



SwissLife



Annual Report 2010

Business Review Section

We aim to become a leading international specialist for risk, life and pensions solutions. The values we stand for are expertise, proximity, openness, clarity and engagement. These values represent a promise to our clients. We are committed to helping them create a financially secure future.

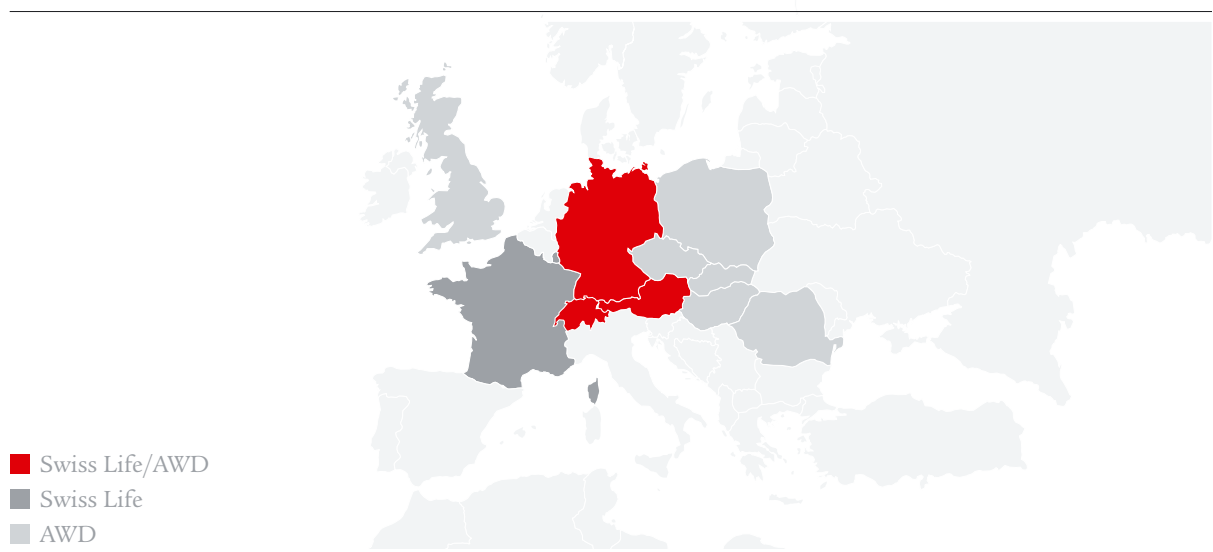
The kind of future you will have largely depends on the decisions you make at key points. The pictures in this year's Business Review portray people at critical moments in their lives as they face a crucial decision: The future starts here.

The Swiss Life Group's 2010 financial year at a glance:

Course of business – Swiss Life more than doubled its net profit in 2010, from CHF 277 million to CHF 560 million. The main reasons for this very good result are improvements at operational level, a reduction in costs and an outstanding investment result. The Group achieved profitable growth in all key markets and reported a premium volume of CHF 20.2 billion. By comparison with the previous year, this represents a currency-adjusted growth of 4%. Thanks to the MILESTONE revitalisation programme, Swiss Life has made further substantial progress in improving margins and in capital management. Return on equity improved from 4.0% to 7.6%.

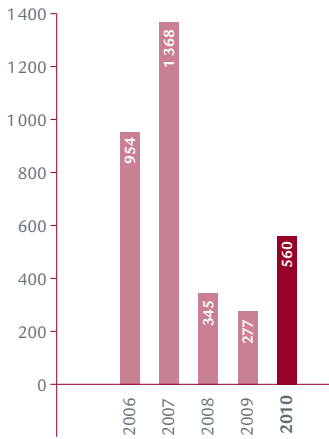
Markets – Swiss Life is a leading life and pensions provider in Switzerland with a market share of 26%. It is one of the top ten companies in the European life insurance market. The company is also one of the leading providers in the global business for high net worth individuals.

Workforce – 8100 employees, accounting for about 7500 full-time positions, were working for the Swiss Life Group worldwide at the end of 2010.



Net profit

In CHF million



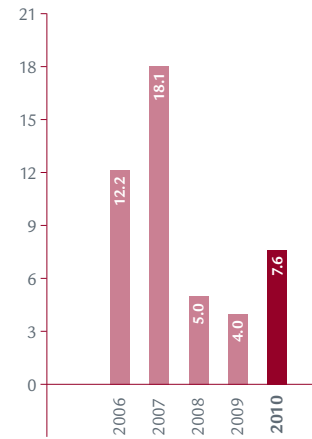
Result from operations

In CHF million



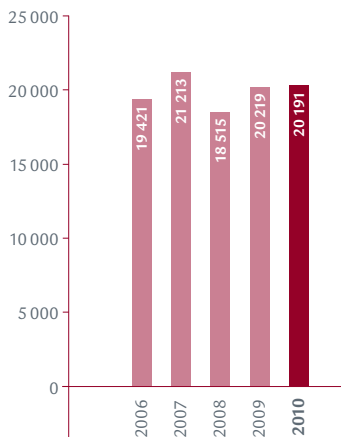
Return on equity

In %



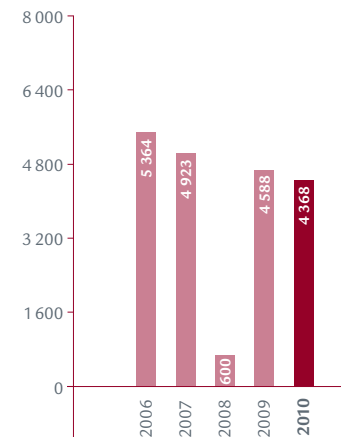
Gross written premiums, policy fees and deposits received

In CHF million



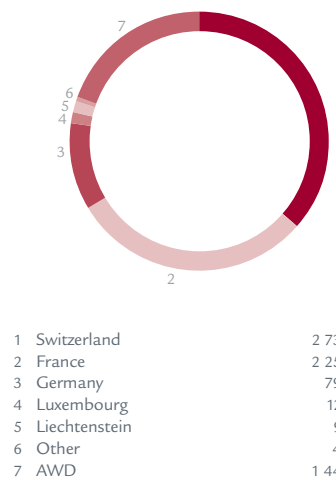
Financial result

In CHF million



Swiss Life employees by country and AWD

Total 7483 full-time equivalents as at 31.12.2010



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Dear Shareholders



Rolf Dörig and Bruno Pfister

2010 proved a very successful year for Swiss Life. The results speak for themselves and confirm that we have made substantial progress. As a Group we are steadily expanding our entrepreneurial scope.

Swiss Life achieved a net profit of CHF 560 million, which was more than double the previous year's figure. Improvements at an operational level, disciplined cost and margin management, and a strong investment performance all contributed to this very good result. In particular, we have made significant progress in increasing our new business margin. This rose from 0.9% to 1.4%, despite historically low interest rates and an unfavourable exchange rate with the euro. Furthermore, with a continued emphasis on profitable growth, we grew in all key markets. Overall our achievements in the past year represent an important milestone on the path towards our goals for 2012, but we still have a lot of work ahead of us.

Our claim, "The future starts here.", represents our promise as a company. It expresses our commitment to do everything we can to ensure a secure future for our clients, our employees and our shareholders. We also accept our socio-political responsibility. Through our work we make an essential contribution to people's financial security and independence. This not only makes good sense, it is actually enormously important for society. Global demand for the type of solutions we offer is growing – as a result of demographic developments and also due to the increasing importance of private life and pensions solutions, as state pension funds come under rising pressure.

Despite a promising outlook in general, major developments will pose a challenge to our industry in the coming years. Regulatory changes will have an impact on our products and services at all levels. For example, the risk-based solvency requirements embodied by the Swiss

Solvency Test (SST), in force since January 2011, have major implications. An analogous solvency model (Solvency II) is set to come into force in Europe in 2013 at the earliest. We certainly welcome its introduction, but it is of crucial importance for the Swiss insurance industry that the SST is construed in a reasonable manner and coordinated with the European model. And this is what we are advocating at Swiss Life.

“Through our work we make an essential contribution to people’s financial security and independence. This not only makes good sense, it is actually enormously important for society.”

Operational excellence is indispensable if we are to remain competitive in the attractive life and pensions market. Along with cost efficiency, improvements in service quality and faster product launches are essential. Swiss Life will also make further developments in its range of products and innovative services, as the new capital requirements cause insurers to reduce guarantees on their balance sheets. Nevertheless guarantees respond to a real customer need, particularly in uncertain times, and this is where innovative solutions come in.

A key factor for our industry remains the quality of our client relationships; this is what determines future growth. We want to develop our multichannel strategy into an important competitive advantage. The distribution of innovative products requires more than just a good salesperson. Clients would like to have advisory services further stepped up and to be optimally supported over the years. Everything we do is based on trust. In an ever more complex world, trust is increasingly becoming a prerequisite for success.

Swiss Life and its committed and dedicated employees are extremely well equipped to take advantage of the opportunities offered by these developments. Our Group stands for expertise, openness, engagement, proximity and clarity. With a tradition going back over 150 years. We sincerely appreciate the trust and support of you our shareholders, and we look forward to working together with you to build a successful future for Swiss Life.



Rolf Dörig

Chairman of the Board of Directors



Bruno Pfister

CEO

“The recipe for success: hard work”

Bruno Pfister, CEO of the Swiss Life Group, looks back on a successful 2010. He sees the operational improvements, higher earning power and undiminished strong customer presence as just one stage victory along the challenging road to 2012. For him it is clear that there can be no sustainable success without employees' engagement.



Swiss Life put in a strong performance for 2010. What do you personally see as its biggest success? I was particularly happy with one figure that didn't seem to have a high priority for financial analysts or the media. A survey last autumn found that 56% of our employees are highly committed to our company, and are ready to go the proverbial "extra mile". In other words, Swiss Life's employees show a level of engagement above the average for the European financial industry. This is all the more significant because the challenging market and changes in the company in recent years have demanded a considerable amount of professionalism, flexibility and engagement from all our employees. I am proud of them.

In what sense? They represent Swiss Life and hold the key to market success. With our MILESTONE revitalisation programme, we are ensuring that Swiss Life will sustainably boost its competitiveness and achieve profitable growth. It is entirely thanks to our employees' engagement that we have made such great progress with MILESTONE. The programme has already changed the way we run our business. Our employees played a major role in bringing about these changes, and often initiated them. This deserves the greatest recognition.

With a doubling of profits to CHF 560 million, you and your teams have delivered a strong performance. Will you achieve the 2012 goals earlier than planned? Of course we are delighted with the good result. As the management team, however, we must be aware that the figures are no more but also no less than an initial stage victory, important though it may be. The disciplined implementation of our plans and resolute reduction of costs are now paying off. But there are still a few challenges lying ahead on the path we have taken with MILESTONE. And we also do not expect the markets to provide us with much of a tailwind in the year ahead. Our goals for 2012 continue to present a challenge – so we see no reason to adjust them now.

“Swiss Life’s employees show a level of engagement above the average for the European financial industry. This is all the more significant because the challenging market and changes in the company in recent years have demanded a considerable amount of professionalism, flexibility and engagement from all our employees.”

Which figures best reveal the progress Swiss Life has made? Besides the notable rise in income compared with the previous year, I am particularly happy with another figure: The new business margin was raised from the previous year’s 0.9% to 1.4%. And this despite the negative impact of lower interest rates and the weakening of the euro against the Swiss franc. The cost reductions and the development of a systematic approach to margin management were mainly responsible for this. An outstanding achievement.

Investors take a sceptical view of the insurance industry and of life insurers in particular. Why is this? There is no doubt that the repercussions of the financial crisis are still being felt. The fact that the insurance industry came through the crisis reasonably well has not eradicated investor scepticism. The relatively low stock market valuation of life insurance companies is due to two factors. One is the historically low level of interest rates. This dulls the appetite for life and pensions products and makes it very

difficult to generate appropriate investment returns without taking on too many risks. In addition, there are uncertainties about how the new solvency regulations for companies will be implemented. In Switzerland, this refers to the Swiss Solvency Test (SST), and in Europe, Solvency II. Investors do not like uncertainty.

Swiss Life satisfies the SST. What’s the problem? In principle, we welcome the introduction of the SST. Compared to the previous rules, under Solvency I, it definitely represents progress. It is more comprehensive and more explicit on how to assess a company’s risk capacity. Nevertheless, we do not yet agree with the approach taken by the regulators to the SST. Our views are not fundamentally different, but the calibration of the model is an issue. Some of the valuation approaches do not make sense. Also, its launch would seem to be a little premature. The counterpart to the SST at the European level, Solvency II, will not be introduced until 2013, at the earliest. This puts the Swiss insurance industry at a disadvantage.

Is it not true that the risk to the customer is reduced by having a stricter SST? Absolute security is an illusion. More stringent regulations do not automatically mean a more secure system. For instance, if you want to get absolute security in aviation, you need to ground all the planes. Exaggerated regulation could force private insurance out of certain lines of business, because the economic rewards are gone. Private insurers like Swiss Life have an important role to play in society. Our solutions offer our clients protection for such risks as death, disability and longevity. If we stopped offering this possibility, these risks would not vanish from the system. Instead, there would be an even greater risk burden on the individual. Even on those unable to bear the risk themselves. This is how social problems arise, which ultimately have to be resolved by the public as a whole. By this I mean the taxpayers.

AWD had already returned to the profit zone at the end of 2009. Last year provided confirmation. What’s the formula for success? AWD delivered a strong performance in 2010. This can be seen in the company’s earning power and its operational improvements. In this regard, AWD is a step ahead of the competition among financial services providers. And surveys show that customers also have a high regard for AWD. AWD is on target. What the new

management has accomplished in the last two years deserves the greatest respect. The formula for success is simple: hard work and a systematic approach.

“Absolute security is an illusion. More stringent regulations do not automatically mean a more secure system. For instance, if you want to get absolute security in aviation, you need to ground all the planes.”

Still, AWD keeps getting a bad press. How come? It is not today's AWD which is attracting the bad headlines. These refer far more to transactions from years ago involving investments which were sold in the nineties and which did not perform as expected. Allegations made in Austria that AWD provided misleading advice are unfounded. This has already been confirmed in various court cases. AWD is regularly honoured by independent institutes for its service and the quality of advice it provides. One of the most highly recognised surveys in the German market recently gave AWD an above-average rating for customer satisfaction and an outstanding price-performance ratio. Moreover, AWD recently earned a top ranking in “Germany's greatest service survey of all time”. AWD was found to be offering the best customer service of all the financial services providers.

How will Swiss Life ensure its success in the years ahead?

We will continue to rely on the disciplined execution of our strategy and goals. Swiss Life has great opportunities in the life and pensions market. The most important trends which play a role in this regard remain unchanged. For one thing, with a rapidly ageing population, pension solutions are gaining in significance. For another, states are increasingly unable to finance pension systems to support their citizens after retirement. The gap has to be filled by private pension solutions. That's our market, and it's where we want to further expand our position. We aim to become a leading international specialist for risk, life and pensions solutions. We are committed to helping our clients create a financially secure future. For life.

Moments of decision

Every single day there are decisions to be made, and what we decide will sometimes change our lives. The following portraits are of people facing immensely difficult choices – whether to emigrate or stay in Switzerland, whether to switch to organic farming or carry on with traditional methods, whether to donate half their liver or not.

The cover photo shows Dominic Beschle, entrepreneur, wrestling with the decision of whether or not to expand into South America and Asia. He comes from a long line of Basel confectioners. None of his forebears ever thought of expanding the business abroad. What if the São Paolo venture should fail?



Should he switch to organic farming?

Rudolf Speiser, farmer, Anwil, Switzerland

Rudolf Speiser and his sons have a decision to make. 22 years ago the farmer followed his **pioneering instinct** and started to breed Aberdeen Angus cattle. What he now decides will again impact his family's livelihood for generations to come.



A photograph of a dining room. In the foreground, a wooden table with a green top is partially visible. Behind it, a black leather bench with a patterned cushion sits against a white door. A small white framed picture hangs on the wall behind the table. The lighting is warm, coming from a lamp out of frame.

Should she donate part of her liver to her mother?

Nicole Jäger, mother of three children, Wetzikon, Switzerland

It's not an easy **decision** for Nicole Jäger. The surgeon at the university hospital told her that her liver would regenerate. But if she goes ahead and her children should then ever need a liver graft, she would not be able to donate a second time.



- quesos varios
- crema catalana

Comida (m)

dienstag bis freitag

- salat 9.-
- pasta 12.-
- suppe 19.5
- menu
- alle preise verstehen sich in chf. und inklusive mwa

Dare he break the family tradition?



Dominic Beschle, entrepreneur, Basel, Switzerland
He comes from a long line of Basel confectioners. None of his forebears ever thought of **expanding** the business abroad. The chocolatier faces the decision of whether or not to invest in the markets of South America and Asia.





Will she get
the starring role?

Nadia Tereszkiejcz, dancer, Cannes, France

Nadia has **stage fright**. The moment she steps out from behind the curtain, the jury will decide the course of her budding career. This up-and-coming young dancer is competing for the part of Giselle at the Palais des Festivals in Cannes.





Should he put a small business at risk?

Jörg Rathemacher, judge, Gotha, Germany

The judgement he must pronounce will have far-reaching **consequences**. If he rules that construction was flawed, skilled workers will lose their jobs.





What will her family say
if she emigrates?

Vera Krebs Wyssbrod, artist, Berne, Switzerland

Vera Krebs will soon become a grandmother. But she's thinking of buying a house in the Auvergne and moving there to fulfil her **childhood dream**. But then she will no longer be readily available for her children and their families.



THANKS

We would like to thank the following people for making possible our photo editorial “Moments of Decision” in our 2010 Business Review.

RUDOLF SPEISER

Farmer, Anwil/BL, Switzerland

NICOLE JÄGER

Life coach and mother of three children, Wetzikon, Switzerland

DOMINIC BESCHLE

CEO of Beschle Chocolatier Suisse, Basel, Switzerland

NADIA TERESZKIEWICZ

Student at the Ecole Supérieur de Danse, Cannes, France

JÖRG RATHEMACHER

Presiding judge at the court of financial jurisdiction, Thüringen, Gotha, Germany

VERA KREBS WYSSBROD

Artist, Berne, Switzerland

Strategy and Markets

2010 was a challenging year due to persistently low interest rates and falling euro exchange rates, despite the fact that the financial crisis had given way to global economic recovery. The life insurance market proved resilient in this environment and Swiss Life further improved its market position during 2010. Systematic implementation of the MILESTONE revitalisation programme enabled the Group to become more profitable and more competitive and to successfully develop its positioning as a leading international specialist for risk, life and pensions solutions.

2010 was a challenging year economically, characterised by the debt crisis of certain European countries and the resulting stabilisation packages. As a result, the euro depreciated against all leading currencies, interest rates plummeted to record lows in Switzerland and Germany, and stock markets were correspondingly volatile. Against this background, performance of the life insurance markets in which Swiss Life operates was solid in 2010.

The Swiss life insurance market showed a slight upturn in growth of 2%. While the prevailing economic situation had a positive impact on the group insurance market, individual life business lost growth momentum, with premium volume declining by 6%.

In the life insurance market in France, the positive growth trend of the previous year continued, with growth of 4%. Premium volume of unit-linked life insurance products grew by 7%, for the first time since 2006.

The German life insurance market also saw 6% growth, well above the European average. The chief contribution here was made by single-premium contracts for immediate and deferred annuities, as well as capitalisation products.

The market for insurance solutions for high net worth individuals, which Swiss Life addresses with its cross-border business, also experienced positive growth.

MARKET POSITION –Diversified business portfolio as a sound foundation – Swiss Life is one of the top ten insurers in the European life insurance market. In addition to its domestic market of Switzerland, it operates in France and Germany with subsidiary companies and branch offices. Swiss Life also pursues cross-border business which, with locations in Liechtenstein, Luxembourg, Singapore and Dubai, benefits heavily from the local growth momentum.

As one of the leading life insurers in the Swiss domestic market, Swiss Life offers a wide range of corporate and personal solutions for all life and pension requirements and every risk situation. With a 19.5% market share, Swiss Life is the market leader in the private client segment. Its share of the more heavily concentrated group life segment is 29.2%, putting it in second place. The shift in new business towards modern life and pensions solutions and risk products, the reduction in the cost base and the expansion of multichannel distribution will continue to be given very high priority in 2011.

Swiss Life in France has been growing at well above the market average in both the life and health insurance sectors for years now. With a market share of 1.6%, the company is a niche player in the French life insurance market. The “private insurer” model helps it to benefit from synergies between insurance company and bank, and enables it to maintain a leading position in life insurance for high net worth individuals. As an innovative health insurer,

Swiss Life ranks second in the private health and disability insurance market.

In the strongly fragmented German market, Swiss Life is one of the leading providers of occupational pensions and disability solutions, with a market share of 1.7%. The company is aiming to build on its strong position in these areas and to drive forward the shift to more profitable life and pensions solutions with variable guarantees. Along with product innovation and the expansion of distribution channels, the focus is on improving operational excellence.

Swiss Life is a leading player in the growing global business of insurance solutions for high net worth individuals (Private Placement Life Insurance). Other business units such as Corporate Solutions, which provides employee benefits solutions to key accounts and multinationals, support Swiss Life's cross-border business.

With AWD, Swiss Life also has a leading financial services provider as a partner, boosting its distribution power in Switzerland and Germany and providing access to new markets. AWD also supports Swiss Life with its product management know-how and contributes to the diversification of earnings.

MARKET ENVIRONMENT – Life insurance market offers a wealth of opportunities – Confidence in private pension systems was scarcely affected during the financial crisis. National debt increases and savings measures introduced in various European countries will intensify the pressure on national pension systems. In order to compensate for demographic and economic trends, private and occupational pension funds will gain greater significance in the future.

This offers life insurance companies, with their core competencies centred on covering biometric risks and offering long-term life and pensions solutions, good prospects for growth. However, the current market environment also poses some challenges to life insurers:

REGULATORY ENVIRONMENT – The financial crisis has caused regulators to give higher priority to factors such as equity ratio, investor protection and accounting principles

and forced them to take action which will have a long-term impact on the insurance industry. This is most evident in the new Solvency II guidelines, which are set to come into force in Europe in 2013 at the earliest and were already introduced in Switzerland in January 2011 in the form of the Swiss Solvency Test (SST). These new solvency systems measure insurance companies' economic risk situation, with the objective of guaranteeing protection for insured persons, even in the case of extreme situations.

OPERATIONAL EXCELLENCE – Operational excellence is a fundamental prerequisite if companies are to remain competitive in the attractive life and pensions market. Along with cost efficiency, improvements in service quality and faster product launches are essential.

PRODUCT INNOVATION – The new capital requirements are causing insurers to reduce guarantees on their balance sheets. However, guarantees respond to a real customer need, particularly in difficult times. In order to resolve this conflict of interest, innovative solutions are required, such as Swiss Life Champion Timeplan, a payout plan with guaranteed monthly payments.

CLIENT ACCESS – Efficient access to clients will be a key factor for a life insurance company's success. A successful multichannel strategy can provide an important competitive advantage in this connection. The distribution of innovative products requires more than just a good salesperson. Clients would like to have advisory services stepped up and to be optimally supported over the years.

STRATEGY – Increasing competitiveness and profitability with **MILESTONE** – Swiss Life aims to become a leading international specialist for risk, life and pensions solutions. In order to achieve this ambition, the Group launched its **MILESTONE** programme at the end of 2009. This long-term revitalisation programme is specifically and systematically aimed at increasing competitiveness and profitability. **MILESTONE** has since become incorporated into Swiss Life's strategy.

The focus is on six main thrusts directed at improving the company's operational effectiveness. With the initiatives it has developed, which exert an influence on key parts of the value chain, Swiss Life also wants to take advantage of

the opportunities offered by the current market environment and to take up the challenges posed:

1. With its consistent focus on modern life and pensions solutions and risk products, Swiss Life aims to enhance customer value by providing greater flexibility and higher potential returns. At the same time, the Group wants to increase profitability and to reduce capital requirements for new business.

2. Swiss Life is pursuing a multichannel strategy targeted at optimising distribution power. The Group would like to build on the solid basis in all units in order to increase quality and productivity in distribution. In addition to its proprietary distribution network, therefore, it is focusing on independent distribution channels, such as banks, brokers and financial advisors like AWD and, increasingly, on the internet.

3. In order to steadily improve operational excellence, Swiss Life is optimising corporate structures and processes in all parts of the value chain, and while lowering the cost base over the long term is raising the quality of its service.

4. Swiss Life aims to reduce earnings volatility and to preserve the balance sheet. On the one hand, it is focusing on increasing the profitability of in-force business and further diversifying sources of profit. On the other hand, on the investment side, the company is continuing to work towards the goal of generating stable, sustained income.

5. Swiss Life intends to ensure the disciplined execution of its plans by means of stricter internal controlling.

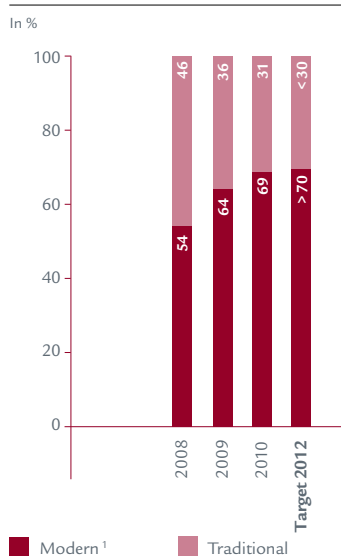
6. The Group hopes to further boost the above-average level of employee engagement as a basis for achieving the objectives in 2012.

Swiss Life – The future starts here.



PROGRESS – Implementation of MILESTONE going to plan and yielding results – Thanks to the disciplined execution of MILESTONE and the high level of engagement displayed by its employees, Swiss Life has already made great progress in 2010 and is getting closer to achieving the objectives it set for 2012. The Group has become more profitable, more nimble and more competitive:

Shift in product mix



¹incl. risk products and health insurance

- Due to more than 30 new or adapted products, Swiss Life generated 69% of its new business in 2010 through modern life and pensions solutions and risk products. This means the 2012 target of 70% has already almost been achieved.
- By means of consistent margin management, the company was able to compensate for negative economic impacts on new business like falling interest rates and the weak euro and to increase its margin to 1.4%. Its target is still a new business margin of 2.2%.
- Distribution power in all market units was enhanced by means of a number of initiatives, and AWD increased production volume of Swiss Life products by 9% to around CHF 800 million (on a comparable basis). At the same time, the objective remains for AWD to generate a 20-25% share of Swiss Life products in the relevant product categories.
- By comparison with the cost base of 2008, CHF 311 million had been saved by the end of 2010. 85% of the initiatives underlying the cost savings target of CHF 350-400 million by 2012 have already been realised.
- Return on equity in 2010 grew from 4.0% to 7.6%. The objective set for 2012 is 10-12%. The proposed dividend of CHF 4.50 in the form of a repayment of par value gives a dividend payout ratio of 26%, which is within the target range of 20-40%.
- The company also succeeded in reducing its dependency on investment performance, thanks among other things to the lower cost base and the sustained improvement in AWD's profitability.

Results and Course of Business

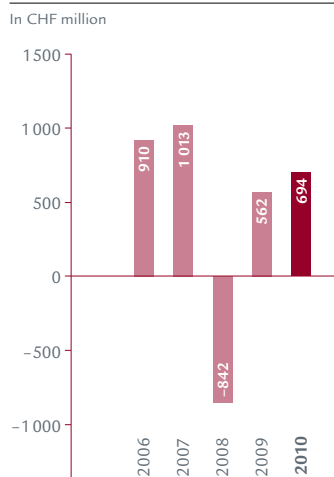
Summary of Group Results – Swiss Life more than doubled its net profit in 2010 from CHF 277 million to CHF 560 million. This increase is mainly attributable to improvements at operational level, a reduction in costs and an outstanding investment result. The Group achieved profitable growth in all key markets. Thanks to the MILESTONE revitalisation programme, Swiss Life has made further substantial progress in improving margins and in capital management.

In 2010, Swiss Life doubled its net profit to CHF 560 million (2009: CHF 277 million). This corresponds to diluted earnings per share of CHF 17.37 and a return on equity of 7.6%. In investment management Swiss Life achieved a net investment result on the insurance portfolio of CHF 4.6 billion. This represents a very strong net investment return of 4.1% (2009: 3.9%).

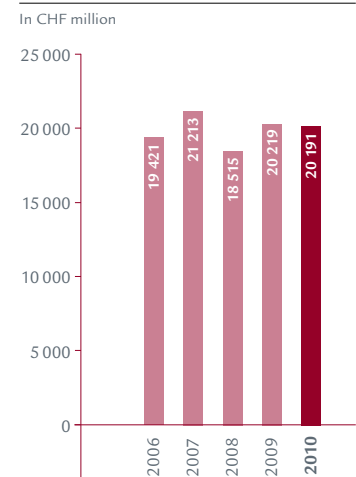
GROWTH – Focus remains on profitable growth – Swiss Life successfully achieved profitable growth in all units, despite the difficult market conditions. The Group generated premium volume of CHF 20.2 billion, which represents a currency-adjusted increase of 4% over the previous year. It grew in its key markets of Switzerland, Germany and France and was able to confirm its top-level position in business with high net worth individuals. In Switzerland, premium income climbed 2% to CHF 7.6 billion. Premium income (currency adjusted) in France rose by 9% to CHF 5.3 billion, and in Germany by 4% to CHF 2.1 billion. The Insurance Other segment, with premiums earned primarily through business with high net worth individuals, was able to further expand its premium volume on a currency-adjusted basis to CHF 5.2 billion compared with the previous year (+4%). Swiss Life Investment Management's assets under management totalled CHF 120 billion (a currency-adjusted increase of 9%). These include third-party assets under management (CHF 9.9 billion in total, as in the previous year), in which the Group achieved growth of CHF 1.2 billion and was thus able to offset the negative currency

effects. Insurance reserves totalled CHF 122 billion – a currency-adjusted increase of 7%. AWD improved its sales revenues by 4% to EUR 547 million.

Result from operations



Gross written premiums, policy fees and deposits received

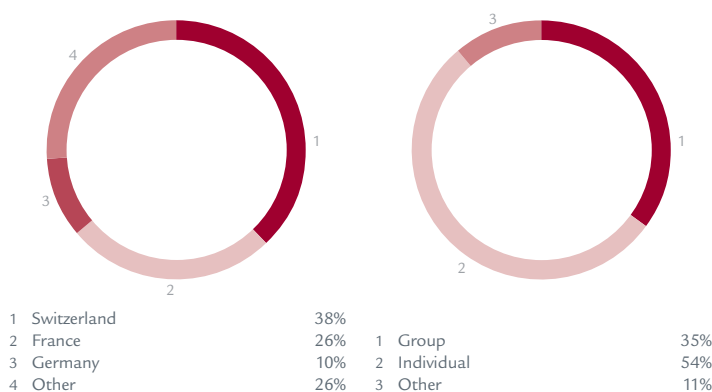


EARNING POWER – Positive performance in all business areas – The Swiss Life Group's profit from operations climbed from CHF 562 million to CHF 694 million. Around 80% of the increase in profits was driven by operational improvements. All segments have made a valuable contribution. In Switzerland, Swiss Life increased its segment result by 4% to CHF 488 million, chiefly as a result

of major new operational improvements and a further reduction in costs of 8%. In France, thanks to a rise in productivity and a better financial margin, Swiss Life increased its result from operations by 10% (currency adjusted) to CHF 162 million and improved its new business margin. As a result of a one-off negative effect (CHF –80 million) caused by the raising of the retirement

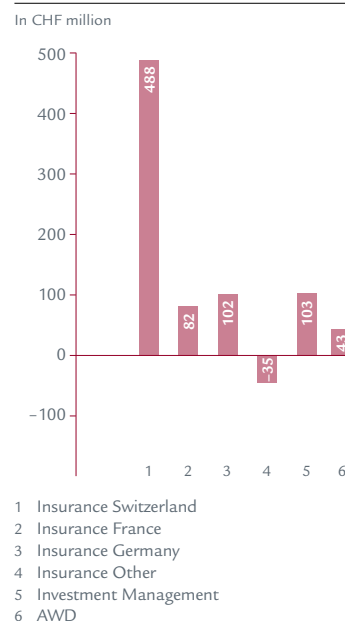
of 0.9%, thus more than offsetting the negative impacts of historically low interest rates. The value of new business grew by 70% to CHF 209 million, representing an improvement in all units over the previous year. Swiss Life also succeeded in increasing the share of new business generated with modern and risk products from 64% in the previous year to 69%. In addition, the Group was able to reduce costs by a further CHF 121 million. Of the CHF 350-400 million cost savings announced as part of the MILESTONE programme, CHF 311 million had already been achieved by the end of 2010. Progress was also made in optimising in-force business and in balance sheet management – in asset and liability management for example, by lowering borrowings, increasing reserves and implementing a new reinsurance strategy. Thanks to MILESTONE, Swiss Life has been able to substantially reduce interest rate sensitivity.

Gross written premiums, policy fees and deposits received by country | Direct written premiums by type of insurance



age, the segment result in France stood at CHF 82 million. Germany improved its segment result by 11% to CHF 102 million. In the Insurance Other segment, where Swiss Life made further investments last year in expanding its global business and in the product platform in Luxembourg, losses were reduced by 19% to CHF –35 million. With a 34% increase in result over the previous year, Investment Management contributed CHF 103 million to the Group result. Following its successful reorganisation, AWD posted an impressive operating profit of EUR 49 million (2009: EUR –41 million), improving its EBIT margin to 9% (2009: –7.8%).

Segment result



MILESTONE – Significant advances at all levels – Swiss Life succeeded in making considerable improvements in all aspects of its MILESTONE revitalisation programme in 2010. Through consistent margin management, the Group was able to improve its new business margin to 1.4%, compared with the previous year’s figure

SOLVENCY – Solid capital base and improved solvency ratio – Swiss Life has a sound capital base. Shareholders' equity stood at CHF 7.4 billion at the end of 2010, up 3% on the previous year's CHF 7.2 billion. The Group's solvency ratio climbed to 172% (2009: 164%). Without taking

into account unrealised gains and losses on bonds, the solvency ratio was 166% (2009: 161%). Based on its internal model, Swiss Life comfortably meets the Swiss Solvency Test requirements.

KEY FIGURES FOR THE SWISS LIFE GROUP

Amounts in CHF million

	2010	2009	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	20 191	20 219	-0.1%
Net earned premiums and policy fees	12 051	12 135	-0.7%
Commission income	922	934	-1.3%
Financial result (without share of results of associates)	4 368	4 588	-4.8%
Other income	503	159	n/a
TOTAL INCOME	17 844	17 816	0.2%
Net insurance benefits and claims	-12 704	-11 884	6.9%
Policyholder participation	-1 073	-1 539	-30.3%
Interest expense	-311	-353	-11.9%
Operating expense	-3 062	-3 478	-12.0%
TOTAL EXPENSE	-17 150	-17 254	-0.6%
RESULT FROM OPERATIONS	694	562	23.5%
Net result from continuing operations	560	324	72.8%
Net result from discontinued operations	-	-47	n/a
NET PROFIT	560	277	n/a
Equity	7 437	7 245	2.7%
Insurance reserves	122 279	122 616	-0.3%
Assets under management	133 000	132 022	0.7%
Assets under control	149 899	148 186	1.2%
Return on equity (in %)	7.6	4.0	+3.6 ppts
Number of employees (full-time equivalents)	7 483	7 820	-4.3%

ASSET ALLOCATION ON FAIR VALUE BASIS AS AT 31 DECEMBER (INSURANCE PORTFOLIO AT GROUP'S OWN RISK)

Amounts in CHF million

	2010	2010	2009	2009
Equity securities and equity funds	4 266	3.8%	3 803	3.4%
Alternative investments	1 083	1.0%	1 958	1.7%
Real estate	14 139	12.6%	13 284	11.8%
Mortgages	5 332	4.7%	5 553	4.9%
Loans	10 078	9.0%	12 109	10.8%
Bonds	74 849	66.6%	70 517	62.6%
Cash and cash equivalents and other	2 586	2.3%	5 387	4.8%
TOTAL	112 333	100.0%	112 611	100.0%
Net equity exposure		2.4%		1.8%
Duration of bonds		10.3 years		8.5 years

Segment Reporting – Swiss Life not only reports its insurance business by country (Switzerland, France, Germany), it also discloses separately the results of its cross-border segments, namely Insurance Other, AWD, and Investment Management. In 2010, Swiss Life generated an overall segment profit from operations of CHF 694 million (2009: CHF 562 million). Insurance Switzerland made the strongest contribution to this solid result.

2010 was a strong year for Swiss Life. The company posted a profit of CHF 488 million in its home market Switzerland, CHF 82 million in France and CHF 102 million in Germany. The Investment Management segment generated a profit of CHF 103 million, and AWD a profit of CHF 43 million. Only the Insurance Other segment reported an investment-related loss (CHF 35 million).

All segments generated significant operational improvements and therefore higher profit from operations. AWD successfully returned to profitability. Gross written premiums, policy fees and deposits received for all segments remained at the previous year's level of CHF 20.2 billion.

INSURANCE SWITZERLAND – Swiss Life in Switzerland posted a segment result of CHF 488 million for 2010, an increase of 4% on the previous year. This increase is particularly pleasing bearing in mind the low interest rate environment, a collapse in the value of key currencies, and the strong pressure on margins in the life business.

The good result was driven on the one hand by previously implemented efficiency measures, and on the other by long-term initiatives such as the restructuring of risks on the investment side, the strengthening of the multichannel distribution strategy, and the sustainable reduction of costs. The financial result was maintained at a high level of CHF 2.5 billion, a decline of around 7% on the previous year. Although direct investment income increased by 5% to CHF 2.8 billion, negative currency effects led to an overall decrease in the financial result. This is more than compensated by the foreign currency gain of CHF 396 million in hybrid capital, which was entered under other income.

According to the Swiss Insurance Association (SIA), premiums in the Swiss life insurance market increased by 2% to CHF 28.5 billion. Premiums rose by 5% in group

insurance while declining by 6% in individual insurance. Overall, Swiss Life was able to increase its premium volume by 2% to CHF 7.6 billion, thereby matching the growth of the market. Occupational benefits insurance contributed 79% of premium income, a rise of 4% on the previous year. The market share in group insurance fell slightly to 29.2%. In individual insurance, premium income fell by 7%; the market share amounted to 19.5%. In the year under review, the sale of products through AWD (as measured on the basis of production volume) rose slightly to CHF 197 million.

Operating expenses declined by 11% to CHF 765 million. The actual reduction in costs amounted to 8% after adjustment for a positive one-off effect arising from the Swiss Life pension fund changeover from a defined benefit system to a defined contribution system in 2010. This further reduction in costs is the consequence of a sustainable efficiency programme that is yielding results in staff and advisor costs in particular. At the same time, investment has been channelled into the future: The main areas of focus include distribution and the new, efficient IT platform in group insurance.

Insurance benefits, including changes in insurance reserves, increased by 9% to CHF 8.6 billion. This rise is primarily attributable to the increased need for reserves for future risks and to the higher premiums (savings deposits). The higher insurance reserves are also the reason for the significantly lower allocation to reserves for policyholder bonuses.

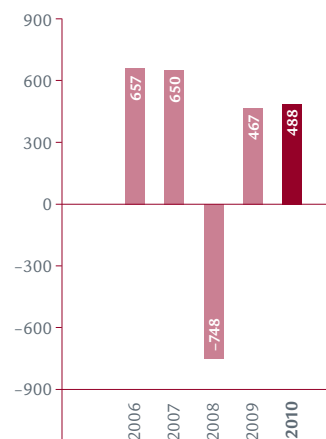
The new products launched in 2010 were a key driver of premium growth, as well as ensuring the continued increase in the share of business generated with modern life and pensions solutions and risk products, together with healthy sales via the AWD distribution channel. In

the area of individual insurance, Swiss Life launched its unit-linked life and pensions solutions Swiss Life Champion Uno and Swiss Life Champion Timeplan in the first semester. Since the second semester, the spectrum of products has also included Swiss Life Premium Select, a non-tax-qualified (pillar 3b) unit-linked life insurance product. In addition, Swiss Life also launched a savings product especially for children and a pure risk insurance solution for customers who prefer an online solution. For corporate clients, Swiss Life launched Swiss Life Business Invest in the first semester, an attractive life and pensions solution with a modern investment concept.

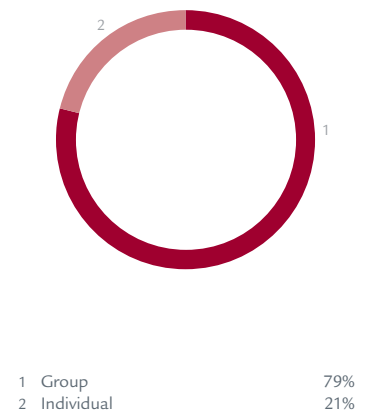
Swiss Life is looking to grow further in 2011 too, with an even stronger focus on the client. The service mentality is to be enhanced and response times accelerated. Further innovations in relation to products and marketing will follow. The acquisition of the group life portfolio of Nationale Suisse, announced in January 2011, will contribute further to the profitable growth of Swiss Life thanks to the realisation of economies of scale. Moreover, the two partners are signing a distribution cooperation agreement. Swiss Life will continue to strive for efficiencies and will undertake additional optimisations to increase both distribution capabilities and profitability.

Segment result Insurance Switzerland

In CHF million



Premiums for Switzerland, by type of insurance



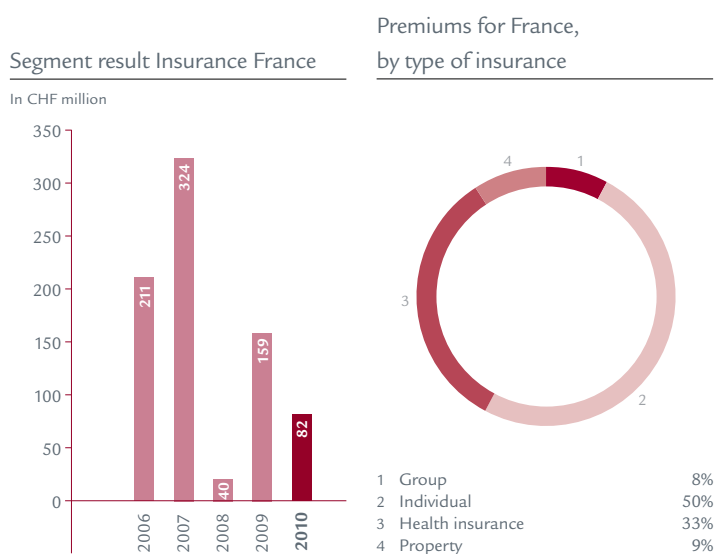
KEY FIGURES FOR INSURANCE SWITZERLAND

Amounts in CHF million

	2010	2009	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	7 631	7 518	1.5%
Net earned premiums and policy fees	7 365	7 288	1.1%
Commission income	18	31	-41.9%
Financial result	2 512	2 704	-7.1%
Other income	487	103	n/a
TOTAL INCOME	10 382	10 126	2.5%
Net insurance benefits and claims	-8 609	-7 887	9.2%
Policyholder participation	-429	-806	-46.8%
Interest expense	-91	-106	-14.2%
Operating expense	-765	-860	-11.0%
TOTAL EXPENSE	-9 894	-9 659	2.4%
SEGMENT RESULT	488	467	4.5%
Assets under control	79 014	73 841	7.0%
Insurance reserves	67 599	65 406	3.4%
Number of employees (full-time equivalents)	2 217	2 489	-10.9%

INSURANCE FRANCE— Swiss Life in France posted a segment result of CHF 82 million. Adjusted for the negative one-off effect of pension reform (CHF 80 million), this represents an increase of 10% in local currency terms. This

The French insurance market experienced slight growth of 4%, with an increase of 16% in savings and pensions, 4% in health and disability insurance and 1% in property insurance.



Swiss Life in France generated premium volume of CHF 5.3 billion, which equates to a 9% increase in local currency terms. The increase in net inflow of 24% in savings and pension business, principally attributable to unit-linked insurance, was achieved in a market which – despite high net inflows of EUR 50 billion – nevertheless declined by 1%. At 22%, premium income derived from unit-linked insurance was also substantially above the market average of 13%, mainly due to the continuing success in 2010 of promotional campaigns for structured unit-linked products aimed at affluent and high net worth individuals. In this segment, Swiss Life Banque Privée achieved vigorous growth in 2010, posting an increase in net banking income of 25% and returning to profitability. In a highly competitive market, health and disability insurance grew by 3%, while property insurance remained at the prior-year level.

is mainly attributable to the improved financial margin and efficiency gains, achieved through strict cost discipline.

In 2011, Swiss Life in France aims to reinforce its leading position both in life insurance for affluent and high net worth individuals and also in health and disability insurance by expanding multichannel distribution.

KEY FIGURES FOR INSURANCE FRANCE

Amounts in CHF million

	2010	2009	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	5 307	5 297	0.2%
Net earned premiums and policy fees	2 724	2 952	-7.7%
Commission income	89	77	15.6%
Financial result	878	983	-10.7%
Other income	6	26	-76.9%
TOTAL INCOME	3 697	4 038	-8.4%
Net insurance benefits and claims	-2 100	-2 135	-1.6%
Policyholder participation	-251	-407	-38.3%
Interest expense	-183	-206	-11.2%
Operating expense	-1 081	-1 131	-4.4%
TOTAL EXPENSE	-3 615	-3 879	-6.8%
SEGMENT RESULT	82	159	-48.4%
Assets under control	26 029	29 127	-10.6%
Insurance reserves	20 965	23 003	-8.9%
Number of employees (full-time equivalents)	2 223	2 194	1.3%

INSURANCE GERMANY – Swiss Life in Germany posted a segment result of CHF 102 million, an increase of CHF 10 million on the previous year.

The German life insurance market enjoyed growth of 6% in 2010. Premium volume declined 4% to CHF 2.1 billion, equivalent to a rise of 4% in local currency. Periodic premium income bucked the market trend, rising 2% (in local currency) to CHF 1406 million. The growth drivers were once again the multiple award-winning supplementary occupational disability insurance and the newly-introduced single-premium annuity insurance with premium refund. Insurance benefits and policyholder participation rose 10% overall in 2010, mainly attributable to the rise in policyholder participation to CHF 378 million on the back of the very good financial result. Operating expenses fell by 11% (3% in local currency) while new business premiums increased by 9% (in local currency) to CHF 693 million.

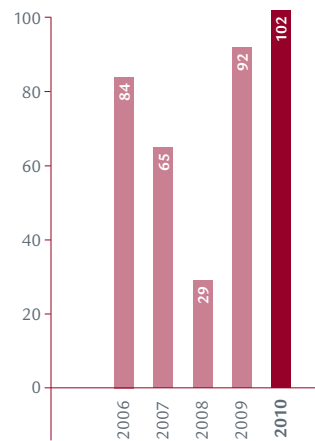
The distribution of products through AWD, measured on basis of production volume, increased by 3% (in local currency +12%) to CHF 596 million.

Swiss Life will continue to rigorously pursue the shift to unit-linked insurance and risk products in 2011. The

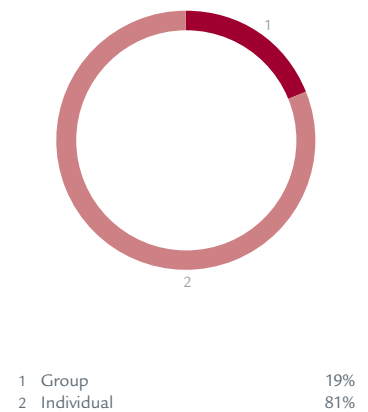
Champion product family has been expanded to include a state-subsidised variant (“Riester”) and a more risk-aligned occupational disability insurance solution is being

Segment result
Insurance Germany

In CHF million



Premiums for Germany,
by type of insurance



KEY FIGURES FOR INSURANCE GERMANY

Amounts in CHF million

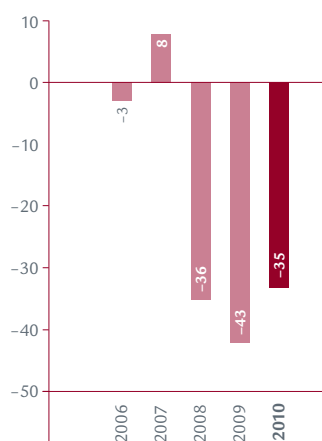
	2010	2009	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	2 073	2 169	-4.4%
Net earned premiums and policy fees	1 814	1 753	3.5%
Commission income	34	24	41.7%
Financial result	990	862	14.8%
Other income	5	26	-80.8%
TOTAL INCOME	2 843	2 665	6.7%
Net insurance benefits and claims	-1 969	-1 829	7.7%
Policyholder participation	-378	-305	23.9%
Interest expense	-20	-21	-4.8%
Operating expense	-374	-418	-10.5%
TOTAL EXPENSE	-2 741	-2 573	6.5%
SEGMENT RESULT	102	92	10.9%
Assets under control	17 435	19 930	-12.5%
Insurance reserves	17 334	19 924	-13.0%
Number of employees (full-time equivalents)	734	747	-1.7%

INSURANCE OTHER – The segment Insurance Other comprises the areas Private Placement Life Insurance (PPLI), Corporate Solutions, Swiss Life Products (Luxembourg) S.A., Swiss Life Österreich AG and Payment Pro-

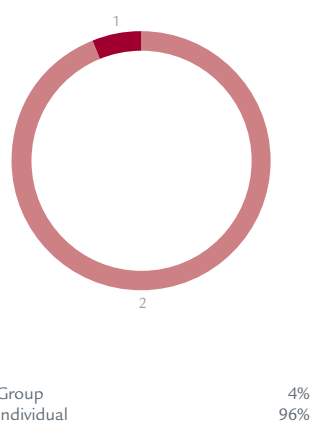
tection Insurance (PPI). The segment posted a loss of CHF 35 million in the year under review (previous year: CHF 43 million) due to investments in expansion of global business and in the product platform in Luxembourg. At CHF 5.2 billion, gross written premiums, policy fees and deposits received were roughly at the previous year's level (previous year: CHF 5.3 billion), which represents a rise of 4% in local currency. Due to an increased focus on the pension business, new business in the PPI area is being discontinued as of 2011.

Segment result Insurance Other

In CHF million



Premiums Other, by type of insurance



tection Insurance (PPI). The segment posted a loss of CHF 35 million in the year under review (previous year:

The PPLI business area specialises in life insurance for high net worth individuals, and is represented in Liechtenstein, Luxembourg, Singapore, Dubai and Switzerland. In 2010, it built on the strong result of the previous year, writing CHF 5 billion in gross premiums. This success stems from the recovery of the markets, the unique global approach and its established international sales team. Thanks to further growth and strict cost management, PPLI turned a profit in 2010.

Corporate Solutions specialises in global life and pensions solutions for multinationals. It increased its access to new business in all countries, and cemented its global market leadership as a provider of comprehensive employee benefits solutions. Growth will be targeted in 2011 too, in alignment with profitability. The emphasis will lie on customer orientation.

KEY FIGURES FOR INSURANCE OTHER

Amounts in CHF million

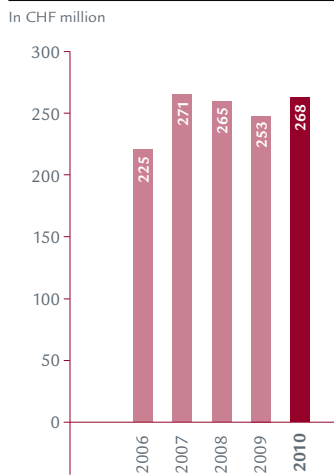
	2010	2009	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	5 206	5 263	-1.1%
Net earned premiums and policy fees	148	142	4.2%
Commission income	1	1	0.0%
Financial result	34	40	-15.0%
Other income	-1	4	n/a
TOTAL INCOME	182	187	-2.7%
Net insurance benefits and claims	-26	-33	-21.2%
Policyholder participation	-19	-21	-9.5%
Interest expense	-17	-19	-10.5%
Operating expense	-155	-157	-1.3%
TOTAL EXPENSE	-217	-230	-5.7%
SEGMENT RESULT	-35	-43	-18.6%
Assets under control	16 727	14 612	14.5%
Insurance reserves	16 409	14 379	14.1%
Number of employees (full-time equivalents)	289	250	15.6%

INVESTMENT MANAGEMENT – The Investment Management segment comprises the Group-wide institutional asset management activities. At CHF 103 million, the 2010 segment result is CHF 26 million up on the previous year. This equates to an increase of 34%. Thanks to new business and positive market developments on the one hand, and despite heavy currency-related losses on the other, assets under management increased by CHF 3 billion to just under CHF 120 billion. Insurance assets rose by CHF 3 billion to almost CHF 110 billion. Assets invested in funds and third-party mandates stagnated at around CHF 10 billion. Thanks to a greater volume of assets under management, income rose by 6%. At the same time, expenses fell by 8% due to lower investment and increased efficiency.

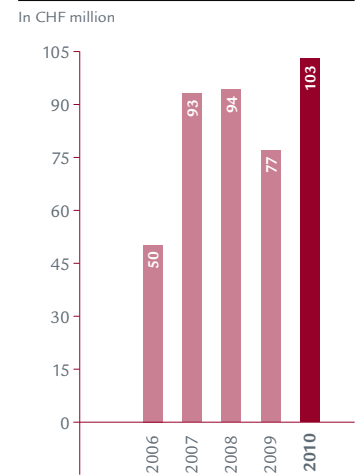
In the year under review, the newly developed application for asset management was successfully launched in Switzerland. This tool facilitates more efficient administration of assets under management. The new strategy for the third-party business (TPAM), which was presented on Investors' Day 2009, yielded very good results with a net inflow of CHF 1 billion. Cooperation with the insurance units was successfully stepped up. Among other things, this fed through into the growth of the Swiss Life Investment Foundation, which was one of the strongest growing investment foundations in Switzerland in 2010, just as it had been the previous year.

For 2011, Investment Management is planning to implement the new asset management application in Germany. The launch is scheduled for the start of 2012. In the product area, the focus will lie on supporting the insurance

Asset management and other commission income, Investment Management



Segment result Investment Management



units in the development of modern insurance products and on the introduction of new investment products.

KEY FIGURES FOR INVESTMENT MANAGEMENT

Amounts in CHF million

	2010	2009	+/-
Commission income	268	253	5.9%
Financial result	0	3	n/a
Other income	1	1	0.0%
TOTAL INCOME	269	257	4.7%
Interest expense	0	0	n/a
Operating expense	-166	-180	-7.8%
SEGMENT RESULT	103	77	33.8%
Assets under management ¹	119 571	116 411	2.7%
Number of employees (full-time equivalents)	572	582	-1.7%

¹ incl. intragroup assets

AWD – The AWD Group posted a segment result of CHF 43 million, as compared to a loss of CHF 92 million the previous year. This figure also includes expenditure for the amortisation of customer relationship assets taken on as part of the acquisition.

All areas of AWD contributed to the improvement in the result. In the core market of Germany, efficiency improvements such as the merger of the back offices of Horbach and AWD Deutschland GmbH, together with the downsizing of the holding company, made a very significant contribution to the overall result of the AWD Group. The operating result (EBIT) amounted to EUR 58.4 million (2009: EUR 28.8 million). As a result of the restructuring undertaken in previous years and the improvement in advisor quality, AWD UK increased EBIT from EUR 1.2 million the previous year to EUR 6.3 million. In Austria, a restructuring of the business model was initiated in 2009. A number of comprehensive cost-cutting measures have already been put into effect as part of this project. The increased focus on life insurance and risk protection policies brought about a tangible improvement in results in 2010. The presence of group companies in the CEE region (Central and Eastern Europe) is to be further optimised. A return to profitability remains the objective for the Austria & CEE region, which posted an operating loss of EUR 4.5 million (2009: EUR –42.3 million). At AWD Switzerland, rigorous cost discipline

resulted in an improvement of the operating result from EUR 6.2 million to EUR 7.8 million.

In the year under review, AWD generated overall sales revenue of EUR 547 million (+3.5%). Commission income from new business rose by 4.7%. Sales of unit-linked products rose by 2.7%, while sales for life insurance and pension products rose by 13.7%. Sales of private health insurance increased by 0.3%, those of property and accident insurance by 8.1%. Sales of investment funds declined by 0.5%.

The successes of restructuring measures played their part in ensuring that AWD once again posted positive EBIT of EUR 49.1 million, an improvement of EUR 90.2 million compared to the previous year. As part of the efficiency improvement programme, administrative costs were cut by EUR 48.4 million compared to the previous year.

At the end of 2010, the AWD Group had 5292 fully trained and registered financial advisors, as well as 2280 trainee advisors under contract. 148 107 new clients were acquired in the year under review.

AWD has once again delivered solid profitability. Only in the Austria & CEE region is a need for further optimisation evident. In 2011, AWD will improve its processes further, with a view to meeting the medium-term financial targets in the Austria & CEE region too.

KEY FIGURES FOR AWD

Amounts in CHF million

	2010	2009	+/-
Commission income	756	789	-4.2%
Financial result	-3	0	n/a
Other income	7	15	-53.3%
TOTAL INCOME	760	804	-5.5%
Interest expense	-2	-4	-50.0%
Operating expense	-715	-892	-19.8%
SEGMENT RESULT	43	-92	n/a
Number of employees (full-time equivalents)	1 445	1 554	-7.0%
Financial advisors ¹	5 292	5 342	-0.9%

¹ without Romania and Croatia

Corporate Social Responsibility

Swiss Life is a life insurance company and a pension provider – life insurance and retirement provisions are both sustainability in action. In fact, with the time horizon stretching to the end of our lives, there is no longer-term arrangement. To Swiss Life, however, sustainability also means corporate social responsibility: an obligation towards clients, employees, society and the environment, and an integral part of corporate culture.

Swiss Life has developed a whole range of initiatives and activities throughout all its organisational units, which illustrate the active role the company plays within society. They are proof of its sense of social responsibility.

EMPLOYEES

Employees are the basis of Swiss Life's success; the quality of the services it provides depends upon their competence and commitment. The aim of human resources management is therefore to find the most suitable employees, to get them interested in working for Swiss Life, to retain them and systematically develop their skills. It positions Swiss Life in the market as a responsible and attractive employer.

PERFORMANCE CULTURE – The efficiency-enhancing programme produces its first results – The Group-wide initiative “My Milestones” launched in 2009 gathered pace in 2010. The goal is to accentuate Swiss Life's values and employee competencies so as to strengthen the performance culture. Every country and market unit launched a programme of measures to address these issues.

In Switzerland, “My Milestones” was initiated in April 2010, with a three-day intensive workshop for managers. This produced 29 measures which are already being or are about to be implemented. The “My Milestones” team award was instituted for teams who have performed particularly well – improving customer service, increasing efficiency or enhancing innovation. The first award in September 2010 went to a nine-person IT team who created a self-service portal for IT services to make everyday work easier. The second award in December 2010 was

presented to two employees in western Switzerland for their improvements to sales force and customer services cooperation.

Employee performance assessment is standardised in the Group Performance System (GPS), which systematically governs employee performance reviews, the setting of objectives, appraisals and decisions on salary and promotions within the framework of the performance culture. Particular emphasis was placed in all divisions in 2010 on an even more differentiated and performance-based employee assessment, with relevant training for all managers.

In France, Swiss Life gave all of its approximately 2000 employees an individual social balance sheet for the first time. This shows every employee what he/she personally receives from the employer as a combination of salary and non-pecuniary benefits. This personal social balance increases the employee's identification with the employer, with 94% of employees regarding it as a positive development.

In Germany, Swiss Life introduced lean management in 2010. 21 employees from all sectors, who had previously received training in lean management, led “lean workshops” in which they showed their specialist areas how best to reduce waste and add value to processes. The first process improvements have already been made.

PERSONAL ENGAGEMENT – Employees go the extra mile – In 2010, Swiss Life conducted a new-style employee survey across the Group for the first time. The main objective of the survey was to evaluate the attitude of

employees towards performance, customer orientation, innovation and change, cooperation and management. In addition, it was intended to reveal to what extent they understood the company’s goals and strategies. The Group response rate was a very high 79%.

The Swiss Life Group engagement value is 56%. This is well above the average for companies in the European financial sector (50%), but below the level of the most successful companies in the peer group (70%). For the key performance indicators (KPIs) “teamwork orientation” and “empowerment”, the Swiss Life Group even produced values which are above average for the best companies in the European financial sector. Above-average values were

performance culture which is in line with the corporate strategy.

TALENT DEVELOPMENT – Target-oriented development of junior staff with potential and the “55+” generation – One of Swiss Life’s priorities is to offer opportunities for further development to employees and management on an ongoing basis, and to motivate them to remain with the company. Every year the company nominates employees who demonstrate a high level of performance and potential for talent development locally (manager pool or MP). These future first- and second-level managers (team leaders and department heads) are prepared for their future roles during 18 months of training modules and project work.

A senior management programme (SMP) is in place at Swiss Life Group level for managers destined for senior management roles. In a series of five modules, participants from all countries and units work on strategically relevant themes and strategic projects in five modules. In 2010, 4 of the 17 participants were women, and the retention rate among the past participants in the senior management programme stands at 90%.

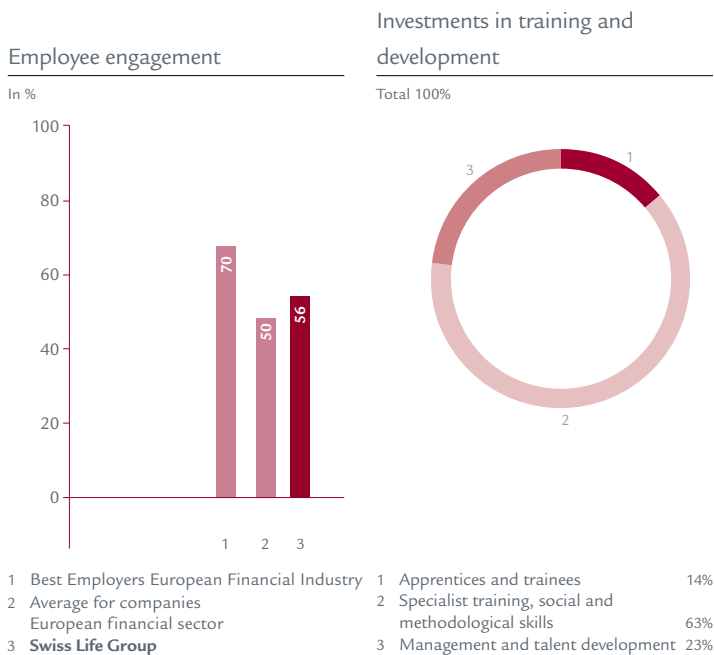
Swiss Life has continued to actively foster leadership and management skills at top management level by making new appointments to 40% of the top one hundred posts within the last 24 months. 60% of new top managers came from outside the company. The intention was to bring in to the team additional skills and experience from outside.

Swiss Life in France launched the “55+” programme, aimed at safeguarding expertise within the company and sustaining employee performance. It involves the obligation to reserve 12% of posts for the over 55s. At the same time, older employees are encouraged to pass on their specialist knowledge as tutors. “55+” allows a flexible reduction in working hours, with partial salary compensation in the final year of work.

also achieved in “leadership” and “results orientation”; only in “customer orientation” and “innovativeness” were values slightly low.

As a result of the survey findings, measures were taken to introduce improvements in all Swiss Life Group units. The “My Milestones” programme and the employee survey are aimed at boosting the development of the company and employees in such a way as to establish a

TRAINING AND DEVELOPMENT – High investment in development for all employees – Swiss Life puts a strong emphasis on more than just the training of future managers. The internal or external training and development of non-managerial employees is likewise important to the



Group. Specialists or project managers receive targeted training. Swiss Life in Switzerland pays the full fees for the Insurance College of Higher Vocational Education and Training and for training as a Swiss Certified Insurance Specialist. In addition, 56 young people are currently doing courses to obtain qualifications in three specialist areas, and 16 interns or trainees are gaining work experience in the life insurance business.

Training and development for all employees focuses on tailored courses mainly involving social and methodological skills. Expenses for staff training and development within the Group in 2010 amounted to CHF 16 million – approximately CHF 2250 per employee. Expressed as a proportion of total personnel costs, the outlay for training and development came to 2.4%.

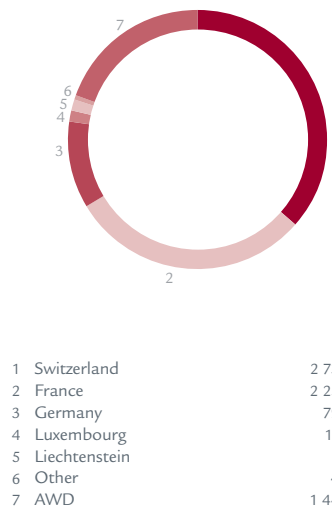
SOCIAL PARTNERSHIP – Exemplary cooperation between employers and employees – Cooperation with the Europa Forum (European Works Council) was again stepped up in 2010. The nine-person committee with representatives from four countries generally meets several times a year. It deals with transnational information and consultation on topics which affect all Swiss Life employees. The Europa Forum was founded in 1996. In 2006 it was given a new charter, which represents one of the leading voluntary agreements in Europe and serves as a model for other European companies. The main theme in the Europa Forum for 2010 was MILESTONE, the package of measures launched in autumn 2009 to improve Group-wide efficiency.

In Switzerland the MILESTONE programme entails, among other things, a reduction of 520 positions by 2012. Accompanying the reduction process, Swiss Life is implementing a programme of measures which were worked out with the social partners and have been in force since 2005. In 2010, 273 employees in Switzerland underwent professional reorientation. They were individually supported and assisted by a team of specialists. The internal professional reorientation support programme is very highly rated by those affected (5.7 out of 6 points).

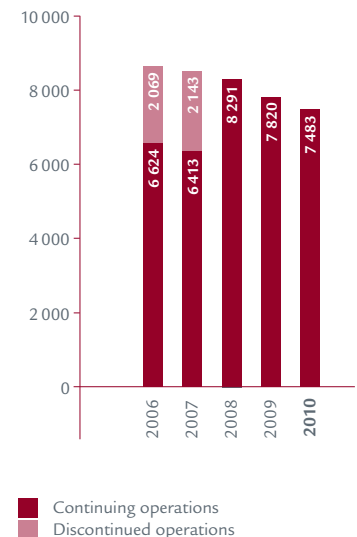
By comparison with the 2009 reporting period, the number of full-time positions Group-wide fell by 337 to 7483. 1094 employees left the Group in 2010, the departure of 5.6% of these being undesired (net fluctuation).

Swiss Life employees by country and AWD

Total 7483 full-time equivalents as at 31.12.2010



Employees (full-time equivalents)



VALUES

Swiss Life is one of the leading providers of life insurance and pension solutions. A good many people and institutions place their trust in Swiss Life: clients, business partners, shareholders, governmental bodies, employees. With this trust comes responsibility. In order to create and cultivate trust, the company has laid down five basic values:

- Expertise: Professional competence and experience
- Proximity: Close relationships with clients and business partners
- Openness: Nurturing an open dialogue both within and outside the organisation
- Clarity: Clear communication and a range of comprehensible products
- Engagement: Motivation and enthusiasm to help our clients, employees and shareholders achieve their goals.

The strategy- and value-oriented behaviour required of employees is described in the Group Competency Model (GCM) which was adapted to the new corporate strategy in 2009. Greater emphasis is given in the updated competency model to such aspects as innovativeness, managing change and customer orientation.

AWD implemented a new corporate mission in January 2010. It is based on the values of customer orientation, quality, professionalism, trust and team spirit. In order to improve understanding of the mission, AWD assigns a value to every new year. 2010 was the team spirit year, while the key value for 2011 is professionalism.

INTEGRITY AND COMPLIANCE – Legally and ethically correct business conduct paramount – A Code of Compliance has been in force at Swiss Life since 2006. This contains specific rules of conduct which show employees what they must observe in relation to legal and supervisory requirements and internal instructions. Adherence to these rules is a prerequisite for legally and ethically correct business conduct, to which Swiss Life is unequivocally committed.

Swiss Life employs several compliance officers, both at Group level and in the operational units. Through advice, training and monitoring, they create the basis for timely

recognition and avoidance of regulatory and reputation-damaging risks. Examples are the special due diligence requirements and preventive measures to combat money laundering and the financing of terrorism. The compliance officers also ensure protection of client data and business secrets. Reputation and trust are a company's assets. The compliance units ensure that these assets are preserved through data protection and legally compliant conduct at all times. Swiss Life is an active member of the Swiss Business Data Protection Association.

SOCIETY

Swiss Life has been providing pension services for over 150 years, and with its two million plus customers in Switzerland and the rest of Europe, it stands at the centre of public life. This traditional Swiss company is aware of its social responsibility. It supports community life in a variety of ways and works towards constant improvement of its ecological balance sheet.

SOCIAL ENGAGEMENT – Caring support for people in need – All Swiss Life's national companies and their employees support people in need and a range of meaningful projects. In Switzerland the Perspectives Foundation funds domestic charitable initiatives in the fields of health, science, education, culture and sport, focusing on integration and education. Created on the occasion of Swiss Life's 150th anniversary in 2005, the Perspectives Foundation donates more than CHF 1 million every year. In 2010 it supported 85 projects. The Foundation also donated considerable sums to relief organisations offering emergency aid following the earthquake in Haiti and the floods in Pakistan. In addition, Swiss Life's sales force supported various local organisations. The real estate sector of Swiss Life is also socially active, building a hostel in Winterthur that provides reasonably priced accommodation for 105 students.

Swiss Life in France has had its own foundation, the Fondation Swiss Life, since 2009. In 2010, this foundation supported the Institut Curie (a cancer research institute and hospital) and the Association France Alzheimer (providing training for Alzheimer patients). The Fondation Swiss Life provided funding for concerts and art exhibitions for people in nursing homes, sick children and patients with dementia. It also supported four charitable

projects, run by Swiss Life employees, for disabled children and children with leukaemia.

In Germany, Swiss Life has been providing support since 2007 for the Nicolaidis Foundation, a non-profit organisation for widows, widowers and their children.

Likewise in Germany, AWD has been helping children in need since it created the AWD-Stiftung Kinderhilfe foundation in 1991, which the local AWD companies in Austria, Switzerland and the Czech Republic also support. The foundation is funded mainly by contributions from the salaries of AWD employees. It runs two large-scale operational projects of its own. The Noma project run by the AWD-Kinderstiftung in Sokoto in West Africa is devoted to the surgical rehabilitation of victims of a disease caused by a mixed infection which results in severe facial disfigurement. In Bishkek in Kyrgyzstan, the Swiss AWD-Kinderstiftung is building a treatment centre for children with facial malformations (like cleft lip and palate); EUR 100 000 was donated for this purpose in 2010 alone. Altogether, AWD employees donated EUR 122 000 in 2010 to help the victims of the earthquake in Haiti and the floods in Pakistan.

COMMUNITY SERVICE – Full support for voluntary work – Swiss Life is committed to the principle of voluntary public service. For Swiss Life, as a company operating in the social insurance area, it is important that society should function smoothly and its members should be well integrated. Voluntary public service means taking personal action in matters of public life, in effect unpaid work for the whole community. An unpaid commitment in society and the private economy promotes a sense of community and public welfare, and it enhances social skills.

Swiss Life is convinced that raising the social competence of individual employees increases the competitiveness of the company. So employees who are active in a military capacity or in public service are acting in the interests of the company, and Swiss Life is strongly in favour of their commitment to the community. The staff regulations expressly approve the engagement of employees in political and military functions. The company offers all reasonable support for such engagement, for example through a flexible approach to working hours.

At present about 40 employees are voluntarily active in Switzerland in a political or judiciary function, holding executive, legislative, or judiciary office at commune or cantonal level, on school boards, church councils and welfare authorities. Other employees sit on the central committees of political parties within their communes or cantons. These office-holders cover the whole gamut of political parties, and about a third of them belong to no party. Every year Swiss Life organises an event for its socially engaged employees. The theme in 2010 was the changes occurring in the Swiss political party landscape.

POLITICS – Swiss Life's active approach to dialogue – Swiss Life regards an exchange of ideas with political bodies as extremely important. The company brings its expertise into political discussion and defends its interests in the public arena at all stages of the decision-making process. In this way it tries to exert influence throughout the whole political cycle, aiming for optimal and appropriate outcomes for all concerned. Through its specialists, Swiss Life advises the various decision-makers in political parties, committees and parliamentary bodies, bringing its expert knowledge to bear at all stages from the drafting of legislation to the formal processes of consultation and approval. In addition, the company supports individual politicians and selected political parties with financial contributions.

Swiss Life is in permanent contact with politicians of all parties, for example on occupational benefit issues (conversion rate, minimum interest rate, statutory minimum distribution ratio). Among other themes, the company is actively involved in the total revision of the Federal Law on Insurance Contracts (VVG). Swiss Life runs an annual event for young politicians, for which an attractive and informative programme is drawn up.

The company conducts its dialogue with the public and decision makers on insurance- and pension-related topics through the industry groupings and professional associations. It plays an active part in the committee work of the professional associations and specialist bodies. The Chairman of the Board of Directors of Swiss Life is a Member of the Board Committee of the national business association *economiesuisse*, while the Group CEO is a Member of the Board and the Board Committee of the

Swiss Insurance Association (SIA). In fact the company is particularly well represented in the SIA. The CEO of the Swiss Division chairs the central Life Insurance Committee; the Group CFO is a Member of the Finance and Regulation Committee, and further experts represent Swiss Life in some 15 committees and working groups. Other representatives of Swiss Life Management are likewise active in local industry associations in other markets.

Swiss Life also has a clear commitment in the teaching and research fields at colleges of further education and universities. A considerable number of employees teach at various institutions, and Swiss Life also sponsors the Walter Saxer Prize for actuarial studies at the Swiss Federal Institute of Technology (ETH) in Zurich.

In September 2010, Swiss Life organised a conference in France on the planned pension reform, which attracted a great deal of attention. In Germany, at the “Salon Palais Leopold” series of events held several times a year in Munich, decision makers from the worlds of business, politics, academia and the media engaged in regular dialogue on key social and political issues. In 2010 Federal Economics Minister Rainer Brüderle attended the event. Since 2007, Swiss Life has been regularly providing a platform for dialogue at its Munich Specialist Forum series of events for corporate clients, business partners and experts. Another event which attracted a great amount of interest was the fourth German Swiss Life Pension Day in October 2010 with former Federal Minister of Finance Peer Steinbrück as the keynote speaker.

ENVIRONMENT

Keenly aware of its responsibility to society, Swiss Life strives to conserve natural resources in a sustainable manner, thus helping to keep the environment intact. Since 1998, Swiss Life in Switzerland has been a member of the Energy Model Zurich and is thus committed to increasing the energy efficiency of its business premises in Zurich by at least 1.5% per year until 2012. The company again reached its target in 2010, lowering not only energy consumption and emissions, but also costs.

Swiss Life is one of the 11 companies which founded the Swiss Climate Foundation in 2008. It donates its steering tax reimbursements on CO² emissions to the non-profit

foundation. With the contributions from all its partner companies, the Swiss Climate Foundation helps small and medium-sized enterprises (SMEs) to improve their energy efficiency and thus protect the climate.

ECOLOGICAL BALANCE SHEET – Reducing energy consumption and emissions – Swiss Life’s specialist unit for environmental management has produced an annual environmental data report for the company in Switzerland since 2006 and for the whole Swiss Life Group since 2008. In accordance with the standard set by the Association for Environmental Management and Sustainability in Banks, Savings Banks and Insurance Companies, the report collects and analyses data on electricity, heating, paper, transport, water and waste disposal and proposes measures for improvement. The Association’s standardised key figures make for fair comparison of the results for the different companies.

The results achieved by the Swiss Life Group are encouraging. In 2009, energy consumption (electricity and heating) went down by about 1.7 million kWh by comparison with the previous year’s figure. The results for 2010 are not yet available. While the overall distance travelled for business purposes remained the same, there was a shift from air travel to trains and motor vehicles. Thanks mainly to improvements in the categories of energy and transport, the main causes of greenhouse gas (GHG) emissions, a reduction of about 1000 tonnes of such emissions was achieved in 2009. Total GHG emissions in 2009 amounted to 12 700 tonnes. For the first time, the 2010 report, which appears in mid 2011, will contain the data from all divisions, including the subsidiary AWD.

ENVIRONMENTAL FOOTPRINT – Ongoing improvement through deployment of alternative energy sources – There are several reasons for the improved results regarding environmental indicators: optimisation of energy efficiency in the business premises, procurement of environmentally friendly electricity from renewable sources and active environmental management.

Since 2006, Swiss Life in Switzerland has been using electricity exclusively from renewable energy sources. In this way, the company has been able to reduce its GHG emissions by about 5650 tonnes; the use of electricity by the

business premises now produces almost no GHG emissions at all. Since January 2010 Swiss Life in Germany has also been drawing electricity exclusively from renewable sources. As a result, its GHG emissions have fallen by a further approximately 1000 tonnes.

In 2010 the computer centre at Swiss Life in Switzerland was no longer cooled to such a low temperature as previously, the result being an electricity saving of 300 000 kWh. The consumption of both power and water by the Group has been going down steadily for years. Swiss Life partly uses rainwater for its sanitary facilities, and at the Zurich premises installation of efficient water supply fittings lowered water consumption by three million litres compared with the previous year.

Swiss Life in France launched an environmental information campaign in 2010 aimed at economical use of paper and office supplies. When properties were renovated, the environmentally relevant standards were exceeded. In addition, the national company joined the 10:10 project run by the environmental organisation Good Planet. The objective is to reduce the company's CO₂ output by 3% per year.

Swiss Life in Germany has been taking part in the climate protection programme "ECOPROFIT" since 2008. As a result of the measures taken, the company saves 91 000 kWh of electricity annually at its Munich location and has reduced its annual CO₂ output by 58 tonnes. In December 2010 it was again awarded the Munich ECOPROFIT company certificate for 2009/2010 for its exceptional commitment to corporate environmental protection. AWD undertakes constant improvement and renewal of its technical installations. The numerous measures implemented since 2001 have yielded energy savings of over 4.5 million kWh.

The Swiss Life Group is one of the leading private real estate owners in Switzerland. As part of its environmental initiatives over the last six years, it has fitted 10 000 of its rental properties with water meters for consumption-based billing. Contracts were concluded in 2010 for the purpose of using lake water for heating and cooling a number of properties in Zurich. The use of alternative

energy sources is being investigated for various renovation projects.

In 2010 Swiss Life once again took part in the Carbon Disclosure Project (CDP), in which an independent non-profit organisation conducts the world's largest survey of corporate information on climate change. So far, however, the data the company has provided are not yet comprehensive enough for inclusion in the Carbon Disclosure Leaders Index (CDLI). To improve dialogue with the various stakeholders on sustainable corporate management, Swiss Life is aiming to produce reports in line with the Global Reporting Initiative (GRI) standard by 2012.

“Surprise” – Lucky-break jobs:

When the door to the future opens



Mr B.: gaining stability and hope

“Lucky-break jobs” with “Surprise” open up new perspectives:

– Without any training or notable job experience but with a stack of serious personal and social problems, Mr S. became a street vendor for Surprise. Despite some setbacks, he steadily gained stability through the new experience of a clearly structured day. After a year of this activity, he was offered a part-time “lucky-break job” at the Surprise sales office in Basel. There, financial support, coaching by the Surprise team and flexible working hours enabled him to embark on commercial training. He has already gained his diploma in office management and is about to finish a business diploma course. Having left Surprise and the “lucky-break job” programme, Mr S. now has a “real” commercial job in the Basel region.

– Mr B. is 56 years old and has a “lucky-break job” in Surprise’s sales organisation and on-site services. Even in a phase of great personal adversity

when beset by ill health and family problems, he always worked reliably with good will and a sense of responsibility. The realistic and measurable annual objectives he was given formed a structure that provided incentive and support. Although his overall situation is not yet stable and long-term financial independence is not yet within his reach, he has made unmistakable progress.

– Ms K. has been selling “Surprise” for a long time. She lived from that and occasional part-time cleaning jobs. As the years went by, the 54-year-old gradually found the harder cleaning jobs too strenuous. For just over a year, Ms K. has been preparing lunch once a week for the Surprise team. Together with her sales of “Surprise”, this “lucky-break job” provides her with a secure regular income that she can live on without claiming supplementary state benefits.

Swiss Life’s Perspectives Foundation donates approximately CHF 1 million per year to support charitable initiatives, focusing particularly on integration and education. In 2010, for example, the Foundation provided a financial boost for the Surprise Association’s “Lucky-break job” project.

Since 1997 Surprise has been helping people who have fallen on hard times to draw on their own resources and reduce their need for outside help. The non-profit-making institution based in Basel runs integration projects in the fields of work, sport and culture. The Surprise Association finances its operations by selling its magazine “Surprise” on the street and through donations and contributions from foundations and companies.

“Surprise” is the leading Swiss street magazine. Appearing every two weeks and characterised by the high quality of its journalism, it is sold almost exclusively on the streets. The 300 or so street vendors are all socially marginalised and unable to enter the jobs market. Their work for “Surprise” enables them to structure their day, to regain self-confidence and to earn a modest wage through their own efforts. For many of them this constitutes the first step back into society and gives them hope of leading a normal working life again. For a number of its people, Surprise has created part-time “lucky-break jobs” that pay them enough to live on. In this way, Surprise is taking effective action to combat poverty and social exclusion in Switzerland, and Swiss Life’s Perspectives Foundation is supporting them financially in their endeavours.

Brand as a Factor for Success

In a competitive market environment, a strong brand is a major factor for success. Swiss Life displays its identity partly through the powerful claim “The future starts here.”

Swiss Life’s corporate design has been consistent throughout the Group since 2004. The Swiss Life umbrella brand also encompasses the two sub-brands Swiss Life Asset Management and Swiss Life Banque Privée. The German subsidiary SLPM (Schweizer Leben Pensionsmanagement) has an independent market presence as what is called an endorsement brand. The fourth level of the brand structure is occupied by the independently managed brands Livit (in Switzerland only) and AWD, which have no connection with the umbrella brand.

In 2010, no new brands were introduced and no brands were repositioned. But the brand managers continued their vigorous consolidation of the measures first implemented in 2009 for uniform positioning of the Swiss Life brand. In this connection the corporate design was slightly modified to align it with the claim introduced in the previous year: “The future starts here.” This succinct expression of Swiss Life’s positioning is a perfect match for the company and the brand. It communicates an optimistic spirit of change both within the organisation and to the outside world. At critical points of customer contact, visual improvements have been introduced to make the claim and the company colours (red and white) more tangible. Brand management is handled centrally at Swiss Life Group level, but adaptations can be made in the individual markets.

BRAND POSITIONING – Better control of brand-relevant success factors – In the brand management context, Swiss Life mapped out a course in 2010 for implementation of transnational measures in 2011, which are designed to give a much keener edge to its brand positioning. The brand managers laid the foundation for central measurement, analysis and control of all the brand-relevant success factors. The successful qualitative positioning survey undertaken hitherto in the three major

markets of Switzerland, France and Germany is being supplemented with a quantitative measurement of brand perception. The initial results of this success rating exercise will be available in mid 2011. Based on those, the features of brand image in the organisational units will be appropriately honed and the Group-wide positioning of the Swiss Life brand and the claim “The future starts here.” will be further consolidated.

Swiss Life’s positioning statement stands on the three pillars of reference status, independence and Swissness. They form the mainstay of the claim “The future starts here.” For a service brand, which is what Swiss Life is, this implies challenges and obligations for the employees, who are called on to assume the role of brand ambassadors in the positioning process. Their expertise, openness, engagement, proximity and clarity bring the brand values home to the customers in a tangible, meaningful way.

Corporate Governance

The Swiss Life Group is legally obliged to implement the accepted principles of responsible corporate conduct and continually adapts its corporate governance practices to current developments.

In the interests of its shareholders, policyholders and staff, Swiss Life attaches great importance to corporate governance and the requirements it entails in terms of the management and organisation of the Swiss Life Group. The corporate governance of Swiss Life Holding Ltd (Swiss Life Holding) is based on the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange and the circulars 2008/32 on corporate governance, risk management and internal control systems for insurance companies and 2010/1 on minimum standards for remuneration schemes of financial institutions published by the Swiss Financial Market Supervisory Authority FINMA. It is also modelled on leading national and international corporate governance standards, in particular the Swiss Code of Best Practice for Corporate Governance issued by the Swiss Business Federation, *economiesuisse*, as well as the Organization for Economic Cooperation and Development's (OECD) principles on corporate governance.

The measures and mechanisms introduced by Swiss Life to ensure good corporate governance work well in practice; however, specific adjustments are examined on an ongoing basis in order to adapt the management and control tools and disclosure to current circumstances and to implement further improvements.

This report describes the essential features of corporate governance within the Swiss Life Group. The structure below largely follows the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, which came into force on 1 July 2002, and was revised on 1 January 2007 and 1 July 2009, and also takes into consideration the regulations on transparency stipulated in the Swiss Code of Obligations with regard to the compensation of members of the Board of Directors and

the Corporate Executive Board and FINMA circular 2010/1 on minimum standards for remuneration schemes of financial institutions. Further information on the Code of Compliance and the values of the Swiss Life Group can be found in the "Values" section on page 38.

GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE – The public limited company Swiss Life Holding was established in 2002 and is incorporated under Swiss law. Its registered office is located in Zurich and it has been listed on the SIX Swiss Exchange since 19 November 2002. Swiss Life Holding brings together all the Swiss Life Group companies and activities under a single holding company. The holding company structure makes it easier to effect investments, enter into partnerships or cooperation agreements and execute capital market transactions. Transparency is also improved by separating the interests of shareholders from those of policyholders.

The operational management structure as at 31 December 2010 is shown on page 52.

SHAREHOLDERS – Detailed disclosures of significant shareholdings can be found on the publication platform of the SIX Swiss Exchange’s disclosure office at www.six-exchange-regulation.com, “Obligations” area, “Disclosure of Shareholdings” section and “Significant Shareholders” subsection (www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html).

Reference is made in the following to the latest disclosures of shareholdings on the balance sheet date which exceed the disclosure threshold. In accordance with the disclosure requirements, the percentage figures given relate to the share capital/number of outstanding shares pursuant to the Articles of Association applicable at the time of the relevant disclosure.

Dodge & Cox, USA, reported in the publication of 6 March 2008 that it held through the Dodge & Cox International Stock Fund 1 645 000 registered shares or 4.71% of the voting rights of Swiss Life Holding.

Carsten Maschmeyer, Germany, reported in the publication of 23 December 2008, that he and his two sons, Marcel Jo Maschmeyer and Maurice Jean Maschmeyer, as well as the asset management firms CM Vermögensverwaltung GmbH & Co. KG and CM Vermögensverwaltungs-Geschäftsführungs GmbH, held 1 944 616 Swiss Life Holding registered shares and 230 000 other purchase positions of Swiss Life Holding, which corresponded to a 6.22% share of the voting rights (cf. also on page 62 details on share ownership as at 31 December 2010 of currently serving Board of Directors and Corporate Executive Board members).

Talanx AG, Germany, reported in a publication of 20 May 2009, that one of its groups, consisting of AmpegaGerling Investment GmbH, Talanx AG and Talanx Beteiligungs-GmbH & Co. KG, held 2 987 988 shares of Swiss Life Holding, equivalent on that day to 8.52% of the voting rights.

BlackRock, USA, reported in a publication of 9 January 2010 that a group consisting of various companies and funds of the BlackRock Group held a total of

1 190 832 shares and 775 other purchase positions of Swiss Life Holding, corresponding to 3.71% of the voting rights.

SHAREHOLDER STRUCTURE – On the balance sheet date a total of 188 603 shareholders and nominees were listed in the Swiss Life Holding share register, of which about 4500 were institutional shareholders. Taken together, the shareholders entered in the share register held around 55% of the shares issued. Around half of these shares were owned by shareholders domiciled in Switzerland. Around one third of the registered shares were in private hands.

CAPITAL STRUCTURE

CAPITAL AND CHANGES IN CAPITAL – The capital structure of Swiss Life Holding was as follows on the balance sheet date:

- Ordinary share capital: CHF 307 978 118.40, divided into 32 081 054 fully paid registered shares with a par value of CHF 9.60 each
- Conditional share capital: CHF 22 650 105.60 divided into 2 359 386 registered shares with a par value of CHF 9.60 each
- Authorised share capital: none

SHARES – Subject to the 10% limit on voting rights set out in the Articles of Association (cf. the section on “Shareholders’ participation rights” on page 64), each share grants the right to one vote at the General Meeting of Shareholders.

There are no outstanding shares with either increased or limited voting rights, privileged or restricted voting rights, privileged dividend entitlements or other preferential rights.

LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS – Swiss Life Holding shares are not subject to any limitations on transferability. Swiss and foreign banks, securities brokers and companies acting on their behalf may be entered in the share register as nominees if they are holding shares of Swiss Life Holding in

their custody for the account of the beneficial owners. Professional asset managers may also be registered as nominees if, in a fiduciary capacity, they have deposited Swiss Life Holding shares for the account of third parties with Swiss or foreign banks or securities brokers in their own name. Nominees are required to be subject to banking or financial market supervision.

CONVERTIBLE BONDS AND OPTIONS – No convertible bond issues were outstanding on the balance sheet date. The Swiss Life Holding 0.625% issue (2004–2010) amounting to CHF 317 000 000 expired on 10 June 2010; the unconverted portion of the convertible bond on that day was repaid. Neither Swiss Life Holding nor the Group companies had granted options on rights to participate in Swiss Life Holding.

BOARD OF DIRECTORS

FUNCTION – The Board of Directors is responsible for all matters that are not reserved for the consideration of the General Meeting of Shareholders (formally the supreme decision-making body of a public limited company) under the terms of the law (Art. 698 of the Swiss Code of Obligations OR) or by the company's Articles of Association. In line with its non-transferable duties prescribed by law the Board of Directors is responsible, in particular, for the ultimate direction of the Group, as well as the supervision of the Corporate Executive Board.

ELECTIONS AND TERMS OF OFFICE – Pursuant to the Articles of Association, the Board of Directors shall consist of no fewer than five and no more than fourteen members. The members of the Board are elected by the General Meeting of Shareholders for a maximum term of three years, and on an individual basis.

STAGGERED TERMS OF OFFICE – Due to the staggered terms of office, it is ensured that, in so far as possible, an equal number of members will come up for re-election every year. If a member resigns during his term of office, the successor will serve only for the rest of that term. Thus, with respect to the annual re-elections, an important prerequisite has been established for ensuring continuity on the Board of Directors.

COMPOSITION – In the year under review, no member of Swiss Life Holding's Board of Directors exercised any duties relating to operational management within the Swiss Life Group. Furthermore, no such duties were exercised by any Board members during the three financial years preceeding the reporting period, with two exceptions: Rolf Dörig, who held the position of Chairman of the Group's Corporate Executive Board until his election to the Board of Directors in May 2008, and Carsten Maschmeyer, who was Co-CEO of AWD until March 2009.

No member of the Board has any significant business relationship with Swiss Life Holding or any other Group companies. The members of the Board of Directors of Swiss Life Holding also make up the Board of Directors of Swiss Life Ltd.

MEMBERS OF THE BOARD OF DIRECTORS – On the balance sheet date of 31 December 2010, the Board of Directors was composed of the following members:

Name	Main function	Additional functions	Year appointed/ re-elected	Elected until
Rolf Dörig	Chairman	Chairman's and Corporate Governance Committee, Chairman	2008	2011
Gerold Bühler	1st Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee, Chairman Nomination and Compensation Committee	2002/2003/2005/2008 ¹	2011
Frank Schnewlin	2nd Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee Nomination and Compensation Committee, Chairman	2009	2012
Volker Bremkamp	Member	Audit Committee, Chairman	2003/2004/2007/2010	2013
Paul Embrechts	Member	Investment and Risk Committee	2003/2005/2008	2011
Carsten Maschmeyer	Member	Investment and Risk Committee	2009	2012
Henry Peter	Member	Audit Committee	2006/2009	2012
Peter Quadri	Member	Audit Committee	2003/2004/2007/2010	2013
Franziska Tschudi	Member	Audit Committee Nomination and Compensation Committee	2003/2005/2008	2011

¹ Member of the Board of Directors of Swiss Life Ltd since 2000

ROLF DÖRIG – Born 1957, Swiss national
Chairman of the Board of Directors



Rolf Dörig laid the groundwork for his professional career by obtaining a doctorate in law (Dr. iur.) from the University of Zurich before being called to the

bar in Zurich. Joining Credit Suisse in 1986, he assumed a number of executive responsibilities in various areas of banking and in different geographical markets. As a Member of the Executive Board, he was assigned responsibility for Swiss Corporate and Retail Banking from 2000 onwards. In 2002 he assumed the role of Chairman Switzerland of Credit Suisse. Following his move to Swiss Life, Rolf Dörig held the positions of Chairman of the Corporate Executive Board from November 2002 to May 2008 and Delegate of the Board of Directors from May 2008 to May 2009.

He became Chairman of the Board of Directors of Swiss Life Holding Ltd in May 2009.

Rolf Dörig will be put forward for re-election at the General Meeting of Shareholders of Swiss Life Holding Ltd on 5 May 2011.

Other appointments:

- Adecco S.A., Glattbrugg, Chairman of the Board of Directors
- Kaba Holding Ltd, Rümlang, Vice Chairman of the Board of Directors
- economiesuisse, Zurich, Member of the Board Committee
- Danzer AG, Baar, Chairman of the Board of Directors

GEROLD BÜHRER – Born 1948, Swiss national
First Vice Chairman of the Board of Directors



Gerold Bühler graduated in economics (lic. oec. publ.) from the University of Zurich in 1972. Following 17 years with the Union Bank of Switzerland as a member of senior management in its financial sector and a Member of the Executive Board of its fund investment

company, he joined Georg Fischer Ltd in 1991, where he served as a Member of its Executive Board (Finances) from 1991 until 2000. He began working as an independent economic consultant in 2001 and, since the end of 2006, has held the office of Chairman of *economiesuisse*. Gerold Bühler was a Member of the Grand Council of the Canton of Schaffhausen from 1982 to 1991 and, from 1991 to 2007, a Member of the Swiss Parliament (National Councillor).

Gerold Bühler will be put forward for re-election at the General Meeting of Shareholders of Swiss Life Holding Ltd on 5 May 2011.

Other appointments:

- *economiesuisse*, Zurich, Chairman
- Bank Sal. Oppenheim jr. & Cie. (Schweiz) Ltd, Zurich, Member of the Board of Directors
- Cellere AG, St. Gallen, Member of the Board of Directors
- Georg Fischer Ltd, Schaffhausen, Member of the Board of Directors
- Swiss National Bank, Berne, Member of the Bank Council
- Züblin Real Estate Holding Ltd, Zurich, Member of the Board of Directors

FRANK SCHNEWLIN – Born 1951, Swiss national
Second Vice Chairman of the Board of Directors



Frank Schnewlin studied at the University of St. Gallen (lic. oec. HSG), the London School of Economics (Master of Science) and the Harvard Business School

(MBA) before earning his doctorate in economics in 1983 at the University of Lausanne (Dr. ès sc. écon). From 1983 to 2001 he held various positions at the Zurich Financial Services Group in Switzerland and the USA, including Head of Corporate Center and Head of the Business Division Southern Europe, Asia/Pacific, Middle East, Africa and Latin America. From 1993 he served on the Zurich Financial Services Group's Executive Committee. From 2002 to 2007, Frank Schnewlin chaired the Baloise Group's Corporate Executive Committee as CEO and was, at the same time, Head of the International Division.

Following his election to the Board of Directors of Swiss Life Holding in May 2009, he assumed the role of Chairman of the newly established Nomination and Compensation Committee.

Other appointments:

- Vontobel Holding Ltd, Zurich, Member of the Board of Directors/Chairman of the Audit Committee
- Drosos Foundation, Zurich, Member of the Board of Trustees/Chairman of the Finance Committee

VOLKER BREMKAMP – Born 1944, German national
Member of the Board of Directors



Volker Bremkamp joined Albingia Versicherungen AG in Hamburg (a subsidiary of Guardian Royal Exchange plc, London) in 1963, receiving his qualifications

as an insurance expert in 1965. Between 1969 and 1971 he was employed by various insurance companies and brokers in London and Paris. He returned to Albingia Versicherungen AG, Hamburg, in 1971, serving as an Executive Director from 1978 to 1989 and, from 1989 to 2000, as Chief Executive Officer of Albingia Lebensversicherungs AG and of Albingia Versicherungen AG. Between 1995 and 1999 Volker Bremkamp was an Executive Director and, at the same time, Group Executive Director, Continental Europe, of Guardian Royal Exchange plc, London, which was taken over by the AXA Group in 1999. From 1999 to 2000 he held the position of Executive Director of AXA Colonia Konzern AG, Cologne (holding company of AXA Germany). He has been Managing Director of BMB Bremkamp Management- und Beteiligungs-GmbH since 2000.

Other appointments:

- AON International Insurance Broker, Hamburg, Chairman of the Supervisory Board
- Everpublic AG, Hamburg, Chairman of the Supervisory Board
- WAVE Management AG, Hamburg, Chairman of the Supervisory Board
- HanseMerkur Krankenversicherungsgruppe, Hamburg, Vice Chairman of the Supervisory Board

PAUL EMBRECHTS – Born 1953, Belgian national
Member of the Board of Directors



Paul Embrechts received his master's degree in mathematics from the University of Antwerp (Belgium) in 1975 and his doctorate (Dr. sc. Math.)

from the Catholic University of Leuven (Belgium) in 1979. Between 1975 and 1983 he held a post as Research Assistant at the Catholic University of Leuven. From 1983 to 1985 he was a Lecturer in Statistics at Imperial College London, before taking up a position as Lecturer at the University of Limburg (Belgium) from 1985 to 1989. Since 1989 he has held the position of Professor of Mathematics at the Swiss Federal Institute of Technology (ETH) in Zurich.

Paul Embrechts will be resigning from the Board of Directors after eight years of office with effect from the General Meeting of Shareholders of Swiss Life Holding Ltd on 5 May 2011.

CARSTEN MASCHMEYER – Born 1959, German national
Member of the Board of Directors



After studying medicine and gaining many years of sales experience in the financial services sector in various management positions, in 1988 Carsten Maschmeyer

founded the company Allgemeiner Wirtschaftsdienst Gesellschaft für Wirtschaftsberatung und Finanzbetreuung mbH. In 1998 he was appointed Chairman of the Board of Management of AWD Holding AG and, in 2000, launched an initial public offering of shares in AWD. Carsten Maschmeyer sold AWD to Swiss Life at the end of 2007 and, as Co-CEO of AWD from September 2008 until March 2009, he was responsible for strategic development and opening up new markets. In January 2010 he founded MaschmeyerRürup AG – an independent and internationally focused advisor concentrating on retirement provisions for key players in banking and insurance. He heads the company as Chairman of the Board. He is also expanding CM Vermögensverwaltung GmbH & Co.

KG. At the end of December 2010, Carsten Maschmeyer founded HolsboerMaschmeyer NeuroChemie GmbH together with Professor Florian Holsboer, Director of the Max Planck Institute of Psychiatry in Munich.

Other appointments:

- AWD Children's Aid Foundation, Hanover, Chairman of the Election Committee
- International Neurobionics Foundation, Hanover, Chairman of the Board
- "Germany – Land of Ideas" initiative, Hanover, Member of the Advisory Board
- Leibniz University, Hanover, Honorary Senator

HENRY PETER – Born 1957, Swiss and French national
Member of the Board of Directors



Henry Peter completed his studies in law at the University of Geneva in 1979, and in 1981 he was called to the Geneva bar. Following a pupillage in Geneva,

a period of study as a visiting scholar at the University of California in Berkeley and legal work in Lugano, he obtained his PhD at the University of Geneva in 1988. Since 1988 he has been a partner in a law firm in Lugano, currently Peterlegal SA. In addition, he has held the position of Professor of Business Law at the University of Geneva since 1997. He became a Member of the Swiss Takeover Board in 2004 and a Member of the Sanction Commission of the SIX Swiss Exchange in 2007.

Other appointments:

- Sigurd Rück Ltd, Zurich, Chairman of the Board of Directors
- Cassa Pensioni della Città di Lugano, Member of the Board of Directors
- Casino de Montreux SA, Montreux, Vice Chairman of the Board of Directors/Chairman of the Audit Committee
- Otis, Fribourg, Member of the Board of Directors
- Autogrill Switzerland LTD, Olten, Member of the Board of Directors
- Swiss Olympic Association, Berne, Vice Chairman of the disciplinary chamber in charge of doping cases

PETER QUADRI – Born 1945, Swiss national
Member of the Board of Directors



Peter Quadri received his master's degree in economics and business administration (lic. oec. publ.) in 1969 from the University of Zurich. In 1970 he joined

IBM as a systems engineer and software/operating systems specialist. Following various periods in the USA, Denmark and Switzerland, he held the position of CEO of IBM Switzerland from 1998 to April 2006. He now works as a management and technology consultant.

Other appointments:

- Vontobel Holding Ltd, Zurich, Member of the Board of Directors
- Bühler AG, Uzwil, Member of the Board of Directors
- Zurich Chamber of Commerce, Chairman
- Unitetra Ltd, Zurich and Berne, Chairman of the Board of Directors
- economiesuisse, Zurich, Member of the Board

FRANZISKA TSCHUDI – Born 1959, Swiss national
Member of the Board of Directors



Franziska Tschudi graduated in law at the University of Berne and passed her bar exam there in 1984. She studied law at Georgetown University, Wash-

ington DC, earning an LL.M., and passed the bar exam for the US states of New York and Connecticut in 1987. Franziska Tschudi completed postgraduate studies at the University of St. Gallen (1991 to 1993), receiving an Executive MBA. After initially working as an Assistant for Media Law at the Institute for Constitutional and Administrative Law at the University of Berne, and practising business and media law in Zurich, Washington DC and Geneva, she served as Secretary General at SIG Holding AG from 1992 to 1995. She then became a Member of the Executive Board of WICOR HOLDING AG (“WEIDMANN Group”), Rapperswil in 1995, where she was Head of Corporate Development and, from 1998, Head of the

Business Area Electrical Technology Asia/Pacific. She has held the positions of Chief Executive Officer and Delegate of the Board of Directors of WICOR HOLDING AG since 2001.

Franziska Tschudi will be put forward for re-election at the General Meeting of Shareholders of Swiss Life Holding Ltd on 5 May 2011.

Other appointments:

- BIOMED AG, Dübendorf, Member of the Board of Directors
- Swiss-American Chamber of Commerce, Zurich, Member of the Board
- St. Gallen – Appenzell Chamber of Commerce and Industry, St. Gallen, Vice Chairperson
- economiesuisse, Zurich, Member of the Board of Directors
- Swissmem, Zurich, Member of the Board of Directors

RESIGNATIONS – After serving for seven years on Swiss Life's Board of Directors, Rudolf Kellenberger did not stand for re-election at the General Meeting of Shareholders in 2010 and no longer serves on the Board of Directors.

INTERNAL ORGANISATIONAL STRUCTURE – The Board of Directors has issued Organisational Regulations setting forth the internal organisational structure and the duties and competencies of the Board of Directors, the Board of Directors' committees, the Chairman of the Board of Directors and the Corporate Executive Board. Four standing committees support the work of the Board of Directors as a whole.

CHAIRMAN'S AND CORPORATE GOVERNANCE COMMITTEE – The Chairman's and Corporate Governance Committee (Chairman's Committee) assists both the Chairman of the Board of Directors in performing his leadership and coordination duties and the Board of Directors with issues relating to corporate governance. The Committee also supports the Board of Directors in key strategic decisions.

NOMINATION AND COMPENSATION COMMITTEE – The Nomination and Compensation Committee (NCC) supports the Board of Directors with regard to setting the compensation policy and in key personnel decisions regarding appointments to the highest levels of management and related performance-based and market consistent compensation.

INVESTMENT AND RISK COMMITTEE – The Investment and Risk Committee assists the Board of Directors in matters concerning investment management, financial management and risk management within the Group. The tasks of the Investment and Risk Committee include drafting proposals on the principal features of asset and liability management (ALM) and submitting them to the Board of Directors, determining the investment policy, assessing capital adequacy, verifying compliance with guidelines on investments, and establishing the risk tolerance in insurance and investment operations.

AUDIT COMMITTEE – The Audit Committee assists the Board of Directors in its supervision of the accounting function and financial reporting activities, as well as compliance with the legal framework. It reviews the appropriateness of the internal control structures and processes used to comply with the legal requirements. It monitors the activities of Corporate Internal Audit and the external audit services, and takes due note of their reports and recommendations.

DELINEATION OF COMPETENCIES BETWEEN THE BOARD OF DIRECTORS AND THE CORPORATE EXECUTIVE BOARD – The Organisational Regulations of Swiss Life Holding provide for the comprehensive delegation of the executive management responsibilities of the company to the Group CEO and the Corporate Executive Board, with the exception of those duties reserved for other bodies in accordance with the law, the Articles of Association or the Organisational Regulations themselves.

The Corporate Executive Board bears responsibility in particular for the implementation of the corporate strategy, for the conditions governing business operations and for financial guidance.

INFORMATION AND CONTROL INSTRUMENTS OF THE BOARD OF DIRECTORS VIS-À-VIS THE CORPORATE EXECUTIVE BOARD

– The Group CEO regularly informs the Chairman of the Board of Directors and the Board of Directors and its committees on the course of business, new business activities and significant projects. The Group CEO informs the Chairman of the Board of Directors immediately of any extraordinary matters. Considerable expenditure which is unbudgeted for and amounts to more than 10% of the relevant budget must be submitted to the Chairman's and Corporate Governance Committee for approval. Similarly, significant investments and divestments require the approval of the Investment and Risk Committee or, when they reach a certain level, the approval of the Board of Directors as a whole.

If required, the Board of Directors and its individual committees regularly invite all or some members of the Corporate Executive Board and in-house specialists to its meetings. Outside the meetings, each member of the Board of Directors may request information about the course of business from the Corporate Executive Board subject to the prior notification of the Chairman of the Board of Directors. Requests for information on individual transactions require the prior approval of the Chairman of the Board of Directors.

The Chairman of the Board of Directors may participate (without voting rights) in the meetings of the Corporate Executive Board. He receives the invitations and the minutes of the meetings.

Corporate Internal Audit, which reports directly to the Chairman of the Board, represents a suitable means of independent monitoring and information gathering for the Board of Directors. Swiss Life's Internal Control System (ICS) also serves the Board of Directors for information and controlling purposes. Further details on this system are available in the "Risk Management" section of the Financial Statements on page 33.

The performance of the Corporate Executive Board and the contributions made by the individual members are regularly discussed and evaluated by the Chairman's and Corporate Governance Committee, the Nomination and

Compensation Committee and the Board of Directors, with no members of the Corporate Executive Board being present. The acceptance of directorships and senior political or military roles by members of the Corporate Executive Board is subject to the consent of the Chairman of the Board of Directors.

CORPORATE EXECUTIVE BOARD

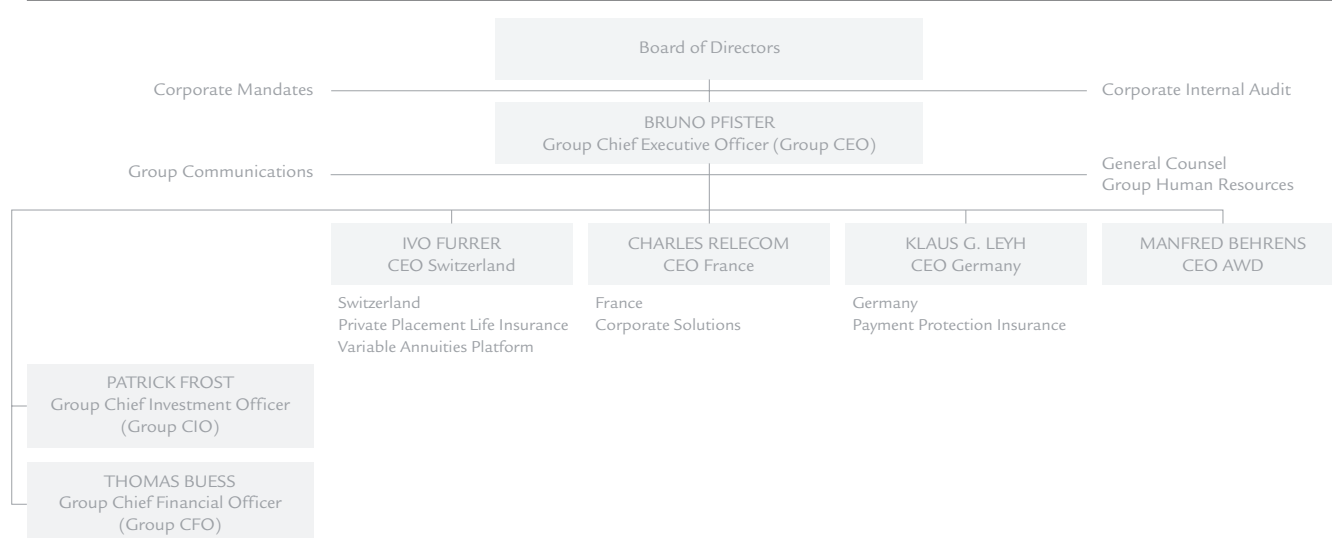
The Group CEO directs the business operations of the Group. The Group CEO, together with the Corporate Executive Board, works out the long-term objectives and strategic orientation of the Group for submission to the Board of Directors and, based on the resolutions of the Board of Directors, ensures the goal-oriented leadership and development of the Group. The Corporate Executive Board can form committees to address specific areas and can delegate competencies to such Corporate Executive Board committees.

The organisation and division of tasks within the Corporate Executive Board reflects the key business areas and functions. The members of the Corporate Executive

Board have a direct management role with functional management responsibility for cross-divisional competencies. The members of the Corporate Executive Board are responsible for setting objectives, financial planning, HR management and achievement of objectives within their division. They issue directives for their division within the context of legal and regulatory requirements, the relevant regulations and the Group directives valid for the Group as a whole.

The Corporate Executive Board is responsible for implementation of the corporate strategy, for the establishment of conditions governing business operations and for financial guidance. It is responsible for the preparation of the resolutions for the Board of Directors and its committees, and for monitoring the implementation of these decisions in the Group. The Corporate Executive Board is vested with the authority to rule on business referred to it by the Board of Directors, the Board of Directors committees and the Chairman of the Board of Directors, insofar as decision or approval is not reserved exclusively to one of these.

Management structure as at 31 December 2010



MEMBERS OF THE CORPORATE EXECUTIVE BOARD –

On 31 December 2010 the Corporate Executive Board of Swiss Life Holding was composed of the following members:

Name	Function	Member of the Corporate Executive Board since
Bruno Pfister	Group CEO	01.08.2002
Ivo Furrer	CEO Switzerland	01.09.2008
Klaus G. Leyh	CEO Germany	01.10.2008
Thomas Buess	Group CFO	01.08.2009
Charles Relecom	CEO France	01.07.2008
Patrick Frost	Group CIO	01.07.2006
Manfred Behrens	CEO AWD	08.05.2008

BRUNO PFISTER – Born 1959, Swiss national Group Chief Executive Officer (Group CEO)



Bruno Pfister graduated from the University of Geneva with a master's degree in law before being called to the bar in Geneva.

Following completion of his business management studies (MBA from the UCLA Graduate School of Management in Los Angeles), the initial stages of his career saw him working for Chase Manhattan Bank in London and Geneva. From 1988 onwards he was a management consultant for McKinsey & Co in Zurich. In 1996 Bruno Pfister became Chief of Staff of the Private Banking division at Liechtenstein Global Trust (LGT) where he managed a global strategic project before being appointed Chief Financial Officer of LGT Group and LGT Bank in Liechtenstein in 1998. In 1999, as a Member of the Credit Suisse Group Executive Board, he took over as Head of Customer Segment Management and Product Management at Credit Suisse.

Bruno Pfister has been with the Swiss Life Group since August 2002, initially as Group Chief Financial Officer (Group CFO) and, as of 1 January 2006, Chief Executive Officer International (CEO International). He assumed the position of Group Chief Executive Officer (Group CEO) of the Swiss Life Group in May 2008.

Other appointments:

- Gottex Fund Management Holdings Limited, St. Peter Port, Guernsey, Member of the Board of Directors
- Swiss Insurance Association (SIA), Zurich, Member of the Board and the Board Committee
- SIX Exchange Regulation, Zurich, Member of the Regulatory Board and Issuers Committee (until June 2010)
- Avenir Suisse, Member of the Board of Trustees and Member of the Finance Committee

IVO FURRER – Born 1957, Swiss national Chief Executive Officer Switzerland (CEO Switzerland)



Ivo Furrer graduated in law from the universities of Zurich and Fribourg and earned his PhD with a thesis on employee benefits. He joined Winterthur

Life in 1982, initially working in group insurance marketing and later assuming various project management roles relating to strategy development and expansion of Winterthur's international insurance business in Europe, Canada and the USA. In 1992 he relocated to the USA, where he worked in underwriting. From 1994 to 1997 he held a number of management positions at Winterthur International in London (including that of Managing Director) before being appointed Chief Underwriting Officer of this business area in 1998. In 1999 he moved to

Credit Suisse Group, where he developed and implemented an internet bank in Luxembourg and was subsequently appointed Head of e-Investment Services Europe and member of the Personal Financial Services' management. Ivo Furrer began working for Zurich Financial Services in 2002, initially in Germany as head of the international key account business, and in 2005 as a Member of the Global Corporate Executive Committee with responsibility for the development of key account and distribution management at global level. In 2007 he was appointed CEO Life Switzerland and Member of the Global Life Executive Committee of Zurich Financial Services.

On 1 September 2008 Ivo Furrer joined the Swiss Life Group as Member of the Corporate Executive Board and Chief Executive Officer Switzerland (CEO Switzerland).

Other appointments:

- Swiss Insurance Association (SIA), Zurich, Chairman of the Life Insurance Committee
- German-Swiss Chamber of Commerce, Zurich, Member of the Board

KLAUS G. LEYH – Born 1966, German national Chief Executive Officer Germany (CEO Germany)



After graduating with a degree in economics from the University of Augsburg, Klaus G. Leyh worked for two years as a market researcher and advisor in

the consumer goods industry. In 1995 he changed to the insurance sector, building up Generali's Market Research department in Munich. He subsequently held management positions in marketing, product management and e-business at Generali Lloyd Versicherung AG, AXA Colonia Konzern and ARAG Lebens- und Krankenversicherung, and received a Master of Business Research (MBR) from the Ludwig Maximilian University of Munich. In 2001 Klaus G. Leyh joined Swiss Life in Germany as the head of its e-commerce and e-business activities and was assigned responsibility for distribution service, control and promotion in 2002. From January 2006 to September 2008 he held the position of Chief Market Officer and

Member of the Executive Board of Swiss Life in Germany with responsibility for the entire sales force, distribution management, service and control.

On 1 October 2008 Klaus G. Leyh was appointed Chief Executive Officer of Swiss Life in Germany (CEO Germany) and Member of the Swiss Life Group's Corporate Executive Board.

Other appointments:

- German Insurance Association (GDV), Berlin, Member of the Main Committee Life Insurance
- DEPFA Holding Verwaltungsgesellschaft mbH, Düsseldorf, Member of the Supervisory Board

THOMAS BUESS – Born 1957, Swiss national Group Chief Financial Officer (Group CFO)



After completing his business administration and economics studies at the University of St. Gallen and a two-year research activity at the Institute of

International Economics, Thomas Buess launched his career in insurance in 1985. From 1985 to 1993 he assumed various positions in the area of finance at the ELVIA Group. In 1994 he joined Zurich Financial Services Group as Chief Financial Officer and Member of the Executive Committee of the Swiss P&C business unit. From 1997 to 1999 he was Chief Financial Officer of all Swiss operations. In 1999 Thomas Buess moved to the USA as Chief Financial Officer of Zurich Financial Services Group's North American business area. In 2002 he was appointed Group Chief Financial Officer and Member of the Group Management Board. Thomas Buess went on to head the reorganisation of the life insurance business before assuming the role of Chief Operating Officer of Zurich Financial Services Global Life in 2004. In January 2009 he moved to Allianz Group as Head of Operational Transformation.

In August 2009 Thomas Buess joined the Swiss Life Group as Group Chief Financial Officer (Group CFO) and Member of the Corporate Executive Board.

Other appointments:

– Swiss Insurance Association (SIA), Zurich, Member of the Finance and Regulation Committee

CHARLES RELECOM – Born 1953, Belgian national Chief Executive Officer France (CEO France)



Charles Relecom graduated from the University of Namur (Belgium) with a degree in mathematics and went on to gain a master's degree in Actuarial Science

at the University of Louvain (Belgium). He began his career in 1978 as Chief Actuary and Chief Technology Officer at Swiss Life in Belgium. In 1984 he moved to the head office in Zurich, where he played a significant role in setting up the International Division. From 1988 to 1994 he worked for ELVIA Life as Director of Sales in the key accounts business. In 1994 he moved to «La Suisse» and, in 1998, was appointed CEO of the non-life business and Chief Actuary. In 2000 he became the CEO of «La Suisse», a position he held until 2005 when the company was integrated into the Swiss Life Group. Following the integration, Charles Relecom returned to Swiss Life in Belgium, initially as the CEO of Zelia S.A. and, from February 2006, as CEO for the entire Belgian business.

On 1 July 2008 Charles Relecom was appointed Chief Executive Officer France (CEO France) of the Swiss Life Group and Member of the Corporate Executive Board.

Other appointments:

– Member of the French Insurance Association (FFSA), Paris

PATRICK FROST – Born 1968, Swiss national Group Chief Investment Officer (Group CIO)



Patrick Frost studied at the ETH in Zurich and the universities of Cologne, Basel and Zurich, obtaining degrees in natural science (dipl. Natw. ETH, 1993), economics (Dr. rer. pol., 1998) and law (lic. iur., 2001). He

began his professional career in 1996 as a portfolio manager and analyst in financial engineering at Winterthur Group. Between 1999 and 2001 he was employed as a Senior Bond Portfolio Manager at Winterthur Investment Management Corp. in New York. He became the Head of Global Fixed Income at Winterthur Group in 2001, where he played a key role in the further strategic development of its asset management.

In July 2006 Patrick Frost was appointed Group Chief Investment Officer (Group CIO) of the Swiss Life Group and Member of the Corporate Executive Board.

Other appointments:

– Castle Alternative Invest AG, Freienbach, Member of the Board of Directors (until 17 May 2011)
– Technopark Zurich, Member of the Board of Trustees

MANFRED BEHRENS – Born 1955, German national Chief Executive Officer AWD (CEO AWD)



After graduating in law, Manfred Behrens initially worked as an attorney in a Hamburg-based law firm. In 1984 he moved to Hamburg Mannheimer AG,

where he assumed various leading positions in the areas of law and sales and went on to become regional manager. He joined Volksfürsorge Deutsche Lebensversicherungs-AG in May 1996 and, in 1998, was appointed Member of the Board of Directors with responsibility for sales and marketing. Manfred Behrens moved to Swiss Life in January 2004, where he held the position of Chief Executive Officer of Swiss Life in Germany (CEO Germany) until August 2008. He was appointed Co-Chief Executive Officer of AWD (Co-CEO AWD) in September 2008. In April 2009 he assumed the role of Chief Executive Officer of AWD (CEO AWD).

Manfred Behrens has been a Member of Swiss Life's Corporate Executive Board since May 2008.

Other appointments:

- Aareal Bank, Wiesbaden, Member of the Supervisory Board
- Commerzbank, Frankfurt am Main, Member of the Regional Advisory Committee North

RESIGNATIONS – There were no resignations from the Corporate Executive Board during the period under review.

TRANSFER OF MANAGEMENT TASKS

No management tasks have been contractually delegated to third parties by Swiss Life Holding.

COMPENSATION

The specifications below follow the directives on information relating to corporate governance issued by the SIX Swiss Exchange and take into consideration the transparency regulations set out in the Swiss Code of Obligations Art. 663b^{bis} and Art. 663c as well as Circular 2010/1 of the Swiss Financial Market Supervisory Authority FINMA on minimum standards for remuneration schemes of financial institutions. Further information on compensation and benefit expenditure for the management and employees of the Swiss Life Group can be found in the Consolidated Financial Statements (Notes 24 and 31). In addition, the compensation of the members of the Board of Directors and the Corporate Executive Board, and their participation interests, are shown in the Notes to the Swiss Life Holding Financial Statements.

The information in this report is presented in the same way as the previous year. Also included in the information on compensation disclosed for the period under review is the variable compensation to Corporate Executive Board members as a cash bonus for the 2010 financial year, determined and payable at the beginning of 2011. Likewise, the variable compensation payable for the 2010 financial year in the form of blocked shares amounting to 10% of the fixed compensation, which was allocated to members of the Board of Directors at the beginning of 2011, is shown as part of the compensation for 2010.

COMPENSATION POLICY PRINCIPLES – The Board of Directors as a whole is responsible for establishing the guidelines on the Group's compensation policy (incl. bonus and equity compensation plans) and on employee benefit institutions. The compensation policy underpins the performance culture required by the corporate strategy and is part of the HR policy. The aim is to retain well-qualified employees and gain new, highly skilled staff. The compensation system must be competitive and in line with the market environment. The individual overall compensation takes into account the employee's professional skills, engagement and personal performance. It is made up of a basic salary, a variable bonus based on achievement of the annual objectives, which is generally paid in cash and possibly in shares, as well as a deferred mid- to long-term salary component (equity compensation plan) and contributions to occupational provisions and risk insurance.

The salary is determined according to the employee's function and skill set, and is annually re-assessed and adjusted if appropriate. Salary comparison studies and recognised job evaluation systems are used to check appropriateness and to ensure internal and external comparability.

The variable compensation components are linked to the strategic objectives of the Group and the individual divisions, and the associated financial and HR-related targets. The variable bonus in cash and possibly in shares is based on achievement of the annual objectives. It is determined on the basis of the actual performance of individuals or teams (performance-linked payment) in relation to the objectives set and the Swiss Life Group's annual result (share in the company's success). Quantitative and qualitative performance is also always assessed on the basis of the competencies required for the function held, such as professional expertise, entrepreneurship, task fulfilment, cooperation and leadership. The percentage weighting between the individual and/or team performance and the share in the company's success depends on the position and responsibilities of the function holder.

The share in the company's success is measured using quantitative Group objectives (Key Performance Indicators, KPIs). The main KPIs, besides the key figures relating

to annual profit, costs, business volume, return on equity and solvency, are the profitability of in-force and new business and margin development.

Personal performance based on the specified quantitative and qualitative objectives is assessed annually in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS). Two assessment elements/models are used for determining objectives and evaluating performance: The Group Objectives Model (GOM) relating to qualitative and quantitative objectives and the Group Competency Model (GCM) for measuring and assessing individual competencies.

For persons responsible for risk management and risk control, the quantitative objectives are set in such a way that performance is not linked to the result of the monitored business unit, specific products or transactions.

In order to be eligible for any variable compensation, a GPS target achievement of at least 80% is required.

PRACTICE AND PROCEDURE – Pursuant to the Organizational Regulations, the Board of Directors as a whole is responsible for determining the level and make-up of compensation for its members, whereas the Nomination and Compensation Committee is responsible for putting forward appropriate proposals. The Board of Directors also establishes the guidelines for the company's compensation policy. In doing so, it takes into consideration the compensation policies of other companies in the financial services industry, drawing its findings from publicly available information and, as necessary, studies by external experts. Comparable companies in the insurance sector in Switzerland used for the purposes of providing relevant information for the current compensation policy included Allianz, AXA, Baloise Insurance, Swiss Re and Zurich Financial Services.

The Board of Directors as a whole sets the level and distribution of the variable compensation pool for all employees on the basis of its compensation policy guidelines upon a proposal by the Nomination and Compensation Committee. When determining the level of the allocation to the compensation pool, it takes into consideration the annual result, as well as the degree of achieve-

ment of medium-term planning targets. The Board of Directors as a whole is also responsible for determining the individual compensation of members of the Corporate Executive Board. It carries out a semi-annual performance assessment of all members of the Corporate Executive Board, based on preparatory work by the Nomination and Compensation Committee. In addition, current aspects of HR policy and in particular succession planning are regularly discussed at meetings of the Board of Directors.

An equity compensation plan exists as a mid- to long-term salary component within the framework of the compensation arrangements for members of the Corporate Executive Board and other key performers within the Swiss Life Group, who are determined by the Corporate Executive Board with the approval of the Nomination and Compensation Committee. Based on this plan, participants are granted future subscription rights to Swiss Life Holding shares in the form of Performance Share Units (PSUs). These subscription rights entitle them to receive Swiss Life Holding shares free of charge after a period of three years has elapsed, provided that the prerequisites under the plan have been satisfied at that point. The granting of this compensation component is in any case deferred for three years from the date of allocation and thus takes into consideration development in the meantime.

Pursuant to the regulations of the 2008, 2009 and 2010 equity compensation plans, two objective performance criteria have been defined, each weighted at 50%. The first criterion is the Total Shareholder Return on the Swiss Life Holding share (TSR Swiss Life Holding), requiring a performance of over 20% for a subscription right to shares to arise after three years. The second criterion involves a comparison of the Swiss Life Holding share's TSR with the TSRs of the shares of the companies included in the Dow Jones STOXX 600 Insurance Index (TSR Outperformance). A subscription right arises if the performance on expiry of the three-year term is above the first quartile in comparison with the companies in question. Depending on the fulfilment of the two performance criteria within the three-year period, the number of PSUs can increase by up to a factor of 1.5 and 2.0 respectively, or drop to zero. Performance requirements for the

2010 equity compensation plan have been increased over the 2008 and 2009 plans to the extent that 35% performance (previously 30%) is required in the TSR Swiss Life Holding for factor 1 and at least 50% performance (previously 40%) for the maximum factor. The maximum factor has in turn been increased from 1.5 or 150% to 2 or 200%.

47 members of the Swiss Life Group senior management, including members of the Corporate Executive Board, participated in the 2008 equity compensation plan. A total of 52 618 PSUs were allocated, 23 695 to the Corporate Executive Board, of which 5924 to Bruno Pfister as Group CEO. In 2009, 65 members of the Swiss Life Group senior management took part in the plan, in which a total of 53 216 PSUs were allocated; 22 200 to the Corporate Executive Board, of which 6500 to Bruno Pfister in his capacity as Group CEO. In the period under review, 69 members of the Swiss Life Group senior management participated in the 2010 equity compensation plan, which came into effect on 1 April 2010. A total of 68 510 PSUs were allocated; 24 700 to the Corporate Executive Board, of which 6500 to Group CEO, Bruno Pfister.

From 2011, participants in the equity compensation plan will be allocated Restricted Share Units (RSUs) instead of PSUs. As with PSUs, RSUs grant the holder future subscription rights, entitling them to receive Swiss Life Holding shares free of charge after a three-year period has elapsed, but without any additional performance leverage. The attribution of shares after the expiry of the three-year deferral period will be effected in future on a 1:1 basis (1 RSU = 1 share); the plan is therefore very simple and the process transparent throughout the whole term. The value of RSUs during the three-year term develops linear with the Swiss Life Holding share price and thus systematically corresponds with shareholder interests. The plan also provides for adjustment and reclaiming mechanisms (clawback).

COMPENSATION PAID TO ACTING MEMBERS OF GOVERNING BODIES – The following compensation in cash was received by acting members of the Board of Directors

and the Corporate Executive Board during the period under review:

In CHF

	2010	2009
Board of Directors	1 979 503	2 426 217
Corporate Executive Board	9 600 995 ¹	9 573 342 ²

¹ Incl. cash bonus of CHF 4 475 000 for the 2010 financial year, determined at the beginning of 2011.

² Incl. cash bonus of CHF 3 550 000 for the 2009 financial year, determined at the beginning of 2010.

Two members of the Board of Directors resigned in the 2009 financial year. Bruno Gehrig resigned from his position as Chairman of the Board of Directors of Swiss Life Holding after the General Meeting of Shareholders on 7 May 2009 due to his election to the Board of Directors of UBS AG in October 2008. After serving for six years, Pierfranco Riva stepped down from the Board of Directors at the 2009 General Meeting of Shareholders after reaching the statutory age limit. Two new members were appointed: Frank Schnewlin and Carsten Maschmeyer. Rolf Dörig ceded the position of Delegate of the Board of Directors with effect from 7 May 2009 to take over from Bruno Gehrig as Chairman of the Board of Directors.

There was one resignation from the Board of Directors in the period under review. After serving for seven years on the Swiss Life Board of Directors, Rudolf Kellenberger announced his resignation with effect from the General Meeting of Shareholders of 6 May 2010.

In the 2009 financial year, the composition of the Corporate Executive Board changed as follows: Reto Himmel, Group Chief Technology & Operations Officer (Group CTO), left the Corporate Executive Board with effect from 31 March 2009 due to the discontinuation of the Group CTO function. Thomas Buess joined the Board as of 1 August 2009 as Group Chief Financial Officer (Group CFO), replacing Thomas Müller who resigned from the Corporate Executive Board with effect from 30 June 2009.

There were no personnel changes on the Corporate Executive Board during the year under review.

Compensation remitted to members of the Board of Directors comprises the basic compensation, additional compensation in cash and possibly variable compensation in the form of blocked shares. The basic compensation, which is paid 80% in cash and 20% in blocked Swiss Life Holding shares, takes into account membership of the Board of Directors of Swiss Life Holding and its subsidiary Swiss Life Ltd as well as membership of the individual Board Committees. The additional compensation in cash is commensurate to the function and workload and is determined annually by the Board of Directors. If Swiss Life Group's business operations have proved successful, a further, variable compensation component of up to a maximum of 15% of the fixed compensation may be remitted in the form of blocked Swiss Life Holding shares; this is decided by the Board of Directors, taking into consideration the business results.

The acting members of the Board of Directors of Swiss Life Holding on the balance sheet date received the following compensation for the period under review:

	Compensation in cash in CHF	Shares with three-year blocking period		Total
		Part of basic compensation	Part of variable compensation for the 2010 financial year ¹	
Rolf Dörig	960 000	1 970	761	2 731
Gerold Bühler	254 000	297	184	481
Frank Schnewlin	174 000	297	134	431
Volker Bremkamp	126 000	198	96	294
Paul Embrechts	82 000	149	64	213
Carsten Maschmeyer	72 668	131	56	187
Henry Peter	82 000	149	64	213
Peter Quadri	82 000	149	64	213
Franziska Tschudi	92 668	169	72	241

¹ Allocated at the beginning of 2011 with value of 04.03.2011

Until leaving the Board of Directors at the General Meeting of Shareholders of 6 May 2010, Rudolf Kellenberger was paid compensation in cash to the amount of CHF 54 167 and, as part of the basic compensation, 110 shares, which were subject to a three-year blocking period.

As Chairman of the Board, Rolf Dörig is affiliated to the employee benefits institutions of Swiss Life for the purpose of occupational provisions. No such affiliation exists for other members of the Board of Directors and no contributions have been made on their behalf.

Compensation remitted to members of the Corporate Executive Board comprises the basic salary, a variable bonus in cash, other compensation (child allowances, allowance for years of service, company cars, premium contributions to 3rd pillar pension plans), as well as possible variable compensation in the form of shares. The members of the Corporate Executive Board also take part in a mid- to long-term equity compensation plan which, as mentioned above, entitles them to Swiss Life Holding shares after a period of three years has elapsed, provided that the relevant requirements have been satisfied at that point.

Salary is determined annually by the Board of Directors, on the basis of a proposal by the Nomination and Compensation Committee, taking into account the individual member's function-related responsibility.

The cash bonus is determined by the Board of Directors in accordance with the described compensation policy principles and based on the company result and the achievement of personal goals assessed in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS). The bonus is set at a maximum of 35% of total compensation ("bonus cap") and requires that all objectives have been considerably exceeded.

At Corporate Executive Board level, the amount of the bonus depends 60% directly on the company's success. As mentioned above, the following key figures are included in the Key Performance Indicators (KPIs) used to assess company success: The annual profit, costs, business volume, return on equity and solvency, as well as the profitability of in-force and new business and margin performance. The weighting of the individual KPIs is determined by the Board of Directors. 40% of the bonus is based on Corporate Executive Board members' achievement of specified

personal goals. On the one hand, these personal goals are linked back to the company's success, in that each Corporate Executive Board member has to meet personal quantitative objectives contributing to the company's success in relation to his division. On the other hand, the personal goals cover qualitative factors, namely project targets, risk management and compliance goals, as well as requirements relating to leadership and to supporting and further developing corporate culture.

COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES – None.

SHARE ALLOTMENT IN THE YEAR UNDER REVIEW – Some of the shares allotted to the members of the Board of Directors in the period under review form part of their

basic compensation, 80% of which was granted in cash and 20% in blocked Swiss Life Holding shares. The remaining shares were allotted at the beginning of 2011 as variable compensation amounting to 10% of the fixed compensation based on the good business results in the 2010 financial year. All shares are subject to a three-year blocking period.

No variable compensation in shares was granted to the members of the Corporate Executive Board for the 2010 financial year. As described, they are participating in the current equity compensation plan.

For the 2010 financial year, the members of the Board of Directors were allotted the following shares, subject to a three-year blocking period:

Board of Directors	5114 shares, allocated at values of CHF 95.464, CHF 110.242 and CHF 132.492 ¹ . The shares are subject to a three-year blocking period.
Corporate Executive Board	none

¹ Economic value equal to the tax value, taking the blocking period into account. The share prices (closing prices) on the days of allocation of 18.06.2010, 15.12.2010 and 04.03.2011 were CHF 113.70, CHF 131.30 and CHF 157.80 respectively.

No shares were allocated to closely linked parties² within the meaning of the law.

² "Closely linked parties" are natural persons and legal entities pursuant to Art. 678 of the Swiss Code of Obligations that have close personal, economic, legal or de facto ties with members of the governing body. This typically includes spouses, minor children, companies controlled by members of the governing body, and natural or legal persons serving the members of the governing body in a fiduciary capacity.

SHARE OWNERSHIP – On the balance sheet date of 31 December 2010, acting members of the Board of Directors and the Corporate Executive Board (including closely

linked parties) held the following number of Swiss Life Holding registered shares:

	SLH shares 31.12.2010
Rolf Dörig	35 247
Gerold Bühler	2 782
Frank Schneuwlin	485
Volker Breckamp	1 465
Paul Embrechts	1 094
Carsten Maschmeyer	1 620 861
Henry Peter	2 174
Peter Quadri	1 874
Franziska Tschudi	1 114
TOTAL BOARD OF DIRECTORS	1 667 096

	SLH shares 31.12.2010
Bruno Pfister	9 068
Ivo Furrer	0
Klaus G. Leyh	53
Charles Relecom	0
Thomas Buess	2 500
Patrick Frost	4 013
Manfred Behrens	698
TOTAL CORPORATE EXECUTIVE BOARD	16 332

The number of future subscription rights to Swiss Life Holding shares allocated in the context of the above-mentioned equity compensation plan to members of the Corporate Executive Board in the form of Performance Share Units (PSUs), the exercise of which depends on the fulfilment of specific performance criteria, is shown in table form in the Notes to the Swiss Life Holding Financial Statements.

HIGHEST TOTAL COMPENSATION, BOARD OF DIRECTORS – As Chairman of the Board of Directors, Rolf Dörig received the highest total compensation for a member of the Board of Directors of Swiss Life Holding in 2010.

The basic compensation of members of the Board of Directors is paid 80% in cash and 20% in blocked Swiss Life Holding shares. As a result of the good business results, variable compensation for the 2010 financial year was paid to members of the Board of Directors at the beginning of 2011 in the form of blocked shares amounting to 10% of the fixed compensation. No variable compensation components in shares had been allocated to members of the Board of Directors for the 2009 financial year.

The compensation granted to Rolf Dörig in the period under review in the form of cash, shares and contributions to occupational provisions was as follows:

In CHF

Compensation in cash	960 000	
Shares ¹	302 399	2731 SLH shares with three-year blocking period ¹
Share options	none	
Total compensation 2010		
in cash and shares	1 262 399	
including annual contribution to occupational provisions of CHF 195 656	1 458 054	
Total compensation 2009		
in cash and shares	1 238 690	
including annual contribution to occupational provisions of CHF 195 656	1 434 346	

¹ On the one hand as part of the basic compensation and, on the other, as variable compensation in blocked shares for the 2010 financial year allocated at the beginning of 2011. The allocation was effected on 18.06.2010, 15.12.2010 and 04.03.2011 at an economic value of CHF 95.454, CHF 110.242 and CHF 132.492, which is equal to the tax value, taking into account the blocking period of three years. The share prices on the days of allocation were CHF 113.70, CHF 131.30 and CHF 157.80 respectively.

HIGHEST TOTAL COMPENSATION, CORPORATE EXECUTIVE BOARD – As Group CEO, Bruno Pfister received the highest total compensation for a member of the Corporate Executive Board in the period under review.

The compensation granted in 2010 to Bruno Pfister in the form of cash, shares and contributions to occupational provisions was as follows:

In CHF

Compensation in cash ¹	2 485 435	
Shares	none	
Share options	none	
Total compensation 2010²		
in cash and shares	2 485 435	
including regular contribution to occupational provisions of CHF 234 220 ³	2 719 655	
Total compensation 2009⁴		
in cash and shares	2 178 553	
including annual contribution to occupational provisions of CHF 175 801	2 354 354	

¹ Including cash bonus of CHF 1 200 000 for the 2010 financial year, determined at the beginning of 2011, and other compensation in cash (child allowances, company car, premium contribution).

² Excluding the mathematical value of the PSUs allocated in 2010; incl. the mathematical value of CHF 974 870, total compensation amounted to CHF 3 694 525.

³ Annual contribution of CHF 185 230 and a supplementary payment of CHF 48 990 due to an increase in insured salary.

⁴ Excluding the mathematical value of the PSUs allocated in 2009; incl. the mathematical value of CHF 332 930, total compensation amounted to CHF 2 687 284.

In addition to compensation in the form of cash, shares and contributions to occupational provisions, Bruno Pfister was allocated 6500 future subscription rights in

the form of Performance Share Units (PSUs) as part of the three-year equity compensation plan. These entitle him to Swiss Life Holding shares as at 1 April 2013, provided that

the relevant requirements have been satisfied at that point (deferred compensation). Depending on how the two defined performance criteria develop, the number of PSUs can increase by a factor of 2 or drop to zero. On the allocation date of 1 April 2010, the fair value of one PSU was CHF 149.98.

Taking into consideration the mathematical value of the PSUs allocated in 2010, which came to CHF 974 870, Bruno Pfister's total compensation for 2010 amounted to CHF 3 694 525.

In 2009 Bruno Pfister was allocated 6500 future subscription rights in the form of Performance Share Units (PSUs). On the allocation date of 1 April 2009, the fair value of one PSU was CHF 51.22. Taking into consideration the mathematical value of the PSUs allocated in 2009, which came to CHF 332 930, Bruno Pfister's total compensation for 2009 amounted to CHF 2 687 284.

SHAREHOLDERS' PARTICIPATION RIGHTS

RESTRICTIONS ON VOTING RIGHTS – In exercising voting rights, no shareholder can collect more than 10% of the total share capital directly or indirectly in respect of his own shares and those he represents.

RIGHT OF REPRESENTATION – The Articles of Association stipulate that a shareholder may be represented by a legal representative, or, if a written power of attorney exists, by another shareholder entitled to vote, by a management representative, by an independent voting representative or by a representative of deposited shares.

REQUIRED MAJORITIES – In addition to the resolutions provided for by law, a qualified majority (corresponding to at least two thirds of the voting shares represented and an absolute majority of the share par value represented) is required in order to change provisions concerning restrictions on voting rights, dissolve the company (liquidation), dismiss more than one third of the members of the Board of Directors, or change these provisions of the Articles of Association.

CONVOCACTION OF THE GENERAL MEETING OF SHAREHOLDERS AND AGENDA

– The rules set out in the Articles of Association for convening a General Meeting of Shareholders and drawing up the agenda comply with the stipulations of the law. Shareholders who represent at least 0.25% of the share capital can submit a written request within a time limit published in advance by Swiss Life Holding for the inclusion on the agenda of an item for discussion, together with the relevant motions. The written application must be accompanied by a blocking certificate issued by a bank to confirm that the shares are deposited with it until after the General Meeting of Shareholders is held.

ENTRY IN THE SHARE REGISTER – Entries can be made in the share register up to the day before the General Meeting of Shareholders. In all cases, however, the company reserves the right to adhere to the legal maximum period of 20 days for recognition of entries in the share register in accordance with Art. 685g of the Swiss Code of Obligations.

VOTING SYSTEM AND PROCEDURES – Based on a corresponding authorisation in the Articles of Association, the presiding officer at Swiss Life Holding's General Meeting of Shareholders generally requests that votes be taken electronically.

CHANGES OF CONTROL AND DEFENCE MEASURES

DUTY TO MAKE AN OFFER – Swiss Life Holding's Articles of Association provide for neither an "opting up" nor an "opting out" clause within the meaning of Art. 32 and 22 of the Federal Act on Stock Exchanges and Securities Trading.

CLAUSES ON CHANGES OF CONTROL – No contractual provisions exist in favour of the Board of Directors or the Corporate Executive Board with regard to control of the company.

AUDITORS

PricewaterhouseCoopers (PwC) serves as external statutory auditor for all (prior year: 68%) Swiss Life Group companies that are directly or indirectly held by Swiss Life Holding under its scope of consolidation.

PwC confirms that it meets the legal requirements concerning professional qualification and independence.

DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR – The Articles of Association stipulate that the external auditor is to be elected by the General Meeting of Shareholders for one financial year at a time. When Swiss Life Holding was established in 2002, PwC was named as statutory auditor and Group auditor. Since then PwC has been re-elected without fail. PwC has also acted as statutory auditor and Group auditor for Swiss Life Ltd since 1994. The partner at PwC in charge of auditing the Swiss Life Holding annual financial statements and consolidated financial statements (lead auditor) has held that function since the 2004 financial year. In compliance with the term of office regulations stipulated by the Swiss Code of Obligations, the independency guidelines set forth by the Swiss Institute of Certified Accountants and Tax Consultants, and internal guidelines at PwC, it has appointed a new lead auditor who will take over responsibility for auditing the Swiss Life Holding annual financial statements and consolidated financial statements as of the 2011 financial year.

AUDITING FEES – In 2010 the auditing fees credited to PwC came to CHF 9.2 million (2009: CHF 7.8 million). This includes the fees for reviewing the 2010 half-year accounts.

ADDITIONAL FEES – In 2010 PwC received additional fees totalling around CHF 3.7 million for advisory services (2009: CHF 3.0 million), approximately CHF 1.6 million of which was for actuarial advisory services, CHF 1.7 million for fiscal and financial advisory services and CHF 0.3 million for strategic advisory services. The remainder resulted from legal and other advisory services. The advisory services were performed in compliance with the relevant independency regulations set forth in the Swiss Code of Obligations and the Audit Supervision Act.

SUPERVISORY AND CONTROL INSTRUMENTS VIS-À-VIS THE AUDITORS – The Audit Committee maintains regular contact with the external auditors. It evaluates the independence of the external auditors and identifies pos-

sible conflicts of interest. It also examines the terms and conditions of the external audit mandates and assesses the audit plan and strategy for the year in question.

The external auditors submit regular written reports on the status of the auditing work. They also submit detailed reports on the half-year and annual financial statements. At the end of the year, the external auditors draw up a comprehensive report for the attention of the General Meeting of Shareholders and a detailed report on the financial year just completed for the attention of the Audit Committee, the Board of Directors and the Swiss Financial Market Supervisory Authority FINMA.

INFORMATION POLICY

Swiss Life communicates actively and openly both within and outside the company. Key facts and figures about the Swiss Life Group can be accessed at www.swisslife.com. Furthermore, all interested parties can subscribe to the company's mailing list so as to receive timely ad hoc reports and media releases free of charge via the e-mail distribution system.

In addition to its comprehensive Annual Report and Financial Statements, Swiss Life Holding also publishes its half-year results. Furthermore, in May and November of each year, it publishes specific details on the previous quarter. All Swiss Life's annual and half-year reports since 1997 can be accessed on the website, "Shareholders & Analysts" area, "Archive Reports" section (www.swisslife.com/en/annualreports). A report detailing the key facts and figures on business operations is sent out on an annual basis to all the shareholders listed in the share register. For the last seven years, the company has been holding an annual Investor's Day; the most recent was held on 24 November 2010.

Contact details are available at the end of the Business Review Section.

The full corporate governance report is provided in the Financial Statements (accessible at www.swisslife.com/report).

Extract from the Financial Statements

Key elements of the Consolidated Financial Statements are presented on the following pages. The full Consolidated Financial Statements are included in the separate Financial Statements (www.swisslife.com/report).

Consolidated Statement of Income

In CHF million

	2010	2009
CONTINUING OPERATIONS		
INCOME		
Premiums earned on insurance contracts	11 456	11 987
Premiums earned on investment contracts with discretionary participation	523	118
Premiums ceded to reinsurers	-226	-238
Net earned premiums	11 753	11 867
Policy fees earned on insurance contracts	41	56
Policy fees earned on investment and unit-linked contracts	257	212
Net earned policy fees	298	268
Commission income	922	934
Investment income	4 242	4 207
Net gains/losses on financial assets	-4 430	-118
Net gains/losses on financial instruments at fair value through profit or loss	4 250	315
Net gains/losses on investment property	306	184
Other income	503	159
TOTAL INCOME	17 844	17 816
EXPENSES		
Benefits and claims under insurance contracts	-12 289	-11 858
Benefits and claims under investment contracts with discretionary participation	-543	-129
Benefits and claims recovered from reinsurers	128	103
Net insurance benefits and claims	-12 704	-11 884
Policyholder participation	-1 073	-1 539
Interest expense	-311	-353
Commission expense	-1 008	-1 008
Employee benefits expense	-846	-1 049
Depreciation and amortisation expense	-594	-633
Impairment of property and equipment and intangible assets	-5	-24
Other expenses	-609	-764
TOTAL EXPENSES	-17 150	-17 254
PROFIT FROM OPERATIONS	694	562
Borrowing costs	-104	-141
Share of results of associates	6	6
PROFIT BEFORE INCOME TAX	596	427
Income tax expense	-36	-103
NET PROFIT FROM CONTINUING OPERATIONS	560	324
DISCONTINUED OPERATIONS		
NET RESULT FROM DISCONTINUED OPERATIONS	-	-47
NET PROFIT	560	277
Net profit attributable to		
equity holders of Swiss Life Holding	557	278
non-controlling interests	3	-1
NET PROFIT	560	277
Earnings per share from continuing operations attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	17.46	10.36
Diluted earnings per share (in CHF)	17.37	10.33
Earnings per share attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	17.46	8.86
Diluted earnings per share (in CHF)	17.37	8.83

Consolidated Balance Sheet

In CHF million

	31.12.2010	31.12.2009
ASSETS		
Cash and cash equivalents	6 940	8 683
Derivatives	2 965	790
Assets held for sale	94	2
Financial assets at fair value through profit or loss	23 395	21 997
Financial assets available for sale	57 950	51 855
Loans and receivables	29 713	34 125
Financial assets held to maturity	5 229	6 432
Financial assets pledged as collateral	1 060	330
Investment property	14 142	13 292
Investments in associates	63	71
Reinsurance assets	365	412
Property and equipment	569	696
Intangible assets including intangible insurance assets	3 982	4 576
Current income tax assets	10	26
Deferred income tax assets	150	80
Other assets	576	581
TOTAL ASSETS	147 203	143 948

Consolidated Balance Sheet

In CHF million

	31.12.2010	31.12.2009
LIABILITIES AND EQUITY		
LIABILITIES		
Derivatives	498	282
Financial liabilities at fair value through profit or loss	17 571	16 001
Investment contracts	11 279	12 089
Borrowings	2 142	2 731
Other financial liabilities	10 920	6 385
Insurance liabilities	90 305	92 317
Policyholder participation liabilities	3 436	3 109
Employee benefit liabilities	2 049	2 121
Current income tax liabilities	295	286
Deferred income tax liabilities	821	756
Provisions	131	201
Other liabilities	319	425
TOTAL LIABILITIES	139 766	136 703
EQUITY		
Share capital	308	385
Share premium	1 646	1 697
Treasury shares	-18	-25
Foreign currency translation differences	-762	-216
Gains/losses recognised directly in equity	209	-41
Retained earnings	6 021	5 408
TOTAL SHAREHOLDERS' EQUITY	7 404	7 208
Non-controlling interests	33	37
TOTAL EQUITY	7 437	7 245
TOTAL LIABILITIES AND EQUITY	147 203	143 948

Consolidated Statement of Changes in Equity for the Year 2010

In CHF million									
	Share capital	Share premium	Treasury shares	Foreign currency translation differences	Gains/losses recognised directly in equity	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January	385	1 697	-25	-216	-41	5 408	7 208	37	7 245
Total net comprehensive income	-	-	-	-546	250	557	261	-4	257
Reduction in par value	-77	0	-	-	-	-	-77	-	-77
Convertible debt, reclassification of equity component at maturity	-	-56	-	-	-	56	-	-	-
Equity-settled share-based payments	-	3	-	-	-	-	3	-	3
Purchases of treasury shares	-	-	-1	-	-	-	-1	-	-1
Sales of treasury shares	-	2	8	-	-	-	10	-	10
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	0	0
Dividends	-	-	-	-	-	-	-	0	0
BALANCE AS AT END OF PERIOD	308	1 646	-18	-762	209	6 021	7 404	33	7 437

Consolidated Statement of Changes in Equity for the Year 2009

In CHF million									
	Share capital	Share premium	Treasury shares	Foreign currency translation differences	Gains/losses recognised directly in equity	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January	596	2 690	-1 167	-195	-445	5 130	6 609	43	6 652
Total net comprehensive income	-	-	-	-21	404	278	661	2	663
Reduction in par value	-160	1	-	-	-	-	-159	-	-159
Equity-settled share-based payments	-	1	-	-	-	-	1	0	1
Purchases of treasury shares	-	-	-127	-	-	-	-127	-	-127
Sales of treasury shares	-	-360	583	-	-	-	223	-	223
Cancellation of treasury shares	-51	-635	686	-	-	-	-	-	-
Disposals of subsidiaries	-	-	-	-	-	-	-	0	0
Acquisitions of subsidiaries	-	-	-	-	-	-	-	1	1
Purchases of non-controlling interests	-	-	-	-	-	-	-	-9	-9
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	0	0
Dividends	-	-	-	-	-	-	-	0	0
BALANCE AS AT END OF PERIOD	385	1 697	-25	-216	-41	5 408	7 208	37	7 245

Share Performance and Historical Comparison

In 2010 the equity markets were deeply impacted by the debt crisis in certain European countries and were subject to a high degree of volatility. This affected interest rates in Switzerland and Germany, and in turn exerted a marked influence on the Swiss Life share price, which fell in line with interest rates to an annual low in mid-August. By year-end 2010, the share price had made a pronounced recovery, resulting in an increase of 2.4% for the year as a whole. At the Annual General Meeting in May, the shareholders approved a distribution of profit of CHF 2.40 per share. For the 2010 financial year, the Board of Directors proposes a dividend of CHF 4.50 per share in the form of a repayment of par value.

SWISS LIFE SHARE DETAILS

Swiss security number	1 485 278
ISIN	CH 001 485 278 1
Ticker symbol SIX	SLHN
Reuters	SLHN.VX
Bloomberg	SLHN VX

SHARE PERFORMANCE

Amounts in CHF

	as at	2010	as at	2009
Number of shares	31.12.	32 081 054	31.12.	32 081 054
Annual high	11.01.	152.70	16.10.	140.20
Annual low	16.08.	100.30	17.02.	43.00
Year-end price	30.12.	135.20	30.12.	132.00
Performance Swiss Life (in %)		+2		+82
Swiss Market Index (SMI)	30.12.	6 436	30.12.	6 546
Performance Swiss Market Index (SMI) (in %)		-2		+18
Dow Jones STOXX 600 Insurance Index (in EUR)	31.12.	154.45	31.12.	152.08
Performance Dow Jones STOXX 600 Insurance Index (in %)		+2		+13
Average trading volume		220 061		264 910
Market capitalisation (in CHF million)	30.12.	4 337	30.12.	4 235
Basic earnings per share		17.46		8.86
Diluted earnings per share		17.37		8.83
Dividend paid per share	29.07.	2.40	27.07.	5.00
Total dividend payout to shareholders (in CHF million)	29.07.	77	27.07.	160
Dividend yield on year-end price (in %)	30.12.	1.78	30.12.	3.79

Source: Bloomberg

BREAKDOWN OF REGISTERED SHARES WITH VOTING RIGHTS AS AT 31.12.2010

Number of shares	Number of shareholders	As % of registered shareholders
1 – 25	156 252	82.84
26 – 100	21 683	11.50
101 – 1 000	9 822	5.21
> 1 000	846	0.45
TOTAL	188 603	100.00

STANDARD & POOR'S FINANCIAL STRENGTH RATINGS AS AT 31.12.2010

	Classification	Outlook
Swiss Life Ltd, Zurich	BBB+	stable
Swiss Life Ltd, Branch Germany, Munich	BBB+	stable

SWISS LIFE GROUP HISTORICAL COMPARISON

In CHF million (if not stated otherwise)

	2010	2009	2008	2007	2006
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	20 191	20 219	18 515	21 213	19 421
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	11 753	11 867	13 254	13 316	12 283
Net earned policy fees	298	268	260	389	390
Financial result (without share of results of associates)	4 368	4 588	600	4 923	5 364
TOTAL INCOME	17 844	17 816	15 356	18 971	18 219
Net insurance benefits and claims	-12 704	-11 884	-12 915	-13 268	-12 012
Policyholder participation	-1 073	-1 539	429	-1 746	-2 143
Operating expense	-3 062	-3 478	-3 319	-2 489	-2 432
TOTAL EXPENSE	-17 150	-17 254	-16 198	-17 958	-17 309
RESULT FROM OPERATIONS	694	562	-842	1 013	910
Net result from continuing operations	560	324	-1 143	726	576
Net result from discontinued operations	-	-47	1 488	642 ¹	378
NET PROFIT	560	277	345	1 368	954
Net profit attributable to					
Equity holders of Swiss Life Holding	557	278	350	1 345	933
Non-controlling interests	3	-1	-5	23	21
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	7 437	7 245	6 652	7 334	7 851
Insurance reserves	122 279	122 616	113 308	121 829	153 800
Balance sheet total	147 203	143 948	134 791	179 757	186 950
FURTHER KEY FIGURES					
Return on equity (in %)	7.6	4.0	5.0	18.1	12.2
Assets under control	149 899	148 186	134 326	138 946	214 041
Year-end embedded value ²	7 595	6 877	8 457	12 837	10 665
Value of new business ²	209	123	78	118	121
Number of employees (full-time equivalents)	7 483	7 820	8 291	8 556	8 693

¹ Including reserve release of CHF 304 million due to change in Dutch law.² Up to 2008, traditional embedded value methodology used; from 2009, market consistent embedded value methodology applied.

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ANNUAL REPORT 2010The **Business Review** is published in German, English and French.

The English text is definitive for the extract from the Financial Statements.

The **Financial Statements** are available in German and English, and contain additional information on risk management, market consistent embedded value (in English only), corporate governance and the annual accounts.

The English text is definitive for the Consolidated Financial Statements.

The Business Review and the Financial Statements for 2010 can be found at:

www.swisslife.com/report

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IMPORTANT DATES

INTERIM STATEMENT Q1 2011

3 May 2011

ANNUAL GENERAL MEETING 2011

5 May 2011, Hallenstadion Zurich

HALF-YEAR RESULTS 2011

17 August 2011

INTERIM STATEMENT Q3 2011

15 November 2011



SwissLife
The future starts here.