**Annual General Meeting of Swiss Life Holding Ltd**

**Zurich, 6 May 2010**

**Bruno Pfister**

**Group CEO**

(The German spoken text is definitive)

Dear Shareholders, Ladies and Gentlemen, on behalf of the Corporate Executive Board I'd like to welcome you here today to Swiss Life Holding Ltd's Annual General Meeting.

Generally speaking, 2009 was a challenging year. Not just for Swiss Life, but for the whole financial industry as a whole. In the last two years, the industry has had to deal with an unprecedented number of wide-ranging issues and also faced an unprecedented level of debate at many different levels. And it looks as if this trend is set to continue.

In my speech I will discuss the key figures for 2009 and the major advancements made by the Swiss Life Group in the 2009 financial year. I would also like to touch on a few issues in our daily business which are of great importance to Swiss Life.

2009 was a good year for Swiss Life in many respects: We have made significant progress in terms of our strategy, our planning and our initiatives. A lot of this is due to MILESTONE, the Group-wide revitalisation programme we launched last August to sustainably improve the Group's competitiveness. We have already achieved this in 2009 in the first stage, mainly as a result of the hard work of our employees who, once again, proved their engagement to the company. For this they deserve our greatest respect and our thanks!

Now for the figures:
The annual result from continuing operations increased from a loss of 1.1 billion francs in 2008 to a profit of 324 million francs last year. This is encouraging and a clear sign that we are on the right path.

Adjusted for currency effects, gross written premiums grew by 12%, having gathered momentum in the second half of the year. This trend continued in the first quarter of 2010 where premiums grew 24% on a currency adjusted basis compared to the prior-year level. In 2009 Swiss Life outperformed the market in Germany. In France we returned to the path of accelerated growth last year. And in our international business, we doubled the 2008 premium volume to around

5 billion francs. We are also very pleased with the development in the value of new business.

We increased our investment result from 0.3% to 3.9%. Our Investment Management unit put in a strong performance in 2009; especially when you consider the cautious risk profile we adopted for the whole of last year.

Group solvency increased from 158% in 2008 to 164%, proving that we have emerged from the financial crisis in good shape.

We also managed to reduce the operating expenses (adjusted) by 10%. Our revitalisation programme has thus reached its first milestone. And has revealed the Group's high level of discipline in terms of execution.

Our efforts to shift new business to modern life and pension solutions and risk products is also progressing well with the share increasing from 54% to 64%. AWD, which primarily sells modern insurance products, contributed greatly here. Our partnership enabled us to significantly increase the share of Swiss Life products sold through AWD. What’s more, AWD has returned an operating profit again since mid 2009.

As positive and encouraging as all these developments are, we must remain pragmatic in our evaluation. After all, one of the key requirements in driving the company forward and achieving reasonable and sustainable profitability is to square up to the facts. Not everything is yet the way we'd like it. We still have a long way to go before we reach the targets set for 2012. My management team and I are focusing on three areas where we have identified scope for improvement.

- Firstly, our new business margin of 0.9% is disappointing, which is why margin management is one of our key priorities now and in the years ahead.

- Secondly, AWD posted a loss of 41 million euros in terms of its EBIT, which was below our expectations, and was mainly due to restructuring expenses and one-time expenses.

- Thirdly and lastly, we are clearly unable to cover our costs of holding capital with our return on equity of 4%.

Our Group-wide programme MILESTONE tackles all these challenges. I'm sure that I'll have some good news to report on these issues next year. But, as I said before, despite all this, the positives have clearly outweighed the negatives as far as our 2009 annual financial statements are concerned.

Now I’d like to inform you, dear Shareholders, of a few matters in our day-to-day business of great importance to Swiss Life in the medium and long term.

I’ll start with AWD. At our Investors’ Day in December we reported on the current situation at AWD and I’m pleased to confirm further key advances today.

AWD posted a loss on the back of unavoidable restructuring expenses and one-time costs. Last year we worked intensively on strengthening the AWD organisation and on significantly reducing its costs. Without these extraordinary impacts, the company would have generated an EBIT of 12.6 million euros. AWD has been returning an operating profit again since mid 2009. The restructuring activities we implemented will lead to increased revenues and profits. We are confident that we will attain our EBIT profit targets for AWD for the current year, which, as you know, are in the range of 40 to 50 million euros. In the first quarter of 2010, AWD achieved an EBIT of 9.8 million euros and is thus on track.

The number of AWD advisors again rose slightly in the first three months of this year – which clearly indicates AWD's market clout. Another positive factor is that even in 2009, which was a year of transition and a year in which the financial market and economic crisis was still ongoing, the number of advisor consultations increased. We are thus close to the market and, thanks to our client proximity, can benefit from an upswing.

Although we have had to put some of our plans for AWD on hold because of the financial crisis, the company remains strategically important to the Group going forward.

I'm proud that AWD is part of the Swiss Life Group: AWD strengthens our distribution capabilities in Germany and Switzerland and enables us to tap into new segments in the private client business and in Eastern European markets. Through AWD we can acquire more market knowledge, especially about products, and AWD assists us in our shift to modern life and pensions products, since these are the main types of insurance AWD sells. And, finally, we shouldn't forget that AWD contributes additional profit to the Swiss Life Group in terms of commission income, and thus supports our strategy of generating more commission and fee-based income and becoming less dependent on the interest margin on the balance sheet. AWD's business model is impressive and expanding all the time, because financial planning for private clients is gaining in importance, especially in view of the large, and growing, pension gaps experienced by a broad section of the population.

A second topic which has come under the spotlight in recent times is the global business with high net worth individuals. This is one of Swiss Life’s growth drivers. Today, we are seeing the payoff from five years of solidly building up the business. In 2009 we doubled our premium volume here to around five billion francs. Last year this business segment produced new business to the amount of 48 million francs – in other words more than one third the value of new business within the Swiss Life Group as a whole. To date, we have built up over 15 billion francs in technical reserves, which is well over 10% of all our insurance reserves. These impressive figures indicate that this business is very important to us.

At the moment this field is facing great scrutiny from the media and the supervisory authorities; partly due to the success of this innovative product range for global clients, and partly in relation to tax evasion – a topic which concerns the whole Swiss financial centre.

Let me make one thing clear: We follow a strict procedure when concluding new business with high net worth individuals. If clients indicate that they want to invest untaxed money with us, no transaction takes place. All our processes and products are designed to offer legal pension solutions which become fully effective if the deposited assets are also taxed. When signing the insurance application, our clients confirm that the money paid into the policy has been declared for tax purposes and that they will meet all the policy-related tax obligations vis-à-vis the authorities. This enables us to minimise any legal or reputational risks. However, we also take the view that the responsibility for fiscal honesty rests with the client and that financial institutions should not have to act as the extended arm of the tax authorities. It is important not to blur the clear delineation of tasks between private sector financial services providers and the state with its sovereign rights and means in relation to the protection of the market participants' private sphere and personal responsibility.

A third topic of relevance to the whole insurance industry is the Swiss Solvency Test or SST. This is a solvency valuation system which will become mandatory on 1 January 2011 for all insurance companies in Switzerland.

Why, you may ask, do we need this new solvency valuation method? Following the dotcom crisis and the resultant collapse in equity markets in 2002, the shortcomings of the traditional Solvency I method were glaringly obvious. Solvency I only looks at the ratio of equity to insurance obligations without taking into account investments and the interplay of the asset and liability sides of the balance sheet. In future the SST will alleviate these shortcomings. The EU is also implementing a similar system which they call Solvency 2.

We fully support this move to enforce a modern, comprehensive risk-based solvency valuation method, which also improves system security. And our calculations show that Swiss Life is in the green under the SST system.

However, some aspects of the test are controversial. For instance, we think it's unfortunate that, unlike in the EU where Solvency 2 will fully replace Solvency 1, in Switzerland both systems will run in parallel although they can give rise to contrary control signals, depending on events on the capital markets, (e.g. rising interest rates), and result in opposite developments in solvency ratios.

Another unfortunate aspect is the procedure for evaluating the real estate portfolio. Swiss Life is a key player in the Swiss real estate market. For decades, we have successfully built up and expanded a top-quality portfolio geared to long-term returns. It makes absolutely no sense to us that, under the new solvency system, this investment class – which is also of key importance in terms of providing secure pensions – would be handled in the same way as equities and would therefore impact negatively on the solvency calculations. Our real estate portfolio is impressive. The value of Swiss Life real estate in Switzerland comes to around 11 billion francs which corresponds to around 1.5% the investment properties and almost 7% of the commercial real estate held nationwide.

The number of people who live and work in Swiss Life properties is equivalent to around the population of the city of St. Gallen, in other words, roughly 70 000 people. Our portfolio mainly comprises residential properties in large and medium-sized cities and their suburbs, as well as commercial properties with shops and offices in prime locations in key economic hubs.

The real estate market provides Swiss Life with a good investment alternative overall. We can diversify the investment portfolio, and performance is not generally impacted by stock exchange fluctuations. And we believe that our real estate harbours great potential for growth in real terms. Thanks to over 140 years' experience in real estate, we know that this investment class offers attractive long-term income and yet relatively little volatility as regards returns.

We're convinced that, in terms of their concept, properties are a combination of interest-bearing bonds and equity-like investments – especially when you consider that stable and planned net income from residential properties is used to pay obligations and should, therefore, be included in the SST. With residential properties, it's possible to plan over a whole cycle between two renovations of a property. The same goes for commercial properties, since they are usually concluded for several years through fixed rental contracts.

Why, you may ask, am I telling you all this? I'm highlighting this point because if the currently proposed SST treatment of real estate were to go ahead exactly as planned, it would become hugely expensive to hold properties in an insurance portfolio. And one of the direct consequences of this could be that insurers would find real estate less attractive to invest in and decide to reduce their real estate holdings. Given the size of the insurance industry's holdings, this may potentially have a negative knock-on effect on the property market in Switzerland. Consequently, we are lobbying to ensure that the SST will not be implemented in this form.

This now brings me to one final, and very significant point, both for Swiss Life and for me personally. Following the appointment of our new Group Chief Risk Officer who is assuming his post on the 1st of June of this year, our management team is again complete. Over the last eighteen months we have strengthened our management team, especially in relation to the 100 or so key positions within the company. We have achieved this through a combination of new hires and internal transfers. I’m confident that this team and all our staff will work with great determination and discipline to translate the Group’s ambitions into reality in the years ahead. Because you and I know that, ultimately, success doesn’t come down to technology, planning and initiatives, but to people – namely, all our employees who work with great engagement and conviction, day in and day out, to deliver exceptional performances. I’m proud to lead such a strong team.

Now that our key positions have been filled, I can confirm our goals for 2012, as announced at our Investors' Day last December:

- We are seeking to increase the margin of new business from 0.9 to 2.2%.
- We want to generate 70% of our new business with modern life and pensions solutions and risk products.
- We are seeking to increase the share of our products distributed through AWD to 20 to 25% in the relevant product categories.
- We want to cut our costs by 350 to 400 million francs.
- We are targeting a return of equity of 10 to 12% and a dividend payout ratio of 20 to 40%.

Dear Shareholders, Ladies and Gentlemen, I’d like to finish off now by giving you a brief outlook for 2010.

The Swiss Life Group got off to a good start in 2010. One of our key goals for the next two to three years is disciplined execution of our MILESTONE programme. Our ambitions are very challenging.

We are gearing all our business units towards profitable growth. Even though, compared to the same period last year, the Group achieved first quarter premium growth of 24% on a currency adjusted basis, we are remaining true to our principle of putting profitability before growth. Especially in Switzerland, where we have maintained our strong market position.

Building on its positive turnaround in the second half of 2009, AWD was again in the black, posting a quarter 1 profit of 9.8 million euros. Its restructuring activities are paying off and all key issues are going to plan.

Dear Shareholders, Ladies and Gentlemen, I’m sure that, with our excellent workforce, our sound financial strength and our strong brand, we’ll succeed in making key advancements again in this financial year. We still have many opportunities and a lot of work ahead of us. I’m looking forward to tackling these issues together with my teams.

Thanks for your support and for your attention.