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

**Rolf Dörig**
**Chairman of the Board of Directors**

(The German spoken text is definitive)

Dear Shareholders,

I would like to welcome you to the 2012 Swiss Life Annual General Meeting. I thank you for your interest in our company which – in my opinion - is portrayed in a charming way in this short film.

Swiss Life had a very successful, albeit challenging, 2011. Natural catastrophes such as that which triggered the Fukushima reactor disaster, the Arab Spring, the legacy of which is not yet apparent, and also the debt crisis and the resulting fall in the euro have planted uncertainty in the global economy.

Security and financial stability are not guaranteed – as was harshly demonstrated by the many events of 2011. Swiss Life was inevitably also affected by this turbulence. The historically low interest rates and strong financial market volatility are particularly challenging for us as a Swiss provider of life insurance. This makes me all the prouder to confirm to you that, despite these adverse conditions, we can report further operational progress and correspondingly strong key figures for 2011.

Swiss Life successfully negotiated the tough market environment and further improved the resilience of its business model. You will remember that we launched the Group-wide MILESTONE programme at the end of 2009 to sustainably improve Swiss Life's efficiency and competitiveness. The facts and figures we are presenting today show we achieved this objective.

I would like to take this opportunity to pick out some results for special mention. Our CEO, Bruno Pfister, will then provide a more detailed account of the period under review.

In 2011, Swiss Life increased its net profit from 560 million to 606 million Swiss francs due to further operational improvements. This is an excellent result in view of the challenging market conditions. Swiss Life is growing in the strategically important business areas of Switzerland, France and Germany. We did particularly well in our home market of Switzerland with 6% growth. That is extremely positive and testament to the significance and appeal of our offering in the Swiss market, particularly for corporate clients. In 2011, Swiss Life posted an investment result of 3.8% thanks to its low-risk investment strategy and the high intrinsic value of its investment portfolio. That is an excellent performance, both in absolute terms and relative to our peer group.

I am pleased then that I can confirm to you my message from last year. Swiss Life has made further pleasing progress over recent years.

A lot of hard work lies behind our achievements.

I would therefore like to use this meeting as an opportunity to say a heartfelt thank you, personally and on behalf of the Board of Directors, to the Corporate Executive Board and to all Swiss Life's employees for the commitment they show for our Group on a day-to-day basis.

Ladies and gentlemen: One of the key roles of the Board of Directors is also to determine the company’s compensation policy. We set out our compensation policy in detail in the report on compensation, which forms part of the annual report. As in recent years we are again submitting the report on compensation separately for your vote under agenda item 1.2. I would now like to give you a brief overview of our compensation policy.

The Swiss Life Group's compensation policy underpins the corporate strategy. As an integral part of our HR policy, it aims to retain well-qualified employees and gain new, highly skilled staff. The overall compensation takes into account employees' professional skills, responsibility and personal performance. It is made up of the basic salary, a variable bonus based on achievement of the annual objectives and, if applicable, deferred compensation in cash and a long-term equity compensation plan. Contributions to occupational provisions and risk insurance come on top of that.

The salary is determined according to the employee's function and skill set, and is annually reassessed 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 salary components are linked to the strategic objectives of the Group and the individual divisions, and the associated financial and HR-related targets. 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, while the Nomination and Compensation Committee is responsible for putting forward appropriate proposals.

As a matter of new policy, the members of the Board of Directors are granted exclusively fixed compensation. This is paid 70% in cash and 30% in Swiss Life Holding shares with a three-year blocking period. This replaces the previous arrangements, whereby Board of Director members received variable compensation in the form of blocked shares, depending on the business results.

The Board of Directors also establishes the compensation policy guidelines and sets the level and distribution of the variable compensation pool for all employees as well as the compensation for members of the Corporate Executive Board on the basis of a proposal by the Nomination and Compensation Committee. The cash bonus for the financial year concerned is based on the corporate result for the Swiss Life Group and the actual performance of individuals and teams. The corporate result is measured on the basis of specific Group objectives. These include the annual profit, costs, business volume, return on equity and solvency. The profitability of in-force and new business, margin performance and the share of non-traditional products in new business are also taken into account.

At Corporate Executive Board level, 60% of the bonus depends directly on the company's success. 40% of the bonus is based on Corporate Executive Board members' achievement of specified personal goals, which in turn are linked to the company's success. In addition, the personal goals cover qualitative aspects, namely in relation to risk management and compliance, as well as requirements relating to leadership and to supporting and further developing the corporate culture.

The cash bonus is set at a maximum of 117% of the basic salary and requires that all objectives have been considerably exceeded. The level of the bonus is therefore explicitly limited from the outset in line with current best practice requirements. Within the framework of the compensation arrangements for members of the Corporate Executive Board, "deferred compensation in cash" was introduced 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. Adjustment and reclaiming mechanisms – so-called clawbacks – are provided for. These are applied if annual results have to be restated or personal misconduct results in a loss. Furthermore, the entitlements expire worthless if the employment relationship is terminated by a participant during the three-year deferral period.

A long-term compensation component is in place in the form of an equity compensation plan for members of the Corporate Executive Board and other key performers within the Swiss Life Group. Based on this plan, participants are granted future subscription rights to Swiss Life Holding shares in the form of Restricted Share Units, or RSUs for short. The attribution of this share-based compensation component is deferred for a period of three years from the date of allocation in the same way as the deferred compensation in cash. This plan also provides for adjustment and reclaiming mechanisms. If the employment relationship is terminated by a participant during the three-year deferral period, the future entitlements expire worthless.

I hope my explanation has given you a better understanding of the principles underlying our compensation arrangements. These differentiated arrangements represent a modern and appropriate compensation policy for the Swiss Life Group.

Ladies and gentlemen, I would like to conclude my comments on the 2011 financial year and the compensation policy with an aside which is close to my heart. I mentioned the extremely promising development of corporate client business in Switzerland. This trend is no coincidence. It shows customers want full insurance solutions for the second pillar, which in the Swiss pensions market can only be provided by private insurers.

Customers see Swiss Life as a safe haven and they have place their trust in our long-term solutions. This strong vote of confidence from our customers is the best possible recognition for a company such as Swiss Life. By contrast, in recent years many autonomous pension funds have shown themselves to be less secure and some are suffering from a shortfall – with all the associated disadvantages for employees and their employers. The tax payer will even have to make up the shortfall affecting some pension funds of public sector companies and administrations. And in the case of many companies, it's the staff who are called on to foot the bill when the pension fund needs to be restructured.

That can't happen with a full insurance solution. Our secure solutions thus make an important sociopolitical contribution to the stability of the pension system and underpin the successful SME landscape in Switzerland, which is something we need to protect.

Why am I saying all this?

The two fundamental crises of the past four years have shaken the whole global financial system and brought the national debt crisis out into the open. The financial services industry was hit hard. Seen from that perspective it seemed prudent and appropriate for regulators to increase the capitalisation requirements for banks and insurance companies. It is particularly important to keep a watchful eye on the insurance industry, since it has proven to be a stabilising influence for the entire financial system. We must also remember: insurers, especially life insurers, play an important sociopolitical role by protecting people against the risk of damage to property, accident, incapacity to work and longevity. The state would have to cover all these risks, were it not for the insurance industry.

Let us not forget that risks and financial gaps in social insurance systems don't cease to exist just because certain political circles want to push insurers out of the pensions market. The risks remain and it would be grossly negligent to ignore them. Following the internet crisis about ten years ago, the solvency regime was tightened for insurance companies too. This was good because it strengthened insurance in a sustainable way, which helped the sector withstand the recent crises. At Swiss Life we welcome the new solvency regime. The Swiss Solvency Test, or SST for short, is intended to better reflect economic reality than the old solvency method. In the final formulation of the SST we must maintain a sense of proportion and not lose sight of these economic realities.

It would be disastrous for Switzerland to go it alone. In our opinion it is imperative that the SST reflect the Solvency II standard applicable in Europe. Otherwise we could see unfair competition and huge disadvantages for life insurers in

Switzerland. I believe there will soon be a serious political debate on this subject. That's what is happening in other western European countries. The danger for the insurance industry is more than just a chorus of discontented insurance managers. There is a real danger. In the wake of the financial market crisis, Swiss insurers have been inundated with regulations, which could hinder us when competing with European providers. That cannot be good for our national economic interest.

We want to establish Swiss Life as a leading specialist for occupational and private pension provision, able to compete with the major providers in Europe. Our association with Switzerland is a source of strength in this regard. Other countries have always associated the Swiss cross with quality and reliability. That is a big plus for such a business as pension provision, which is based on trust. We should not jeopardise that.

In Switzerland alone, Swiss Life has over 2300 employees, insures more than two million clients in the second pillar, and is also the largest private property owner in the country. That is a major vote of confidence in us. We associate this vote of confidence with our mission and responsibility to commit ourselves to the provision of a healthy and sustainable pension system in our home market. We want future generations to also be able to reap the benefits of our achievements.

However, we are currently in danger of decoupling pension provision from economic and sociopolitical realities. Important parameters, such as the minimum interest rate and conversion rate are not set appropriately and consequently pose a burden for future generations. If we don't do something about this, our children and grandchildren will inherit a state of chaos. The facts and trends regarding pension provision are well known and all point in the same direction. You can find them in a number of reputable studies. Anyone who wants to know more about these facts and trends can easily do so. The different opinion holders and interest groups, however, have very differing ideas about the priorities and actual measures required to remedy the situation. There is nothing surprising about that.

For a start, the pensions debate is about the impairment in vested rights and, in addition, the problems in question are very long-term in nature. That means politicians can get away with putting this particular hot potato on the shelf and leaving it for their successors.

One key factor concerning pensions is demographic change, the impact of which is threefold. Firstly we are now facing a retirement boom: the last of the baby boomers will reach retirement age shortly before 2030. In most European countries, including Switzerland, the population pyramid is standing on its head as the proportion of the old and very old is growing rapidly. Secondly, birth rates are falling. Since the seventies the birth rate in Continental Europe and Japan has been far too low to ensure demographic stability. It is therefore unavoidable that the proportion of people of working age is falling markedly. Thirdly, pensioners are living longer. The current life expectancy for a 65-year-old man is another 19 years, for a woman of the same age it's even higher at 22, or 87 years of age! And it's continuing to rise. Since the introduction of social security (AHV) in 1948, the retirement age has lagged behind growing life expectancy. If the retirement age had been linked to life expectancy it would be over 70 now! These three developments are bringing about a dramatic change in the balance between the working population and pensioners.

If we don't manage to get our system ready in time to cope with these changes, we will fail despite all our good intentions. It will come to the point where lower pensions or a more flexible retirement age will not be sufficient. That's because our system will simply no longer be equipped to deliver adequate pensions. Therefore our politicians must act as a matter of urgency and adapt the operating framework to fit the reality. All of us in this country are faced with the obligation to find solutions to pension issues. I would argue against unjust redistribution and leaving the problem for future generations and working populations to deal with. To dismiss or water down these issues is socially reprehensible, unjust and unrealistic. At Swiss Life we want to become actively engaged and to contribute towards new solutions because we want to offer our customers a secure and predictable retirement. That's why we want to preserve full-coverage insurance within the occupational pension system.

The full insurance model has proven its worth. In today's and tomorrow's uncertain climate, SMEs have no wish or capability to assume longevity and capital market risks. As insurers we can take on those risks. Full-insurance solutions in the second pillar therefore make a valuable sociopolitical contribution to the stability of our pension system, especially to Switzerland's successful SME sector. That is why we will continue to work towards safeguarding the Swiss pension system over the long term, focusing on a strong second pillar in particular.

You, ladies and gentlemen, will see our positions on these issues time and again in the media and at various events. I hope my rather protracted aside has helped you to understand our motives.

Anyway, time to return to our daily business. 2012 will be the year for Swiss Life to prove itself. I expect the tough market conditions to persist into this year. Nevertheless, we are confident that Swiss Life can again achieve further operational gains this year and post another good result. Ladies and gentlemen, Swiss Life has good reason to be confident about the future. We have improved the resilience of our business model. We also have a highly committed workforce and over two million clients who place their trust in us. This is an excellent basis on which to further strengthen the positioning of our Group in the growing and highly competitive European pensions market.

Dear shareholders and honoured guests,  I would like to thank you all for the trust you place in Swiss Life and us. By coming here this afternoon you have once again proved your loyalty and appreciation.

Thank you.

And now I will hand over to Bruno Pfister.