

To the Board of Directors of
Swiss Life Group
General-Guisan Quai 40
8002 Zürich

Zurich, August 27, 2008

Dear Sirs

METHODOLOGY AND ASSUMPTIONS

In accordance with our letter of engagement dated July 31, 2008, we have assessed the Embedded Value-guidelines, their local implementation and management's assumptions. Our work was carried out in accordance with ISAE 3000

We have assessed whether the Embedded Value-guidelines, version 1.17, dated May 27, 2008 ("EV-Guidelines") prepared by Swiss Life Group ("the Company")'s management correspond with generally accepted actuarial methods. Furthermore we have assessed the reasonableness of the assumptions derived from these guidelines and of the models used by the Company.

The Board of Directors of Swiss Life Group is responsible for Embedded Value-guidelines, their local implementation and the assumptions. Our responsibility is to provide a conclusion on the subject matter based on our work.

In our opinion:

- The methodology set out in the EV-Guidelines, in all material respects and with due regard to the nature of the business, is appropriate and consistent for the purpose of the (traditional) Embedded Value;
- The local implementation of the methodology is, in all material respects and with due regard to the nature of the business, consistent with the prescriptions of the management of the Company and in line with general market practice;
- The assumptions determined by Swiss Life are reasonable to derive the Embedded Value Information.

EMBEDDED VALUE INFORMATION

We have reviewed the schedule of Embedded Value Information of Swiss Life Group for the period ended June 30, 2008. This schedule is the responsibility of the Company's management. Our responsibility is to issue a report on this schedule based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily

to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Embedded Value Information at June 30, 2008 has not been properly prepared, in all material respect, on the basis of the EV Guidelines

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties (except with our prior written consent which we may withhold without indicating a reason). This report relates only to the purpose stated above and does not extend to any financial statements of Swiss Life.

Yours sincerely,

PricewaterhouseCoopers AG



Peter Lüssi



Michael Köhler

Enclosures:

- Embedded Value Information
- EV-Guidelines

Enclosure 1: Embedded Value information

All amounts are in CHF million.

Summary of Embedded Value:

	30.06.2008	31.12.2007
Switzerland	4'559	4'847
International	2'568	4'996
Swiss Life Holding (Adjusted Net Asset Value) (*)	5'428	2'994
Total Embedded Value	12'555	12'837
whereas Adjusted Net Asset Value	8'573	8'705
whereas Present Value of Future Profits (PVFP)	4'785	4'880
whereas Cost of Solvency capital	-803	-748

(*) The Equity of Swiss Life Holding less book value of Swiss Life Rentenanstalt. Proceeds from divestments included in International & ANAV Swiss Life Holding on 31.12.07; only in ANAV Swiss Life Holding on 30.06.08.

Analysis of Changes:

	Swiss Life Group
Reported Value at end of previous year	12'837
Effect of moving forward	+440
Investment return 2008 variance	-774
Future investment return variance	-114
Operational and demographic	+41
Tax variance	+119
Value of new business 2008	+55
Change in currency exchange rate	-77
Various	+28
Reported Value at end of period	12'555

Sensitivities – Business in Force:

	Switzerland	International	Other effects	Total
Base Case	4'559	2'568	5'428	12'555
Bond returns + 100 bps	174	221	---	395
Bond returns - 100 bps	-195	-214	---	-409
Investment return + 100 bp	511	369	---	880
Investment return - 100 bp	-690	-345	---	-1'035
Equity value – 10%	-75	-42	---	-117
RDR - 100 bp	350	246	---	596
Cost of holding capital at 150%	-567	-176	---	-743

Sensitivities – New business:

	Total SL Holding
Base Case	55
Bond return + 100bp	+16
Investment return + 100 bp	+24
Risk Discount Rate - 100 bp	+15
Administration costs -10 pts	+10
Acquisition costs -10 pts	+10

Economic assumptions - Return assumptions per asset class:

	Switzerland		International	
	Current	in 5 years	Current	in 5 years
Risk discount rate	7.00%	7.00%	8.00%	8.00%
Total weighted new money return	4.10%	4.30%	5.10%	5.40%
Return assumptions per asset class				
Bonds return	3.50%	3.80%	4.90%	5.30%
Loans return	2.90%	3.40%	5.70%	5.90%
Real Estate return	4.50%	4.70%	5.40%	5.40%
Equities return	6.50%	6.50%	7.50%	7.50%
Return on participations / alternative investments	6.50%	6.50%	7.50%	7.50%