

Full-year results 2010 Investors' presentation

Zurich, 2 March 2011

Agenda

→ Overview

Financial results and
MILESTONE update

Wrap-up

Bruno Pfister

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Highlights: Key performance metrics further improved as MILESTONE pays off

FY 2010 vs FY 2009

- Net profit more than doubled from CHF 277 m to CHF 560 m
- Premiums grew 4% in local currency
- Net investment result improved from 3.9% to 4.1%
- AWD's EBIT turned around from EUR -41.1 m to EUR 49.1 m
- MILESTONE on track:
 - Share of modern and risk products in new business increased from 64% to 69%
 - New business margin improved to 1.4% from 0.9% and VNB increased to CHF 209 m from CHF 123 m
 - Operating expenses further reduced by CHF 121 m or 8%
 - More than 80% of profit improvement driven by operational progress

2010 results

FY 2010 vs FY 2009

Net profit	➔	CHF 560 m	+102%
Profit from operations	➔	CHF 694 m	+23%
New business margin (% PVNBP)	➔	1.4%	+0.5 pts
GWP incl. PHD	➔	CHF 20.2 bn	+4% ¹⁾
Shareholders' equity	➔	CHF 7.4 bn	+3%
Return on equity	➔	7.6%	+3.6 pts
Group solvency	➔	172%	+8 pts
Dividend (proposed)	➔	CHF 4.50	+88%

1) Local currency

Agenda

Overview

→ **Financial results and
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Income statement

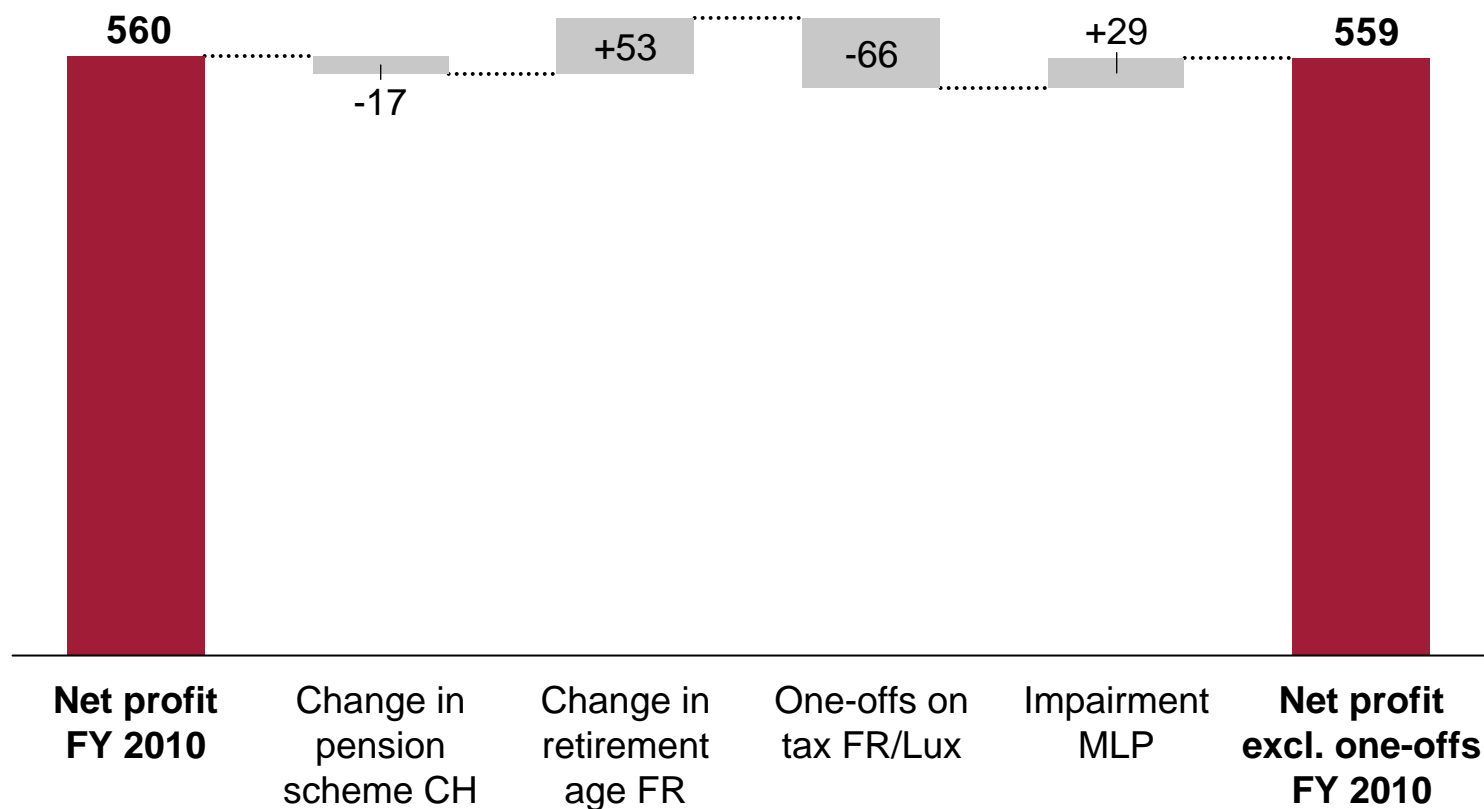
CHF million (IFRS basis)

Continuing operations	FY 2009	FY 2010
Gross written premiums, fees and deposits received	20 219	20 191
Commission income	934	922
Financial result for own risk	4 570	4 338
<i>Net investment result insurance portfolio for own risk</i>	<i>4 337</i>	<i>4 566</i>
Net insurance benefits and claims	-11 884	-12 704
Policyholder participation	-1 539	-1 073
Operating expense	-3 478	-3 062
Profit from operations	562	694
Borrowing costs	-141	-104
Share of results of associates	6	6
Income tax expense	-103	-36
Net profit from continuing operations	324	560
Net result from discontinued operations	-47	-
Net profit	277	560
Earnings per share (in CHF) ¹⁾	8.83	17.37

1) Diluted, based on 31 706 425 shares in FY 2009 and 32 075 409 shares in FY 2010

Major one-off effects in the 2010 result

CHF million¹⁾ (IFRS basis)



1) One-off effects after policyholder participation and tax



Business review Insurance Switzerland

CHF million (IFRS basis, MCEV)

	FY 2009	FY 2010	Change	
GWP incl. PHD	7 518	7 631	+2%	<ul style="list-style-type: none"> GL: +4%, slightly below market, periodic & single premiums up due to good new business and lower lapses IL: -7%, below market, effect of focus on margins
Operating expense adjusted ¹⁾	-464	-426	-8%	<ul style="list-style-type: none"> Impact of cost saving initiatives
Segment result	467	488	+4%	<ul style="list-style-type: none"> Cost savings, good investment result and stable risk result
New business volume (PVNBP)	3 396	3 819	+12%	<ul style="list-style-type: none"> Strong increase due to inclusion of assumed reinsurance
New business margin (% PVNBP)	0.3%	0.8%	+0.5 ppts	<ul style="list-style-type: none"> Margin management actions counteracted economic impacts; positive impact from assumed reinsurance
MCEV	1 513	2 212	+46%	<ul style="list-style-type: none"> Results of MILESTONE and favourable biometric experience

1) Excluding unallocated corporate costs

Business review Insurance France

EUR million (IFRS basis, MCEV)

	FY 2009	FY 2010	Change	
GWP incl. PHD	3 507	3 838	+9%	<ul style="list-style-type: none"> Driven by life +17% (market +4%); health +3%, slightly below market UL share increased to 22% (market 13%)
Operating expense adjusted ¹⁾	-269	-267	-1%	<ul style="list-style-type: none"> Slightly lower costs despite underlying growth
Segment result	106	59	-44%	<ul style="list-style-type: none"> +10% when excl. one-off due to change in legal retirement age
New business volume (PVNBP)	3 135	3 876	+24%	<ul style="list-style-type: none"> Higher single premiums in life and successful launch of new health and risk products
New business margin (% PVNBP)	0.9%	1.7%	+0.8 ppts	<ul style="list-style-type: none"> Result of higher volumes, better business mix and lower policyholder participation
MCEV	1 298	1 505	+16%	<ul style="list-style-type: none"> MILESTONE programme outweighs adverse economic conditions

1) Excluding unallocated corporate costs

Business review Insurance Germany

EUR million (IFRS basis, MCEV)

	FY 2009	FY 2010	Change	
GWP incl. PHD	1 436	1 499	+4%	<ul style="list-style-type: none"> ▪ Strong sales of disability and immediate annuity products ▪ Periodic premiums +2%, better than market
Operating expense adjusted ¹⁾	-114	-107	-6%	<ul style="list-style-type: none"> ▪ Impact of cost saving initiatives
Segment result	61	74	+21%	<ul style="list-style-type: none"> ▪ Strongly improved financial result as a result of duration lengthening
New business volume (PVNBP)	1 069	1 368	+28%	<ul style="list-style-type: none"> ▪ Strong sales of disability and immediate annuity products
New business margin (% PVNBP)	1.3%	2.4%	+1.1 ppts	<ul style="list-style-type: none"> ▪ Increased sales volume, in particular of risk products ▪ Positive impact from change in future profit sharing approach
MCEV	339	486	+43%	<ul style="list-style-type: none"> ▪ Results of MILESTONE and favourable biometric experience

1) Excluding unallocated corporate costs

Business review Insurance Other¹⁾

CHF million (IFRS basis, MCEV)

	FY 2009	FY 2010	Change	
GWP incl. PHD	5 263	5 206	-1%	▪ In local currencies +4% mainly due to PPLI
Operating expense adjusted ²⁾	-99	-95	-4%	▪ Net effect of cost saving initiatives and ongoing investments
Segment result	-43	-35	+19%	▪ PPLI and CS profitable
New business volume (PVNBP ³⁾)	4 755	4 242	-11%	▪ Volume growth in local currencies; negative impact due to changes in FX rates
New business margin ³⁾ (% PVNBP)	1.0%	1.3%	+0.3 ppts	▪ Effect of ongoing margin management actions
MCEV ³⁾	190	262	+38%	▪ Driven by value of new business

1) Insurance Other consists of Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS), Swiss Life Products, Payment Protection Insurance (PPI) and Swiss Life Austria

2) Excluding unallocated corporate costs, currency adjusted

3) Includes only PPLI and CS



Business review Investment Management

CHF million (IFRS basis)

	FY 2009	FY 2010	Change	
Total income	257	269	+5%	▪ Driven by increase of insurance assets, third party administration and management mandates
Operating expense adjusted ¹⁾	-156	-136	-13%	▪ Lower project costs and enhanced efficiency due to implementation of new investment administration tool
Segment result	77	103	+34%	▪ Improved cost/income ratio
Assets under management	116 411	119 571	+3%	▪ Net inflows and higher valuation as a result of lower interest rates and slightly tighter credit spreads, partly offset by weaker Euro
– of which PAM	106 535	109 713	+3%	
– of which TPAM	9 876	9 858	-0%	▪ TPAM net inflows of CHF 1.2 bn compensated by weak Euro
Average assets under management	113 965	117 991	+4%	

1) Excluding unallocated corporate and variable costs

Business review AWD

AWD, stand-alone, EUR million (IFRS basis)

	FY 2009	FY 2010	Change
Revenues	528.7	547.0	+4%
Germany	344.2	351.6	<ul style="list-style-type: none"> Higher commission income as a result of optimisation of product conditions and better product mix
Austria & CEE	68.4	74.8	
United Kingdom	43.0	46.6	
Switzerland	73.1	74.0	
EBIT	-41.1	49.1	+90.2 m
Germany	28.8	58.4	<ul style="list-style-type: none"> Sales and fixed costs significantly reduced Prior year impacted by restructuring and one-off costs of EUR 53.7 m
Austria & CEE	-42.3	-4.5	
United Kingdom	1.2	6.3	
Switzerland	6.2	7.8	
Holding	-35.0	-18.9	
EBIT margin in %	-7.8	9.0	+16.8 pts
Financial advisors¹⁾	5 342	5 292	-1%
			<ul style="list-style-type: none"> Focus on further improving quality of advice

1) Figures excl. CRO and ROM

Expense development

CHF million (IFRS basis)

	FY 2009	FY 2010	Change
Total operating expense	3 478	3 062	-12% / -416
Commissions and DAC amortisation adjusted ¹⁾	-1 666	-1 600	
Operating expense (before FX)	1 812	1 462	-19% / -350
Restructuring costs and one-offs	-128	-20	
Change in pension scheme in CH		39	
Currency effect	-82		
Operating expense adjusted	1 602	1 481	-8% / -121

Overall cost savings since FY 2008 amount to CHF 311 million

1) Adjustment of CHF +68 m in FY 2009 due to reclassification of non-variable costs

Investment result

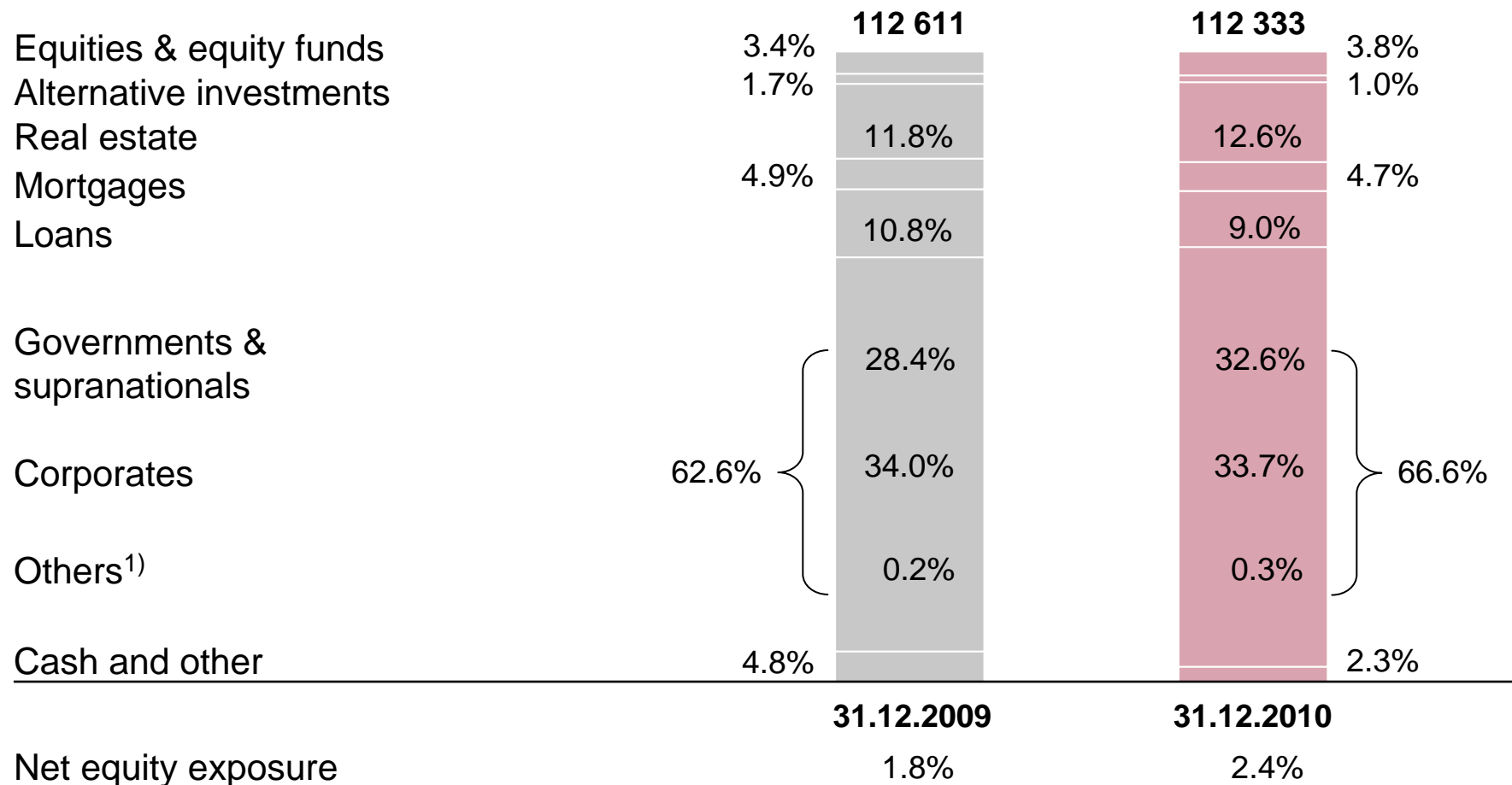
CHF million (IFRS basis), insurance portfolio for own risk

	FY 2009 ¹⁾	FY 2010 ¹⁾
Direct investment income	4 164	4 215
Direct investment income in %	3.8%	3.8%
Expense	-191	-222
Net capital gains/losses on investments and impairments	364	573
Net investment result	4 337	4 566
Net investment result in %	3.9%	4.1%
Changes in unrealised gains/losses on investments	1 591	825
Total investment result	5 928	5 391
Total investment result in %	5.4%	4.8%
Average net investments	110 089	111 268
Total investment performance (fair value) in %	7.5%	5.3%

1) Including FX gains on hybrid of CHF 7 m (FY09) and CHF 396 m (FY10)

Investment portfolio

CHF million (fair value basis), insurance portfolio for own risk



1) Exposure to CDO/CLO, ABS, MBS, etc.

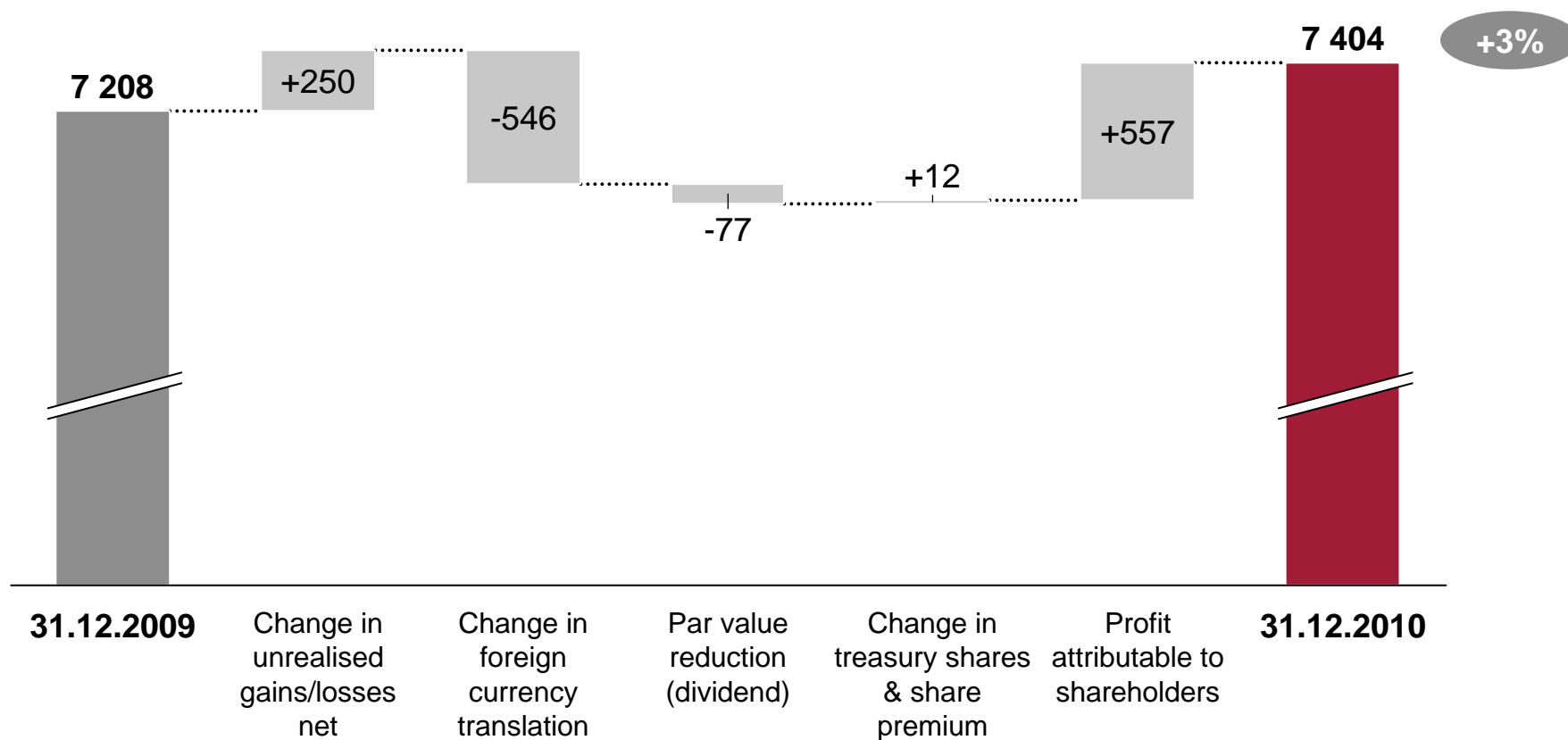
Insurance reserves and borrowings

CHF million (IFRS basis)

	31.12.2009	31.12.2010	Change	Local currency
Insurance reserves	122 616	122 279	-0%	+7%
Insurance liabilities	92 317	90 305		
Investment contracts	12 089	11 279		
Financial liabilities FVPL	15 101	17 259		
Policyholder participation liabilities	3 109	3 436		
Borrowings	2 731	2 142	-22%	

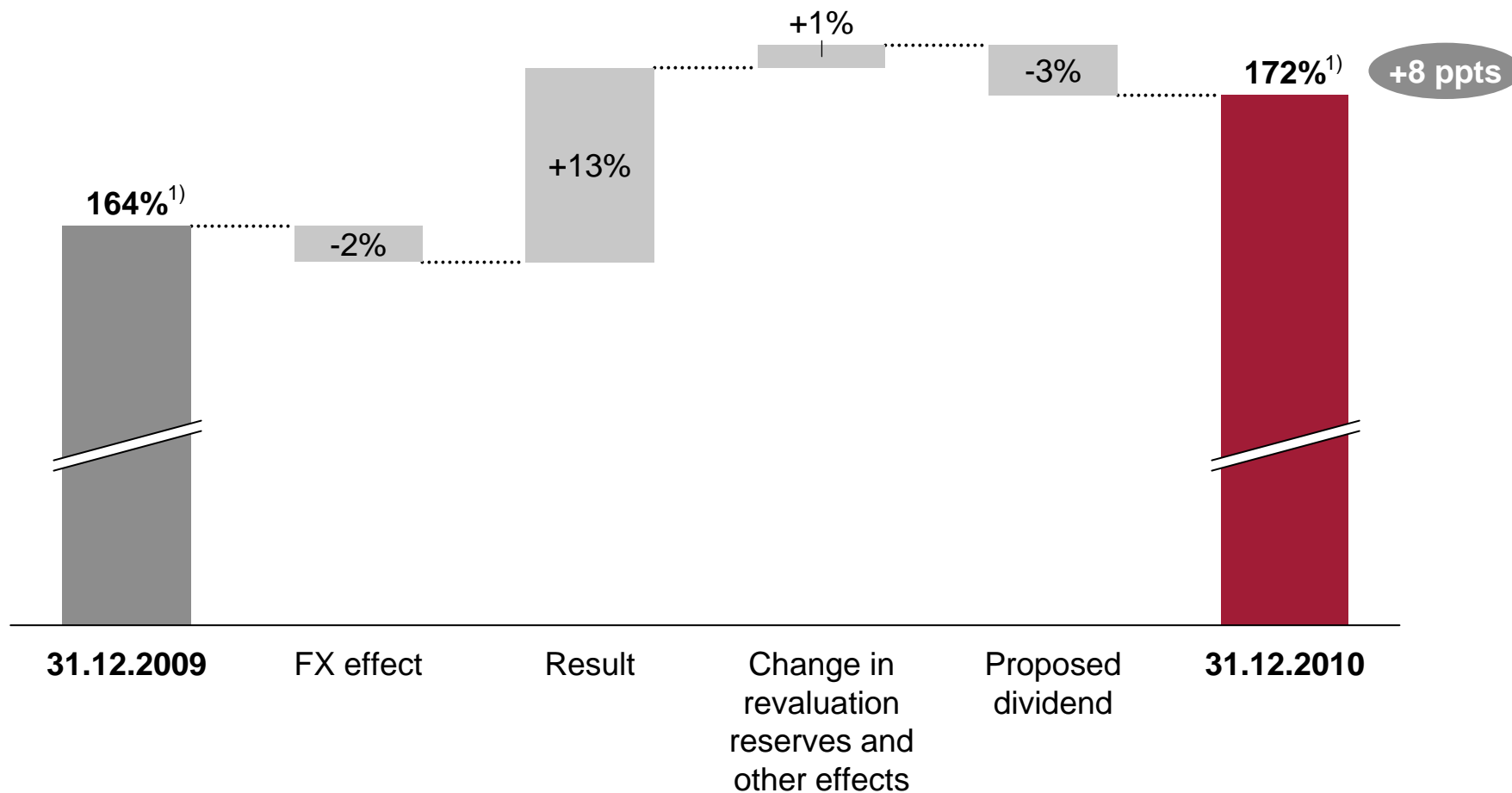
Development of shareholders' equity

CHF million (IFRS basis)



Group solvency

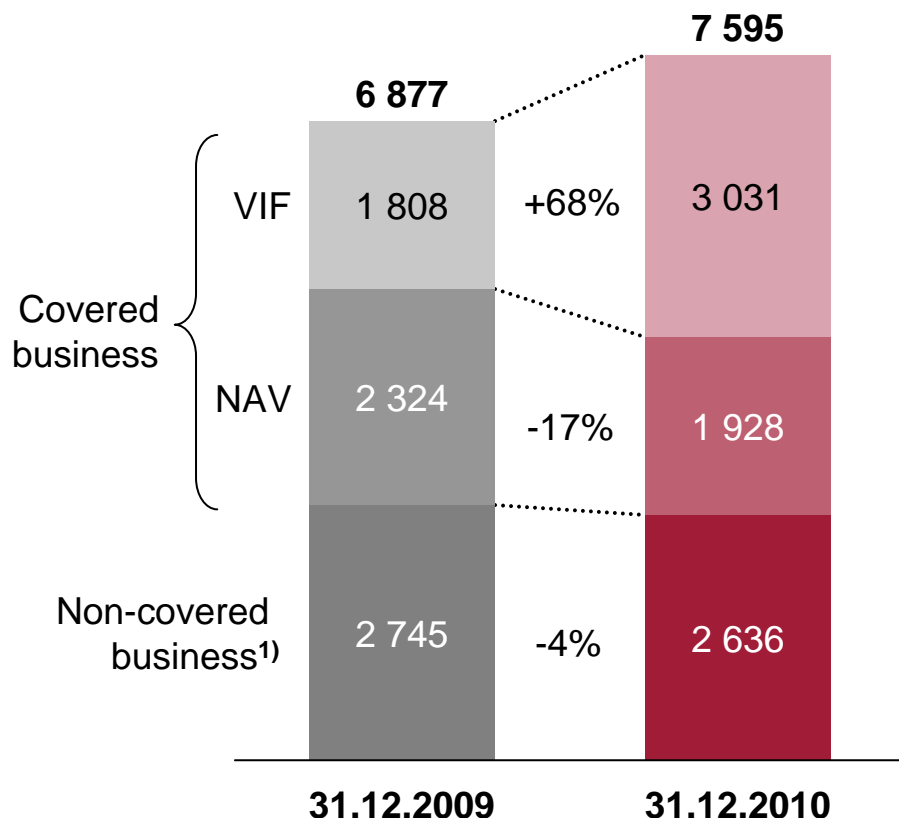
Based on IFRS equity



1) Group solvency excluding unrealised gains/losses on bonds: 161% (FY09) and 166% (FY10)

Group MCEV

CHF million



- Total increase: CHF 718 m, +10%
- Value of covered business: CHF 827 m, +20%
 - Profitable new business
 - Expense reductions and favourable biometric experience
 - Policyholder sharing approach refined
 - Reassessments overall positive while reducing NAV
 - Negative economic variance and negative FX effects in consolidation
- Value of non-covered business slightly lower because of FX effects
- MCEV per share²⁾: CHF 238 (from CHF 216 as of 31.12.2009)

1) Non-covered business consists mainly of Swiss Life Holding, AWD, Swiss Life Products and Payment Protection Insurance (PPI)

2) Based on 31.9 m shares outstanding (as of 31.12.2010) and 31.8 m shares outstanding (as of 31.12.2009)



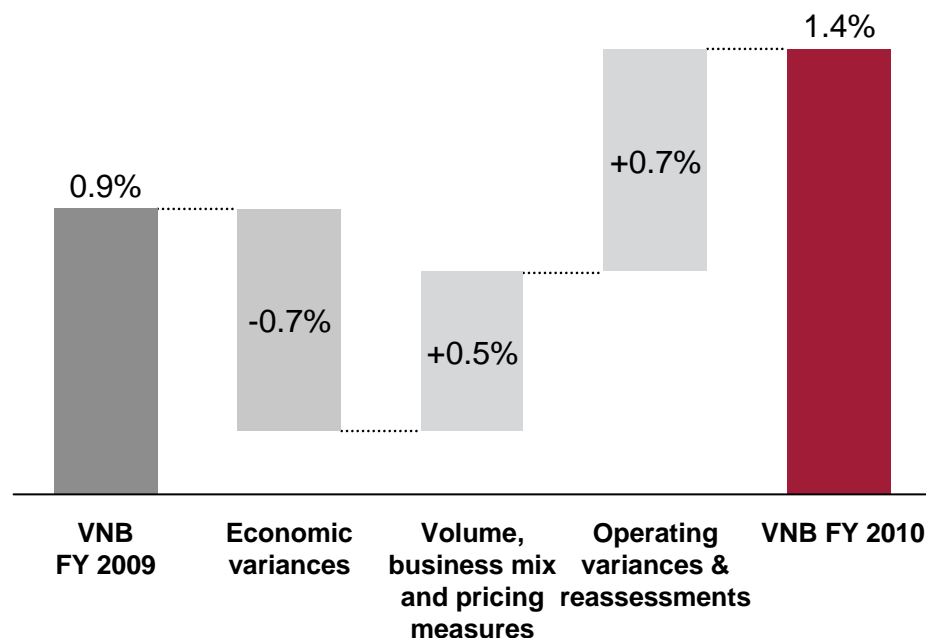
Update on MILESTONE programme

Workstream	Objectives	
1 Enhance customer value & new business profitability	<ul style="list-style-type: none">▪ Margin management focus: VNB and NBM▪ Drive shift to modern products & promote risk products	“We are growing – but not at the expense of value”
2 Increase distribution quality and power	<ul style="list-style-type: none">▪ Optimise distribution channel mix▪ Capture full potential of AWD	“We are increasing growth in 3rd party channels and AWD”
3 Improve operational excellence	<ul style="list-style-type: none">▪ Plan with clear accountabilities to achieve 2012 cost target▪ Eliminate negative cost result and move to continuous improvement	“We are managing our cost base rigorously and continuously”
4 Preserve the balance sheet & optimise in-force business	<ul style="list-style-type: none">▪ Initiatives to optimise profit stream from in-force business and risk capital usage	“We are actively managing our capital and in-force business”

5 Drive disciplined execution

Margin management counteracted capital market movements

New business margin development
(VNB as % of PVNBP)



Volume, business mix, and pricing measures

- Higher sales volumes and related scale effects: mainly in FR, DE and PPLI
- Repricing: CH, PPLI
- Changes in business mix
 - CH: Assumed reinsurance
 - FR: Increased share of UL within Life
 - DE: Higher share of risk products

Operating variances and reassessments

- Group-wide cost saving initiatives
- Experience driven changes to biometric assumptions across markets
- Changes to profit sharing approach: CH, FR, DE

Economic variances

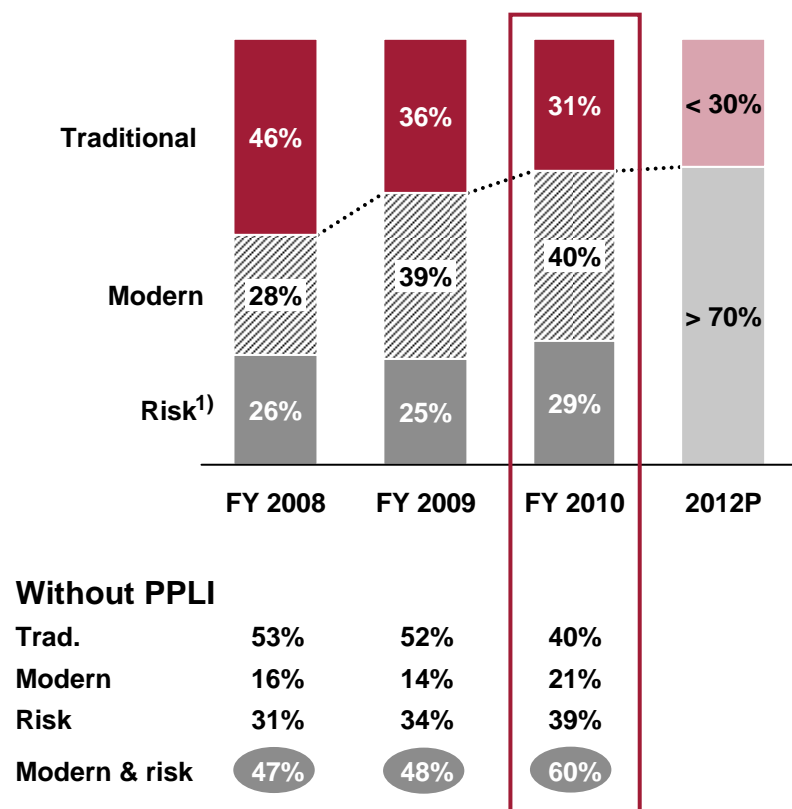
- Low interest rates, high interest rate volatilities
- Weaker Euro

FY 2009 vs FY 2010, in CHF m

PVNBP	14 390	14 607
APE	1 493	1 486
VNB	123	209
NBM (APE)	8.2%	14.0%

Risk and health business strongly contributed to targeted business mix

New business product mix (based on NBP)



2012 shift target already met

- CH: Successful new product launches (e.g. SL Premium Select, SL Premium Junior Plan, SL Champion Timeplan)
- FR: New health & risk product lines (e.g. Ma formule, SL Prévoyance Indépendant, SL Garantie Emprunteur)
- DE: Continuing growth in disability products
- PPLI: Life Asset Portfolio product line with very good demand

Further product modifications/ improvements already put in place

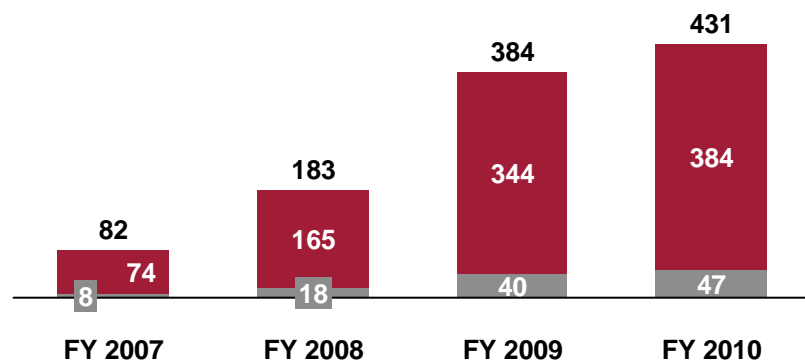
- DE: Launch of Champion Riester in January 2011
- CH, FR & DE: Modifications in unit-linked fund offering

1) Incl. health

Sales through AWD distribution channel increased by 9%¹⁾

Swiss Life in Germany – AWD channel

NBP²⁾ in EUR million



Reasons for development in 2010

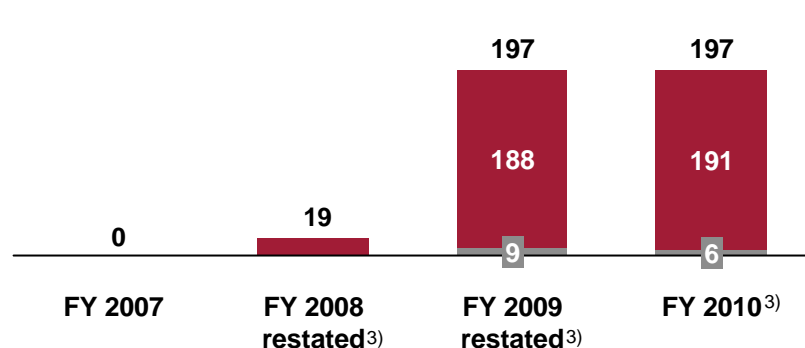
- Very successful sales of risk and modern products e.g. stand-alone disability insurance and Champion products

Action points 2011

- Continually improve product development process to meet AWD "best select" requirements
 - Introduction of new and innovative products within the sales programme and referral lists of AWD
 - Further increase growth through modern Riester product

Swiss Life in Switzerland – AWD channel

NBP²⁾ in CHF million



Reasons for development in 2010

- Successful launch of "SL Premium Select" in Q3
- Very good sales in 2nd HY of exclusive product package "SL Champion Duo Package" for AWD channel and "SL Champion Timeplan"

Action points 2011

- Further products to be launched in Q1
- Joint development of further product packages to specific target groups

1) Currency adjusted

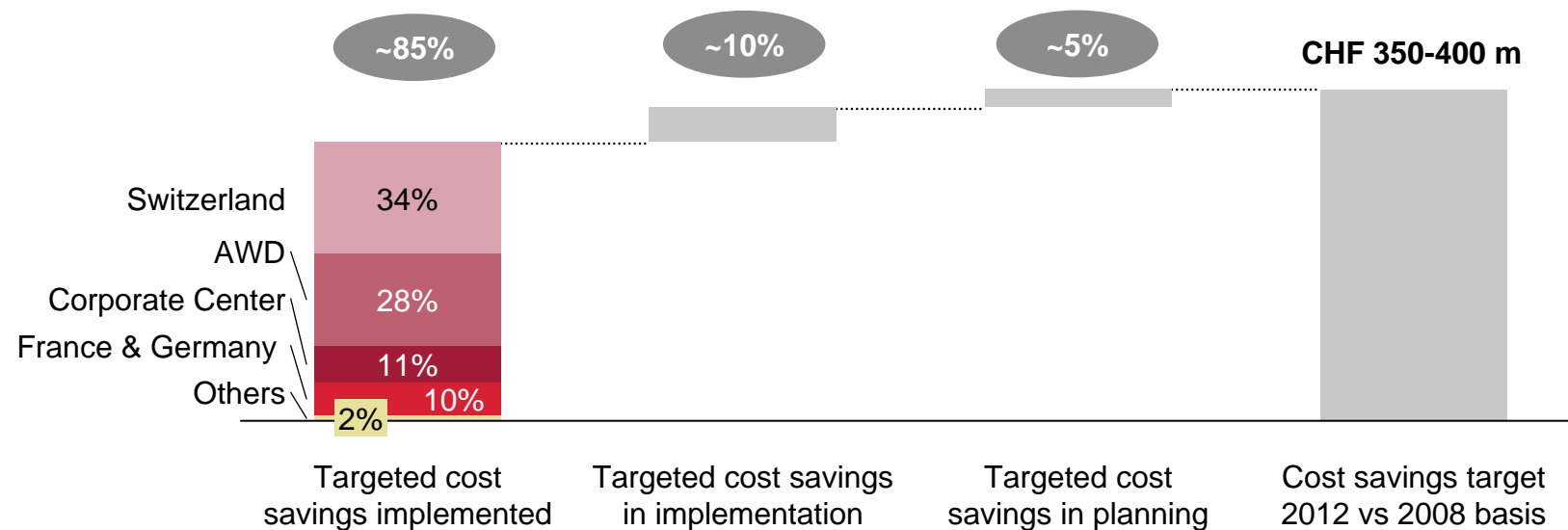
2) New business production

3) Calculation on effective contract duration per product line

■ Modern or risk products
■ Traditional products

Major progress in implementing targeted cost savings in last quarter

Status of targeted cost savings implemented as per FY 2010 – project view



Major achievements

- CH: Support functions & sales organisation further adjusted and internal processes, services and project portfolio optimised
- FR: Efficiency initiatives of Swiss Life Banque Privée completed and administration costs decreased
- DE: Second part “Betriebsübergang” of occupational pensions – bAV initiative finished, lean and reorganisation initiatives successfully established
- AWD: Cost savings target achieved; Corporate Centre: Initiatives almost fully implemented
- Restructuring costs 2008-2010: CHF 162 m; planned restructuring costs 2011-2012: CHF 10-15 m



Balance sheet preserved and in-force business further optimised in 2010

Levers to manage in-force business

Release risk capital and optimise profit streams

Increase profit

Interest result

Cost result

Risk result

Other effects

Selected initiatives per country

- | Group | Selected initiatives per country | Achievements 2010 |
|-------------|--|--|
| | <ul style="list-style-type: none"> ▪ SST / Solvency II ▪ ALM ▪ Capital management ▪ Reinsurance strategy ▪ Asset management | <ul style="list-style-type: none"> ▪ ALM adjustments to improve SST ▪ Debt leverage reduced ▪ New internal reinsurance strategy in implementation ▪ Duration management in all units, risk framework and contingencies completed |
| Switzerland | <ul style="list-style-type: none"> ▪ Optimise risk capital consumption ▪ Adjust policyholder sharing | <ul style="list-style-type: none"> ▪ SAA adjusted ▪ Risk capital preserving product line launched in group life ▪ Policyholder sharing adjusted, ensuring sustainable interest rate margin |
| France | <ul style="list-style-type: none"> ▪ Pricing adjustments ▪ Active retention mgmt. & shift to modern on in-force ▪ Adjust policyholder sharing ▪ Reduce level of financial guarantees on Euro funds | <ul style="list-style-type: none"> ▪ Pricing to all business lines adjusted ▪ Active retention mgmt. process introduced ▪ Served rates reduced and segmentation of flagship products improved ▪ Safeguard clause introduced ▪ SAA structured along legal quote levels |
| Germany | <ul style="list-style-type: none"> ▪ Optimise risk capital consumption ▪ Adjust policyholder sharing | <ul style="list-style-type: none"> ▪ Duration adjusted and further assets de-risked ▪ Policyholder sharing adjusted |

Switzerland



France



Germany



Achievements 2010

- ALM adjustments to improve SST
- Debt leverage reduced
- New internal reinsurance strategy in implementation
- Duration management in all units, risk framework and contingencies completed

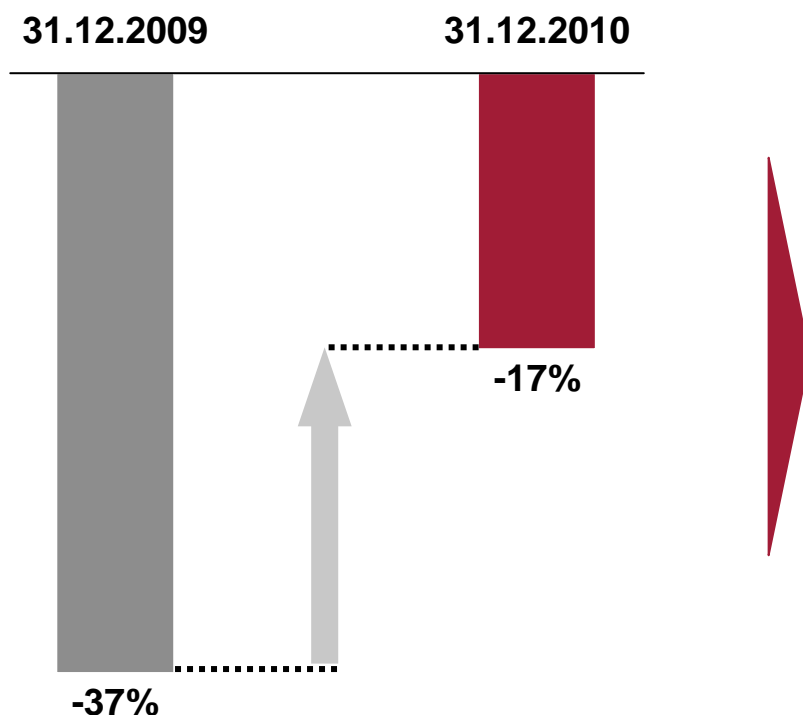
- SAA adjusted
- Risk capital preserving product line launched in group life
- Policyholder sharing adjusted, ensuring sustainable interest rate margin

- Pricing to all business lines adjusted
- Active retention mgmt. process introduced
- Served rates reduced and segmentation of flagship products improved
- Safeguard clause introduced
- SAA structured along legal quote levels

- Duration adjusted and further assets de-risked
- Policyholder sharing adjusted

Interest rate sensitivity: Substantially reduced

Relative change of MCEV (in %) for 100 bps decrease of interest rates

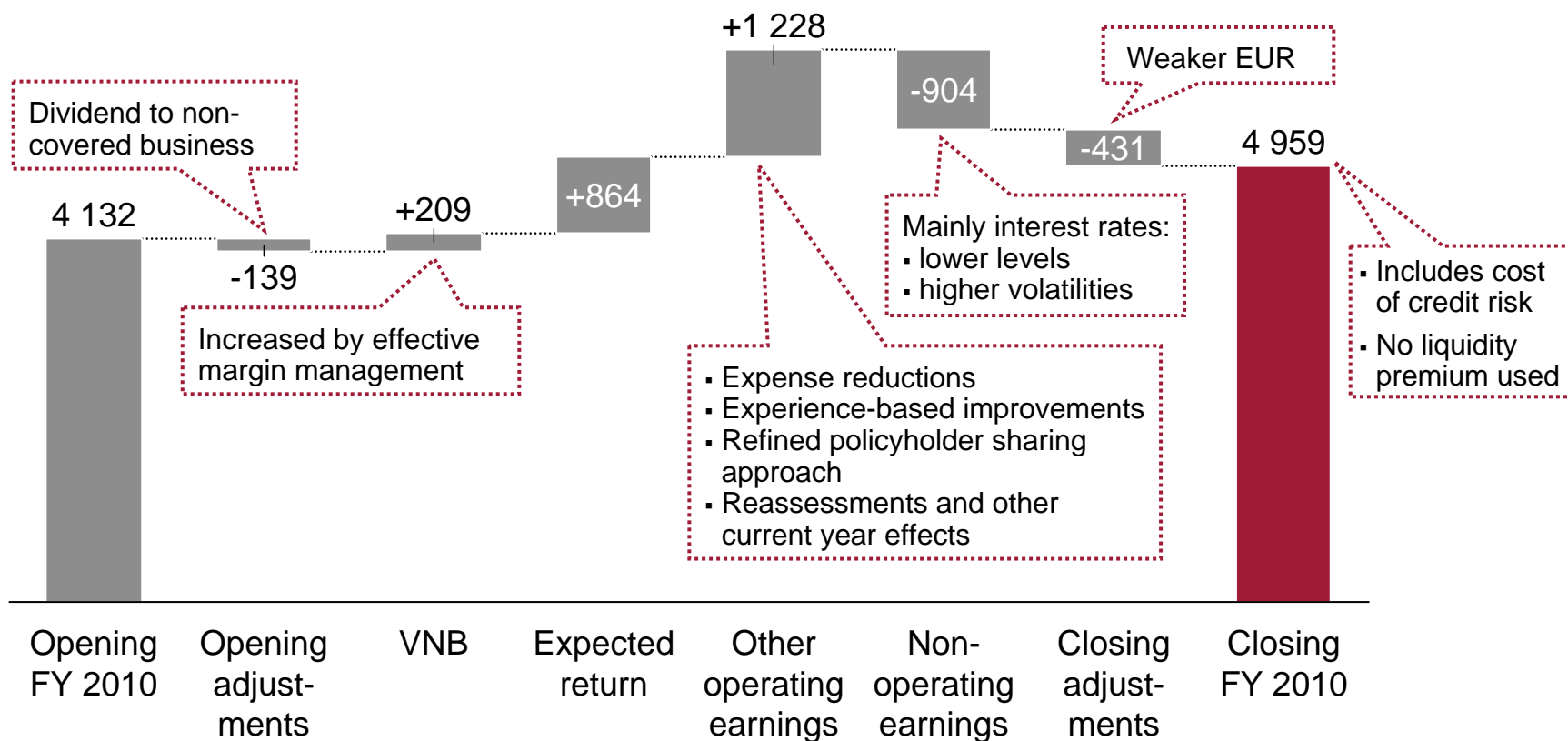


Significantly reduced interest rate sensitivity due to:

- Expense reductions
- Favourable biometric experience
- Assets management actions (e.g. duration lengthening)
- Balance sheet management (e.g. strengthening of policyholder buffers)
- Changes to the profit sharing approach and other reassessments

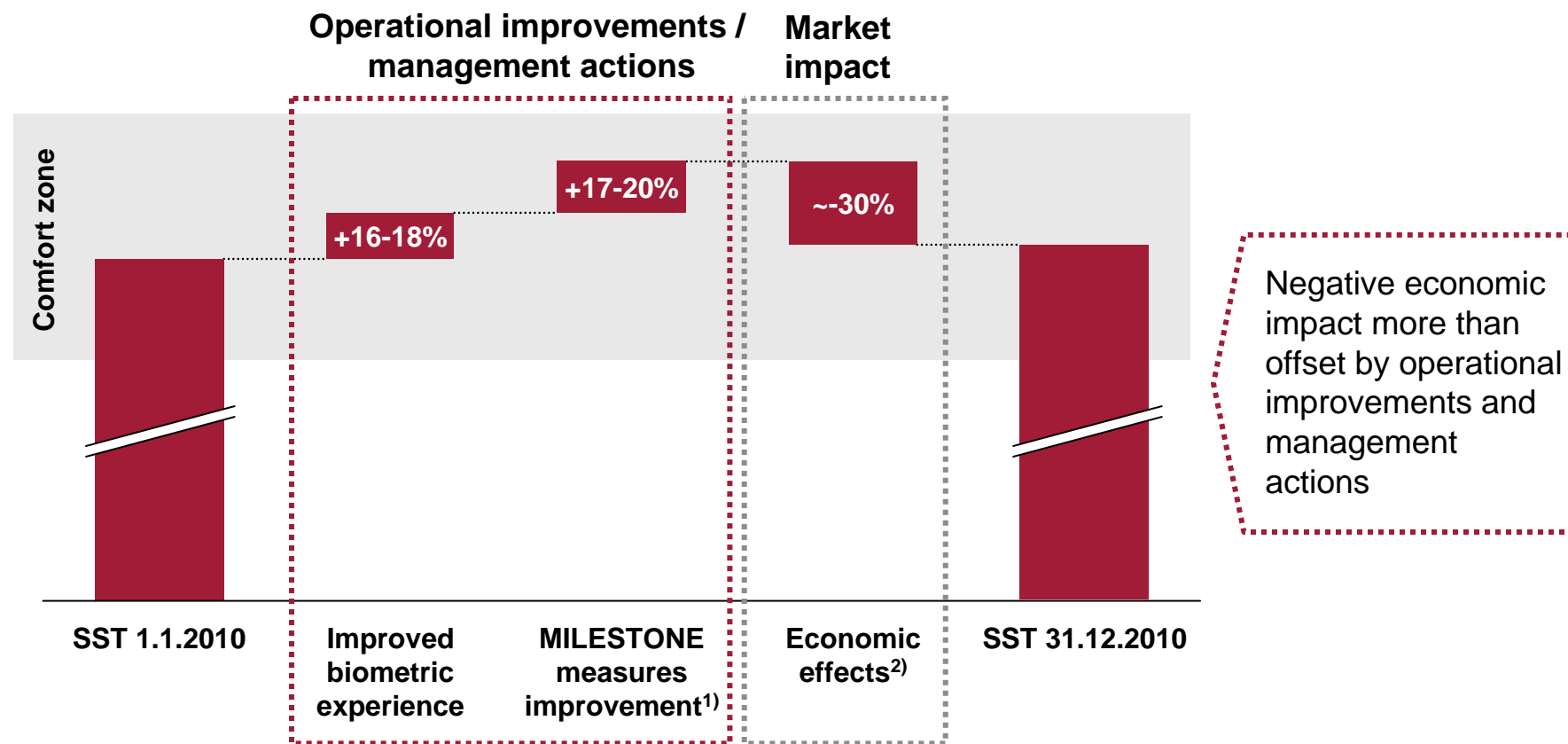
Covered business: Working on in-force shows results

MCEV covered business, CHF million



Based on its internal model, Swiss Life meets SST requirements

SST ratio Swiss Life AG, estimate based on internal model



1) Incl. expense reductions and ALM measures

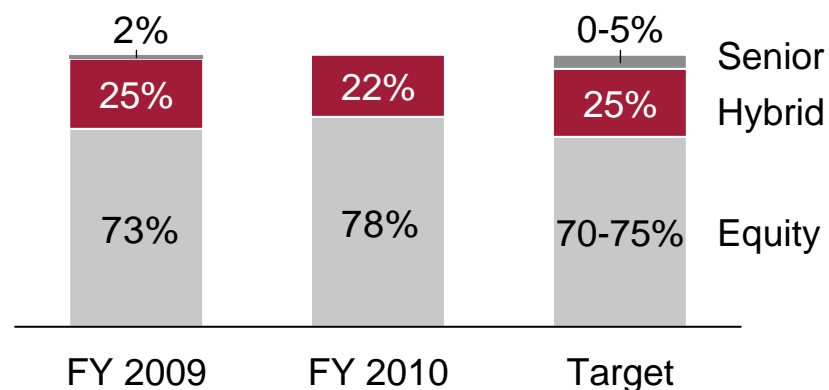
2) Incl. interest rates, volatilities and currency effects



Capital structure and maturity profile

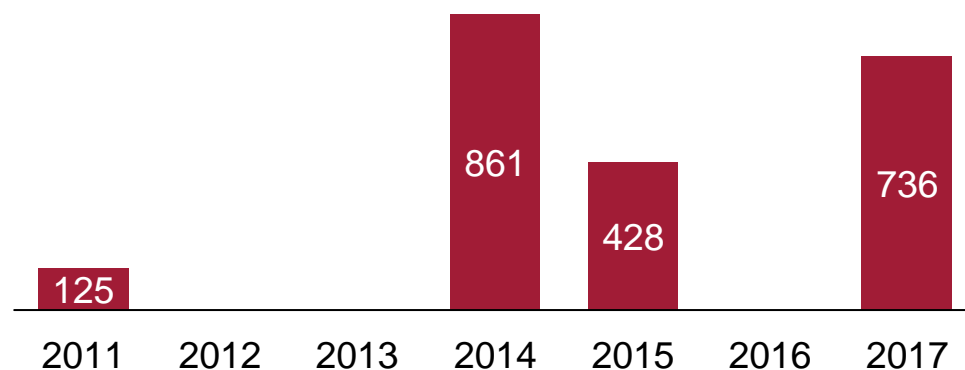
As per 31.12.2010

Capital structure



Hybrid debt maturity profile: next optional call dates

Nominal value, CHF million



- Strong capital structure, well-balanced leverage with additional debt capacity
- Well-diversified debt maturities



Change analysis of profit from operations

Segment results adjusted¹⁾ - continuing; CHF million (IFRS basis)

	FY 2009 adjusted	FY 2010 adjusted	Change	Driven by operating improvements
Insurance businesses	590	730	+140	>70%
Switzerland	403	466		
France	129	162		
Germany	58	102		
Fee businesses	27	111	+84	100%
Investment Management	77	103		
AWD	-10	43		
Insurance other	-40	-35		
Unallocated corp. costs and others	-79	-60	+19	100%
Profit from operations	538	781	+243	>80%

Profit improvement mainly due to operational progress in line with MILESTONE execution

1) Adjusted for major one-off and EUR/CHF FX effects (see also slide 44)

Agenda

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→ **Wrap-up**

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MILESTONE: Managing for value at Swiss Life

Workstream	Objectives	Status
1 Enhance customer value & new business profitability	<ul style="list-style-type: none"> New business margin > 2.2% > 70% of NBP from modern and risk products 	 
2 Increase distribution quality and power	<ul style="list-style-type: none"> 20–25% share of Swiss Life products in relevant product categories of AWD 	
3 Improve operational excellence	<ul style="list-style-type: none"> CHF 350–400 m reduced cost base vs 2008 	
4 Preserve the balance sheet & optimise in-force business	<ul style="list-style-type: none"> ROE 10–12% Dividend payout ratio 20–40% Comply with SST requirements 	  

5

Drive disciplined execution 

Reporting on achievements, challenges, and actions on ongoing basis

Full-year results 2010
Investors' presentation
Supplementary information

Supplementary information

→ Profit and loss

Balance sheet

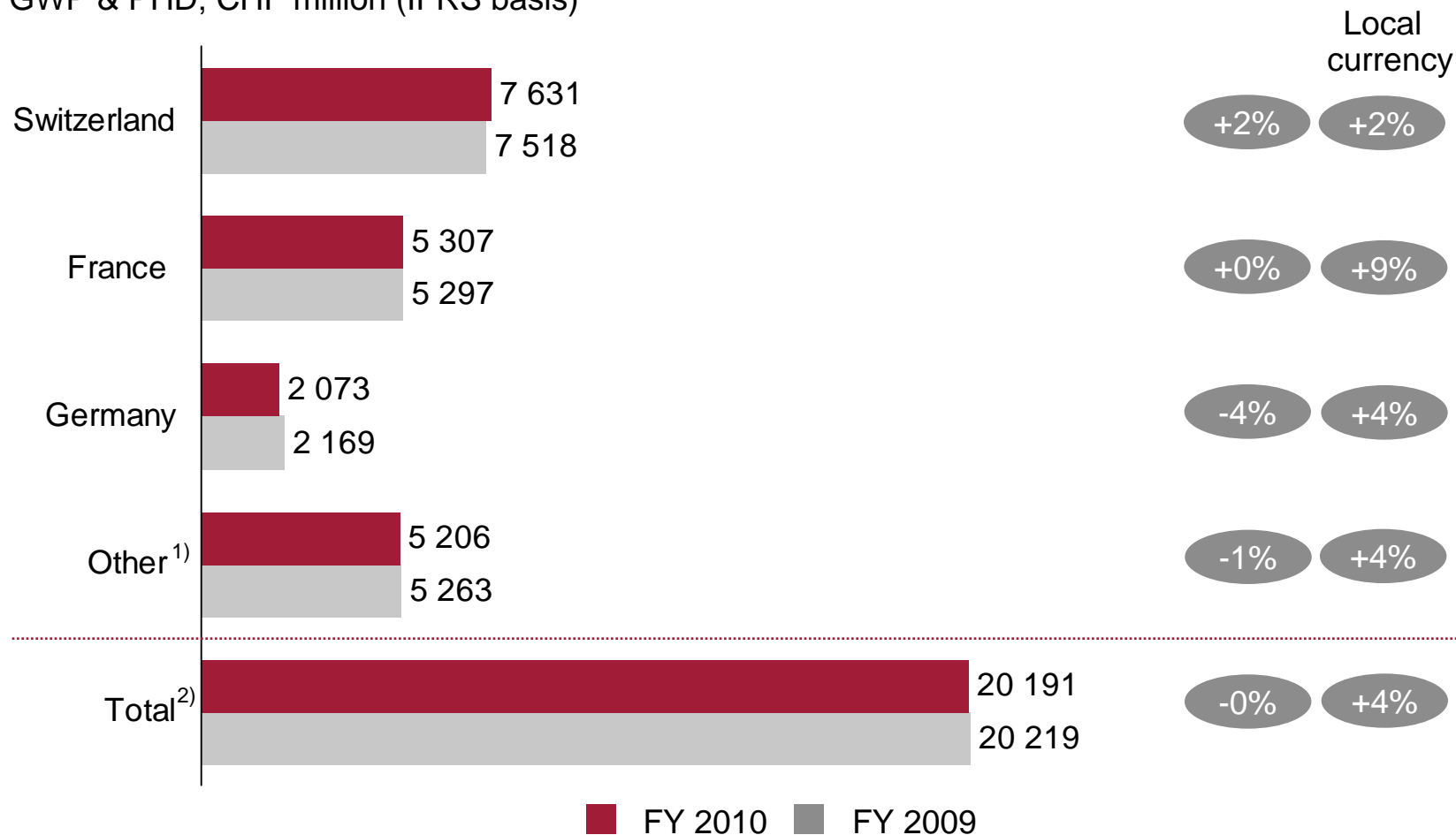
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Premium growth

GWP & PHD; CHF million (IFRS basis)



1) Includes Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS), Swiss Life Products, Payment Protection Insurance (PPI)

2) Total includes intersegment eliminations of CHF -26 m in FY 2010 and CHF -28 m in FY 2009



Switzerland: Life insurance premiums

CHF million (IFRS basis)

	FY 2009	FY 2010	Change
Total life GWP incl. PHD	7 518	7 631	+2%
Single premiums	3 798	3 794	-0%
Periodic premiums	3 720	3 837	+3%
Group life	5 788	6 014	+4%
Single premiums	3 102	3 185	+3%
Periodic premiums	2 686	2 829	+5%
Individual life	1 730	1 617	-7%
Single premiums	696	609	-13%
Periodic premiums	1 034	1 008	-3%

Switzerland: Statutory distribution ratio in BVG business

CHF million (statutory basis)

	FY 2007	FY 2008	FY 2009	FY 2010
Gross revenue	2 065 100%	505 100%	2 192 100%	2 031 100%
Total insurance benefits paid (incl. bonuses)	1 890 91.5%	1 453 >100%	2 019 92.1%	1 887 92.9%
Operating income BVG business	175	-948	173	144
Operating income other group business	37	-135	33	21
Operating income total group business	212	-1 083	206	165



Details of net investment result

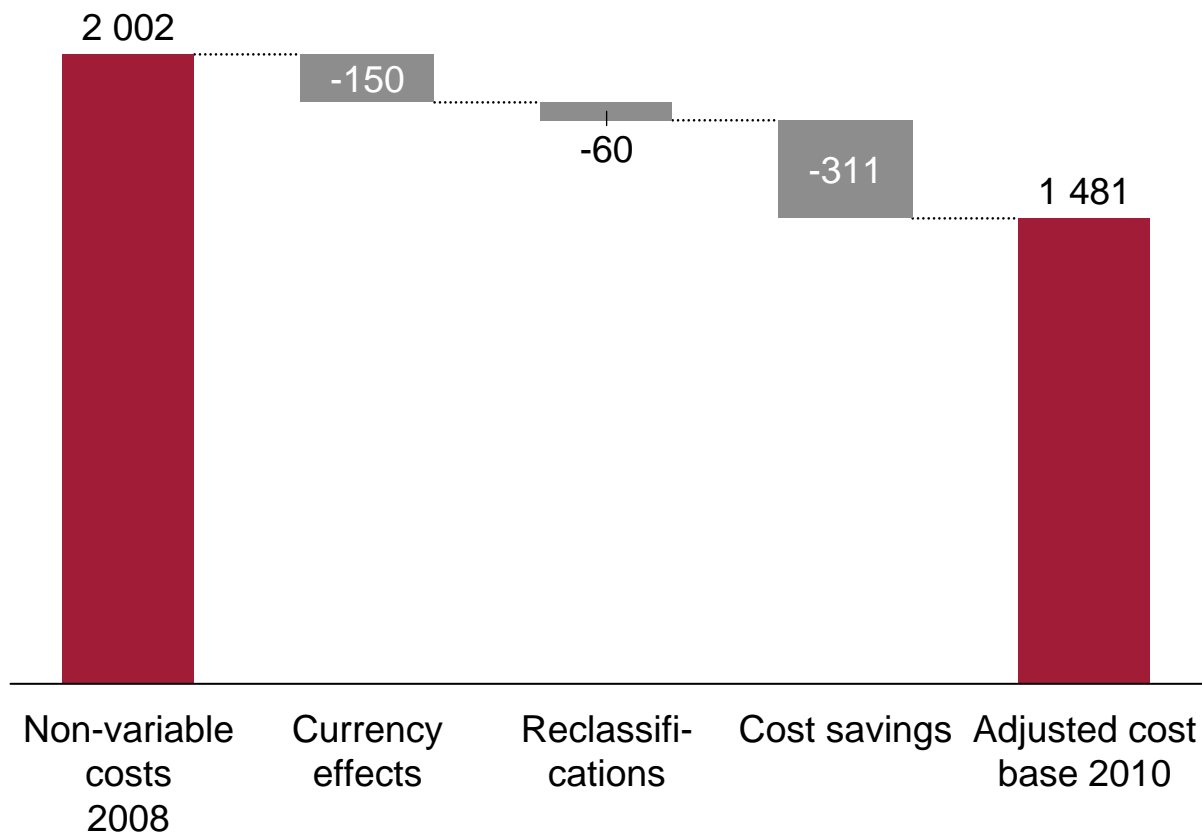
CHF million (IFRS basis), insurance portfolio for own risk FY 2010

	Direct investment income	Impairments	Gains & losses through income statement			Net investment result
			on underlying	on derivatives	Net	
Bonds	2 931	7	291	30	321	3 259
Equities	88	-35	-7	-32	-39	14
Loans	447	-7	99		99	539
Mortgages	177	3	-1		-1	179
Alternative investments	3	-4	171	-35	136	135
Real estate	564		306		306	870
Cash & other	5					5
Total before FX	4 215	-36	859	- 37	822	5 001
FX gains / losses ¹⁾			-4 411	4 198	-213	-213
Total after FX	4 215	-36	-3 552	4 161	609	4 788
Expense						-222
Net investment result						4 566
			Net capital gains/ losses on investments			
			573			

1) Including FX gains on hybrid of CHF 396 m

Cost savings 2008-2010

CHF million (IFRS basis)



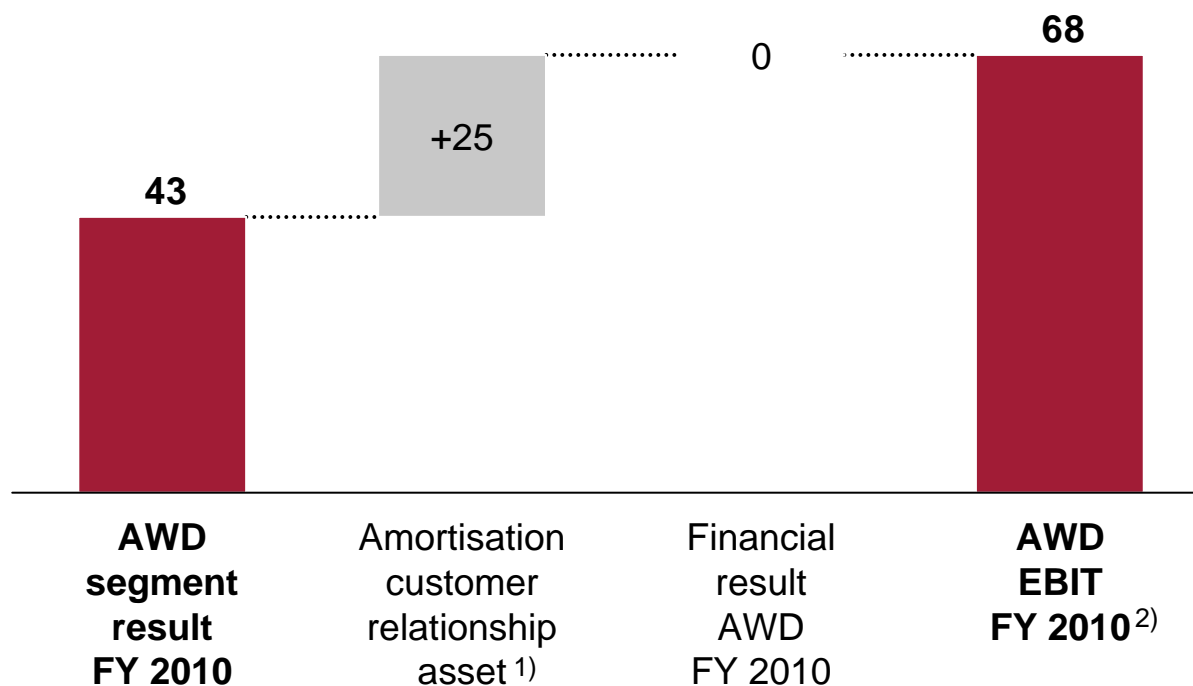
Operating result

Segment results; CHF million (IFRS basis)

	FY 2009	FY 2010
Insurance (continuing)	675	637
of which - Switzerland	467	488
- France	159	82
- Germany	92	102
- Other	-43	-35
Investment Management	77	103
AWD	-92	43
Insurance & Banking (discontinued)	-47	-
Other & eliminations	-28	-41
Unallocated corporate costs	-70	-48
Profit from operations	515	694
of which continuing	562	694

Reconciliation AWD segment result to AWD EBIT

CHF million (IFRS basis)

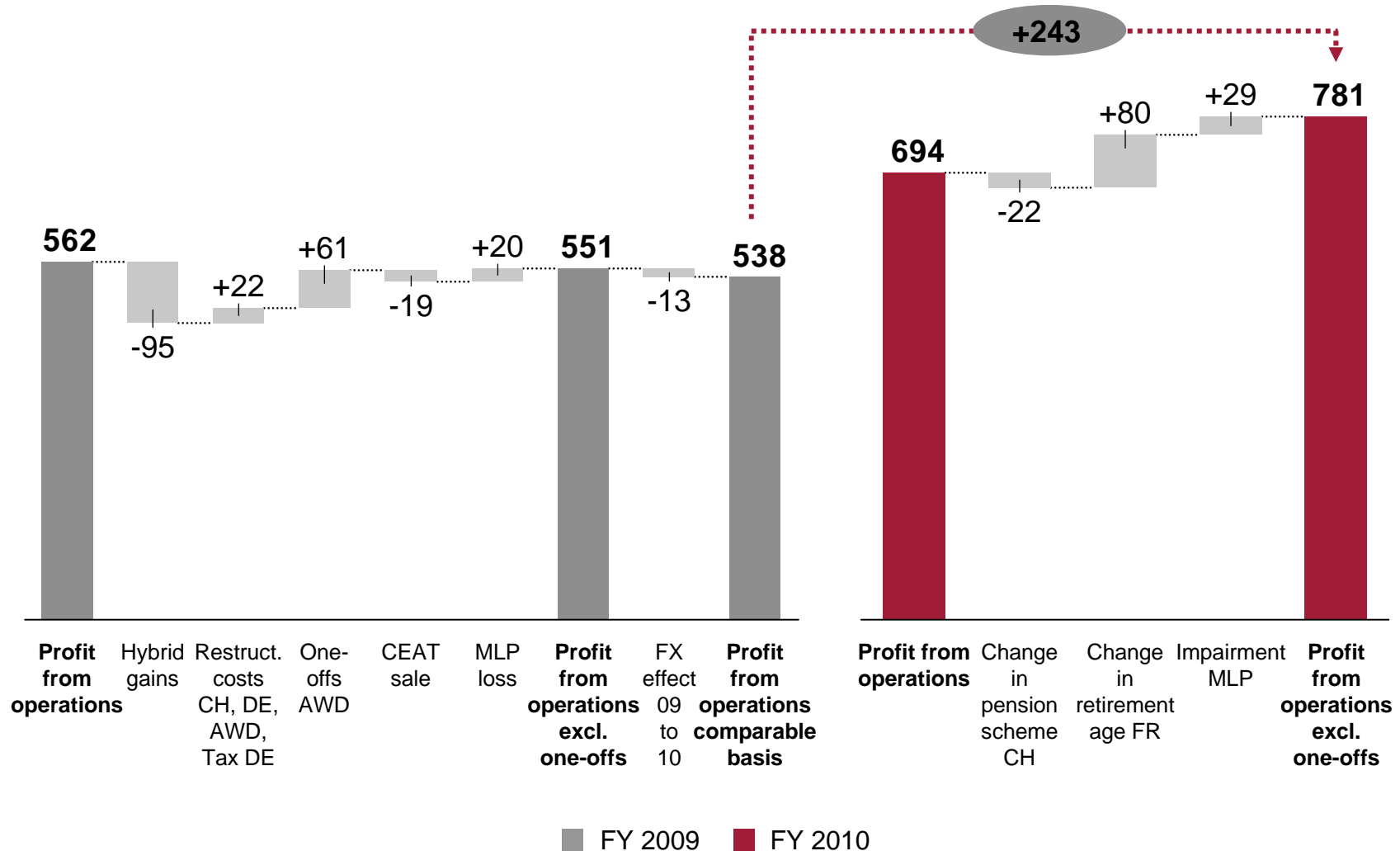


1) Yearly amortisation: EUR 18 m

2) AWD EBIT FY2010: EUR 49.1 m

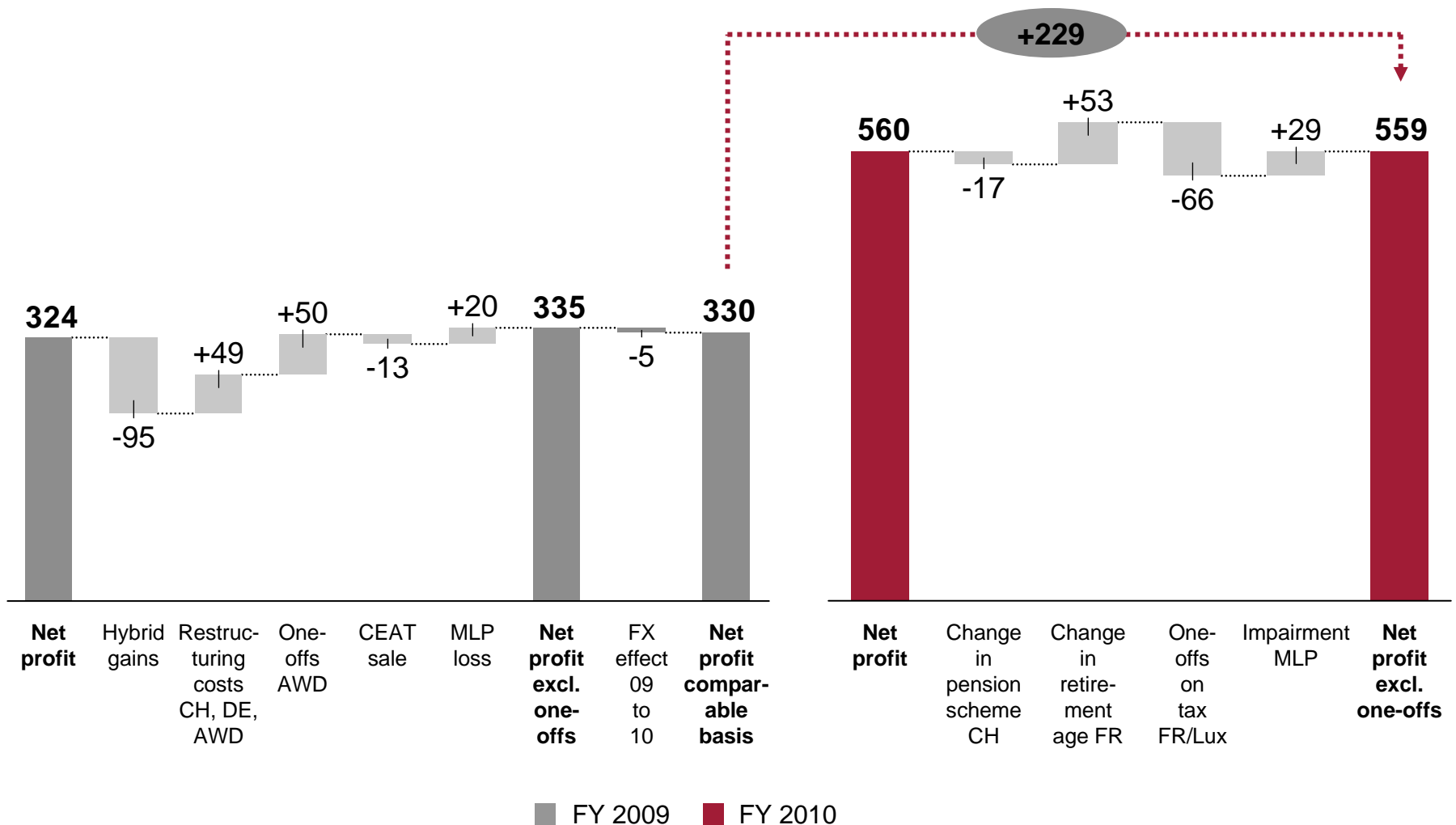
Profit from operations 2009 and 2010 excluding major one-off effects

CHF million¹⁾ (IFRS basis); continuing



Net result 2009 and 2010 excluding major one-off effects

CHF million¹⁾ (IFRS basis); continuing



Supplementary information

Profit and loss

→ **Balance sheet**

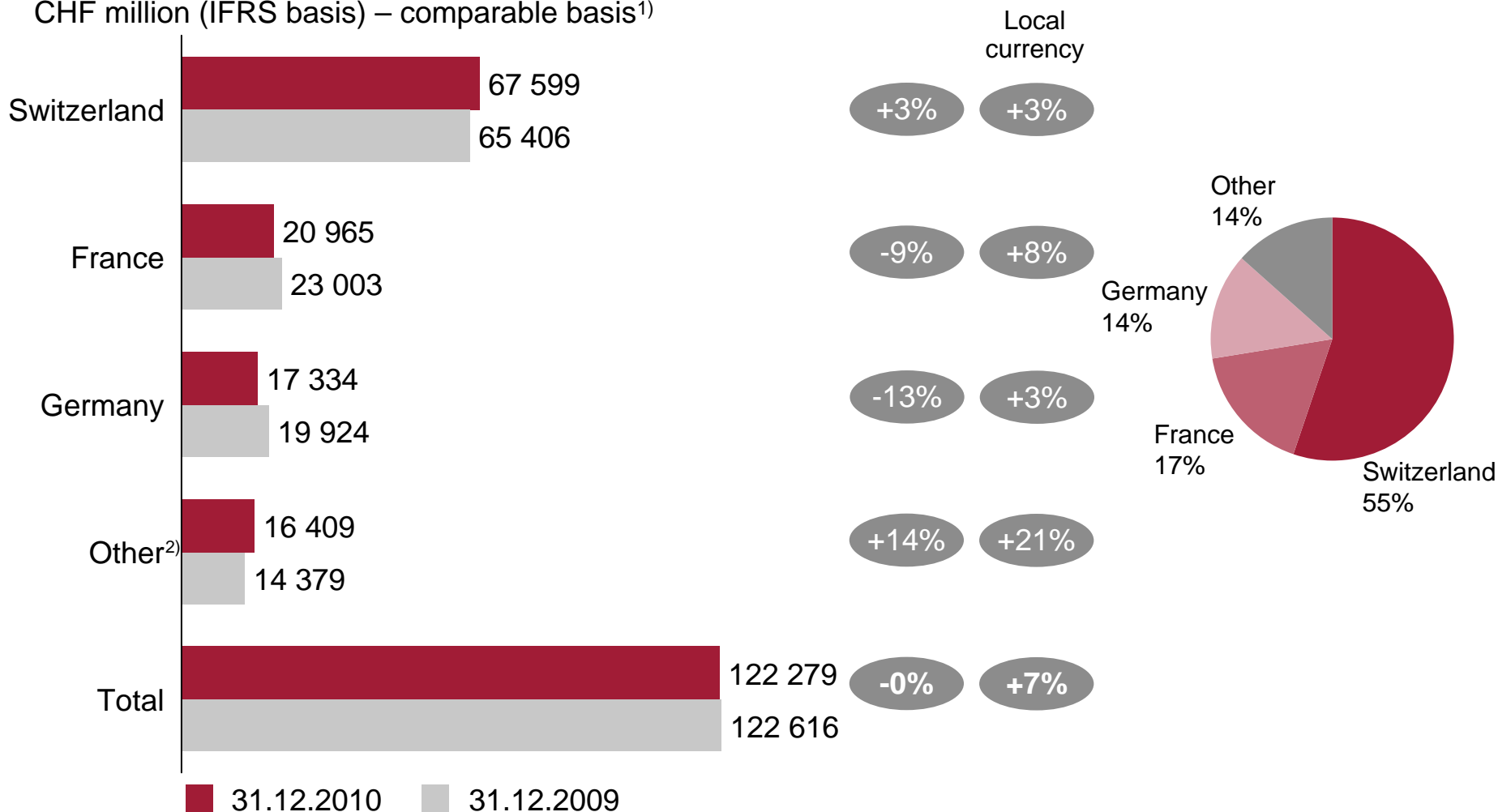
Investments

Market consistent embedded value (MCEV)

Contact details and financial calendar

Insurance reserves by country

CHF million (IFRS basis) – comparable basis¹⁾

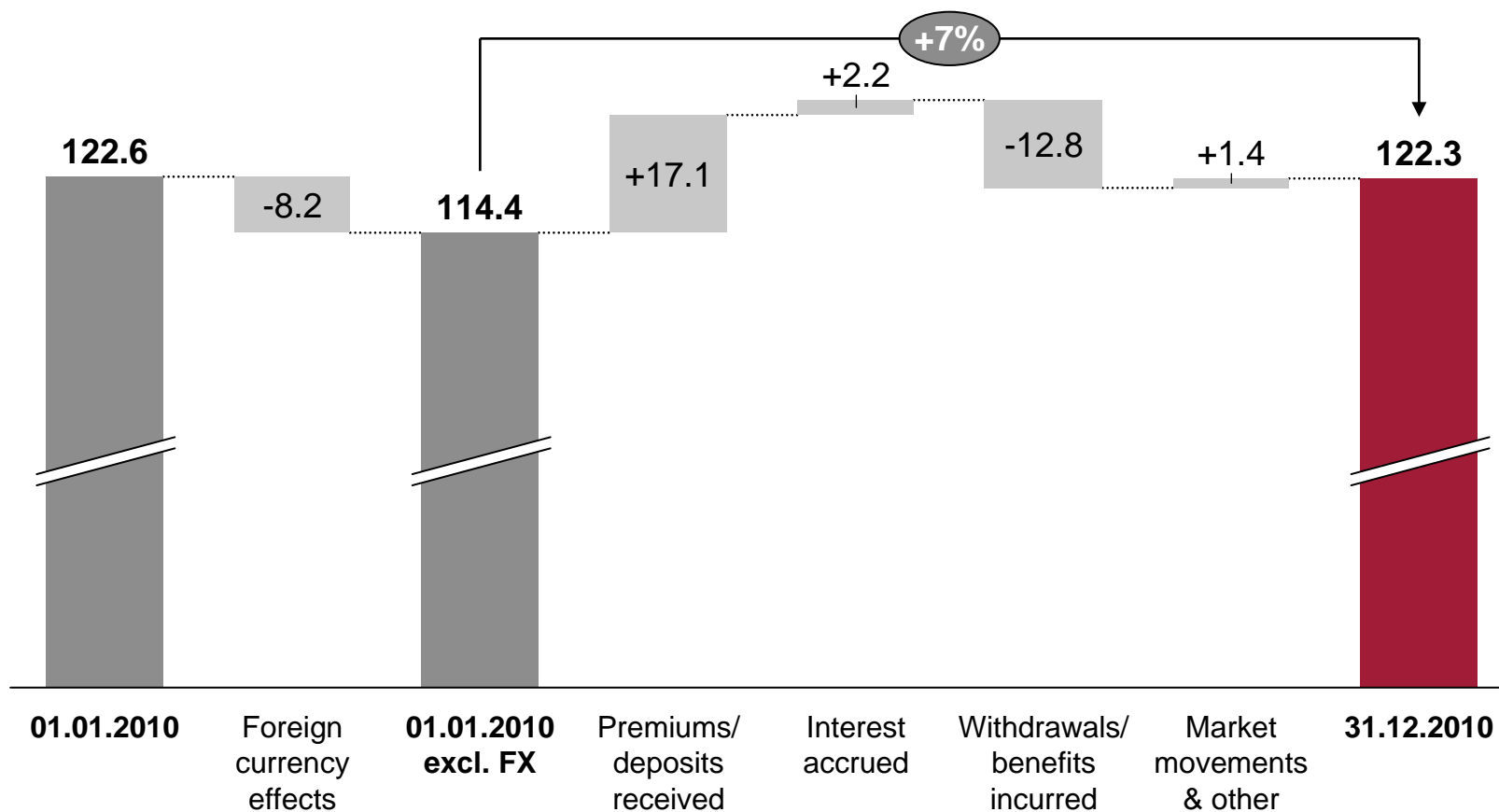


1) Total includes intersegment eliminations of CHF -28 m in FY 2010 and CHF -96 m in FY 2009

2) Includes Private Placement Life Insurance (PPLI), Corporate Solutions Luxembourg (CS), Swiss Life Products, Payment Protection Insurance (PPI)

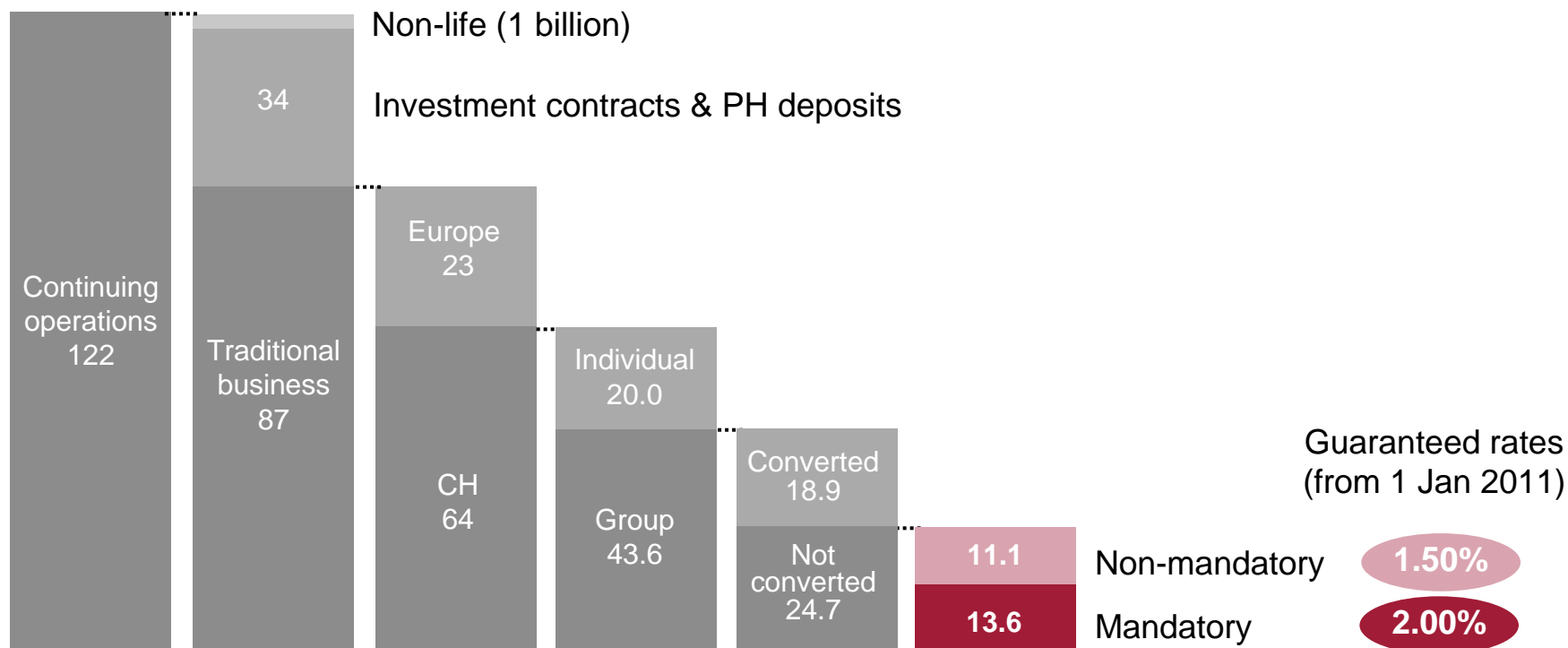
Insurance reserves roll-forward 2010

CHF billion (IFRS basis)



Swiss Life Group reserves subject to BVG minimum interest rates

Breakdown of insurance reserves (incl. unit-linked) as per 31.12.2010;
CHF billion (IFRS basis)



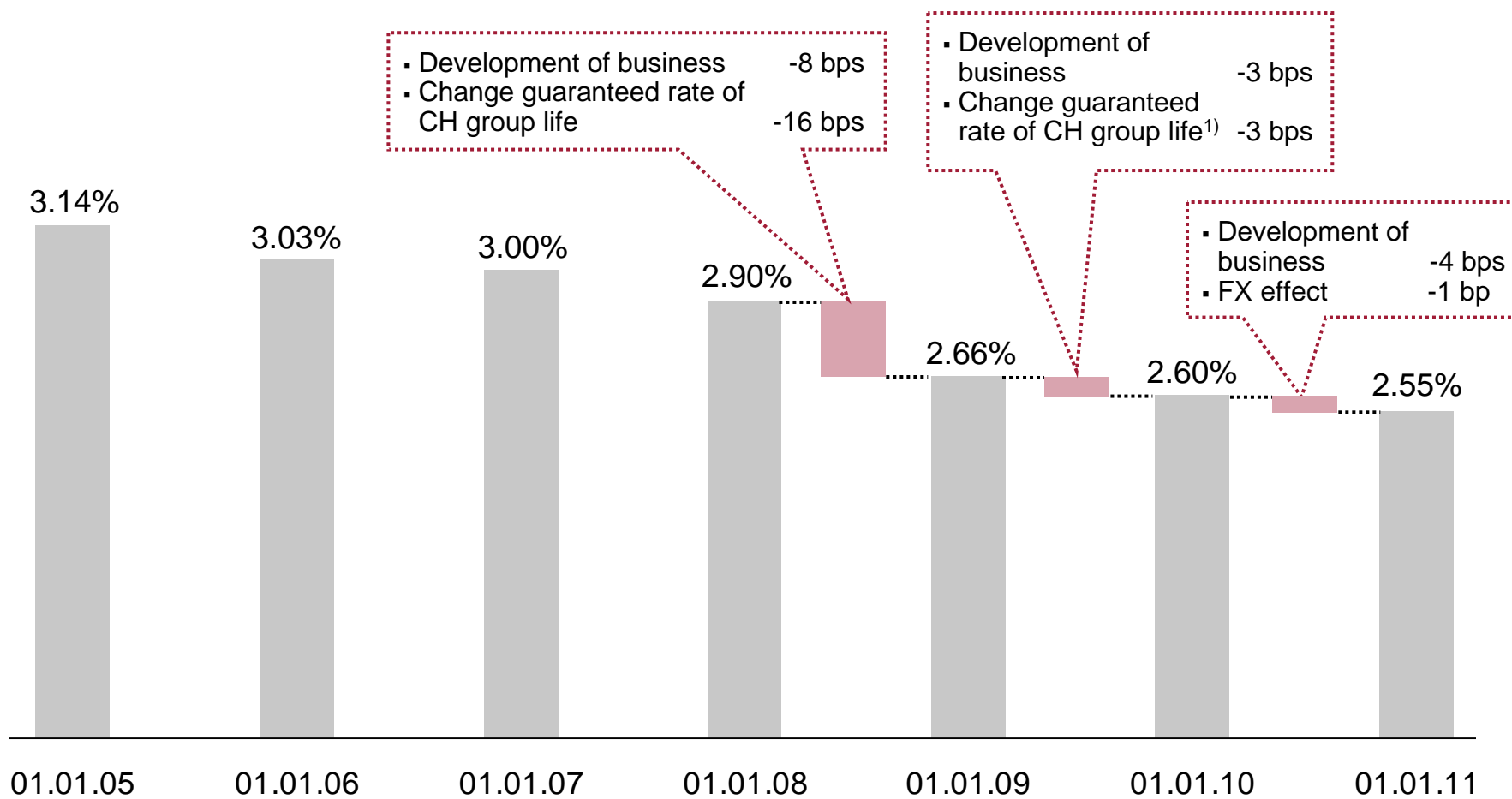
Average technical interest rate of 2.55%

CHF / EUR / USD / GBP million (statutory basis)

	CHF	EUR	USD	GBP
Total reserves	63 539	24 568	104	8
Average technical interest rate	2.43%	2.79%	3.57%	3.53%

Overall: 2.55%
(01.01.2010: 2.60%)

Development of average technical interest rate



1) Guaranteed interest rate for non-mandatory group life business as from 2010: 1.50%

Group solvency

CHF million (IFRS basis)

	31.12.2009	31.12.2010
Available solvency margin		
IFRS equity (incl. minority interests)	7 245	7 437
Eligible part of hybrid capital	2 339	2 016
Unattributed surplus	656	722
Goodwill and other intangible assets	-2 238	-1 948
DAC non-life	-57	-60
Dividends and par value reduction	-80	-144
Tax losses	-41	-14
Total available solvency margin	7 824	8 009
Total required solvency margin	4 782	4 653
Solvency ratio	164%	172%

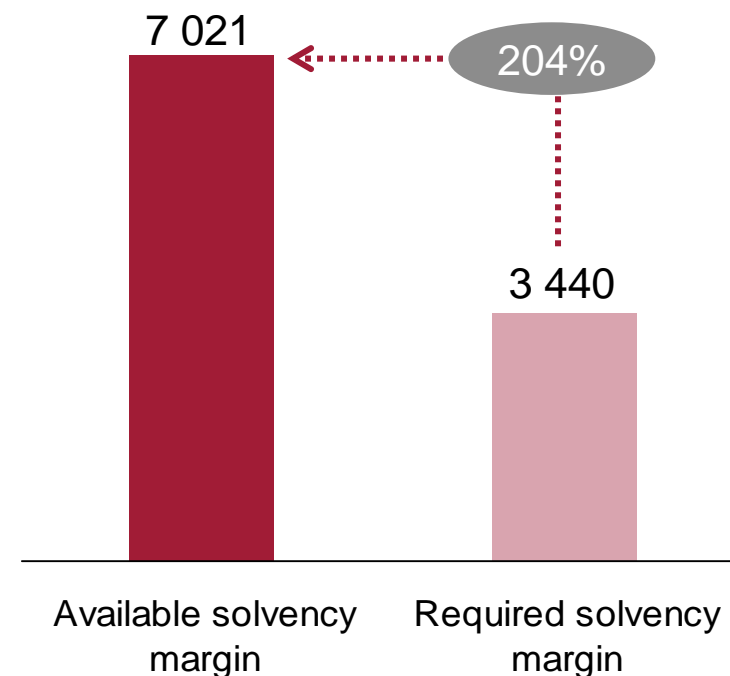
Statutory solvency

CHF million (statutory basis) as per 31.12.2010

Available solvency margin

Parent company statutory equity	1 906
<hr/>	
Intangibles	-18
Eligible part of hybrid capital ¹⁾	1 720
Fund for future appropriation	162
Additional Zillmerisation	248
Unrealised capital gains	2 355
Unattributed surplus	648
<hr/>	
Available solvency margin	7 021

Statutory solvency



1) Limited to 50% of the required solvency margin



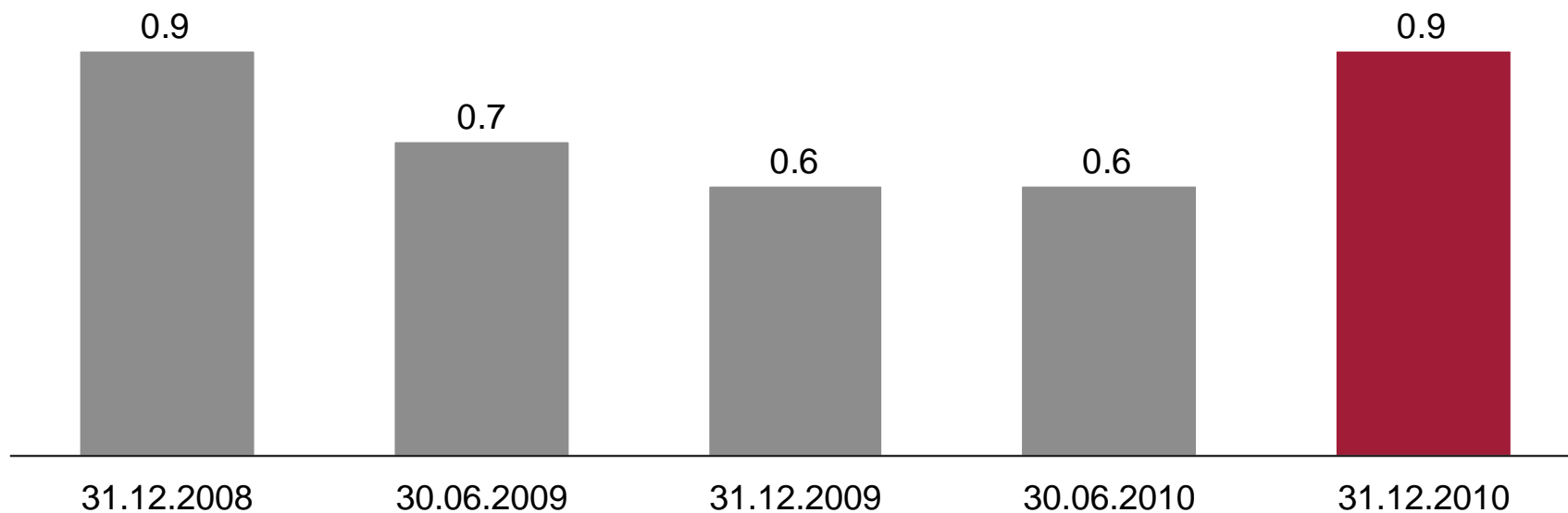
Overview of Swiss Life's debt instruments

As per 31.12.2010

Issue / Maturity	Instrument	Amount outstanding	Coupon / spread	Remarks
2004 2010	Senior Convertible Bond	CHF 0 m	-	<ul style="list-style-type: none"> ▪ Matured and redeemed in June 2010
2008 2011	Senior Syndicated Loan	EUR 0 m	-	<ul style="list-style-type: none"> ▪ EUR 100 m repaid in 2009 ▪ EUR 100 m repaid in 2010 ▪ Additional undrawn credit facility of EUR 300 m available
2001 2021	Hybrid, Private Placement	EUR 100 m	Float.+175 bps	<ul style="list-style-type: none"> ▪ Call date in December 2011
1999 Perp.	Hybrid, Private Placement issued in three tranches	CHF 290 m EUR 442.5 m EUR 15 m	Float.+205 bps Float.+205 bps Float.+205 bps	<ul style="list-style-type: none"> ▪ Next call date in 2014 ▪ EUR 200 m repurchased in 2005
2005 Perp.	Hybrid, via fiduciary notes	EUR 342.5 m	Fix 5%	<ul style="list-style-type: none"> ▪ Call date in 2015 ▪ EUR 7.5 m repurchased in 2009
2007 Perp.	Hybrid, via ELM B.V. notes	EUR 590 m	Fix 5.849%	<ul style="list-style-type: none"> ▪ Call date in 2017 ▪ EUR 110 m repurchased in 2009

Total weighted duration gap¹⁾

in %



1) Explains the change in risk bearing capital due to a parallel shift of the underlying interest rate curve in percentage of the present value of insurance liabilities

Supplementary information

Profit and loss

Balance sheet

→ **Investments**

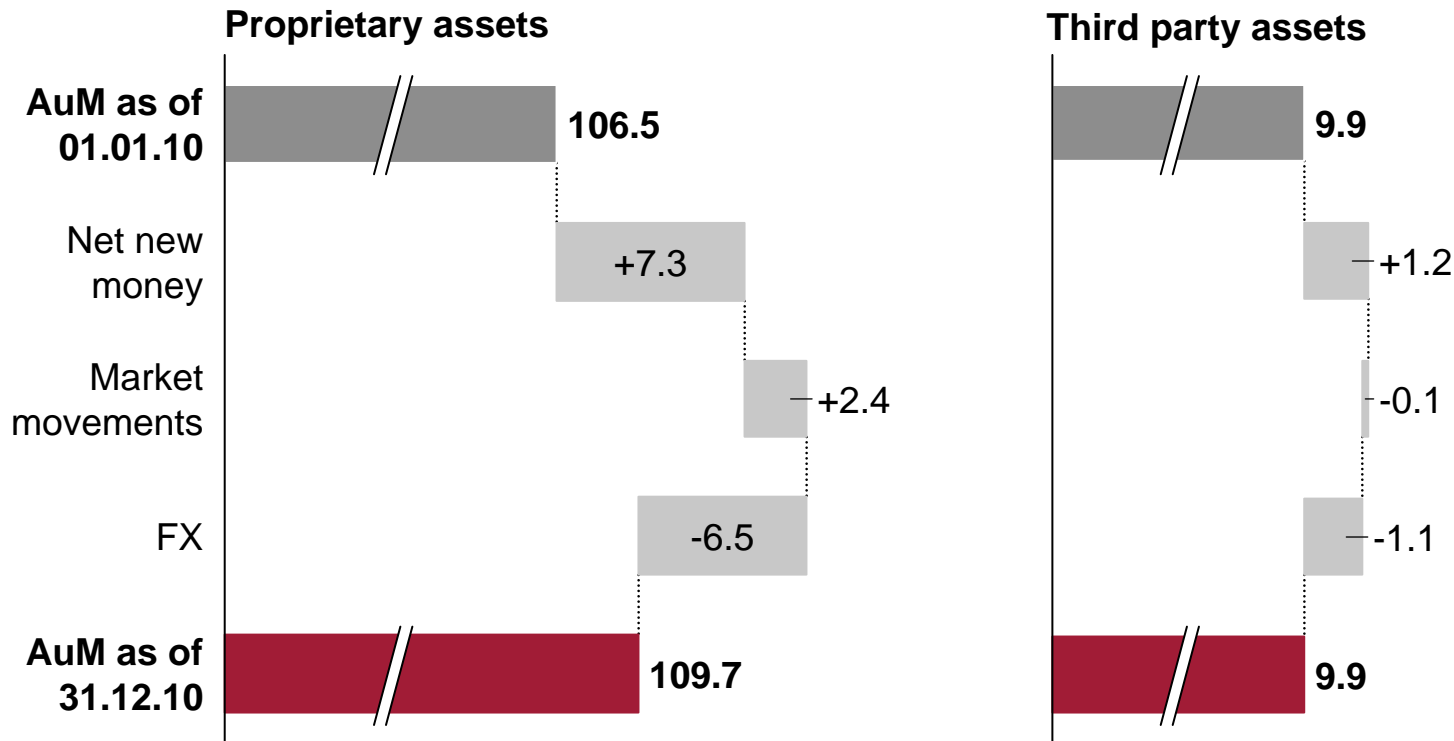
Market consistent embedded value (MCEV)

Contact details and financial calendar

Business review Investment Management: Change analysis of assets under management

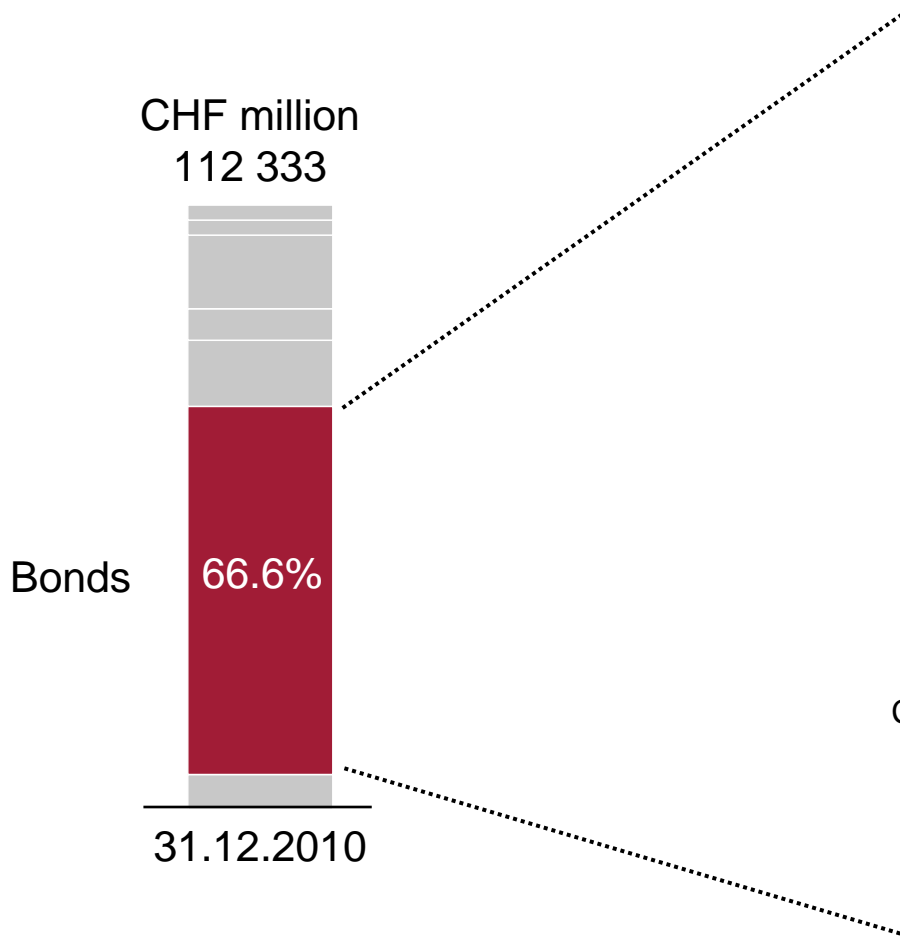


CHF billion (fair value basis)

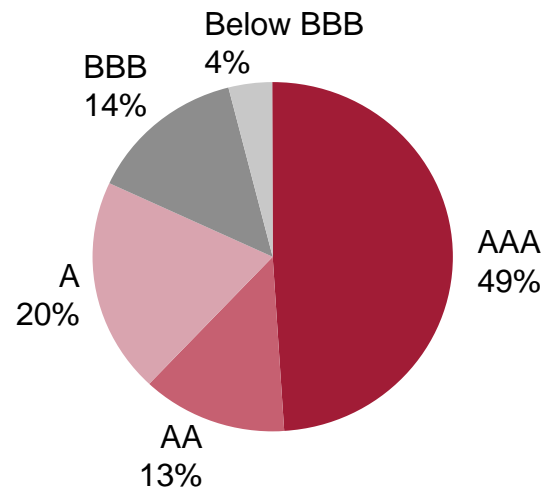


Bond portfolio: Ratings and classification

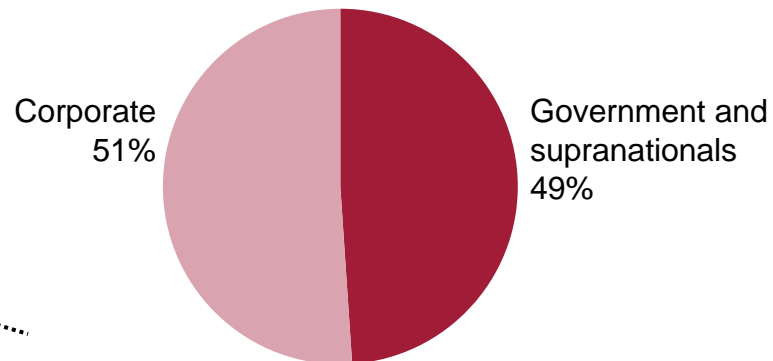
Insurance portfolio (fair value basis)



Breakdown by rating

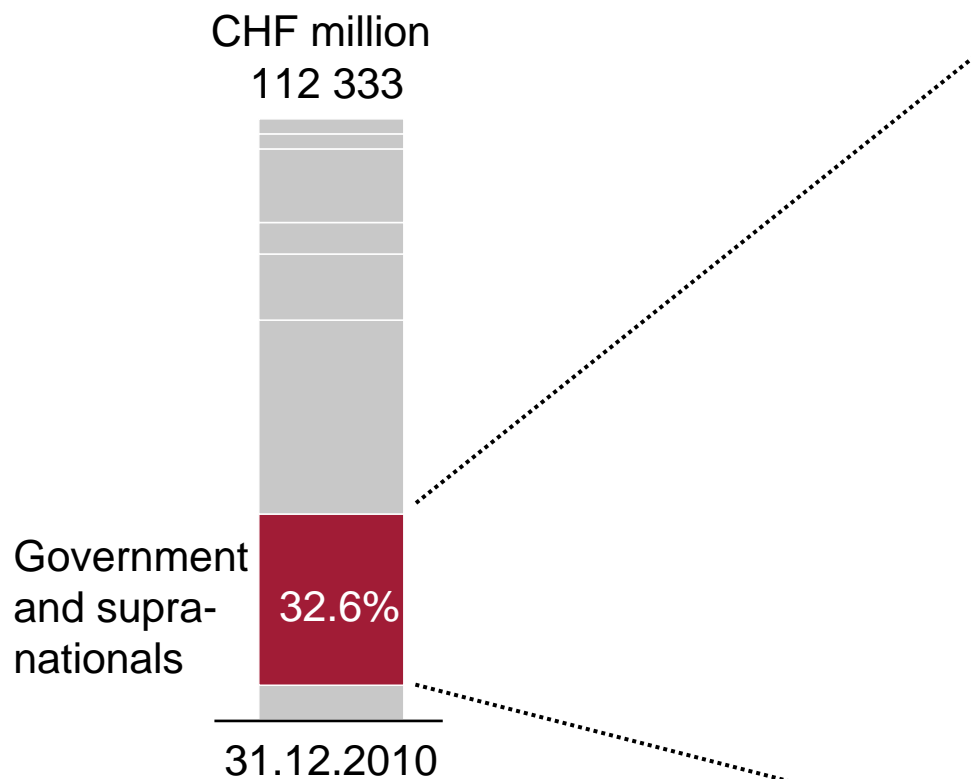


Breakdown by classification



Government and supranational bond portfolio: Ratings and currency

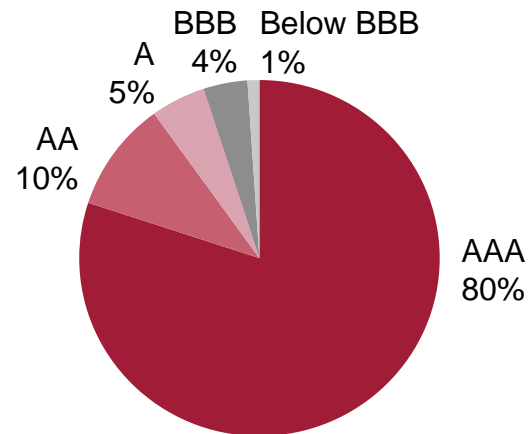
Insurance portfolio (fair value basis)



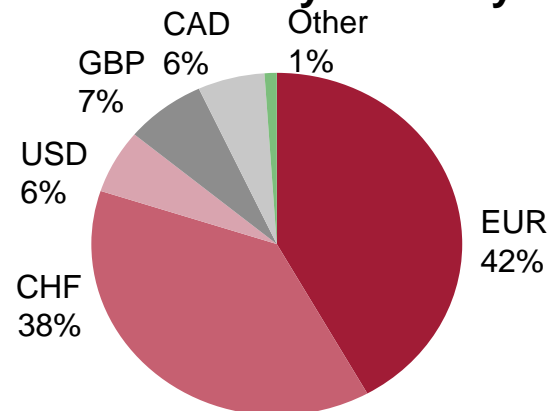
Exposures to sovereigns under observation in CHF m, 31.12.2010 vs. (28.02.2010)

- Portugal: 131 (170)	- Greece: 48 (335)
- Italy: 216 (683)	- Spain: 214 (291)
- Ireland: 186 (429)	- Total: 795 (1 908)

Breakdown by rating

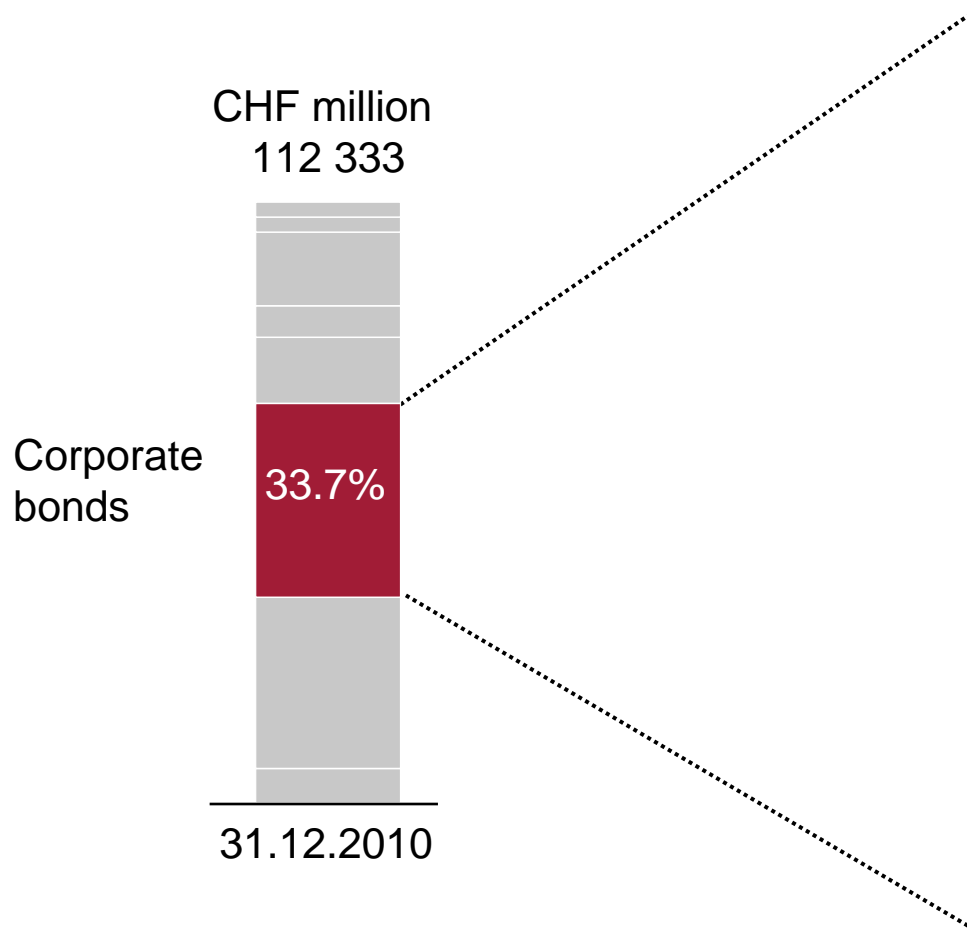


Breakdown by currency

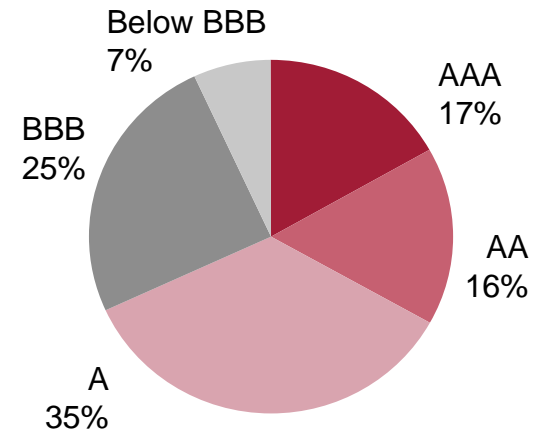


Corporate bond portfolio: Ratings, currency and industry breakdown

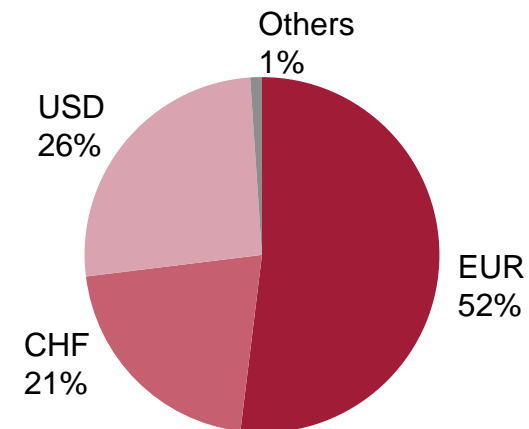
Insurance portfolio (fair value basis)



Breakdown by rating



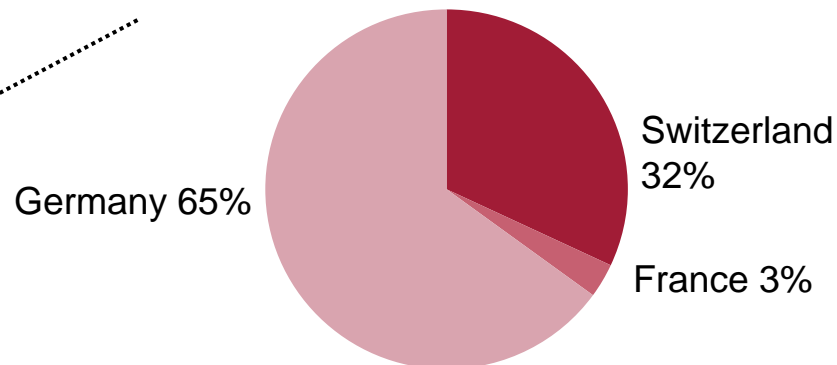
Breakdown by currency



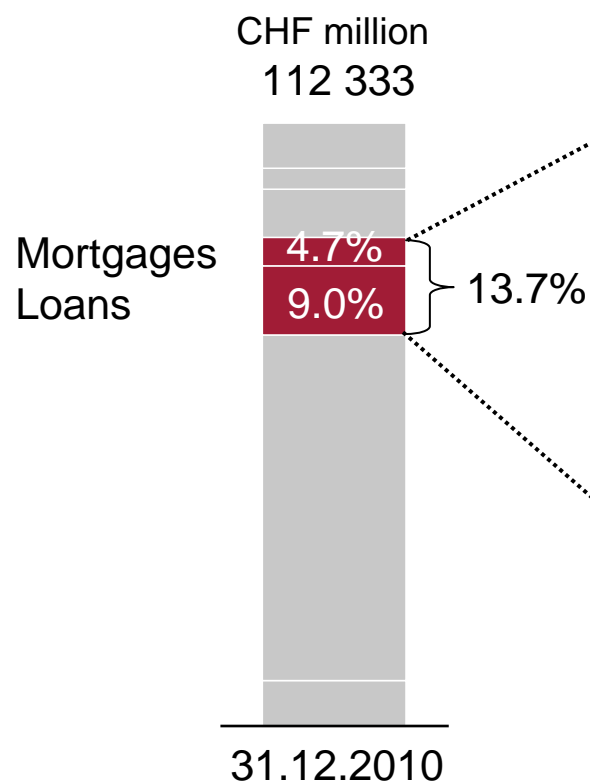
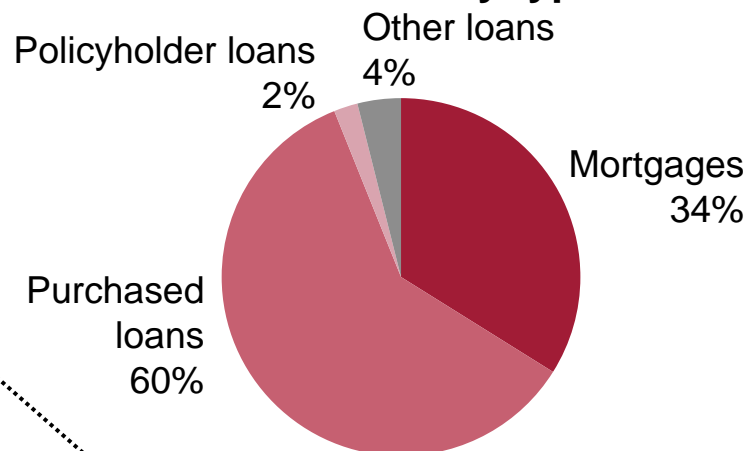
Loan and mortgage portfolio

Insurance portfolio (fair value basis)

Breakdown by country

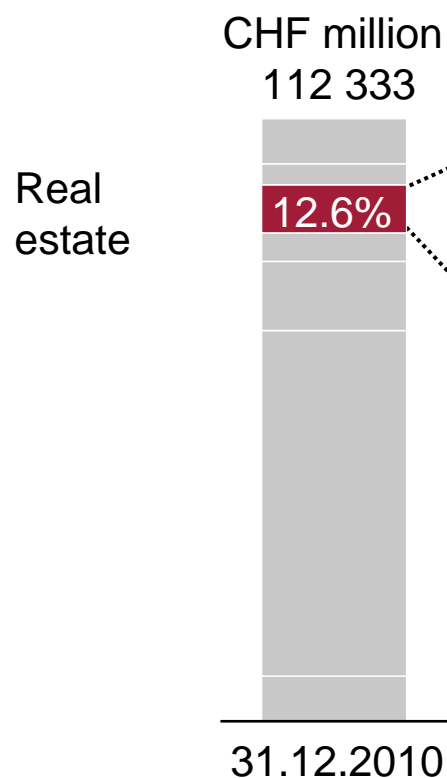


Breakdown by type

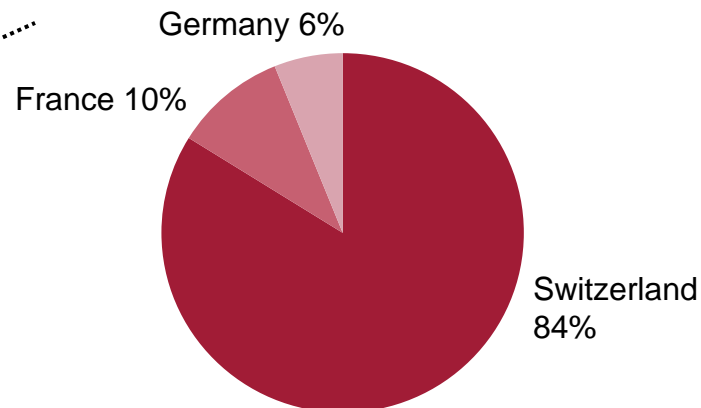


Real estate portfolio

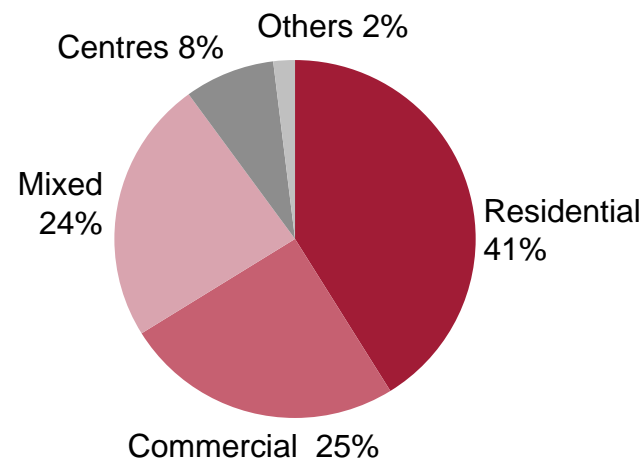
Insurance portfolio (fair value basis)



Breakdown by country

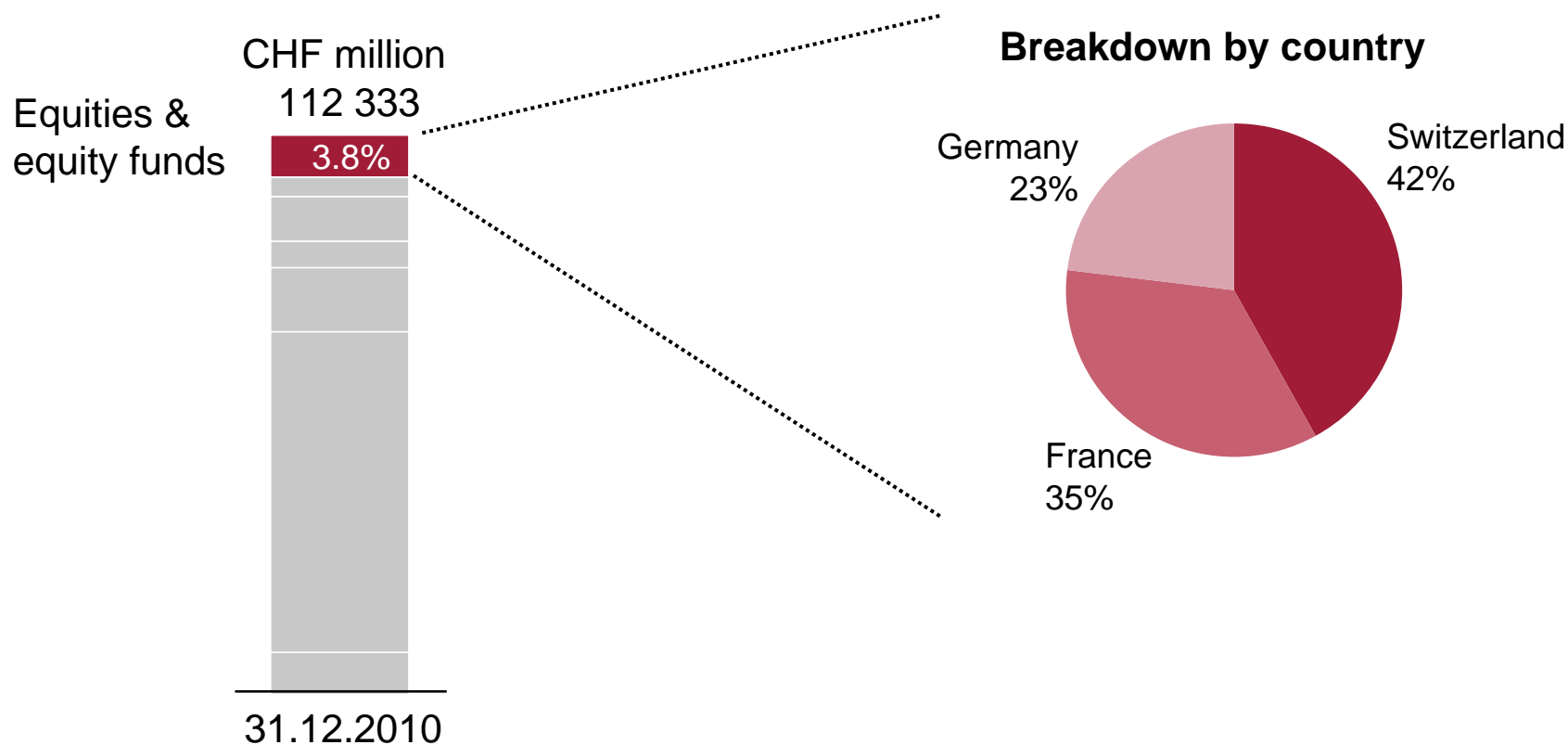


Breakdown by type



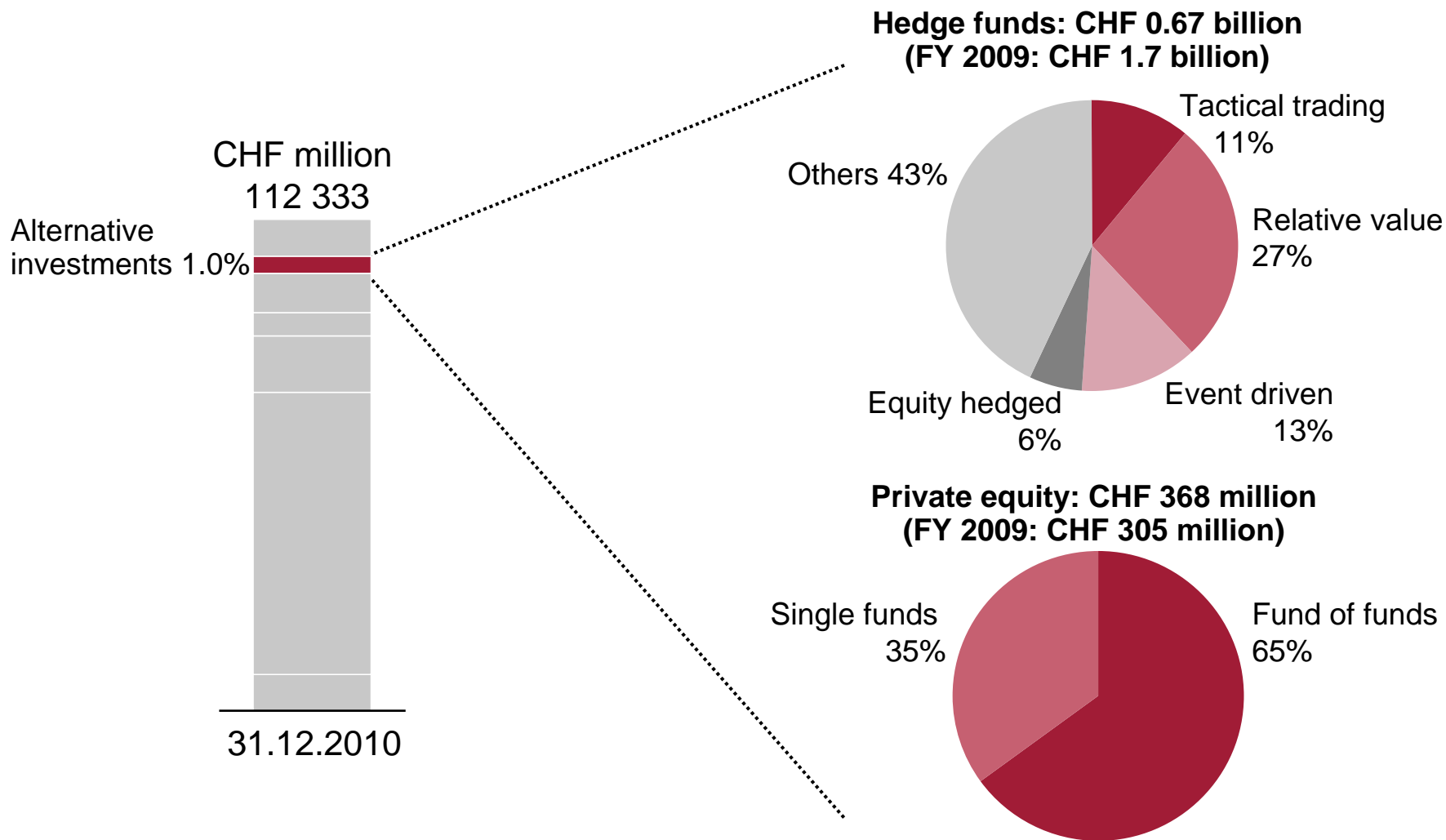
Equity portfolio: Gross exposure

Insurance portfolio (fair value basis)



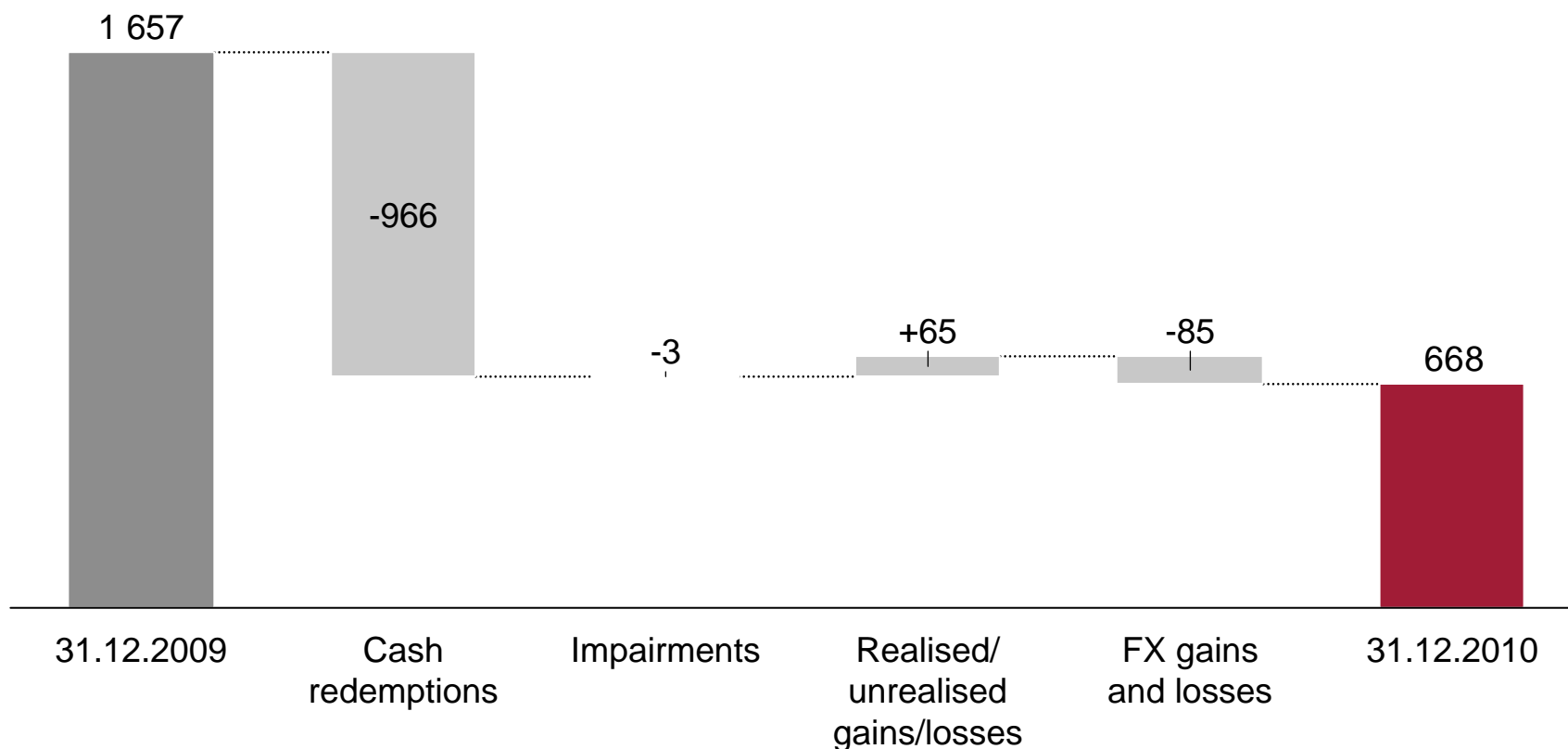
Alternative investment portfolio

Insurance portfolio (fair value basis)



Hedge fund movements

CHF million (fair value basis)



Forex and interest rates

Foreign currency exchange rates

	31.12.09	30.06.10	31.12.10	01.01.-31.12.09	01.01.-31.12.10
EUR	1.4837	1.3210	1.2483	1.5102	1.3827
GBP	1.6639	1.6126	1.4560	1.6958	1.6111
USD	1.0300	1.0778	0.9339	1.0857	1.0423

Interest rates¹⁾

	31.12.09	30.06.10	31.12.10
CHF	1.901	1.482	1.716
EUR	3.387	2.577	2.963
USD	3.837	2.931	3.294
GBP	4.015	3.355	3.396

1) 10-year government bond

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→ **Market consistent embedded value (MCEV)**

Contact details and financial calendar



Value of New Business

CHF million (MCEV)

	Switzerland ¹⁾	France	Germany	Other	Total
Value of new business	30	84	41	54	209
New business strain	-41	-66	-9	-7	-124
VNB before new business strain	71	150	50	61	333
Annual premiums	189	382	129	6	706
Single premiums	1 164	2 099	333	4 202	7 798
Present value of new premiums (PVNBP)	3 819	4 838	1 707	4 242	14 607
Average annual premium multiplier	14.0	7.2	10.7	6.7	9.6
New business annual premium equivalent (APE)	306	592	163	426	1 486
change from FY 2009	+3%	+8%	-6%	-11%	-0%
New business margin (% PVNBP)	0.8%	1.7%	2.4%	1.3%	1.4%
change from FY 2009	+50 bps	+80 bps	+110 bps	+30 bps	+50 bps
New business margin (% APE)	9.8%	14.2%	25.0%	12.7%	14.0%
change from FY 2009	+620 bps	+640 bps	+1280 bps	+260 bps	+580 bps

1) Incl. assumed reinsurance

Economic assumptions

Swap rates

Economy	1 year	2 year	5 year	10 year	15 year	30 year
Switzerland	0.18%	0.52%	1.40%	2.16%	2.41%	2.19%
Euro zone	1.33%	1.56%	2.48%	3.31%	3.64%	3.50%
USA	0.44%	0.80%	2.15%	3.36%	3.83%	4.10%

Forward inflation rates

Economy	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Switzerland	0.6%	0.6%	1.2%	1.8%	1.4%	1.2%
Euro zone	2.1%	1.5%	1.7%	2.4%	2.6%	1.9%

Swaption implied volatilities (tenor: 20 years for EUR and USD, 10 years for CHF)

Economy	1 year option	2 year option	5 year option	10 year option	15 year option	30 year option
Switzerland	30.0%	27.8%	26.2%	31.0%	n/a	n/a
Euro zone	24.1%	22.0%	18.7%	18.2%	20.5%	20.5%
USA	25.1%	23.4%	20.2%	16.3%	15.2%	14.4%

Equity option implied volatilities

Economy	Index	Volatility
Switzerland	SMI	21.0%
Euro zone	EuroStoxx 50	27.3%
USA	S&P 500	27.4%

Real estate volatilities

Economy	Volatility
Switzerland	8.0%
Euro zone	13.0%

Cautionary statement regarding forward-looking information



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→ **Contact details and financial calendar**

Contact details and financial calendar

Contact

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Financial calendar

Interim statement Q1	3 May 2011
Annual General Meeting 2011	5 May 2011
Half-year Results 2011	17 August 2011
Interim statement Q3	15 November 2011

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