



SwissLife



Annual Report 2009

Business Review Section

Expertise, proximity, openness, clarity and engagement are the values we stand for. Values which underpin our perception of ourselves as an independent Swiss company and which lay the foundations for a trustworthy and forward-looking life insurance company.

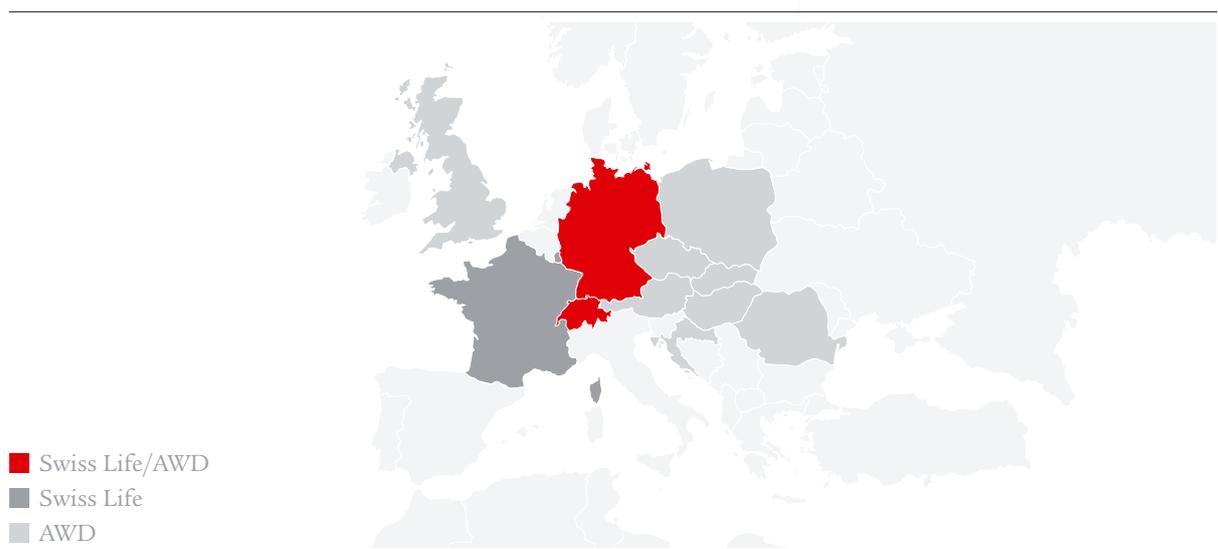
Building on these foundations, our life and pensions solutions provide security and offer our clients scope for self-fulfilment, innovation and entrepreneurship. This year the spotlight falls on our clients and their insurance advisors as they talk about how Swiss Life provides independence and security. After all, values are not just words, they are an integral part of real life.

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

Course of business – The Group generated a net profit from continuing operations of CHF 324 million – an improvement of CHF 1.5 billion compared to the previous year. The net profit amounted to CHF 277 million (2008: CHF 345 million) and profit from operations came to CHF 562 million (2008: CHF –842 million). Return on equity was 4% (2008: 5%) while gross premium income rose by CHF 1.7 billion from the previous year's level to around CHF 20.2 billion.

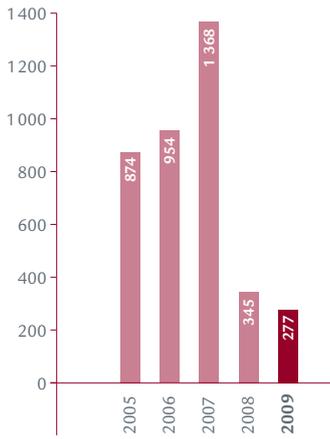
Markets – Swiss Life is a leading life and pensions provider in Switzerland with a market share of around 27%. It is one of the top 10 European life insurance providers, with 2% of the market. In the area of international insurance solutions for high net worth individuals, Swiss Life was able to further reinforce its strong position.

Employees – Swiss Life employs a workforce of 8200 worldwide, with around 7800 full-time equivalents.



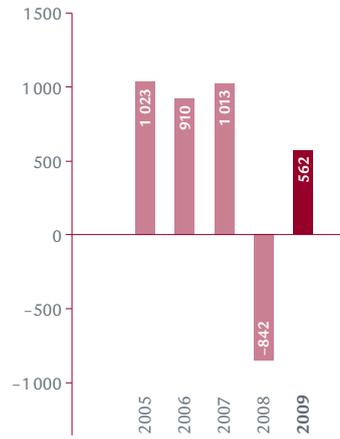
Net profit

In CHF million



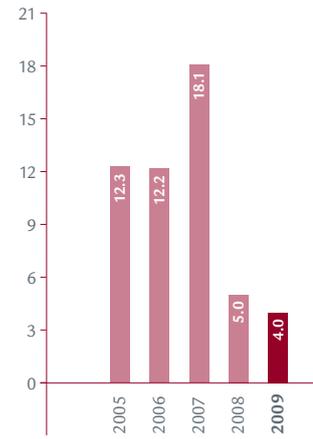
Result from operations

In CHF million



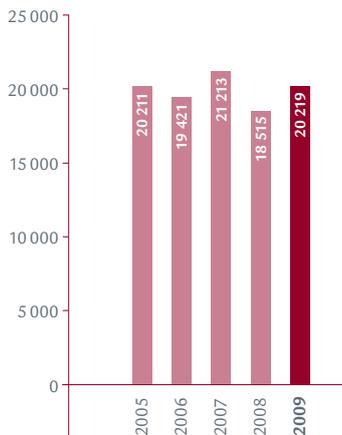
Return on equity

In %



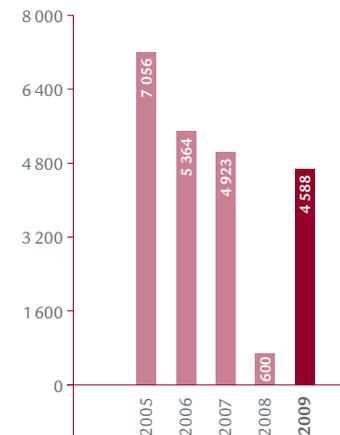
Gross written premiums, policy fees and deposits received

In CHF million



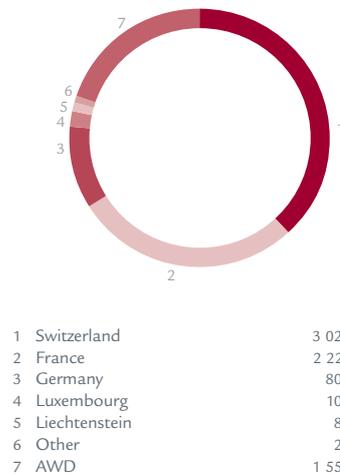
Financial result

In CHF million



Swiss Life employees by country and AWD

Total 7820 full-time equivalents as at 31.12.2009



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Dear Shareholders

2009 proved an eventful and challenging year for the global economy. With notable upward trends, the financial markets began to show signs of recovery from the financial crisis. Investor and consumer trust is also starting slowly to return. Yet, it would be a mistake to think we can just go back to business as usual. The financial market crisis has raised some fundamental global questions for which there are no simple answers. It has left its mark – on politics and

citizens to take action. Ensuring our financial security is becoming the personal responsibility of each and every one of us. Life insurance, with its secure and flexible pensions solutions, will therefore gain in importance.

Swiss Life has emerged from the financial market crisis in good shape overall – thanks to our excellent net worth, our financial stability, our close and diverse client rela-



Rolf Dörig

“The Group has emerged from the financial crisis in good shape – thanks to our excellent net worth, our financial stability, our close and diverse client relationships, and also the engagement of our workforce.”

on the economy – but also on our everyday lives. It is to be expected that, after the turbulence of recent years, calls for dramatic change are increasingly being heard. It is also perfectly understandable that the general public has become more mistrustful of the business world. But we must keep a sense of proportion and not jeopardise the achievements of a dynamic free market economy with over-regulation or allow fear and risk aversion to threaten economic and technological progress.

As a provider of life and pensions solutions for private individuals and companies, Swiss Life contributes to the stability of pension systems in the markets in which it operates. Our core business for over 150 years of creating a financially secure future for our clients is one of the central themes guiding our society. Demographic trends and the limits on state pensions are forcing governments and their

relationships, and also the engagement of our workforce. The strategic cornerstones we set have proven themselves. We improved our operating results significantly in 2009 vis-à-vis 2008. Net profit from continuing operations stood at CHF 324 million, compared to a loss of CHF 1.1 billion the previous year. Premium volume grew by 9% to CHF 20.2 billion. The Board of Directors proposes that the Annual General Meeting of Shareholders approve a distribution of profit of CH 2.40 per share (previous year: CHF 5).

In Switzerland, we have succeeded in maintaining our strong position as the leading life and pensions provider. In France, Swiss Life is participating in a growth market which offers good opportunities for further development and, in Germany, we recorded stronger growth than the competition due to our excellent market position. Our

international business with high net worth individuals played a substantial role in boosting premium volume, helping us to increase our share of new business generated with modern products, and thus reduce our dependence on the financial results. Following its restructuring

Already in 2009, our employees have succeeded in substantially improving the company's economic potential. This deserves recognition. We would like to extend our thanks to all our employees for their hard work and dedication. Rest assured that we, on the Board of Directors

“Swiss Life set the course for profitable growth in 2009. We are not interested in maximising profit in the short term. Our goal is to improve competitiveness and boost profitability on a sustainable basis.”



Bruno Pfister

and reorganisation activities, AWD is now well equipped to exploit opportunities in financial advisory services for private clients.

and the Corporate Executive Board, are committed to ensuring that, in the interests of our clients, investors and employees, Swiss Life reinforces its position as a key player in the international life and pensions market going forward.

Swiss Life set the course for profitable growth in 2009. We are not interested in maximising profit in the short term. Our goal is to improve competitiveness and boost profitability on a sustainable basis. We, in the management team, thus launched the MILESTONE programme throughout the Group in 2009. This initiative will bring substantial changes to key areas of the value chain by 2012. Firstly, we are improving value to customers and boosting product profitability. Secondly, we are strengthening our distribution power – in terms of both the quality of advice and the expansion of channels. Thirdly, we are improving our operational efficiency and reducing costs. Fourthly, we are further strengthening our balance sheet and our capital base. And, finally, our fifth goal centres on the disciplined execution of our measures.

Rolf Dörig

Chairman of the Board of Directors

Bruno Pfister

Group CEO

“We still have many opportunities and a lot of work ahead of us”

Over the last year, Bruno Pfister, Group CEO, and his management team have successfully set the course for profitable growth. Swiss Life improved its operational results significantly in 2009, generating premium growth of 9%. With its MILESTONE programme, the management team has equipped the company to realise its ambitions, even in persistently challenging market conditions.



“The first half of 2009 still proved extremely difficult for the global economy and, in particular, the financial industry. I’m proud that we, as a company, have overcome this crisis without needing support from the government or from the capital market.”

What did 2009 signify for Swiss Life? Swiss Life can look back on a good financial year in many respects. Our Group made significant improvements at operational level compared to the previous year, generating profit from continuing operations of CHF 562 million, which is a jump of CHF 1.4 billion. Our Investment Management division contributed strongly to this, putting in an excellent performance to achieve 3.9%, yet without increasing Swiss Life’s risk appetite. At the same time, we were able to boost our equity, increasing solvency by six percentage points to 164%. In addition, Swiss Life has already made great progress in curbing costs with its revitalisation programme MILESTONE, which was introduced Group-wide in August 2009. Strict cost management measures and progress in product development have already produced pleasing results

Didn’t the financial crisis rock Swiss Life? We have emerged from the financial market crisis in good shape, which, in itself, is an achievement. The first half of 2009 still proved extremely difficult for the global economy, and, in particular, the financial industry. I’m proud that we, as a company, have overcome this crisis without needing support from the government or from the capital market. But we still have a lot of work ahead of us; the crisis did put some strain on Swiss Life.

How exactly? The crisis forced us to take a good, hard look at our business. We failed to earn our cost of holding capital in recent years. We sold too many products with too moderate or inadequate margins and our costs remained too high. In addition, we did not exploit the full potential offered by AWD. We have since taken action. We are now tackling these issues so as to strengthen our position in the long term and to exploit our opportunities in the European life and pensions market.

How do you intend to tackle these challenges? The MILESTONE programme, which we implemented across the Group last August, will significantly strengthen Swiss Life in all key areas of its value chain. It has five main thrusts: Firstly, we want to enhance our customer value and

“As soon as demand for personal financial advice picks up again, we will get back on the road to success with a leaner and more dynamic AWD Group. Already AWD posted a positive operational result in the third quarter and the trend reversal continued into the fourth quarter.”

improve our focus on modern life and pensions products with variable guarantees and risk products to boost our profitability. Secondly, we are stepping up our distribution activities, in particular third-party distribution channels and AWD. In the third thrust we are continuing to work ambitiously at improving our efficiency. Optimising costs is still an ongoing priority. Fourthly, we are strengthening our balance sheet by optimising our in-force business and our use of risk capital. Thanks to MILESTONE, we paved the way for profitable growth in 2009, which is why the fifth thrust is vital: The long-term success of the programme depends on the disciplined and ambitious execution of all initiatives. This is the only way we can justify the confidence of our clients and the financial market.

Criticism rained down on AWD and thus on Swiss Life in 2009. What went wrong? There are many reasons. On the one hand, the financial market crisis thwarted our plans for AWD. But we didn't just sit back and do nothing. AWD used 2009 to simplify its organisational structures and to reorganise the business, which greatly reduced its cost base. In addition, we had to change AWD's brand promise following a court judgement in relation to investments. The fact that our market presence was not affected by this change is testament to AWD's strong reputation and the day-to-day performance of its teams in the market. I am thus confident that as soon as demand for personal financial advice picks up again, we will get back on the road to success with a leaner and more dynamic AWD Group. Already AWD posted a positive operational result



in the third quarter and the trend reversal continued into the fourth quarter.

What makes you so optimistic about AWD? AWD plays a key role in the implementation of Swiss Life's strategy. By acquiring AWD, we significantly strengthened our distribution capacity in the core markets of Germany and Switzerland. Our figures for 2009 show that we have doubled the volume of new business distributed through this channel. Furthermore, AWD provides us with access to Austria and Eastern Europe. After its reorganisation, AWD will quickly become an important additional source of earnings. AWD's commission-based income supports our new focus away from the interest business to commission income and risk premiums.

By 2012 Swiss Life aims to generate 70% of its new business through life and pensions products with variable guarantees and risk products. Why this shift?

Until now we have been strongly dependent on the net financial result of traditional life insurance business. This dependence is a huge handicap when faced with situations such as a financial crisis. Traditional business strains the balance sheet and ties up a lot of equity. This is why we want to generate more commission income in future. This shift diversifies our sources of revenue, stabilises our profits and reduces dependence on the volatile financial market.

What kind of economic environment do you expect for Swiss Life in 2010? Although I'm an optimist by nature, I expect the general economic climate to remain unsettled in 2010. We at Swiss Life are also bracing ourselves for persistently challenging market conditions. However, we have survived some difficult times throughout our 150-year history. I'm sure that, with our excellent workforce, sound financial strength and strong brand, we will succeed in driving Swiss Life forward during this financial year. We have strengthened our management team in recent years, 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.

Life and pensions solutions are as multifaceted as our clients. But, regardless of how individual the right solution may be for each client, all life and pensions solutions aim to create more independence. They are geared to our personal situations and empower us to translate our ambitions, plans and visions into reality.

But the right life and pensions solution is one-of-a-kind, as distinctive as our advisors. Skilled at identifying the needs of their clients and their expectations and plans in life, our advisors always come up with unique pension plans. Discover what unites Swiss Life advisors and their clients in the photo editorial section of this Annual Report.



As a young entrepreneur, I'm responsible for my staff. So, right from the start, one of my key needs was to offer my employees secure pensions. I contacted the General Agency in Horgen, where I received simple, straightforward **advice**, enabling me to provide my staff with the best suitable pension plan, despite my lack of insurance knowledge and my limited means. And if I have a query, Manuela Albisetti Stadler's team gets back to me with the solution within 24 hours.

Romana Geiges

Swiss Life client, Group Life, Langnau am Albis, Switzerland

In the summer of 2008, Romana Geiges set up the "Zwärgliburg" crèche in Langnau am Albis, which now has a staff of six. The primary teacher is currently studying pedagogy and environmental science at the University of Zurich. She has big plans for the future, hoping to establish a trilingual crèche in Zurich, to expand it into a kindergarten and then into a primary school.





Many people setting up their own businesses have limited financial resources. A key element of my job is to show them that, nevertheless, providing pensions is still a top priority. For me, it's important to build up a relationship of trust with my clients through regular contact so that I can deliver the exact solutions and **security** they need. Year after year. As with all my clients, I'm looking forward to helping Romana Geiges achieve her dreams.

Manuela Albisetti Stadler

General Agent, Swiss Life General Agency, Horgen, Switzerland

Manuela Albisetti Stadler joined Swiss Life in 2001. She has been working as a General Agent in Horgen for over two years and looks after around 330 corporate clients and 4600 private clients. The business woman heads a team of 16 and values the independence her job provides, plus its regional focus and the proximity to clients, whose lives she helps shape.



Strategy and Markets

The insurance industry demonstrated its resilience during the financial crisis. The life insurance companies' business model proved its worth in the crisis period. In practice, the direct insurance and reinsurance business performed as usual, claims were paid on time and in full, and the state only had to intervene in cases where insurers ran into difficulties with banking-type operations. Swiss Life successfully positioned itself as a leading international life and pensions specialist in a sector which proved its durability under crisis and continues to offer very good prospects for the future. Swiss Life's MILESTONE programme is aimed at further strengthening its position in the life and pensions market by focusing on profitable growth and boosting competitiveness.

STABLE ENVIRONMENT DESPITE FINANCIAL CRISIS –

Notwithstanding the flagging economy, demand for insurance cover in Swiss Life's core markets remained stable. Premium volume in the life insurance market in France went up by 12% in 2009, compared to the year before. Premium income also rose in Germany despite the difficult economic situation, advancing by 7%. In Switzerland – Swiss Life's home market – premium volume declined slightly due to the large relative share of occupational pensions, where new business was hard to come by. Many potential new clients are affiliated with employee benefits institutions which are reporting a shortfall. Such gaps in funding make it harder to switch to a full insurance solution from an insurance company. The market for individual insurance, on the other hand, showed modest growth in Switzerland as well.

Swiss Life's cross-border business continued to experience positive growth, generated above all by insurance solutions for high net worth individuals. In contrast, variable annuities – unit-linked life insurance policies with guarantees – were hit the hardest by the problems on the capital markets, falling short of their growth expectations due to the uncertainties on stock exchanges around the world.

Financial services providers, such as Swiss Life Group member AWD, experienced a difficult year. However, the last two quarters of 2009 already indicated that the trend line had an upward bias again. Both AWD and its main

competitors managed to expand their client base. The broker channel will also gain in importance in the near future, boosted from the growth in life and pensions products.

LIFE INSURANCE SAFE HAVEN IN UNCERTAIN TIMES –

One reason that business in the life insurance market was less affected by the financial crisis than other sectors is because, in times of uncertainty, clients have an increased need for security. The insurance industry's significant economic role in retirement provisions also acted as a force for the stable development of the insurance market.

GREATER DEMAND FOR INNOVATIONS IN FUTURE –

The life and pensions market will continue to grow in the long term. This is definitely indicated by the enormous challenge to Europe's retirement systems posed by rising life expectancies and falling birth rates. Meeting this challenge will require a shift from state-run to increasingly private pension systems. If the insurance industry wants to profit from this development, it will have to offer product innovations which cover the wide range of client requirements more effectively. Innovativeness and a stronger emphasis on modern life and pensions solutions with variable guarantees and risk products will be crucial to a life insurer's success. Modern life and pensions solutions do not necessarily mean that the client has to forego guarantees, but rather that the costs of the guarantees are structured in a way that ties up less capital.

DISTRIBUTION AS A CORE COMPETENCE — In the past, one of the insurance companies' greatest strengths resided in their tight control over the distribution channels, especially by means of their own exclusivity. Over the last 20 years, the insurance sector was affected by a breakdown of the value chain, which is why innovative distribution strategies are now increasingly important. They take into account the market's requirement for a multi-channel strategy: Clients want choice.

SWISS LIFE ONE OF THE TOP 10 EUROPEAN LIFE INSURANCE PROVIDERS — With a market share of close to 2%, Swiss Life is one of the top 10 life insurance providers in Europe. The Swiss Life Group operates in Switzerland, Germany and France. To drive its international business forward, Swiss Life has also established centres of competence in Luxembourg, Liechtenstein and Singapore, and has set up a sales office in Dubai.

To expand its position as the leading life and pensions provider in Switzerland and to implement its client-oriented growth strategy, Swiss Life has launched a series of initiatives. These include strengthening its own sales force, optimising the distribution organisation, further reducing the number of general agencies and intensifying its market development and customer relationship management activities. Swiss Life is also intensifying cooperation with AWD, with the aim of writing around 10% to 15% of new business in individual insurance through this distribution channel by 2012.

In France, the fourth largest life insurance market in the world, Swiss Life has a market share of 1.4%. Swiss Life's goal in France is to strengthen its position as the leading provider of life and pensions solutions for high net worth individuals and to remain the number two in private health insurance. It plans to achieve this by generating a higher share of modern products and by giving banks, brokers and independent financial advisors a greater role in the multi-channel distribution network.

In Germany, Swiss Life is one of the leading providers of occupational retirement and disability insurance and enjoys an outstanding reputation among brokers. Thanks to its qualification as "best select" partner for AWD in a number of product groups, there was a strong rise in the

volume of new business in 2009. Swiss Life in Germany is pursuing the goal of becoming a profitable provider of life and pensions solutions with variable guarantees and risk products by 2012. Besides driving product innovations, expanding distribution networks and stepping up its cooperation with AWD, Swiss Life will focus in future on improving operational efficiency and reducing administrative costs.

In the growing global business in sophisticated insurance solutions for high net worth individuals (private placement life insurance), Swiss Life is already one of the leading providers worldwide. This business area will remain the major engine of growth and driver of the targeted shift from traditional to modern products in the Swiss Life Group in the near future. Swiss Life plans to double its assets under management by 2012.

Through Corporate Solutions, Swiss Life offers employee benefit solutions to multinationals and key accounts. As one of the global leaders in this business, this division is another growth driver for Swiss Life. Plans are underway to systematically expand the global network of client relationships, thus strengthening growth in its traditional area.

Swiss Life successfully entered the Austrian market in the first quarter of 2010 with a business model specifically tailored to private clients.

AWD A KEY PLAYER IN STRENGTHENING DISTRIBUTION — Swiss Life is pursuing a multi-channel strategy in distribution which has proved its worth. AWD is a key player in this strategy. It is one of the leading "financial optimisers" in Europe and stands for sustainable, profitable growth. By the end of 2010, AWD aims to cut its costs by EUR 70 million from their 2008 level to improve profitability. The Swiss Life Group has set itself the target of increasing its share of products distributed through AWD to 20% to 25% with new, competitive products in all relevant product categories, further product offensives and improved service. In the process, the independent product selection by AWD advisors will be safeguarded. As part of its focus on rapidly expanding core markets in Eastern Europe, AWD is withdrawing from Croatia and Romania. In future, the company wants to concentrate in the region on markets with above-average growth potential.

MILESTONE SUPPORTS IMPLEMENTATION OF STRATEGY – Swiss Life continues to pursue its ambition of becoming the leading international life and pensions specialist. To ensure this can become a reality, even in the wake of the financial crisis, Swiss Life introduced MILESTONE, a long-term programme focusing on profitable growth and enhanced competitiveness.

Five main thrusts lie at the heart of the MILESTONE programme:

1. Consistent focus on modern life and pensions solutions with variable guarantees and risk products with the objective of enhancing customer value and boosting profitability
2. Ambitious leveraging of distribution power
3. Continual improvement in operational efficiency and a substantial reduction in costs
4. Reduction in earnings volatility and strengthening of the balance sheet
5. Disciplined execution of measures

All five thrusts are instrumental to the central issue of adding value: Swiss Life is gearing its priorities to profitable growth.

1. By consistently focusing on modern life and pensions solutions with variable guarantees and on risk products, Swiss Life aims, in particular, to enhance customer value by providing greater flexibility and improved margins. At the same time, the Group is also ensuring a reduction in the capital requirements associated with new business.

2. Swiss Life is pursuing a multi-channel strategy in distribution which has proved its worth. On this basis, the Group wants to further increase distribution quality and productivity across the board. Swiss Life is therefore focusing on independent distribution channels such as banks, brokers and financial advisors like AWD, in addition to its own distribution network.

3. The cost savings objective of CHF 350 to CHF 400 million vis-à-vis 2008, announced in the context of the 2009 half-year results, has already led to a substantial improvement in the cost base; about half of the cost-cutting measures have already been implemented. In addition to the savings announced in August 2009 in Switzerland and at AWD, Swiss Life in Germany will eliminate the negative administrative cost result of EUR 25 million. Swiss Life in France is currently working on an efficiency boosting programme to support the growth strategy.

4. A further objective is to reduce earnings volatility, while strengthening the balance sheet. On the one hand, Swiss Life is increasing the profitability of its in-force business. On the other hand, on the investment side, the company is continuing to work towards the goal of generating stable, sustainable investment income.

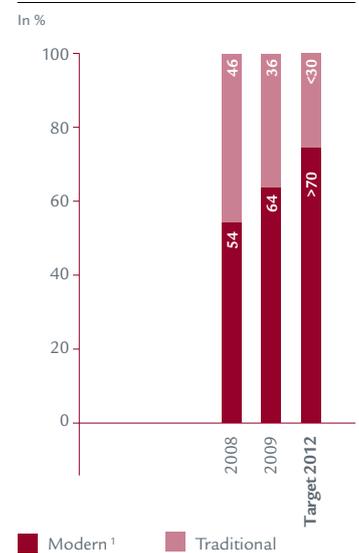
5. Swiss Life is strengthening its internal controlling process and focusing it consistently on the defined objectives. The Group is also developing a new set of key figures, by which the company can be measured more efficiently.

Swiss Life has set ambitious goals for 2012 within the framework of MILESTONE:

- Doubling the new business margin to over 2.2%
- Writing more than 70% of its new business with modern life and pensions solutions and risk products
- 20% to 25% share of Swiss Life products in relevant AWD product categories
- CHF 350 to CHF 400 million lower costs than in 2008
- Return on equity of 10% to 12%
- Dividend payout ratio of 20% to 40%

PRIORITIES FOR 2010 SET WITH MILESTONE — Although the published goals for 2012 have been set, clear internal interim targets have been defined for all five of MILESTONE’s main thrusts. Achieving these will be the top priority for the 2010 financial year.

Shift in product mix



¹incl. risk products and health insurance



My business relationship with Fabien Spitz is sincere and uncomplicated. For me, **independence** represents the ability to run my company and have peace of mind. As a sole proprietor, I, alone, am responsible for my staff, so it's up to me to make the necessary arrangements. For me, therefore, a private pension plan is just as crucial as insuring my business premises. I can count on Swiss Life to deliver exactly what I need.

Sandrine Londot

Swiss Life corporate client, Strasbourg, France

Sandrine Londot, from Alsace, owns the wellness studio "Intemporelle" in Strasbourg's residential district of Robertsau. She looks after the well-being of her clients with a range of services, including traditional facial and body treatments, peelings and shiatsu therapy.





As a General Agent at Swiss Life, I embrace the principles of openness and **honesty**. To provide the right advice, I need to get to know each client's individual situation in life and to identify the occupational risks specific to their field. I want my clients to understand the ins and outs of their insurance. Swiss Life's image in France as a reliable and reputable company helps me greatly in my work.

Fabien Spitz

General Agent, Swiss Life General Agency, Strasbourg, France

Fabien Spitz joined Swiss Life as a General Agent in 2003 and has a track record of over 20 years of experience in the insurance sector. Together with his team, he services the needs of around 3000 clients. Swiss Life's portfolio in France includes life and pensions, health insurance and property insurance.



Results and Course of Business

Summary of Group Results – Swiss Life achieved an annual result from continuing operations of CHF 324 million in 2009, compared to a loss of CHF 1.1 billion the previous year. At the same time, the Group increased premium volume by 9% to CHF 20.2 billion. A financial result of CHF 4.6 billion and a very strong fourth quarter had a positive impact on the overall result.

CONSOLIDATED RESULT – Swiss Life made significant improvements at operational level in 2009, increasing its result from operations to CHF 562 million, up CHF 1.4 billion on the previous year. It achieved an annual result from continuing operations of CHF 324 million. This corresponds to an increase of CHF 1.5 billion

other, to the very strong performance of Swiss Life's investment management activities. Swiss Life thus achieved a financial result of CHF 4.6 billion in 2009, which is a strong improvement over the prior-year figure of CHF 600 million. In addition, the revitalisation programme, MILESTONE, which aims to sustainably boost competitiveness and improve profitability, is starting to show results. In particular, there have been significant cuts in operating costs, after adjustment for restructuring charges and one-off impacts. However, the overall net profit is still not satisfactory as the costs of holding capital were not covered.

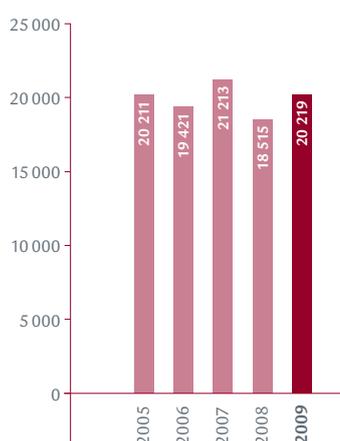
Result from operations

In CHF million



Gross written premiums, policy fees and deposits received

In CHF million



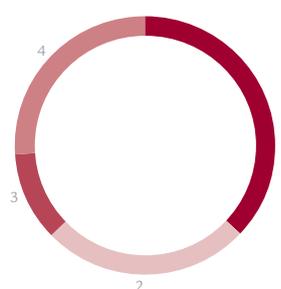
on the previous year. The net profit, including discontinued operations, stood at CHF 277 million which corresponds to diluted earnings per share of CHF 8.83. This was impacted by expenses of CHF 47 million in connection with the sale of Banca del Gottardo. With equity of CHF 7.2 billion, this produced a return on equity of 4%. These developments are attributable, on the one hand, to improved conditions on the financial markets and, on the

KEY FIGURES FOR THE SWISS LIFE GROUP

Amounts in CHF million

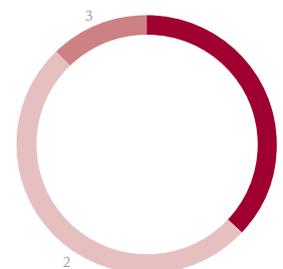
	2009	2008	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	20 219	18 515	9.2%
Net earned premiums and policy fees	12 135	13 514	-10.2%
Commission income	934	950	-1.7%
Financial result (without share of results of associates)	4 588	600	n/a
Other income	159	292	-45.5%
TOTAL INCOME	17 816	15 356	16.0%
Net insurance benefits and claims	-11 884	-12 915	-8.0%
Policyholder participation	-1 539	429	n/a
Interest expense	-353	-393	-10.2%
Operating expense	-3 478	-3 319	4.8%
TOTAL EXPENSE	-17 254	-16 198	6.5%
RESULT FROM OPERATIONS	562	-842	n/a
Net result from continuing operations	324	-1 143	n/a
Net result from discontinued operations	-47	1 488	n/a
NET PROFIT	277	345	-19.7%
Equity	7 245	6 652	8.9%
Insurance reserves	122 616	113 308	8.2%
Assets under management	132 022	120 364	9.7%
Assets under control	148 186	134 326	10.3%
Return on equity (in %)	4.0	5.0	-20.0%
Number of employees (full-time equivalents)	7 820	8 291	-5.7%

Gross written premiums, policy fees and deposits received by country



1 Switzerland
2 France
3 Germany
4 Other

Direct written premiums by type of insurance



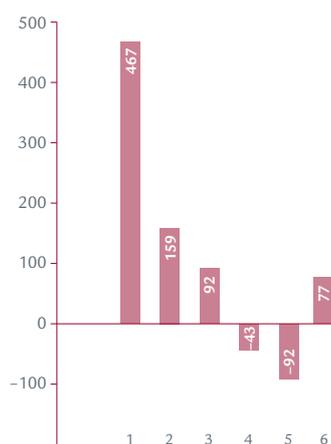
1 Group 37%
2 Individual 51%
3 Other 12%

SEGMENT RESULTS – In Switzerland, Swiss Life achieved a segment result of CHF 467 million, to which the much improved financial result of CHF 2.7 billion contributed greatly. Operating expenses increased vis-à-vis the previous year due to one-off restructuring charges and other one-off impacts. However, Swiss Life cut its administrative costs by 13.9% by optimising its processes and by focusing and reducing its project portfolio. Insurance operations in France generated a segment result of

posted a result of CHF 77 million, down CHF 17 million on the previous year. AWD reported a segment loss of CHF 92 million (2008: CHF -41 million), attributable to one-off and restructuring charges. Adjusted for these charges, AWD again achieved a positive operating result in 2009 of CHF 19 million (EUR 12.6 million). AWD continued to pursue the strategic path set in the third quarter of 2009, returning to profitability in the fourth quarter. This can be attributed to cost-cutting measures, especially in Germany, and to the fundamental reorganisation of AWD, in particular in Austria and the United Kingdom.

Segment result

In CHF million



- 1 Insurance Switzerland
- 2 Insurance France
- 3 Insurance Germany
- 4 Insurance Other
- 5 AWD
- 6 Investment Management

CHF 159 million (2008: CHF 40 million) – due to the considerably higher financial result and positive claims experience. In Germany, Swiss Life achieved a segment result of CHF 92 million – up CHF 63 million on the previous year. Results in the Insurance Other segment, which includes the growth initiatives in Liechtenstein, Luxembourg, Singapore and Dubai as well as payment protection insurance, were once again marked by investments. High operating costs are reflected in particular in start-up investments such as the product platform in Luxembourg and payment protection insurance. The corresponding segment loss amounted to CHF 43 million in the period under review. As a result of lower asset management income, the Investment Management segment

GROWTH – Swiss Life grew its premium income by 9% to CHF 20.2 billion in the year under review. Adjusted for currency effects, this corresponds to 12% growth. A strong fourth quarter overall contributed to this pleasing performance. In particular, the Group recorded growth in Germany and in its international business with high net worth individuals. In Germany, premium income climbed from CHF 2 billion to CHF 2.2 billion. Swiss Life recorded growth in the single premiums business which was more than twice the market average and also outperformed the market in its periodic premiums business, despite recording a decline. The partnership with AWD flourished: New business produced through AWD in Germany doubled to around EUR 380 million and in Switzerland increased from CHF 11 million to CHF 112 million. Swiss Life generated an excellent result in the high net worth individual business, achieving premium volume of CHF 5 billion (2008: CHF 2.4 billion). Swiss Life in France put in a solid performance, particularly in the second half of 2009. Although total premium volume fell by 3% to CHF 5.3 billion, an increase of 5% in local currency was actually realised, after adjustment for a one-off impact. In Switzerland, premium income declined by 8% to CHF 7.5 billion which, adjusted for a one-off effect, represented a fall of 2%. AWD recorded a decline in sales of 17% – mainly due to the reorganisation of business in Austria and the reluctance of clients to invest in life and pensions solutions in the wake of the financial market crisis.

FINANCIAL RESULT – Swiss Life posted a strong financial result for 2009 with low impairment losses. The high level of uncertainty on the capital markets brought about by the financial crisis persisted into the beginning of the year but eased noticeably in later months. The stabilisation of the market had a positive effect on the financial result. Direct investment income came to 3.8%, despite lower dividend income from equity investments and reduced income from hedge fund investments. In contrast to the previous year, asset changes relevant to the income statement showed a positive trend. Only a few impairments were required on the investment portfolio which were more than offset by realised and unrealised

gains. Taking into account asset management costs, the net investment return came to 3.9% (2008: 0.3%). The total investment return of 5.4% (2008: 0.5%) also includes the asset changes directly reflected in equity. When the fair value of investments not reported at market value on the balance sheet is factored in, the overall performance was 7.5%. Substantially lower credit risk spreads, in particular, had a positive impact on fixed-income investments. The reduction in risks carried on the balance sheet in the second half of 2008 thus proved effective. Despite volatile market conditions and low interest rate levels, Swiss Life generated investment income which was significantly higher than the interest guaranteed to clients.

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

Amounts in CHF million

	2009	2009	2008	2008
Equity securities and equity funds	3 803	3.4%	2 335	2.2%
Alternative investments	1 958	1.7%	3 272	3.1%
Real estate	13 284	11.8%	12 662	11.9%
Mortgages	5 553	4.9%	5 644	5.3%
Loans	12 109	10.8%	13 355	12.6%
Bonds	70 517	62.6%	62 350	58.6%
Cash and cash equivalents and other	5 387	4.8%	6 709	6.3%
TOTAL	112 611	100.0%	106 327	100.0%
Net equity exposure		1.8%		0.8%
Duration of bonds		8.5 years		9.2 years

MILESTONE – With its Group-wide MILESTONE programme to boost profitability and efficiency, Swiss Life set the course for profitable growth in 2009. The Group presented the programme in detail at its Investors' Day in December 2009. MILESTONE is much more than just a cost-cutting programme. The programme will change key areas of the value chain. It has five main thrusts: Firstly, to increase value to customers and boost product profitability; secondly, to leverage distribution power – in terms of both the quality of advice and the expansion of distribution structures; thirdly, to improve operational efficiency and cut costs; fourthly, to further strengthen the Group's balance sheet and capital base; finally, the fifth aim is disciplined execution. The Group has identified and is resolutely pursuing some 500 initiatives. A consequence of this disciplined execution is evident in the improvements in the Group's costs situation, to which the Switzerland division and AWD have made a significant contribution. Overall, operating costs have already fallen by around 10%. Swiss Life has also made good progress in gearing its new business towards modern life and pensions products with variable guarantees and also towards risk products. Their share of new business increased to 60% in 2009.

Margins and the value of new business are still unsatisfactory. Negative trends in the new business margin which fell from 1.1% in 2008 to 0.9% in 2009 were particularly disappointing. The value of new business remained flat at CHF 123 million in 2009, compared to CHF 119 million in 2008. These two indicators will gain in importance for Swiss Life, given the MILESTONE goals set for 2012. The Group aims to achieve a return on equity of 10% to 12%, increase its new business margin to around 2.2%, improve its cost base by CHF 350 to CHF 400 million from the 2008 level, pay a dividend of 20% to 40% of the net profit and achieve 70% of its new business from modern products and in the area of risk coverage. The 520 job losses in Switzerland announced in connection with MILESTONE were accompanied by a comprehensive package of measures, which were worked out with employee and management representatives and had already been deployed in the past. Even though the reorientation process of the employees in question is still ongoing in some cases, results are positive, proving that the support measures have, on the whole, been successful. Swiss Life has already found a new solution (including early retirement) for 75 of the 221 employees it has supported to date. 146 employees are still participating in the professional reorientation programme offered by Swiss Life.

CAPITAL BASE – Swiss Life has emerged from the financial crisis in good shape and has a solid capital base. Liabilities from insurance operations went up 8% to CHF 123 billion. Equity attributable to Swiss Life Group's shareholders stood at CHF 7.2 billion on 31 December 2009, up 9% on the previous year's level of CHF 6.6 billion. The Group solvency ratio on an IFRS basis increased to 164% at year end, up from 158% in 2008. The statutory solvency ratio climbed to 190% (2008: 176%) and the assets controlled by the Swiss Life Group came to CHF 148 billion (+10%).



I see myself as an intrapreneur – an entrepreneur within a company. Thanks to the independence my employer gives me and the trust I receive from my manager, I'm able to forge sustainable relationships with our banking clients. The mainstays of my business relationship with Swiss Life are a culture of give and take, combined with a spirit of **openness** and discretion. On this basis, we join forces to create individually tailored pension solutions for our mutual clients – whatever their situation in life.

Carla Zimmermann

Swiss Life partner, Private Placement Life Insurance,
Zurich, Switzerland

Carla Zimmermann joined the Zurich branch of the renowned banking institution Mirabaud & Cie. in 2006. As an investment advisor, the up-and-coming manager cultivates relationships with clients in Switzerland and throughout Europe.





I enjoy working intensively with Mirabaud & Cie. to create tailored solutions for each individual client. This calls for honesty, discretion and loyalty – qualities which Swiss Life and Mirabaud & Cie. share. It is only through recognising our clients as unique individuals that we can establish a relationship of **trust** which lasts a lifetime.

Olivier Kramer

Regional Sales Director, Private Placement Life Insurance (PPLI),
Geneva, Switzerland

Olivier Kramer joined Swiss Life's PPLI unit in Geneva in October 2009 and advises the banking institution Mirabaud & Cie. He has a strong track record in the PPLI area and is dedicated and committed to ensuring the independence of international high net worth individuals.



Segment Reporting – Swiss Life reports its insurance business by country and also discloses separately the results of its cross-border segments Insurance Other, AWD and Investment Management. In 2009 Swiss Life generated an overall segment profit of CHF 632 million (2008: loss of CHF 726 million), to which Insurance Switzerland – at CHF 467 million – made the greatest contribution.

Swiss Life emerged from the financial crisis in good shape to present solid results for the 2009 financial year. The company posted a profit of CHF 467 million in its home country Switzerland, CHF 159 million in France and CHF 92 million in Germany. The Investment Management segment contributed CHF 77 million to the overall segment profit, whereas Insurance Other and AWD reported losses of CHF 43 million and CHF 92 million, respectively. Gross written premiums, policy fees and deposits received for all segments increased from CHF 18.5 billion to CHF 20.2 billion.

INSURANCE SWITZERLAND – Swiss Life posted a segment result of CHF 467 million in Switzerland for 2009. The financial result for the Swiss business recovered strongly and came to CHF 2.7 billion. Direct investment income declined slightly on the back of lower hedge fund distributions and reduced dividend income from equities. Unlike in the 2008 financial year, which saw impairments on equities and hedge funds, capital gains performed well in 2009, contributing CHF 73 million to the financial result.

Operating expenses increased by 20% to CHF 860 million. However, this is not representative of the actual costs situation, as last year's expenses figure included net deferred acquisition costs. The 2009 figure was also hampered by restructuring charges of over CHF 63 million from ongoing efficiency programmes. Administrative costs from operations fell by 14%, thanks to efficiency improvements achieved from optimising processes and streamlining the project portfolio.

According to the Swiss Insurance Association (SIA), premiums in the Swiss life insurance market receded 1.9% to CHF 27.9 billion. This reflected a 3.6% decrease in group insurance and a 2.4% increase in individual insurance. At CHF 7.5 billion, Swiss Life's premium income remained

at a high level. 77% of the premiums were written in occupational benefits insurance. Premium income in group insurance declined 3.4% on the prior-year figure, after adjustment for a one-off impact, lowering Swiss Life's market share to 29.6%. Swiss Life grew its premium volume in individual insurance by 2.0%, bringing its market share to 19.4%.

In the year under review, the rate of Swiss Life products distributed through AWD (measured on basis of production volume) advanced noticeably to CHF 112 million.

Insurance benefits, including changes in insurance reserves, fell by 2.0% to CHF 7.9 billion, mainly due to the reduction in the BVG minimum interest rate from 2.75% to 2% and to lower savings deposits. The significantly improved financial result led to a considerable rise in allocations to the reserves for policyholder bonuses.

Despite the decrease in premium volume, Swiss Life posted a much healthier segment result in Switzerland, thanks to its enhanced competitiveness and sharper focus on client needs.

Swiss Life launched an array of attractive products in 2009: The unit-linked endowment insurance Swiss Life Champion Invest was introduced in the fourth quarter, as were Swiss Life Protection – a life insurance and/or disability insurance with an individual risk premium rate – and Swiss Life Active Win – a pure endowment insurance combined with a fixed-term deposit. In the second quarter, the company also added a variant of Swiss Life Champion Duo to its portfolio, offering policyholders the option of waiving the guaranteed lump-sum death benefit to receive higher savings premiums. In group life, Swiss Life met the requirement for a more diverse and flexible product portfolio by offering inexpensive standard products and customised solutions. In addition, it

further expanded its competency center for autonomous and semi-autonomous pension funds, which is operated by Swiss Life Pension Services.

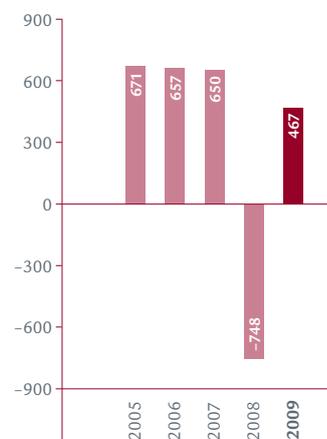
In keeping with the new product range, adjustments were made to the organisational structure within both the company and the sales force. Sales managers were also appointed within the sales force and the number of general agencies was reduced from 58 to 42. The agencies are now based in key sales regions and have benefited from investments made in their locations. In 2009, the Swiss Life Group intensified its cooperation with brokers and focused on boosting its distribution power through its multi-channel strategy, leading to a considerable rise in business production through brokers (incl. AWD).

For 2010, plans are in the pipeline to introduce additional modern life and pensions products with variable guarantees and risk products, which tie up less capital and generate lower costs. Swiss Life also plans to offer topic-based advisory services, to expand its range of advisory services for investment funds and pension funds, and to introduce a new semi-autonomous standard solution for

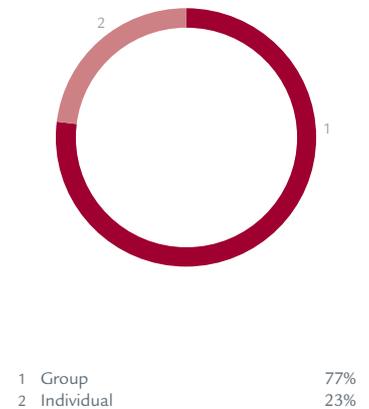
collective foundations. Execution of the measures to boost efficiency by 2012 is on track and will lead to a further reduction in administrative costs.

Segment result Insurance Switzerland

In CHF million



Premiums for Switzerland, by type of insurance



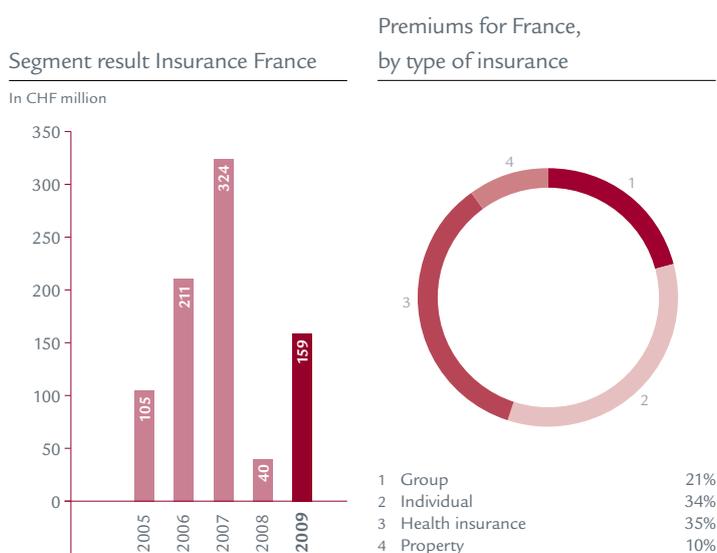
KEY FIGURES FOR INSURANCE SWITZERLAND

Amounts in CHF million

	2009	2008	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	7 518	8 172	-8.0%
Net earned premiums and policy fees	7 288	7 963	-8.5%
Commission income	31	49	-36.7%
Financial result	2 704	-25	n/a
Other income	103	292	-64.7%
TOTAL INCOME	10 126	8 279	22.3%
Net insurance benefits and claims	-7 887	-8 059	-2.1%
Policyholder participation	-806	-112	n/a
Interest expense	-106	-141	-24.8%
Operating expense	-860	-715	20.3%
TOTAL EXPENSE	-9 659	-9 027	7.0%
SEGMENT RESULT	467	-748	n/a
Assets under control	73 841	70 365	4.9%
Insurance reserves	65 406	64 462	1.5%
Number of employees (full-time equivalents)	2 489	2 743	-9.3%

INSURANCE FRANCE – Swiss Life posted a segment result of CHF 159 million in France on the back of the considerably higher financial result of CHF 983 million.

Swiss Life in France generated premium volume of CHF 5.3 billion, which represents a 5% rise in local currency (after adjustment for a sum of CHF 476 million from the termination of a partnership in 2008). Its savings and pensions business advanced by 5% (11% in local currency) and the company again achieved above-average premium income from unit-linked products. In health and disability insurance, premiums receded by 3% (3% rise in local currency). This rise in local currency was mainly attributable to the synergies gained from its own distribution network and from brokers, whereas premiums generated through partner networks declined in 2009. Property insurance premiums remained stable.



The French insurance market grew on the whole by 9%. More specifically, an 11% increase was recorded in savings and pensions products, 4% in health and disability insurance and 1% in property insurance.

In 2009 Swiss Life maintained its stable technical margins in its main business operations. In line with the growth in premiums, Swiss Life improved its operating expense ratio, thanks in particular to efficiency improvements which will be continued into 2010. Swiss Life in France aims to reinforce its leading position in private life insurance, as well as in health, life and disability insurance, in particular by expanding its multi-channel distribution.

KEY FIGURES FOR INSURANCE FRANCE

Amounts in CHF million

	2009	2008	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	5 297	5 763	-8.1%
Net earned premiums and policy fees	2 952	3 618	-18.4%
Commission income	77	66	16.7%
Financial result	983	57	n/a
Other income	26	16	62.5%
TOTAL INCOME	4 038	3 757	7.5%
Net insurance benefits and claims	-2 135	-2 804	-23.9%
Policyholder participation	-407	472	n/a
Interest expense	-206	-219	-5.9%
Operating expense	-1 131	-1 166	-3.0%
TOTAL EXPENSE	-3 879	-3 717	4.4%
SEGMENT RESULT	159	40	n/a
Assets under control	29 127	25 399	14.7%
Insurance reserves	23 003	20 716	11.0%
Number of employees (full-time equivalents)	2 194	2 241	-2.1%

INSURANCE GERMANY – Swiss Life posted a segment result of CHF 92 million for Germany in the year under review. This represents a rise of CHF 63 million vis-à-vis the previous year, which was impacted by the financial crisis.

The German life insurance market advanced 7% in 2009. Swiss Life increased its premium volume by 10% (15% in local currency) to CHF 2.2 billion on the back of demand for its multiple award-winning supplementary occupational disability insurance, as well as the capitalisation product Swiss Life Cash Growth. Net insurance benefits and policyholder participation climbed 9% on the previous year, mainly due to the rise in policyholder participation to CHF 305 million. Operating costs went up 3% and new business premiums jumped 110% to CHF 686 million. Swiss Life grew its income from new business with periodic premium products by 5% to CHF 155 million, reversing the market trend.

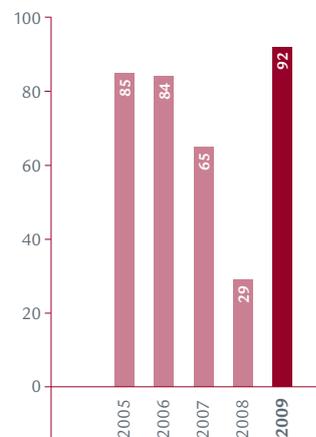
In the 2009 financial year, distribution of Swiss Life products through AWD (measured on basis of production volume) advanced 107% to CHF 574 million.

Swiss Life will broaden its distribution channel mix further in 2010. The company is introducing a new service

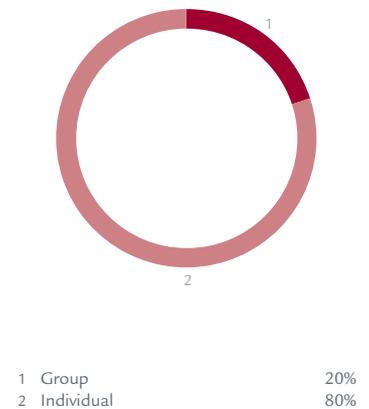
concept for banks in order to tap into new market potential and to acquire new target groups for its attractive single premium business and other solutions. Swiss Life

Segment result
Insurance Germany

In CHF million



Premiums for Germany,
by type of insurance



will continue to focus on its traditional strengths in the growth segment of brokers and multiple agents, as well as on independent financial services providers.

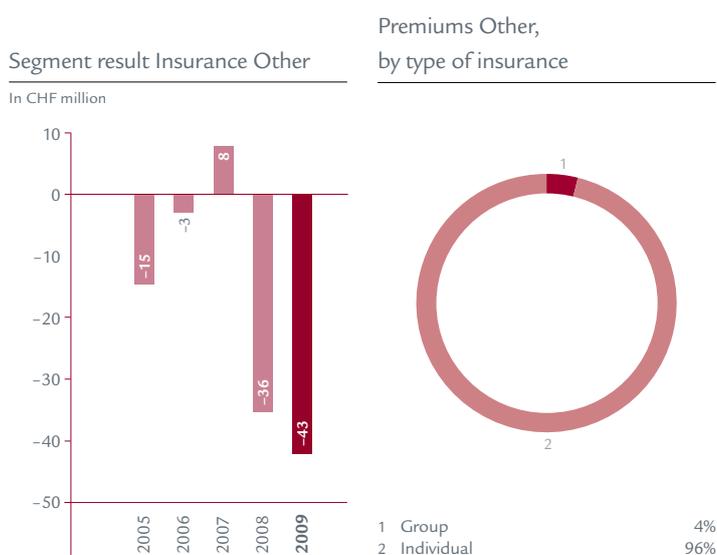
KEY FIGURES FOR INSURANCE GERMANY

Amounts in CHF million

	2009	2008	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	2 169	1 977	9.7%
Net earned premiums and policy fees	1 753	1 819	-3.6%
Commission income	24	27	-11.1%
Financial result	862	552	56.2%
Other income	26	17	52.9%
TOTAL INCOME	2 665	2 415	10.4%
Net insurance benefits and claims	-1 829	-2 030	-9.9%
Policyholder participation	-305	69	n/a
Interest expense	-21	-19	10.5%
Operating expense	-418	-406	3.0%
TOTAL EXPENSE	-2 573	-2 386	7.8%
SEGMENT RESULT	92	29	n/a
Assets under control	19 930	18 873	5.6%
Insurance reserves	19 924	19 098	4.3%
Number of employees (full-time equivalents)	747	750	-0.4%

INSURANCE OTHER – The segment Insurance Other comprises the areas Private Placement Life Insurance (PPLI), Corporate Solutions, Swiss Life Products (Luxem-

At CHF 5.3 billion, gross written premiums, policy fees and deposits received were almost twice that generated in 2008. The results of the two largest units are presented below.



The PPLI business area specialises in life insurance for high net worth individuals and has built up a strong presence in Liechtenstein, Luxembourg, Singapore, Dubai and Switzerland. It put in an excellent performance in the 2009 financial year, writing CHF 5 billion in gross premiums. This success stems from the recovery of the financial markets, PPLI's unique global approach and its international sales team, which has built up a sound reputation. Thanks to further growth and strict cost management, PPLI expects to return a profit in 2010.

bourg) S.A. and Payment Protection Insurance (PPI). The segment posted a loss of CHF 43 million in the year under review due to investments made in new business fields.

Corporate Solutions specialises in global life and pensions solutions for multinationals. In 2009 it met its profitability and premium volume targets by strengthening its client relationships. With new premium growth of 30%, Corporate Solutions confirmed its position as the global leader in the market for comprehensive employee benefit solutions. In 2010 it plans to advance its growth and profitability, despite the challenging market environment, by providing attractive solutions geared to the current requirements of its clients.

KEY FIGURES FOR INSURANCE OTHER

Amounts in CHF million

	2009	2008	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	5 263	2 639	99.4%
Net earned premiums and policy fees	142	116	22.4%
Commission income	1	1	0.0%
Financial result	40	22	81.8%
Other income	4	-4	n/a
TOTAL INCOME	187	135	38.5%
Net insurance benefits and claims	-33	-20	65.0%
Policyholder participation	-21	-1	n/a
Interest expense	-19	-17	11.8%
Operating expense	-157	-133	18.0%
TOTAL EXPENSE	-230	-171	34.5%
SEGMENT RESULT	-43	-36	19.4%
Assets under control	14 612	9 297	57.2%
Insurance reserves	14 379	9 101	58.0%
Number of employees (full-time equivalents)	250	192	30.2%

AWD – The AWD segment posted a loss of CHF 92 million for 2009, compared to a loss of CHF 41 million the previous year. In addition to one-off and restructuring charges, this figure also includes expenditure for the amortisation of customer relationship assets taken on in the acquisition. AWD has been included in the accounts of the Swiss Life Group since March 2008. As a result, the previous year's figures include sales revenues and costs for only nine months, thus permitting only a limited comparison.

In 2009 AWD generated sales of EUR 528.7 million, which corresponds to a decline of 17%. Sales of unit-linked products fell by 20% and investment funds showed a drop of 36% from the previous year's level. AWD achieved 10% growth in sales of life insurance and pension products vis-à-vis the previous year and increased its sales of private health insurance by 11% and of property and accident insurance by 21%.

Restructuring measures have already boosted AWD's operating result to EUR 12.6 million. A total of EUR 53.7 million in one-off and restructuring charges was incurred during 2009 in connection with the reorganisation. EBIT stood at EUR -41.1 million (2008: EUR 19.7 million). The restructuring measures aim to return AWD to stable and profitable growth from 2010.

In its core market Germany, AWD merged the back offices of Horbach and AWD Deutschland GmbH and downsized the holding. In the United Kingdom, stricter requirements under the Retail Distribution Review posed major challenges to management. The implementation of regulatory requirements and the deterioration in market conditions were the main reasons behind the decision in November 2008 to reorganise AWD UK and to dispose of business units. The restructuring process in the UK was completed in 2009 and the region has returned to profitability. The business model in Austria was also redesigned. Widespread media coverage of court cases relating to past selling of real estate equities hampered business here. AWD's decision to pull out of Romania and Croatia was based on an inability to achieve critical mass. The remaining markets in the CEE region continue to be a growth region for AWD, with future development here also focusing on profitability.

At the end of 2009, the AWD Group had 5726 fully trained and registered financial advisors, as well as 2902 trainee advisors under contract. As a result of the withdrawal from Romania and Croatia, the number of advisors at the turn of the year decreased by 384 to 5342. In the year under review, AWD advisors serviced the needs of 267 777 clients – a rise of 8% – and acquired 173 866 new clients (including Romania and Croatia).

KEY FIGURES FOR AWD

Amounts in CHF million

	2009	2008	+/-
Commission income	789	750	5.2%
Financial result	0	2	n/a
Other income	15	15	0.0%
TOTAL INCOME	804	767	4.8%
Interest expense	-4	0	n/a
Operating expense	-892	-808	10.4%
SEGMENT RESULT	-92	-41	n/a
Number of employees (full-time equivalents)	1 554	1 749	-11.1%
Financial advisors ¹	5 342	5 937	-10.0%
Advised clients ¹	436 380	423 188	3.1%

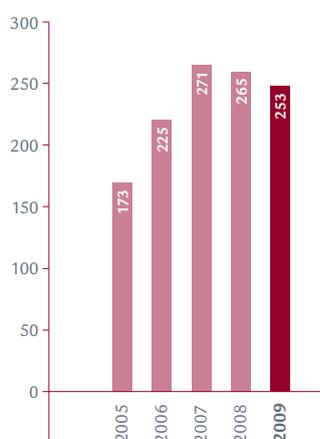
¹ without Romania and Croatia

INVESTMENT MANAGEMENT – The Investment Management segment comprises Group-wide institutional asset management activities. At CHF 77 million, the 2009

to new business and positive trends, assets under management increased by CHF 5 billion to over CHF 116 billion. Insurance assets climbed CHF 4 billion to over CHF 106 billion. Assets invested in funds and third-party mandates rose to around CHF 10 billion. The previous year's decline in assets under management was mainly offset in the year under review. Although substantial cost savings were again achieved in the 2009 financial year, expenses remained on a par with last year because of the large investments made in modern infrastructure.

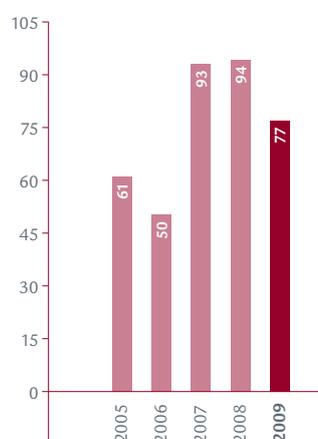
Asset management and other commission income, Investment Management

In CHF million



Segment result Investment Management

In CHF million



result is CHF 17 million less than the previous year, mainly due to lower asset management income. Thanks

The Investment Management segment implemented measures to further improve efficiency in the year under review. It outsourced management of its Swiss mortgage portfolio, centralised management of its Group-wide third-party mandates and stepped up its cooperation with insurance units on product development and distribution. For instance, the Swiss Life Investment Foundation in Switzerland now offers its clients the opportunity to invest in real estate products.

New asset management applications were introduced in Switzerland at the start of 2010. Within the framework of MILESTONE, the segment's top priorities for the current year are to expand and optimise all associated processes and to further advance its third-party business.

KEY FIGURES FOR INVESTMENT MANAGEMENT

Amounts in CHF million

	2009	2008	+/-
Commission income	253	265	-4.5%
Financial result	3	4	-25.0%
Other income	1	4	-75.0%
TOTAL INCOME	257	273	-5.9%
Interest expense	0	0	0.0%
Operating expense	-180	-179	0.6%
SEGMENT RESULT	77	94	-18.1%
Assets under management ¹	116 411	111 519	4.4%
Number of employees (full-time equivalents)	582	613	-5.1%

¹ incl. intragroup assets

Other Success Factors

Swiss Life's success is built on the trust clients, partners, staff and shareholders place in the company. Their trust stems from the high quality services delivered and is reinforced by Swiss Life's commitment to responsible corporate conduct which transcends its actual field of business. To achieve sustainable success, a motivated workforce, a recognisable and credible brand and a strategy in step with social developments and needs are crucial.

HUMAN CAPITAL — A key factor in a company's success is the extent to which its employees go the extra mile and are committed to the company. To further strengthen its staff's engagement and affinity with the company, Swiss Life launched and implemented a series of initiatives in 2009, focusing on cultivating the performance culture within the organisation and on Swiss Life's commitment to being a responsible employer.

Swiss Life's success essentially depends on a highly skilled workforce showing above-average engagement. With this in mind, all human capital management measures are geared towards positioning Swiss Life in the market and vis-à-vis the workforce as a responsible and attractive employer. In doing so, Swiss Life consistently applies the corporate strategy and corporate values.

PERFORMANCE CULTURE — As part of the MILESTONE programme, a Group-wide initiative entitled "My Milestones" was launched in the fourth quarter of 2009. Its aim is to accentuate Swiss Life's values and employee competencies so as to strengthen the performance culture. This is because the company recognises that the contribution of each and every employee is crucial in successfully driving the corporate strategy forward. And the desired mindset and behaviour defined in the corporate values are vital in achieving this. Clear and open communication nurtures a relationship of trust, which fosters closer and more effective cooperation. In addition, a deeper understanding of the processes and activities equips employees to perform their tasks more efficiently. To address these issues, every country and market unit within the Group has launched a programme of measures specifically tailored to their individual needs.

ENGAGEMENT — In 2009 the Swiss Life Group revised the concept and design of its employee survey, strictly aligning it to the corporate strategy. A commitment index showing how strongly employees feel an affinity towards Swiss Life is now also used to measure the value "engagement". Engagement encompasses three components: Engaged employees speak positively about the company, are committed to the company and go the extra mile. Companies which have a high engagement rating are more successful than their competitors on the market.

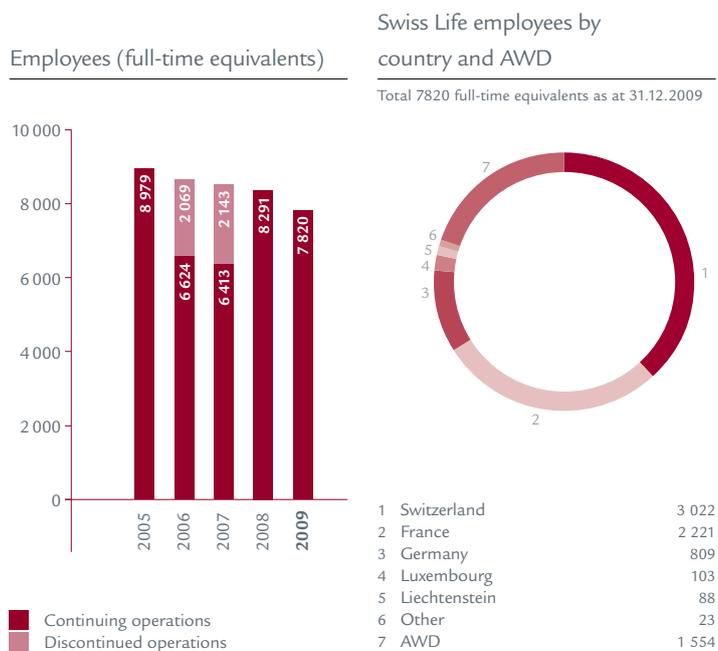
To date, the new survey has been carried out in France, where the 2009 engagement value came to 43%. The European financial industry benchmark shows an average value of 49%, with the top quartile scoring much higher at 71%. The peer comparison values indicate that there is room for improvement. Plans are underway to implement appropriate measures next year focusing on issues which positively impact on the engagement value and which the employees surveyed frequently cited as requiring improvement.

TALENT DEVELOPMENT – Swiss Life has a strong track record of offering opportunities for further development to employees and management on an ongoing basis, thereby enhancing employee loyalty. Swiss Life continually opens up new perspectives for employees and managers who demonstrate a high level of performance and the required potential. Employees who have been selected for a management career are decentrally managed in talent pools and prepared for their future roles with various training modules.

SOCIAL PARTNERSHIP – Cooperation with the Europa Forum (European works council) was again stepped up at Swiss Life Group level and in Germany and France in 2009, with intensive dialogue and an in-depth exchange of information taking place. The Europa Forum was founded in 1996 and is based on one of the most far-reaching agreements in Europe.

In August 2009 the company launched an extensive series of measures, including a cost-cutting programme, to improve its competitiveness by driving profitable growth. Swiss Life has thus introduced initiatives in all its markets to boost client orientation, efficiency and profitability. A large proportion of the savings envisaged under the cost-cutting programme are being achieved at AWD and the Swiss Life Group’s Swiss Division.

In this connection, around 520 job reductions will be made in Switzerland by 2012. The job reduction process has been carefully planned. To support its implementation, Swiss Life has introduced a programme of measures which were worked out with the social partners and which have been in force since 1 January 2005. Natural fluctuation and the possibilities offered by flexible working hour models were exploited, and the staff affected were individually assisted and supported with their professional reorientation by a team of experts.



In addition, specific training measures are in place for managers destined for senior management roles at Swiss Life Group level. In a series of five modules, participants from all countries and units work on strategically relevant subjects such as self-management, client orientation, financial management, strategy and cross-border and cross-divisional cooperation. In 2009, 4 of the 19 participants were women. The retention rate among the past participants at senior management level currently stands at 90%.

RESPONSIBLE CORPORATE CONDUCT – Swiss Life is committed to helping people create a financially secure future. This commitment goes beyond the scope of its actual business activities. Swiss Life commits itself socially, involves itself in political debate and is mindful of its carbon footprint. It sees itself as looking to the long term with the focus on the individual.

Clients, partners, employees and shareholders place their trust in Swiss Life. Responsible corporate conduct is part and parcel of Swiss Life's culture and is based on five corporate values which guide employee behaviour: expertise, proximity, openness, clarity and engagement. Adherence to these principles is a prerequisite for legally and ethically correct business conduct and for financial profitability. It is also, however, central to Swiss Life's social, political and environmental commitment.

SOCIETY – In 2009, the Perspectives Foundation, which Swiss Life founded on the occasion of its 150th anniversary in 2007, donated approximately CHF 1 000 000 to support charitable initiatives in health, science, education, culture and sport, as well as humanitarian causes. One of the institutions supported in 2009 was the ENTERPRISE Foundation which awards the ENTERPRISE for exemplary corporate behaviour in occupational training.

In France, the Fondation Swiss Life commenced its activities in 2009. The foundation focuses on projects and commitments in the field of health, supporting for instance the Institut Curie, a hospital and research facility devoted to the fight against cancer. The foundation also supports other charitable projects which are managed by Swiss Life employees.

Since 2007, Swiss Life in Germany has been supporting the Nicolaidis Foundation, a non-profit organisation for widows, widowers and their children. In particular, the foundation supports children's and youth projects with a focus on creativity and experiential learning.

Last year, the Private Placement Life Insurance unit dispensed with gifts for business partners and instead donated a large sum of money to the Lo Tedhal hospice

in Brazil which provides treatment for pain and palliative care to advanced cancer patients and aims to give them a better quality of life.

The AWD Group has committed itself for many years to social, scientific and cultural causes. The AWD-Stiftung Kinderhilfe Foundation, established in 1991, is essentially run by AWD Group advisors and employees, and helps improve the life chances and development opportunities of disadvantaged children. The foundation continued its major medical aid project in West Africa in 2009. The Noma project in Sokoto is dedicated to the education and surgical rehabilitation of victims of a disease caused by a mixed infection which results in serious facial defects. The AWD-Stiftung Kinderhilfe Foundation also funded life-saving operations in collaboration with other foundations, and supported important projects in Kyrgyzstan, the Czech Republic and Slovakia. The foundation was also active in Germany, Austria and Switzerland.

POLITICS – For retirement provisions to function effectively, account must be taken of current demographic and economic challenges. Thus, Swiss Life is involved at various levels of the political debate. Swiss Life also supports politically active employees who volunteer for public office, thus helping to strengthen the tradition of providing service to the community.

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 engage in regular dialogue on key social and political issues. Since 2007, Swiss Life has provided a platform for dialogue at its Munich Specialist Forum series of events for corporate clients, business partners and experts working in the occupational pensions field. The third German Swiss Life Pension Day in October 2009 also enjoyed broad public interest.

ENVIRONMENT – Swiss Life has been committed to conserving natural resources for many years. The company is a founding member of the Swiss Climate Foundation which supports energy efficiency enhancement and climate protection measures in small and medium-sized companies (SMEs) in Switzerland. As a member of the Energy Model Zurich, Swiss Life aims to increase energy efficiency in its Zurich location by at least 1.5% per year and to steadily reduce its energy consumption and emissions. Since 2006, Swiss Life has been using power from renewable energy sources, enabling it to reduce its CO₂ emissions by 4650 tonnes.

Another environmental initiative was the installation of efficient water supply fittings in the Zurich offices at the end of 2009, enabling Swiss Life to save five million litres of water per year. Saving water is also important at rental properties. As the leading real estate owner in Switzerland, Swiss Life fitted registering devices to calculate usage-based water costs in almost 10 000 of its rental properties in regions with high water costs over a period of five years. Studies show that water consumption has been reduced by an average of 20% as a result. Energy efficiency is very important in new buildings too. Two projects, the “Gerstenpark” in Rheinfelden, Canton Aargau, and the “Trio” residential and commercial development in Dietikon, Canton Zurich, were built in accordance with

the MINERGIE certification standard for low-energy buildings.

Swiss Life in France has committed itself to the recommendations of the Charte de Développement Durable (Charter for Sustainable Development). Since 2008, Swiss Life in Germany has been taking part in the climate protection programme “ECOPROFIT” – a joint initiative of the city of Munich and the Chamber of Commerce and Industry, and was designated a “Münchner ÖKOPROFIT-Betrieb” (Munich ECOPROFIT-certificated company) for its exceptional commitment to corporate environmental protection. As a result of sustainable economic activities, Swiss Life was able to save approximately 91 000 kWh of energy at its Munich location during 2007-2008, reducing CO₂ emissions by 58.3 tonnes. This corresponded to cost savings of more than EUR 500 000. The successful sustainable measures included in the ECOPROFIT project were continued in 2009 and supplemented by further initiatives.

Sustainability is also gaining in importance in investment operations. In Switzerland, the Swiss Life subsidiary Swiss Life Asset Management, in collaboration with SAM Sustainable Asset Management, has been offering sustainable investments since 2005. This investment concept, using mixed mandates for institutional investors, selects both equities and bonds for their economic, ecological and social added value. In addition, Swiss Life offers a sustainable fund Swiss Life Fund (LUX) Equity Global Sustainability, and its unit-linked life insurance includes three sustainable fund portfolios (Eco).

BRAND MANAGEMENT – 2009 has shown once again that, in all markets, Swiss Life is a solid brand whose values and Swiss origin act as important door openers. In the year under review, a new brand promise has been developed to underscore Swiss Life's forward-looking attitude and to further focus its positioning. Sponsorship commitments boost the recognition value and relevance of the Swiss Life brand.



In a fast-moving market environment with ever fiercer competition, brand identity is a major factor for success. A strong corporate identity offers key competitive advantages.

Since its introduction at the start of 2004, development of the Swiss Life brand has been very positive in all markets, as reflected in the brand's recognition value and regular image surveys. When breaking into new markets too, the brand, combined with its Swiss origin, has been shown to wield great power and to be an important door opener. The established AWD brand is managed as before as an independent brand.

BRAND PROMISE – Introduced in 2009, the brand promise (known in the trade as a “claim”) is: “The future starts here.” People are concerned about the future. They want to be prepared for all eventualities, while maintaining their independence in order to realise their plans, dreams and wishes. The new claim is a call to take control of the future. At the same time, it is the brand promise which Swiss Life delivers and demonstrates in daily contact with its clients. The claim also radiates the self-confidence of a strong and forward-looking brand.

BRAND POSITIONING – Based on its Swiss origin, its over 150 years of experience and its expertise as a life and pensions specialist, Swiss Life offers its clients long-term and flexible solutions for a secure future. The Swiss Life brand is founded on the qualities of expertise, future orientation and, in particular, trustworthiness.

VALUES – With its corporate values of expertise, proximity, openness, clarity and engagement, Swiss Life is committed to a professional, personal and comprehensible corporate culture – with respect to its clients, staff, shareholders and society.



I'm a true cosmopolitan, so **independence** for me means working, thinking and living on an international and multicultural level. Fabio Zanella recognised this. He understood my situation in life and my personal priorities. He also realised that my main concern is pension planning and, not so much, tax optimisation. Together, we came up with a life and pensions product which allows my wife and me to look towards a financially secure future.

Dr Manolo Bellotto

Swiss Life client, Individual Life, Lugano, Switzerland

Dr Bellotto used to work at the University of Zurich in the area of basic biomolecular research. Nowadays, he specialises in oncology and haematology, advising the top ten pharmaceutical groups in the world as an international, independent marketing consultant. The combination of rationality and creativity and his freedom to concentrate on his core strengths and responsibilities motivate him afresh to come up with new, tailor-made solutions for his clients.





My relationship with Dr Manolo Bellotto is based on great mutual **respect**. When he approached Swiss Life a year ago, our aim was to come up with a solution that optimally meets his short, medium and long-term needs – and I think we have succeeded in doing just that. Thanks to the forward-looking pensions plan we created, Dr Bellotto can devote his time and energy to his work and life.

Fabio Zanella

Insurance advisor, Swiss Life General Agency, Novaggio, Lugano, Switzerland

Fabio Zanella joined Swiss Life's General Agency in Novaggio as an insurance advisor in 2002. In terms of Swiss Life as an employer, the qualified financial advisor appreciates in particular that Swiss Life concentrates on its core business of life and pensions, has built up a wealth of expertise in this area, and focuses on the specific needs of its clients.



Corporate Governance

The Swiss Life Group continually adapts its corporate governance practices to current developments. In doing so, it observes the regulatory requirements in terms of best practice. At the Group's Annual General Meeting of 7 May 2009, the shareholders were given the opportunity of holding a consultative vote on the compensation report.

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 circular of the Swiss Financial Market Supervisory Authority FINMA on corporate governance, risk management and internal control systems for insurance companies. 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.

In view of the new composition of members in the Board of Directors following the Annual General Meeting of 7 May 2009, Swiss Life discontinued the office of Delegate of the Board of Directors and split the Chairman's Committee into two separate committees: In order to optimise the corporate governance environment, a Chairman's and Corporate Governance Committee and an independent Nomination and Compensation Committee have been formed. As part of this new organisational structure, the office of Second Vice Chairman has been created. The Second Vice Chairman chairs the Nomination and Compensation Committee.

In line with the latest developments as regards corporate governance and the disclosure of the compensation report, Swiss Life decided in the year under review to submit the compensation report to the Annual General Meeting for approval for the first time.

Key information on corporate governance within the Swiss Life Group is summarised in the passages below. The full corporate governance report is provided in the Financial Statements (available at www.swisslife.com/report).

GROUP STRUCTURE AND SHAREHOLDERS

GROUP STRUCTURE – Swiss Life Holding was established in 2002 and has its registered office in Zurich. 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 insured persons.

The operational management structure as at 31 December is shown on page 51.

SHAREHOLDERS – The following shareholders disclosed participations of registered shares exceeding the 3% reportable threshold stipulated under the Stock Exchange Act:

Barclays Plc, England, informed on 12 February 2008 that on that date it held, directly or indirectly, a total of 1 474 185 registered shares of Swiss Life Holding, which corresponded at that time to 4.22% of the voting rights of Swiss Life Holding.

Dodge & Cox, USA, notified on 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 on 23 December 2008 that a group consisting of him and his two sons, Marcel Jo Maschmeyer and Maurice Jean Maschmeyer, and the companies CM Vermögensverwaltung GmbH & Co. KG and CM Vermögensverwaltungs-Geschäftsführungs GmbH held a total of 1 944 616 registered shares and 230 000 further purchase positions of Swiss Life Holding, corresponding to a 6.22% share of the voting rights (cf. also on page 59 details on share ownership as at 31.12.2009 of currently serving Board of Director and Corporate Executive Board members).

Talanx AG, Germany, disclosed on 20 May 2009 that a group composed of AmpegaGerling Investment GmbH, Talanx AG and Talanx Beteiligungs-GmbH & Co. KG held 2 987 988 Swiss Life Holding shares, corresponding 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.

The notifications of significant shareholders pursuant to Art. 20 of the Stock Exchange Act can be found on the website of the SIX Swiss Exchange's disclosure office (www.six-exchange-regulation.com).

SHAREHOLDER STRUCTURE – On the balance sheet date a total of 194 867 shareholders and nominees were listed in the Swiss Life Holding share register, of which about 4800 were institutional shareholders. Taken together, the shareholders entered in the share register held around 56% of the shares issued. More than half of these shares were owned by shareholders domiciled in Switzerland. Around one quarter 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 384 972 648, divided into 32 081 054 fully paid registered shares with a par value of CHF 12 each
- Conditional share capital: CHF 28 312 632, divided into 2 359 386 registered shares with a par value of CHF 12 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 62), 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 and securities brokers 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 – One convertible bond issue was outstanding on the balance sheet date, the Swiss Life Holding 0.625% issue (2004–2010) amounting to CHF 317 000 000. 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 Annual General Meeting of Shareholders (formally the supreme decision-making body of a public limited company) under the terms of the law 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 may consist of a minimum of five and a maximum of 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. 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 past three financial years, 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.

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, 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
Paul Embrechts	Member	Investment and Risk Committee	2003/2005/2008	2011
Rudolf Kellenberger	Member	Chairman's and Corporate Governance Committee Investment and Risk Committee Nomination and Compensation Committee	2003/2004/2007	2010
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
Franziska Tschudi	Member	Audit 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 Group. Following his move to the Swiss Life Group, 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 in May 2009.

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 AG 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, holds 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).

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 AG, Zurich, Member of the Board of Directors
- Drosos Foundation, Zurich, Member of the Board of Trustees
- Horizon21, Pfaeffikon Canton of Schwyz, Member of the Insurance Linked Securities Advisory Committee

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



Volker Bremkamp joined Albingia Versicherungs 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 Versicherungs 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 Versicherungs AG. Volker Bremkamp was an Executive Director and, at the same time, Group Executive Director, Continental Europe, of Guardian Royal Exchange plc, London, from 1995 to 1999, 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 and Managing Director of Xenios Invest GmbH since 2007.

Volker Bremkamp will be put forward for re-election at the Annual General Meeting of Swiss Life Holding on 6 May 2010.

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 the Imperial College, University of 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.

RUDOLF KELLENBERGER – Born 1945, Swiss national
Member of the Board of Directors



Rudolf Kellenberger received his degree in civil engineering from the Swiss Federal Institute of Technology (ETH), Zurich, in 1970. Between 1970 and

1978 he was employed as a project planning engineer in the bridge construction industry, including three years in the United Kingdom. He joined Swiss Re in 1978, where he served as Head of the Engineering Department from 1990 to 1992. In 1993 he was appointed Member of the Executive Board with responsibility for Europe. From 2000 to the end of December 2004 Rudolf Kellenberger served as Deputy Chief Executive Officer of Swiss Re. He has been appointed to various boards of directors in the area of insurance since retiring in March 2005.

After serving on the Swiss Life Board of Directors for seven years, Rudolf Kellenberger will not be standing for re-election at the Annual General Meeting in May 2010.

Other appointments:

- Swiss Pool for Aviation Insurance, Chairman
- Captive Mutual (Schweiz) AG, Baar, Chairman of the Board of Directors
- OCAD AG, Baar, Chairman of the Board of Directors
- Infrassure Ltd., Zurich, Member of the Board of Directors

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 was Co-CEO of AWD from September 2008 until March 2009 with responsibility for strategic development and opening up new markets. In May 2009 he was appointed Member of the Board of Directors of Swiss Life Holding. In January 2010 he founded MaschmeyerRürup AG – an independent and internationally focused advisor on the implementation of modern retirement planning concepts for key players in banking and insurance as well as governments. He heads the company as Chairman of the Board.

Other appointments:

- AWD Children's Aid Foundation, Hanover, Chairman of the Election Committee
- Society for the Promotion of the International Neurobionics Foundation, Hanover, Chairman of the Board
- International Neurobionics Foundation, Hanover, Vice Chairman of the Advisory Board

- "Germany – Land of Ideas" initiative, Hanover, Member of the Advisory Board

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 AG, 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.

Peter Quadri will be put forward for re-election at the Annual General Meeting of Swiss Life Holding on 6 May 2010.

Other appointments:

- Vontobel Holding AG, 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 US law at Georgetown University,

Washington 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 Managing Director of WICOR Holding AG since 2001.

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 – Bruno Gehrig resigned from his position as Chairman of the Board of Directors of Swiss Life Holding after the Annual General Meeting on 7 May 2009 because of his election to UBS Ltd's Board of Directors in October 2008. After serving for six years, Pierfranco Riva also stepped down from the Board of Directors of Swiss Life Holding due to reaching the statutory age limit. At the 2009 Annual General Meeting, Frank Schnewlin, the former CEO of the Baloise Group and former Member of Zurich Financial Services Group's Executive Board, and Carsten Maschmeyer, founder and longstanding Head of the AWD Group, were newly appointed to the Board of Directors.

INTERNAL ORGANISATIONAL STRUCTURE – The Board of Directors issued the 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.

CHAIRMAN'S AND CORPORATE GOVERNANCE COMMITTEE – The Chairman's and Corporate Governance 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 with key strategic decisions.

NOMINATION AND COMPENSATION COMMITTEE – The Nomination and Compensation Committee supports the Board of Directors with setting the compensation policy and with 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 principle 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.

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 are available in the "Risk Management" section 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 organisational structure of the Group is geared to the main functions of its business. The resultant organisation is reflected in the division of tasks within the Corporate Executive Board.

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.

MEMBERS OF THE CORPORATE EXECUTIVE BOARD –

On 31 December 2009 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

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 Operations 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 Economics and Finances 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.

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.

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

Other appointments:

- Castle Alternative Invest AG, Freienbach, Member of the Board of Directors
- 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 state 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
- tecis Finanzdienstleistungen AG, Hamburg, Chairman of the Supervisory Board

RESIGNATIONS – Reto Himmel, Group Chief Technology & Operations Officer (Group CTO), left the Corporate Executive Board on 31 March 2009 due to the discontinuation of the corporate executive Group CTO function because of the transfer of areas of the Group IT & Operations division into the Swiss business management structure.

On 5 May 2009, Swiss Life informed that Thomas Müller, Group Chief Financial & Risk Officer (Group CFO), decided to leave the company for personal reasons at the end of June 2009, following seven years of successful service. As of 1 August 2009 Thomas Buess was appointed new Group CFO.

TRANSFER OF MANAGEMENT TASKS

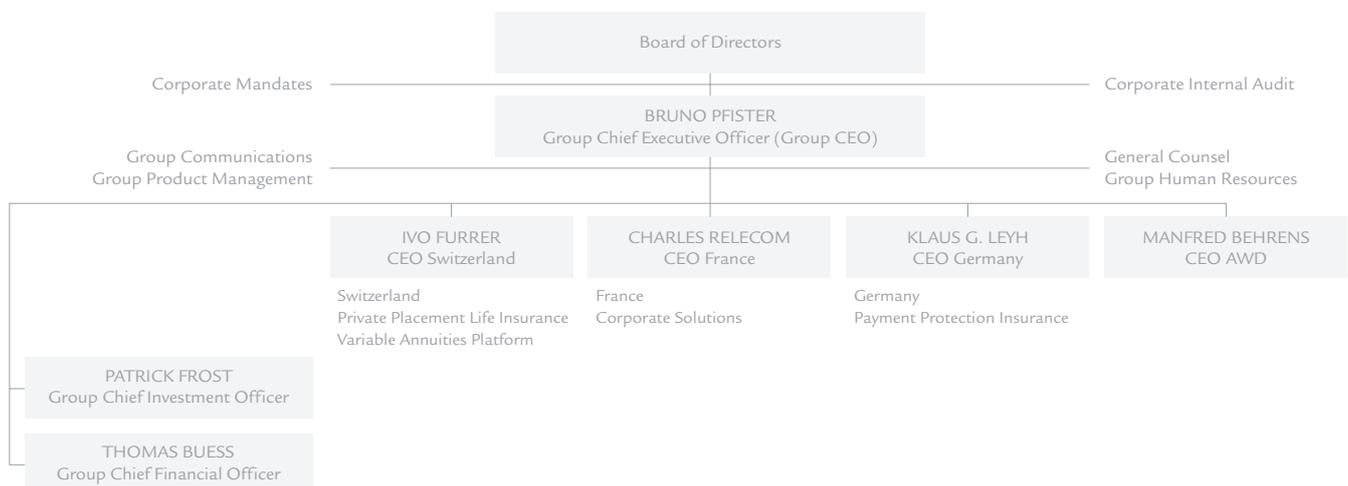
No management tasks have been contractually delegated to third parties by Swiss Life Holding.

THE GROUP'S NEW MANAGEMENT – The management team of the Swiss Life Group has changed over the past approximately 18 months. With the appointment of Matthias R. Aellig as the new Group CRO at the beginning of 2010, Bruno Pfister, Group CEO, has now completed his team.



From left to right: Matthias R. Aellig (Group CRO), Klaus G. Leyh (CEO Germany), Walter Schönbächler (Chief Audit Executive), Thomas Buess (Group CFO), Charles Relecom (CEO France), Ruedi Bodenmann (Head of Group Product Management), Manfred Behrens (CEO AWD), Bruno Pfister (Group CEO), Christian Pfister (Head of Group Communications), Ivo Furrer (CEO Switzerland), Hans-Peter Conrad (General Counsel), Karl P. Ruoss (Head of Group Human Resources), Patrick Frost (Group CIO), Beat Hubacher (Delegate for Corporate Mandates)

Management structure as at 31 December 2009





What impressed me about the comprehensive advisory services offered by Hermann Schweigert was his sound knowledge of the real estate sector, coupled with his great **expertise** in the area of insurance. He provided me with specialist support that went way beyond insurance issues and played a large part in my decision to go it alone and set up my own business. And he showed me that I can do all this, yet still be financially independent – which is a good feeling.

Dr Dietlind von Laßberg

Swiss Life client, Individual Life, Wörthsee, Bavaria, Germany

After completing her studies in political science and geography, Dr Dietlind von Laßberg worked in the tourism research area from 1990 to 2008, becoming a manager. In 2009 she set up her own business as a real estate broker and management consultant. She and her advisor share an interest in sailing and hiking.





As with all my clients, when I first met Dr Dietlind von Laßberg, we worked together to precisely identify her needs in terms of a concept. Once we had this, the next step was to find the right products on the market. As so often in the past, Swiss Life had exactly what we needed. Looking back, my maxim proved true once again: **Success** is the sum of small efforts, repeated day in and day out.

Hermann Schweigert

Insurance broker, Wörthsee, Bavaria, Germany

Hermann Schweigert began working as an independent insurance broker in 1983. His business relationship with Swiss Life dates right back to the start of his career. For him, it's important that his clients live quite close by, so that he can get to know them all personally and meet them occasionally at the bakers or in the local supermarket. He also wants to limit his number of clients to 1000 and his staff to 4. He is very happy that his son Benno came on board two years ago. Benno shares his outlook for the company and plans on taking over the reins some day.



COMPENSATION

Further details on compensation and benefit expenditure for the management and employees of the Swiss Life Group can be found in the Financial Statement section of the Annual Report. 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.

Also included in the information on compensation disclosed for the period under review is the variable compensation to Corporate Executive Board members for the 2009 financial year, determined and payable as a cash bonus at the beginning of 2010. The members of the Board of Directors have not been granted variable compensation for the 2009 financial year.

As already stated in the 2008 compensation report, the members of the Board of Directors did not receive any variable compensation in the form of blocked shares for the 2008 financial year. Furthermore, the members of the Corporate Executive Board did not receive a cash bonus or a variable compensation component in shares.

The compensation reported for the Board of Directors in 2009 includes the entire compensation received by Rolf Dörig as Delegate of the Board of Directors until 7 May 2009 and as Chairman of the Board of Directors from that date on. In view of the fact that Rolf Dörig held the positions of Group CEO until the Annual General Meeting of Swiss Life Holding on 8 May 2008 and Delegate of the Board following his election to the Board of Directors, his compensation in the period under review is shown in its entirety under the compensation to the Corporate Executive Board.

COMPENSATION POLICY PRINCIPLES — Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for establishing the guidelines on the Group's compensation policy (incl. bonuses and equity compensation programmes) and with regard to employee benefit institutions. The compensation policy underpins the performance culture required by the corporate strategy and forms part of the HR policy. The aim is to retain qualified employees and recruit new, highly skilled staff.

The chosen compensation system is in line with the market environment and must be competitive. The overall compensation takes into account the employees' professional skills, engagement and personal performance. Individual compensation is made up of a basic salary and variable short-, medium- and long-term salary components as well as contributions to occupational provisions and risk insurance. The basic salary is determined according to the employee's function and skill set, and is annually re-assessed and adjusted if appropriate. The variable salary components are linked to the strategic objectives of the company and the individual divisions, and the associated financial and HR-related targets. Personal performance and target achievement are assessed annually in the employee appraisal procedure implemented throughout the Group (Group Performance System) and taken into consideration when applying the defined compensation policy.

PRACTICE AND PROCEDURE — Pursuant to the Organisational 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 corresponding 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 organisations of comparable size and in comparable industries, drawing its findings from publicly available information and, as necessary, studies by external experts. Based on these guidelines, the Nomination and Compensation Committee also submits proposals to the Board of Directors with regard to the determination and distribution of the bonus pool for all employees and determination of the compensation for the individual members of the Corporate Executive Board.

COMPENSATION 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

	2009	2008
Board of Directors	2 426 217 ¹	1 543 000
Corporate Executive Board	9 573 342 ²	6 843 949 ³

¹ Incl. compensation for Rolf Dörig as Delegate and Chairman of the Board of Directors in 2009. His compensation for the 2008 financial year for his positions as Group CEO and BoD Delegate is shown in its entirety under the disclosure for the Corporate Executive Board.

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

³ The Corporate Executive Board members were not paid a cash bonus for the 2008 financial year.

There were no resignations from the Board of Directors during the 2008 financial year. Within the context of succession planning at Board of Director and Corporate Executive Board level, Rolf Dörig was elected to the Board of Directors of Swiss Life Holding as an additional member on 8 May 2008.

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 Annual General Meeting on 7 May 2009 due to his election to the Board of Directors of UBS Ltd in October 2008. After serving for six years, Pierfranco Riva also stepped down from the Board of Directors at the 2009 Annual General Meeting due to 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 on 7 May 2009 to take over from Bruno Gehrig as Chairman of the Board of Directors.

In 2008 the following personnel changes took place in the Corporate Executive Board: Bruno Pfister was appointed Group CEO with effect from 9 May 2008 to replace Rolf Dörig, who was elected to the Board of Directors at the Annual General Meeting of 8 May 2008 and thus stepped down from the Corporate Executive Board. In addition, Manfred Behrens joined the Corporate Executive Board as CEO Germany with effect from 9 May 2008. He went on to assume the position of Co-CEO of AWD on 1 September 2008. CEO France, Charles Relecom, and

the new CEO Germany, Klaus Leyh, joined the Corporate Executive Board on 1 July 2008 and 1 October 2008, respectively. Paul Müller handed over his position as CEO Switzerland to Ivo Furrer as of 1 September 2008.

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 effective 31 March 2009 due to the discontinuation of the Group CTO function. Thomas Buess joined the Board as of 1 August 2009 as the new Group Chief Financial Officer (Group CFO), replacing Thomas Müller who resigned from the Corporate Executive Board with effect from 30 June 2009.

Compensation remitted to members of the Board of Directors comprises the basic compensation, compensation in cash and variable compensation in shares. The basic compensation 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. It is partly paid in the form of blocked shares. 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 may be remitted in the form of Swiss Life Holding shares. This is decided by the Board of Directors, taking into consideration the business results.

On the balance sheet date, the following compensation was received by acting members of the Board of Directors of Swiss Life Holding:

	Compensation in cash in CHF	Shares with three-year blocking period		Total
		Part of basic compensation	Part of variable compensation for the 2009 financial year	
Rolf Dörig ¹	1 121 132	1 093	–	1 093
Gerold Bühner	248 667	319	–	319
Frank Schnewlin ²	116 000	188	–	188
Volker Bremkamp	126 000	224	–	224
Paul Embrechts	82 000	169	–	169
Rudolf Kellenberger	124 667	264	–	264
Carsten Maschmeyer ²	54 667	94	–	94
Henry Peter	82 000	169	–	169
Peter Quadri	82 000	169	–	169
Franziska Tschudi	82 000	169	–	169

¹ Delegate of the Board of Directors until 07.05.2009 / Chairman of the Board of Directors from 07.05.2009.

² Member of the Board of Directors from 07.05.2009.

Until leaving the Board of Directors at the Annual General Meeting of 7 May 2009, Bruno Gehrig was paid compensation in cash to the amount of CHF 272 917 in his capacity as Chairman of the Board of Directors. As part of his basic compensation, Pierfranco Riva received for the same period compensation in cash of CHF 34 167 and 82 shares, which were subject to a three-year blocking period.

As Chairman of the Board of Directors, Bruno Gehrig was affiliated to the employee benefits institutions of Swiss Life for the purpose of occupational provisions and obtains the corresponding pension benefits under the pension fund regulations. Rolf Dörig, in his former role as Delegate of the Board of Directors and current position as Chairman of the Board, is also insured for occupational provisions with the employee benefits institutions of Swiss Life. No such affiliation exists for other members of the Board of Directors; no contributions have been made on their behalf.

Compensation to the members of the Corporate Executive Board comprises a salary, a variable bonus in cash, other compensation (child allowances, allowances for

years of service, company cars, premium contributions to 3rd-pillar pension plans) and, possibly, a variable compensation component in shares. The salary is determined annually by the Board of Directors at the request of the Nomination and Compensation Committee, taking into account the function-related responsibility and workload. If the Swiss Life Group's business operations have proven successful, a variable cash bonus and, possibly, variable compensation in shares are also granted. This is decided on by the Board of Directors, taking into consideration both the business results and the personal achievement of objectives by the members of the Corporate Executive Board. They are also insured for occupational provisions.

Within the framework of the compensation arrangements, a long-term equity compensation programme was introduced in 2004 for members of the Corporate Executive Board and other members of senior management within the Swiss Life Group. Based on the programme, participants are granted future subscription rights in the form of Performance Share Units (PSUs) on Swiss Life Holding

shares, entitling them to receive the shares free of charge after a period of three years has elapsed, if the relevant conditions have been fulfilled.

As in previous years, the equity compensation programmes for 2008 and 2009 are based on two objective performance criteria, each with a 50% weighting. Depending on how the two criteria develop over the course of three years, the number of PSUs can increase by up to a factor of 1.5 or drop to zero. One criterion is the Total Shareholder Return on Swiss Life Holding shares (TSR Swiss Life Holding), whereby a performance in excess of 20% is required for the subscription right to share allocation to arise after three years. The second criterion involves comparing the TSR of the company's own shares with the TSR of the shares of the companies included in the Dow Jones STOXX 600 Insurance Index (TSR Outperformance). Based on this second criterion, 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. The value of the PSUs allocated equals the fair value as at 1 April of the year of allocation. It is determined by an independent consultancy company.

In the 2008 equity compensation programme, 47 members of the Swiss Life Group senior management took part. A total of 52 618 PSUs were allocated; 23 695 to the Corporate Executive Board, of which 5924 were allocated to Bruno Pfister in his capacity as CEO International up to 8 May 2008 and as Group CEO from 9 May 2008. In accordance with the compensation regulations pertaining to the Board of Directors, Rolf Dörig, who held the position of Group CEO up to 8 May 2008, was not allocated any PSUs for the 2008 financial year due to his election to the Board of Directors on 8 May 2008 and resultant resignation from the Corporate Executive Board. Consequently, he was also not allocated any PSUs for the 2009 financial year.

In the period under review, 65 members of the Swiss Life Group senior management participated in the 2009 equity compensation programme which came into effect on 1 April 2009. A total of 53 216 PSUs were allocated; 22 200 to the Corporate Executive Board, of which 6500 to Group CEO, Bruno Pfister.

SHARE ALLOTMENT IN THE YEAR UNDER REVIEW —

The shares allotted to the members of the Board of Directors in the period under review formed part of their basic compensation, 80% of which was granted in cash and 20% in shares of Swiss Life Holding. The shares are subject to a three-year blocking period.

For the 2009 financial year, like the 2008 financial year, no variable compensation in shares has been granted to the members of the Board of Directors or the Corporate Executive Board.

As part of their basic compensation for 2009, the members of the Board of Directors were allotted the following Swiss Life Holding shares, subject to a three-year blocking period:

Board of Directors	2940 shares, allocated at values of CHF 77.6649 and CHF 107.5553 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 on allocation amounted to CHF 92.50 and CHF 128.10.

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, 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 31.12.2009
Rolf Dörig	33 277
Gerold Bühler	2 485
Frank Schnewlin	188
Volker Bremkamp	1 267
Paul Embrechts	945
Rudolf Kellenberger	1 286
Carsten Maschmeyer	1 620 730
Henry Peter	2 025
Peter Quadri	1 725
Franziska Tschudi	945
TOTAL BOARD OF DIRECTORS	1 664 873

	SLH shares 31.12.2009
Bruno Pfister	9 068
Ivo Furrer	0
Klaus G. Leyh	53
Charles Relecom	0
Thomas Buess	1 000
Patrick Frost	2 013
Manfred Behrens	698
TOTAL CORPORATE EXECUTIVE BOARD	12 832

HIGHEST TOTAL COMPENSATION, BOARD OF DIRECTORS – Rolf Dörig succeeded Bruno Gehrig as Chairman of the Board of Directors of Swiss Life Holding following the Annual General Meeting of 7 May 2009.

In 2008 Rolf Dörig held the position of Group CEO of Swiss Life until the Annual General Meeting of 8 May 2008; after his election at the Annual General Meeting of May 2009, he assumed the function of Delegate of the Board. His compensation for 2008 is disclosed in its entirety under the compensation to the Corporate Executive Board.

For the 2009 financial year, the members of the Board of Directors have not been granted variable compensation in shares. The shares allotted in 2009 form part of the basic compensation, 80% of which is granted in cash and 20% in shares.

The highest total compensation for a member of the Board of Directors of Swiss Life Holding in the period under review was received by Rolf Dörig as Delegate of the Board of Directors and, following the Annual General Meeting of 7 May 2009, Chairman of the Board. The compensation granted in the form of cash, shares and contributions to occupational provisions for the 2009 financial year was as follows:

In CHF

Compensation in cash ¹	1 121 132	
Shares ²	117 558	1 093 SLH shares at CHF 107.5553
Share options	none	
Total compensation 2009 ³		
in cash and shares	1 238 690	
including annual contribution to occupational provisions of CHF 195 656	1 434 346	
Total compensation 2008 ⁴		
in cash and shares	1 621 806	
including annual contribution to occupational provisions of CHF 195 656	1 817 462	

¹ Including company car and premium contribution for the position of Delegate of the Board of Directors.

² Part of basic compensation. The allocation and valuation was effected on 18.12.2009 at an economic value of CHF 107.5553, which is equal to the tax value, taking into account a blocking period of three years. The share price at the time of allocation was CHF 128.10. For the 2009 financial year, no variable compensation in shares has been granted to the members of the Board of Directors.

³ Compensation received as Delegate of the Board of Directors and, following the Annual General Meeting of 7 May 2009, as Chairman of the Board of Directors of Swiss Life Holding.

⁴ Compensation received as Group CEO until 8 May 2008 and subsequently as Delegate of the Board of Directors. Rolf Dörig did not receive any cash bonus or variable compensation for the 2008 financial year.

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

The compensation granted in 2009 in the form of cash, shares and contributions to occupational provisions was as follows:

In CHF

Compensation in cash ¹	2 178 553
Shares ²	none
Share options	none
Total compensation 2009 ³	
in cash and shares	2 178 553
including annual contribution to occupational provisions of CHF 175 801	2 354 354
Total compensation 2008 ^{3,4}	
in cash and shares ⁵	1 053 193
including annual contribution to occupational provisions of CHF 156 648	1 209 841
including additional contribution to occupational provisions of CHF 598 500 ⁶	1 808 341

¹ Including cash bonus of 925 000 for the 2009 financial year, determined at the beginning of 2010, and other compensation in cash (child allowances, company car, premium contribution).

² For the 2009 financial year, no variable compensation in shares has been granted to the members of the Corporate Executive Board.

³ Without mathematical value of PSUs allocated.

⁴ Bruno Pfister served on the Corporate Executive Board in 2008 as CEO International until 8 May 2008 and, from 9 May 2008, as Group CEO.

⁵ For the 2008 financial year, the members of the Corporate Executive Board did not receive a cash bonus or variable compensation in shares.

⁶ Subsequent contribution in accordance with the pension fund regulations due to increase in salary.

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 programme. These entitle him to Swiss Life Holding shares as at 1 April 2012, provided that the relevant requirements have then been met. Depending on how the two defined performance criteria develop, the number of PSUs can increase by up to a factor of 1.5 or drop to zero. On the allocation date of 1 April 2009, the fair value of one PSU was CHF 51.22.

Taking into account the mathematical value of the PSUs allocated, which came to CHF 332 930, Bruno Pfister's total compensation for 2009 amounted to CHF 2 687 284.

In 2008 Bruno Pfister was allocated 5924 future subscription rights in the form of Performance Share Units (PSUs). On the allocation date of 1 April 2008, the fair value of one PSU was CHF 179.30. Taking into account the mathematical value of the PSUs allocated in 2008, which came to CHF 1 062 173, Bruno Pfister's total compensation for 2008 amounted to CHF 2 870 514.

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 of two thirds of the voting shares represented and an absolute majority of the share par value represented is required to change provisions concerning restrictions on voting rights, to dissolve the company by means of liquidation, to dismiss more than one third of the members of the Board of Directors and to change these provisions of the Articles of Association.

CONVOCATION 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 representing shares with a par value of at least one million francs 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.

ENTRY IN THE SHARE REGISTER – Entries can be made in the share register up to the day before the General Meeting of Shareholders. The company reserves the right to adhere to the legal maximum period of 20 days for recognition of entries in the share register.

VOTING SYSTEM – Based on a corresponding authorisation in the Articles of Association, the presiding officer at Swiss Life Holding's General Meeting of Shareholders generally requests for votes to 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 Art. 22 of the Stock Exchange Act.

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. Members of the Board of Directors must observe a notice period of twelve months under their employment contract.

AUDITORS

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

In the report of the auditor, PwC confirms that it meets the legal requirements concerning professional qualification and independence.

DURATION OF THE MANDATES 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.

AUDITING FEES – In 2009 the auditing fees credited to PwC came to CHF 7.8 million (2008: CHF 7.3 million). This includes the fees for reviewing the 2009 half-year accounts.

ADDITIONAL FEES — In 2009 PwC received additional fees totalling around CHF 3.0 million for advisory services (2008: CHF 2.1 million), approximately CHF 1.1 million of which was for actuarial advisory services, CHF 0.8 million for fiscal and financial advisory services and CHF 0.7 million for strategic advisory services.

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

SUPERVISORY AND CONTROL INSTRUMENTS VIS-À-VIS THE AUDITORS — The Audit Committee evaluates the independence of the external auditors and identifies possible 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 Annual 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 found at www.swisslife.com. Furthermore, all interested parties can subscribe to the company's mailing list so as to receive up-to-date 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. All Swiss Life's annual and half-year reports since 1997 can be accessed on its website. Twice a year, a report detailing the key facts and figures on business operations is sent to all the shareholders listed in the share register. For the last six years, the company has been holding an Investor's Day annually; the most recent was held on 15 December 2009.

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

	2009	2008
CONTINUING OPERATIONS		
INCOME		
Premiums earned on insurance contracts	11 987	13 392
Premiums earned on investment contracts with discretionary participation	118	166
Premiums ceded to reinsurers	-238	-304
Net earned premiums	11 867	13 254
Policy fees earned on insurance contracts	56	54
Policy fees earned on investment and unit-linked contracts	212	206
Net earned policy fees	268	260
Commission income	934	950
Investment income	4 207	4 563
Net gains/losses on financial assets	-118	-6 010
Net gains/losses on financial instruments at fair value through profit or loss	315	1 853
Net gains/losses on investment property	184	194
Other income	159	292
TOTAL INCOME	17 816	15 356
EXPENSES		
Benefits and claims under insurance contracts	-11 858	-12 844
Benefits and claims under investment contracts with discretionary participation	-129	-184
Benefits and claims recovered from reinsurers	103	113
Net insurance benefits and claims	-11 884	-12 915
Policyholder participation	-1 539	429
Interest expense	-353	-393
Commission expense	-1 008	-963
Employee benefits expense	-1 049	-1 041
Depreciation and amortisation expense	-633	-518
Impairment of property and equipment and intangible assets	-24	-4
Other expenses	-764	-793
TOTAL EXPENSES	-17 254	-16 198
RESULT FROM OPERATIONS	562	-842
Borrowing costs	-141	-181
Share of results of associates	6	-149
RESULT BEFORE INCOME TAX	427	-1 172
Income tax expense	-103	29
NET RESULT FROM CONTINUING OPERATIONS	324	-1 143
DISCONTINUED OPERATIONS		
NET RESULT FROM DISCONTINUED OPERATIONS	-47	1 488
NET PROFIT	277	345
Net profit attributable to		
equity holders of Swiss Life Holding	278	350
non-controlling interests	-1	-5
NET PROFIT	277	345
Earnings per share from continuing operations attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	10.36	-35.37
Diluted earnings per share (in CHF)	10.33	-35.37
Earnings per share attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	8.86	10.88
Diluted earnings per share (in CHF)	8.83	10.88

Consolidated Balance Sheet

In CHF million		Reclassified	Reclassified
	31.12.2009	31.12.2008	01.01.2008
ASSETS			
Cash and cash equivalents	8 683	9 408	4 555
Derivatives	790	1 349	463
Assets held for sale	2	4	40 468
Financial assets at fair value through profit or loss	21 997	16 916	19 399
Financial assets available for sale	51 855	43 163	68 588
Loans and receivables	34 125	37 029	24 804
Financial assets held to maturity	6 432	7 159	3 624
Financial assets pledged as collateral	330	-	-
Investment property	13 292	12 663	12 252
Investments in associates	71	437	72
Reinsurance assets	412	447	975
Property and equipment	696	802	864
Intangible assets including intangible insurance assets	4 576	4 651	3 151
Current income tax assets	26	11	1
Deferred income tax assets	80	97	118
Other assets	581	655	423
TOTAL ASSETS	143 948	134 791	179 757

Consolidated Balance Sheet

In CHF million		Reclassified	Reclassified
	31.12.2009	31.12.2008	01.01.2008
LIABILITIES AND EQUITY			
LIABILITIES			
Derivatives	282	346	213
Liabilities associated with assets held for sale	-	-	37 502
Financial liabilities at fair value through profit or loss	16 001	10 805	11 427
Investment contracts	12 089	11 135	12 907
Borrowings	2 731	3 123	3 621
Other financial liabilities	6 385	6 672	5 880
Insurance liabilities	92 317	91 024	94 492
Policyholder participation liabilities	3 109	1 422	3 388
Employee benefit liabilities	2 121	2 085	2 072
Current income tax liabilities	286	229	245
Deferred income tax liabilities	756	648	485
Provisions	201	93	116
Other liabilities	425	557	75
TOTAL LIABILITIES	136 703	128 139	172 423
EQUITY			
Share capital	385	596	1 189
Share premium	1 697	2 690	2 612
Treasury shares	-25	-1 167	-618
Foreign currency translation differences	-216	-195	123
Gains/losses recognised directly in equity	-41	-445	-809
Retained earnings	5 408	5 130	4 780
TOTAL SHAREHOLDERS' EQUITY	7 208	6 609	7 277
Non-controlling interests	37	43	57
TOTAL EQUITY	7 245	6 652	7 334
TOTAL LIABILITIES AND EQUITY	143 948	134 791	179 757

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
Acquisitions 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

Consolidated Statement of Changes in Equity for the Year 2008

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	1 189	2 612	-618	123	-809	4 780	7 277	57	7 334
Total net comprehensive income	-	-	-	-318	364	350	396	-17	379
Reduction in par value	-596	49	-	-	-	-	-547	-	-547
Conversion of convertible debt	3	20	-	-	-	-	23	-	23
Obligation to purchase own shares	-	-12	-	-	-	-	-12	-	-12
Equity-settled share-based payments	-	9	-	-	-	-	9	0	9
Purchases of treasury shares	-	-	-711	-	-	-	-711	-	-711
Sales of treasury shares	-	12	150	-	-	-	162	-	162
Disposals of subsidiaries	-	-	12	-	-	-	12	-17	-5
Acquisitions of subsidiaries	-	-	-	-	-	-	-	14	14
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	10	10
Dividends	-	-	-	-	-	-	-	-4	-4
BALANCE AS AT END OF PERIOD	596	2 690	-1 167	-195	-445	5 130	6 609	43	6 652

Share Performance and Historical Comparison

Equity markets continued to suffer from the impacts of the financial crisis at the beginning of 2009 and the Swiss Life share price fell to an annual low in February. The situation started to improve in March and equity markets recovered to finish 2009 on a positive note. By year-end 2009, Swiss Life's share price had noticeably recovered and, with a plus of 82%, was the best performer on the Swiss Market Index. At the Annual General Meeting in May, the shareholders approved a distribution of profit of CHF 5 per share and authorised a reduction of the share capital to the amount of the share buyback programme executed in 2008. For the financial year 2009, the Board of Directors proposes a distribution of profit of CHF 2.40 per share.

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	2009	as at	2008
Number of shares (incl. conversions in 2008)	31.12.2009	32 081 054	31.12.2008	35 084 554
Annual high	16.10.2009	140.20	02./05.05.2008	298.66
Annual low	17.02.2009	43.00	21.11.2008	63.90
Year-end price	30.12.2009	132.00	30.12.2008	72.40
Performance Swiss Life (in %)		+82		-74
Swiss Market Index (SMI)	30.12.2009	6 546	30.12.2008	5 535
Performance Swiss Market Index (SMI) (in %)		+18		-35
Dow Jones STOXX 600 Insurance Index (in EUR)	30.12.2009	151	30.12.2008	134
Performance Dow Jones STOXX 600 Insurance Index (in %)		+13		-47
Average trading volume		264 910		377 109
Market capitalisation (in CHF million)	30.12.2009	4 235	30.12.2008	2 540
Basic earnings per share	31.12.2009	8.86	31.12.2008	10.88
Diluted earnings per share	31.12.2009	8.83	31.12.2008	10.88
Dividend paid per share	27.07.2009	5.00	29.07.2008	17.00
Total dividend payout to shareholders (in CHF million)	27.07.2009	160	29.07.2008	596
Dividend yield on year-end price (in %)	30.12.2009	3.79	30.12.2008	23.48

Source: Bloomberg

BREAKDOWN OF REGISTERED SHARES WITH VOTING RIGHTS

Number of shares	Number of shareholders	As % of registered shareholders
1 - 25	160 083	82.15
26 - 100	23 266	11.94
101 - 1 000	10 608	5.44
> 1 000	910	0.47
TOTAL	194 867	100.00

STANDARD & POOR'S FINANCIAL STRENGTH RATINGS AS AT 31.12.2009

	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)

	2009	2008	2007	2006	2005
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	20 219	18 515	21 213	19 421	n/a
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	11 867	13 254	13 316	12 283	13 512
Net earned policy fees	268	260	389	390	394
Financial result (without share of results of associates)	4 588	600	4 923	5 364	7 056
TOTAL INCOME	17 816	15 356	18 971	18 219	21 542
Net insurance benefits and claims	-11 884	-12 915	-13 268	-12 012	-14 040
Policyholder participation	-1 539	429	-1 746	-2 143	-2 227
Operating expense	-3 478	-3 319	-2 489	-2 432	-3 390
TOTAL EXPENSE	-17 254	-16 198	-17 958	-17 309	-20 519
RESULT FROM OPERATIONS	562	-842	1 013	910	1 023
Net result from continuing operations	324	-1 143	726	576	n/a
Net result from discontinued operations	-47	1 488	642 ¹	378	n/a
NET PROFIT	277	345	1 368	954	874
Net profit attributable to					
Equity holders of Swiss Life Holding	278	350	1 345	933	860
Non-controlling interests	-1	-5	23	21	14
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	7 245	6 652	7 334	7 851	7 953
Insurance reserves	122 616	113 308	121 829	153 800	139 252
Balance sheet total	143 948	134 791	179 757	186 950	177 597
FURTHER KEY FIGURES					
Return on equity (in %)	4.0	5.0	18.1	12.2	12.3
Assets under control	148 186	134 326	138 946	214 041	215 094
Year-end embedded value ²	6 877	8 457	12 837	10 665	8 887
Value of new business ²	123	78	118	121	48
Number of employees (full-time equivalents)	7 820	8 291	8 556	8 693	8 979

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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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 2009 can be found at:

www.swisslife.com/report

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IMPORTANT DATES

INTERIM STATEMENT Q1 2010

4 May 2010

ANNUAL GENERAL MEETING OF SHAREHOLDERS 2010

6 May 2010, Hallenstadion Zurich

HALF-YEAR REPORT 2010

18 August 2010

INTERIM STATEMENT Q3 2010

10 November 2010



SwissLife
The future starts here.