

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

Zurich, 15<sup>th</sup> March 2007

## **Opinion on reasonable assurance of the Embedded Value Information per 31.12.2006**

Dear Sirs

We have assessed whether the Embedded Value-guidelines, version 1.11, dated 20<sup>th</sup> October 2006 ("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 as well as of the Embedded Value-figures ("EV-Figures"), Analysis of Change and Sensitivities prepared by the Company's management.

The EV-Figures, Analysis of Change and Sensitivities ("Embedded Value Information") are the responsibility of the Board of Directors.

Our responsibilities in relation to the Embedded Value Information is, as set out in our letter of engagement, to report to you our opinion as to whether the Embedded Value Information has been properly prepared in accordance with methods and assumptions prescribed by the management.

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.

We have conducted our assessment in accordance with the "International Standard on Assurance Engagements 3000". Our procedure included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Embedded Value Information. Our procedures included an assessment of the significant estimates and judgements made by the Company in preparation of the Embedded Value Information.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Embedded Value Information is free from material misstatement.

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;
- The Embedded Value Information has been properly compiled on the basis of the chosen assumptions and methodology.

Yours sincerely,

PricewaterhouseCoopers AG



Michael Köhler



Morgan Schaeffer

Enclosures:

- Embedded Value Information
- EV-Guidelines

## Enclosure 1: Embedded Value information

All amounts are in CHF million.

Summary of Embedded Value:

	31.12.2006	31.12.2005
Switzerland	4'053	3'614
Europe without Switzerland	4'502	3'460
Swiss Life Holding (Adjusted Net Asset Value) (*)	2'110	1'813
<b>Total Embedded Value</b>	<b>10'665</b>	<b>8'887</b>
whereas Adjusted Net Asset Value	6'793	5'942
whereas Value of in-force business	4'922	4'809
whereas Cost of Solvency capital	-1'050	-1'864

(\*) The Equity of Swiss Life Holding less book value of Swiss Life Rentenanstalt.

Analysis of Changes:

	Swiss Life Group
Reported Value at end of previous year	8'887
Par value reduction	-169
Effect of moving forward	+705
Investment return 2006 variance	-61
Future investment return variance	+167
Allowance of deductible elements in cost of capital	+500
Model refinements	+170
Tax effects	+134
Currency exchange rate fluctuation	+143
Value of new business 2006	+121
Various	+68
<b>Reported Value at end of period</b>	<b>10'665</b>

Sensitivities – Business in Force:

	Switzerland	Europe without Switzerland	Other effects	Total
<b>Base Case</b>	<b>4'053</b>	<b>4'502</b>	<b>2'110</b>	<b>10'665</b>
Investment return + 100 bp	+524	+506	---	+1'030
Investment return - 100 bp	-1'070	-603	---	-1'673
RDR - 100 bp	+267	+320	---	+587
New money rate (Bonds only) + 100 bp	+170	+299	---	+469

Sensitivities – New business:

	Total SL Holding
<b>Base Case</b>	<b>121</b>
Investment return + 100 bp	+66
Risk Discount Rate - 100 bp	+40
New money rate (bonds only) + 100 bp	+46

Economic assumptions - Return assumptions per asset class:

	Switzerland		Europe without Switzerland	
	Current	in 5 years	Current	in 5 years
Risk discount rate	7.0%	7.0%	8.0%	8.0%
Total weighted new money return	3.6%	3.7%	4.4%	4.5%
<b>Return assumptions per asset class</b>				
Bonds & loans return	2.8%	2.9%	4.2%	4.4%
Real Estate return	4.4%	4.7%	5.1%	5.1%
Equities return	6.5%	6.5%	7.5%	7.5%
Return on participations / alternative investments	6.5%	6.5%	7.0%	7.0%