

AGM 2019/ SPEECH PATRICK FROST

(Check against delivery)

Dear shareholders

It is my privilege to give you an in-depth look at the results achieved by Swiss Life for the 2018 financial year. And of course I would also like to take the opportunity to tell you about our new plans for the coming three years.

So, first things first.

For Swiss Life, 2018 was an eventful and successful year in many regards.

With a net profit of 1.08 billion francs, we are once again able to present a strong annual result. The fee result, 8% higher than the previous year at 488 million, is also pleasing. The risk result, meanwhile, rose by 4% to 410 million. The value of new business was 386 million, thanks mainly to our Swiss and French insurance business – plus CHF 35 million over 2017. This resulted in a cumulative total over the last three years of more than a billion francs in value of new business. In this regard we have exceeded the targets of the maturing Group-wide program. The same goes for our targets for the fee and risk results.

We managed to keep operating expenses stable in the insurance divisions – while at the same time reducing our corresponding efficiency ratios in all units. We are also proud of the fact that we were again able to increase the cash remittance to the holding company in 2018 - to 696 million. This results in a cumulative total over the last three years of CHF 1.9 billion – another result that clearly outstrips our ambition under Swiss Life 2018.

Overall we can say of the past three years that we managed to increase our profitability and the quality of our earnings beyond what we had planned in 2015. Meanwhile, our discipline kept Swiss Life on course as regards financial strength. Thus Swiss Life estimates its SST ratio at above 180% as of 1 January 2019, based on the new regulatory solvency model.

Swiss Life's success is also palpable in the increased dividend: as you have already heard from Rolf Dörig – the Board of Directors will propose a dividend to the General Meeting of CHF 16.50 per share for the 2018 financial year – more than double that of 2014.

It was a special day when we announced our annual results to the analysts and media not long ago, and not only on account of our success. It was also the last time that our financial statements were presented by our longstanding Group CFO, Thomas Buess. I cannot stress enough how Thomas Buess, with his wealth of experience and entrepreneurial flair, deserves a great deal of credit for our continuous improvement and the enhancement of our image in

the market since he took up the position in 2009. Thomas Buess has modernised the CFO area and, together with his teams, ensured that Swiss Life enjoys top financial health. That is how we have been able to significantly increase financial market confidence in Swiss Life in recent years. In short, Thomas has done an outstanding job and I thank you very much indeed, Thomas.

Matthias Aellig, Mr Buess's successor, sits with us up here today for the first time in his role as Group CFO. I am very much looking forward to working with you, Matthias.

Ladies and gentlemen

As mentioned already, the solid figures for our 2018 financial year also testify to the extremely successful completion of our "Swiss Life 2018" Group-wide program. In this regard, allow me to further emphasize the following aspects:

- We achieved all of the Swiss Life 2018 targets, and exceeded most of them
- We can be particularly proud of the striking expansion of our fee business – across all areas: end-customer distribution, third-party asset management and unit-linked business in France, for example.
- We have resoundingly proven our competence as asset managers for long-term investments and, despite continuing low interest rates, generated attractive returns for our customers.
- We have improved the quality of our earnings with new products and services.
- In addition, we have found an intelligent way to use the opportunities afforded by digitalisation to make progress in our processes and in our customer interfaces. And although we are far from exhausting our potential in this area, it has helped us generate added value for our customers, to further improve our efficiency and to keep our costs stable. Our ability to innovate will also be of decisive importance in the future.
- And, last but not least, Swiss Life employees are entirely on side. Their engagement and support for our strategic thrust are extremely pleasing. That makes us an incredibly strong company – especially in comparison with financial industry peers.

I am very proud that we have written yet another chapter in our success story of recent years with "Swiss Life 2018". This means that, since 2009, we have managed to successfully complete three Group-wide programmes in a row. Not many companies are able to do that. The development of our share price and the comments and evaluations of investors, analysts, the media and our customers are further testimony to this success.

We received confirmation in mid-April of this year from the Standard & Poors rating agency, which acknowledged Swiss Life's sustainable, robust capital and earnings power and raised our rating to "A+" with stable outlook. The agency offered two main reasons for the upgrade:

- Thanks to the growth of its business and the diversification of its fee income from asset management and other sources, Swiss Life has been able to continue its track record of high profits.
- Swiss Life has fortified its solid equity base, reduced the volatility of its capital and profits and provided evidence of strong Group-wide risk management.

The rating upgrade is further confirmation of the correctness of our strategic orientation and the consistency with which we implement our plans.

Ladies and gentlemen

Overall, we are extraordinarily well positioned for the three years to come. We want to continue on our path.

Driven by our purpose, we have set ourselves ambitious goals once again for the coming three years.

At the same time, Swiss Life 2021, our new Group-wide program, remains focused on our traditional targets:

- First: increasing the quality and amount of our earnings
- Second: making further operational progress
- And third: further strengthening our financial strength and generating cash to pay out an attractive dividend

There are good reasons for this continuity. Over the past ten years, we at Swiss Life have defined rock-solid objectives that have allowed us to successfully orient our work and measure and demonstrate our performance. These objectives are no less valid today – quite the contrary.

If you examine the documents from our Investor Day, however, you will notice that we do indeed aim to set new priorities in our work.

Our four strategic thrusts all have one thing in common. We would like to make Swiss Life a company that acts with even greater customer centricity. That begins with our aiming to systematically acquire new customer segments, and to retain existing ones. Building on this, we will offer our customers appreciable added value:

- with outstanding advisory quality,
- with strong product solutions and
- with a modern infrastructure.

It goes without saying that, in so doing, we keep a steady eye on the productivity of our operations, not least for our customers and advisors.

At the same time, it is our constant ambition to act responsibly – as an employer and to society and the environment.

And for me, one thing remains constant: we want Swiss Life to be a company that always puts people first. This applies to digitalisation. Being there for people, offering them the right provisions solutions and advisory services at the right time – that is our goal. As a company we work with and for people. That is our *raison d'être*. Staying true to that thought will make us strong.

Consequently, digitalisation at Swiss Life means that we aim to use technical potential to continue to develop our business model in a way that puts people first. After all, one of our core competencies is consulting. With a total of around 14 000 advisors we are in an excellent position to stand out from the competition thanks to a technology-supported advisory model that focuses on people.

Naturally, our efforts in the three years to come will need to produce results.

As in years past we will continue to depend on solid growth in our fee business. We are aiming at a fee result of CHF 600 to 650 million for 2021. That is some 50% more than in the previous Group-wide program, Swiss Life 2018.

Over the next three years we will also significantly grow the value of our new business, where we have set ourselves a cumulative target of 1.2 billion francs, or 60% more than in the previous program.

And of course we also want to increase our risk result. We have also set new objectives for efficiency and capital management. Thus for instance we aim to distribute 50-60% of our previous year's profit to our shareholders in the form of a dividend. To achieve this target, it

will be necessary to transfer a cumulative total of 2 to 2.25 billion francs over the next three years from the internal operational companies to Swiss Life Holding.

Anyone familiar with our industry and the current market environment knows that such targets will demand a lot of us. But I have no fear. After all, I know what strength and energy we can bring to implementing our aims at Swiss Life. I am greatly looking forward to embarking on this journey with Swiss Life employees over the three years to come.

Dear shareholders

In closing, allow me to say a word on a subject that will become still more central at Swiss Life during the next three years.

I am talking about our purpose. We enable people to lead a self-determined life. Our purpose is certainly more than an advertising tag line – it is the core of our business, and summarizes what matters to Swiss Life day in, day out. And that is relevant to society as well. The demographic trend is widely underestimated. If people continue to live longer and state systems continue to experience difficulties, then every one of us will be increasingly called upon to take on more responsibility for our own provisions.

Against this backdrop, our work at Swiss Life will grow in significance. In view of these developments, provisions, both pension solutions and consulting, are a growth market. Because people have a strong need to shape their lives in self-determination – and we can help them do it.

Our studies and the results of our market research show that 89% of those surveyed view independence and self-determination as basic components of their longer life. But these studies also demonstrate that people find provisions a stressful topic. For instance, 42% are afraid that they will not have sufficient financial resources to enjoy their desired standard of living in old age.

That is what is preoccupying people. And most of them are aware that their financial security is largely up to them. And yet younger people in particular are at a loss when it comes to addressing the issue. This challenges us to address these concerns even more closely, especially when it comes to the younger generations. It also presents us with an opportunity.

Taking control of one's own life is a basic human need. It is the basis of our mandate. It shows the role we wish to play in the lives of our customers, as well as in society. In the years to come we will be systematically positioning ourselves with our purpose. That is why it is a part of Swiss Life 2021. We see it as a chance to differentiate ourselves and exploit corresponding market growth opportunities.

Ladies and gentlemen

Our ambitious plans for the coming three years depend on our confidence in the extreme robustness of our business model. With our products and services we will continue to make gains in future on a pensions market that is growing in line with the demographic trend. Our capacity for implementation, our financial strength and our outstanding employees will make it possible for Swiss Life to remain on a profitable growth course.

Thank you for your attention.

And now back to you, Rolf.