Dear shareholders

I have looked forward greatly to this day, all the more so as we can report very solid business figures from last year, thus again demonstrating the excellent performance of Swiss Life. Last year, we either achieved or exceeded all the financial goals of our Group-wide programme Swiss Life 2015, which we launched in 2012.

Patrick Frost will of course provide you with a more detailed account of the 2015 results in his speech. What I would like to do is touch on the bigger picture: To me the past financial year, which was another successful one, was no accident. It was the outcome of years of disciplined work at all levels of the company.

Allow me to revisit the past briefly: Swiss Life has continually increased its operational effectiveness over the past ten years. Not even the financial crisis, which we experienced in 2008 and the ensuing period, could throw us off course. Swiss Life consistently made a profit throughout those years – even when investors and shareholders had to absorb a setback in the region of 1 billion Swiss francs in 2008 due to guarantees in Swiss corporate client business. In the past ten years, we have succeeded in consistently increasing our margins or at least maintaining them in an extremely challenging low interest rate environment. Our investment policy and highly successful asset and liability management played a fundamental part in that achievement. No less important was our cost discipline:

We have managed to reduce our cost base by over a quarter since 2008, equivalent to about 600 million francs – in spite of investment, growth and the expansion of our fee and commission business, which is a particularly important business area for us. We can reduce our dependency on the savings result and, by the same token, on the financial markets by developing our fee and commission income. And in the midst of all that, something we can't value highly enough is the level of confidence we feel from our customers and employees. That gives me confidence for our future.

Even if recent years have seen us make consistent progress – these successes were not just given to us, especially considering the low and even negative interest rate levels. Nor was it necessarily to be expected that Standard & Poor's would improve our rating from A- to A as they did in May last year. Moreover, this was achieved during a period in which only a few life insurers worldwide achieved an upgrade. We also see Swiss Life's return to the Swiss Market Index of the 20 largest Swiss companies in March as further confirmation of our consistency.

Our successes in recent years have given us more entrepreneurial freedom. As a result, I can propose to you a dividend increase from CHF 6.50 to CHF 8.50, again in the form of a withholding tax-free distribution from the capital contribution reserve. You will decide on that later.

Dear shareholders

As regards our salary policy over the past financial year, I would like to refer to the detailed compensation report, which you can find on pages 51 to 68 of the Annual Report or at swisslife.com.

Swiss Life has given its shareholders the opportunity to vote separately on the compensation report since 2009 and this year is no different, as you can see from agenda item 1.2. This is an advisory vote. The outcome of the vote is nonetheless significant for the Board of Directors when evaluating and structuring compensation.

Moreover, the General Meeting has to approve both the Board of Directors and Corporate Executive Board compensation pursuant to the articles of association. Under agenda item 4.1, you can see the proposed fixed compensation for the Board of Directors until the next General Meeting. Agenda items 4.2 and 4.3 apply to the compensation for the Corporate Executive Board. Under 4.2 the General Meeting can rule retrospectively on the short-term variable compensation of the Corporate Executive Board as a bonus for the past financial year. Under 4.3 the General Meeting can approve the prospective maximum level of fixed compensation and long-term variable compensation components for the 2017 financial year.

The Board of Directors' proposals for agenda items 4.1 – 4.3 are outlined in detail in Annex 2 to the invitation for today's General Meeting. I will come back to those items in due course.

Ladies and gentlemen

The nature of our business at Swiss Life is long term. We have to be able to fulfil the promises we make today in 30, 40 or even 50 years. Given the uncertainty on the financial markets and the ongoing challenges in the social and political arenas, that is a tall order.

The long term is a challenge for our company and, at the same time, an opportunity to stand out. Only life insurers can guarantee benefits over decades. That has been our business for over 150 years and it is based on our investment strategy. How does Swiss Life invest 185 billion francs of customers' funds entrusted to us?

We have oriented our investment portfolio over many years in such a way that we have achieved very stable investment returns in spite of rock-bottom interest rates of below 0%. For example, while returns on 10-year Swiss or German government bonds keep falling, our investment returns remain robust. That is partly because we have a very long average investment duration, so we are still profiting from the high coupons on bonds we bought many years ago. Moreover, our asset management has hardly experienced any defaults of its fixed-interest investments in a long time.

Today capital efficiency is another important driver of investment allocation, in addition to expected returns. Whether it is worth investing in an asset class depends directly on the regulatory capital requirement.

That brings me to a central theme and it is not the first time I have brought this up at a General Meeting. However, it is something we need to keep revisiting in the interests of our country. I am referring to proportionate regulation.

The attractiveness and the long-term success of a business location is defined by the way it is regulated. Following the financial crisis in 2008, this issue became more topical, especially as the Financial Market Supervisory Authority FINMA became very assertive in expanding its powers. This assertiveness was not restricted to the banks, which were responsible for the turbulence in 2008 and near-collapse of the financial system. The insurance sector was also immediately placed under scrutiny.

In other words, the supervisory authority made no allowance for the fact that the insurance industry's existence had never been in jeopardy. In its regulatory zeal, FINMA imposed a solvency regime on Swiss life insurers, which requires about 50-100% more risk-bearing capital than for the rest of Europe and its insurers. The fact that the Swiss insurance industry is in excellent shape doesn't seem to matter.

The irony of it all is that the banks are now regulated in such a way that they don't really have any competitive disadvantages relative to their foreign counterparts. Insurers, on the other hand, having managed the crisis extremely well, have been saddled with a higher solvency regime than their competitors on the international stage.

That is also bad for the Swiss economy in two ways:

First of all there will be less incentive for a European insurer to conduct its business from Switzerland.

Secondly, it jeopardises the guaranteed full insurance solution for SMEs and pension funds. There is a risk that Swiss insurers will no longer be able to cover their capital costs for full insurance due to the unnecessarily high capital requirements, or that the price for guaranteed solutions would become excessive for SMEs and pension funds. If insurers were to be forced or "regulated" out of this business, those risks wouldn't just disappear from the economy. The risks will still be there. They would simply be transferred on to the tens of thousands of SMEs and their staff: In other words, those who made a conscious decision to obtain a long-term and reliable full insurance solution.

Ladies and gentlemen

While regulation is necessary, excessive regulation is harmful. Regulation that distorts competition is deadly. Is that what we want for our country? I'll let you answer that.

One thing we do know is that the Swiss insurance industry is one of the best in the world, with its well-qualified employees and innovativeness, and it is one of the mainstays of our economy. This is a position we can build on – not least for the benefit of our business community – instead of going backwards.

Why is insurance so important for our country?

Let me share some facts with you:

- Insurance is a driving force for the Swiss economy
    - It provides employment for about 50 000 people and training for 2000 young people; it also offers attractive employment opportunities
    - In terms of value creation, Swiss insurers are a major and significant sector of the Swiss economy
    - Insurance companies are at the forefront in terms of productivity
    - Insurance and insurance-related services add value in excess of 26 billion francs, which makes them a central component of the Swiss economy
    - Insurers have a convincing track record, particularly in recent years as both the life and property and casualty sectors have grown

In fact, I would even go so far as to say that the health of the economy depends on insurance. Throughout the economy, it is insurance that provides the markets with the liquidity they need, thus playing a crucial role in the stability of our financial system. Insurers also fulfil a vital function for Swiss companies by paying benefits in the event of a loss. These benefits don't just protect individuals from social poverty or companies from ruin, they also contribute to attaining higher added value. It also means our SME clients can focus on their work and don't need to bother with risks, which jeopardise their employees' pension benefits.

Moreover, insurers pay a lot of tax, they finance apartment construction and provide mortgage loans. As a long-term investor, we are a key contributor to the stability of the financial centre and our economy.

Our country must therefore have a strong interest in developing the position of the fundamentally healthy insurance industry. However, I am sorry to say that the current regulatory frenzy leads us to the opposite conclusion.

I am sure you can understand, therefore, why we continue to campaign for proportionate regulation and for operating conditions that don't recklessly place us at a disadvantage in the international arena.

Ladies and gentlemen

Let us now return to our company. Swiss Life is on a strong footing. Our success is based on a proven business model, the ability of our employees and the confidence of our customers. That is why the new Group-wide programme Swiss Life 2018 is based on continuity. We want to continue our success of recent years and we will keep developing our business model so that we improve the quality of our earnings and generate still more cash flow so we can increase our payout capacity further.

We will also invest in new business areas, digitalisation and quality of advice. We on the Board of Directors and Corporate Executive Board will work with our employees and do all we can to make Swiss Life an even more effective and valuable company.

On that note I will hand over to Patrick Frost our Group CEO.

Thank you for your attention.

(Speech Patrick Frost)