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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.

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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.

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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.