



SwissLife

PROVIDING FOR THE FUTURE

Annual Report 2011, Business Review Section

The work we do every day is all about providing for the future: we advise our customers on risk, life and pensions products and, with the products and services we provide, we enable them to shape their financial future individually and independently.

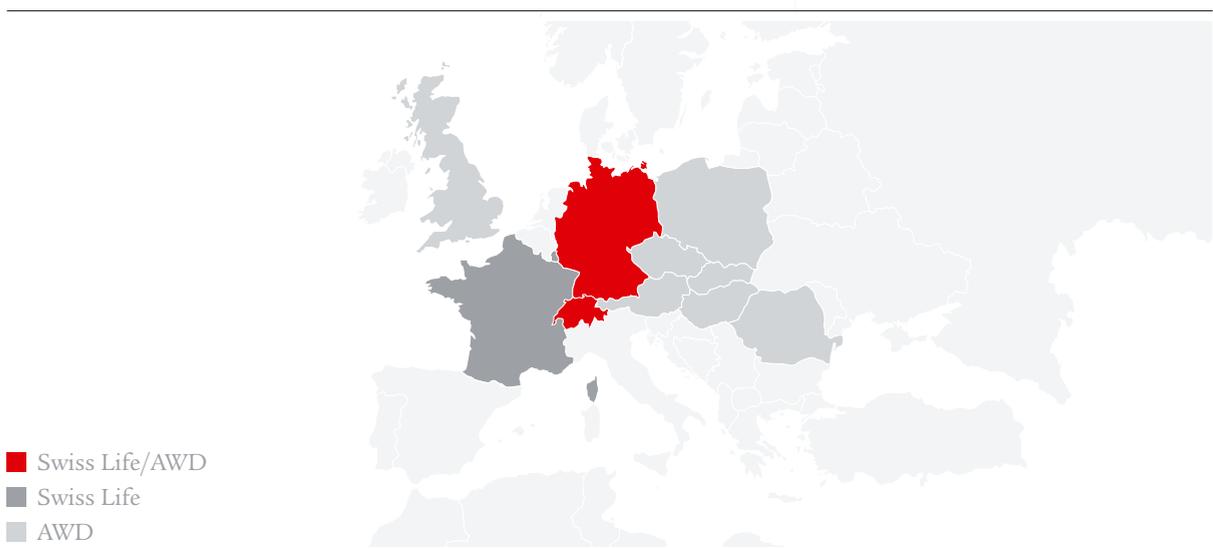
Providing for the future, however, goes far beyond financial security. It reflects a person's wishes and convictions. These individual perceptions of providing for the future form the subject of the photo editorial in this year's Business Review: the editorial offers a colourful insight into the private or occupational, but invariably personal, pension and savings situation of nine people at different stages in life and in different circumstances.

The Swiss Life Group's 2011 financial year at a glance:

Course of business – Swiss Life increased its net profit by 8% from CHF 560 million in 2010 to CHF 606 million in 2011. The Group maintained its focus on profitability and grew in strategically important business areas. Compared with the previous year premium volume declined by 10% in local currency to CHF 17.1 billion; in its home market of Switzerland, however, it increased 6% to CHF 8.1 billion. In addition to an excellent investment result, Swiss Life achieved further operational advances and, by 2011, had already achieved the cost targets set for 2012.

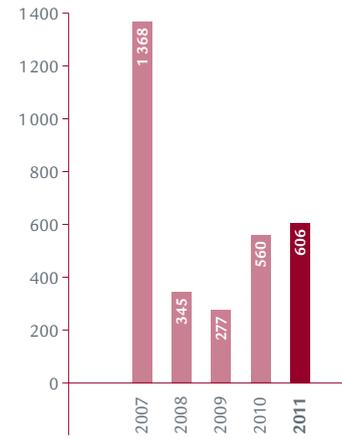
Markets – Swiss Life is a leading international specialist for risk, life and pensions solutions. With a market share of 27%, the company is one of the market leaders in Switzerland. It is one of the top ten companies in the European life insurance market and also ranks among the leading providers in the global business for high net worth individuals.

Workforce – 7500 employees, accounting for about 7200 full-time positions, were working for the Swiss Life Group worldwide at the end of 2011.



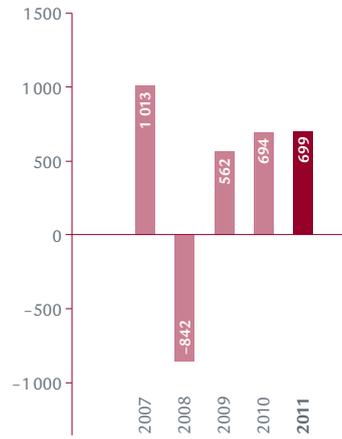
Net profit

In CHF million



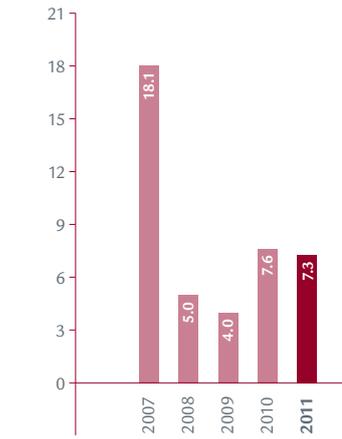
Result from operations

In CHF million



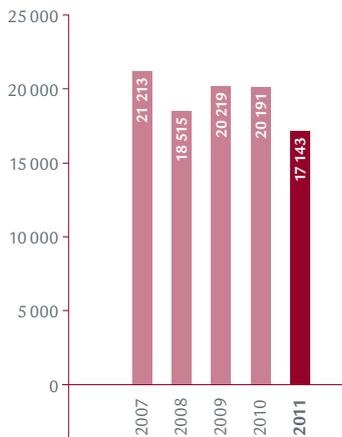
Return on equity

In %



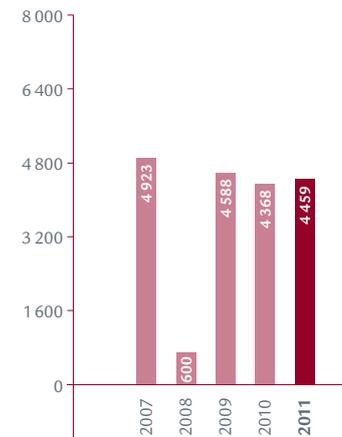
Gross written premiums, policy fees and deposits received

In CHF million



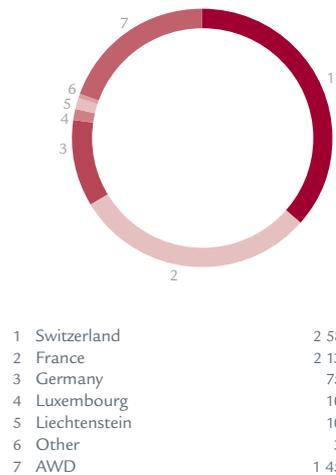
Financial result

In CHF million



Swiss Life employees by country and AWD

Total 7168 full-time equivalents as at 31.12.2011



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Dear Shareholders



Bruno Pfister and Rolf Dörig

Swiss Life was not alone in finding 2011 a challenging year. Natural catastrophes such as the one which triggered the Fukushima reactor disaster, the Arab Spring, the legacy of which has yet to emerge, plus the debt crisis and the resulting fall in the euro sent jitters through the global economy. The unforeseeable, or even the unthinkable, has shown many areas in a new light. Security and financial stability cannot be taken for granted – as was harshly demonstrated by the many events of 2011.

Swiss Life successfully negotiated a tough market environment and can look back on a very good year, due in no small measure to the successful implementation of the MILESTONE programme. Our operational improvements enabled us to increase our net profit from CHF 560 million in the previous year to CHF 606 million. We also

improved the quality of our premium income – especially in terms of profitability and the composition of our sources of income. Thanks to our strong asset and liability management and the high intrinsic value of our investment portfolio, we achieved an excellent investment result. We were particularly pleased to see Swiss Life grow in strategically important business areas.

Growth in Swiss corporate client business in particular shows demand for full insurance solutions, which can only be provided by private insurers. These solutions are very important in economic terms, as they make a major contribution to the stability of the Swiss pension system. It is precisely when many Vorsorgewerks (employee benefits units) are experiencing a funding shortfall that customers come to seek a safe haven in Swiss Life and its

solutions. This customer confidence is both an honour and a commitment. We will make every effort, going forward, to ensure the regulatory framework conditions continue to permit these solutions.

Our solid performance in the 2011 financial year comes on the back of our MILESTONE programme, which was launched in 2009 and set the foundations on which we were able to build a more resilient business model. We had already achieved most of our targets by the end of 2011, one year ahead of schedule.

Many ambitious measures launched under MILESTONE helped us to offset the adverse effects of the financial market crisis during the year under review. For instance we increased the share of modern risk and pension products in new business to 70%. We also strengthened our balance sheet, protected our new business margin and increased sales of Swiss Life products through AWD. Our cost discipline also proved a great success. By the end of 2011, Swiss Life had already made the planned savings of CHF 350-400 million announced in 2009. Costs were brought down by over CHF 400 million compared to 2008.

We see the key to doing business successfully as never losing sight of our goal and our responsibility: the loyalty and security of our customers are the compass that we consistently turn to for guidance. Our insurance solutions are gaining in importance. There are two major trends making our work both relevant and demanding: firstly, people are living longer, which means their pension provision also has to last longer. Secondly, countries are finding it more of a strain financing their pension commitments due to their financial situation. The financial market turbulence and historically low interest rates are also preventing assets from appreciating naturally. In fact, it will actually become harder in future to preserve the value of our personal assets and ensure adequate pension provision. Swiss Life's loyal customers, committed

employees, financial solidity, expertise and prominent brand place it in an excellent position to exploit the opportunities of a growing, but also very competitive, pensions market.

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2012 will be a year of consolidation for Swiss Life. We will conclude MILESTONE and present our new plans for the coming years at our Investors' Day on 28 November 2012. We don't anticipate any marked improvement in market conditions. Nevertheless, Swiss Life is in an excellent position to meet the challenges posed by the market, even if operating conditions remain difficult over the longer term.

We are very grateful for your support, as shareholders, for Swiss Life as it pursues this path. We look forward to continuing to work with you towards a successful future for Swiss Life.



Rolf Dörig

Chairman of the Board of Directors



Bruno Pfister

CEO

“I am proud of the operational progress we have made”

Steady hard work, rather than spectacular advances, enabled Swiss Life to make further operational advances and again increase profits in 2011. Bruno Pfister, Group CEO, is committed to achieving profitable growth, but he is not counting on a financial market tailwind in the near future.

2011 was a turbulent year, both politically and economically. Yet Swiss Life still made a sizeable net profit. How was that possible? Of course the financial market uncertainty, the weak euro and volatile markets represented a huge challenge to everyone, including us. But when we launched our corporate MILESTONE programme in 2009, we had already set our course towards preserving our earnings power. We were right at the time not to assume our business would be buoyed by much of a tailwind. Of course we've not emerged completely unscathed from the problems of the last three years, but MILESTONE has enabled us to find the right answers to largely compensate for the prevailing adverse conditions.

What are the specific achievements of MILESTONE?

Swiss Life has executed its MILESTONE plans in a disciplined manner. One example is our improved cost situation: Our ambitious cost management allowed us to achieve the cost savings announced in 2009 as early as the end of 2011. Swiss Life thus managed to reduce its costs by over CHF 400 million compared with 2008. This took a lot of hard work. I am proud of the operational progress we have made, which is ultimately thanks to the dedication and commitment of our employees. But MILESTONE was always more than just a cost-reduction programme to us. Our objective was to make our business model more resilient. For instance we increased the share of new business through modern risk and pension products to 70%, thereby again already achieving the target we set for 2012. Furthermore, we succeeded in growing in strategically important business areas.

You're always emphasising that you're aiming for profitable growth rather than just simply growth. What does this mean exactly? Our credo is: We don't want growth at any price. It's relatively easy to generate premium volume in the pensions market. You push up guarantees and promises or you increase commissions for the distribution force. This may work in the short term – but it represents corporate irresponsibility in the medium term. It's not how Swiss Life wants to do business. We're striving for “the best of both worlds” – namely profitable growth. And indeed with some success: Overall Swiss Life was able to significantly improve the quality of its premium income in 2011.

“The volatile financial markets of recent years have shown corporate clients in Switzerland the true value of full insurance with Swiss Life. We're seen as a safe haven.”

Swiss Life is reporting a strong investment result with net investment return of 3.8%. How was that possible with the financial markets as uncertain as they are? Our teams in Investment Management have done a fantastic job. The results reflect our exceptionally professional asset and liability management and the intrinsic value of our investment portfolio – our proven expertise in bonds and real estate, in particular, puts us in an advantageous position. It makes me very optimistic about the future development of our Group. We can continue to be a successful and reliable partner for our clients.



The uncertain times have resulted in increased demand from corporate clients in Switzerland for the full insurance model. Is this a correct assessment? The volatile financial markets of recent years have shown corporate clients in Switzerland the true value of full insurance with Swiss Life. We're seen as a safe haven. Demand was just as strong in 2011. By contrast, many pension funds and banking solutions have shown themselves to be less secure and some are suffering from a shortfall – with all the associated disadvantages for employees and their employers. Our secure solutions make an important socio-political contribution to the stability of the pension system, which is something we need to protect.

AWD has also made progress. What's your take on this? The latest operational improvements at AWD are beyond dispute. In the AWD core market of Germany in particular,

we're excellently positioned vis-à-vis the competition. AWD is also developing well in England. But we're not quite where we want to be in Austria and Eastern Europe. Here we have quite a path ahead of us. Inherited legal issues in Germany and Austria are making our job even more challenging. But what we shouldn't forget is that, since the acquisition of AWD, we've survived two economic crises, which didn't just take their toll on us but on the whole financial services industry. The strategic significance of AWD for Swiss Life will continue unchanged in the medium to long term. Firstly, AWD helps us to diversify our earning sources; secondly, Swiss Life benefits from AWD's enormous additional distribution capacity to bring its own top products and solutions to market.

“Our teams in Investment Management have done a fantastic job. The results reflect our exceptionally professional asset and liability management and the intrinsic value of our investment portfolio – our proven expertise in bonds and real estate, in particular, puts us in an advantageous position.”

You're working on your plans for 2013 to 2015. When will you be announcing them? The achievement of our MILESTONE targets has top priority for us in 2012. Even if we wrap up MILESTONE as a programme this year, its cornerstones will remain part of our corporate DNA. We will continue to focus in the future on creating added value for the customer, while at the same time generating the required margins. It's also our aim to further enhance the effectiveness of our various distribution channels and to improve the quality of our customer service within Swiss Life. We must also continue to enhance our efficiency in order to stay competitive. Our management teams are currently working on defining new goals and ambitions on the basis of what we have achieved in recent years. We will be presenting our plans and ideas to the public at this year's Investors Day, to be held on 28 November 2012.

Providing for the future

Everyone has their own way of providing for the future, whether for themselves, others or some greater goal. In its 2011 Business Review, Swiss Life shows different personal life choices and various ways of providing for the future, including saving to buy your first dog, taking a scientific approach to climate change and searching for salvation in the solitude of nature.



NADINE SALZMANN

GLACIOLOGIST, LUCERNE

“My work as a glaciologist involves finding out about the water reserves contained in the glaciers. This enables me to create a scientific basis to enable Switzerland to equip itself to adapt to climate change.”





EMILIE AMMANN

PRIMARY SCHOOL PUPIL, ZURICH

“I’m saving my pocket money for a dog – although my parents don’t know it yet! I’ve already got a lead. I often take the dogs from the animal shelter out for a walk. They have a good life there but I still feel sorry for them because they don’t have a home of their own.”

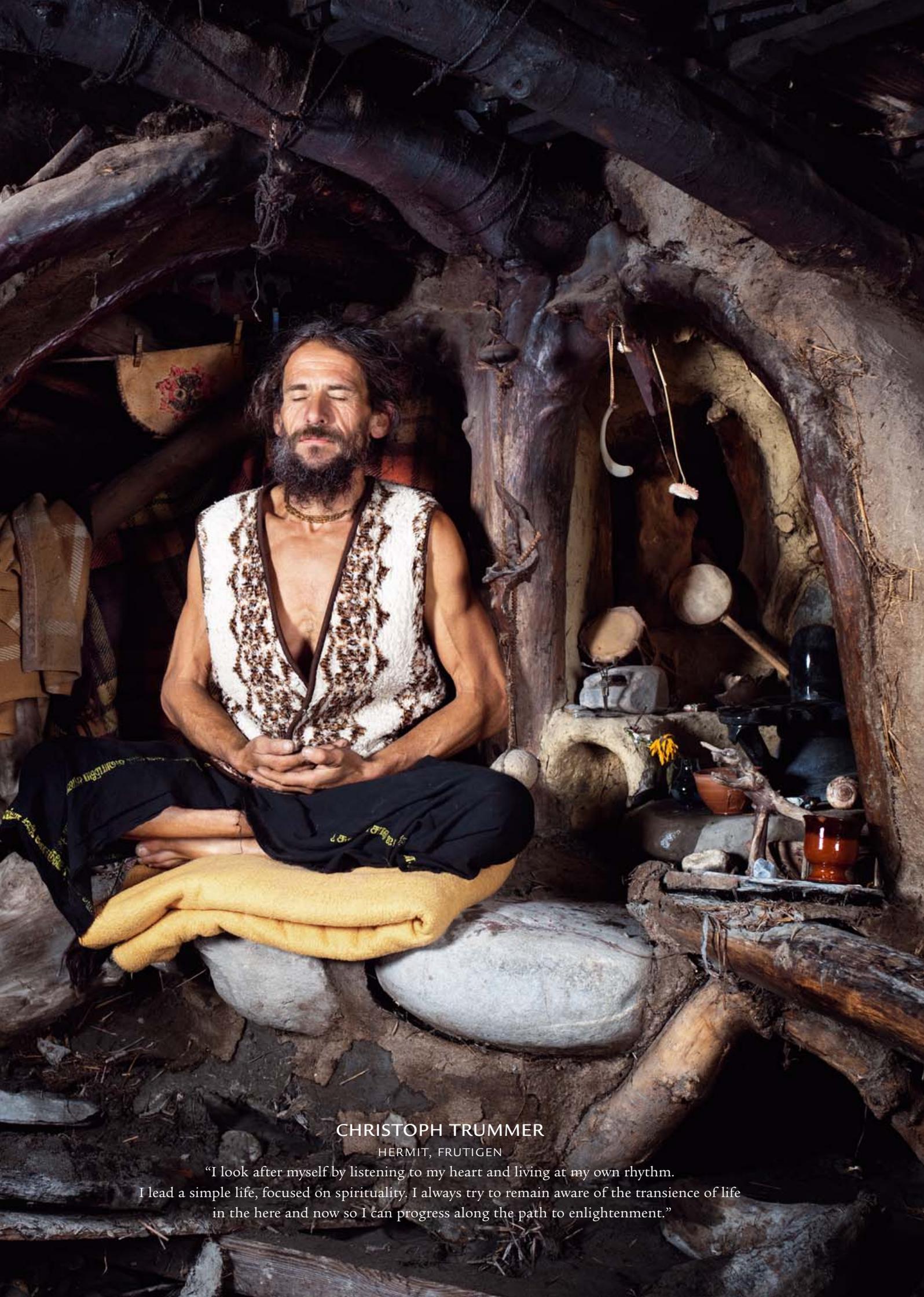


DANIEL GUT

INFRASTRUCTURE MANAGER, ZURICH

“A city like Zurich needs to be ready for all eventualities. Only then can the inhabitants have the freedom to make their own daily decisions. We need to make sure we always have enough road grit to ensure mobility and safe traffic conditions even when it is snowing. That’s why we start preparing for winter in the summer – it gives us our best chance to ensure continuity even if some things remain beyond our influence.”





CHRISTOPH TRUMMER

HERMIT, FRUTIGEN

“I look after myself by listening to my heart and living at my own rhythm. I lead a simple life, focused on spirituality. I always try to remain aware of the transience of life in the here and now so I can progress along the path to enlightenment.”



PIERRE CHÂTELET

PENSIONER, PARIS

“Growing old is great fun. But only if you stay healthy.

I swim 700 metres twice a week in the *Piscine de Puteaux* in Paris to keep fit.

Although I’m 92, the doctors say I have the heart of a 60-year-old.”



RABEA HASS

PHD STUDENT, BERLIN

“My master’s degree focused on peace and conflict research. During the course of my studies I learnt a lot about the fears and needs of our society. However, to go beyond a purely theoretical approach to conflict and risk, I am also involved with a humanitarian aid organisation. This means I am always ready to help should a catastrophe occur.”



SANDRO ERNÉ

FIREMAN, FRAUENFELD

“Every living creature, whether human or animal, depends on professional support in an emergency situation.

I would also want to get help if I ever found myself in a life-threatening situation.

That’s why I’m a voluntary fireman. We attend regular drills and training sessions to improve safety for ourselves and others.”





JÜRGEN SEIDEL

MINISTER, BAD RAGAZ

“I speak to the Lord above every day. It helps me find the right path to follow in all good conscience. Even when the answers to my questions are not always what I expected, I know from experience that I should listen to them.”



ESTHER ROESTI

DENTAL HYGIENIST, SOLOTHURN

“Oral hygiene for children lies close to my heart. My regular school visits are aimed at preventing dental caries. I show pupils how to clean their teeth properly, give them nutrition tips for keeping their teeth healthy and distribute snack boxes containing tooth-friendly foods.”



NADINE SALZMANN, 36, LUCERNE Nadine Salzmänn, who was born in Lucerne, works as a senior scientist at Zurich and Freiburg universities. She studied physical geography and completed a doctorate on a regional climate model for alpine permafrost modelling. In order to better understand the processes high up in the mountains and draw conclusions about climate change, she has also conducted research in the Alps, the Peruvian Andes and the Rocky Mountains.



RABEA HASS, 28, BERLIN On completing her undergraduate studies in European cultural history, Rabea Hass did a Masters in peace and conflict research. She currently works as a research associate at Hertie School of Governance and her doctorate is about military reform in Germany. She also works voluntarily at the Federal Agency for Technical Relief, where she is in the management team for units sent to work overseas. She has been involved in relief operations in India and Kazakhstan and was in Japan following the catastrophic earthquake.



EMILIE AMMANN, 9, ZURICH Emilie Ammann has two cats: “Pepper” is white with black spots and “Ginger” is black. But the Zurich primary school pupil wants a dog most of all. Because she can’t have her own dog yet, she takes dogs from the animal shelter out for a walk on Saturdays and she marks her favourite dogs in her books with stickers.



SANDRO ERN , 34, FRAUENFELD Sandro Ern , a Swiss accredited building site foreman and father, sees his own safety, and that of others, not only as a top priority but also as his duty. It is a duty he fulfils at work in his capacity as managing director of Beerli und Ern  AG, a company specialising in roofing and faade work, as well as when working as an officer for Frauenfeld voluntary fire service.



DANIEL GUT, 44, ZURICH With a Swiss father and a Dutch mother, Daniel Gut grew up in South Africa, where he completed his studies in structural engineering. He has been living in Switzerland since 2000. He works as an infrastructure manager for ERZ Entsorgung + Recycling Zurich, where he is involved in municipal waste disposal and recycling. He also enjoys the best of the city and countryside in his spare time. He likes the outdoors, sailing and cycling – freedoms which he considers a privilege.



J RGEN SEIDEL, 65, BAD RAGAZ Prof. J. J rgen Seidel is a Protestant minister and lecturer in Modern Church History. He has been teaching at the university for 20 years and, in addition to his research and publishing work, he taught religion for 35 years. One of his priorities in life is to inspire the young to take responsibility and work towards a peaceful world.



CHRISTOPH TRUMMER, 55, FRUTIGEN Christoph Trummer is a hermit who lives on the Engstligen dry river bed near Frutigen in a house he built himself from driftwood and mud. Ever since visiting India and Nepal, spirituality has played an important part in the life of Mr Trummer, who is an electrician by trade. He wants to make a statement through his simple way of life – and he receives two to three thousand visitors a year to his isolated dwelling.



ESTHER ROESTI, 49, SOLOTHURN While employed as a dental hygienist, Esther Roesti was often involved in helping to treat children. She enjoyed this work a lot. A desire to work more closely with children led her to start her work with schools. Her enthusiasm for working with children seems to be hereditary: two of her three children have embarked on a teaching career.



PIERRE CH TELET, 92, PARIS Pierre Ch telet has five children, six grandchildren and four great-grandchildren. The 92-year-old retired engineer attributes his ability to outperform his younger sporting counterparts to his all-round healthy lifestyle. This consists of a balanced diet with seasonal fruit and vegetables, sleeping well and regular study.

Strategy and Brand

2011 was another challenging year for Swiss Life. These turbulent times have proved the value of steadfastly holding to our course. The forward-looking strategy and the ambitious Group-wide MILESTONE programme have made Swiss Life more robust and resilient, while at the same time allowing us to exploit opportunities which have arisen despite volatile markets and the weak Euro. In a difficult economic climate customers rely on positive experiences and the credible promises of a strong brand, criteria which Swiss Life meets through its brand promise, “The future starts here.”

STRATEGIC THRUSTS — Swiss Life aims to become a leading international specialist for risk, life and pensions solutions. This self-image is precisely defined in six principal thrusts. Embedded in a clear goal, formulated in an ambition and supported by a mission, the strategic thrusts cover the entire value chain:

1. Enhance customer value and new business profitability
2. Increase distribution quality and power
3. Improve operational excellence
4. Preserve the balance sheet and optimise in-force business
5. Drive disciplined execution
6. Engage employees

The customer stands at the heart of Swiss Life’s strategy. We are committed to helping our clients create a financially secure future. For life. This promise requires our company to be securely positioned and sustainably financed even in a difficult market environment.

MILESTONE – THE RIGHT ANSWER — Swiss Life launched the Group-wide revitalisation programme MILESTONE in 2009 in the aftermath of the financial crisis. The programme focuses on enhancing Swiss Life’s competitive position and increasing flexibility towards customers. Building on from the strategic thrusts, the company set itself the following goals to be achieved by 2012:

1. Promote modern and risk products and increase the value and profit margin of new business
2. Optimise multichannel distribution and fully exploit AWD’s potential as a distribution channel
3. Steadily pursue the costs target – to reduce the cost basis by CHF 350-400 million – and continuously strive for further improvements
4. Implement initiatives for optimising in-force business and risk capital.

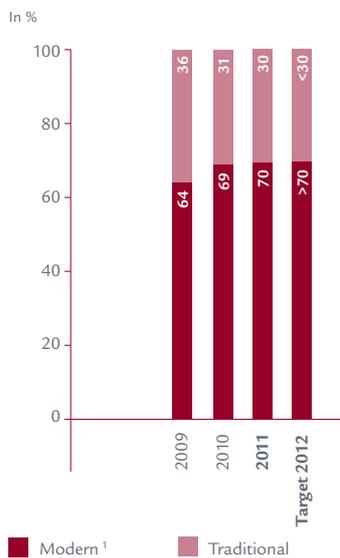
With MILESTONE, Swiss Life has the right answer to the ongoing turbulence on the financial markets. The fitness programme, which is linked to specific goals for 2012, has made Swiss Life’s business model more robust and resilient in the long term. The action taken under MILESTONE has also made the Swiss Life strategy more tangible and comprehensible for the relevant stakeholders. The focus on achieving profitable growth and enhancing customer value is being increasingly recognised within the company as part of the corporate culture. The initiatives

pursued with MILESTONE are reflected in the strategic thrusts set by the company and have now been integrated into day-to-day business. Swiss Life will be reporting on its future strategic direction and the period post MILESTONE at its Investors' Day on 28 November 2012.

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.

CREDIBLE BRAND PROMISE – In an environment of ever-increasing competition and ever-changing market conditions, the character and credibility of a brand are important prerequisites for corporate success. A strong brand identity offers distinct competitive advantages, particularly in the long-term financial security business. Swiss Life is represented in all markets with the uniform claim, “The future starts here.” The brand positioning, as expressed in a condensed form in the claim, is based on the image dimensions of future, reference, independence and Swissness. The clear message of the claim also radiates inwards: It represents a commitment by the employees to employ their expertise, openness, engagement, proximity and clarity in the service of our customers.

Shift in product mix



¹incl. risk products and health insurance

DISTINCT BRAND ENVIRONMENT – Swiss Life has been represented Group-wide since 2004 by a uniform corporate identity and a brand architecture at four levels. The Swiss Life umbrella brand also encompasses two sub-brands: Swiss Life Asset Management and Swiss Life Banque Privée. The German subsidiary SLPM Schweizer Leben PensionsManagement GmbH has an independent market presence as what is called an endorsement brand. The fourth level of the brand architecture is occupied by independently managed brands such as AWD and Livit (exclusively in Switzerland).

The logo links the company's tradition going back more than 150 years with its customers' future. People with their different needs and their desire for financial security and independence stand at the centre of the life insurance and pensions business. The three lines in the Swiss Life logo symbolise the most prominent lines on the palm of a hand and represent the long-term and personal needs of customers.

TARGETED BRAND MANAGEMENT – Activities aimed at strengthening the brand and raising the profile of our brand promise are carried out within the framework of targeted brand management. The new brand management cycle was completed for the first time in the year under review. All marketing measures and their impact on image and brand perception were tested in each market from both a quantitative and a qualitative standpoint. These findings are taken into consideration by brand managers when budgeting and planning and provide specific reference points when planning future measures.



Swiss Life reversed sentences

When life turns in a sentence

*She's my everything
went wrong.*

*For all life's twists and turns:
Flexible financial plans.*

www.swisslife.ch



*I never want children
are great.*

*For all life's twists and turns:
Flexible financial plans.*

www.swisslife.ch



*I love my house now
belongs to my ex-wife.*

*For all life's twists and turns:
Flexible financial plans.*

www.swisslife.ch



Whether it's a personal thing, because we have set ourselves and systematically pursued new goals, or whether changes are forced on us from outside: life is characterised by changes and turning points. In 2011, Swiss Life in Switzerland specifically addressed this subject by launching a campaign which gave tangible form to the brand positioning and the claim "The future starts here." "Reversed sentences", where one word links two phrases which have completely different meanings, were used in a nationwide advertising poster campaign.

The reversed sentences on the advertising boards caught the public's interest. With a humorous take on the subject, the words used in the posters evoked images in the mind of the observer. The campaign spurred people to send in their own reversed sentences as part of a competition, which met with a resounding response. Between 100 and 150 contributions were submitted every day, producing a final total of over 8000 different examples plastering the virtual reversed sentences wall of the Swiss Life in Switzerland website. The campaign was awarded various international prizes, including two silvers at the Eurobest Awards, as well as a Grand Prix at the Epica Awards, a first for a Swiss campaign in 25 years.

Summary of Group Results

Swiss Life increases net profit by 8% to CHF 606 million defying challenging market conditions.

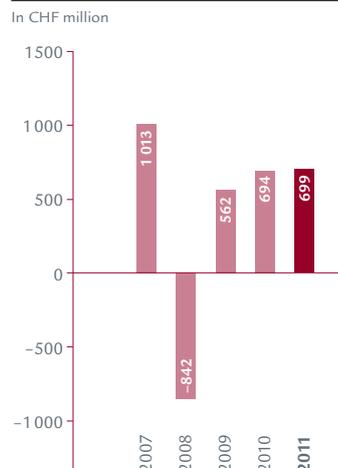
Swiss Life increased its net profit in 2011 to CHF 606 million compared to CHF 560 million in the previous year. Adjusted for one-offs and currency effects, profit from operations stood at CHF 793 million, representing a substantial improvement over the previous year's figure of CHF 751 million. This was mainly driven by the outstanding investment result, improvements at operational level and ongoing cost management. Thanks to the MILESTONE programme, Swiss Life has already achieved most of its targets one year earlier than planned.

After adjustment for one-offs and currency effects, Swiss Life increased profit from operations in 2011 by 6% to CHF 793 million (2010: CHF 751 million). On a non-adjusted basis, profit from operations climbed 1% to CHF 699 million. At CHF 606 million, net profit rose CHF 46 million or 8% over the prior-year figure. This corresponds to earnings per share of CHF 18.87 and a return on equity of 7.3%. In Investment Management Swiss Life achieved a net investment result on the insurance portfolio of CHF 4.3 billion, corresponding to a net investment return of 3.8% (2010: 4.1%), which again represents an excellent result in the current market environment.

GROWTH – Growth in strategically important business areas – Swiss Life generated premium volume of CHF 17.1 billion, which represents a currency-adjusted decrease of 10% over the previous year. Performance in the home market of Switzerland was very encouraging, with premium growth of 6% to CHF 8.1 billion. In France, premiums fell 6% on a currency-adjusted basis to CHF 4.4 billion, with an improvement in the quality of new business as a result of the increase in unit-linked products to 29% (2010: 22%) and the enhanced product mix.

In Germany, premium income declined by 6% to CHF 1.7 billion, attributable to lower single premiums from the capitalisation product, while periodic premium business increased by 3%. The Insurance International segment, where premium income originates largely from global business with high net worth individuals, recorded a currency-adjusted drop of 37% on the previous year to CHF 3 billion. AWD improved its sales revenues by 3% to EUR 561 million. In Investment Management total assets under management came to CHF 134.3 billion (+10%). This includes growth of CHF 4.3 billion in third-party assets. Insurance reserves totalled CHF 128.1 billion, which corresponds to 6% growth in local currency over the same period in the previous year.

Result from operations



Gross written premiums, policy fees and deposits received

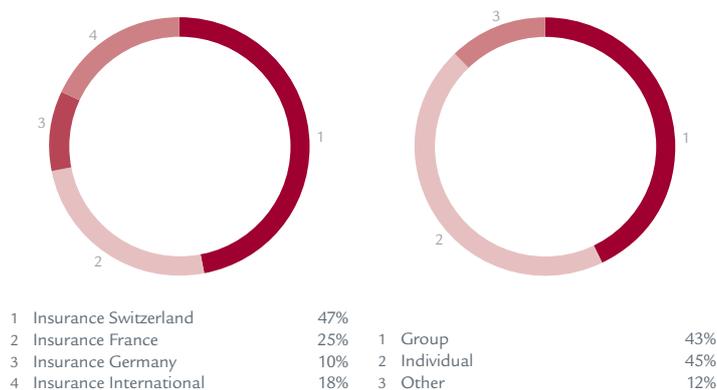


EARNING POWER – Focus lies on profitability – Adjusted for currency effects, Swiss Life Group’s profit from operations increased from CHF 751 million to CHF 793 million (+6%). In Switzerland, Swiss Life reported an improved segment result on a comparable basis of CHF 476 million (2010: CHF 469 million). In France, Swiss Life recorded a segment result of EUR 100 million (2010: EUR 117 million on an adjusted basis), chiefly due to a lower financial result and a higher loss ratio in health insurance business.

MILESTONE – MILESTONE delivers significant advances – Swiss Life has already implemented most of its goals under the Group-wide MILESTONE programme, one year ahead of schedule. The company has made impressive progress on the cost front in particular: By the end of 2011, the planned savings of CHF 350-400 million announced in 2009 had already been achieved, with a reduction of CHF 404 million from the cost basis of 2008. Thanks to its margin management, Swiss Life has been able to maintain its new business margin at a healthy level: At the end of 2011 it stood at 1.2% (2010: 1.4%), helping to offset the negative impact of the volatile markets. The value of new business, however, fell by 28% to CHF 150 million. Swiss Life succeeded in keeping the share of modern and risk products in new business at the target level of 70% (2010: 69%).

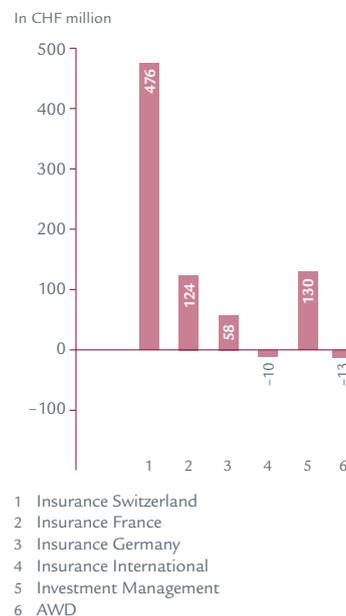
Gross written premiums, policy fees and deposits received by segment

Direct written premiums by type of insurance



Germany reported a segment result of CHF 47 million (2010: EUR 71 million), attributable to a lower financial result than in 2010 when measures to lengthen the duration of the investment portfolio had a positive impact. The Insurance International segment reduced its loss of the previous year from CHF 27 million to CHF 10 million. Investment Management increased its contribution to the Group result by 26% to CHF 130 million. AWD confirmed its successful reorganisation with adjusted operating profit of EUR 54 million (2010: EUR 49 million), improving its EBIT margin to 9.7% (2010: 9.0%). AWD’s operating result was affected, however, by EUR 47 million in provisions for legal cases.

Segment result



Swiss Life has a solid capital base. Shareholders' equity stood at CHF 9.1 billion at the end of 2011, up 23% on the previous year's figure of CHF 7.4 billion. The Group's solvency ratio climbed to 213% at the end of the year (2010: 172%). Based on its internal model for the Swiss Solvency Test, Swiss Life is in the green zone.

KEY FIGURES FOR THE SWISS LIFE GROUP

Amounts in CHF million

	2011	2010	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	17 143	20 191	-15.1%
Net earned premiums and policy fees	11 894	12 051	-1.3%
Commission income	893	922	-3.1%
Financial result (without share of results of associates)	4 459	4 368	2.1%
Other income	45	503	-91.1%
TOTAL INCOME	17 291	17 844	-3.1%
Net insurance benefits and claims	-12 614	-12 704	-0.7%
Policyholder participation	-791	-1 073	-26.3%
Interest expense	-274	-311	-11.9%
Operating expense	-2 913	-3 062	-4.9%
TOTAL EXPENSE	-16 592	-17 150	-3.3%
RESULT FROM OPERATIONS	699	694	0.7%
NET PROFIT	606	560	8.2%
Equity	9 162	7 437	23.2%
Insurance reserves	128 089	122 279	4.8%
Assets under management	134 264	121 971	10.1%
Assets under control	164 604	149 899	9.8%
Return on equity (in %)	7.3	7.6	-0.3 ppts
Number of employees (full-time equivalents)	7 168	7 483	-4.2%

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

Amounts in CHF million

	2011	2011	2010	2010
Equity securities and equity funds	2 602	2.2%	4 265	3.8%
Alternative investments	710	0.6%	1 122	1.0%
Real estate	15 493	13.1%	14 143	12.6%
Mortgages	5 440	4.6%	5 275	4.7%
Loans	10 408	8.8%	10 102	9.0%
Bonds	83 025	70.2%	74 755	66.6%
Cash and cash equivalents and other	591	0.5%	2 582	2.3%
TOTAL	118 269	100.0%	112 244	100.0%
Net equity exposure		1.1%		2.4%
Duration of bonds		10.4 years		10.3 years

Segment Reporting

In 2011, Swiss Life generated an overall segment profit from operations of CHF 699 million (2010: CHF 694 million). Adjusted for one-offs and currency effects, profit from operations rose 6% to CHF 793 million.

Swiss Life not only reports its insurance business by country (Switzerland, France and Germany), it also discloses separately the results of its cross-border segments, namely Insurance International, Investment Management and AWD. The company posted a profit of CHF 476 million in its home market Switzerland, CHF 124 million in France and CHF 58 million in Germany. The Investment Management segment achieved an excellent result of CHF 130 million. The successful reorganisation of AWD was confirmed with adjusted operating profit of EUR 54 million (2010: EUR 49 million), although its operating result was encumbered by provisions for legal cases amounting to EUR 47 million, producing EBIT of EUR 7 million and a segment loss of CHF 13 million. Swiss Life International reported a loss of CHF 10 million.

The Group continued its drive towards profitable growth and grew in strategically important business areas. Gross written premiums, policy fees and deposits received for all segments stood at an overall figure for 2011 of CHF 17.1 billion, equivalent to a currency-adjusted decline of 10%.

INSURANCE SWITZERLAND – In the year under review Swiss Life in Switzerland posted a promising segment result of CHF 476 million (2010: CHF 491 million). The 3% decline over the previous year can be attributed to a one-off effect in 2010 resulting from the conversion of its own pension fund, as well as to higher acquisition costs caused by an increase in new business. This result is all the more remarkable in view of the enduring low interest rate environment, the decline in the value of key currencies and the high margin pressure in life insurance.

Long-term initiatives, such as the continued reduction of risks on the investment side, the multichannel strategy implemented for distribution and the renewed sustained

cost reduction made a major contribution to the solid result. The financial result increased to CHF 3 billion and direct investment income rose 4% to CHF 2.9 billion.

According to the Swiss Insurance Association (SIA) Swiss Life insurance premiums rose by 4% over the previous year to CHF 29.8 billion. Premiums in group insurance rose by 6% and in individual insurance fell by 0.4%. Swiss Life grew overall premium volume by 6% to CHF 8.1 billion. Occupational pension provision accounted for 81% of income, which was 2% higher than the previous year. Swiss Life's market share of group insurance remained at 29.2%, and in individual insurance it was 19.8%. In the year under review, the sale of products through AWD (as measured on the basis of production volume) almost doubled reaching CHF 386 million.

Operating expenses rose by 16% to CHF 873 million in 2011. This can be attributed to the positive one-off effect in 2010 resulting from the Swiss Life pension fund changeover from a defined benefit system to a defined contribution system, as well as to higher acquisition costs caused by the increase in new business in 2011. The further reduction in administrative costs is the result of a sustained efficiency programme, which mainly impacted staff and advisor costs.

Insurance benefits, including changes in insurance reserves, increased by 4% to CHF 9.0 billion. This rise is primarily attributable to the increased need for reserves for future risks and to the higher premiums (savings deposits).

The products launched in 2011 are a key driver of premium growth in own and third-party distribution channels: In individual insurance Swiss Life launched two

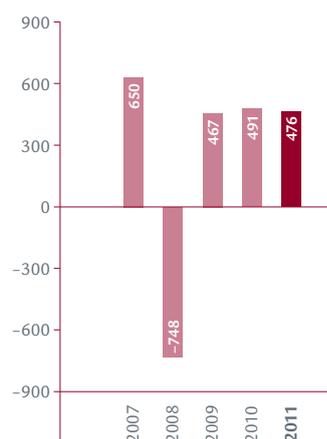
additional tranches for Swiss Life Premium Select, a non-tax-qualified (pillar 3b) unit-linked life insurance product. The holding account, a temporary account with a variable interest rate, was introduced in the first quarter. In the second semester the capitalisation product Swiss Life Classic Midterm offering was extended. Swiss Life Classic Crescendo Duo, a combined pillar 3a and 3b savings product, was launched in the third quarter. In the second semester Swiss Life launched the product Swiss Life Business Invest complementary occupational benefits, an attractive pension solution with a modern investment concept for members of management, which targets Swiss corporate clients. In the area of full insurance the product Swiss Life Business Protect complementary occupational benefits was launched for members of management.

Swiss Life wants to develop in Switzerland from a pure life insurer into an all-round financial protection provider and accordingly embarked on a programme in 2011, that will be implemented from 2012. The programme is built on closer and more regular client interaction and the development of our service activities. Swiss Life also wants to enhance its efficiency and make further improvements to increase its distribution capacity and profitability.

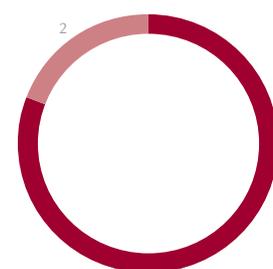
Segment result

Insurance Switzerland

In CHF million



Premiums for Switzerland, by type of insurance



1 Group
2 Individual

81%
19%

KEY FIGURES FOR INSURANCE SWITZERLAND

Amounts in CHF million

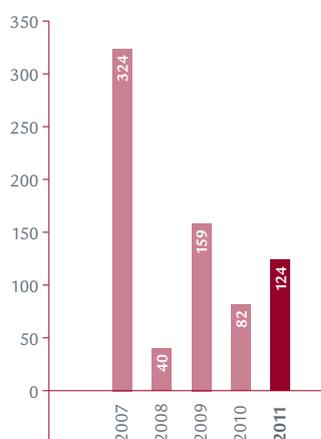
	2011	2010	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	8 123	7 631	6.4%
Net earned premiums and policy fees	7 757	7 365	5.3%
Commission income	19	7	n/a
Financial result	3 021	2 512	20.3%
Other income	43	487	-91.2%
TOTAL INCOME	10 840	10 371	4.5%
Net insurance benefits and claims	-8 964	-8 609	4.1%
Policyholder participation	-450	-429	4.9%
Interest expense	-77	-91	-15.4%
Operating expense	-873	-751	16.2%
TOTAL EXPENSE	-10 364	-9 880	4.9%
SEGMENT RESULT	476	491	-3.1%
Assets under control	85 604	79 014	8.3%
Insurance reserves	72 826	67 599	7.7%
Number of employees (full-time equivalents)	1 995	2 168	-8.0%

INSURANCE FRANCE— Swiss Life in France posted a segment result of CHF 124 million (2010: CHF 82 million), driven by rate increases in 2011, a stable financial margin despite an extremely tough economic environment, cost

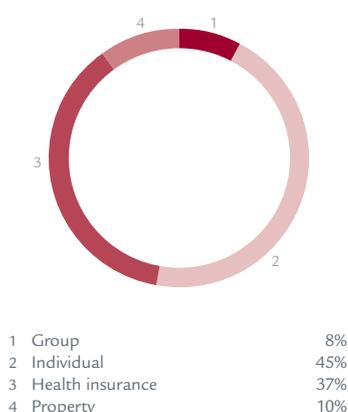
The French insurance market contracted by 8% at constant exchange rates, which was principally attributable to a 14% fall in savings and retirement provisions, whereas health, death and disability insurance, as well as property and casualty posted 8% and 4% growth respectively. At constant exchange rates, Swiss Life in France benefited from its market diversification, generating premium volume of CHF 4.4 billion (down by 6%). Although net inflows in savings and retirement provisions fell by 16%, the quality of premium income improved with the share of unit-linked contracts and of periodic premium contracts growing by 10% and 6% respectively. The share of unit-linked premiums was well above the market level (29% compared to 14% for the market), primarily due to the greater differentiation in the bonus distribution policy. In an extremely competitive market, health, death and disability insurance, as well as property and casualty grew by 8% and 6% respectively in local currency terms, attributable to rate changes and the writing of new business. Furthermore, Swiss Life Banque Privée again posted a positive result.

Segment result
Insurance France

In CHF million



Premiums for France,
by type of insurance



discipline resulting in higher productivity, and the absence of any extraordinary events in property and casualty business.

In 2012, Swiss Life in France aims to reinforce its leading position in life insurance for affluent and high net worth individuals by pursuing its strategy of improving profitability with a stronger focus on customer orientation.

KEY FIGURES FOR INSURANCE FRANCE

Amounts in CHF million

	2011	2010	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	4 379	5 307	-17.5%
Net earned premiums and policy fees	2 374	2 724	-12.8%
Commission income	93	89	4.5%
Financial result	727	878	-17.2%
Other income	1	6	-83.3%
TOTAL INCOME	3 195	3 697	-13.6%
Net insurance benefits and claims	-1 847	-2 100	-12.0%
Policyholder participation	-102	-251	-59.4%
Interest expense	-168	-183	-8.2%
Operating expense	-954	-1 081	-11.7%
TOTAL EXPENSE	-3 071	-3 615	-15.0%
SEGMENT RESULT	124	82	51.2%
Assets under control	26 436	26 029	1.6%
Insurance reserves	20 986	20 965	0.1%
Number of employees (full-time equivalents)	2 075	2 223	-6.7%

INSURANCE GERMANY – Swiss Life in Germany posted a segment result of CHF 58 million (2010: CHF 102 million). This is mainly attributable to the lower financial result. Swiss Life grew stronger than the market in the key area of periodic premiums.

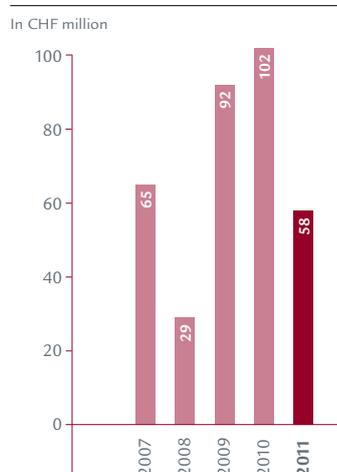
The German life insurance market contracted by 4% in 2011. Swiss Life generated premium volume of CHF 1.7 billion, equivalent to a drop of 6% in local currency. Occupational pensions and the “Sofortrente”, a single premium refund annuity product, on the other hand, were very successful. Insurance benefits and policyholder participation declined by 14% overall in 2011, chiefly due to the decrease in policyholder participation to CHF 237 million on the back of the lower financial result. Operating expenses fell by 21% (11% in local currency) while new business premiums dropped 23% (in local currency) to CHF 470 million.

Due to margin considerations, the distribution of products through AWD, measured by production volume, declined by 7% (in local currency) to CHF 493 million.

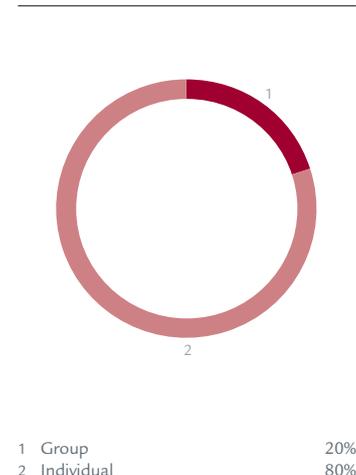
Swiss Life in Germany is expecting premium income development in 2012 to be in line with the market. Products with modern guarantee concepts, in particular the Swiss Life Champion product family, as well as the

successful disability insurance solution and the long-term care insurance solution to be launched in 2012 are set to boost growth. There are also plans to strengthen occupational pensions business.

Segment result
Insurance Germany



Premiums for Germany,
by type of insurance



KEY FIGURES FOR INSURANCE GERMANY

Amounts in CHF million

	2011	2010	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	1 739	2 073	-16.1%
Net earned premiums and policy fees	1 618	1 814	-10.8%
Commission income	34	34	n/ a
Financial result	727	990	-26.6%
Other income	2	5	-60.0%
TOTAL INCOME	2 381	2 843	-16.3%
Net insurance benefits and claims	-1 776	-1 969	-9.8%
Policyholder participation	-237	-378	-37.3%
Interest expense	-15	-20	-25.0%
Operating expense	-295	-374	-21.1%
TOTAL EXPENSE	-2 323	-2 741	-15.2%
SEGMENT RESULT	58	102	-43.1%
Assets under control	17 944	17 435	2.9%
Insurance reserves	17 269	17 334	-0.4%
Number of employees (full-time equivalents)	715	734	-2.6%

INSURANCE INTERNATIONAL – The International segment serves international high net worth individuals (PPLI) and multinationals (Corporate Clients). Due to strict cost management and reduced investment in new

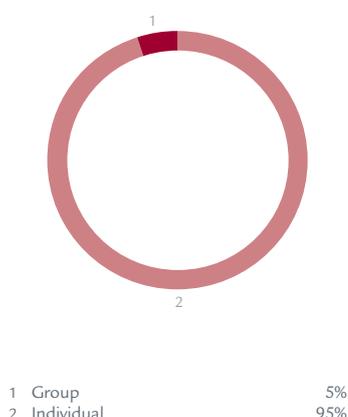
business areas, the segment loss was brought down to CHF 10 million (2010: CHF –27 million). However, exchange rates had a particularly negative effect on the result, as did the cost of restructuring in the affluent segment, for which there will no longer be any direct sales outside the Swiss Life national companies. Gross written premiums, policy fees and deposits received remained below the previous year's level (CHF 5.2 billion) at CHF 3 billion, which represents a 37% loss in local currency.

Segment Result
Insurance International

In CHF million



Premiums for International,
by type of insurance



The PPLI area specialises in life insurance for high net worth individuals and has built up a presence in Liechtenstein, Luxembourg, Singapore, Dubai and Switzerland. At CHF 2.8 billion, gross premium volume in 2011 was lower than the previous year's figure of CHF 5 billion. The decrease is due to an exceptionally strong result in the same period the previous year (an effect of the Italian tax amnesty ("Scudo Fiscale") and to the reorientation in private banking – the most important client interface in this business.

Corporate Clients specialises in global life and pensions solutions for multinationals. It increased its new business in all markets and cemented its market leadership as a provider of global employee benefits solutions. Growth will be driven forward in 2012, with a focus on profitability.

KEY FIGURES FOR INSURANCE INTERNATIONAL

Amounts in CHF million

	2011	2010	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	3 033	5 159	-41.2%
Net earned premiums and policy fees	120	126	-4.8%
Commission income	13	12	8.3%
Financial result	30	32	-6.3%
Other income	-1	-3	-66.7%
TOTAL INCOME	162	167	-3.0%
Net insurance benefits and claims	-19	-21	-9.5%
Policyholder participation	-14	-18	-22.2%
Interest expense	-15	-16	-6.3%
Operating expense	-124	-139	-10.8%
TOTAL EXPENSE	-172	-194	-11.3%
SEGMENT RESULT	-10	-27	63.0%
Assets under control	17 360	16 619	4.5%
Insurance reserves	17 075	16 346	4.5%
Number of employees (full-time equivalents)	286	283	1.1%

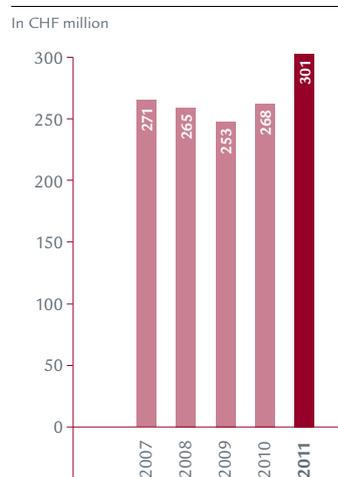
INVESTMENT MANAGEMENT – The Investment Management segment comprises Group-wide institutional asset management activities. At CHF 130 million, the 2011 result is CHF 27 million up on the previous year. This equates to an increase of 26%. Thanks to new business and positive market developments, assets under management increased by CHF 12 billion to over CHF 134 billion. Insurance assets climbed CHF 8 billion to almost CHF 118 billion. Factoring in an acquisition, assets invested in funds and third-party mandates grew by around CHF 4 billion. Thanks to a greater volume of assets under management, income rose by 12%. At the same time, expenses increased by 4% as a result of the above-mentioned acquisition.

Intensified efforts to expand third-party business led to a net inflow in assets under management of almost CHF 1 billion. In cooperation with the insurance units, new real estate investment opportunities were offered to institutional clients in particular. This is also reflected in the growth of the Swiss Life Investment Foundation which, as in the previous year, was one of the strongest growing investment foundations in Switzerland.

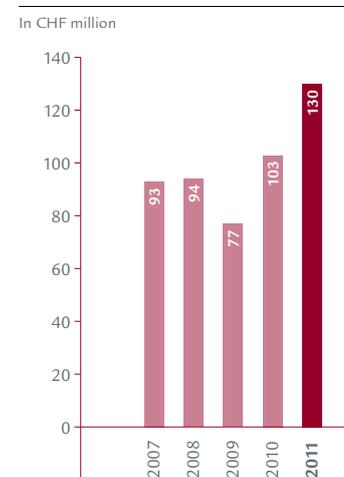
After its start-up in Switzerland in 2010, the new asset management application was implemented in Germany during the year under review. It is set to go live in 2012 and will facilitate more efficient management of assets. Investment Management is also planning to implement the application in France in 2012, with the launch scheduled

for the start of 2013. In the product area, the focus will lie on supporting the insurance units in developing modern insurance products, as well as stepping up the expansion of third-party business.

Asset management and other commission income, Investment Management



Segment result Investment Management



KEY FIGURES FOR INVESTMENT MANAGEMENT

Amounts in CHF million

	2011	2010	+/-
Commission income	301	268	12.3%
Financial result	1	0	n/a
Other income	0	1	n/a
TOTAL INCOME	302	269	12.3%
Interest expense	0	0	n/a
Operating expense	-172	-166	3.6%
SEGMENT RESULT	130	103	26.2%
Assets under management ¹	134 264	121 971	10.1%
Number of employees (full-time equivalents)	610	572	6.6%

¹ incl. intragroup assets

AWD – The AWD Group posted an adjusted operating result of EUR 54 million (up EUR 5 million or 10% on the previous year). The company's operating result (EBIT) was affected by one-off effects, primarily caused by reserves for potential client compensation payments and legal and process costs for AWD Austria and AWD Germany. As a result the AWD Group posted EBIT of EUR 7 million. Taking into account the charges related to the amortisation of acquired customer relationship assets, the segment result stands at CHF -13 million (2010: CHF +43 million).

In the year under review, the AWD Group generated overall sales revenue of EUR 561 million (+3%). Commission income from new business rose by EUR 1 million to EUR 407 million. Sales of unit-linked products increased by 5% and those of life insurance and pension products went up 4%. Sales of investment funds together with property and accident insurance fell by 21% and 18% respectively, while private health insurance sales rose by 10%.

In the core market of Germany, sales revenues amounted to EUR 376 million (+7%). The local companies in Germany benefited from strong end-of-year business caused by the guaranteed interest rate reduction for life insurance scheduled for 2012. Restructuring of the business model in Austria was driven forward. After the consolidation of 2010/2011, AWD in the Austria and Eastern Europe region

is being reorganised as a professional consulting organisation. The region posted sales revenue of EUR 64 million (-14%). AWD Switzerland generated revenue of EUR 72 million (-2%) in 2011. Sales revenue in the UK was further increased to EUR 49 million (+5%) in 2011, helped by the increase in the number of advisors to 208 (+5%).

The improvement in revenue for the AWD Group is partly attributable to a rise in advisor productivity (+5%). The efficiency of advisors in the AWD Group is also a consequence of the consistent quality of advisory services.

At the end of 2011, the AWD Group had 4932 trained and registered financial advisors, as well as 2407 advisors in training under contract. The number of advisors has fallen since the previous year, chiefly due to stricter training and registration requirements within the financial services industry. Although this may quell growth in advisor numbers in the short term, it serves to improve the quality and sustainability of the advice provided in the medium term.

With a 10% increase in the adjusted operating result for the AWD Group compared to the previous year, AWD is on a solid profitable footing. AWD will continue to invest in processes and measures which help cut costs, further improve advisor productivity and, as a result, boost the company's profitability on a sustainable basis.

KEY FIGURES FOR AWD

Amounts in CHF million

	2011	2010	+/-
Commission income	692	756	-8.5%
Financial result	1	-3	n/a
Other income	5	7	-28.6%
TOTAL INCOME	698	760	-8.2%
Interest expense	-1	-2	-50.0%
Operating expense	-710	-715	-0.7%
SEGMENT RESULT	-13	43	n/a
Number of employees (full-time equivalents)	1 452	1 445	0.5%
Financial advisors	4 932	5 292	-6.8%

Responsible Corporate Conduct

There is no longer-term arrangement than that offered by life and pensions and risk products – in many cases the time horizon stretches to the end of our lives. This is why Swiss Life thinks and operates on a holistic and long-term basis. However, sustainability for Swiss Life also means responsible corporate conduct: an obligation towards clients, employees, society and the environment, and is an integral part of corporate culture.

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

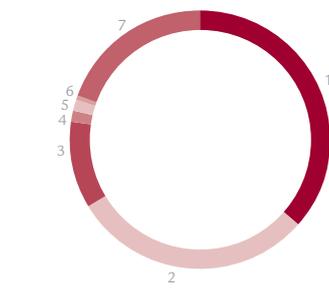
EMPLOYEES

Employees are the basis of Swiss Life's success; the quality of the service it provides depends upon their expertise and commitment. The aim of human resources management is therefore to find the most suitable employees, to get them interested in working for Swiss Life, to retain them and systematically develop their skills. Swiss Life positions itself in the market as a responsible and attractive employer and promotes the engagement of its employees – both at work and in society.

PERFORMANCE CULTURE – The efficiency-enhancing programme with lasting success – The Group-wide initiative “My Milestones” launched in 2009 was also continued in the year under review. The goal is to accentuate Swiss Life's values and employee competencies so as to strengthen the performance culture. Every market unit has launched a programme of measures to address these issues. The impact is visible in the employee survey. An impressive 78% of employees gave a positive rating for teamwork – this is 6% higher than the score achieved by the best employers in the European financial industry (72%). Furthermore, employees are very happy with their managers. They feel supported in achieving their goals; here the score of 74% puts Swiss Life in the top quartile of the European financial industry (73%). An above-average rating was given to the aspect of how much employees are involved by their managers in decisions which affect their

Swiss Life employees by country and AWD

Total 7168 full-time equivalents as at 31.12.2011



1	Switzerland	2 581
2	France	2 132
3	Germany	758
4	Luxembourg	104
5	Liechtenstein	105
6	Other	36
7	AWD	1 452

Employees (full-time equivalents)



work. The score of 74% was 8% higher than that achieved by the best employers in the European financial industry.

The performance culture is translated by managers and employees through standardised processes. These include employee performance reviews, setting objectives, appraisals, training measures and decisions on salary and promotions. All employees throughout the Group have completed an individual objectives setting and assessment process. The required strategy- and value-oriented behaviour of employees is described and evaluated in the Group Competency Model (GCM).

In Switzerland, outstanding group performance was once again rewarded with the “Team Award My Milestone”, as in previous years. This award was presented three times during the year under review – for instance to an interdisciplinary project team which worked for several months on different growth options for the Swiss business.

In France, Swiss Life gave all of its employees an individual social balance sheet for the second time. This shows every employee what he/she personally receives from the employer as a combination of salary and non-pecuniary benefits. This personal social balance increases the employee’s identification with the employer.

The AWD Group continued in 2011 to drive forward the implementation and development of its new corporate mission statement. Every year the focus is on one dimension in particular, to support the consistent implementation and execution of the mission and vision. In the year under review this value was “professionalism”, following on from “team spirit” in 2010. In 2012 “customer orientation” will be the focus theme.

PERSONAL ENGAGEMENT – Swiss Life employees go the extra mile – In 2011, Swiss Life conducted its new-style employee survey across the Group for the second time. This second survey was aimed at evaluating the initiatives and measures which were launched in the wake of the 2010 survey. As well as the achievement of these goals, employees assessed company-relevant subjects such as performance, customer orientation, innovation and change, as well as cooperation and management. The Group response rate was a very high 80%.

The Swiss Life Group engagement value is 59%. This is well above the average for companies in the European financial industry (52%). Both the response rate and the engagement value were significantly higher than in the last survey. The Group-wide engagement value alone increased by 3% compared with the previous year. This shows that Swiss Life employees demonstrate a high level of willingness to go the extra mile for their customers – a good prerequisite for keeping Swiss Life on course in the fiercely competitive life and pensions market.

As a result of the survey findings, measures have been taken to introduce improvements in all Swiss Life Group units. These measures are aimed at boosting the development of the company and employees in such a way as to establish a performance culture which is in line with the corporate strategy.

TALENT DEVELOPMENT – Target-oriented development of junior staff with potential – Swiss Life gives high priority to the ongoing development and motivation of employees. Every year the company nominates employees who demonstrate a high level of performance and potential for talent development (manager pool). Training modules and projects help to prepare these future first- and second-level managers (team leaders and department heads) for their future roles. The initiative supports efforts to open up career paths within the company and to fill key positions with budding and qualified young managers from among its own ranks. The AWD Group also runs its own talent programmes. In the two initiatives, GOLD and GOLD Alumni, employees are actively promoted on an ongoing basis, both professionally and personally.

A senior management programme (SMP) is in place at Swiss Life Group level for managers destined for senior management roles. Participants from all units work in a series of modules on the subjects of leadership, strategy and customer orientation, as well as financial management and presentation techniques, developing strategic projects for the Group. During the period under review, four international working groups worked on a series of topics. In 2011, 12 participants qualified from the Senior Manager Pool Class of 2009, while 13 future senior managers, including 4 women, commenced training in the Class of 2011.

The consistent promotion of up-and-coming managers can be regarded as a success. Since the introduction of the senior management programme in 2005, 74% of the graduates have been appointed to key senior management positions.

Swiss Life in France is proactive in its response to demographic changes within society. The “55+” programme is aimed at safeguarding expertise within the company and sustaining employee performance. The initiative involves the obligation to reserve 12% of posts for the over 55s. “55+” allows a flexible reduction in working hours, with partial salary adjustment in the final year of work.

TRAINING AND DEVELOPMENT – Investment in employee development – Swiss Life places great value on internal and external employee training and development. Training and development focuses on management and specialist training for all employees, as well as on tailored courses covering social and methodological skills. Expenses for staff training and development within the Group in 2011 amounted to CHF 15.2 million – approximately CHF 2224 per employee. Expressed as a proportion of total personnel costs, the outlay for training and development came to 2.3%.

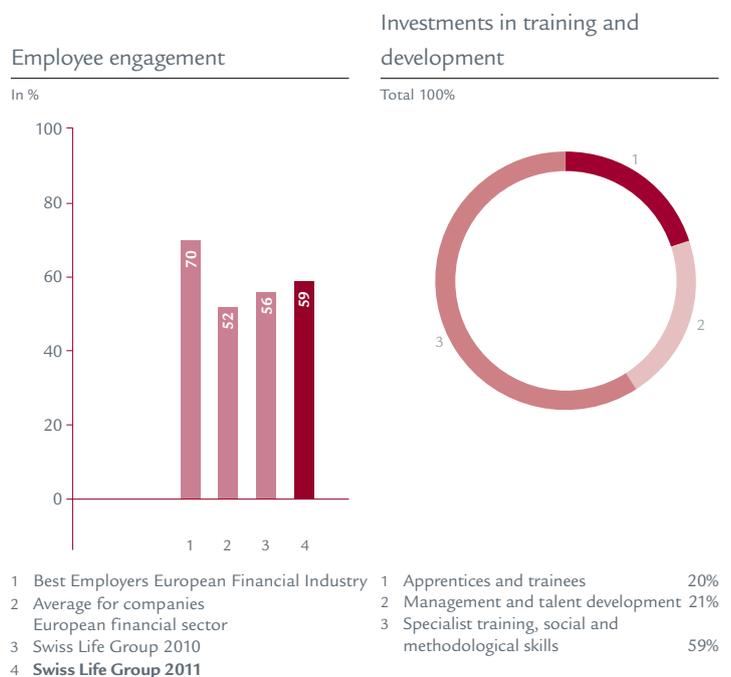
In the year under review, Swiss Life in Switzerland set up a programme for graduates of universities and colleges of higher education. The 18-month programme will commence in spring 2012. It complements Swiss Life’s existing training and development provisions for young talent. In the year under review, 21 young people qualified as specialists in three professions, and 12 trainees or interns gained work experience in the life insurance sector.

SOCIAL PARTNERSHIP – Intensive cooperation between employers and employees – Cooperation with Swiss Life’s European Works Council, the Europa Forum, was stepped up in 2011. It was strengthened with the signing of a new social partner agreement for an indefinite period. The nine-person committee with representatives from four countries meets regularly in ordinary and extraordinary meetings and deals with transnational information and consultation in relation to topics which affect all Swiss Life employees. The Europa Forum was founded in 1996.

Intensive social partnerships are also forged in the national companies, primarily in relation to topics arising from the operational requirements of the business units. The staff committee in Switzerland celebrated its 40th anniversary in 2011. In a revision of the regulations, the

decision was taken to increase the committee from seven to nine employee representatives for the 2012 legislative period.

In Switzerland the MILESTONE programme also entails a reduction of 520 positions between 2010 and 2012. Accompanying the reduction process, Swiss Life is implementing a programme of measures which were worked



out with the social partners and have been in force since 2005. 314 employees in Switzerland underwent professional reorientation. They were individually supported and assisted by a team of specialists. 7% were able to find a new position internally and 63% externally. 14% of those released were given early retirement and 16% were referred to regional employment agencies (RAV).

Compared with 2010, the number of full-time positions Group-wide fell by 315 to 7168. This reduction is linked to the MILESTONE programme and affects all Group units. Net fluctuation was 5.2%.

VALUES

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

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

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

Swiss Life employs several compliance officers, both at Group level and in the operational units. Through advice, training and monitoring, they create the basis for timely recognition and avoidance of regulatory and reputation-damaging risks. Examples are the special due diligence requirements and preventive measures to combat money laundering and the financing of terrorism. The compliance officers also ensure protection of client data and business secrets. Reputation and trust are an insurance company's assets. The compliance units ensure that these assets are preserved through data protection and legally compliant conduct at all times. Swiss Life is an active member of the Swiss Business Data Protection Association.

SOCIETY

Swiss Life is aware of its social responsibility: As a Swiss company and provider of life and pension services for over 150 years, Swiss life stands at the centre of public life. The

Group supports community life in a wide variety of ways with charity commitments, voluntary work, active involvement in shaping the political process and constant improvement of its ecological balance sheet.

SOCIAL ENGAGEMENT – Helping people in need – All Swiss Life's national companies and their employees support people in need and a range of meaningful projects. In Switzerland the Perspectives Foundation funds domestic charitable initiatives in the fields of health, science, education, culture and sport, focusing on integration and education. Created on the occasion of Swiss Life's 150th anniversary in 2005, the Perspectives Foundation donates more than CHF 1 million every year. In 2011 it supported 89 organisations and projects. The foundation also donated considerable sums to relief organisations offering emergency aid. In addition, Swiss Life's sales force supported various local organisations.

Swiss Life in France has had its own foundation, the Fondation Swiss Life, since 2009. In 2011 it provided funding for concerts and art exhibitions for people in nursing homes, sick children and patients with dementia, who would not normally be able to access culture. The Fondation Swiss Life also supported various charitable projects run by Swiss Life employees for disabled children and children with leukaemia.

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

AWD has been helping children in need since it created the AWD-Stiftung Kinderhilfe foundation in Germany in 1991, which the local AWD companies in Austria, Switzerland and the Czech Republic also support. The foundation is funded mainly by contributions from the salaries of AWD employees. The AWD-Stiftung Kinderhilfe foundation runs two large-scale operational projects of its own. The Noma project launched by the German AWD-Stiftung in Sokoto in West Africa is devoted to the surgical rehabilitation of victims of a disease caused by a mixed infection which results in severe facial disfigurement. In Kyrgyzstan, the Swiss AWD-Stiftung is building a treatment centre for children with facial malformations.

COMMUNITY SERVICE – Promoting and supporting voluntary work – Swiss Life is committed to the principle of voluntary public service. Voluntary public service means taking personal action in matters of public life, in effect unpaid work for the whole community. As a company operating in the social insurance area, Swiss Life has an interest in an integrated and well functioning society. An unpaid commitment in society and the private economy promotes a sense of community and public welfare and enhances social skills.

Swiss Life is convinced that raising the social competence of individual employees increases the competitiveness of the company. It is therefore strongly in favour of employees' commitment to the community. The staff regulations explicitly approve the involvement of employees in political and military committees and associations. The company offers all reasonable support for such involvement, for example through a flexible approach to working hours.

POLITICS – Swiss Life cultivates active dialogue with decision makers – Swiss Life regards the exchange of ideas with political bodies as extremely important. The company brings its expertise into political discussion and defends its interests in the public arena at all stages of the decision-making process. In this way it tries to exert influence throughout the whole political cycle, aiming for optimal and appropriate outcomes for all concerned. Through its specialists, Swiss Life advises the various decision makers in political parties, committees and parliamentary bodies, bringing its expert knowledge to bear at all stages from the drafting of legislation to the formal processes of consultation and approval. In addition, the company supports individual politicians and selected political parties with financial contributions. Swiss Life in Switzerland is in permanent contact with politicians of all parties, for example on occupational benefit issues (conversion rate, minimum interest rate, statutory minimum distribution ratio), as well as in relation to industry-relevant topics (solvency, supervision). Among other themes, the company is actively involved in the total revision of the Federal Law on Insurance Contracts (VVG).

Swiss Life also conducts its dialogue with the public and decision makers on insurance- and pension-related topics

through industry groupings and professional associations. It plays an active role in the committee work of professional associations and specialist bodies. The Chairman of the Board of Directors of Swiss Life is a member of the Board Committee of the national business association *economiesuisse*, while the Group CEO is a member of the Board and the Board Committee of the Swiss Insurance Association (SIA). In fact the company is particularly well represented in the SIA. The CEO of the Swiss Market chairs the central Life Insurance Committee, the Group CFO is a member of the Finance and Regulation Committee, and further experts represent Swiss Life on some 15 committees and working groups. Other representatives of Swiss Life Management are likewise active in local industry associations in other core markets.

In Germany, decision makers from the worlds of business, politics, academia and the media engaged in dialogue on key sociopolitical issues at the "Salon Palais Leopold" series of events in Munich. Guests in 2011 included the publicist, Avraham Primor, and the top Greek diplomat, Anastassios Kriekoukis. 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.

ENVIRONMENT

Keenly aware of its responsibility to the environment, Swiss Life strives to conserve natural resources in a sustainable manner, thus helping to keep the environment intact. Since 1998, Swiss Life in Switzerland has been a member of the Energy Model Zurich and is thus committed to increasing the energy efficiency of its business premises in Zurich by at least 1.5% a year until 2012. The company again reached its target in 2011, lowering not only energy consumption and emissions, but also costs.

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

ECOLOGICAL BALANCE SHEET – Continuous monitoring of energy consumption and emissions – Since 2008, Swiss Life has produced an annual environmental data

report for the whole Group. Each market unit has specialist offices for environmental management, which exchange information with each other on an informal basis. Environmental Management Switzerland is responsible for the annual Group-wide environmental report.

In accordance with the standards set by the Association for Environmental Management and Sustainability in Banks, Savings Banks and Insurance Companies (VfU), the environmental report collects and analyses data on electricity, heating, paper, transport, water and waste disposal and proposes measures for improvement. The Association's standardised key figures make for fair comparison of the results of different companies. The reporting cycle, however, is not aligned with Swiss Life's annual report so that the final figures for 2011 are not yet available. The environmental report includes data for Swiss Life in Switzerland (internal services and the sales force), Germany, France, Luxembourg and Liechtenstein, and in 2010, for the first time the AWD headquarters in Hanover. Data for the other AWD locations in Europe has been projected in order to make cross comparisons.

Energy consumption (electricity and heating) for the Swiss Life Group in 2010 rose considerably over the previous year's figures to 63.8 million kWh as a result of the new inclusion of AWD. The overall distance travelled for business purposes was maintained at the prior year's level, totalling 31.5 million km, despite the inclusion of AWD. A year-on-year comparison of GHG emissions is not possible due to methodological differences caused by new emission factors in accordance with the VfU indicators. Total GHG emissions in 2010 amounted to 26 352 tonnes. The key figures are also available on the internet this year for the first time.

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

Since 2006, Swiss Life in Switzerland has been using electricity exclusively from renewable energy sources. In this

way, the company has been able to reduce its GHG emissions by about 1300 tonnes a year; the use of electricity by the business premises now produces almost no GHG emissions at all.

Swiss Life is fully confident that increased awareness of energy and materials consumption among employees can sustainably improve the ecological balance sheet. For this reason, it is pursuing initiatives throughout the Group aimed at reducing everyday consumption. In the year under review Swiss Life in Switzerland equipped all sanitary facilities in the main building and the Zurich offices with automatic water supply fittings. This is expected to produce savings in freshwater consumption of 600 000 litres and savings in heat consumption of 33 MWh.

Swiss Life in France launched an environmental information campaign in 2011 aimed at economical use of paper and office supplies. When properties were renovated, the environmentally relevant standards were exceeded. In addition, the national company joined the 10:10 project run by the environmental organisation Good Planet. The objective is to reduce the company's CO² output by 3% per year.

Swiss Life in Germany has been taking part in the climate protection programme "ECOPROFIT" since 2008. As a result of the measures taken, the company saves 91 000 kWh of electricity annually at its Munich location and has reduced its annual CO² output by 58 tonnes. In December 2010 it was awarded the Munich ECOPROFIT company certificate for 2009/2010 (the second time it has won the award) for its exceptional commitment to corporate environmental protection. Since January 2010 Swiss Life in Germany has also been drawing electricity exclusively from renewable sources. As a result, its GHG emissions have fallen by about 1000 tonnes.

AWD undertakes constant improvement and renewal of its technical installations. The numerous measures implemented since 2001 have yielded energy savings of over 4.5 million kWh. In addition to its involvement with the Climate Alliance Hanover, AWD has been undergoing environmental audits since 2005 through its membership of the ECOPROFIT CLUB in Hanover.

The Swiss Life Group is one of the leading private real estate owners in Switzerland. As part of its environmental initiatives, it has fitted some 10 000 of its properties since 2005 with water meters for consumption-based billing. This measure has resulted in water savings of almost 20%.

In 2011 the Swiss Life Group again took part in the Carbon Disclosure Project (CDP), in which an independent, non-profit organisation conducts the world's largest survey of corporate information on climate change. With the publication of its data, Swiss Life underlined its own aspirations to transparency and its position as one of the most transparent companies in Switzerland.

Swiss Youth in Science

Scientific research and discovery by the young

The future is all about perspectives: they are a motivating influence and a source of security and confidence. That is why Swiss Life's Perspectives Foundation supports charitable initiatives in the areas of health, science, education, culture and sport as a means of giving people new perspectives.

Research shapes the future. And research should be fun. That is why the foundation Swiss Youth in Science has been promoting the joys of science for over 40 years. It runs various programmes to get young people interested in science.

The foundation runs study weeks for young people from a range of age groups, where they get to experience and discover for themselves the world of research. The budding scientists also have the opportunity to submit their research to the annual national competition. Every year, the competition and study weeks bring forth new discoveries and success stories.

The Swiss Youth in Science foundation was founded in 1970 by Adolf Portmann. Mr Portmann was a young man with a thirst for knowledge who lacked the means to pursue his interest. After retiring, his experiences as a youth led him to organise a national research competition for young people. Three years later this resulted in the creation of Swiss Youth in Science. Swiss Life's Perspectives foundation has supported Swiss Youth in Science for several years.



Prize winners

The national competition run by Swiss Youth in science received 64 entries in 2011. 18 of them received the accolade "good", 27 "very good" and 19 "excellent". 23 entries were awarded a special prize.

Pino Dietiker

A conscience issue – avoiding military service in Switzerland during the Cold War

There have never been more cases of people avoiding military service than from 1969-1995. Pino Dietiker has compiled an intriguing and varied chronicle based on ten detailed accounts of the experiences of draft dodgers during the Cold War. His work includes the protagonists' personal stories, motivations and experiences, which are all very different from each other. Pino Dietiker's interviews and written accounts are a new approach to researching this subject and, as such, form a basis for further studies. The author received the special prize from Academia Engelberg for his work.



Kathrin Ernst and Miriam Marti

Design, construction and analysis of a solar simulator using LED

The two Zofingen Kantonsschule pupils actually constructed a solar simulator using commercially available LED. The solar simulator can be used in research cells to test new materials for their efficiency and suitability for future solar cells. The two students, who completed the project as part of their school-leaving certificate (Matura), worked with the Swiss Federal Laboratories for Materials Science and Technology (Empa). The project certainly won over the jury. They were awarded the Swiss Youth in Science special prize and gained an invitation to join the International Science Summer Camp (ISSC) in Denmark, an international event for young people with an interest in science.

Products and Innovations

Our environment is constantly evolving. New technologies and changing lifestyles are transforming people's needs for insurance. We want to meet these needs. After all, innovation and targeted investment ensure our competitiveness, both now and in the future. That is why Swiss Life is continually working on its product strategy and employing innovative solutions to meet the needs of its customers.

PRODUCT STRATEGY – Swiss Life's product strategy combines customer value and profitability. Regulators' specifications, regarding solvency for example, and external factors, such as the economic environment and interest rates also need to be taken into consideration. Our efforts are geared towards the optimisation and further development of the existing offering within the customer, investor and regulator triangle, whereby our starting point and first priority is always the customer's best interests. We also factor in economic realities to ensure security for our customers and investors. This leaves our customers secure in the knowledge that we will always be able to keep our promise "The future starts here."

Swiss Life uses its product strategy to further its goal of profitable growth and improvement in the new business margin.

PRODUCT MIX AND PRODUCT DEVELOPMENT – Through the MILESTONE programme Swiss Life aims to generate a 70% share of new business through modern and risk products. This goal is also supported by Group-wide product management. This product management has a coordinating and strategic function, leaving the initiation and implementation of product development up to the market units. This ensures that Swiss Life's products and services match the needs of the local market and its customers as closely as possible.

NEW PRODUCTS – Swiss Life is always working on new products for changing customer needs. In 2011, for example, Swiss Life in France launched "e-reputation" insurance: the first comprehensive and professional cover for

online reputation. AWD launched its "Sorglos-Paket" ("No worries package") in Switzerland: this is a comprehensive insurance package bringing all the personal insurance types of cover under one roof. It allows the customer to simply refer any household, motor vehicle or personal liability claims to his or her advisor.

In Switzerland, the Swiss Life Investment Foundation successfully completed the biggest new launch of a real estate investment group with a volume of CHF 500 million in November 2011. In 2011, Swiss Life in Germany launched an immediate annuity product "Sofortrente Aktiv", which also offers young people the opportunity to invest a single premium with maximum flexibility. Swiss Life's "Sofortrente Aktiv" thus caters for all the different stages of life – from student to retiree.

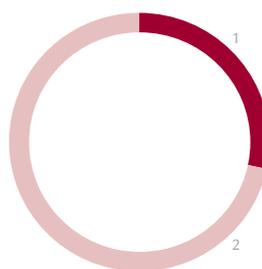
COOPERATION – In order to provide customers with as comprehensive a range of products and services as possible, Swiss Life is involved in certain cooperative ventures with various partners in a range of markets. For example, Swiss Life initiated cooperation with the online bank Swissquote in the year under review. This cooperation, which focuses on the management of savings and investment products in the Swiss market, aims to substantially increase reinvestment over the next three years and develop innovative products and online services for customers seeking investment and pension products in the "digital native" age.

PROMOTING INNOVATIVENESS – Innovation and progress is a priority at Swiss Life. We want to identify opportunities and trends early so we can consistently offer our customers an optimal service. To achieve this goal, Swiss Life promotes an open and innovation-friendly corporate culture across the Group. Employees are motivated to come up with and present their own ideas.

Since 2011, Swiss Life employees in Switzerland have been able to present, discuss, assess and develop their ideas, and their colleagues' ideas, on a central platform – the “Ideenbooster” (idea booster). The proposals – a broad range of product innovations and process improvements – are analysed and assessed by experts and an “idea committee”. Since the launch of the idea booster in the summer of 2011, over 200 ideas have been submitted, 28 of which won awards from the idea committee. One idea was already tested in the year under review and is set to be implemented in the first quarter of 2012.

DIGITAL FUTURE – In the year under review Swiss Life strengthened its presence within digital media channels. There is now an extensive range of online channels and platforms throughout the entire Swiss Life Group, as well as a presence on social media sites, such as Facebook and YouTube. Furthermore, the national companies have developed a range of applications for smartphones. In France, Swiss Life provides a pollen forecast for hay fever sufferers; in Switzerland you can calculate your premiums and tax savings using the calculator on your smartphone. In Germany, Swiss Life has its own platform to provide information for policyholders, which can also be used, for example, by brokers. Through its Group-wide digital strategy, launched in 2011, Swiss Life aims to intensify its activities in new media and provide more products and services online in future.

Innovations in the product range during 2011



In 2011 Swiss Life launched 50 new products or products with increased customer value out of a total of 124 products in the market.

	New	Total
Swiss Life in Switzerland	15	43
Swiss Life in France	21	31
Swiss Life in Germany	10	30
Swiss Life International	4	20

- 1 40% new products or products with increased customer value.
2 Other products in the market.

Corporate Governance

The Swiss Life Group is committed to implementing the recognised principles of responsible corporate conduct and continually adapts its corporate governance practices to current developments.

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

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

In the year under review, Swiss Life revised its Code of Conduct in the light of best practice. The Code offers guidance on the interaction of employees with each other and with persons outside Swiss Life. It lays down the values and principles of the Swiss Life Group and establishes binding guidelines. Specific rules are set out with relation

to insider information for example. Management must obtain prior approval (pre-clearance) before carrying out transactions in Swiss Life Holding shares.

This report describes the essential features of corporate governance within the Swiss Life Group. The structure below largely follows the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange, which came into force on 1 July 2002, and was revised on 1 January 2007 and 1 July 2009, and also takes into consideration the regulations on transparency stipulated in the Swiss Code of Obligations with regard to the compensation of members of the Board of Directors and the Corporate Executive Board and FINMA circular 2010/1 on minimum standards for remuneration schemes of financial institutions. Further information on the Code of Conduct and the values of the Swiss Life Group can be found in the "Values" section on page 38.

GROUP STRUCTURE AND SHAREHOLDERS

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

The operational management structure as at 31 December 2011 is shown on page 53.

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

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

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

Talanx AG, Germany, reported in the publication of 23 February 2011 regarding a change in the composition of the Group subject to reporting requirements that it held 2 974 688 shares of Swiss Life Holding, equivalent to 9.27% of the voting rights.

Letko Brosseau and Associates Inc., Canada, reported in the publication of 19 April 2011 that it held 956 604 shares, equivalent to a 2.98% share of the voting rights.

BlackRock Inc., USA, reported in a publication of 26 October 2011 that a group consisting of various companies and funds of the BlackRock Group held a total of 962 364 shares and 2808 other purchase positions of Swiss Life Holding, corresponding to 3.01% of the voting rights. In addition BlackRock held 411 sales positions, corresponding to 0.001% of the voting rights.

Carsten Maschmeyer, Germany, reported in the publication of 13 December 2011 that his shareholding had fallen below the disclosure threshold of 3%.

SHAREHOLDER STRUCTURE – On the balance sheet date a total of 183 277 shareholders and nominees were listed in the Swiss Life Holding share register, of which about 4200 were institutional shareholders. Taken together, the shareholders entered in the share register held around 50% of the shares issued. Over half of these shares were owned by shareholders domiciled in Switzerland. Around one third of the registered shares were in private hands.

CAPITAL STRUCTURE

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

- Ordinary share capital: CHF 163 613 375.40, divided into 32 081 054 fully paid registered shares with a par value of CHF 5.10 each
- Conditional share capital: CHF 12 032 868.60 divided into 2 359 386 registered shares with a par value of CHF 5.10 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 67), each share grants the right to one vote at the General Meeting of Shareholders.

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

LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS

Swiss Life Holding shares are not subject to any limitations on transferability. Swiss and foreign banks, securities brokers and companies acting on their behalf may be entered in the share register as nominees if they are holding shares of Swiss Life Holding in their custody for the account of the beneficial owners. Professional asset managers may also be registered as nominees if, in a fiduciary capacity, they have deposited Swiss Life Holding shares for the account of third parties with Swiss or foreign banks or securities brokers in their own name. Nominees are required to be subject to banking or financial market supervision.

CONVERTIBLE BONDS AND OPTIONS – No convertible bond issues of Swiss Life Holding were outstanding on the balance sheet date. As at 31 December 2011, Swiss Life Holding and its Group companies had not granted any options on rights to participate in Swiss Life Holding.

BOARD OF DIRECTORS

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

ELECTIONS AND TERMS OF OFFICE – Pursuant to the Articles of Association, the Board of Directors shall consist of no fewer than five and no more than fourteen members. The members of the Board are elected by the General Meeting of Shareholders for a maximum term of three years, and on an individual basis. The Organisational Regulations stipulate that a member of the Board of Directors shall automatically resign from the Board at the General Meeting of Shareholders in the year in which the member reaches the age of 70.

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

COMPOSITION – In the year under review, no member of Swiss Life Holding's Board of Directors exercised any duties relating to operational management within the Swiss Life Group. Furthermore, no such duties were exercised by any Board members during the three financial years preceding the reporting period, with two exceptions: Rolf Dörig, who held the position of Chairman of the Group's Corporate Executive Board until his election

to the Board of Directors in May 2008, and Carsten Maschmeyer, who stepped down from the Board of Directors of Swiss Life Holding on 7 December 2011, who was Co-CEO of AWD until March 2009.

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

MEMBERS OF THE BOARD OF DIRECTORS – On the balance sheet date of 31 December 2011, 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	2014
Gerold Bühler	1st Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee, Chairman Nomination and Compensation Committee	2002/2003/2005/2008/2011 ¹	2014
Frank Schnewlin	2nd Vice Chairman	Chairman's and Corporate Governance Committee Investment and Risk Committee Nomination and Compensation Committee, Chairman	2009	2012
Volker Bremkamp	Member	Audit Committee, Chairman	2003/2004/2007/2010	2013
Damir Filipovic	Member	Investment and Risk Committee	2011	2014
Henry Peter	Member	Audit Committee	2006/2009	2012
Peter Quadri	Member	Audit Committee	2003/2004/2007/2010	2013
Franziska Tschudi	Member	Audit Committee Nomination and Compensation Committee	2003/2005/2008/2011	2014

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

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



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

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

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

Other appointments:

- Adecco S.A., Chairman of the Board of Directors
- Kaba Holding Ltd, Vice Chairman of the Board of Directors
- Danzer AG, Chairman of the Board of Directors
- Walter Frey Holding AG, Member of the Board of Directors
- economiesuisse, Member of the Executive Committee

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



Gerold Bühler graduated in economics (lic. oec. publ.) from the University of Zurich in 1972. Following 17 years with the Union Bank of Switzerland as a

member of senior management in its financial sector and a Member of the Executive Board of its fund investment company, he joined Georg Fischer Ltd in 1991, where he served as a Member of its Executive Board (Finances) from 1991 until 2000. He began working as an independent economic consultant in 2001 and, since the end of

2006, has held the office of Chairman of *economiesuisse*. Gerold Bühler was a Member of the Grand Council of the Canton of Schaffhausen from 1982 to 1991 and, from 1991 to 2007, a Member of the Swiss Parliament (National Councillor).

Other appointments:

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

Frank Schnewlin will be put forward for re-election at the General Meeting of Shareholders of Swiss Life Holding on 19 April 2012.

Other appointments:

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

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



Volker Bremkamp joined Albingia 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.

Between 1995 and 1999 Volker Bremkamp was an Executive Director and, at the same time, Group Executive Director, Continental Europe, of Guardian Royal Exchange plc, London, which was taken over by the AXA Group in 1999. From 1999 to 2000 he held the position of Executive Director of AXA Colonia Konzern AG, Cologne (holding company of AXA Germany). He has been Managing Director of BMB Bremkamp Management- und Beteiligungs-GmbH since 2000.

Other appointments:

- fischerAppelt AG, Hamburg, Chairman of the Supervisory Board
- WAVE Management AG, Hamburg, Chairman of the Supervisory Board (until May 2011)
- HanseMerkur Krankenversicherungsgruppe, Hamburg, Vice Chairman of the Supervisory Board

DAMIR FILIPOVIC – Born 1970, Swiss national
Member of the Board of Directors



Damir Filipovic studied mathematics at the Swiss Federal Institute of Technology in Zurich (ETHZ), where he qualified in 1995 and gained a doctorate in financial mathematics in 2000. He then held research posts at various universities abroad, including the US universities of Stanford, Columbia and Princeton. He was appointed assistant professor at the University of Princeton in 2002, and then from 2003 to 2004 he worked on the development of the Swiss Solvency Test at the Federal Office of Private Insurance in Switzerland. Damir Filipovic went on to hold the chair of financial and actuarial mathematics at the Ludwig Maximilian University of Munich from 2004 to 2007. From 2007 to 2009 he was head of the Vienna Institute of Finance, a research institute affiliated to the University of Vienna and the Vienna University of Economics and Business. In 2010 he was appointed Swissquote Chair in Quantitative Finance and Swiss Finance Institute Professor at the Swiss Federal Institute of Technology in Lausanne (EPFL).

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 PSM. 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.

Henry Peter will be put forward for re-election at the General Meeting of Shareholders of Swiss Life Holding on 19 April 2012.

Other appointments:

- Sigurd Rück Ltd, Chairman of the Board of Directors
- Cassa Pensioni della Città di Lugano, Member of the Board of Directors and the Audit Committee
- Casino de Montreux SA, Chairman of the Board of Directors and Member of the Audit Committee
- Otis, Member of the Board of Directors
- Autogrill Switzerland LTD, Member of the Board of Directors
- Banque Morval SA, Member of the Board of Directors
- PKB Privatbank AG, Member of the Board of Directors and the Executive Committee
- Sowind Group Ltd, Member of the Board of Directors
- Global Petroprojects Services Ltd, Member of the Board of Directors
- Swiss Olympic Association, Vice Chairman of the disciplinary chamber in charge of doping cases

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



Peter Quadri received his master's degree in economics and business administration (lic. oec. publ.) in 1969 from the University of Zurich. In 1970 he joined IBM as a systems engineer and software/operating systems specialist. Following various periods in the USA, Denmark and Switzerland, he held the position of CEO of IBM Switzerland from 1998 to April 2006. He now works as a management and technology consultant.

Other appointments:

- Vontobel Holding Ltd, Member of the Board of Directors
- Bühler AG, Member of the Board of Directors
- Zurich Chamber of Commerce, Chairman
- Unitectra Ltd, Chairman of the Board of Directors
- economiesuisse, Member of the Executive Board

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



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

earning an LL.M. in 1986, and passed the bar exam for the US states of New York and Connecticut in 1987. Franziska Tschudi completed postgraduate studies at the University of St. Gallen (1991 to 1993), receiving an Executive MBA. After initially working as an Assistant for Media Law at the Institute for Constitutional and Administrative Law at the University of Berne, and practising business and media law in Zurich, Washington DC and Geneva, she served as Secretary General at SIG Holding AG from 1992 to 1995. She then became a Member of the Executive Board of WICOR HOLDING AG (“WEIDMANN Group”), Rapperswil in 1995, where she was Head of Corporate Development and, from 1998, Head of the Business Area Electrical Technology Asia/Pacific. She has held the positions of Chief Executive Officer and Delegate of the Board of Directors of WICOR HOLDING AG since 2001.

Other appointments:

- BIOMED AG, Member of the Board of Directors
- St. Gallen-Appenzell Chamber of Commerce and Industry, Vice Chairperson
- economiesuisse, Member of the Executive Board
- Swissmem, Member of the Executive Board

RESIGNATIONS – After serving for eight years on Swiss Life Holding’s Board of Directors, Paul Embrechts did not stand for re-election at the General Meeting of Shareholders in 2011 and no longer serves on the Board of Directors. Carsten Maschmeyer, who was elected to Swiss Life Holding’s Board of Directors at the General Meeting of Shareholders in 2009, stepped down as a member of the Board of Directors on 7 December 2011.

INTERNAL ORGANISATIONAL STRUCTURE – In accordance with the Articles of Association, the Board of Directors has issued Organisational Regulations setting forth

the internal organisational structure and the duties and competencies of the Board of Directors, the Board of Directors’ committees, the Chairman of the Board of Directors and the Corporate Executive Board. Four standing committees support the work of the Board of Directors as a whole.

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

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

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

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

DELINEATION OF COMPETENCIES BETWEEN THE BOARD OF DIRECTORS AND THE CORPORATE EXECUTIVE BOARD

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

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

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

– The Board of Directors is continually and comprehensively briefed on the activities of 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.

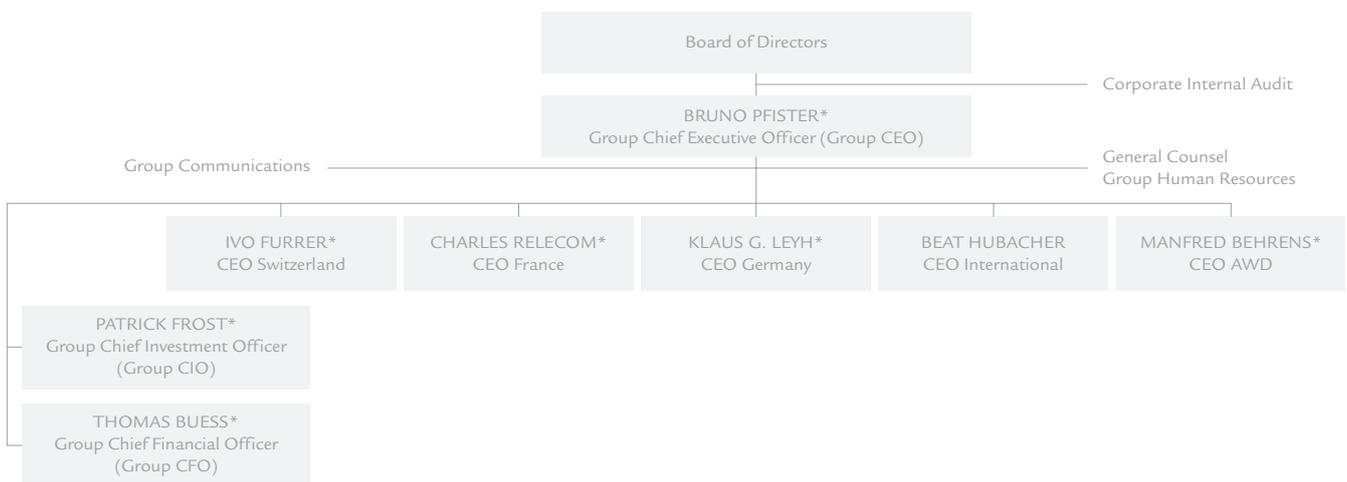
If required, the Board of Directors and its individual committees regularly invite all or some members of the Corporate Executive Board and in-house specialists to their meetings. Outside the meetings, each member of the Board of Directors may request information about the course of business from the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

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

Corporate Internal Audit, which reports directly to the Chairman of the Board, represents a suitable means of independent monitoring and information gathering for the Board of Directors. Regular meetings take place between the Chairman of the Board of Directors and the Head of Corporate Internal Audit, as well as between the Chairman of the Audit Committee and the Head of Corporate Internal Audit. Implementation of the measures recommended by Corporate Internal Audit is monitored by Group Compliance & Operational Risk Management. The Audit Committee regularly receives a report on operational risk management within the Swiss Life Group. Swiss Life's Internal Control System (ICS) also serves the Board of Directors for information and controlling purposes. Further details on this system are available in the "Risk Management" section of the Financial Statements on page 36.

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.

Management structure as at 31 December 2011



*Member of the Corporate Executive Board

CORPORATE EXECUTIVE BOARD

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

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

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

Swiss Life Group's Corporate Executive Board



BRUNO PFISTER
Group Chief Executive Officer



IVO FURRER
Chief Executive Officer Switzerland



THOMAS BUESS
Group Chief Financial Officer



KLAUS G. LEYH
Chief Executive Officer Germany



CHARLES RELECOM
Chief Executive Officer France



PATRICK FROST
Group Chief Investment Officer



MANFRED BEHRENS
Chief Executive Officer AWD

MEMBERS OF THE CORPORATE EXECUTIVE BOARD –

On 31 December 2011 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), Vice Chairman, Member of the Board Committee
- Avenir Suisse, Member of the Board of Trustees and Member of the Finance Committee
- Swiss-American Chamber of Commerce, Member of the Board of Directors (since June 2011)

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 in Switzerland. After joining Winterthur Life in 1982, he worked for several years in international industrial insurance in Switzerland, the UK and the USA. In 1998 he was appointed Chief Underwriting Officer at Winterthur International. He subsequently moved to Credit Suisse Group, where he was Head of e-Investment Services Europe and member of the management of Personal Financial Services. 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. 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), Chairman of the Life Insurance Committee
- German-Swiss Chamber of Commerce, Member of the Board
- Member of the Board of Directors of the Financial Market Authority (FMA) Liechtenstein

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

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

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

Other appointments:

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

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

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

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

Other appointments:

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

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

Charles Relecom graduated from the University of Namur (Belgium) with a degree in mathematics and went on to gain a master's degree in Actuarial Science at the University of Louvain (Belgium). He began his career in 1978 as Chief Actuary and Chief Technology Officer at Swiss Life in Belgium. In 1984 he moved to the head office in Zurich, where he played a significant role in setting up the International Division. From 1988 to 1994 he worked for ELVIA Life as Director of Sales in the key accounts business. In 1994 he moved to «La Suisse» and, in 1998, was appointed CEO of the non-life business and Chief

Actuary. In 2000 he became the CEO of «La Suisse», a position he held until 2005 when the company was integrated into the Swiss Life Group. Following the integration, Charles Relecom returned to Swiss Life in Belgium, initially as the CEO of Zelia S.A. and, from February 2006, as CEO for the entire Belgian business.

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

Other appointments:

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

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

Patrick Frost studied at the ETH in Zurich and the universities of Cologne, Basel and Zurich, obtaining degrees in natural science (dipl. Natw. ETH, 1993), economics (Dr. rer. pol., 1998) and law (lic. iur., 2001). He began his professional career in 1996 as a portfolio manager and analyst in financial engineering at Winterthur Group. Between 1999 and 2001 he was employed as a Senior Bond Portfolio Manager at Winterthur Investment Management Corp. in New York. He became the Head of Global Fixed Income at Winterthur Group in 2001, where he played a key role in the further strategic development of its asset management.

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

Other appointments:

– Technopark Zurich, Member of the Board of Trustees

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

After graduating in law, Manfred Behrens initially worked as an attorney in a Hamburg-based law firm. In 1984 he moved to Hamburg Mannheimer AG, where he assumed various leading positions in the areas of law and sales and went on to become regional manager. He joined Volksfür-

sorge Deutsche Lebensversicherungs-AG in May 1996 and, in 1998, was appointed Member of the Board of Management with responsibility for sales and marketing. Manfred Behrens moved to Swiss Life in January 2004, where he held the position of Chief Executive Officer of Swiss Life in Germany (CEO Germany) until August 2008. He was appointed Co-Chief Executive Officer of AWD (Co-CEO AWD) in September 2008. In April 2009 he assumed the role of Chief Executive Officer of AWD (CEO AWD).

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

Other appointments:

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

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

TRANSFER OF MANAGEMENT TASKS

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

COMPENSATION

The specifications below contain summary information on the compensation policy of the Swiss Life Group and on the compensation paid during the year under review. The full report on compensation is included in the Financial Statements on pages 21 to 31. Further information on compensation and benefit expenditure for the management and employees of the Swiss Life Group can be found in the Consolidated Financial Statements (Notes 24 and 32) on pages 154 to 159 and 168 to 169. Additional details regarding the compensation and remuneration of the members of the Board of Directors and the Corporate Executive Board, and their participation interests, are also shown in the Notes to the Swiss Life Holding Financial Statements on pages 191 to 202.

The information in this report is presented in the same way as the previous year. The information on compensation granted to Corporate Executive Board members also includes variable cash compensation (the cash bonus and the new deferred compensation in cash introduced on 1 January 2012), which was determined by the Board of Directors at the beginning of 2012 and is published on an accrual basis as compensation for the 2011 financial year. As a matter of new policy, the members of the Board of Directors are granted exclusively fixed compensation, payable 70% in cash and 30% in Swiss Life Holding shares, which are subject to a three-year blocking period. This replaces the previous arrangements, whereby Board of Director members received variable compensation in the form of blocked shares amounting to a maximum of 15% of the fixed compensation, depending on the business results.

COMPENSATION POLICY PRINCIPLES — The Board of Directors as a whole is responsible for establishing the guidelines on the Group's compensation policy (incl. variable compensation and equity compensation plans) and on employee benefit institutions. The compensation policy underpins the performance culture required by the corporate strategy and is part of the HR policy. The aim is to retain well-qualified employees and gain new, highly skilled staff. The compensation system is in line with the market environment and must be competitive. The individual overall compensation takes into account the

employee's professional skills, engagement and personal performance. It is made up of the basic salary, a variable bonus based on achievement of the annual objectives, which is generally paid in cash and possibly in shares, if applicable deferred compensation in cash and a mid- to long-term equity compensation plan, as well as contributions to occupational provisions and risk insurance.

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

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

The share in the company's success is measured using quantitative Group objectives (Key Performance Indicators, KPIs), which are defined in advance for a period of three years as part of medium-term planning. The main KPIs, besides the key figures relating to annual profit, costs, business volume, investment return, return on equity and solvency, are the profitability of in-force and new business, margin performance and the share of non-traditional products in new business. In order to avoid conduct aimed at the short-term achievement of key indicators with a higher weighting, the individual KPIs are

not mechanistically weighted in advance; their individual weighting is determined by the Board of Directors at the end of each financial year.

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

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

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

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

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

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

Within the framework of the compensation arrangements for members of the Corporate Executive Board, "deferred compensation in cash" was introduced as a new compensation component on 1 January 2012. On the basis of the corresponding regulations, a portion of the variable cash compensation determined by the Board of Directors is not paid immediately but after a period of three years has elapsed and provided that the regulatory requirements are satisfied at that point. The allocated deferred compensation in cash represents an entitlement during the three-year deferral period. The underlying "deferred cash plan" also provides for adjustment and reclaiming mechanisms (clawback). If the employment relationship is terminated by a participant during the three-year deferral period, the entitlements expire worthless.

As a mid- to long-term compensation component linked to the performance of the Swiss Life Holding share price, an equity compensation plan has been in place since 2004 for members of the Corporate Executive Board and other key performers within the Swiss Life Group, who are determined by the Corporate Executive Board with the approval of the Nomination and Compensation Committee. Based on this plan, participants are granted future subscription rights to Swiss Life Holding shares. These subscription rights entitle the participants to receive Swiss Life Holding shares free of charge after a period of three years has elapsed and provided that the prerequisites under the plan are satisfied at that point.

Pursuant to the regulations of the 2009 and 2010 equity compensation plans, future subscription rights were allocated in the form of so-called Performance Share Units

(PSUs), whereby share allocation after expiry of the three-year period was based on two performance criteria, each weighted at 50%. The allocation mechanism is set out in detail in the 2010 Annual Report and in this Annual Report in the Notes to the Swiss Life Holding Financial Statements on pages 194 to 195. 65 members of Swiss Life Group senior management, including members of the Corporate Executive Board, participated in the 2009 equity compensation plan. A total of 53 216 PSUs were allocated; 22 200 to the Corporate Executive Board, including 6500 to Bruno Pfister as Group CEO. In 2010, 69 members of the Swiss Life Group senior management took part in the plan, in which a total of 68 510 PSUs were allocated; 24 700 to the Corporate Executive Board, of which 6500 to Bruno Pfister in his capacity as Group CEO.

In the period under review, participants in the 2011 equity compensation plan were allocated Restricted Share Units (RSUs) instead of PSUs. As with PSUs, RSUs grant the holder future subscription rights, entitling them to receive Swiss Life Holding shares free of charge after a three-year period has elapsed, but without any additional leverage effect. The attribution of shares after the expiry of the three-year deferral period is effected on a 1:1 basis (1 RSU = 1 share). The plan is therefore very simple, trans-

parent throughout the whole term and directly linked to the performance of the Swiss Life share. The value of RSUs during the three-year term develops linear with the Swiss Life Holding share price and thus symmetrically corresponds with shareholder interests. During the period under review, a total of 62 members of Swiss Life Group senior management participated in the 2011 equity compensation plan, which came into effect on 1 April 2011. A total of 68 730 RSUs were allocated; 23 630 in total to the members of the Corporate Executive Board, of which 6350 RSUs to Bruno Pfister as Group CEO.

The attribution of mid- to long-term compensation components (RSU plan) is deferred for a period of three years from the date of allocation in the same way as the deferred compensation in cash. Likewise, the RSU plan provides for adjustment and reclaiming mechanisms (clawback). If the employment relationship is terminated by a participant during the three-year term of the RSU plan, the future entitlements expire worthless.

COMPENSATION PAID TO ACTING MEMBERS OF GOVERNING BODIES – The following compensation in cash was received by acting members of the Board of Directors and the Corporate Executive Board during the period under review:

In CHF

	2011	2010
Board of Directors	2 091 334	1 979 503
Corporate Executive Board	9 792 978 ¹	9 600 995 ²

¹ Incl. cash bonus of CHF 4 340 500 for the 2011 financial year, determined and paid out at the beginning of 2012.

² Incl. cash bonus of CHF 4 475 000 for the 2010 financial year, determined and paid out at the beginning of 2011.

One member of the Board of Directors resigned in the 2010 financial year. After serving for seven years on the Swiss Life Board of Directors, Rudolf Kellenberger announced his resignation with effect from the General Meeting of Shareholders of 6 May 2010.

Two members of the Board of Directors resigned in the 2011 financial year. After serving for eight years on the Board of Directors of Swiss Life Holding, Paul Embrechts did not stand for re-election at the General Meeting of Shareholders in 2011 and no longer serves on the Board of Directors. Carsten Maschmeyer, who was elected to the Board of Directors of Swiss Life Holding at the 2009 General Meeting of Shareholders, resigned as a member of the Board of Directors on 7 December 2011.

There were no personnel changes on the Corporate Executive Board during 2010 and 2011.

As a matter of new policy, the members of the Board of Directors are granted exclusively fixed compensation. The previous arrangements, according to which members of the Board of Directors were allocated variable compensation in the form of blocked Swiss Life Holding shares of up to a maximum of 15% of the fixed compensation, depending on the business results, no longer

apply. The total compensation is now paid 70% in cash and 30% in Swiss Life Holding shares with a three-year blocking period. The proportion of shares has thus been increased in comparison with the previous arrangements, under which 20% of the basic compensation was granted in the form of blocked Swiss Life Holding shares.

The 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, and is commensurate with the individual's function and workload. The compensation is determined annually by the Board of Directors. The amount of compensation granted to members of the Board of Directors has been adjusted in the 2011 financial year in connection with the new compensation arrangements (transition to exclusively fixed compensation, payable 70% in cash and 30% in blocked shares), taking into consideration compensation paid to board members in comparable companies within the insurance sector.

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

	Compensation in cash in CHF	Shares with three-year blocking period
Rolf Dörig	1 008 000	4 478
Gerold Bühler	244 300	1 129
Frank Schnewlin	244 300	1 129
Volker Breckamp	129 500	589
Damir Filipovic ¹	60 667	298
Henry Peter	91 000	413
Peter Quadri	91 000	413
Franziska Tschudi	106 400	480

¹ Joined 05.05.2011.

Until leaving the Board of Directors at the General Meeting of Shareholders of 5 May 2011, Paul Embrechts was paid compensation in cash to the amount of CHF 34 167 and 57 shares with a three-year blocking period. Carsten Maschmeyer was paid compensation in cash to the amount of CHF 82 000 and 172 shares with a three-year blocking period until he stepped down from the Board of Directors on 7 December 2011.

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

Compensation remitted to members of the Corporate Executive Board comprises the basic salary, variable compensation in cash and other compensation (child allowances, company cars, premium contributions to 3rd pillar pension plans). The variable compensation in cash is allocated as a bonus and, if applicable, as deferred compensation in cash. The deferred compensation in cash, which was introduced on 1 January 2012, is paid out after a period of three years has elapsed and provided that the regulatory requirements have been satisfied. In addition, a mid-to long-term compensation component is in place in the form of an equity compensation plan linked to the performance of the Swiss Life Holding share price. As mentioned above, it gives an entitlement to Swiss Life Holding shares after a period of three years has elapsed and provided that the relevant requirements are satisfied at the time of allocation.

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

The variable compensation components are determined by the Board of Directors in accordance with the described compensation policy principles and based on the company result and the achievement of personal goals assessed in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS). The variable compensation in cash (cash bonus and, if appli-

cable, deferred compensation in cash) is set at a maximum of 117% of the fixed basic salary ("bonus cap") and requires that all objectives have been considerably exceeded. The allocation of subscription rights to Swiss Life Holding shares (equity compensation plan, RSU plan) is also limited in value to 117% of the fixed basic salary; if deferred compensation in cash, which on its part is subject to the bonus cap mentioned above, is simultaneously allocated, the maximum limit is 64% of the fixed basic salary.

At Corporate Executive Board level, variable compensation depends 60% directly on the company's success. As mentioned above, the following key figures are included in the Key Performance Indicators (KPIs) used to assess company success: The annual profit, costs, business volume, investment return, return on equity and solvency, as well as the profitability of in-force and new business, margin performance and the share of non-traditional products in new business.

40% of the variable compensation is based on Corporate Executive Board members' achievement of specified personal goals. On the one hand, these personal goals are linked back to the company's success, in that each Corporate Executive Board member has to meet personal quantitative objectives contributing to the company's success in relation to his division. On the other hand, the personal goals cover qualitative factors, namely project targets, risk management and compliance goals, as well as requirements relating to leadership and to supporting and further developing corporate culture.

COMPENSATION PAID TO FORMER MEMBERS OF GOVERNING BODIES – None.

SHARE ALLOCATION IN THE YEAR UNDER REVIEW – The shares allocated to the members of the Board of Directors in the period under review form part of the compensation, which was granted 70% in cash and 30% in blocked Swiss Life Holding shares.

No variable compensation in shares was granted to the members of the Corporate Executive Board for the 2011 financial year. As described, they are participating in the current equity compensation plan.

For the 2011 financial year, the members of the Board of Directors were allocated the following shares, subject to a three-year blocking period:

Board of Directors	9158 shares, allocated at values ¹ of CHF 111.0817 and CHF 73.3828. The shares are subject to a three-year blocking period.
Corporate Executive Board	none

¹ Economic value equal to the tax value, taking the blocking period into account. The share prices (closing prices) on the days of allocation of 23.06.2011 and 15.12.2011 were CHF 132.30 and CHF 87.40 respectively.

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

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

SHARE OWNERSHIP – On the balance sheet date of 31 December 2011, 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 31.12.2011
Rolf Dörig, Chairman of the Board of Directors	40 486
Gerold Bühler	4 095
Frank Schnewlin	1 748
Volker Bremkamp	2 150
Damir Filipovic	298
Henry Peter	3 651
Peter Quadri	2 351
Franziska Tschudi	1 666
TOTAL BOARD OF DIRECTORS	56 445

	SLH shares 31.12.2011
Bruno Pfister, Group CEO	3 068
Manfred Behrens	0
Thomas Buess	4 500
Patrick Frost	2 000
Ivo Furrer	0
Klaus Leyh	53
Charles Relecom	0
TOTAL CORPORATE EXECUTIVE BOARD	9 621

The number of future subscription rights to Swiss Life Holding shares allocated in the context of the above-mentioned equity compensation plan to members of the Corporate Executive Board is shown in table form in the Notes to the Swiss Life Holding Financial Statements.

HIGHEST TOTAL COMPENSATION, BOARD OF DIRECTORS – Rolf Dörig, as Chairman of the Board of Directors, received the highest total compensation for a member of the Board of Directors of Swiss Life Holding in 2011.

The compensation of members of the Board of Directors is paid 70% in cash and 30% in Swiss Life Holding shares, which are subject to a three-year blocking period.

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

In CHF

Compensation in cash	1 008 000	
Compensation in blocked shares	362 839	4478 SLH shares with three-year blocking period ¹
Share options	none	
Total compensation 2011		
in cash and shares	1 370 839	
including regular contribution to occupational provisions of CHF 225 504	1 596 343	
Total compensation 2010		
in cash and shares	1 262 399	
including regular contribution to occupational provisions of CHF 195 656	1 458 054	

¹ Allocation and valuation was effected on 23.06.2011 and 15.12.2011 at an economic value of CHF 111.0817 and CHF 73.3828, which is equal to the tax value, taking into account the blocking period of three years. The share prices on the days of allocation were CHF 132.30 and CHF 87.40 respectively.

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

In the 2011 financial year, Bruno Pfister was allocated the following amounts in the form of salary, cash bonus, contributions to occupational provisions, deferred compensation in cash and deferred compensation in shares (RSU plan):

In CHF

Compensation in cash ¹	2 685 506
Shares	none
Share options	none
Total compensation 2011	
in cash	2 685 506
including regular contribution to occupational provisions of CHF 225 504	2 911 010
including deferred compensation in cash ²	3 271 010
including deferred compensation in shares ³	4 160 328
Total compensation 2010	
in cash	2 485 435
including regular contribution to occupational provisions of CHF 234 220	2 719 655
including deferred compensation ⁴	3 694 525

¹ Including cash bonus of CHF 1 200 000 for the 2011 financial year, determined and paid at the beginning of 2012, and other compensation (child allowances, premium contribution) totalling CHF 47 996.

² Deferred compensation in cash of CHF 360 000; this compensation component was introduced on 1 January 2012 and will be paid out on 1 April 2015, provided the regulatory requirements are satisfied at that point.

³ 6350 future subscription rights in the form of RSUs entitling the holder to receive Swiss Life Holding shares on 1 April 2014, provided the requirements are satisfied at that point. On the allocation date of 1 April 2011 the fair value of an RSU was CHF 140.05.

⁴ 6500 future subscription rights in the form of PSUs entitling the holder to receive Swiss Life Holding shares on 1 April 2013, provided the requirements are satisfied at that point. On the allocation date of 1 April 2010 the fair value of a PSU was CHF 149.98.

SHAREHOLDERS' PARTICIPATION RIGHTS

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

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

REQUIRED MAJORITIES – In addition to the resolutions provided for by law, a qualified majority (corresponding to at least two thirds of the voting shares represented and

an absolute majority of the share par value represented) is required to change provisions concerning restrictions on voting rights, dissolve the company (liquidation), dismiss more than one third of the members of the Board of Directors, or change these provisions of the Articles of Association.

CONVOCAION OF THE GENERAL MEETING OF SHAREHOLDERS AND AGENDA – The rules set out in the Articles of Association for convening a General Meeting of Shareholders and drawing up the agenda comply with the stipulations of the law. Shareholders who represent at least 0.25% of the share capital can submit a written request within a time limit published in advance by Swiss Life Holding for the inclusion on the agenda of an item for discussion.

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

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

CHANGES OF CONTROL AND DEFENCE MEASURES

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

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

AUDITORS

As was the case last year PricewaterhouseCoopers (PwC) is again serving as external statutory auditor for all Swiss Life Group companies that are directly or indirectly held by Swiss Life Holding under its scope of consolidation.

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

DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

– The Articles of Association stipulate that the external auditor is to be elected by the General Meeting of Shareholders for one financial year at a time. When Swiss Life Holding was established in 2002, PwC was named as statutory auditor and Group auditor. Since then PwC has been re-elected without fail. PwC has also acted as statutory auditor and Group auditor for Swiss Life Ltd since 1994. Swiss Life Holding last invited tenders for its statutory auditor and Group auditor man-

date for the 2008 financial year. On completion of the evaluation process, the Board of Directors, in accordance with the proposal of the Audit Committee, again nominated PwC as its statutory auditor and Group auditor at the General Meeting of Shareholders. The partner at PwC in charge of auditing the Swiss Life Holding annual financial statements and consolidated financial statements (lead auditor) took over the responsibility in the 2011 financial year. The role of lead auditor rotates in compliance with the term of office regulations stipulated by the Swiss Code of Obligations, the independency guidelines set forth by the Swiss Institute of Certified Accountants and Tax Consultants, and internal guidelines at PwC.

AUDITING FEES – In 2011 the auditing fees credited to PwC came to CHF 8.0 million (2010: CHF 9.2 million). This includes the fees for reviewing the 2011 half-year accounts.

ADDITIONAL FEES – In 2011 PwC received additional fees totalling around CHF 1.5 million for advisory services (2010: CHF 3.7 million), approximately CHF 0.7 million of which was for actuarial advisory services and CHF 0.6 million for fiscal and financial advisory services. The remainder resulted from strategic, legal and other advisory services. The advisory services were performed in compliance with the relevant independency regulations set forth in the Swiss Code of Obligations and the Audit Supervision Act.

SUPERVISORY AND CONTROL INSTRUMENTS VIS-À-VIS THE AUDITORS

– The Audit Committee maintains regular contact with the external auditors. It evaluates the independence of the external auditors and identifies 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 to the Audit Committee. At the end of the year, the external auditors draw up a comprehensive report for the attention of the General Meeting of Shareholders and a detailed report on the financial year just completed for

the attention of the Audit Committee, the Board of Directors and the Swiss Financial Market Supervisory Authority FINMA.

The Audit Committee also acknowledges and approves the various recommendations of the external auditors, including the Management Letter. If required, the committee discusses with representatives of the external auditors any issues which could have a major impact, either collectively or individually, on the financial situation or the result of the audit.

In the year under review, representatives of the external auditors attended all Audit Committee meetings, either in their entirety or for specific items on the agenda.

INFORMATION POLICY

Swiss Life communicates actively and openly both within and outside the company. The Investor Relations and Communications areas provide up-to-date reports to private and institutional investors, financial analysts, journalists and the public.

Key facts and figures about the Swiss Life Group and info kits on previous years' reports are available on the internet at www.swisslife.com, "Investors" area, "Results & Reports" section (www.swisslife.com/results). Details on events relevant to shareholders, analysts and the media (general meetings of shareholders, media conferences, etc.) can be found at www.swisslife.com, "Investors" area, "Financial Calendar" section at www.swisslife.com/financialcalendar.

At www.swisslife.com/subscription, all interested parties can subscribe to the company's mailing list so as to receive timely ad hoc reports and media releases free of charge via the e-mail distribution system. These releases are also published on the Swiss Life website at the same time as they are sent to subscribers, and are available online for at least two years at www.swisslife.com, "Media" area, "Media releases" section (www.swisslife.com/mediareleases).

In addition to its comprehensive Annual Report and Financial Statements, Swiss Life Holding also publishes its half-year results. Furthermore, in May and November of

each year, it publishes specific details on the previous quarter. All Swiss Life's annual and half-year reports since 1997 can be accessed on the internet at www.swisslife.com, "Investors" area, "Results & Reports" section, "Archive Reports" and "Annual Reports" subsections (www.swisslife.com/en/annualreports). A report detailing the key facts and figures on business operations is sent out on an annual basis to all the shareholders listed in the share register.

Contact details are available at the end of the Financial Statements.

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

Extract from the Financial Statements

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

Consolidated Statement of Income

In CHF million

	2011	2010
INCOME		
Premiums earned on insurance contracts	11 105	11 456
Premiums earned on investment contracts with discretionary participation	685	523
Premiums ceded to reinsurers	-191	-226
Net earned premiums	11 599	11 753
Policy fees earned on insurance contracts	39	41
Policy fees earned on investment and unit-linked contracts	256	257
Net earned policy fees	295	298
Commission income	893	922
Investment income	4 216	4 242
Net gains/losses on financial assets	550	-4 430
Net gains/losses on financial instruments at fair value through profit or loss	-820	4 250
Net gains/losses on investment property	513	306
Other income	45	503
TOTAL INCOME	17 291	17 844
EXPENSES		
Benefits and claims under insurance contracts	-12 008	-12 289
Benefits and claims under investment contracts with discretionary participation	-709	-543
Benefits and claims recovered from reinsurers	103	128
Net insurance benefits and claims	-12 614	-12 704
Policyholder participation	-791	-1 073
Interest expense	-274	-311
Commission expense	-983	-1 008
Employee benefits expense	-835	-846
Depreciation and amortisation expense	-554	-594
Impairment of property and equipment and intangible assets	-11	-5
Other expenses	-530	-609
TOTAL EXPENSES	-16 592	-17 150
PROFIT FROM OPERATIONS	699	694
Borrowing costs	-120	-104
Share of results of associates	6	6
PROFIT BEFORE INCOME TAX	585	596
Income tax expense	21	-36
NET PROFIT	606	560
Net profit attributable to		
equity holders of Swiss Life Holding	605	557
non-controlling interests	1	3
NET PROFIT	606	560
Earnings per share attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	18.97	17.46
Diluted earnings per share (in CHF)	18.87	17.37

Consolidated Balance Sheet

In CHF million

	31.12.2011	31.12.2010
ASSETS		
Cash and cash equivalents	5 084	6 940
Derivatives	1 318	2 965
Assets held for sale	22	94
Financial assets at fair value through profit or loss	24 120	23 395
Financial assets available for sale	67 264	57 950
Loans and receivables	27 202	29 713
Financial assets held to maturity	5 046	5 229
Financial assets pledged as collateral	969	1 060
Investment property	15 445	14 142
Investments in associates	74	63
Reinsurance assets	380	365
Property and equipment	539	569
Intangible assets including intangible insurance assets	3 722	3 982
Current income tax assets	2	10
Deferred income tax assets	153	150
Other assets	535	576
TOTAL ASSETS	151 875	147 203

Consolidated Balance Sheet

In CHF million

	31.12.2011	31.12.2010
LIABILITIES AND EQUITY		
LIABILITIES		
Derivatives	1 186	498
Liabilities associated with assets held for sale	15	-
Financial liabilities at fair value through profit or loss	18 782	17 571
Investment contracts	11 358	11 279
Borrowings	2 624	2 142
Other financial liabilities	7 225	10 920
Insurance liabilities	93 365	90 305
Policyholder participation liabilities	5 150	3 436
Employee benefit liabilities	1 261	2 049
Current income tax liabilities	120	295
Deferred income tax liabilities	1 144	821
Provisions	150	131
Other liabilities	333	319
TOTAL LIABILITIES	142 713	139 766
EQUITY		
Share capital	164	308
Share premium	1 651	1 646
Treasury shares	-25	-18
Foreign currency translation differences	-833	-762
Gains/losses recognised directly in equity	1 544	209
Retained earnings	6 626	6 021
TOTAL SHAREHOLDERS' EQUITY	9 127	7 404
Non-controlling interests	35	33
TOTAL EQUITY	9 162	7 437
TOTAL LIABILITIES AND EQUITY	151 875	147 203

Consolidated Statement of Changes in Equity for the Year 2011

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	308	1 646	-18	-762	209	6 021	7 404	33	7 437
Total net comprehensive income	-	-	-	-71	1 335	605	1 869	1	1 870
Reduction in par value	-144	1	-	-	-	-	-143	-	-143
Equity-settled share-based payments	-	5	-	-	-	-	5	0	5
Purchases of treasury shares	-	-	-9	-	-	-	-9	-	-9
Sales of treasury shares	-	-1	2	-	-	-	1	-	1
Acquisitions of subsidiaries	-	-	-	-	-	-	-	1	1
Changes in ownership interest in subsidiaries	-	-	-	-	-	0	0	0	0
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	1	1
Dividends	-	-	-	-	-	-	-	-1	-1
BALANCE AS AT END OF PERIOD	164	1 651	-25	-833	1 544	6 626	9 127	35	9 162

Consolidated Statement of Changes in Equity for the Year 2010

In CHF million

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

Share Performance and Historical Comparison

2011 was dominated by macroeconomic issues. Due in particular to the slump in interest rates in Switzerland and Germany as a result of the European debt crisis, the Swiss Life share price delivered negative performance of -36%.

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 2011	2011	2010	2009	2008	2007
Number of shares	31.12.	32 081 054	32 081 054	32 081 054	35 084 554	34 960 439
Annual high	08.02.	164.50	152.70	140.20	298.66	326.00
Annual low	19.12.	83.65	100.30	43.00	63.90	266.50
Year-end price	30.12.	86.40	135.20	132.00	72.40	283.00
Performance Swiss Life (in %)		-36	+2	+82	-74	-5
Swiss Market Index (SMI)	30.12.	5 936	6 436	6 546	5 535	8 484
Performance Swiss Market Index (SMI) (in %)		-8	-2	+18	-35	-3
Dow Jones STOXX 600 Insurance Index (in EUR)	30.12.	133.25	154.45	152.08	134.68	252.21
Performance Dow Jones STOXX 600 Insurance Index (in %)		-14	+2	+13	-47	-12
Average trading volume		140 620	220 061	264 910	377 109	327 843
Market capitalisation (in CHF million)	30.12.	2 772	4 337	4 235	2 540	9 894
Basic earnings per share		18.97	17.46	8.86	10.88	40.76
Diluted earnings per share		18.87	17.37	8.83	10.88	39.60
Dividend paid per share	28.07.	4.50	2.40	5.00	17.00	7.00
Total dividend payout to shareholders (in CHF million)	28.07.	144	77	160	596	245
Dividend yield on year-end price (in %)	30.12.	5.21	1.78	3.79	23.48	2.47

Source: Bloomberg

BREAKDOWN OF REGISTERED SHARES WITH VOTING RIGHTS AS AT 31.12.2011

Number of shares	Number of shareholders	As % of registered shareholders
1 – 25	152 977	83.47
26 – 100	20 435	11.15
101 – 1 000	9 043	4.93
> 1 000	822	0.45
TOTAL	183 277	100.00

STANDARD & POOR'S FINANCIAL STRENGTH RATINGS AS AT 31.12.2011

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

SWISS LIFE GROUP HISTORICAL COMPARISON

In CHF million (if not stated otherwise)

	2011	2010	2009	2008	2007
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	17 143	20 191	20 219	18 515	21 213
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	11 599	11 753	11 867	13 254	13 316
Net earned policy fees	295	298	268	260	389
Financial result (without share of results of associates)	4 459	4 368	4 588	600	4 923
TOTAL INCOME	17 291	17 844	17 816	15 356	18 971
Net insurance benefits and claims	-12 614	-12 704	-11 884	-12 915	-13 268
Policyholder participation	-791	-1 073	-1 539	429	-1 746
Operating expense	-2 913	-3 062	-3 478	-3 319	-2 489
TOTAL EXPENSE	-16 592	-17 150	-17 254	-16 198	-17 958
RESULT FROM OPERATIONS	699	694	562	-842	1 013
Net result from continuing operations	606	560	324	-1 143	726
Net result from discontinued operations	-	-	-47	1 488	642 ¹
NET PROFIT	606	560	277	345	1 368
Net profit attributable to					
Equity holders of Swiss Life Holding	605	557	278	350	1 345
Non-controlling interests	1	3	-1	-5	23
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	9 162	7 437	7 245	6 652	7 334
Insurance reserves	128 089	122 279	122 616	113 308	121 829
Balance sheet total	151 875	147 203	143 948	134 791	179 757
FURTHER KEY FIGURES					
Return on equity (in %)	7.3	7.6	4.0	5.0	18.1
Assets under control	164 604	149 899	148 186	134 326	138 946
Year-end embedded value ²	7 728	7 595	6 877	8 457	12 837
Value of new business ²	150	209	123	78	118
Number of employees (full-time equivalents)	7 168	7 483	7 820	8 291	8 556

¹ Including reserve release of CHF 304 million due to change in Dutch law.

² Up to 2008, traditional embedded value methodology used; from 2009, market consistent embedded value methodology applied.

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ANNUAL REPORT 2011The **Business Review** is published in German, English and French.

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

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

The English text is definitive for the Consolidated Financial Statements.

The Business Review and the Financial Statements for 2011 can be found at:

www.swisslife.com/report

PUBLISHING DETAILS**PUBLISHER** – Swiss Life Holding Ltd, Zurich**EDITORIAL RESPONSIBILITY** – Swiss Life Group Communications, Zurich**CONCEPT AND DESIGN** – Eclat AG, Erlenbach, Canton of Zurich**PHOTOGRAPHY** – Basil Stücheli, Zurich; Stephan Knecht, Zurich**PRODUCTION** – Management Digital Data AG, Lenzburg, Canton of Aargau**PRINTERS** – Heer Druck AG, Sulgen, Canton of Thurgau

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**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This document may contain projections or other forward-looking statements related to Swiss Life that are subject to known and unknown risks, uncertainties and other important factors. The reader should be aware that these statements are only projections which could differ materially from the actual results, financial situation, development, performance or expectations and that therefore no undue reliance should be placed on such forward-looking statements. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document. All forward-looking statements are based on the data available to Swiss Life at the time the present document was compiled. Unless otherwise required by applicable law, Swiss Life assumes no responsibility to publicly update or alter its forward-looking statements or to adapt them, whether as a result of new information, future events or developments or any other reason.

IMPORTANT DATES

ANNUAL GENERAL MEETING 2012

19 April 2012, Hallenstadion Zurich

INTERIM STATEMENT Q1 2012

8 May 2012

HALF-YEAR RESULTS 2012

17 August 2012

INVESTORS' DAY

28 November 2012



SwissLife

The future starts here.