

Letter to Shareholders

Financial Year 2018

Ladies and gentlemen,



Patrick Frost and Rolf Dörig

A wide range of issues moved people in 2018 – especially in Europe, our main area of activity at Swiss Life. The EU's quest for identity, sustainability matters in conjunction with climate change, the migration issue, discussions of political direction in the French and German markets, so critical for us, as well as the rapid pace of change in the working world due to digitalisation: all of these topics shaped the public debate.

In Switzerland, meanwhile, the main subject of discussion was the viability of our pension systems. The reason is obvious: people are living ever longer, and the systems are failing to keep pace. The brunt is borne by the younger generations, who must pay for the flaws. The politicians are still far from being able to present us with sustainable solutions for our pension system. Solutions palatable to the majority of the population.

Whatever the economic or socio-political climate, however – our chief duty at Swiss Life is sustainable success. For our customers, for our employees and for our investors. At Swiss Life we offer security and solutions that last for decades, even in turbulent times. And we've been doing it for over 160 years.

Economic success ensures us our role in society. What we achieved as a group in 2018 makes us proud. Two key figures provide resounding proof of that: for one there is net profit, which we were able to increase year on year by 7% to CHF 1080 million. Then there is the development of our fee business: the 2014 fee result of CHF 269 million had grown to CHF 488 million by the end of 2018 – an increase of over 80%.

Swiss Life is in excellent shape. We have achieved all of the objectives we set ourselves in our last Group-wide programme, "Swiss Life 2018"; indeed, in many cases we even exceeded them. This means that, since 2009, we have managed to successfully complete three Group-wide programmes in a row. Our financial strength has been growing every year. We have also flourished in an area in which we have been able to leverage one of our core competencies: witness the excellent work we have been doing with long-term investments. Despite persistently low interest rates, we have managed to generate returns for our customers the equal of any benchmark. Our growth in third-party investment management also testifies to our strong performance, as we have doubled assets in this business area since 2014, from CHF 33.7 billion to CHF 71.2 billion.

Our successes have allowed the Board of Directors to propose a dividend of CHF 16.50 per share for the 2018 financial year at the Annual General Meeting – a dividend payout ratio more than double that of 2014.

Success can never be taken for granted and depends to a degree on the general operating conditions. Last year, as the capital requirements for full insurance were considered excessive by its globally active parent company, another competitor withdrew from the full insurance business in Switzerland. It was a wake-up call for the Swiss insurance sector.

At Swiss Life we continue to offer full insurance solutions and to strongly support our time-tested three-pillar system, and are accordingly opposed to a Swiss Solvency Test for life insurance companies, which not only disadvantages us in the provision of pension solutions on the international market but also gives our customers less choice. Disproportionate regulation means an unnecessary threat to the pension assets of many SME employees. Any other second pillar solution makes employees and employers bear the investment risk, which is why the offer of guarantees, that only life insurance companies provide in the second pillar, is of such fundamental importance to our country's small and micro enterprises most of all.

Solidity and continuity become more important in times of great change. At Swiss Life we live by that maxim: our ambitious plans for the coming three years depend on our confidence in the extreme robustness of our business model. Our capacity for implementation, financial strength and outstanding employees provide the ideal basis for us to write yet another successful chapter in the Swiss Life story.

We thank you kindly, dear shareholders, for your confidence and support, and look forward to continuing to enjoy your company and interest in years to come.



Rolf Dörig
Chairman of the Board of Directors



Patrick Frost
CEO

Historical comparison

Swiss Life Group

In CHF million (if not stated otherwise)

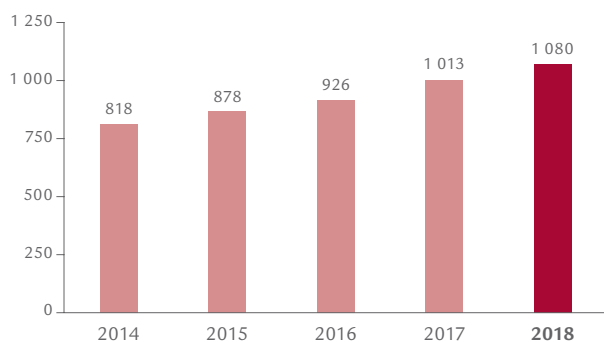
	2018	2017	2016	2015	2014
PREMIUM VOLUME					
Gross written premiums, policy fees and deposits received	19 218	18 565	17 366	18 853	19 102
FIGURES FROM CONSOLIDATED STATEMENT OF INCOME					
Net earned premiums	13 157	12 791	13 228	13 771	13 776
Fee and commission income	1 615	1 469	1 351	1 292	1 305
Financial result	5 003	4 395	5 062	5 281	5 361
TOTAL INCOME	20 062	18 769	19 784¹	20 555	20 474
Net insurance benefits and claims	-13 961	-13 189	-14 064	-15 516	-15 218
Policyholder participation	-1 155	-949	-1 325	-899	-1 146
Operating expense	-3 268	-2 842	-2 764 ¹	-2 649	-2 735
TOTAL EXPENSE	-18 527	-17 292	-18 393¹	-19 226	-19 304
PROFIT FROM OPERATIONS	1 534	1 476	1 391¹	1 329	1 169
NET PROFIT	1 080	1 013	926	878	818
Net profit attributable to					
Equity holders of Swiss Life Holding	1 076	1 007	922	872	814
Non-controlling interests	4	6	4	6	4
FIGURES FROM CONSOLIDATED BALANCE SHEET					
Equity	15 034	15 583	13 739	12 258	12 831
Insurance reserves	170 048	171 649	159 899	154 953	156 684
Total assets	212 982	212 800	199 731	189 252	192 854
FURTHER KEY FIGURES					
Return on equity (in %) ²	9.1	9.3	9.6	9.7	9.6
Assets under control	277 040	269 255	243 255	223 411	224 593
Value of new business	386	351	296	268	255
Number of employees (full-time equivalents)	8 624	7 979	7 801	7 595	7 492

¹ adjusted

² equity excl. unrealised gains/losses on bonds

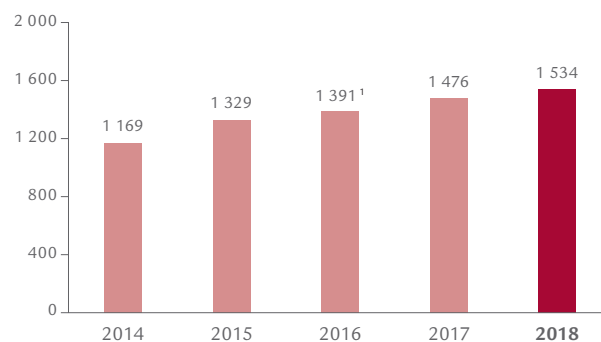
Net profit

In CHF million



Profit from operations

In CHF million



¹ adjusted

Share performance

Amounts in CHF

	as at 2018	2018	2017	2016	2015	2014
Number of shares	31.12.	34 223 106	34 223 106	32 081 201	32 081 054	32 081 054
Annual high	03.12.	395.90	363.50	290.30	272.90	238.90
Annual low	09.02.	328.10	292.40	211.50	201.80	185.70
Year-end price	28.12.	378.60	345.00	288.20	271.30	236.40
Performance of Swiss Life (in %)		+10	+20	+6	+15	+28
Swiss Market Index (SMI)	28.12.	8 429	9 382	8 220	8 818	8 983
Performance of Swiss Market Index (SMI) (in %)		-10	+14	-7	-2	+10
Dow Jones STOXX 600 Insurance Index (in EUR)	31.12.	259.40	288.35	269.66	285.56	250.55
Performance of Dow Jones STOXX 600 Insurance Index (in %)		-10	+7	-6	+14	+10
Average trading volume		177 519	144 983	158 405	142 838	121 462
Market capitalisation (in CHF million)	28.12.	12 957	11 807	9 246	8 704	7 584
Basic earnings per share		31.58	30.98	28.92	27.41	25.52
Diluted earnings per share		31.49	29.63	27.27	25.85	24.11
Dividend paid per share ¹	30.04.	13.50	11.00	8.50	6.50	5.50
Total dividend payout to shareholders (in CHF million)	30.04.	460	356	271	207	176
Dividend yield on year-end price (in %)	28.12.	3.57	3.19	2.95	2.40	2.33

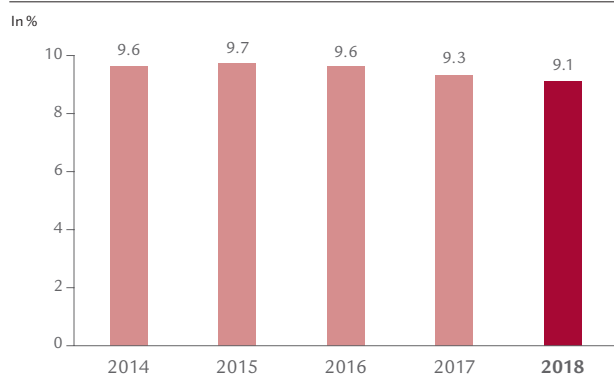
Source: Bloomberg

¹ For the 2018 financial year, the Board of Directors proposes a distribution of CHF 16.50 per share, CHF 14.00 as dividend and CHF 2.50 from the capital contribution reserves.

Swiss Life share details

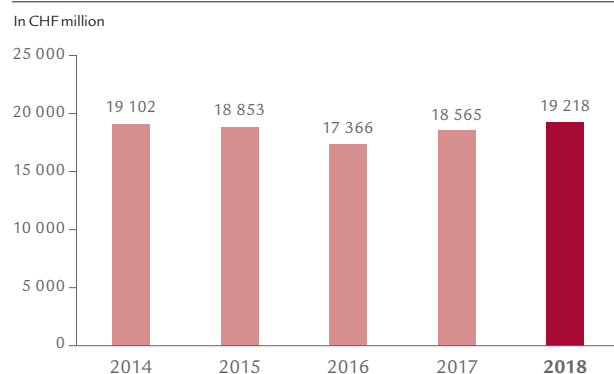
Swiss security number	1 485 278
ISIN	CH 001 485 278 1
Ticker symbol SIX	SLHN
Reuters	SLHN.S
Bloomberg	SLHN SW

Return on equity¹



¹ equity excl. unrealised gains/losses on bonds

Gross written premiums, policy fees and deposits received

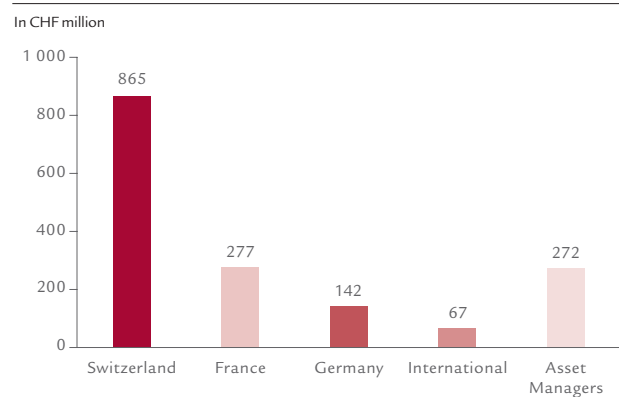


Key figures segments

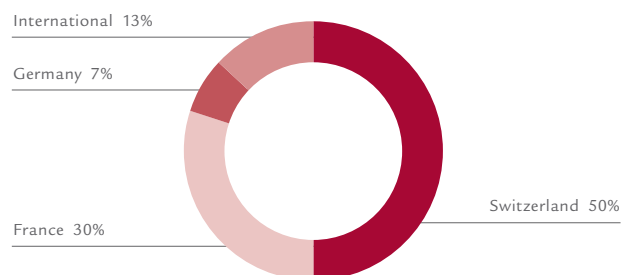
In CHF million

	2018	2017	+/-
SWITZERLAND			
Gross written premiums, policy fees and deposits received	9 525	9 290	3%
Fee and commission income	247	230	7%
Segment result	865	829	4%
FRANCE			
Gross written premiums, policy fees and deposits received	5 859	5 310	10%
Fee and commission income	310	302	3%
Segment result	277	261	6%
GERMANY			
Gross written premiums, policy fees and deposits received	1 395	1 313	6%
Fee and commission income	456	400	14%
Segment result	142	153	-7%
INTERNATIONAL			
Gross written premiums, policy fees and deposits received	2 459	2 674	-8%
Fee and commission income	260	225	16%
Segment result	67	51	32%
ASSET MANAGERS			
Fee and commission income	697	645	8%
Segment result	272	258	5%
OTHER			
Fee and commission income	6	5	2%
Segment result	-6	-7	11%

Segment results



Gross written premiums, policy fees and deposits received by segment



Important dates**Annual General Meeting 2019**

30 April 2019, Hallenstadion Zurich

Half-year Results 2019

13 August 2019

Interim Statement Q1 2019

9 May 2019

Interim Statement Q3 2019

6 November 2019

Contacts

Swiss Life

General-Guisan-Quai 40

P.O. Box 2831

CH-8022 Zurich

Tel. +41 43 284 33 11

www.swisslife.com

Investor Relations

Tel. +41 43 284 52 76

Fax +41 43 284 44 41

investor.relations@swisslife.ch

Shareholder Services

Tel. +41 43 284 61 10

Fax +41 43 284 61 66

shareholder.services@swisslife.ch

Media Relations

Tel. +41 43 284 77 77

Fax +41 43 284 48 84

media.relations@swisslife.ch

This **Letter to Shareholders** is also available in German, French and Italian.

The German text is definitive.

Annual Report 2018

The Annual Report 2018 can be found at: www.swisslife.com/ar2018

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain projections or other forward-looking statements related to Swiss Life that are subject to known and unknown risks, uncertainties and other important factors. The reader should be aware that these statements are only projections which could differ materially from the actual results, financial situation, development, performance or expectations and that therefore no undue reliance should be placed on such forward-looking statements. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document. All forward-looking statements are based on the data available to Swiss Life at the time the present document was compiled. Unless otherwise required by applicable law, Swiss Life assumes no responsibility to publicly update or alter its forward-looking statements or to adapt them, whether as a result of new information, future events or developments or any other reason.

There may be minor discrepancies in total figures and percentages in this report due to rounding effects.

© Swiss Life Holding Ltd, 2019

Swiss Life
General-Guisan-Quai 40
P.O. Box 2831
CH-8022 Zurich

Tel. +41 43 284 33 11
www.swisslife.com