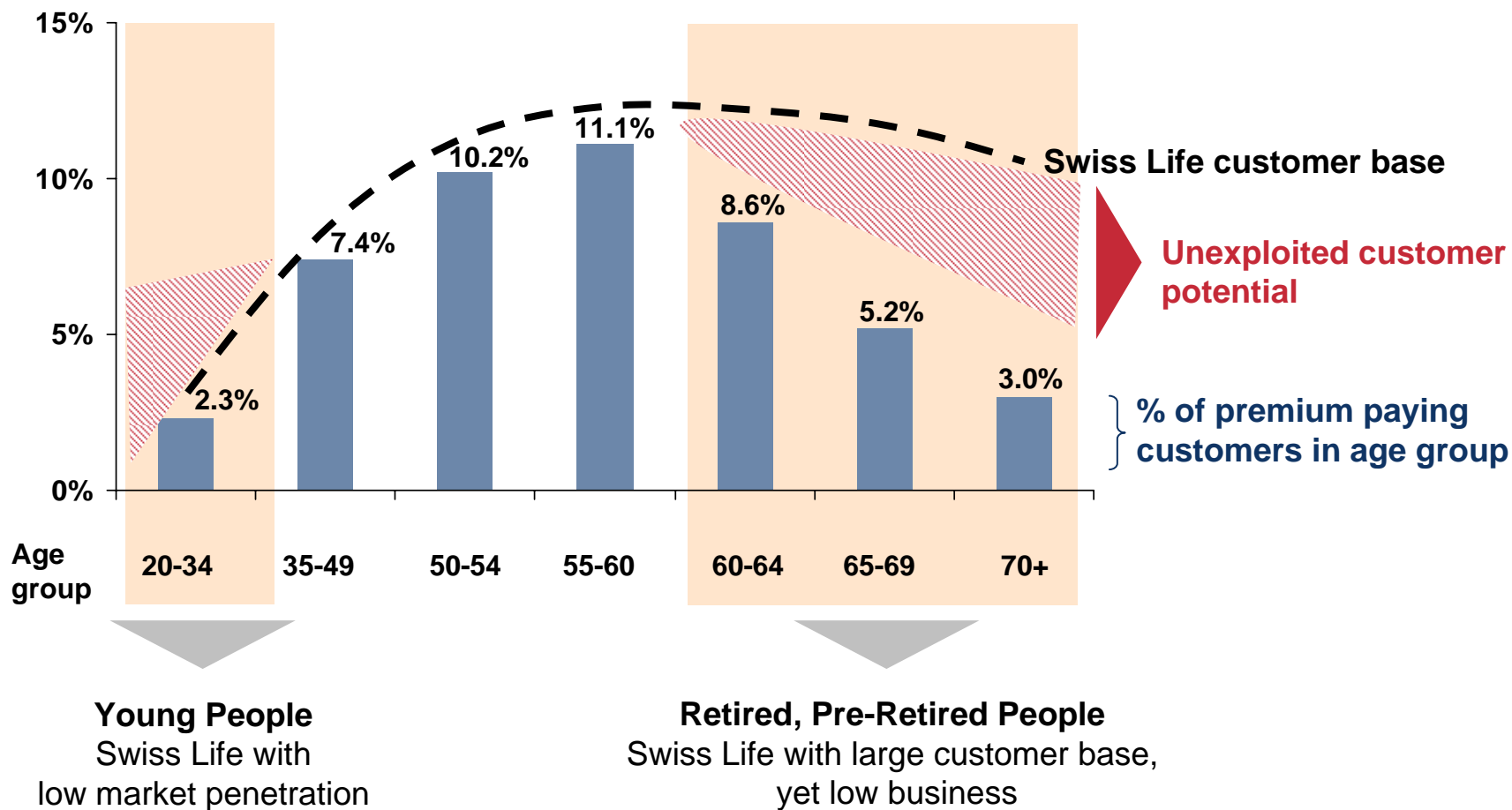
- Efficiency and risk management

4. Summary and outlook

Switzerland: Swiss Life sets focus on unexploited market segments

Market penetration

(customers per age group / population per age group)



Switzerland: Optimisation along the value chain driven by client needs

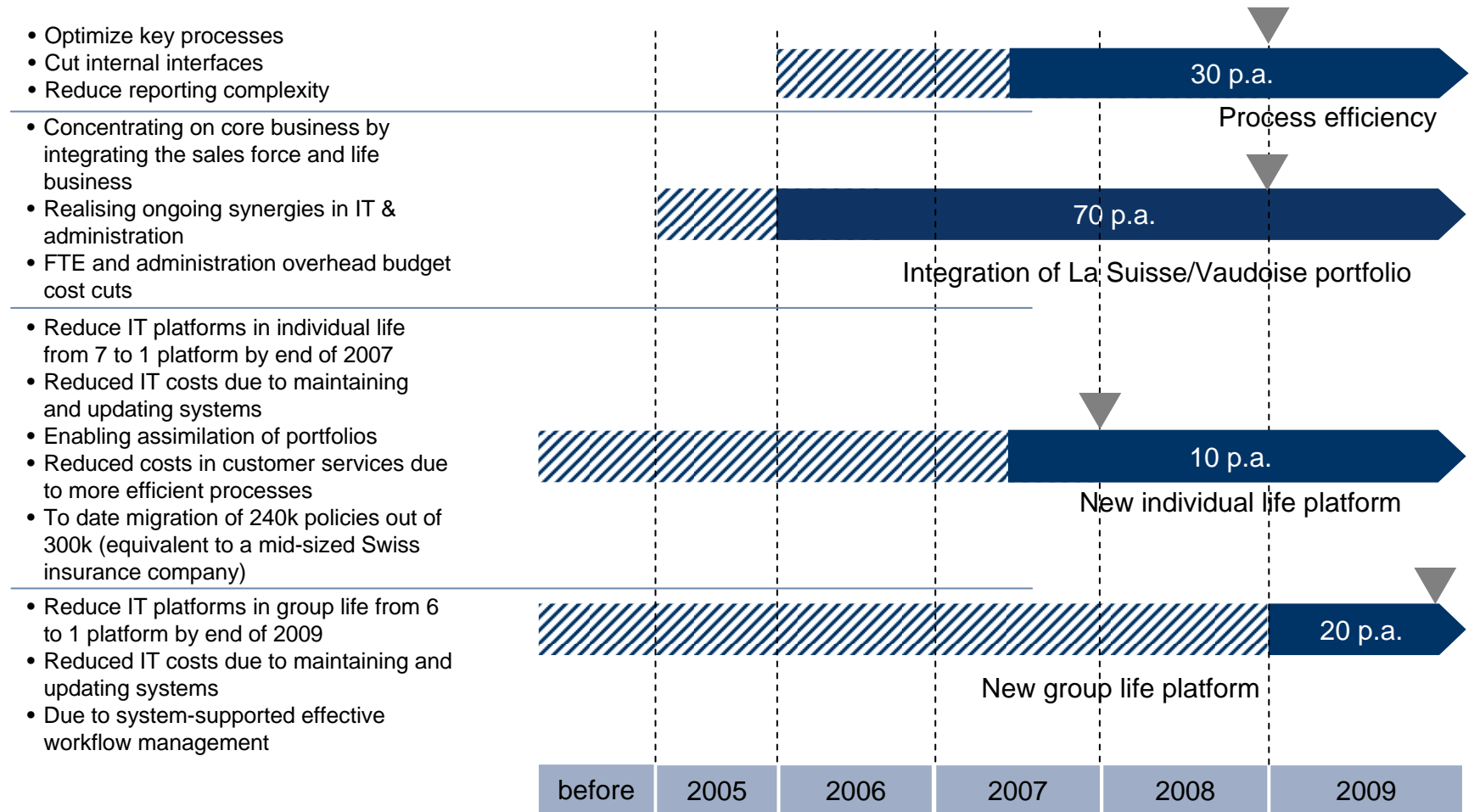


Value Chain	Client needs	Actions
Clients	"I want excellent service"	<ul style="list-style-type: none"> • Process and service quality increase
Products	"I want financial security, reliability and attractive participation in financial markets performance"	<ul style="list-style-type: none"> • Individual life: Innovations focused on performance-oriented products • Group life: Flexible solutions to cover client-specific complexity and risk appetite
Distribution	"I want expertise and accessibility"	<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

Switzerland: Efficiency savings of CHF 130 million



CHF million (IFRS basis)



- Optimize key processes
 - Cut internal interfaces
 - Reduce reporting complexity
-
- Concentrating on core business by integrating the sales force and life business
 - Realising ongoing synergies in IT & administration
 - FTE and administration overhead budget cost cuts
-
- Reduce IT platforms in individual life from 7 to 1 platform by end of 2007
 - Reduced IT costs due to maintaining and updating systems
 - Enabling assimilation of portfolios
 - Reduced costs in customer services due to more efficient processes
 - To date migration of 240k policies out of 300k (equivalent to a mid-sized Swiss insurance company)
-
- Reduce IT platforms in group life from 6 to 1 platform by end of 2009
 - Reduced IT costs due to maintaining and updating systems
 - Due to system-supported effective workflow management

- Timeline of projects
- Cost savings
- End of project

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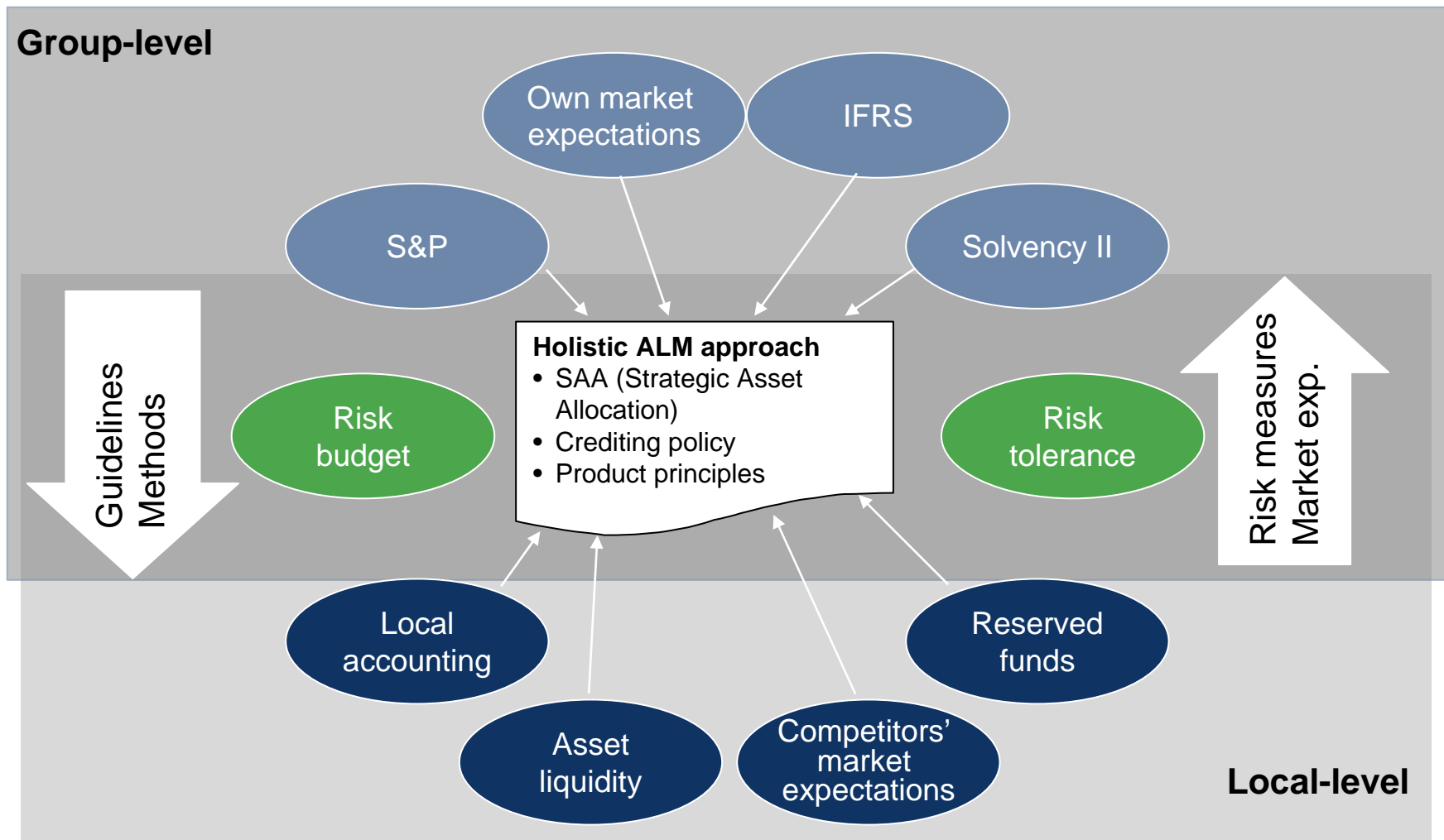
2. Where are we now?

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- **Risk management**

4. Summary and outlook

Local- and group-level holistic ALM approach covers all constraints



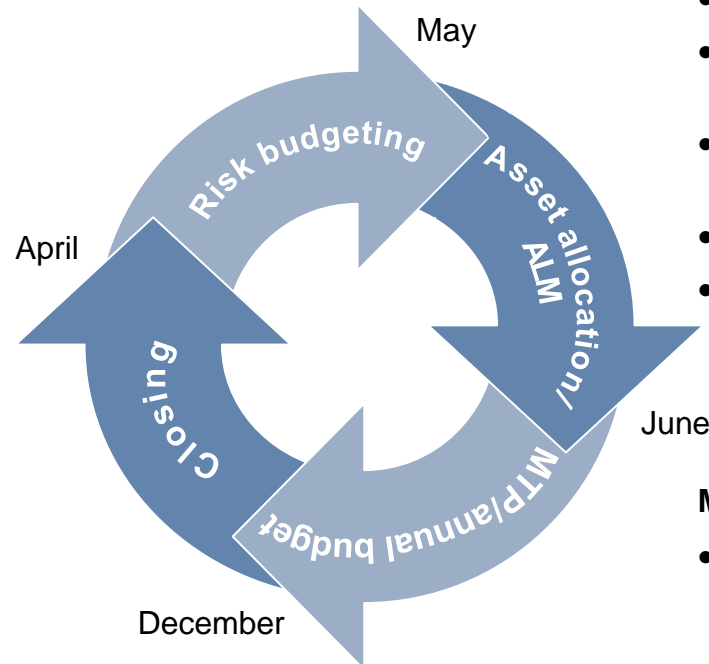
The risk management processes are embedded in the Group-wide planning process

Risk budgeting

- Available risk capital determination
- Current risk capital consumption
- Risk budgeting by business unit

Closing

- Annual closing
- Embedded value
- Media / Analyst communication



ALM process

- Allocation of risk capital
- Determination of risk and capital limits
- Determination of strategic asset allocation
- Crediting policy
- Product principles

MTP ¹⁾ / annual budget

- Long-term objectives and strategic business priorities per core Life market unit
- Functional objectives and strategies
- Definition, monitoring and review of financial and functional KPI targets
- Capital transfers

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Well on track to reach 2008 targets

IFRS basis

	2006	→	2008
GWP incl. PHD (CHF billion)	22.1		23.7
Switzerland	7.6		8.5
International	14.5		15.2
Basic insurance result (CHF million)	598		500
Switzerland	219		150
International	379		350
Net profit (CHF million)	954		1 000
Return on equity	12.2%		> 10%



Supplementary information

International: Dynamic growth continued

Growth

- Strong premium growth of 16%
- Distribution mix improved
- Contributed substantially to the 38% share on non-traditional products in the Group's premium volume

Efficiency

- Contribution to insurance segment result increased by 38%
- Substantial increase in basic insurance result of CHF 251 million to CHF 379 million
- Efficiency initiatives on track

Leadership

- Awards for products and services in all markets
- International cooperation strengthened
- Employee commitment further improved

Switzerland: Number one position confirmed

Growth

- Number one position confirmed with market share of 28%
- Value of new business further increased to CHF 41 million, positive in both group and individual business
- Recently launched performance-oriented products with good market take-up

Efficiency

- Basic insurance result of CHF 219 million well above target of CHF 150 million
- Efficiency projects on track
- Adjusted operating expenses reduced by 2%

Leadership

- Customer satisfaction further improved
- Employee commitment confirmed at high level
- Political discussion on legal framework acknowledging economic realities (i.e. conversion rate, minimum interest rate)

Net profit increased by 9% to CHF 954 million



CHF million (IFRS basis)

	2006	2005
Gross written premiums, fees and deposits received	22 064	20 211
Financial result for own risk	6 598	6 966
Net insurance benefits and claims	-13 840	-14 040
Policyholder participation	-2 320	-2 227
Operating expenses	-3 205	-3 390
Profit from operations	1 258	1 023
Borrowing costs	-177	-173
Taxes and results of associates	-127	24
Net profit	954	874
Earnings per share (in CHF) ¹⁾	26.92	24.82
Return on equity (ROE)	12.2%	12.3%

1) Diluted, based on 35 104 369 shares in 2006 and 35 095 099 shares in 2005

Shareholders' equity stable in challenging environment

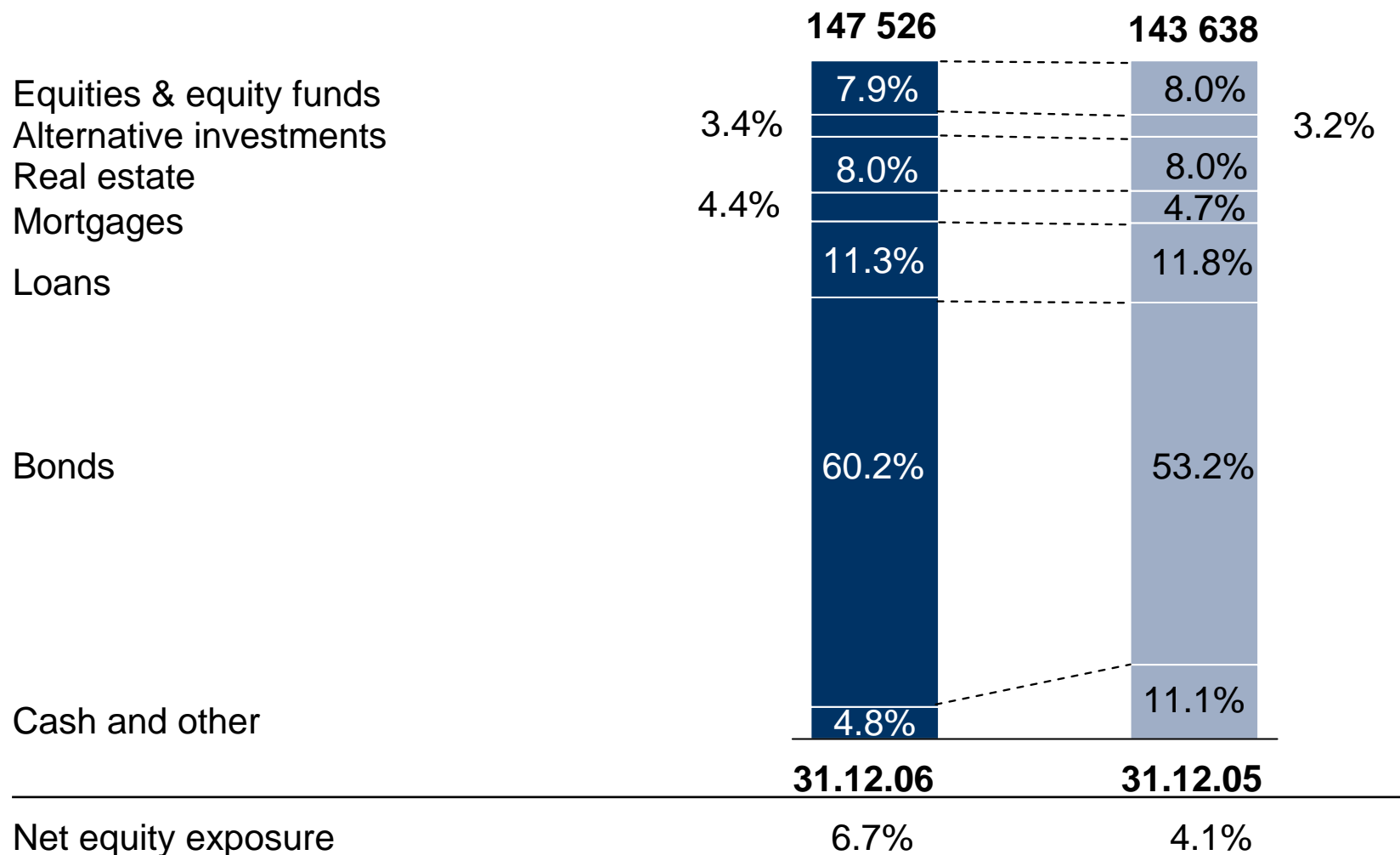


CHF million (IFRS basis)

	31.12.2006	31.12.2005
Insurance reserves	145 180	139 252
Insurance liabilities	109 235	106 541
Investment contracts	28 853	24 629
Policyholder participation liabilities	7 092	8 082
Borrowings	6 139	4 750
Shareholders' equity	7 579	7 655
Total liabilities and equity	186 950	177 597
Core capital	14 761	16 621
Equity	7 851	7 953
Hybrid capital instruments	1 739	1 689
Deferred Group-related funds	5 171	6 979

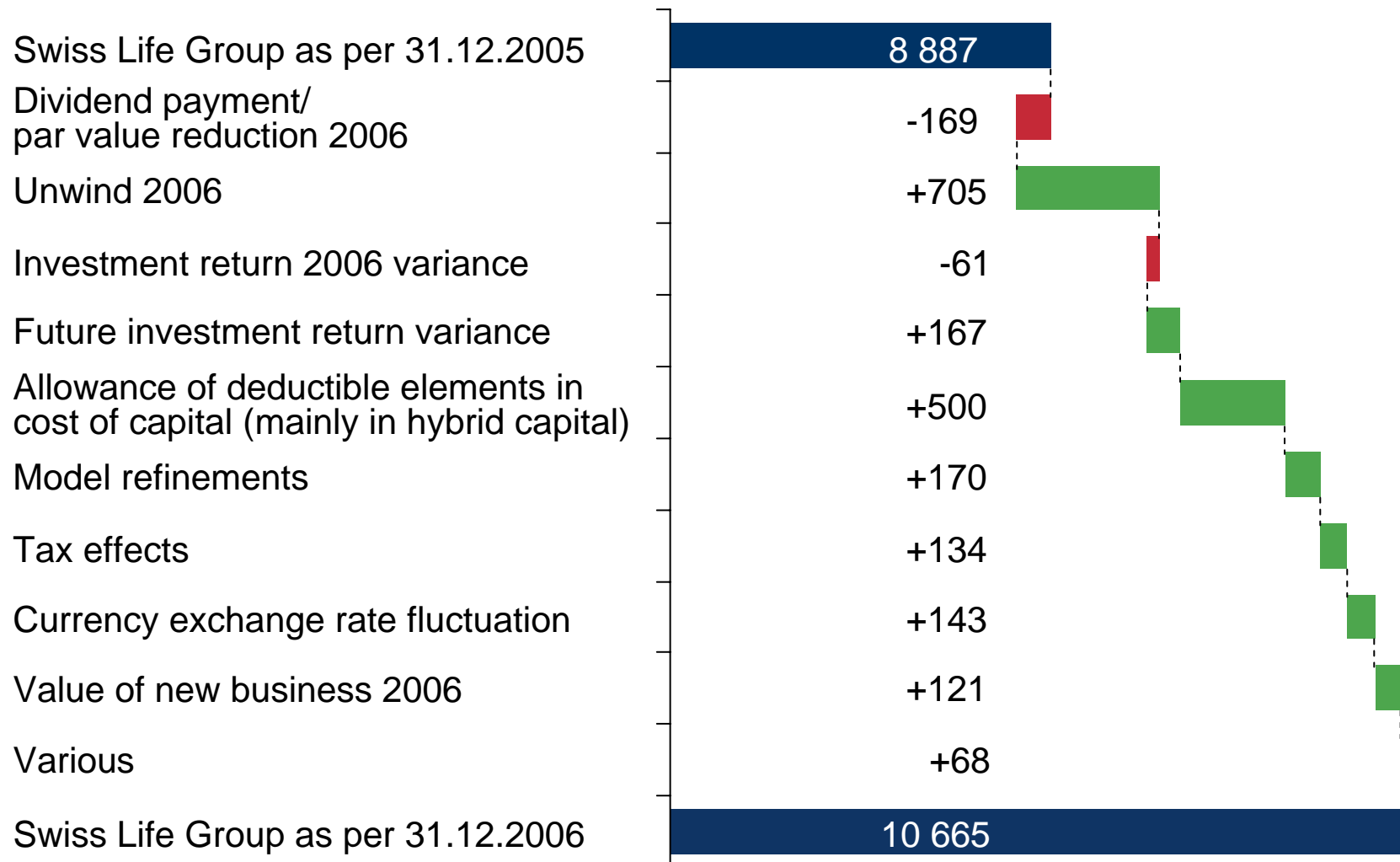
Asset allocation of insurance portfolio

CHF million (IFRS basis)



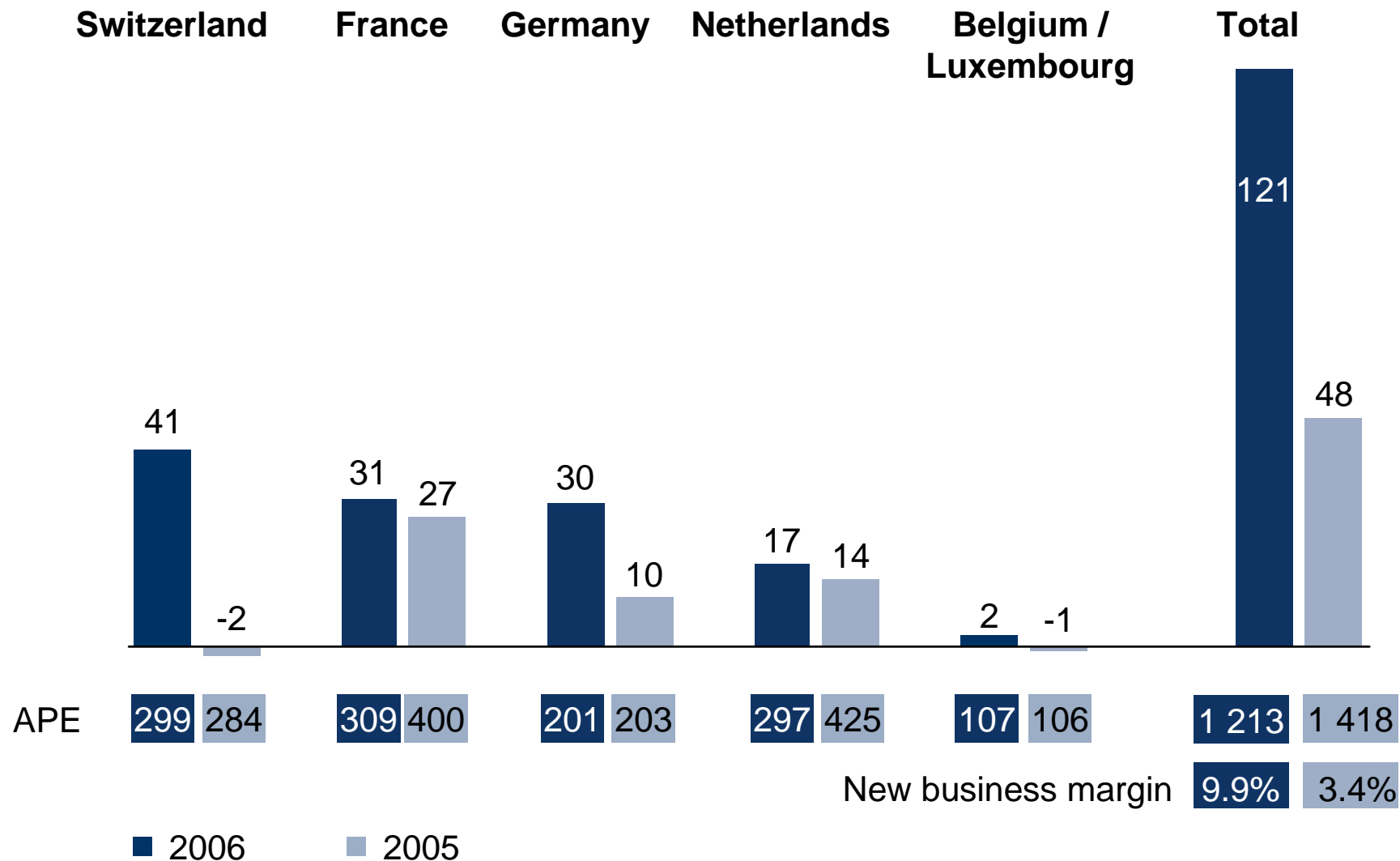
Embedded value – analysis of change

CHF million (statutory basis)



Value of new business significantly improved

CHF million (statutory basis)



Priorities and outlook

International

- Seize growth opportunities and increase profitability
- Leverage leading market position in structured insurance solutions for high net worth individuals
- Enhance international cooperation to realise additional growth and synergies

Switzerland

- Realise full potential of current efficiency initiatives
- Leverage leading market position by targeting unexploited customer segments

Investment management activities and ALM

- Optimise financial result by using available risk capital
- Protect capital and add value with holistic ALM approach

Banca del Gottardo

- Focus on growth and profit contribution
- Further enhance cooperation between banking and insurance



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Prepared for the future.

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