

Annual General Meeting of Swiss Life Holding Ltd
Zurich, 19 April 2012

Bruno Pfister
Group CEO

(The German spoken text is definitive)

Dear Investors,

I would like to welcome you personally and on behalf of the Swiss Life Corporate Executive Board to this year's general meeting.

If I had to describe last year in one sentence, it would be:
I am proud of what we achieved at Swiss Life in 2011.

There were no amazing or spectacular successes. Instead, our strong performance resulted from the disciplined execution of our objectives. Or, to put it another way, this success came from persistent hard work.

That is how we again managed to increase the resilience of our business model despite an environment of historically low interest rates, a weak euro and huge financial market volatility.

However, let's not be under any illusions: The low interest rate environment and volatile markets pose a major challenge to the traditional life insurance business model.

Our results for 2011 nevertheless show that the successful implementation of our MILESTONE programme proved to be the right antidote to this adverse headwind.

- Firstly, with our solid and proven asset and liability management, combined with our strategic investment policy, we have been able to safeguard our direct returns.
- Secondly, our work on the portfolio to increase reserves, cut guaranteed interest rates and adjust bonus distribution, together with an improved business mix, has enabled us to reduce the interest on our insurance liabilities which, together with the first point above, has produced a higher interest spread on the balance sheet.

- Thirdly, with the reduction in the cost base allied with a new product focus and targeted price measures, we have effectively been able to defend our new business margin despite the fall in interest rates and higher market volatilities.
- And fourthly, we have also made progress in our efforts to diversify our earnings sources in order to reduce our direct dependence on capital market developments.

We are already reaping the rewards of the improved reliability of our business model and the operational advances of the past two or three years.

Let's take a closer look now at last year's result:

- After adjustment for one-offs and currency effects, Swiss Life increased its profit from operations in 2011 by 6% to 793 million Swiss francs.
- At 606 million Swiss francs, net profit rose 46 million or 8% year-on-year. This corresponds to earnings per share of 18.87 Swiss francs and a return on equity of 7.3%.

- In Investment Management Swiss Life achieved a net investment result on the insurance portfolio of 4.3 billion Swiss francs in 2011.
- This corresponds to net investment return of 3.8%, which represents an excellent result in the current market environment.
- Our premium development shows that Swiss Life managed to grow in strategically important business areas despite the difficult market conditions.

Overall Group premium volume, adjusted for currency effects, fell by 10% to 17.1 billion Swiss francs. Nevertheless, I am pleased with this result for it demonstrates how we prioritise profit over growth.

Specifically, this means that we have scaled back our sales efforts in those areas where our products do not provide the margins we want. As in France and Germany for example.

A large proportion of the reduced premium volume is also attributable to the global business with high net worth individuals.

This is due to two factors:

1. A major boost was provided in 2010 by the Italian tax amnesty; the absence of this special effect in 2011 led to correspondingly lower premium volumes.
2. We felt the effects of the general uncertainty afflicting private banking, which is the very sales channel for these products.

The Insurance International segment, where premium income originates largely from global business with high net worth individuals, thus recorded a currency-adjusted drop of 37% on the previous year to 3 billion Swiss francs.

By contrast, business in our home market of Switzerland fared very well - as you just heard from Rolf Dörig: with premium growth of 6% to 8.1 billion Swiss francs.

The very encouraging development of corporate client business in Switzerland shows that full insurance solutions and the security they offer meet a key customer need, particularly in these uncertain economic times.

Swiss Life has already implemented most of its MILESTONE revitalisation programme one year ahead of schedule.

The company has made impressive progress on the cost front in particular: By the end of 2011, we had already made the planned savings of 350-400 million Swiss francs announced in 2009 and lowered our cost base by 404 million Swiss francs compared to 2008.

As regards our active capital management, we again strengthened our balance sheet in 2011.

Thanks to its consistent margin management, Swiss Life has been able to maintain its new business margin at a healthy level. The value of new business nevertheless fell by 28% to 150 million Swiss francs – which was no surprise considering the market conditions.

Furthermore Swiss Life maintained its share of modern and risk products in new business at its target level of 70%.

Swiss Life again strengthened its solid capital base in 2011. Shareholders' equity stood at 9.1 billion Swiss francs at the end of 2011, a 23% rise on the previous year's figure.

The Group's solvency ratio climbed from 172% to 213% at the end of the year. Based on its internal model for the Swiss Solvency Test, Swiss Life is in the green zone.

I am extremely happy with what we achieved in 2011.

I am also confident that our improved operational excellence will allow us to expand our strong market position even in the current economic climate.

Underpinning Swiss Life's success are the efforts of its employees. When our colleagues go the extra mile we will succeed.

The results of the employee survey, which we conducted last autumn show that our employees are prepared to go that extra mile. The high response rate (80%) was very pleasing.

I see that as a vote of confidence and a sign of an open communication culture, which is key to the development of this company.

The honest, even critical, feedback from our employees provided us with valuable input about how we can and should improve our performance.

One statistic in particular gives me confidence: 59% of our employees see themselves as engaged. This figure is 3% up on the previous year and considerably higher than the average for European financial companies (52%).

That is an extremely positive platform for Swiss Life to launch a very promising future. We need a high level of engagement from our teams to exploit the major opportunities in the enduringly attractive yet highly competitive pensions market. It's the only way we will be able to realise the changes demanded of us by a market undergoing dramatic change.

(Film)

You have just seen one of our 2 million clients who rely on us and entrust us with their financial security: be it in terms of

risk coverage, savings solutions, or health and long-term care insurance. This trust from our customers is both an incentive and an obligation. Day after day.

We help our customers to secure their financial independence. This is easier said than done. Providing financial security is a tough task these days.

Two major trends are making our offers and solutions relevant:

- 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.

In addition to that we have turbulent financial markets and historically low interest rates. This means that people's assets don't appreciate very rapidly. On the contrary it's a challenge in many ways just to protect and preserve the value of assets. I think that in the current environment any products and solutions that Swiss Life can offer will become increasingly important.

Our mission shows us how to proceed: we are committed to helping our clients create a financially secure future. For life.

This is quite an ambition and it's the focus of the commitment shown every day by everyone working for the Swiss Life Group.

At the same time customers are coming up with numerous, new and individual requirements in terms of pension provision. At Swiss Life, we understand these requirements well. In our company we have all the ingredients required to stay one step ahead of the competition: experience, expertise, engagement and a solid economic foundation. Not to mention our brand, which is well respected in the market.

Our expertise and entrepreneurial strength allows us to benefit from growth opportunities, especially in the European pensions market.

We may not be the biggest, but we want to become one of the best financial companies in Europe.

To continue to meet this goal and maintain our tradition, one aspect is hugely important, and that is "customer centricity".

Customer orientation, by this I mean giving customers what they want and need, and displaying outstanding quality and timeliness in doing so – this is what makes any company a success.

Nevertheless, I believe that the insurance industry has a long way to go in this area. This means there are opportunities for the industry, and Swiss Life, to exploit.

It is my dream that people looking for pension solutions and financial independence should automatically think of Swiss Life. That dream is still a distant prospect. I'm well aware of that.

That means if we want to maintain our customers' enthusiasm for our company, we must pay even closer attention to their needs in the coming years.

We have already done a lot of work in our business units to this end. This means we have excellent prospects of differentiating ourselves further from the competition in the near future.

At the same time, our customers increasingly want an ongoing stream of advice as they go through different stages in life.

Experience also shows that our customers' lives are no longer as linear as they were, say, 20 years ago.

Consequently, they need more flexibility, whether as a result of

- marriage or separation;
- the birth of a child or their entry into the workforce;
- taking some time out or a period of unemployment;
- a change of job, possibly in tandem with a change of address, possibly even a move abroad, etc.

The current needs of our customers require a new understanding of our relationship with them. Less linear life paths and the wish for more individual solutions mean we have to offer more intensive advice.

To accompany our customers through their different life stages promptly and effectively, we need to develop further and

- become more systematic and thorough in developing our customer relationships;
- seek more regular contact;
- become faster and more precise in responding to queries;

- provide additional services which complement our products in a natural way.

In short: We must, and we want, to place the customer more consistently at the centre of everything we do. Many companies say the same thing. However, to implement this promise into concrete measures which are tangible to the customer, will increasingly determine the difference between success and failure in tomorrow's marketplace.

An uncompromising drive for customer value at Swiss Life will thus become one of our priorities over the next few years. Furthermore, this focus is not confined to changes in marketing or sales. Our customer orientation will not be effective if we only apply it at a cosmetic level. It must go deeper than that. All points of contact with the customer, all teams and processes underlying the value chain can contribute to implementing this ambition.

Ladies and gentlemen:

As you have just heard from Rolf Dörig, we are currently drawing up plans for the future of the company. We are defining the key milestones for the Swiss Life Group over the

next three or four years. We are going to hold an Investors' Day towards the end of the year to present our new plans. At the same time we also want to have a successful 2012. I expect challenging market conditions to prevail again this year. Nevertheless, we are confident that Swiss Life can again achieve further operational gains in 2012 and post a respectable result.

We are going to wrap up MILESTONE as a programme this year. That is because the cornerstones of MILESTONE are now part of our corporate DNA and we will stay true to them.

These cornerstones are:

- enhanced customer value;
- more effective distribution and more targeted advice over several channels;
- greater efficiency and better quality;
- preservation of the balance sheet and capital;
- disciplined execution of the required measures;
- convincing and motivating management at all levels.

Our new goals for 2015, which we will present at our Investors' Day on 28 November 2012, can be summarised as follows:

- to improve customer centricity;
- to sharpen our competitive edge;
- to realise our growth opportunities (primarily in the European pensions market);
- to modernise and develop the product and service offering, segment by segment;
- to defend our margins; and
- at the same time to continue to diversify our earnings sources by working towards a higher return from our fee and risk business and a further improved cost result;
- to enable us to at least cover our capital costs.

Ladies and gentlemen, we still have a long way to go.

But I would like to leave you with the key statement I made at the start of my speech: I am proud of what our teams at Swiss Life achieved in 2011. I am also looking forward to playing my part as Group CEO in the fascinating future which awaits Swiss Life.

I would like to thank you for your attention and also for your support.