

## **AGM 2018 / SPEECH PATRICK FROST**

(Check against delivery)

Dear shareholders

I would also like to welcome you to our 2018 Annual General Meeting.

I have very much looked forward to this day for a number of reasons, the main one naturally being the very good results we present to you today. And then of course, the Annual General Meeting is a good way of closing the entire annual reporting process. Following the analysts', investors' and media conference and the publication of the annual report, the Annual General Meeting is the climax before the first quarterly results in May mark the beginning of the new year's reporting. Thirdly, the AGM has always been an important event for me personally. That is when we report directly to you, the owners of our company, on the outcome of our work.

Ladies and gentlemen

2017 was a very successful year for Swiss Life, as emphatically shown by the higher profit from operations and major increase in net profit.

In our insurance business, we increased premium income – gross premiums, policy fees and deposits received – by 6% to CHF 18.6 billion in 2017, due to a modern and attractive product offering. And we didn't compromise on profitability in doing so. For example, we were very successful in France, where we increased both the volume and quality of new business, particularly in life business.

Our steering of new business and our price discipline again paid off. Overall we achieved a strong increase in the value of our new business: from 296 million in the previous year to 351 million, plus 18%. We are also very happy with our new business margin of 2.5%, which is well above our ambition of 1.5%.

The success of our fee business was central to the good results. In 2017, we achieved income in the region of 1.5 billion in this area. This was due to higher contributions from Swiss Life Asset Managers, our owned IFAs and our insurance business.

Our asset management for third parties again performed extremely well. With net new assets of 7.1 billion, Swiss Life Asset Managers has increased third-party assets under management to over 60 billion: an impressive 24% growth rate. This consistent growth shows the high level of acceptance and credibility enjoyed by Swiss Life as an investor and asset manager.

Property continues to play an important role in our investment business. It enables us to achieve long-term and sustainable returns to the benefit of our policyholders. We also have over one hundred years of experience in active property management to fall back on: we are targeting the further development and expansion of our portfolio. And that is paying off for us: rental income is an important pillar of our direct investment returns – not least due to our great success in marketing and renting out our properties: we managed again to reduce vacancies last year, both Group-wide and in Switzerland.

Our own discipline is an important reason for our success – as shown by two figures in our annual results. Our cost consciousness is one key factor: in spite of higher business volume, we kept our cost base stable and improved our Group-wide efficiency ratio in our insurance business by another 2 basis points to 0.56%.

We also show strong discipline in implementing our Group-wide programme. With a fee result of 442 million, we are already in our target range of 400 to 450 million, as committed to by the end of 2018. We are also ahead of schedule under "Swiss Life 2018" in value of new business and cash remittance to the holding company. We defended our risk result in a demanding environment and are in our target area. Last but not least, our return on equity and payout ratio are also in the target range.

In short, we are on or ahead of schedule across the board, which means we are optimally positioned to achieve or even exceed our stated financial goals.

Ladies and gentlemen

As you can tell: I am very satisfied with our business performance. Success makes us wonder whether we may not have shown enough ambition in setting our goals under the programme, or indeed whether we should set our sights higher.

I would say no in both instances: when we set and announced our goals in the autumn of 2015 for the current strategic period “Swiss Life 2018”, they were ambitious. And they remain ambitious today, since the market has hardly been supportive in recent years.

I’m not suggesting we rest on our laurels. We will stay true to our targets while showing strong motivation in our work and a lot of ambition as we continue to chart our successful course. For our job is a unique one. Swiss Life is one of very few companies in a position to accompany its customers over decades. That is not only extremely exciting. I also consider it a privilege – a privilege that motivates us all.

Take Hans Knecht from Uster as an example. Mr Knecht is 100 years old – and he has the oldest Swiss Life policy currently in force. It dates from 1918. I was able to visit Mr Knecht last year – as you can see:

[\(Film\)](#)

It makes me proud to see that we can be there for people on such a long-term basis. I am convinced that we will remain relevant to people in the next 100 years of our corporate history.

I believe the subject of pensions in general will grow in importance. People's need to practise self-determination by playing a bigger role in structuring their own pension provision will grow. Demography and dwindling state pension systems support my opinion. At Swiss Life, we want to act as a partner for our customers in this regard.

Personal advice remains as important as ever – and is one of our core competencies. New technologies will change that, but our personal proximity to customers will remain key in future. After all, the pensions business will still be people-based in the future.

The ambition to support people in shaping their self-determined life will remain central to our new plans, which we will present to the public in November of this year. We are currently working in all the divisions and Group-wide task forces on the design of the follow-up programme to “Swiss Life 2018”.

I can tell you one thing already: we won't reinvent ourselves. Our strategy has brought us success. Many of the key criteria established during that time will therefore remain relevant in the future. For example, fee business will remain key, as we aim to build resolutely on our successful growth in recent years. Our advisors and our third-party business will also be central to our strategy.

At the same time, we would of course also like to set new priorities. For example, we want to make further significant progress with the client interface.

We at Swiss Life can count on the considerable support of our employees for all these tasks and challenges facing us now and in the future. Ultimately, it's always people who make the difference and the business world is no different in that regard. I was therefore very pleased to again see such positive feedback to our Group-wide employee survey last autumn: our employees stand behind our ambitions and show great engagement in their work – Swiss Life achieved excellent results, including by international comparison, on that front. We want to continue to build on this culture and offer our employees an environment that not only motivates and inspires but also allows them to enjoy their everyday work.

We keep reading in studies how much the younger generations will change the working world. For example, the meaningfulness of work is growing ever more important to people. We at Swiss Life are in an excellent position in that regard: our products and services meet a fundamental human need, for self-determination and financial confidence. That's why we want to involve Swiss Life in social debates now and in the future: whether discussing sustainable pension provision that is fair to all the generations, the social and economic consequences of demographic development or the central role of insurance companies to people's financial confidence.

Insurance enables companies and individuals to take risks without having to jeopardise their entire professional or private existence, thus encouraging innovation and investment. It helps accumulate capital and finance corporate ventures and real estate. It also provides financial security for people in retirement, especially in old age.

Dear shareholders

Swiss Life supports people in living self-determined lives. It is an individual path in many respects. However, when it comes to financial security and covering risks, needs and demands are similar. That offers Swiss Life many chances and opportunities to develop successfully as a company.

I am convinced that we at Swiss Life are well positioned to endure and grow in this market. On behalf of all my colleagues at Swiss Life, I would like to thank you for your confidence in us and I would be glad if you were to stay with us as we continue on our course in the coming years.

Thank you very much, I will now hand back to Rolf Dörig.