Zurich, 28 March 2006

Swiss Life increased its profit by 44% to CHF 874 million and achieved an organic premium growth of 8%

The Swiss Life Group increased its profit in 2005 by 44% to CHF 874 million. Earnings per share came to CHF 24.82 (+36%). Gross written premiums of CHF 20.2 billion represent an organic growth of 8%. Operating costs were reduced by a further 2%. Shareholders' equity rose 22%, to CHF 7.7 billion. The return on equity worked out at 12.3% (2004: 10.7%). At the General Meeting on May 9 the Board of Directors will propose a dividend of CHF 5 per share in the form of a repayment of par value (2004: CHF 4). The new Chief Investment Officer of the Swiss Life Group is to be Patrick Frost, currently head of Global Fixed Income at the Winterthur Group.

Rolf Dörig, Group CEO: "Once again, the Swiss Life Group achieved a good result, and we set the course for a successful future. We are convinced that we will achieve the goals we defined for 2008."

The Swiss Life Group increased its profit by 44% compared to the previous year, to CHF 874 million. After allowing CHF 14 million for minority interest, a 49% higher profit of CHF 860 million is attributable to the shareholders of Swiss Life Holding. This translates into (diluted) earnings per share of CHF 24.82 (+36%) and a return on equity of 12.3% (2004: 10.7%).

Growth momentum continues abroad – profitability improved in Switzerland
Gross written premiums including policyholder deposits came to CHF 20.2 billion in 2005. This represents an organic growth of 8% against the previous year, after adjustment for divestments, one-off impacts and currency effects.

In many cases Swiss Life generated an organic premium growth in its markets that was well above the market average: France +19%, Germany +8%, Netherlands +6%, Belgium +37% and Luxembourg +100%. In Switzerland the company maintained its market share and consolidated its position as market leader. At the same time Swiss Life laid the foundations for a sustainable increase in profitability in its home market.

Volume up 36% to CHF 1.9 billion for unit-linked products

The share of non-traditional products in total premium income advanced from 24% to 34%. The volume for unit-linked products alone rose by 36% to CHF 1.9 billion. The statement of income in accordance with international accounting standards (IFRS) only includes the net earned premiums, which fell by 9% to CHF 13.3 billion. Swiss Life increased its fee income on investment contracts as well from both the banking and the asset management business by 16% to CHF 774 million.

Total investment return at 5.5%

The financial result for investments held at own risk came to CHF 7.0 billion and was thus 2% higher than in the previous year. This produced a total return on the insurance portfolio of 5.5% (2004: 6.4%). This investment result was achieved at a very well controlled level of risk. As per 31 December 2005, the net equity exposure stood at 4.1%. As per 24 March 2006, it stood at 6.2%.

Additional risk capital

Compared to the previous year, net insurance benefits declined by 9% to CHF 14.0 billion in line with the premium income earned. The total appropriated for policyholder participation went up by CHF 674 million to CHF 2.2 billion. This was because Swiss Life's dynamic asset and liability management process enabled it to react flexibly to interest rate developments in the second half of 2005 and take profits on its bond portfolio. A large part of this profit was allocated to the bonus reserves. Swiss Life thereby increased its statutory risk capital and gained more flexibility in its investment policy. This extraordinary allocation of several hundred million francs to the bonus reserves led to a reported profit from operations of CHF 1023 million, down CHF 125 million.

Further cost reduction

Tight cost management led to a further reduction in operating costs by 2% to CHF 2.0 billion. Overall operating expenses increased by 1% to CHF 3.4 billion. Higher commission expense as a result of the premium growth and higher expenditure on depreciation, particularly for write-downs of deferred acquisition costs, were set against lower outlays for employee benefits as well as for impairment of property and equipment and intangible assets. The integration of the «La Suisse» life insurance business into Swiss Life and the sale of all other «La Suisse» business lines together with the outsourcing of Banca del Gottardo's IT and back-office processes produced a 5% reduction in the number of employees measured in full-time equivalents from 9419 to 8979 in 2005.

Shareholders' equity up 22% to CHF 7.7 billion

Shareholders' equity rose by 22% to CHF 7.7 billion in the period under review. As well as the profit, the increase in the revaluation reserves for bonds and the conversion to shares of the mandatory convertible securities falling due in December 2005 contributed to this rise. Core capital for capital adequacy purposes rose by 21% to CHF 16.6 billion. Borrowings went down 30% to CHF 4.4 billion. The goodwill position was reduced by another CHF 109 million and amounted to CHF 692 million as at 31 December 2005, which corresponds to less than 10% of equity. The solvency margin of the Swiss Life Group came to 211% as of 31 December 2005 (2004: 192%).

Embedded value up 12% to CHF 8.9 billion

Embedded value, which serves as an indicator of the value of the existing insurance portfolio, rose by 12% in the period under review to stand at CHF 8.9 billion. The increase is due to growth in our markets abroad and the higher than projected investment returns. The value of new business rose by 17% against the previous year to CHF 48 million.

Objectives for 2008 confirmed

The Swiss Life Group has confirmed its objectives for 2008. It intends to generate a profit of CHF 1 billion and achieve a sustainable return on equity of more than 10%. As to premiums, Swiss Life expects to achieve a growth of 8% in Switzerland and 23% abroad measured against the 2005 figures. With this growth and further increases in efficiency, Swiss Life is targeting a basic insurance result of CHF 500 million.

Patrick Frost named Group Chief Investment Officer

Patrick Frost, 38, currently Managing Director and head of Global Fixed Income at the Winterthur Group, is taking over as Group Chief Investment Officer and joining the Corporate Executive Board as of 1 July 2006. He succeeds Martin Senn, whose departure from the Swiss Life Group at the end of March was announced previously. Rolf Dörig, Group CEO: "Patrick Frost has years of experience in investment management for a global insurance company and great expertise in asset and liability management. He is thus ideally equipped to make an essential contribution to the successful further development and implementation of our ALM concept. In Patrick Frost, we have found an acknowledged expert in his field as well as a convincing personality. He is the perfect addition to our team." Patrick Frost studied at the ETH in Zurich and the Universities of Cologne, Basel and Zurich. He has university degrees in natural sciences (dipl. Natw. ETH), economics (Dr. rer. pol.) and law (lic. jur.). A Swiss citizen, he began his career as a portfolio manager at Winterthur in 1996, and also worked for them in New York between 1999 and 2001. He has served as head of Global Fixed Income for the Winterthur Group since 2001, where he played a key role in the further strategic development of their asset management.

Competence centre for mortgages concentrated in Banca del Gottardo

As part of its greater exploitation of synergies, the Swiss Life Group is concentrating its Swiss mortgage business at a single competence centre and conducting this business at Banca del Gottardo as of 1 July 2006. Swiss Life's existing mortgages department, including its staff, will be taken over by the bank. Nothing will change for those who now hold mortgages with Swiss Life. Swiss Life will continue to offer Swiss Life mortgages to its customers. These mortgages will remain with Swiss Life in both legal and accounting terms. Administration and processing will be taken over by Banca del Gottardo under a service agreement.

Transmission of today's events and further documentation

Today's events will be transmitted at 9.00 a.m. (presentation for analysts and investors in English) and 11.15 a.m. (presentation for the media in German) at www.swisslife.com. All additional documentation concerning the annual results can also be found there.

Patrick Frost's photo and C.V. can be found at www.swisslife.com/en/infokit2005.

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Swiss Life

The Swiss Life Group is one of Europe's leading providers of pension and life insurance products. The Swiss Life Group offers individuals and companies comprehensive advice across a broad range of products via agents, brokers and banks in its domestic market, Switzerland, where it is market leader, and selected European markets. Multinational companies are serviced with tailor-made solutions by a network of partners in over 60 countries and regions. With Banca del Gottardo, the Swiss Life Group is also a provider of banking services. The bank, with its head office in Lugano, has an extended national and international network and around CHF 40 billion in customer assets under management.

Swiss Life Holding, registered in Zurich, dates back to the Swiss Life Insurance and Pension Company founded in 1857. Shares of Swiss Life Holding are listed on the SWX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of more than 9000.

Cautionary statement regarding forward-looking information

This publication contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.