Targets for 2008 already achieved in 2007

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Group Chief Executive Officer
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(The spoken text is definitive)

Ladies and gentlemen

In 2007, Swiss Life celebrated its 150th anniversary. This was a crucial year for us and a very successful one. In a challenging environment for the financial industry, we posted a record result and already reached the financial targets originally set for 2008.

We generated a premium volume of over 24 billion francs and achieved a net profit of 1.4 billion. The return on equity was more than 18%. This represents a successful conclusion to a phase of restructuring and consolidation begun in 2002.

At the same time, we have set the course for a highly promising future. Besides refining our strategic course, we set ourselves new and ambitious financial targets. In fact, we already began implementing this strategy in the fourth quarter of 2007. The business portfolio has been optimised and we are now ready for the next growth surge.

The transactions announced in November and December of 2007 are well on track. The sale of Banca del Gottardo was completed in early March. A few days later, we successfully closed our public offer extended to AWD shareholders. Our cooperation with AWD is beginning to take shape. We finalised the sale of the Dutch and Belgian insurance operations a week ago.

The Swiss Life Group's embedded value, i.e. its intrinsic value, advanced by 2.2 billion francs last year to stand at 12.8 billion. This corresponded to a value of 367 francs per share on the 31st of December 2007.

We are attractive to investors not only because of our currently low share price compared with the embedded value. The Board of Directors will today propose to you an increase in the profit distribution by ten francs per share, from seven francs to 17. At the present share price, this corresponds to a cash return of over 5%.

But our active capital management, as an important pillar of our strategy, goes beyond the profit distribution for 2007. The Board of Directors will also propose a share buy-back programme today for up to 2.5 billion francs.

I would now like to present some details of our results for the 2007 financial year. First, the growth in premiums:

The dynamic premium growth recorded in previous years continued in 2007 as well. We achieved a premium volume of 24.2 billion francs overall.

In Switzerland, we again consolidated our position as market leader. We boosted our premium income by 11%, to more than 8.4 billion francs. Since the market only grew by around 3%, our market share went up from 28% to 29%. We have thus further strengthened our number one position in Switzerland, in spite of the tough competition.

We were particularly successful in the occupational pensions business, where we increased our premium income by 14% to 6.6 billion francs. A positive trend in new business and the expansion of business with existing customers were contributing factors.

In individual insurance, premium income declined by 2% to 1.7 billion francs. The demand for traditional products fell, but there was a surge of interest in unit-linked products and account-based solutions.

Another striking feature of the Swiss business is the 7% reduction in operating costs, which was achieved while premiums were advancing by 10%.

In France, the premium volume amounted to 7.4 billion francs. Disregarding the ERISA companies, which were sold in the course of the year, the total came to 5.5 billion francs, for an increase of 6% on a comparable basis. Swiss Life thus outperformed the market average by a clear margin in France as well.

In Germany, we were able to hold our own in what is essentially a stagnating market. Translated into Swiss francs, we posted a 2% rate of premium growth with premiums of 2.2 billion francs.

In Luxembourg, premium income came to around 500 million francs. In the second half of the year we decided to realign the Luxembourg organisation. This led to a temporary decline in premiums.

In Liechtenstein, we increased the premium volume to around 2.8 billion francs. We completed the acquisition of CapitalLeben in March last year and successfully integrated it into Swiss Life (Liechtenstein) Ltd in the course of 2007.

Despite the slightly reduced premium volume in the first quarter of 2008 compared to the same period last year, the overall growth trend is continuing unabated.

In 2007, we boosted our profit from operations by 42% to 1.7 billion francs. The result from continuing operations, without the companies that were sold, came to about 1.1 billion francs.

The insurance business in Switzerland made the biggest contribution, amounting to 650 million francs.

The result in France was influenced by the sale of the ERISA companies, which makes a year-on-year comparison more difficult. We achieved a segment result of more than 320 million francs in the year under review. Around 140 million of this result came from the ERISA companies.

In Germany, the segment result amounted to CHF 65 million francs. On a comparable basis this was clearly better than the period before, thanks to operational improvements and a very good financial result.

In the Insurance Other segment, which comprises our companies in Luxembourg and Liechtenstein, we posted a segment result of 8 million francs.

In the Investment Management segment, which manages the insurance assets of the Swiss Life Group on a commission basis as well as third-party mandates, we generated a segment result of 93 million francs.

The Discontinued Insurance segment comprises our insurance operations in the Netherlands and Belgium. The segment result came to 471 million francs. It includes an extraordinary contribution of 304 million francs from the release of deferred bonus liabilities following a change in the law in the Netherlands.

Insurance assets under management totalled 113.6 billion francs on the 31st of December 2007. Because of our long-term commitments to the persons insured, we follow a cautious investment strategy for these funds. This policy was one of the reasons we came through the financial crisis in recent months with hardly any ill effects.

So much on the most important features of the Swiss Life Group's 2007 results.

Swiss Life has steadily improved in recent years, and already achieved its 2008 targets in 2007. The profit and profitability targets were exceeded, as were the operational goals for growth and efficiency.

We have clearly outpaced the growth of the market in the years gone by and have brought down the ratio of costs to premiums to less than 7%. The employee commitment level also showed a gratifying development. Since this indicator was introduced in 2003, the figure reflecting employees’ job satisfaction and identification with the company has risen by 16 index points to 77. This is a very good score by industry standards.

Thanks also to the strategic adjustments at the end of 2007, Swiss Life is now in an excellent position for the next stage of development.

We have a business portfolio with strong earning power generating solid and sustainable results. In its home market, Switzerland, Swiss Life remains the market leader in individual and group life insurance and pensions. In France, Swiss Life has steadily improved its standing in recent years. In Germany, Swiss Life is rated as a preferred partner among insurance brokers due to its professional competence and high service quality standards.

In the cross-border business with insurance solutions for high net worth individuals, Swiss Life quickly established itself as Number 2 in the world.

Our holistic asset and liability management, which coordinates the investments on the asset side of the balance sheet with the obligations on the liabilities side, has proven its worth. We withstood the market turbulence of the last few months very well. The stock market downturn in the first three months of 2008 did, however, have an impact on our investment result, although we clearly reduced our equity exposure at the beginning of the year. Nevertheless, we see no reason to revise our targets.

Active capital management plays a central role in the framework of our new financial targets. Our innovative products tie up less capital than traditional life insurance does, and we have clear standards regarding the returns to be achieved. The share buyback programme, the higher targets for return on equity and the doubling of the distribution rate to between 40 and 60% must be seen in this connection.

To put it all in a nutshell: Swiss Life is excellently positioned to create substantial added value for its customers and above all for you, our esteemed shareholders, in the years ahead.

In the name of the entire Corporate Executive Board, I would like to express our sincere thanks to all our employees for their commitment and their contribution to this very successful development of our company. For myself and on behalf of my colleagues on the Corporate Executive Board, I would also like to extend my thanks to Bruno Gehrig and the members of the Board of Directors for the confidence shown in us and the very constructive cooperation in the past.

And I wish to thank you, our shareholders, for the support and loyalty you have given our company. I am convinced that we have laid the groundwork for Swiss Life to enjoy a successful future.

Thank you.