AGM 2018 / SPEECH ROLF DÖRIG

(Check against delivery)

Dear shareholders

Thank you for accepting our invitation and providing us with the opportunity to report to you on the 2017 financial year. We greatly value your confidence and interest.

In 2017, Swiss Life continued its success of previous years and again achieved a strong result. I would like to focus on a few key figures from the financial statements – after that Patrick Frost will provide a more detailed account of our performance.

Swiss Life achieved further progress in 2017 and increased profit from operations by 5% to CHF 1.5 billion. Net profit rose by 9% to over CHF 1 billion. All the divisions in our Group achieved positive development during the reporting year. That shows that we are working in the right areas at Swiss Life and implementing our plans consistently.

Another pleasing sign of continuity is the growth of our fee business, i.e. fees and commissions: earnings increased by 8% to CHF 1.5 billion and the result was 11% over the previous year at CHF 442 million. That means we have achieved one of our goals under the Group-wide programme "Swiss Life 2018" one year ahead of schedule.

We are also ahead of our "Swiss Life 2018" goals in terms of new business growth and cash remittance to the holding company. Moreover, efficiency and return on equity are also on track at 9.3% at the end of 2017. The successful 2017 financial year will of course also benefit you, our shareholders. Our business success allows us to propose to you today a dividend increase to CHF 13.50 per share. It will again be in the form of a withholding tax-free distribution from the capital contribution reserve. You will decide on that later.

As you are aware, Swiss Life has given you the opportunity since 2009 to vote separately on the compensation report. It is included under agenda item 1.2 today. This is an advisory vote. Nonetheless, the outcome is significant for the Board of Directors in assessing and forming future remuneration. You can find the full compensation report on pages 49 to 66 of the annual report and on the Internet under swisslife.com. Moreover, the General Meeting must approve compensation for the Board of Directors and the Corporate Executive Board pursuant to the articles of association. We address the corresponding proposals under agenda item 4.

Ladies and gentlemen

Our successes of recent years didn't just happen by themselves. Especially given that we achieved them in what was an extremely demanding market environment for financial services providers. When the National Bank decided three years ago to abandon the minimum exchange rate against the euro and again lower the key interest rate, it posed an additional burden. The low interest rate environment remains extremely challenging for financial services providers like Swiss Life.

Seen in this light, the 2017 results reward our consistency yet more generously and show that Swiss Life is on the right strategic path and well equipped to face the additional challenges of our time. These challenges definitely include our approach to digitalisation and technological progress.

I have no doubt that they are synonymous with progress, since I see the new technologies as an opportunity. New technologies have always enabled economic growth by increasing productivity and lowering costs. New technologies also make it possible to work differently and create different structures – and ultimately to advance society as a whole.

New technologies and the application thereof will also help us cushion the numerous challenges arising from demographic change. Moreover, they will assist us in providing new offers to our customers and in initiating and maintaining contact with them.

However, at the same time we must be aware that digitalisation is socially and societally explosive. New technologies will create winners and losers. The direct winners will be those who have the requisite knowledge and an adequate level of education. The losers will tend to be those who didn't grow up with the new technologies and have difficulty retraining.

This is sociopolitical dynamite and an economic and political mandate at the same time: we must all face up to this situation sooner rather than later, so that society does not lose its cohesion. Amongst all this euphoria over technological progress, all of us – not only the political and business community – must never forget: technology must not be an end in itself. Technology must always serve people – not the other way round.

The economy and society would be well advised to anticipate these challenges early and to take the initiative in addressing them. Social unrest mainly increases the danger of more state regulation and intervention. This would lead to worse economic operating conditions or even restrictions on digital channels, offers and working methods. This could result in a vicious circle.

We have seen for many years through capital requirements how burdensome excessive regulation can be. Although insurers were never in danger, they were still treated as if they were liable along with the banks following the 2008/2009 financial crisis. Now life insurers have to hold disproportionately more risk capital (under the Swiss Solvency Test) than their competitors in Europe under Solvency II.

This is particularly hard for group life business – in other words the many Swiss SMEs and their employees. Today there are about 150 000 SMEs under full insurance in the 2nd pillar. If the full insurance offered by life insurers no longer makes business sense, SMEs will have to manage the risks under the 2nd pillar by themselves and they will no longer be able to choose from a range of models and providers to select the optimal pension solution for them.

This doesn't just affect the SME sector and working Switzerland, but also in particular the approximately 1 million BVG insured persons who want to be able to rely on life insurers' guarantees in the future. Moreover, excessive capital requirements weaken the Swiss insurance industry and the entire financial centre. They unnecessarily threaten the competitiveness of a perfectly healthy industry, which employs about 50 000 people in Switzerland and generates some CHF 30 billion a year. That equates to just under 5% of Swiss GDP – which is similar to the banking sector.

Let me be clear in conclusion: if the supervisory authorities and politicians begin unnecessarily restricting the strategic and operational freedom of individual companies, this will drastically worsen those companies' future prospects. Appropriate capital requirements are important to the Swiss SME sector and ultimately benefit the policyholders.

Dear shareholders

Companies contribute to societal development. That includes corporate responsibility and making an active contribution to resolving social issues. It is therefore highly relevant how the economy and its achievements are assessed by people. Ultimately we as a company work with and for people – there is no other purpose for our existence.

This maxim also applies to Swiss Life. Through our services we support people to live a self-determined life with financial confidence. Our employees at Swiss Life work daily towards this value proposition so we can meet our social mandate to offer guarantees and promises across entire generations within the framework of our Swiss 3-pillar system, now and in the future.

I would therefore like to thank all the Swiss Life employees on behalf of the entire Board of Directors for the strong engagement they show every day. A special thank you also goes to the Corporate Executive Board under the leadership of Patrick Frost, which applies considerable prudence combined with the necessary consistency to keep our company on course.

Finally, I would like to thank you, ladies and gentlemen, on behalf of the Board of Directors, Corporate Executive Board and our employees, for your confidence. It is your capital that enables us to fulfil such an important role for society.

On that note, I will hand over to Patrick Frost. Thank you.