

Perspectives



In its anniversary year Swiss Life generated a record result, paving the way for a successful future.

Profit

+43 %

2007	1368 CHF m
2006	954 CHF m

Profit | With a net profit of CHF 1368 million, Swiss Life surpassed its 2008 profit target of CHF 1 billion already in 2007.

Return on equity

+5.9 ppts

2007	18.1 %
2006	12.2 %

Return on equity | Return on equity came to 18.1%, above the 10% level as in previous years.

Growth

+10 %

2007	24.2 CHF bn
2006	22.1 CHF bn

Growth | Swiss Life's growth momentum continued with premium income climbing 10% to CHF 24.2 billion.

Operating expense ratio

-0.6 ppts

2007	6.6 %
2006	7.2 %

Efficiency | Swiss Life sustainably improved its cost situation by reducing the operating expense ratio of its insurance business by around 10% to under 7% within 5 years.

Employee commitment

+4 Points

2007	77 index points
2006	73 index points

Leadership | Employee commitment continued to rise. The value ascertained for job satisfaction and employees' identification with the company came to 77 of 100 possible index points, thus steadily approaching the 80 point target.

Strategy and Markets

Swiss Life made great progress in implementing its pensions leadership strategy and achieved many of its targets earlier than expected. The company will continue on its successful course and has defined new, ambitious goals.

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Results and Course of Business

At CHF 1368 million, the net profit is the highest in the company's 150-year history.

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Other Success Factors

Employee satisfaction and comprehensive risk management are essential requirements for sustainable success.

Page 28–41

Corporate Governance

Swiss Life ensures the implementation of responsible, transparent and risk-aligned corporate governance.

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Extract from the Financial Statements

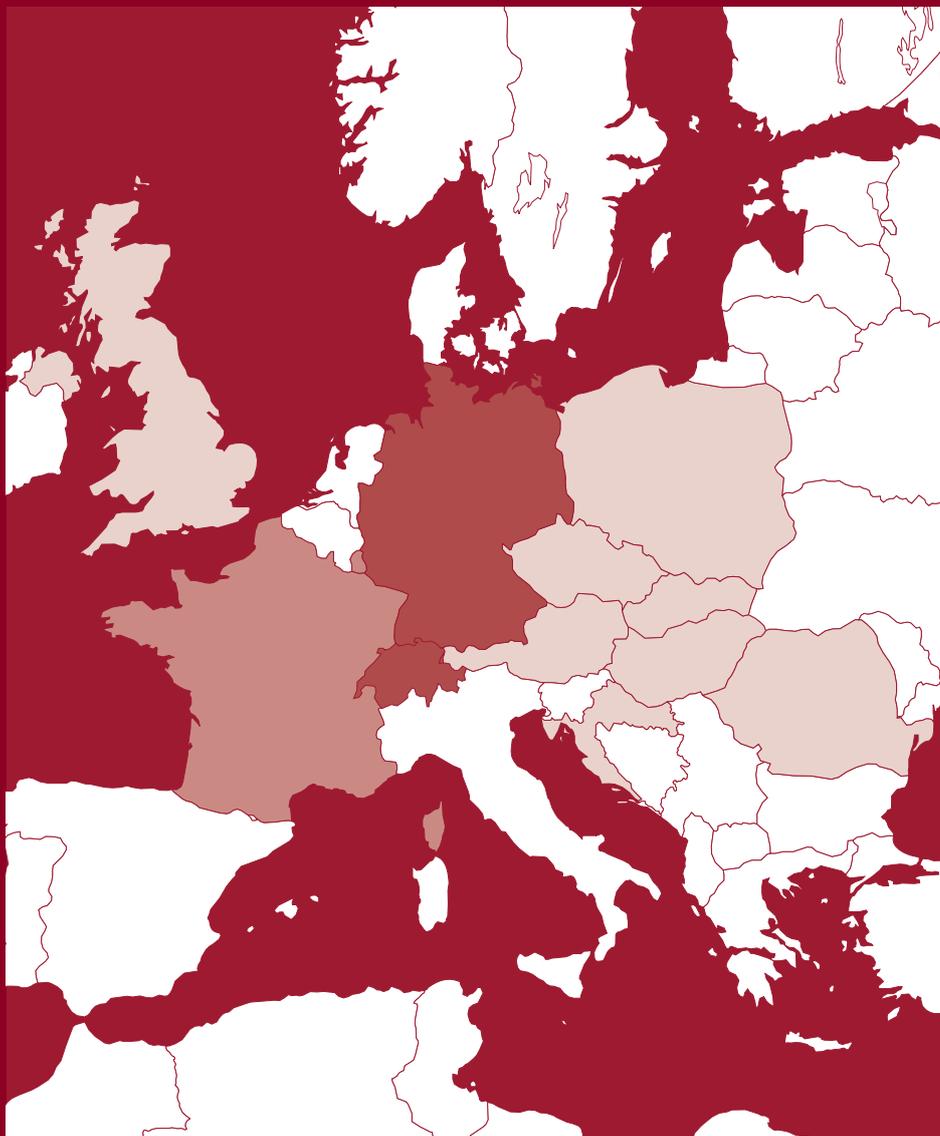
The audited figures are transparent and facilitate comparisons.

Page 56–65

Swiss Life at a Glance | The Swiss Life Group is one of Europe's leading providers of life insurance and pension solutions. The company offers individuals and companies a broad range of products combined with comprehensive advice through its own sales force as well as brokers and banks in Switzerland, France and Germany. It provides internationally operating corporations with employee benefits solutions from a single source, and is among the global leaders in structured life and pension products for high net worth individuals.

Swiss Life is the majority shareholder of the Hanover-based AWD Group, one of Europe's top financial services providers for the medium- and high-income customer segments. AWD offer its clients independent financial advisory services. It employs over 6300 financial consultants in ten European countries.

Swiss Life Holding, registered in Zurich, was founded in 1857 as Schweizerische Rentenanstalt. The shares of Swiss Life Holding are listed on the SWX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 9000.



Swiss Life/AWD
 Swiss Life
 AWD

Insurance Switzerland

In its home market Switzerland, Swiss Life is the clear leader in the area of pensions and long-term savings.

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Insurance France

Thanks to its private insurer concept, Swiss Life generated profitable growth in France.

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Insurance Germany

In Germany Swiss Life is the leading specialist in occupational disability coverage and a successful provider of innovative pension products for individuals.

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Insurance Other

The cross-border business in Liechtenstein and Luxembourg is expanding rapidly. Swiss Life's portfolio of products and services sold from these countries address the requirements of both high net worth individuals and international corporations.

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AWD

The partnership with AWD opens up additional distribution capabilities and accelerates international growth.

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Each human being is unique. No two sets of wishes and visions or life histories are the same. Naturally, then, perspectives are never absolute; they are always shaped by a certain point of view. They can open up new dimensions, depending on the angle taken. And because life never stops moving, perspectives change.

Swiss Life is committed to helping people create a financially secure future. For life. The company aims to give each individual customer an appropriate financial perspective.

Based on this strong result, the Board of Directors will propose an increase in the profit distribution from CHF 7 to CHF 17 per share.

DEAR SHAREHOLDERS | 150 years of Swiss Life! In its anniversary year, your company achieved a very good result despite all the turbulences on the financial markets. The net profit of CHF 1368 million is equivalent to CHF 39.60 per share. Based on this strong result, the Board of Directors will propose an increase in the profit distribution from CHF 7 to CHF 17 per share to the General Meeting of Shareholders on 8 May 2008. A prominent feature of the year 2007 was Swiss Life's 150th anniversary. The various activities organised under the recurring theme "Perspectives for people" gave me the opportunity to forge numerous valuable contacts with customers, employees and business partners. In many encounters I sensed the strong personal ties these people have with Swiss Life. This has reinforced my conviction that Swiss Life is a company with a very promising future.

The anniversary year saw great progress in the implementation of our strategy and the achievement of a significant part of our targets originally set for 2008. In the past year, the Board of Directors therefore focused predominantly on developing the strategy and setting the future course. Reassessing the strategy, we were confirmed in our view that pensions and long-term savings will remain a long-term growth market and thus an attractive business field. We have therefore decided to systematically pursue the chosen strategic course. We want to position Swiss Life as the leading specialist for life insurance and pension solutions and to accelerate our growth. The core focus of our activities will remain the same, as expressed in our mission statement: "We are committed to helping people create a financially secure future. For life." Swiss Life takes care of people's pension needs not just before, but also after retirement. We will seize growth opportunities in our existing markets, in international business and in attractive growth markets, building on a more function-oriented management structure to further enhance efficiency and Group-wide cooperation.

We want to position Swiss Life as the leading specialist for life insurance and pension solutions and to accelerate its growth.

In the fourth quarter of 2007 we benefited from the highly attractive market conditions to optimise our business portfolio for this next stage of development. We decided to sell our insurance operations in the Netherlands and Belgium as well as Banca del Gottardo. These two transactions announced in November 2007 are expected to generate a profit contribution of around CHF 1.8 billion. CHF 300 million of this was already included in the financial statements for 2007. In December 2007 we took a further step towards accelerated profitable growth by announcing a partnership with AWD. AWD is a successful European financial services provider with a strong distribution network in Germany, Austria and Switzerland, a promising position in the growth markets of Central and Eastern Europe, and operations in the United Kingdom. The Board of Directors is convinced that financial services providers such as AWD, who offer independent advice to clients, will in future play an increasingly important role in the distribution of life insurance and pension products. This partnership is therefore very significant for us in view of our multi-channel distribution concept. In January 2008, Swiss Life made a bid to all AWD shareholders, offering to buy their shares for EUR 30 each. After expiry of the acceptance period in mid-March 2008, Swiss life holds approximately 86% of AWD's shares. As majority shareholder, Swiss Life will plan the next steps in this forward-looking cooperation together with AWD. As a result of these corporate transactions, Swiss Life is now extremely well placed to meet its strategic targets. Naturally, we are monitoring the market closely and assessing further carefully targeted acquisition options, giving priority to our principal markets.

Our financial targets up to 2012 underscore our commitment to profitable growth and the efficient use of capital. We aim to boost the earnings per share by at least 12% a year. The return on equity should come to above 12% each year. Active capital management is a further key element of the strategy. We will be conducting a share buy-back programme up to CHF 2.5 billion and are counting on a profit distribution of at least CHF 600 million for 2008. From the financial year 2009 onwards, we will annually propose a distribution to shareholders of between 40% and 60% of the reported profit.

In parallel to the realignment of the strategy, the Board of Directors also took measures to assure continuity at top executive level and on the Board of Directors. I decided last year to relinquish my function at Swiss Life in 2010 to enable a rejuvenation process at the top of the company. It is the Board of Directors' and my personal wish that Rolf Dörig, who has been leading Swiss Life with great success as Group CEO since November 2002, be appointed Chairman of the Board as my successor. Thus the election of Rolf Dörig to the Board of Directors will be proposed to you already at the General Meeting on 8 May 2008. It is planned that Rolf Dörig will assume the position of Delegate of the Board of Directors until my departure. His key responsibilities will involve strategy development and overseeing strategy implementation. It is further planned that, following Rolf Dörig's election to the Board of Directors, Bruno Pfister will be appointed Group CEO. Bruno Pfister has been with Swiss Life since August 2002, initially as Group Chief Financial Officer and, since 1 January 2006, as CEO International. I am convinced that he will ensure the continuation of Swiss Life's success story. The Board of Directors also decided to boost the international component in the Corporate Executive Board by including the national CEOs of France and Germany, Jacques Richier and Manfred Behrens. With their specific knowledge and their personality, they will no doubt prove an ideal addition to the Corporate Executive Board.

Besides strategic and personnel matters, the Board of Directors was also strongly concerned with the extension of Swiss Life's risk management framework in 2007.

I would like to thank all those who have contributed to the successful development of our company and who have placed and continue to place their trust in us.



BRUNO GEHRIG | Chairman of the Board of Directors



Bruno Gehrig

The successful implementation of our strategic priorities of growth, efficiency and leadership led to this very good result.

DEAR SHAREHOLDERS | The Swiss Life Group generated the best result of its 150-year history in 2007, with a net profit of CHF 1368 million. Adjusted for the profit contribution of around CHF 300 million from the dissolution of reserves following a change in Dutch law, the figure came to CHF 1064 million. Thus we already achieved our 2008 profit target of CHF 1 billion in 2007. The return on equity stood at 18.1%, thereby continuing to exceed the 10% level as in previous years. The successful implementation of our strategic priorities of growth, efficiency and leadership led to this very good result, despite the decline in the financial result vis-à-vis the previous year.

Of the profit from operations amounting to CHF 1706 million, CHF 650 million was generated in Switzerland, CHF 324 million in France, CHF 65 million in Germany and CHF 93 million by Investment Management. The contribution to profit from operations by the units sold in the Netherlands and Belgium came to CHF 471 million, around CHF 300 million of which stemmed from the dissolution of reserves mentioned above. Banca del Gottardo turned in a good performance, which was reflected in its segment result of CHF 168 million.

The positive trend in premium growth was maintained. The overall premium volume of CHF 24.2 billion for the Swiss Life Group represented 10% growth over the previous year. The Swiss business made an important contribution to these figures. In our home market we continued to expand our leadership position with premiums growing 11%, which was above the market average, to stand at CHF 8413 million. The company in Liechtenstein, specialising in structured pension solutions for high net worth individuals, recorded a veritable growth surge. The previous year's premium growth of CHF 646 million to CHF 2786 million included the acquisition of the Liechtenstein company CapitalLeben, which was fully consolidated from the end of March 2007, and the consistently strong organic growth. France showed a decline of 10% with premium income at CHF 7411 million, but adjusted for the sale of the ERISA companies, the growth rate of 6% outperformed the market. In Germany, the premium volume advanced by 2% to CHF 2158 million. In the Netherlands, Swiss Life acquired further autonomous pension funds as customers, raising the premium income by 21% to CHF 2302 million. In Belgium and Luxembourg, premium income declined due to special situations.

A very good overall result was achieved, although the financial result on assets held for own risk was, at CHF 4885 million, 8% or CHF 422 million lower than in the previous year. This was a consequence of the negative development on the international financial markets since the middle of 2007. Direct investment income increased 25% to CHF 4627 million, but – in contrast to the previous year's net capital gain of CHF 783 million – there was a net capital loss of CHF 218 million. Direct and indirect investments in subprime US mortgages total CHF 83 million overall, which represents less than 0.1% of overall investments. Swiss Life is, therefore, not directly affected by the crisis on the US mortgage market. However, for the 2007 accounts, we decided to completely write off positions vulnerable to a further aggravation of the liquidity situation brought on by all the market turbulence. This reduced the net profit by CHF 72 million. We made further efficiency gains in 2007. Despite the premium growth of 10% we were able to reduce our operating costs by a further 2%. Stringent cost management will continue to be a top priority for us. Swiss Life has a solid financial base for the next development stage. Shareholders' equity amounted to CHF 7277 million on

31 December 2007. Because of the negative trend in unrealised gains on investments, it was slightly below the previous year's level. The solvency margin of the Swiss Life Group came to 162% on 31 December 2007.

Employee commitment increased further. The value determined in the annual survey for job satisfaction and employees' identification with the company rose by another four points, from 73 to 77 index points, thus moving closer to the target of 80. Commitment has risen by 16 points since the first time it was measured in 2004. To enable this positive trend to continue, we have systematically expanded the training and development measures available to employees, and above all to managers.

With the progress we have achieved and our strategic focus, Swiss Life is well positioned for the next growth surge. The strategic directions defined in 2007 will lead to further gains in Swiss Life's attractiveness to customers, shareholders and employees. The focus will be placed even more sharply on our strengths in the area of pensions and long-term savings. To respond still better to customers' requirements we are stepping up product management. With AWD, we can expand our multichannel distribution capability in existing markets and tap into attractive growth markets. The new financial objectives underscore our commitment to profitable growth and the efficient use of capital.

It is a great honour and pleasure for me to be given the opportunity to continue my work at Swiss Life over the long term. In my new role as Delegate of the Board of Directors, I will primarily be responsible for strategy development and for overseeing strategy implementation, and will work closely with the Chairman of the Board of Directors, Bruno Gehrig, and with Group CEO, Bruno Pfister.

I wish to thank all employees very much for their commitment and contribution to Swiss Life's progress. For myself and on behalf of my colleagues on the Corporate Executive Board, I would like to extend my thanks to Bruno Gehrig and the members of the Board of Directors for the confidence shown in us and the constructive cooperation over the past years. I am convinced that we have laid the groundwork for Swiss Life to enjoy a very successful future.



ROLF DÖRIG | Group Chief Executive Officer



Rolf Dörig



“I would achieve nothing without my team.”

He visited Nelson Mandela in prison. He saw the fighting in the Balkans war and became familiar with many other crisis zones around the world. Working for the ICRC, he bore the responsibility for over 1000 co-workers under severe physical and psychological conditions. After 15 years, he decided to place his knowledge and skills at the disposal of the business world. Today, as Head of Swiss Life’s “Genève Rive Droite” General Agency, André Collomb sees surprising parallels to his former activities. “It’s a fact that business problems have to be approached in a similar way to humanitarian ones. In both cases, it’s a matter of finding the best possible solution under the given circumstances,” he says with conviction. Becoming a dedicated businessman, however, does not mean he has lost his humanitarian inclination. The hard school of life and his wealth of experience still help him achieve ambitious targets. He is, for example, determined to ensure that disabled people in Western Switzerland are provided with adequate long-term financial security.





Strategy and Markets | Swiss Life made great progress in implementing its pensions leadership strategy and achieved its targets sooner than expected in many areas. The company will continue along this path. Swiss Life wants to position itself as a leading provider of life insurance and pension solutions, and to accelerate its pace of growth.

Swiss Life has progressed greatly in terms of its strategic directions of growth, efficiency and leadership and, in many areas, attained the goals it set for 2008 one year earlier than planned. The Swiss Life Group posted an above-average increase in gross written premiums, with premium income coming to CHF 24 billion in 2007. Swiss Life sustainably improved its cost situation by reducing the expense ratio from approximately 10% to under 7% over a five-year period. Employee commitment climbed steadily from 61 out of 100 index points in 2004 to 77 index points in 2007. Thanks to these developments, Swiss Life surpassed its 2008 profit target of CHF 1 billion already in 2007. The company has also exceeded its 10% return on equity target annually since 2004.

Life and pension solutions – a growth market

Life expectancy is on the rise, whereas the birth rate is falling. Populations are getting older. This demographic trend poses a major challenge to state pension systems, with the number of pensioners rising and the number of people in gainful employment sinking. This trend will be accelerated in the near future when the generation of baby boomers retires. Whoever wants to ensure that they are sufficiently and securely provided for after retirement or in the event of disability must give the matter some thought and put the right measures in place well in advance.

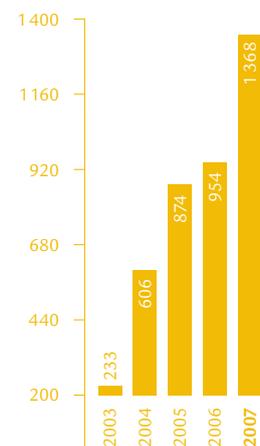
Swiss Life wants to continue along its chosen path and to carve out an even stronger position as the leading provider of life insurance and pension solutions. The company plans to continue to accelerate growth and to boost its profitability. Therefore Swiss Life made some landmark decisions in the 2007 financial year.

In December 2006 Swiss Life announced the takeover of CapitalLeben, a Liechtenstein-based company specialising in structured life insurance solutions, and finalised this transaction in March 2007. As planned, the company was merged with Swiss Life (Liechtenstein) AG on 1 October 2007.

In March 2007 Swiss Life communicated that it was selling its majority stakes in the French companies ERISA and ERISA IARD to HSBC France. The sale, which was concluded on market terms, enhances Swiss Life's strategic and financial flexibility in the French market with respect to the focus on profitable growth and high net worth individuals. Swiss Life exercised this flexibility early on by acquiring the banking and asset management business of Banque Privée Fideuram Wargny from VIEL & Cie. and taking over Meeschaert Assurances, a subsidiary of the French Meeschaert Group.

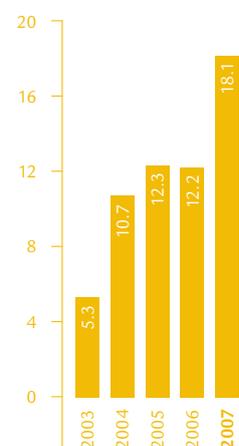
Net profit

In CHF million



Return on equity

in %



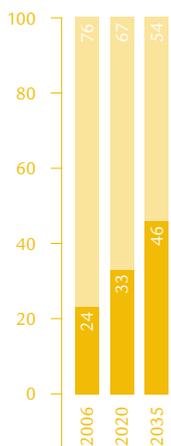
In November 2007 Swiss Life announced the sale of Banca del Gottardo and its Dutch and Belgian insurance business. The sale of the bank to the Ticino-based company BSI was completed in March 2008. The reason for the sale of the Dutch and Belgian business was that Swiss Life believed that it would not have been possible to independently attain a sustainably profitable market position without significant investment and within a reasonable period of time. The sale will be closed in the second quarter of 2008.

However, what stands out most in terms of acquisitions in the year under review is the transaction announced in December 2007, namely, the public tender offer for shares in the German firm AWD Holding AG. With AWD, the biggest independent financial services provider in Europe, Swiss Life can consolidate its distribution network and extend its options with respect to customer proximity. In addition, it provides access to growth markets in Central and Eastern Europe, and Austria. Moreover, the partnership enables Swiss Life to accelerate its growth in Germany and to strengthen its leading market position in Switzerland.

Business portfolio with excellent perspectives

Following the operational progress and the strategic adjustments made in 2007, Swiss Life is very well positioned to accelerate growth and further enhance its profitability.

In Europe, the number of pensioners is rising, while the working population is declining



Legend:
■ Persons over 65 years
■ Gainfully employed persons

Source: United Nations, 2006 Revision Population Database

In its home market, Switzerland, Swiss Life remains the market leader in the area of private and occupational pensions. Approximately one million people are insured with Swiss Life, either directly or through their employer. By focusing on reliability and high quality services, the company clearly distinguishes itself from its competitors. In France Swiss Life has steadily improved its standing in recent years. The company is the preferred alternative to large national providers, especially for high net worth individuals. Another advantage is Swiss Life's well diversified distribution network. Partnerships with private banks and independent asset managers contribute greatly to profitable growth. In Germany Swiss Life is one of the preferred partners among insurance brokers due to its professional competence and high service quality standards. Through its partnership with AWD, Swiss Life can exploit its potential even better in the long term.

In cross-border private placement life insurance Swiss Life is already the number two in the world, although it has only been operating in this segment for the last three years. From its locations in Liechtenstein, Luxembourg and Singapore, the company offers tailored concepts for high net worth individuals, combining individual asset management with attractive pension planning solutions.

The Swiss Life Network specialises in employee benefits solutions for international corporations. The network is made up of 50 partners and serves 423 multinational companies in over 70 countries and regions.

Pensions leadership strategy

Based on these strong, sustainable and extendable market positions, Swiss Life can drive forward its pensions leadership strategy in coming years. Its promise to customers remains unchanged: "Swiss Life is committed to helping people create a financially secure future. For life." The company wants customers, investors and employees to regard it as the first choice provider for life insurance and pension products. Whoever thinks of financial security for old age should first think of Swiss Life. The company concerns itself with the pension needs of people, not just before, but also after retirement. Swiss Life is focusing on growth opportunities in its existing markets, in international business and in attractive growth markets, and is establishing a functional management structure to further enhance efficiency and cooperation within the Group.

FOCUS ON PENSIONS AND LONG-TERM SAVINGS | The focus on pensions and long-term savings involves strongly accentuating attractive customer segments, strengthening product management and optimising the diversity of the distribution channels.

Swiss Life is concentrating on the pension needs of the population before and after retirement, and intends to more actively address the requirements of customers who are due to retire shortly or have already retired. In addition, the customer segment of affluent private individuals or high net worth individuals is becoming increasingly important. To respond even better to customer requirements, the company is reinforcing its product management. As regards new business, the product portfolio will move away from traditional products with fixed guarantees towards new products with either variable or no guarantees. Such products offer customers higher potential returns, on the one hand, and tie up less risk capital, on the other. Furthermore, Swiss Life intends to shore up its distribution capability with a multi-channel distribution concept. Swiss Life has already built up a well diversified distribution network in France. It distributes its products via proprietary channels and tied agents, has established very strong relationships with brokers and independent financial consultants, and cooperates with various private banks. The company aims to diversify its distribution resources in Switzerland and Germany. In view of this and the growing significance of independent consultation services in the sale of pension products, which is also expected to persist in the future, Swiss Life decided to acquire a majority interest in AWD. In addition, Swiss Life is seeking to improve its sales in Switzerland and Germany by cooperating with banks. Products in all markets will also be sold via the internet.

FOCUS ON GROWTH OPPORTUNITIES | Swiss Life wants to seize growth opportunities more systematically in its existing markets, in international business and in attractive growth markets. The company believes that the greatest potential lies in the area of cross-border business in structured pension solutions for high net worth individuals. With its presence in Liechtenstein and Luxembourg, Swiss Life is excellently positioned in the rapidly growing global market for private placement life insurance. In March 2008 Swiss Life opened a branch in Singapore, permitting it to access the attractive Asian market more easily. Swiss Life expects the volume of premiums in this sector to increase from around CHF 3 billion in 2007 to between CHF 8 and 10 billion in 2012.

We are committed to helping people create a financially secure future. For life.

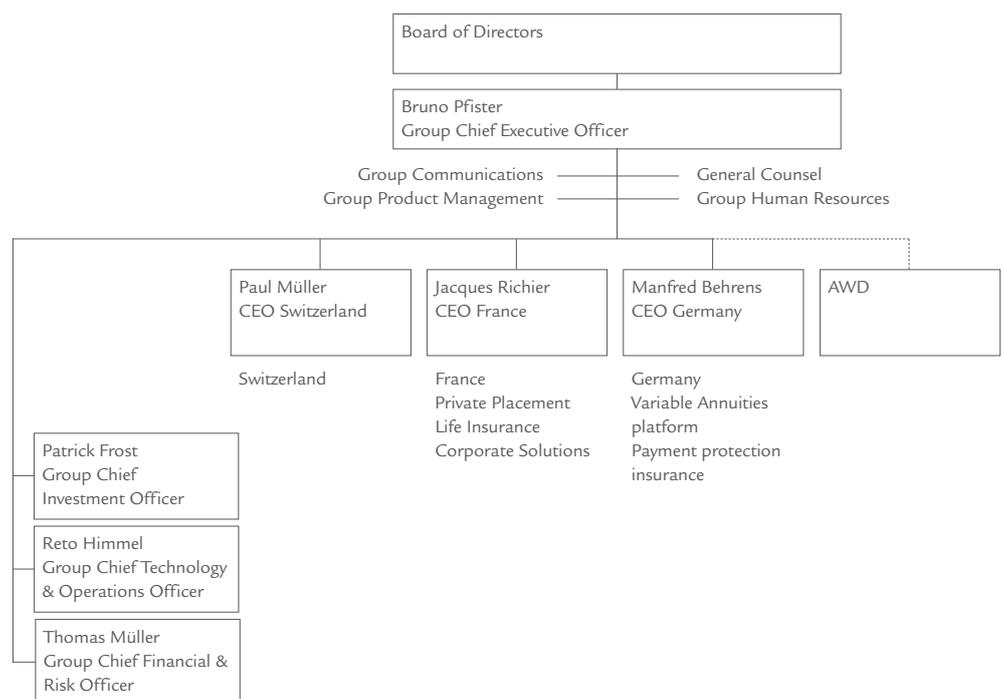
We aim to become a leading international specialist in life insurance and pension solutions.

Flexible products with variable guarantees (variable annuities) represent another cross-border business segment with outstanding growth potential. Swiss Life distributes these products among various countries from a central product platform in Luxembourg. Variable annuity products offer customers an optimal combination of traditional insurance and modern investment products. The employee benefits solutions offered by international companies also fall under cross-border business. In order to fully tap into these business opportunities, the Swiss Life Network and its existing corporate business in Luxembourg were merged into the Corporate Solutions business unit.

Moreover, Swiss Life intends exploiting opportunities in its existing markets through acquisitions. New markets will be mainly targeted via joint ventures and partnerships.

FOCUS ON FUNCTIONAL OPTIMISATION | Swiss Life will further boost efficiency and effectiveness within the organisation through increased functional management. Following the noticeable rise in efficiency achieved in individual markets in recent years, the company is now creating Group-wide synergies. The German and French CEOs are joining the Corporate Executive Board and will assume additional responsibilities involving key Group functions. This ensures that market-based decisions can be made while taking into account all the interests within the company, thereby laying the foundations for cooperation between the various countries. Swiss Life expects to generate additional efficiency gains of CHF 50 to 100 million by 2012.

Management structure as of May 2008



FOSTER COMMITMENT | Employee commitment is the key to attaining the company's ambitious goals. Swiss Life wants to greatly strengthen the performance culture within the organisation, especially with regard to customer orientation and innovation. This will be based on an incentive system which focuses on value drivers relevant to the strategy. The competencies of employees will be systematically recorded and enhanced by means of training and development measures. In this way, Swiss Life intends to improve its standing in the labour market and to enhance its ability to attract, develop and retain talented staff. Staff commitment – a combination of job satisfaction and identification with work – will continue to be measured in annual surveys. Swiss Life's target is 80 out of 100 index points.

Ambitious financial targets for 2012

A key component of strategy is active capital management. The capital structure is designed by taking into account economic criteria, the regulatory framework and specifications relating to technical ratings. The aim is to achieve a balanced maturity structure of outstanding liabilities on the capital market. Developments with regard to innovative risk transfer solutions are incorporated into the capital management decision-making process. The aim of these measures is to increase the profit distribution to shareholders. Once the announced sales have been closed, Swiss Life plans to launch a share buyback programme of up to CHF 2.5 billion.

The new financial goals underscore the company's commitment to profitable growth and the efficient deployment of capital. Swiss Life has set itself the goal of increasing its earnings per share by an annual rate of at least 12% up to 2012, and to achieve a sustainable return on equity of 12% or more. Every year 40% to 60% of the profit is to be distributed to shareholders.

Swiss Life aims to increase its earnings per share by an annual rate of at least 12% up to 2012 and achieve a return on equity of 12% or more.

Summary of Group Results | In its 150th year of operation, the Swiss Life Group generated a net profit of CHF 1368 million, the highest in its history.

After allowing for CHF 23 million for minority interests, CHF 1345 million is available for the shareholders of Swiss Life Holding. This translates into (diluted) earnings per share of CHF 39.60 and a return on equity of 18.1%. Adjusted for the profit contribution from a reserve release of around CHF 300 million due to a change in Dutch law, the profit amounted to CHF 1064 million and the return on equity to 14.3%. The overall premium volume came to CHF 24.2 billion. Embedded value rose by 20% to CHF 12.8 billion.

PROFIT FROM OPERATIONS UP 11% | The profit from continuing operations was raised by 11% to CHF 1013 million, to which the Swiss insurance segment contributed the largest share amounting to CHF 650 million. Despite a distinctly lower financial result, the Swiss segment managed to maintain the profit level of the previous year. Insurance operations in France generated a segment result of CHF 324 million, an increase of 54% against the year before. Comparability with the previous year was, however, influenced by the sale of the ERISA companies. Without this one-off effect, the French segment reported a 32% profit increase to CHF 187 million. For insurance operations in Germany, Swiss Life posted a segment result of CHF 65 million. As two special effects burdened the 2007 figures to the amount of roughly CHF 40 million, the segment result receded by CHF 19 million despite the operational advances achieved. The Insurance Other segment, which comprises the Liechtenstein and Luxembourg locations, generated a segment result of CHF 8 million, in contrast to the loss of CHF 3 million posted in 2006 due to the losses incurred on the sale of the Italian business. In the Investment Management segment, Swiss Life boosted its result from CHF 50 million to CHF 93 million thanks to higher returns and the transfer from the insurance sector of the investment company in Germany responsible for asset management. The result of the segment Other, comprising primarily financing and holding companies, and the eliminations offset one another. Overall, continuing operations achieved a net profit of CHF 726 million, up 26% against the previous year.

The profit contribution by discontinued operations amounted to CHF 642 million. The increase compared to 2006 was due to the significantly higher result from the discontinued insurance segment. This result rose from CHF 144 million to CHF 471 million owing to the above-mentioned release of a reserve position of around CHF 300 million. The segment profit of the sold banking business came to CHF 168 million.

Profit from operations

In CHF million



Continuing operations
 Discontinued operations

Gross written premiums, policy fees and deposits received

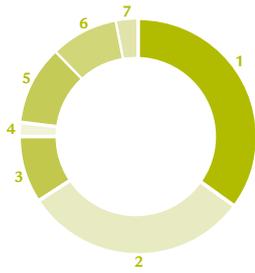
In CHF million



Continuing operations
 Discontinued operations

Gross written premiums, policy fees and deposits received by country

Total 100%



- 1 Switzerland 35%
- 2 France 31%
- 3 Germany 9%
- 4 Luxembourg 2%
- 5 Liechtenstein 11%
- 6 Netherlands 9%
- 7 Belgium 3%

Financial result

In CHF million



- Continuing operations
- Discontinued operations

MAINTAINING GROWTH MOMENTUM | In continuing operations, the gross premiums, policy fees and deposits received under insurance and investment contracts amounted to CHF 21.2 billion, which represents an increase of 9% year on year.

At CHF 389 million, policy fees from insurance and investment contracts remained in line with the previous year's result. The rise in Liechtenstein and Germany was neutralised by the drop in France resulting from the sale of the ERISA companies. Fee income from asset management and other commission income came to CHF 196 million, remaining on a par with the previous year.

Key figures for the Swiss Life Group

In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	24 170	22 064	9.5%
Net earned premiums and policy fees	13 705	12 673	8.1%
Asset management and other commission income	196	198	-1.0%
Financial result (without share of results of associates)	4 923	5 364	-8.2%
Other income	147	-16	n.a.
Total income	18 971	18 219	4.1%
Net insurance benefits and claims	-13 268	-12 012	10.5%
Policyholder participation	-1 746	-2 143	-18.5%
Interest expense	-455	-722	-37.0%
Operating expenses	-2 489	-2 432	2.3%
Total expenses	-17 958	-17 309	3.7%
Profit from operations	1 013	910	11.3%
Net profit	1 368	954	43.4%
Equity	7 334	7 851	-6.6%
Insurance reserves	121 829	153 800	-20.8%
Assets under management	121 167	205 490	-41.0%
Assets under control	138 946	214 041	-35.1%
Return on equity (in %)	18.1	12.2	48.4%
Number of employees (full-time equivalents)	8 556	8 693	-1.6%

SATISFACTORY FINANCIAL RESULT | The financial result from investments held at own risk in continuing business receded by 3% to CHF 4.2 billion. In terms of direct income, Swiss Life benefited from rising interest rates and higher hedge fund and dividend distribution. The direct investment return was 4.1% (2006: 3.3%). Taking into account asset changes relevant to the income statement and asset management costs, the net investment return came to 3.7% (2006: 3.9%). Whereas in 2006 Swiss Life had realised net capital gains of CHF 783 million, it posted a net capital loss of CHF 218 million for 2007. This was attributable to the negative trend on the international financial markets since the middle of 2007. Swiss Life is not directly affected by the crisis on the US mortgage market. However, for the 2007 accounts, it decided to completely write off positions vulnerable to a further aggravation of the liquidity situation brought on by all the market turbulence. The total investment return of 1.0% also includes the asset changes directly reflected in equity. The rise in interest rates had a negative impact on the total investment return.

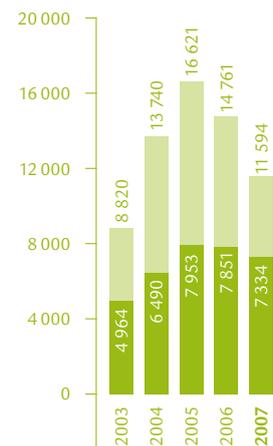
EFFICIENCY AGAIN ENHANCED | Insurance benefits and changes in the mathematical reserve rose by 10% to CHF 13.3 billion, mirroring the business growth. Owing to the lower financial result, policyholder bonuses declined by 19% to CHF 1.7 billion. Interest expense (excl. borrowing costs) decreased by 37% to CHF 455 million, mainly as a consequence of the sale of the ERISA companies.

Operating costs were reduced by a further 2% in spite of the vigorous growth. In Switzerland, they were pushed back by a full 7%. At Group level, the operating expenses climbed to CHF 2.5 billion, a 2% increase against the previous year. This increase is due primarily to overall growth and the effect of the rising euro. Tax expenses totalled CHF 122 million, down CHF 104 million on 2006 because of tax rate cuts in Germany and Switzerland and changes with regard to tax-privileged financial gains.

SOLID CAPITAL BASE | On a comparable basis, liabilities from insurance operations advanced in line with growth and the course of business by 11% to CHF 121.8 billion. In 2007, shareholders' equity decreased by 4% to CHF 7.3 billion. The hike in interest rates led to a reduction in the revaluation reserves for bonds. For the same reason, the core capital declined by 21% to CHF 11.6 billion. Owing to the sale of the ERISA companies, the overall balance sheet total fell from CHF 187.0 billion to CHF 179.8 billion. The solvency ratio, calculated according to the new regulations issued by the Federal Office of Private Insurance, came to 162% (2006: 194%). Total assets from continuing business controlled by the Swiss Life Group amounted to CHF 138.9 billion.

Core capital

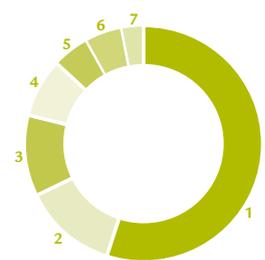
In CHF million



Equity (incl. minority interest)

Asset allocation as at 31.12.2007 (insurance portfolio)

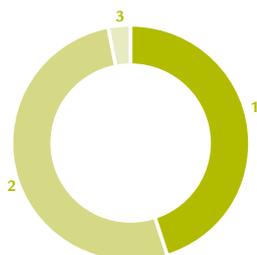
Total 100%



- 1 Bonds 55%
- 2 Loans 13%
- 3 Real estate 11%
- 4 Shares 8%
- 5 Mortgages 5%
- 6 Alternative investments 5%
- 7 Cash and cash equivalents 3%

Direct written premiums by type of insurance

Total 100%



- 1 Group 45%
- 2 Individual 52%
- 3 Other 3%

Segment Reporting | Swiss Life adjusted its segment structure following the sale of its insurance business in the Netherlands and Belgium and of Banca del Gottardo. Continuing insurance operations have been broken down by country and the areas sold are shown separately. The result for continuing segments rose 12% from CHF 969 million to CHF 1086 million.

Following the disposals of the Dutch and Belgian insurance business and of Banca del Gottardo, which were announced in November 2007, Swiss Life adapted its reporting to reflect the new situation in accordance with the accounting principles. Continuing insurance operations have been broken down into Insurance Switzerland, Insurance France, Insurance Germany and Insurance Other. Insurance Other comprises the results of the countries of Liechtenstein and Luxembourg. Two further segments are Investment Management and Other, the latter containing the financing and holding companies. The areas whose disposal the company had announced in the period under review will remain fully consolidated in the statements until the respective transactions have been finalised. They are, however, disclosed separately and broken down into insurance and banking. To facilitate a year-on-year comparison, the previous year's figures are also shown in accordance with the new structure.

In 2007 Swiss Life achieved a total segment result of CHF 1086 million for continuing operations, which represents a 12% increase on the previous year. Insurance Switzerland contributed 60% to this figure, Insurance France 30% and Insurance Germany 6%. Gross written premiums for continuing operations climbed 9% to CHF 21.2 billion. Approximately 40% of the premiums were written in Switzerland, 35% in France, 10% in Germany and 15% in Liechtenstein and Luxembourg, which mainly conduct cross-border business. The French result still includes premium income from the ERISA companies which were sold during the period under review. Without these companies' contribution, the premium income for continuing operations amounted to CHF 19.3 million in 2007.

In its Discontinued Insurance segment, Swiss Life generated a result of CHF 471 million and gross premium income of around CHF 3.0 billion. The CHF 327 million increase in the segment result is due primarily to a dissolution of reserves amounting to roughly CHF 300 million following a change in Dutch law.

INSURANCE SWITZERLAND | In Switzerland Swiss Life achieved a segment result of CHF 650 million. With premium growth clearly above the market average and additional advancements in efficiency, Swiss Life reinforced its leading position in its home market, increasing its market share from 28% to 29%. Swiss Life grew its gross premium income by 11% to CHF 8413 million. This positive development is attributable to group insurance operations, especially the high level of new business. The segment result could not improve on the previous year's very impressive figure because the financial result fell. With regard to direct income, Swiss Life benefited from rising interest rates and higher hedge fund and dividend distribution by stocking up its bond portfolio. Realised and unrealised capital gains declined in the second half of the year because of the crisis which hit the international financial markets.

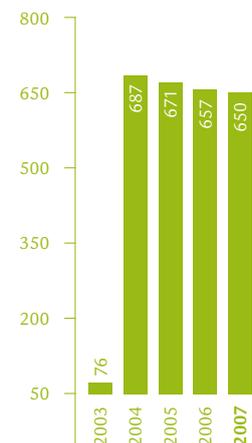
Insurance benefits, including changes in insurance reserves, rose by 14% to CHF 8758 million. The increase is primarily due to higher income from savings premiums in group insurance. The amount allocated to the reserves for policyholder bonuses receded due to the considerably lower financial result. Operating costs decreased by 7%. This development is primarily due to the efficiency gains achieved from the successful integration of «La Suisse» and the measures implemented to simplify the systems landscape in individual insurance.

In 2007 Swiss Life continued its pricing policy aimed at sustainably improving profitability, thereby increasing the value of new business. One of the company's forward-looking product innovations is Swiss Life VitalityPlus: a unit-linked insurance financed by periodic premiums which offers policyholders the option to waive death coverage in order to receive higher savings premiums. It is available as both a tax-qualified (pillar 3a) or non tax-qualified (pillar 3b) product. In 2008 Swiss Life will pave the way for and begin its partnership with AWD, through which it expects to enhance its market penetration, especially in the younger customer segment, and continue to drive growth in the unit-linked products business.

Key figures for Insurance Switzerland			
In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	8 413	7 611	10.5%
Net earned premiums and policy fees	8 200	7 373	11.2%
Asset management and other commission income	38	62	-38.7%
Financial result (without share of results of associates)	2 556	2 767	-7.6%
Other income	-24	-26	-7.7%
Total income	10 770	10 176	5.8%
Net insurance benefits and claims	-8 758	-7 719	13.5%
Policyholder participation	-458	-864	-47.0%
Interest expense	-133	-136	-2.2%
Operating expenses	-771	-800	-3.6%
Total expenses	-10 120	-9 519	6.3%
Segment result	650	657	-1.1%
Assets under control	74 996	75 357	-0.5%
Insurance reserves	67 256	67 134	0.2%
Number of employees (full-time equivalents)	2 792	2 963	-5.8%

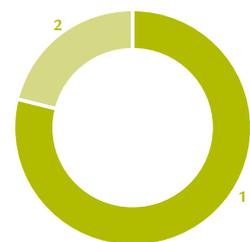
Segment result Insurance Switzerland

In CHF million



Premiums for Switzerland, by type of insurance

Total 100%



- 1 Group 79%
- 2 Individual 21%

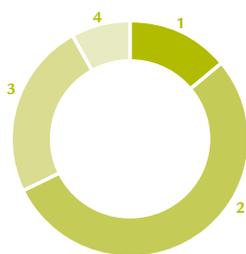
Segment result Insurance France

In CHF million



Premiums for France, by type of insurance

Total 100%



- 1 Group 14%
- 2 Individual 54%
- 3 Health insurance 24%
- 4 Property 8%

INSURANCE FRANCE | Swiss Life posted a segment result of CHF 324 million. The sale of ERISA and ERISA IARD to HSBC France in 2007 renders a year-on-year comparison difficult. Both companies were fully consolidated into the results for the first half of 2007; but only the gain on disposals was included in the second half. On a comparable basis, the segment result increased from CHF 142 million to CHF 187 million (+32%).

Following a strong growth in premium volume in 2006, the French life insurance market experienced a 3% decline in 2007. Swiss Life generated premium income of CHF 7411 million. Disregarding the ERISA companies, the premium volume amounted to CHF 5518 million, which, on a comparable basis, corresponds to a 6% rise (1% in local currency). Thus Swiss Life outperformed the market in the area of life insurance, mainly due to ongoing premium growth in unit-linked products, which came to 39% (33% in local currency). One major factor of the company's success in this field is its strong distribution partnerships with various private banks. Premium income in health insurance went up 12% (7% in local currency) to CHF 1887 million, exceeding the market growth of 4%. The changes in income and expenses vis-à-vis the previous year are primarily due to the deconsolidation of the ERISA companies. Income grew by 9% on a comparable basis to CHF 4283 million (4% in local currency). On the same basis, expenses increased by 4% to CHF 3929 million, which, however, represents a decline of 1% in local currency.

Swiss Life is continuing to expand its distribution capabilities and service portfolio with systematic acquisitions as part of its private insurer concept. In August, Swiss Life acquired the banking and asset management business of Banque Privée Fideuram Wargny. In September, it announced that it was purchasing the insurance subsidiary of the French-based Meeschaert Group and, in January 2008, it reported that it was buying the internet brokers Placement Direct. Swiss Life has intensified its cooperation with independent financial consultants by launching a new internet platform.

Key figures for Insurance France

In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	7 411	8 204	-9.7%
Net earned premiums and policy fees	3 401	3 287	3.5%
Asset management and other commission income	46	31	48.4%
Financial result (without share of results of associates)	1 326	1 719	-22.9%
Other income	155	14	n.a.
Total income	4 928	5 051	-2.4%
Net insurance benefits and claims	-2 372	-2 268	4.6%
Policyholder participation	-777	-857	-9.3%
Interest expense	-287	-547	-47.5%
Operating expenses	-1 168	-1 168	0.0%
Total expenses	-4 604	-4 840	-4.9%
Segment result	324	211	53.6%
Assets under control	24 071	43 442	-44.6%
Insurance reserves	23 657	41 384	-42.8%
Number of employees (full-time equivalents)	2 191	2 279	-3.9%

INSURANCE GERMANY | Swiss Life achieved a segment result of CHF 65 million. Based on the good financial result and further enhancements in efficiency, a considerable year-on-year improvement was realised on a comparable basis. The segment result posted represents a decline of CHF 19 million on the previous year, as the spin-off of investment management into a separate investment company and the passing on of the tax rate reduction in the form of policyholder bonuses added one-off costs of CHF 40 million to the accounts in the period under review.

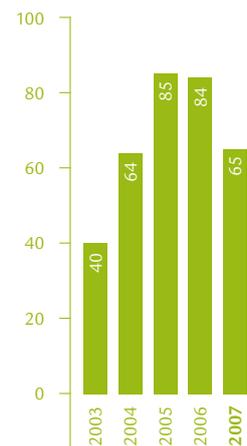
Premium volume in the German life insurance market stagnated in 2007 at EUR 79 billion (+0.6%). The population is noticeably reluctant to commit to long-term retirement pension policies because of the uncertainty surrounding the implications of the current political reforms. Swiss Life grew its premium volume by 2% (-2% in local currency) to CHF 2158 million. In individual insurance Swiss Life increased its premium income to CHF 1648 million (unchanged in local currency). Premium income in group insurance went down 5% (-9% in local currency) to CHF 509 million as a result of the drop in single premiums. However, the company recorded a further increase in periodic premiums. Income climbed 8% to CHF 3109 million, mainly due to the sound financial result. The 9% rise in expenses is attributable in particular to the one-off effects mentioned above and to the higher bonus allocation based on the improved financial result. The efficiency improvements attained led to a further reduction in operating costs, which fell by 5%.

Product development is shaped by current market requirements. In the year under review the company launched a new tranche of its index-linked annuity insurance and a unit-linked Riester annuity insurance with guarantees. Another new development in 2008 was a capitalisation product based on an attractive investment funded by capital not currently required. Thanks to further product innovations and the strategic partnership with AWD, Swiss Life expects a spurt in growth in the coming years.

Key figures for Insurance Germany			
In CHF million	2007	2006	+/--%
Gross written premiums, policy fees and deposits received	2 158	2 116	2.0%
Net earned premiums and policy fees	2 009	1 950	3.0%
Asset management and other commission income	32	30	6.7%
Financial result (without share of results of associates)	1 064	872	22.0%
Other income	4	16	-75.0%
Total income	3 109	2 868	8.4%
Net insurance benefits and claims	-2 119	-1 988	6.6%
Policyholder participation	-502	-420	19.5%
Interest expense	-22	-26	-15.4%
Operating expenses	-401	-350	14.6%
Total expenses	-3 044	-2 784	9.3%
Segment result	65	84	-22.6%
Assets under control	20 249	19 678	2.9%
Insurance reserves	21 243	19 871	6.9%
Number of employees (full-time equivalents)	732	791	-7.5%

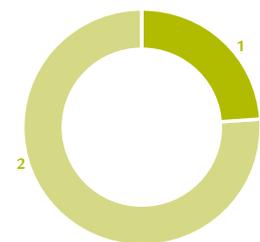
Segment result Insurance Germany

In CHF million



Premiums for Germany, by type of insurance

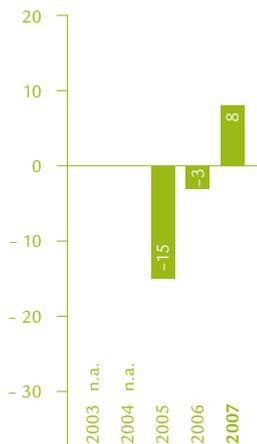
Total 100%



- 1 Group 24%
- 2 Individual 76%

Segment result Insurance Other

In CHF million



INSURANCE OTHER | The segment Insurance Other comprises Swiss Life's business in Liechtenstein and Luxembourg in the period under review. Both companies specialise in structured pension products for high net worth individuals. In Luxembourg Swiss Life also provides group insurance solutions for international and local corporate clients. In the previous year this segment also included the results of the Italian companies since sold.

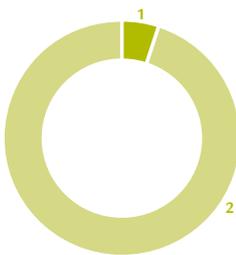
In 2007, the segment result amounted to CHF 8 million compared to a loss of CHF 3 million the previous year, which was directly related to the sale of the Italian business. Thanks to ongoing dynamic growth and the acquisition of the Liechtenstein company CapitalLeben, gross premium income rose by CHF 1.5 billion to CHF 3.3 billion. In March 2007, Swiss Life completed the acquisition of CapitalLeben and successfully integrated it into Swiss Life (Liechtenstein) AG during the course of the year. 95% of the overall premium income in this segment stemmed from cross-border insurance policies subject to Liechtenstein or Luxembourg law, and 5% from Group business in Luxembourg.

At the end of 2007 Swiss Life consolidated its Liechtenstein and Luxembourg business for high net worth individuals in the area of private placement life insurance under one leadership. The opening of the Singapore branch in March 2008 represents another sales platform in this area and enables the company to tap into the opportunities on the Asian market more effectively.

In addition, Swiss Life merged the operations of its group business in Luxembourg with that of the Swiss Life Network, which specialises in employee benefits solutions for international corporations, to form Corporate Solutions. Through this new organisation, the company aims to intensify its distribution of comprehensive solutions for international corporate clients and multinational corporations. Furthermore, Swiss Life has developed a platform for variable annuity products in Luxembourg, which will be produced centrally and distributed in various countries. Swiss Life Products (Luxembourg) SA. will launch the first product in Germany in the middle of 2008.

Premiums Other, by type of insurance

Total 100%



- 1 Group 5%
- 2 Individual 95%

Key figures for Insurance Other

In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	3 294	1 506	n.a.
Net earned premiums and policy fees	103	68	51.5%
Asset management and other commission income	0	0	n.a.
Financial result (without share of results of associates)	34	38	-10.5%
Other income	5	-17	n.a.
Total income	142	89	59.6%
Net insurance benefits and claims	-20	-39	-48.7%
Policyholder participation	-9	-3	n.a.
Interest expense	-15	-14	7.1%
Operating expenses	-90	-36	n.a.
Total expenses	-134	-92	45.7%
Segment result	8	-3	n.a.
Assets under control	10 200	2 835	n.a.
Insurance reserves	10 055	2 736	n.a.
Number of employees (full-time equivalents)	122	67	82.1%

INVESTMENT MANAGEMENT | In the Investment Management segment, which comprises Group-wide institutional asset management activities, Swiss Life achieved a result of CHF 93 million. The CHF 43 million increase on the previous year is primarily due to higher income from asset management and other commission income. There are a number of reasons for this: In Germany, Swiss Life spun off its investment management, previously integrated in the insurance business, into a separate investment company, whose result is now included in this segment. In Switzerland, a new service level agreement was concluded with the Swiss insurance business, and transactions in the real estate sector attained a higher volume. Thanks to stringent cost management, expenses rose by only 2% to CHF 189 million despite the first-time inclusion of the German business.

Assets under management came to CHF 120 billion, consisting of CHF 110 billion in insurance assets, around CHF 7 billion in investment funds and CHF 3 billion from third-party mandates.

In the period under review, Swiss Life adjusted its Investment Management organisation and processes. In order to boost the earnings potential, exploit synergies and improve risk control, all units in the Investment Management segment have been reporting directly to the Group Chief Investment Officer since 1 January 2008. Investment activities are now conducted in accordance with a Group-wide standardised process. Moreover, Swiss Life is concentrating its resources for the various investment classes at two locations in Zurich and Paris, from where a uniform implementation of investment decisions throughout the Group will be ensured.

Swiss Life continued to develop its guidelines with regard to directives and risk limits in the Investment Management segment, based on its existing Code of Compliance. Great significance is attached to monitoring adherence to the relevant directives and limits.

In 2008, the focus is on the full integration of the new Investment Management units, and the establishment of appropriate, modern infrastructure tailored to the requirements of present-day asset management.

Key figures for Investment Management			
In CHF million	2007	2006	+/-%
Asset management and other commission income	271	225	20.4%
Financial result (without share of results of associates)	3	2	50.0%
Other income	8	8	0.0%
Total income	282	235	20.0%
Interest expense	0	0	n.a.
Operating expenses	-189	-185	2.2%
Segment result	93	50	86.0%
Assets under management ¹	119 928	118 127	1.5%
Number of employees (full-time equivalents)	574	522	10.0%

¹ incl. intragroup assets

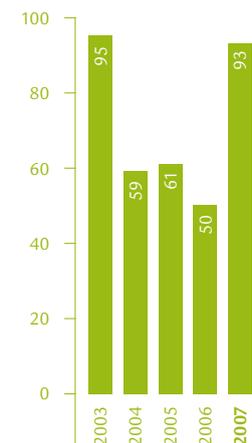
Asset management and other commission income, Investment Management

In CHF million



Segment result Investment Management

In CHF million



DISCONTINUED INSURANCE | The Discontinued Insurance segment comprises Swiss Life's insurance business in the Netherlands and Belgium. In November 2007, the company announced it was selling this to SNS REAAL. The transaction is expected to be completed by the second quarter of 2008. In January 2008, SNS REAAL, in turn, announced that it was selling on the Belgian business it acquired from Swiss Life to Delta Lloyd.

In the period under review, Swiss Life generated a segment result of CHF 471 million in the Netherlands and Belgium. This significant increase on the previous year is primarily due to a change in the Dutch accounting standards, which led to a release of deferred bonus liabilities, improving the result by CHF 300 million.

In the Netherlands, Swiss Life grew its gross premium income by 21% to CHF 2302 million or 16% in local currency, which considerably exceeds the overall market growth. The rise in premiums written is attributable to the impressive growth recorded in corporate business. As in previous years, Swiss Life was especially successful in the acquisition of corporate clients such as autonomous pension funds who were looking for the security provided by a leading life insurance company.

In Belgium, gross premium income came to CHF 656 million, down 12% on the previous year (-16% in local currency). This decline stems from the cancellation of a distribution agreement in the area of individual insurance. On the other hand, premium volume in group insurance rose 18% (13% in local currency) to CHF 340 million and 5% in the non-life business (0% in local currency) to CHF 75 million.

Key figures for Discontinued Insurance			
In CHF million	2007	2006	+/-%
Gross written premiums, policy fees and deposits received	2 957	2 643	11.9%
Net earned premiums and policy fees	2 083	1 588	31.2%
Asset management and other commission income	31	26	19.2%
Financial result (without share of results of associates)	1 008	999	0.9%
Other income	1	11	-90.9%
Total income	3 123	2 624	19.0%
Net insurance benefits and claims	-2 347	-1 826	28.5%
Policyholder participation	221	-175	n.a.
Interest expense	-105	-94	11.7%
Operating expenses	-421	-385	9.4%
Total expenses	-2 652	-2 480	6.9%
Segment result	471	144	n.a.
Number of employees (full-time equivalents)	1 128	1 081	4.3%

DISCONTINUED BANKING | The Banking segment consists primarily of Banca del Gottardo and is to be discontinued following the sale of this bank to BSI, which was announced in November 2007. Banca del Gottardo will be fully consolidated in Swiss Life's financial statements for 2007 and up to 7 March 2008.

In 2007 the segment result came to CHF 168 million, up 46% against the previous year. Based on local accounting practice, Banca del Gottardo reported a net profit of CHF 129 million. Principal factors in the 32% year-on-year increase were higher operating income and reduced credit risk, which enabled provisions amounting to CHF 34 million after tax to be dissolved. Disregarding one-off special factors of CHF 17 million after tax, the net profit comes to CHF 111 million (+16%).

Income was down 6% to CHF 475 million compared to the previous year. Income from trading operations in particular, benefiting strongly from the favourable market conditions, improved by 19%. Interest income rose by 5%, and commission and service fee activities were up 4%.

Business expenses rose during the period under review by 2% to CHF 332 million. The slight increase was due mainly to a higher headcount and higher performance-based compensation paid. The cost/income ratio declined from 73% to 70%.

The net outflow in Private Banking customer funds owing to earlier staff departures was curbed in the second half of the year, rising by only CHF 0.1 billion to CHF 1.0 billion between 30 June and 31 December 2007. Customer assets under management (excluding custody business) totalled CHF 36.0 billion as at 31 December 2007 compared to CHF 35.8 billion at the end of 2006. Total assets under control amounted to CHF 101.1 billion as at 31 December 2007 (31 December 2006: CHF 89.3 billion).

Key figures for Discontinued Banking			
In CHF million	2007	2006	+/-%
Fiduciary and portfolio management fees	154	191	-19.4%
Custody fees, trust and other fiduciary fees	66	0	n.a.
Brokerage commissions	59	66	-10.6%
Other fees and commissions	24	34	-29.4%
Asset management and other commission income	303	291	4.1%
Financial result (without share of results of associates)	598	318	88.1%
Other income	-9	98	n.a.
Total income	892	707	26.2%
Interest expense	-337	-189	78.3%
Operating expenses	-387	-403	-4.0%
Segment result	168	115	46.1%
Assets under control ¹	93 492	92 100	1.5%
Number of employees (full-time equivalents)	1 016	988	2.8%

¹ incl. Swiss Life Group assets

Other Success Factors | Trust is a key component of long-term success in the world of life insurance and pensions. The trust Swiss Life inspires is based primarily on the quality of its products and services. Yet it is also influenced by success factors such as the commitment of its employees, the comprehensive, value-oriented risk management, the strength of its brand and the company's activities beyond its actual field of operations.

Picture 1 | Martina Nicolaidis was once a successful IT worker.

Picture 2 | Today she and her foundation support the children of widowed mothers and fathers.

Picture 3 | She would dearly love to carry her vision out into the world.



“I felt that this was where life is taking me.”

She was young and successful in her IT career when the accident occurred. Martina Nicolaidis, who had just become a mother, lost her husband in a car accident. From one moment to the next, an entirely new life began. From an emotional point of view, she found it impossible to return to the world of IT. Instead, she started to seek out people who had suffered a similar fate, and soon discovered how crucial it would be to have a support centre for widowed mothers and fathers. She had no idea how to set up a social organisation, but thanks to her great willpower, she refused to give up. “If I had known in advance how difficult it would be, I probably would never have started,” she says with a grin, “but whenever I thought there was no way forward, some door would be sure to open.” Her vision of establishing the Nicolaidis Foundation on an international basis – supported by Swiss Life – to provide care especially for children and youths without being restricted by national borders is well on the way to being realised.

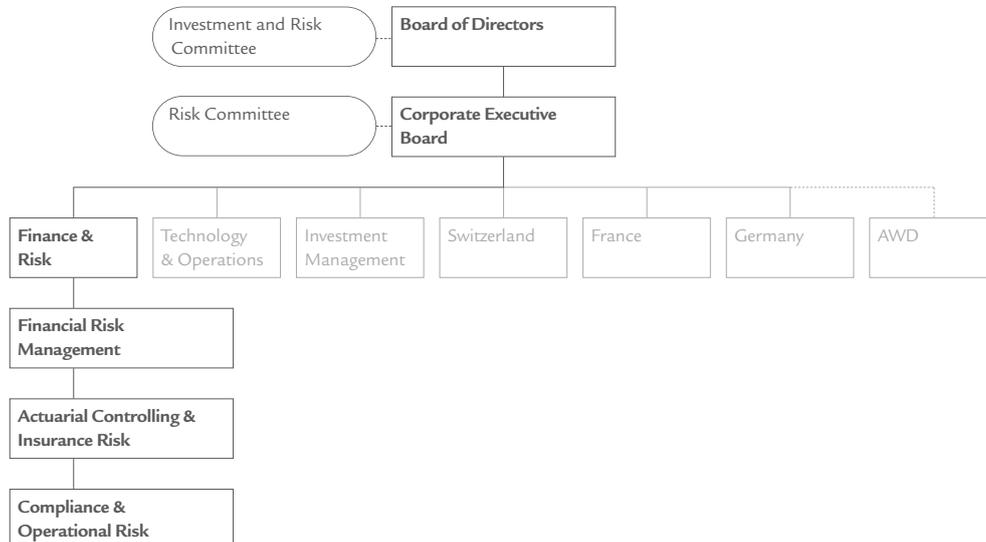




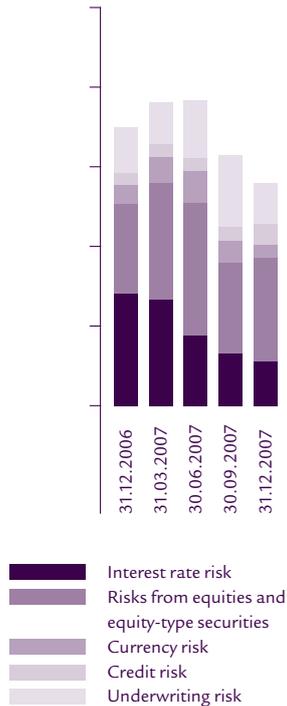
Risk Management | Swiss Life pursues an integrated, value-oriented risk management approach ensuring the protection and the best-possible investment of the risk capital. By reducing the overall risk level and maintaining a broader spread across all risk classes, Swiss Life has created a foundation on which capital is invested efficiently and sustainable returns are achieved.

Risk management is a key component of Swiss Life's financial management process. The overall responsibility is borne by the Group Chief Financial & Risk Officer. The Board of Directors' Investment and Risk Committee monitors the process, takes decisions with regard to risk budgeting and keeps the Board of Directors in its entirety informed on the company's risk situation. Further risk management functions are performed by the Corporate Executive Board's Group Risk Committee and the Asset and Liability Management Committees at country level.

Organisational and governance structure of the risk management functions



Risk capital consumption:
total risks reduced and
diversification improved



RISK BUDGETING | The key tasks of risk management comprise the breakdown of risks into risk classes and their analysis, measurement and control. Swiss Life uses the following risk classes in its risk models:

- Market risks: equities, interest and currencies
- Credit risks: investments and reinsurance
- Underwriting risks: mortality, longevity, disability and customer behaviour
- Operational risks: people, processes, systems and external factors

Based on the economic evaluation of assets and liabilities, financial risk specialists assess the amount of risk capital available and the Group's risk capacity derived from this amount. The risk capital limits are set with regard to the market and credit risks entered into. There are also thresholds for foreign exchange as well as equities and equity-type securities.

MARKET RISK | The market risk stems from fluctuations on the financial markets which impact the value of capital investments and liabilities. Risk types significant for Swiss Life include primarily the risk of changes in interest rates, volatile stock markets and fluctuating rates of exchange against the Swiss franc.

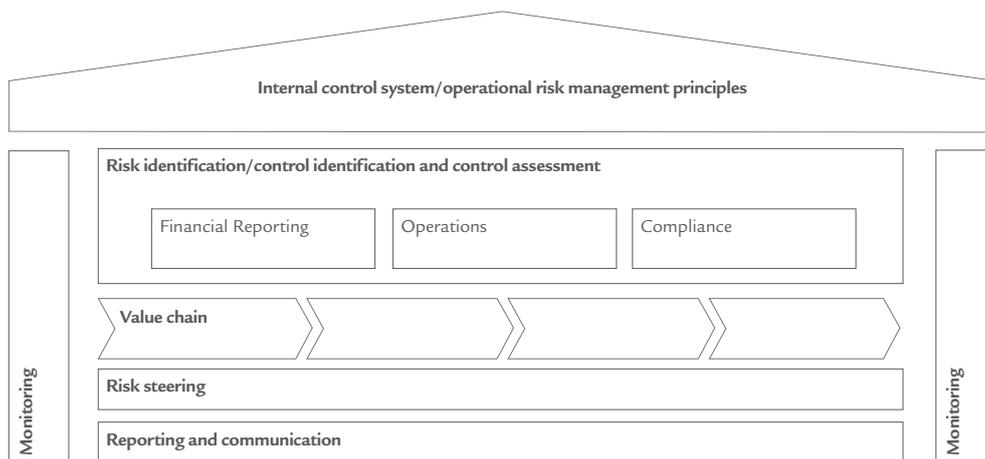
In addition to being monitored and controlled in the individual business units, market risks are consolidated and centrally managed at Group level. External requirements by supervisory authorities and rating agencies also play a key role in the assessment of risks. These requirements can lead to specific limits with regard to the investment policy in the individual countries.

CREDIT RISK | Creditors face the risk of counterparties not living up to their obligations. This can for instance involve failure to pay outstanding interest in the case of bonds, loans or mortgages. Credit risk arises in connection with investments and, to a lesser degree, in reinsurance business. Swiss Life strives to prevent such loss of income by setting Group-wide guidelines on the creditworthiness of borrowers and by requiring guarantees. It also strives to achieve an adequate return for the risks entered into.

UNDERWRITING RISK | Underwriting risks comprise biometric risks (mortality, longevity and disability) on the one hand and the unpredictability of customer behaviour (surrenders and capital options) on the other.

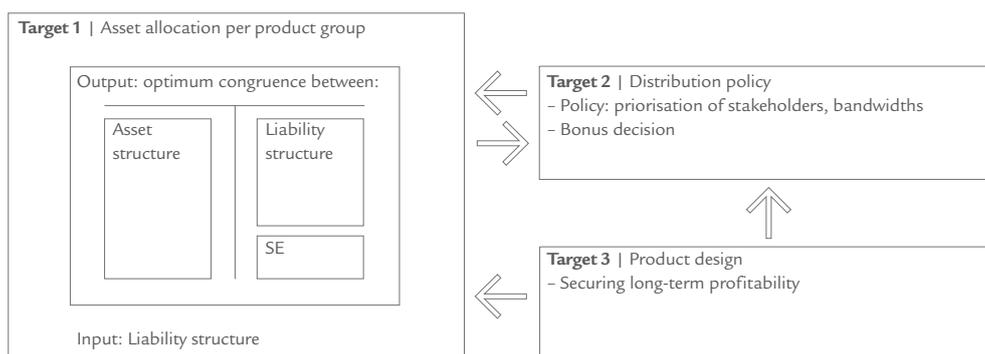
OPERATIONAL RISK | Operational risk is understood to be the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. With operational risk management (ORM) in the form of an internal control system (ICS), Swiss Life aims to identify, evaluate, manage and reduce these risks.

Comprehensive risk management refined further

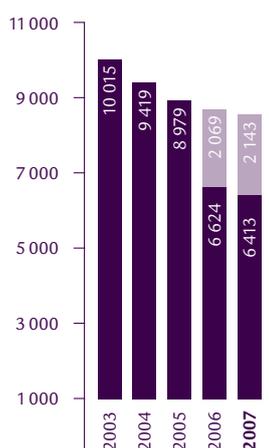


ASSET AND LIABILITY MANAGEMENT | Asset and liability management (ALM), with its long-term approach, uses the risk evaluations made as a basis for the investment strategy. The aim is to be in a position to pay benefits whenever they fall due and always have sufficient equity to cover value fluctuations in assets and liabilities. Clearly defined criteria with regard to security, return and liquidity are taken into account when policyholder assets, free reserves and equity are invested.

Asset and Liability Management as integral process



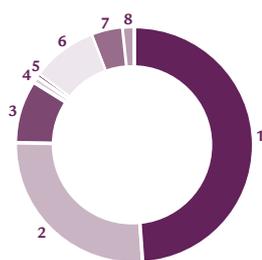
Employees (full-time equivalents)



Continuing operations
Discontinued operations

Employees (full-time equivalents) by country as at 31.12.2007

Total: 8556 employees



- 1 Switzerland 4193
- 2 France 2253
- 3 Germany 752
- 4 Luxembourg 71
- 5 Liechtenstein 31
- 6 Netherlands 758
- 7 Belgium 364
- 8 Other 134

Human Capital | Employees are a strategic success factor for Swiss Life. The aim of human capital management is to find and retain the right employees and enable them to systematically develop their skills. In 2007, the figures reflecting the commitment of Swiss Life's staff increased by a further 4 points to 77 index points, due mainly to investments made in management development as well as basic and advanced training for employees.

Swiss Life reaches its ambitious targets thanks to its appropriately qualified and extremely committed workforce. The corporate strategy and corporate values provide the guidelines for the definition of the requisite competencies, from which the skill-sets required of individual employees are derived.

The development of the Group's human capital is measured on the basis of specific key factors. Thus the productivity and added value achieved by the employees is described in terms of Human Capital Return on Investment (HCROI), by which the return achieved is placed in relation to the personnel expenses. The HCROI developed positively over the past few years. In 2007 it came to CHF 2.50, which represents an increase of 25% since 2004. A further key factor for Swiss Life is commitment. The level of commitment reflects employees' satisfaction and the extent to which they identify with their work. People who are happy at work, who identify with the company's goals and have an affinity with their team and their supervisors are dedicated and prepared to put in above-average performance. Each year, Swiss Life measures this commitment in its Employee Survey. In 2007, the commitment level of the Swiss Life Group's workforce averaged 77 index points on a scale of 1 to 100 (previous year: 73 index points). Six out of ten employees registered over 80 points. The aim is to achieve and maintain an average of 80 index points for the entire Swiss Life Group.

PERFORMANCE CULTURE | Swiss Life professes and pursues a performance culture. An important element of this performance culture is a consistently applied employee appraisal system. Once a year, line managers appraise the performance and skills of their staff and make an assessment of their potential. Based on this evaluation, employees' strengths are then fostered by appropriate development measures and gaps in competence are closed. The annual Employee Survey also allows employees to appraise their supervisors, who then receive a detailed feedback report. This feedback provides Swiss Life with an overview of its managers' skills, enabling it to devise individualised management development programmes.

TRAINING AND DEVELOPMENT | Swiss Life sets great store in recruiting good employees, nurturing and developing their knowledge and skills, and motivating them so that they are keen to stay with the company. Based on insights gained from earlier Employee Surveys, Swiss Life invested primarily in management development and in basic and advanced training for its staff in 2007. Overall, expenses for training and development of the entire workforce amounted to around CHF 25 million, which corresponds to nearly CHF 3000 per employee. Expressed as a ratio of the entire personnel expenses, the costs for training and development came to 3.1% (previous year: 3.4%).

Measures in the individual countries, tailored to the specific local circumstances, constitute an important factor in this context. In Germany, for instance, Swiss Life joined forces with representatives of the insurance industry and 11 other companies to develop the Executive Master of Insurance course. Since the 2007/2008 semester, the course has been part of the curriculum of the Faculty of Business Administration at the Ludwig-Maximilians University in Munich. This part-time post-graduate course provides students with specific insurance and actuarial knowledge. It contributes to the availability of highly qualified young specialists and ensures that current or potential Swiss Life employees who graduate from the course are ideally prepared for their tasks on the job.

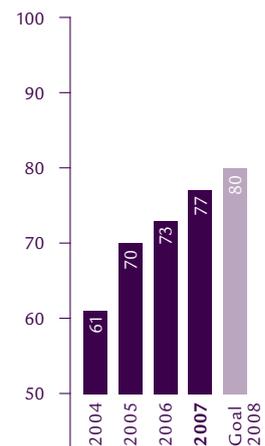
In France, Swiss Life initiated the “Contrat social” development programme in May 2007. This programme helps harmonise the requirements of the company with regard to staff flexibility and mobility on the one hand and the employees’ desire for professional change on the other. It enables Swiss Life to retain competent and motivated employees and offer its staff additional in-house development and career options.

In Switzerland, Swiss Life launched a modern learning management system in 2007 which promotes continuous and systematic training. “Life Learn”, the online portal, supports the entire learning process. All the requisite steps of an individual course – application, preparation, execution and evaluation – are performed electronically. Swiss Life Switzerland’s entire training programme is accessible via the intranet and currently comprises more than 200 attendance courses, online courses, or a combination of the two. Employees can consult the programme on offer independently to find out which courses are best suited to their individual development requirements and then apply online. Approximately 600 training events were carried out in the year under review.

TALENT FOSTERING | Since introducing its new concept for management development measures in 2005, Swiss Life has been fostering talented young staff through a specifically designed on-the-job training programme. Carefully selected employees with high potential are prepared for future leadership roles over two to three years. Participants work on strategically relevant topics in groups with an interdisciplinary and intercultural structure. Individual measures include coaching and mentoring. To qualify for this programme, staff must be nominated by the Corporate Executive Board. Out of the roughly one hundred participants in this talent development programme to date, 80% have since taken on a new, more demanding position within the Group.

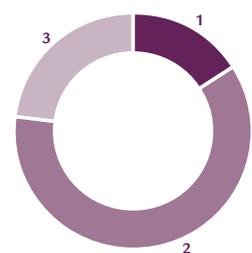
Employee commitment

(in index points)



Investments in training and development

Total 100%



- 1 Apprentices and trainees 16%
- 2 Specialist training, social and methodological skills 61%
- 3 Management and talent development 23%

Responsible Corporate Conduct | Trust is a key component of long-term success in the world of life insurance and pensions. The trust Swiss Life inspires is based primarily on the quality of its products and services, but is also greatly influenced by the company's activities beyond its actual field of operations. Swiss Life has a long tradition of commitment on behalf of society and the environment.

Responsible corporate conduct is part and parcel of the Swiss Life culture. It is based on the corporate values of expertise, proximity, openness, clarity and commitment, which provide the guidelines for interaction with customers, partners and employees. In addition, the Code of Compliance sets out specific rules of conduct. Adherence to these rules is a prerequisite for legally and ethically correct business conduct and for economic profitability. The principles in the Code of Compliance apply to the entire Swiss Life Group. Outside Switzerland and Liechtenstein, they are supplemented or modified in accordance with the local legal requirements.

SOCIAL COMMITMENT | In 2007, Swiss Life celebrated its 150th anniversary. The company used the occasion not least to enhance its longstanding social commitment. Under the motto of "Perspectives for people", Swiss Life initiated a number of projects and events in Switzerland. In cooperation with the University of Applied Sciences in Rapperswil, for instance, it launched a nationwide competition entitled "Young people design living space", which encouraged over 1000 youngsters aged between 12 and 20 to take a close look at their residential environment. The youths analysed their surroundings and developed their own visions of urban and regional planning. Visions were then transformed into specific ideas and suggestions for a desirable and future-oriented design of their living space. Over 14 000 boys and girls between six and ten years of age took part in the Kids Festival events. Kids Festival stands for a series of forty football-related events that Swiss Life organised in cooperation with the Swiss Football Association throughout Switzerland between April 2007 and May 2008. The newly established "Perspectives" foundation promoting non-profit initiatives in the fields of health, science, education, culture and sports represents a special anniversary gift from Swiss Life. The foundation has decided to focus on integration and education. In connection with the anniversary year, it allocated approximately CHF 3 million to a number of special projects. Among the beneficiaries was the "Zurich Jobs" foundation, which helps to integrate youths and the long-term unemployed into the world of work. The "Bridge to Work" project run by the Pestalozzi Children's Village in Trogen has similar goals. Youngsters with problems at school or in their private life are given the opportunity to do an intercultural "pre-apprenticeship", which facilitates entry into the working world. In its anniversary year, Swiss Life also made significant contributions to Pro Juventute Switzerland to support its free emergency telephone service for children and youths, and a foundation called "Cerebral" for the procurement of special mobility aids for cerebrally impaired children.



Visions of the future at the "Young people design living space" competition



The Kids Festival, fostering tomorrow's football stars

Already back in 1957, when marking its 100th anniversary, Swiss Life had set up the Swiss Life Anniversary Foundation for Public Health and Medical Research. The foundation has remained active to this day, providing annual contributions to various research projects.

Swiss Life's commitment to social responsibility is not limited to Switzerland. In Germany, Swiss Life has for instance been supporting the Nicolaidis Foundation since October 2007, a non-profit organisation that helps widowed mothers and fathers and their children cope with bereavement. It organises self-help groups and special projects for children and youths. Various advisory services are available to provide help in personal crisis situations. In France, one of the institutions Swiss Life supports is the "Institut Curie", a hospital and research facility with the mission to fight cancer.

ENVIRONMENTAL MANAGEMENT | Evaluation of the Swiss Internal Services' environmental data for 2006, which reflect the consumption of electricity, paper and water, reveals a positive overall picture compared to the internationally recognised benchmark of the environmental management association "Verein für Umweltmanagement" (VfU). The VfU focuses on environmental management concerns in connection with financial services providers. There are a number of reasons for the positive evaluation results: Swiss Life regularly takes energy aspects into consideration when refurbishing its office buildings, its power supply in Zurich is entirely sourced from hydro-electric plants, and it has a well-established waste disposal system whereby two thirds of all re-usable waste is recycled. The company plans to raise its energy efficiency ratio at its Zurich location by at least another 1.5% a year. Measures to enhance the efficient use of resources will be further expanded in the coming years and are set to be introduced at Swiss Life's units abroad too.

POLITICAL COMMITMENT | Swiss Life representatives from all areas of the Group play an active role in committees and associations to raise public awareness of pension issues and trigger political debates. In Germany, Swiss Life set up the "Salon Palais Leopold" series of events, where decision-makers from the worlds of business, politics and media hold regular discussions on key social and political subjects. Also in Munich, the first German Swiss Life Pension Day in November met with broad public appeal. Politicians and business representatives discussed the issue of retirement pensions in a European comparison and the direction that retirement provision is to take in future.

SUSTAINABLE PRODUCTS | Swiss Life Asset Management, a Swiss Life subsidiary, together with the independent asset management company for sustainable investments SAM, have been providing direct Sustainability Balanced mandates since 2005. They were in fact the first to do so. The investments – a combination of equities and bonds – are selected according to the criteria of economic, ecological and social added value. The investment volume now amounts to around CHF 125 million. In view of their long-term investment horizon, pension funds in particular show an interest in sustainable products. The track records of the Sustainable Balanced mandates demonstrate that the sustainability approach has a positive impact on the performance. From February 2005 to 31 December 2007, the return before costs exceeded the benchmark index by 0.6%.



The "Salon Palais Leopold" series of events: debating social and political issues relevant for the future

Corporate identity:
a look back on 150 years



1857

Already in the Rentenanstalt's infancy the Swiss cross formed part of its corporate identity. From 1893 the colour red was used in combination with the lettering and the Swiss cross.



1903

At the turn of the century the design was framed by a border of various coats of arms for the first time. This stylistic component was used at home and abroad in the brochures of that time. The Canton of Zurich's coat of arms was always located at the top.



1907

Public insurance was promoted in a very patriotic fashion. In addition to the white cross on a red background, the design bore the famous last words uttered by the national hero Winkelried before giving up his life for his country: "Take care of my wife and children!"



1917

As this special design, complete with coats of arms, indicates, our company began experimenting with its corporate identity early on, demonstrating a high level of creativity.

Brand Management | Swiss Life is renowned for its proven expertise in pensions and long-term savings and for the outstanding quality of its services. It is the market leader in Switzerland, a fact reflected in its self-assured marketing slogan "Provide for the future with the number one". In 2007, Swiss Life again succeeded in enhancing the recognition value of its brand in all its markets.

In spring 2004, Swiss Life introduced a simplified brand structure and a uniform corporate identity across the Group. The brand underscores the company's image as a specialist in financial provisions for the future and as a trustworthy partner for private individuals and companies. Swiss Life companies all operate under the same brand, which strengthens the staff's identification with the Group and the potential for international positioning. While using the Swiss Life brand, the companies in the individual countries can nevertheless set their own priorities in advertising campaigns based on their specific market position, distribution policy and competitive situation.

In Switzerland, the company's market presence is built on the brand promise "Prepared for the future", which has been relaunched several times since 2004. In the current year, the company has positioned itself with a slogan reflecting its confidence: "Provide for the future with the number one". At the end of 2007, Swiss Life was one of the insurance companies with the highest brand recognition values – 21% unprompted and 73% prompted – whereby it held its own among the major all-lines insurance groups. The appeal of the Swiss Life brand has been consistently on the rise over the past few years, thanks especially to the perceived characteristics of trustworthiness, competence and being prepared for the future. Swiss Life reinforces its market appeal with sponsorship activities predominantly in the areas of football and running on the one hand and classical music and film on the



In July 2004, Swiss Life became the sponsor of the Swiss Football Association and the Swiss national teams.

other. The greatest amount of attention is no doubt generated by the company's sponsorship of the Swiss national football team. This sponsorship agreement has been extended for another four years up to the 2012 European Championships. And of course Swiss life is especially pleased to be able to support the national side in 2008 on the occasion of the European Championships staged in Switzerland itself.

Outside Switzerland, the brand's chief strengths are the associated qualities of Swissness, trust and security. In its marketing campaigns in Germany, Swiss Life emphasises the company's longstanding tradition and reliability. Thanks to the systematic expansion of advertising activities, the brand recognition values rose markedly in 2007 to 8% unprompted and 25% prompted. Brand awareness levels in France also improved, reaching 53% unprompted and 3% prompted in the year under review. The strongest image component associated with the brand there is trustworthiness. Further strengthening the brand in all markets remains a high-priority goal in view of Swiss Life's ambitious growth targets.

Brand identity is characterised by five corporate values

EXPERTISE | We offer first-class solutions for pensions and long-term savings. This expertise is based on our proven professional competence and many years of experience.

PROXIMITY | We foster close relationships with our customers and partners and endeavour to understand their needs. This proximity enables us to provide optimum solutions tailored to their requirements.

OPENNESS | We nurture open and direct dialogue both within and outside of our organisation. This approach builds trust in the work we do.

CLARITY | We communicate clearly and offer products and services that are comprehensible. This clarity gives our customers and partners a sense of security.

COMMITMENT | We work with commitment and enthusiasm to help our customers, staff and shareholders achieve their goals. This commitment forms the basis of long-term partnerships, and enables us to meet our social responsibilities.



1920

From the twenties to the end of the fifties, the design of promotional material was dominated by frames of coats of arms in various grades of abstraction – in black and white, red or coloured.



1957

At the beginning of the fifties, the brand name "Rentenanstalt" was added to the series of coats of arms. In the sixties and seventies the frames of coats of arms were used in combination with the brand name and an abbreviated form of the name.



1978

The logo used until 2004 was created. The additional name "Swiss Life" was introduced in the mid eighties for international purposes. In 1992 the double logo was officially launched.



2004

The Swiss Life logo combines the company's tradition with its objectives. The red colour and the Swiss cross stand for the roots and origin of the 150-year-old company. The three lines of the logo symbolise the most prominent lines on the palm of the hand.

Corporate Governance | Good corporate governance ensures responsible, risk-based and transparent management and is conducive to sustainable success. In the interests of its shareholders, policyholders and staff, Swiss Life attaches great importance to corporate governance and the requirements it entails in terms of the management and organisation of the Swiss Life Group.

Corporate Governance | Swiss Life is committed to implementing the recognised principles of corporate governance.

Swiss Life's corporate governance is based on the Directive on Information Relating to Corporate Governance issued by the SWX Swiss Exchange and the Federal Office of Private Insurance's (FOPI) directives on corporate governance, risk management and internal control systems. It is also modelled on leading national and international corporate governance standards, in particular the Swiss Code of Best Practices for Corporate Governance issued by the Swiss Business Federation, *economiesuisse*, as well as the Organization for Economic Cooperation and Development's (OECD) principles on corporate governance (www.swisslife.com/en/governance2007).

MEMBERS OF THE BOARD OF DIRECTORS | As of the balance sheet date, the Board of Directors was composed of the following members:

Name	Functions	Year appointed/ reelected	Elected until
Bruno Gehrig	Chairman Chairman's Committee, Chairman	2003/2006	2009
Gerold Bühler	Vice Chairman Chairman's Committee Investment and Risk Committee, Chairman	2002/2003/2005 ¹	2008
Volker Breckamp	Member Audit Committee, Chairman	2003/2004/2007	2010
Paul Embrechts	Member Audit Committee	2003/2005	2008
Rudolf Kellenberger	Member Chairman's Committee Investment and Risk Committee	2003/2004/2007	2010
Henry Peter	Member Audit Committee	2006	2009
Peter Quadri	Member Audit Committee	2003/2004/2007	2010
Pierfranco Riva	Member Investment and Risk Committee	2003/2006	2009
Franziska Tschudi	Member Investment and Risk Committee	2003/2005	2008

¹ Member of the Board of Directors of Swiss Life/Rentenanstalt since 2000



BRUNO GEHRIG | Born 1946, Swiss national
Chairman of the Board of Directors

Bruno Gehrig received his doctorate in economics (Dr. rer. pol.) in 1975 from the University of Berne where, following studies at the University of Rochester, New York, he also qualified as a lecturer in 1978 with a study on monetary policy. From 1971 to 1980 Mr Gehrig was an assistant and lecturer at the University of Berne, becoming Assistant Professor in 1978. In 2006 he received an honorary doctorate from the University of Rochester and became a Doctor of Laws.

From 1981 to 1984 Bruno Gehrig was the Head of the Economics Section at the Union Bank of Switzerland. In 1985 he spent a year studying international banking. In 1988 he was promoted to Head of the Stock Markets and Securities Sales Division of the UBS Group. Between 1989 and 1991 Mr Gehrig was Chairman of the Executive Board of Bank Cantrade. From 1992 to 1996 he held the chair as Professor of Business Administration at the University of St. Gallen and was Head of its Swiss Institute of Banking and Finance. In 1996 Mr Gehrig was appointed Member of the Governing Board of the Swiss National Bank as Head of Department III, and served as the Board's Vice Chairman from 2001 to 2003. His political activities include serving as Chairman of the economic policy study group of the Swiss Christian Democratic Party (CVP) from 1984 to 1991. He was a member of the Swiss Federal Banking Commission between 1992 and 1996.

Other appointments:

- Roche Holding AG, Basel, Vice Chairman of the Board of Directors and (until 4 March 2008) Independent Lead Director
- Swiss Air Transport Foundation, Chairman of the Board of Trustees



GEROLD BÜHLER | Born 1948, Swiss national
Vice Chairman of the Board of Directors

Gerold Bühler graduated in economics (lic. oec. publ.) from the University of Zurich in 1972. Following 17 years with the Union Bank of Switzerland as a member of senior management in its financial sector and Member of the Executive Board of its fund investment company, he joined Georg Fischer AG in 1991, where he was a Member of its Executive Board (Finances) until 2000. He now acts as an independent economic consultant.

Gerold Bühler will be put forward for re-election at the Swiss Life Holding Annual General Meeting of Shareholders on 8 May 2008.

Other appointments:

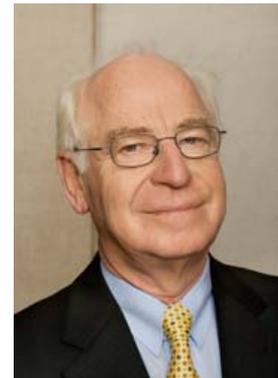
- economiesuisse, Zurich, Chairman
- Bank Sal. Oppenheim jr. & Cie. (Schweiz) Ltd, Zurich, Member of the Board of Directors
- Cellere AG, St. Gallen, Member of the Board of Directors
- Georg Fischer Ltd, Schaffhausen, Member of the Board of Directors
- Züblin Real Estate Holding Ltd., Zurich, Member of the Board of Directors

Political activities:

- 1982 to 1991 Member of the Grand Council of the Canton of Schaffhausen
- 1991 to 2007 Member of the Swiss Parliament (National Councillor)

VOLKER BREMKAMP | Born 1944, German national
Member of the Board of Directors

Volker Bremkamp joined Albingia Versicherungs AG in Hamburg (a subsidiary of Guardian Royal Exchange plc, London) in 1963, receiving his qualifications as an insurance expert in 1965. Between 1969 and 1971 he was employed by various insurance companies and brokers in London and Paris. He returned to Albingia Versicherungs AG, Hamburg, in 1971, serving as an Executive Director from 1978 to 1989 and as Chief Executive Officer of Albingia Lebensversicherungs AG and of Albingia Versicherungs AG from 1989 to 2000. Volker Bremkamp was an Executive Director and, at the same time, Group Executive Director, Continental Europe, of Guardian Royal Exchange plc, London, from 1995 to 1999, which was taken over by the AXA Group in 1999. From 1999 to 2000 he held the position of Executive Director of AXA Colonia Konzern AG, Cologne, which is the holding company of AXA Germany. Since 2000 he has been Managing Director of BMB Bremkamp Management- und Beteiligungs-GmbH. In 2007 he assumed the role of Managing Director at Xenios Invest GmbH.



Other appointments:

- AON International Insurance Broker, Hamburg, Chairman of the Supervisory Board
- Everpublic AG, Hamburg, Chairman of the Supervisory Board
- WAVE Management AG, Hamburg, Chairman of the Supervisory Board
- UKE University Clinic Hamburg, Member of the Supervisory Board

PAUL EMBRECHTS | Born 1953, Belgian national
Member of the Board of Directors

Paul Embrechts received his master's degree in mathematics from the University of Antwerp (Belgium) in 1975 and his doctorate (Dr. sc. [Math.]) from the Catholic University of Leuven (Belgium) in 1979. Between 1975 and 1983 he held a post as Research Assistant at the Catholic University of Leuven. From 1983 to 1985 he was a Lecturer in Statistics at the Imperial College, University of London, before taking up a position as Lecturer at the University of Limburg (Belgium), which he held from 1985 to 1989. In 1989 he was appointed Professor of Mathematics at the Swiss Federal Institute of Technology (ETH) in Zurich.



Paul Embrechts will be put forward for re-election at the Swiss Life Holding Annual General Meeting of Shareholders on 8 May 2008.

Other appointment:

- Julius Baer Holding Ltd, Zurich, Member of the Board of Directors (until 15 April 2008)



RUDOLF KELLENBERGER | Born 1945, Swiss national
Member of the Board of Directors

Rudolf Kellenberger received his degree in civil engineering from the Swiss Federal Institute of Technology (ETH), Zurich, in 1970. Between 1970 and 1978 he was employed as a project planning engineer in the bridge construction industry, including three years in the United Kingdom. He joined Swiss Re in 1978, where he served as Head of the Engineering Department from 1990 to 1992. In 1993 he was appointed Member of the Executive Board with responsibility for Europe. From 2000 to the end of December 2004 Mr Kellenberger served as Deputy Chief Executive Officer at Swiss Re. He has been appointed to various boards of directors in the area of insurance since retiring in March 2005.

Other appointments:

- Swiss Pool for Aviation Insurance, Chairman
- Captive Mutual (Schweiz) AG, Baar, Chairman of the Board of Directors
- OCAD AG, Baar, Chairman of the Board of Directors
- Infrassure Ltd., Zurich, Member of the Board of Directors



HENRY PETER | Born 1957, Swiss and French national
Member of the Board of Directors

Henry Peter completed his studies in law at the University of Geneva in 1979, and in 1981 he was called to the Geneva bar. Following a pupillage in Geneva, a period of study as a visiting scholar at the University of California in Berkeley and legal work in Lugano, he obtained his PhD at the University of Geneva in 1988. Since 1988 he has been a partner in a law firm in Lugano, Peter, Bernasconi & Partners. In addition, he has been Professor of Business Law at the University of Geneva since 1997. Henry Peter frequently acts as arbitrator in commercial and sport cases. He has been a member of the Swiss Takeover Board since 2004, and a member of the Sanction Commission of the SWX Swiss Exchange since 2007.

Other appointments:

- Casino de Montreux SA, Montreux, Vice Chairman of the Board of Directors
- Otis, Fribourg, Member of the Board of Directors
- Autogrill Switzerland LTD, Olten, Member of the Board of Directors
- Ferrari (Suisse) SA, Nyon, Member of the Board of Directors
- Swiss Olympic Association, Berne, Vice Chairman of the disciplinary chamber in charge of doping cases

PETER QUADRI | Born 1945, Swiss national
Member of the Board of Directors

Peter Quadri received his master's degree in economics and business administration (lic. oec. publ.) in 1969 from the University of Zurich. In 1970 he joined IBM as a systems engineer and software/operating systems specialist. Following various periods spent in the USA, Denmark and Switzerland, he held the position of CEO of IBM Switzerland from 1998 to April 2006. He now works as a management and technology consultant.

Other appointments:

- Vontobel Holding AG, Zurich, Member of the Board of Directors
- Bühler AG, Uzwil, Member of the Board of Directors
- Zurich Chamber of Commerce, Chairman
- economiesuisse, Zurich, Member of the Board



PIERFRANCO RIVA | Born 1940, Swiss national
Member of the Board of Directors

Pierfranco Riva studied at the universities of Fribourg, Munich and Berlin between 1960 and 1966, and received his Doctorate in Law in 1968. He became a member of the bar in 1970. He has been an attorney and notary with the law firm Felder Riva Soldati in Lugano since 1970. He served as Chairman of the Council of the Bar Association for the Canton of Ticino between 1987 and 1989, and from 1995 to 1999 was a member of the supervisory authority, Council of Magistrates for the Canton of Ticino.

Other appointments:

- Finter Bank Zürich, Zurich, Vice Chairman of the Board of Directors
- Fondazione Daccò, Lugano, Member of the Board of Trustees
- Fondazione Nerina Bellingeri ved. Gualdi, Lugano, Member of the Board of Trustees
- Fondazione Rudolf Chaudoire, Lugano, Member of the Board of Trustees



FRANZISKA TSCHUDI | Born 1959, Swiss national
Member of the Board of Directors

Franziska Tschudi graduated in law at the University of Berne and passed her bar exam there in 1984. She studied US law at Georgetown University, Washington DC, earning an LL.M., and passed the bar exam for the US states of New York and Connecticut in 1987. Franziska Tschudi also completed her postgraduate studies at the University of St. Gallen (1991 to 1993), receiving an Executive MBA. After initially working as an Assistant for Media Law at the Institute for Constitutional and Administrative Law at the University of Berne and practising business and media law in Zurich, Washington DC and Geneva, she served as Secretary General at SIG Holding AG from 1992 to 1995. Ms Tschudi then became a Member of the Executive Board of WICOR Holding AG ("Weidmann Group"), Rapperswil in 1995, where she was Head of Corporate Development and, from 1998, Head of the Business Area Electrical Technology Asia/Pacific. She has held the positions of Chief Executive Officer and Managing Director of WICOR Holding AG since 2001.



Franziska Tschudi will be put forward for re-election at the Swiss Life Holding Annual General Meeting of Shareholders on 8 May 2008.

Other appointments:

- Lakers Sport AG, Rapperswil, Vice Chairperson of the Board of Directors
- BIOMED AG, Dübendorf, Member of the Board of Directors
- Swiss-American Chamber of Commerce, Member of the Executive Committee
- Chamber of Commerce Germany-Switzerland, Member of the Executive Committee
- St. Gallen – Appenzell Chamber of Commerce and Industry, Vice Chairperson

RESIGNATIONS | There were no resignations from the Board of Directors during the period under review.

OUTLOOK | On 26 November 2007, Swiss Life announced HR measures it planned to implement in order to safeguard the continuity of the Board of Directors and to strengthen the Corporate Executive Board. Bruno Gehrig, who has held the position of Chairman of the Board of Directors since May 2003, has decided to resign from the Board of Directors of Swiss Life with effect from the Annual General Meeting of Shareholders in 2010. In this connection, Rolf Dörig, who has been the Group CEO since November 2002, will be put forward for election to the Board of Directors at the Annual General Meeting on 8 May 2008. It is envisaged that, from this date on, Rolf Dörig will assume the role of Delegate of the Board of Directors for a two-year period and be responsible for overseeing both strategy implementation and further strategy development. He is to succeed Bruno Gehrig as the Chairman of the Board of Directors following the 2010 Annual General Meeting of Shareholders.

MEMBERS OF THE CORPORATE EXECUTIVE BOARD | On 31 December 2007, the Corporate Executive Board of Swiss Life Holding was composed of the following members:

Name	Functions	Member of the Corporate Executive Board since
Rolf Dörig	Group CEO	06.11.2002
Bruno Pfister	CEO International	01.08.2002
Paul Müller	CEO Switzerland	15.01.2003
Reto Himmel	Group CTO	20.01.2003
Thomas Müller	Group CFO	01.01.2006
Patrick Frost	Group CIO	01.07.2006

ROLF DÖRIG | Born 1957, Swiss national
Group Chief Executive Officer (Group CEO)

Rolf Dörig laid the groundwork for his professional career by obtaining a doctorate in law (Dr. iur.) from the University of Zurich before being called to the bar in Zurich. Joining Credit Suisse in 1986, he assumed a number of executive responsibilities in various areas of banking and in different geographical markets. He subsequently became Chief of Staff and Chief Communications Officer for Credit Suisse Group. As a member of the Executive Board, he was assigned responsibility for Swiss Corporate and Retail Banking from 2000 onwards. In 2002 he assumed the role of Chairman Switzerland.



Rolf Dörig has been Chief Executive Officer (Group CEO) of the Swiss Life Group since 6 November 2002. He will be put forward for election to the Board of Directors at the Annual General Meeting on 8 May 2008.

Other appointments:

- Swiss Insurance Association, Member of the Board
- economiesuisse, Zurich, Member of the Board Committee
- Adecco S.A., Vice Chairman of the Board of Directors
- Kaba Holding Ltd, Rümlang, Vice Chairman of the Board of Directors
- Danzer AG, Baar, Chairman of the Board of Directors
- Zurich Chamber of Commerce, Member of the Board of Directors
- Grasshopper-Club Zurich, Chairman of the Board of Directors

BRUNO PFISTER | Born 1959, Swiss national
Chief Executive Officer International (CEO International)

Bruno Pfister graduated from the University of Geneva with a master's degree in law before being called to the bar in Geneva. Following completion of his business management studies (MBA from the UCLA Graduate School of Management in Los Angeles), the initial stages of his career saw him working for Chase Manhattan Bank in London and Geneva. From 1988 onwards he was a management consultant for McKinsey & Co. In 1996 Mr Pfister became Chief of Staff of the Private Banking division at Liechtenstein Global Trust (LGT) where he managed a global strategic project before being appointed Chief Financial Officer of LGT Group and LGT Bank in Liechtenstein in 1998. In 1999, as a member of the Credit Suisse Group Executive Board, he took over as Head of Customer Segment Management and Product Management at Credit Suisse.



Mr Pfister has been with the Swiss Life Group since August 2002, initially as Chief Financial Officer (Group CFO) and, as of 1 January 2006, Chief Executive Officer International (CEO International). He is designated to become the Group Chief Executive Officer (Group CEO) in May 2008 following Rolf Dörig's appointment to the Board of Directors.

Other appointments:

- Gottex Fund Management Holdings Limited, St. Peter Port, Guernsey, Member of the Board of Directors
- Member of the Admission Board and Executive Committee of the Admission Board of the SWX Swiss Exchange



PAUL MÜLLER | Born 1950, Swiss national
Chief Executive Officer Switzerland (CEO Switzerland)

Paul Müller studied economics at the University of St. Gallen. After graduating with a master's degree (lic. oec. HSG), he launched his career in 1975 by joining Winterthur Versicherungen. In 1982 he moved to Baloise Insurance where he held a number of leading positions. As a member of the Executive Board he was ultimately assigned responsibility for the German, Austrian, French, Belgian and Luxembourg markets. From 1995 Mr Müller served as CEO of Helvetia Patria Assurances' Swiss Division in Basel.

Mr Müller assumed the role of Chief Executive Officer Switzerland (CEO Switzerland) at the Swiss Life Group in January 2003.

Other appointments:

- Swiss Insurance Association, Chairman of the Life Insurance Committee
- Chamber of Commerce Germany-Switzerland, Member of the Executive Committee
- Society for the Promotion of the Institute of Insurance Economics of the University of St. Gallen, Member of the Board
- Board of Trustees of WBZ Reinach, Canton of Basel-Land (Wohn- und Bürozentrum für körperlich Behinderte)
- Open Systems AG Zürich, Member of the Mission Control Advisory Board



RETO HIMMEL | Born 1956, Swiss national
Group Chief Technology & Operations Officer (Group CTO)

The physicist Reto Himmel (Master's Degree in Physics, Swiss Federal Institute of Technology (ETH), Zurich, 1982) graduated from the Harvard Business School in 1987 with an MBA. He began his career in 1982 as a software engineer with Brown Boveri & Co. in Baden, before joining Credit Suisse in 1985. From 1990 to 1994 he went on to head the General Secretariat at Bank Leu, where he was also in charge of corporate planning. He later served as Chief of Staff of the Investment and Trading division at Credit Suisse. In 1997 Mr Himmel became a member of the Executive Board of ABN AMRO (Switzerland), assuming responsibility for the bank's logistics operations. He took on the position of Head of Operations at UBS Warburg Switzerland in August 2001.

Reto Himmel has served as Group Chief Technology & Operations Officer (Group CTO) for the Swiss Life Group since January 2003.

Other appointments:

- Swiss Financial Market Services, Member of the Board of Directors
- Technopark Zurich, Member of the Board of Trustees

THOMAS MÜLLER | Born 1965, Swiss national
Group Chief Financial & Risk Officer (Group CFRO)

Thomas Müller studied economics and business administration (lic. rer. pol.) at the University of Berne and earned an MBA from the IMD in Lausanne. His professional career began in 1991 at Swiss Volksbank where he was responsible for asset and liability management. Up to and after the integration of Swiss Volksbank into Credit Suisse Group, he headed the Treasury department from 1994 to 1997. In 1997 he moved to Marc Rich Holding where he was responsible for the group's trading in interest rate instruments. Thomas Müller joined Banca del Gottardo in 2002 as Chief Financial & Risk Officer and Member of the Executive Board.



He became Group Chief Financial Officer (Group CFO) of the Swiss Life Group in January 2006. On 1 April 2008, he will also assume the role of Group Chief Risk Officer.

Other appointments:

- Castle Alternative Invest AG, Freienbach, Member of the Board of Directors
- Swiss Insurance Association, Member of the Economics and Finances Committee
- The Sustainability Forum, Zurich, Chairman of the Board of Directors

PATRICK FROST | Born 1968, Swiss national
Group Chief Investment Officer (Group CIO)

Patrick Frost studied at the ETH in Zurich and the universities of Cologne, Basel and Zurich, obtaining degrees in natural science (dipl. Natw. ETH, 1993), economics (Dr. rer. pol., 1998) and law (lic. iur., 2001). He began his professional career in 1996 as a portfolio manager and analyst in financial engineering at Winterthur Group. Between 1999 and 2001 he was employed as a Senior Bond Portfolio Manager at Winterthur Investment Management Corp. in New York. He became the Head of Global Fixed Income at Winterthur Group in 2001, where he played a key role in the further strategic development of its asset management.



Patrick Frost has been Group Chief Investment Officer (Group CIO) of the Swiss Life Group since July 2006.

RESIGNATIONS | No members of the Corporate Executive Board resigned in 2007.

OUTLOOK | Rolf Dörig, who has held the position of Group CEO since November 2002, will be put forward for election to the Board of Directors at the Annual General Meeting on 8 May 2008. As a result it is planned that Bruno Pfister will be subsequently appointed Group CEO. Bruno Pfister has been with Swiss Life since August 2002, initially as Group Chief Financial Officer and, as of 1 January 2006, as CEO International. A new CEO International will not be appointed. The international components in the Corporate Executive Board will, however, be reinforced by the inclusion of the national CEOs of France and Germany, Jacques Richier and Manfred Behrens.



JACQUES RICHIER | Born 1955, French national
Chief Executive Officer France (CEO France)

Jacques Richier graduated from the University of Lyon with a degree in engineering and a master's degree in natural sciences and physics. He went on to gain an MBA at the HEC in Paris. He began his professional career as a guest researcher at the University of Berkeley, before assuming a number of leading positions in research and development in the oil industry. Jacques Richier's career in insurance began with Azur Assurances in 1985, where he held a number of leading roles before becoming designated Chief Executive Officer and Member of the Board of Directors. In November 2000 he joined Swiss Life in France, and was appointed Chief Executive Officer in September 2003.

Other appointments:

- Member of the French Federation of Insurance Companies
- Créserfi, Member of the Board of Directors



MANFRED BEHRENS | Born 1955, German national
Chief Executive Officer Germany (CEO Germany)

After graduating in law, Manfred Behrens initially worked as an attorney in a Hamburg-based law firm. In 1984 he moved to Hamburg Mannheimer AG, where he assumed various leading positions in the areas of law and sales and went on to become federal state manager. In May 1996 he joined Volksfürsorge Deutsche Lebensversicherungs-AG and, in 1998, was appointed Member of the Board of Directors responsible for sales and marketing. Since January 2004, Mr Behrens has been in charge of the Swiss Life branch in Munich (CEO Germany).

Other appointments:

- Aareal Bank, Wiesbaden, Member of the Supervisory Board
- Commerzbank, Member of the Federal State Advisory Committee
- German Insurance Association, Member of the Main Committee Life Insurance
- German Insurance Association, Member of the Chairman's Committee

COMPENSATION | Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for determining the level and make-up of compensation for its members, whereas the Chairman's Committee, in its capacity as a Compensation Committee, is responsible for putting forward corresponding proposals. The Board of Directors also establishes the guidelines for the company's compensation policy. In doing so, it takes into consideration the compensation policies of other organisations of comparable size and in comparable industries, drawing its findings from publicly available information and, as necessary, studies by external experts. Based on these guidelines, the Chairman's Committee determines the compensation for the individual members of the Corporate Executive Board and informs the entire Board of Directors accordingly.

Compensation paid in cash to acting members of the Board of Directors and the Corporate Executive Board during the period under review was as follows:

In CHF	2007	2006
Board of Directors	1 543 000	1 479 300
Corporate Executive Board	9 572 243	8 859 305

The following compensation in cash and shares was received by acting members of the Board of Directors of Swiss Life Holding in 2007 during the period under review:

Name	Compensation in cash	Shares ¹
Bruno Gehrig	CHF 655 000	312
Gerold Bühler	CHF 238 000	235
Volker Brechkamp	CHF 126 000	152
Paul Embrechts	CHF 82 000	108
Rudolf Kellenberger	CHF 114 000	153
Henry Peter	CHF 82 000	108
Peter Quadri	CHF 82 000	108
Pierfranco Riva	CHF 82 000	108
Franziska Tschudi	CHF 82 000	108

¹ cf. also the section on share allotment

Swiss Life Holding shares were allocated to members of the Board of Directors and the Corporate Executive Board as follows during the 2007 financial year:

Board of Directors	1392 shares, allocated at values of CHF 270.56, 256.08 and 243.27 ¹ . They are subject to a three-year vesting period.
Corporate Executive Board	6225 shares, allocated at a value of CHF 287.73 ² . They are subject to a one-year vesting period.

¹ Economic value equivalent to the taxable value, taking the vesting period into account. The share prices on allocation amounted to CHF 322.25, 305.00 and 289.75.

² Economic value equivalent to the taxable value, taking the vesting period into account. The share price on allocation amounted to CHF 305.00.

On the balance sheet date, acting members of the Board of Directors and the Corporate Executive Board (including closely linked parties) held a total number of Swiss Life Holding registered shares as follows:

Board of Directors	11 868	Shares
Bruno Gehrig	1 636	Shares
Gerold Bühler	1 725	Shares
Volker Bremkamp	742	Shares
Paul Embrechts	558	Shares
Rudolf Kellenberger	710	Shares
Henry Peter	1 638	Shares
Peter Quadri	1 338	Shares
Pierfranco Riva	2 963	Shares
Franziska Tschudi	558	Shares
Corporate Executive Board	27 275	Shares
Rolf Dörig	12 245	Shares
Bruno Pfister	6 723	Shares
Paul Müller	6 290	Shares
Reto Himmel	903	Shares
Thomas Müller	557	Shares
Patrick Frost	557	Shares

The highest total compensation for a member of the Board of Directors in 2007 was paid to Bruno Gehrig as Chairman of the Board. The total compensation paid in the form of cash, shares and contributions to occupational provisions in the year under review is as follows:

Compensation in cash ¹	CHF	655 000	
Shares ²	CHF	79 898	312 SLHN shares at CHF 256.084
Share options			keine
Total compensation 2007:			
in cash and shares	CHF	734 898	
including annual contributions to occupational provisions of CHF 99 492	CHF	834 390	
including additional contribution to occupational provisions of CHF 751 461 ³	CHF	1 585 851	
Total compensation 2006:			
in cash and shares	CHF	694 998	
including contribution to occupational provisions	CHF	787 020	

¹ Basic compensation and additional compensation in cash determined annually by the Board of Directors.

² The 312 allocated shares are subject to a vesting period of three years. The share price at the time of distribution was CHF 305.00; the allocation was effected at economic value, which is equal to the tax value (CHF 256.084), taking into account the vesting period.

³ Subsequent contribution and payment for a gap in full insurance coverage.

The highest total compensation for a member of the Corporate Executive Board was paid to Rolf Dörig as Group CEO. The total compensation paid in the form of cash, shares and contributions to occupational provisions in 2007 is as follows:

Compensation in cash ¹	CHF	3 510 001	
Shares ²	CHF	447 143	1 554 SLHN shares at CHF 287.737
Share options			keine
Total compensation 2007:			
in cash and shares	CHF	3 957 144	
including contribution to occupational provisions of CHF 238 856	CHF	4 196 000	
Total compensation 2006:			
in cash and shares	CHF	3 759 999	
including contribution to occupational provisions	CHF	3 950 039	

¹ Including bonus in cash and other compensation in cash (child allowances, company car, premium contribution).

² The allocated shares are subject to a vesting period of one year. The share price at the time of distribution was CHF 305.00; the allocation was effected at economic value, which is equal to the tax value (CHF 287.737), taking into account the vesting period.

Within the framework of the compensation arrangements for the members of the Corporate Executive Board and other key performers within the Swiss Life Group, which are selected by the Corporate Executive Board with the approval of the Chairman's Committee, a long-term remuneration component was introduced in 2004 on the basis of corresponding regulations. This equity compensation programme was adjusted slightly in 2005 by defining specific performance criteria. These take account of both the performance of the Swiss Life Holding share and its performance vis-à-vis other companies. Based on the programme, participations are granted future subscription rights, in the form of Performance Share Units (PSUs) on Swiss Life Holding shares, entitling them to receive Swiss Life Holding shares free of charge after a period of three years has elapsed insofar as the relevant prerequisites have been satisfied. The number of PSUs can increase no more than by a factor of 1.5, or drop by 0.5, within three years, depending on how the performance criteria develop. In 2005, 37 members of the Swiss Life Group senior management participated in this programme. A total of 67 412 PSUs were allocated; 33 297 for the Corporate Executive Board, of which 9604 to the Group CEO. In 2006, 36 members of the Swiss Life Group senior management participated in the continued equity compensation programme. A total of 46 651 PSUs were allocated; 22 255 to the Corporate Executive Board, of which 7153 to the Group CEO. In the period under review, 55 members of the Swiss Life Group senior management participated in the corresponding equity compensation programme. A total of 56 222 PSUs were allocated; 24 444 to the Corporate Executive Board, of which 6717 to the Group CEO.

Extract from the Financial Statements | Due to the sale of its Dutch and Belgian operations and of Banca del Gottardo announced in November 2007, Swiss Life adjusted the presentation of its financial statements in accordance with the relevant regulations, gearing them to the continuing operations. The units sold are fully consolidated up to the completion of the transaction concerned, but only their net contribution to the net profit is included in the Consolidated Statement of Income. The previous year's figures have been adjusted accordingly to enhance comparability. In the Balance Sheet, the assets and liabilities of the units sold are also stated separately.

Picture 1 | Christian Ferrier used to repair machines as an ordinary worker.

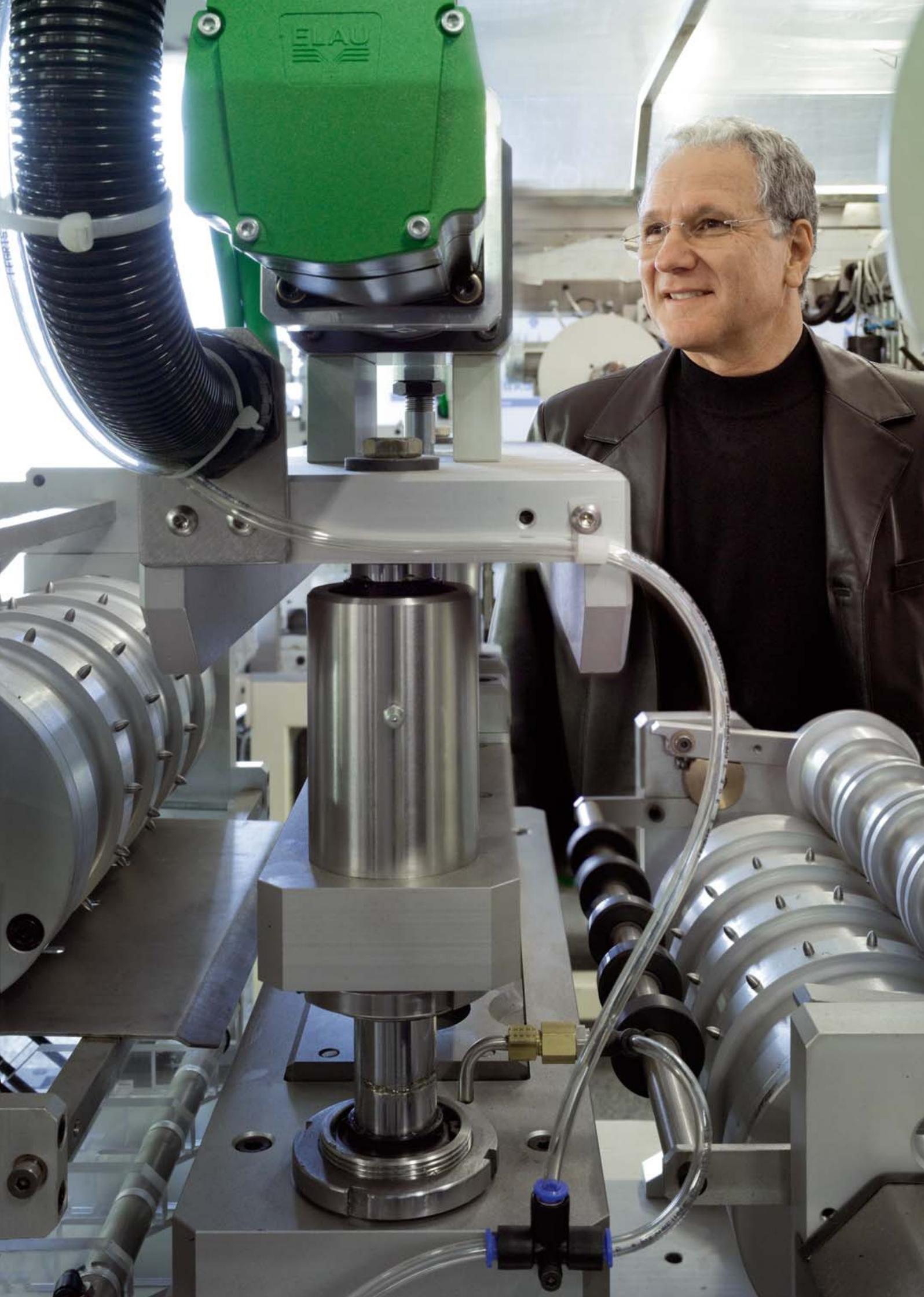
Picture 2 | Today he is a successful designer of espresso machines in his own factory.

Picture 3 | Construction projects are a true passion of his.



“I’m not even thinking of retiring.”

The old factory where he once earned meagre wages as a simple worker no longer exists. His skills as a turner, however, took him to the other side of the road. Literally. It was there that he successfully carried out an intricate repair job one day, and in doing so launched a career of his own. At last, he was able to do what he was best at – experimenting with and producing technical devices. And this success story is still going on. Christian Ferrier, together with 25 employees, produces espresso machines and filling systems for coffee capsules. Yet it is his family that is the measure of all things for this self-made man from the Côte d’Azur. “None of this would have been possible without the support of my wife,” he says fondly and adds, with a touch of pride, “my son is working for the company too and will, one day, take over the reins.” A lot remains to be done beforehand, though, such as the construction of a new factory building. Real estate is, in fact, one of Christian Ferrier’s passions. It gives him long-term financial security. Just as Swiss Life products have been doing for over 25 years.





Consolidated Statement of Income

In CHF million	2007	2006
Continuing operations		
Income		
Premiums earned on insurance contracts	13 455	12 424
Premiums earned on investment contracts with discretionary participation	107	78
Premiums ceded to reinsurers	-246	-219
Net earned premiums	13 316	12 283
Policy fees earned on insurance contracts	70	73
Policy fees earned on investment and unit-linked contracts	319	317
Net earned policy fees	389	390
Asset management and other commission income	196	198
Investment income	4 878	4 129
Net gains/losses on financial assets	-5	885
Net gains/losses on financial instruments at fair value through profit or loss	-179	256
Net gains/losses on investment property	229	94
Other income	147	-16
Total income	18 971	18 219
Expenses		
Benefits and claims under insurance contracts	-13 332	-12 077
Benefits and claims under investment contracts with discretionary participation	-124	-91
Benefits and claims recovered from reinsurers	188	156
Net insurance benefits and claims	-13 268	-12 012
Policyholder participation	-1 746	-2 143
Interest expense	-455	-722
Commission expense	-620	-637
Employee benefits expense	-870	-848
Depreciation and amortisation expense	-448	-421
Impairment of property and equipment and intangible assets	-6	-31
Other expenses	-545	-495
Total expenses	-17 958	-17 309
Profit from operations	1 013	910
Borrowing costs	-177	-119
Share of results of associates	12	11
Profit before income tax	848	802
Income tax expense	-122	-226
Net profit from continuing operations	726	576
Discontinued operations		
Net profit from discontinued operations	642	378
Net profit	1 368	954
<i>Net profit attributable to</i>		
equity holders of Swiss Life Holding	1 345	933
minority interest	23	21
Net profit	1 368	954
Earnings per share from continuing operations attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	21.33	16.59
Diluted earnings per share (in CHF)	20.83	16.16
Earnings per share attributable to equity holders of Swiss Life Holding		
Basic earnings per share (in CHF)	40.76	27.87
Diluted earnings per share (in CHF)	39.60	26.92

Consolidated Balance Sheet

In CHF million	31.12.2007	31.12.2006
Assets		
Cash and cash equivalents	4 555	7 621
Insurance receivables and other receivables	4 152	4 899
Derivatives	463	859
Assets held for sale	40 468	14
Financial assets at fair value through profit or loss	19 399	29 437
Financial assets available for sale	68 588	92 916
Loans	20 652	28 883
Financial assets held to maturity	3 624	4 090
Financial assets pledged as collateral	-	124
Investment property	12 252	11 816
Investments in associates	72	75
Reinsurance assets	975	969
Property and equipment	864	1 159
Intangible assets including intangible insurance assets	3 151	3 507
Current income tax assets	1	22
Deferred income tax assets	118	94
Other assets	423	465
Total assets	179 757	186 950

Consolidated Balance Sheet

In CHF million	31.12.2007	31.12.2006
Liabilities and equity		
Liabilities		
Insurance payables and other payables	3 350	4 268
Derivatives	213	817
Liabilities associated with assets held for sale	37 502	-
Financial liabilities at fair value through profit or loss	11 427	9 538
Investment contracts	12 907	30 077
Deposits	2 622	10 685
Borrowings	3 621	2 810
Insurance liabilities	94 492	109 456
Policyholder participation liabilities	3 388	7 092
Employee benefit liabilities	1 980	2 561
Current income tax liabilities	245	232
Deferred income tax liabilities	485	865
Provisions	116	202
Other liabilities	75	496
Total liabilities	172 423	179 099
Equity		
Share capital	1 189	1 385
Share premium	2 612	2 459
Treasury shares	-618	-66
Foreign currency translation differences	123	61
Gains/losses recognised directly in equity	-809	305
Retained earnings	4 780	3 435
Total shareholders' equity	7 277	7 579
Minority interest	57	272
Total equity	7 334	7 851
Total liabilities and equity	179 757	186 950

Consolidated statement of changes in equity for the year 2007

In CHF million	Share capital	Share premium	Treasury shares	Foreign currency translation differences	Gains/ losses recognised directly in equity	Retained earnings	Total shareholders' equity	Minority interest	Total equity
Balance as at 1 January	1 385	2 459	-66	61	305	3 435	7 579	272	7 851
Changes in foreign currency translation differences	-	-	-	64	-	-	64	0	64
Changes in gains/losses recognised directly in equity	-	-	-	-	-1 115	-	-1 115	1	-1 114
Disposals of subsidiaries	-	-	-	-2	1	-	-1	-251	-252
Net profit	-	-	-	-	-	1 345	1 345	23	1 368
Total recognised income and expense for the period	-	-	-	62	-1 114	1 345	293	-227	66
Reduction in par value	-245	11	-	-	-	-	-234	-	-234
Conversion of convertible debt	49	173	-	-	-	-	222	-	222
Options on own shares	-	-7	-	-	-	-	-7	-	-7
Obligation to purchase own shares	-	-28	-	-	-	-	-28	-	-28
Equity-settled share-based payments	-	9	-	-	-	-	9	-	9
Purchases of treasury shares	-	-	-1 313	-	-	-	-1 313	-	-1 313
Sales of treasury shares	-	-5	761	-	-	-	756	-	756
Acquisitions of minority interest	-	-	-	-	-	-	-	-12	-12
Capital contributions from minority interest	-	-	-	-	-	-	-	36	36
Dividends	-	-	-	-	-	-	-	-12	-12
Balance as at 31 December	1 189	2 612	-618	123	-809	4 780	7 277	57	7 334

Consolidated statement of changes in equity for the year 2006

In CHF million	Share capital	Share premium	Treasury shares	Foreign currency translation differences	Gains/ losses recognised directly in equity	Retained earnings	Total shareholders' equity	Minority interest	Total equity
Balance as at 1 January	1 554	2 467	-42	-11	1 185	2 502	7 655	298	7 953
Changes in foreign currency translation differences	-	-	-	58	-	-	58	10	68
Changes in gains/losses recognised directly in equity	-	-	-	-	-880	-	-880	-5	-885
Disposals of subsidiaries	-	-	-	14	0	-	14	1	15
Net profit	-	-	-	-	-	933	933	21	954
Total recognised income and expense for the period	-	-	-	72	-880	933	125	27	152
Reduction in par value	-169	2	-	-	-	-	-167	-	-167
Conversion of convertible debt	0	0	-	-	-	-	0	-	0
Options on own shares	-	-5	-	-	-	-	-5	-	-5
Obligation to purchase own shares	-	-15	-	-	-	-	-15	-	-15
Equity-settled share-based payments	-	5	-	-	-	-	5	-	5
Purchases of treasury shares	-	-	-175	-	-	-	-175	-	-175
Sales of treasury shares	-	5	151	-	-	-	156	-	156
Acquisitions of minority interest	-	-	-	-	-	-	-	-45	-45
Capital contributions from minority interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-8	-8
Balance as at 31 December	1 385	2 459	-66	61	305	3 435	7 579	272	7 851

Information on Share Performance and Historical Comparison | Shareholders at Swiss Life Holding's Annual General Meeting on 8 May 2007 approved a distribution in the form of a reduction in par value by CHF 7 per registered share. Swiss Life's shareholders should also participate in the good business results and the extraordinary income for the 2007 financial year with a distribution of profit per share amounting to CHF 17.

Information on Share Performance | In 2007, the price of the Swiss Life share reflected the negative stock market developments. The share was incorporated in the MSCI World Index for the first time, and in the newly established Swiss Leaders Index (SLI).

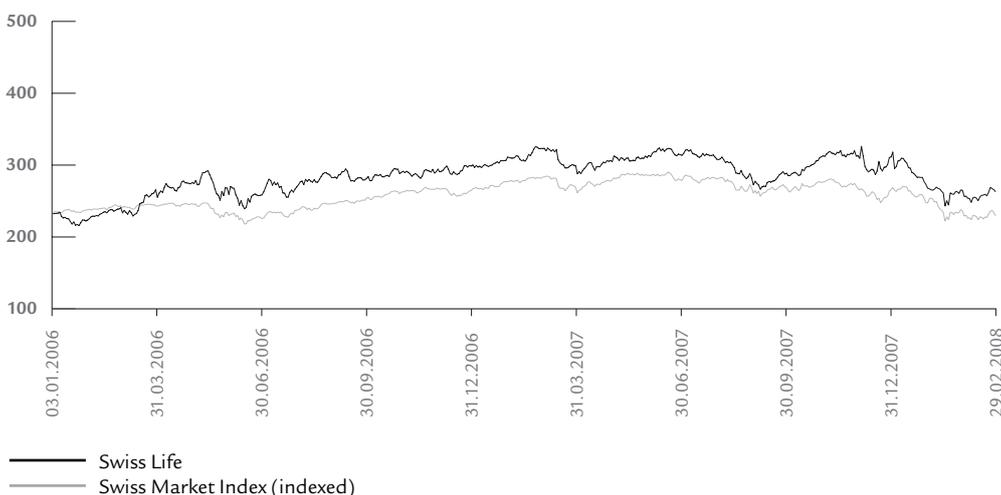
Swiss Life share details	
Swiss security number	1 485 278
ISIN	CH 001 485 278 1
Ticker symbol SWX	SLHN
Reuters	SLHN.VX
Bloomberg	SLHN VX

Share performance				
Amounts in CHF	as at	2007	as at	2006
Number of shares	31.12.2007	34 960 439	31.12.2006	33 776 269
Annual high	06.11.2007	326.00	27.12.2006	300.66
Annual low	16.08.2007	266.50	24.01.2006	215.97
Year-end price	28.12.2007	283.00	29.12.2006	297.98
Performance Swiss Life (in %)		-5		30
Swiss Market Index (SMI)	28.12.2007	8 484	29.12.2006	8 786
Performance Swiss Market Index (SMI) (in %)		-3		16
Dow Jones STOXX 600 Insurance Index (in EUR)	28.12.2007	252	29.12.2006	286
Performance of Dow Jones STOXX 600 Insurance Index (in %)		-12		17
Average trading volume		327 843		244 761
Market capitalisation	28.12.2007	9 893 804 237	29.12.2006	10 310 206 112
Diluted earnings per share	31.12.2007	39.60	31.12.2006	26.92
Dividend paid per share	03.08.2007	7.00	03.08.2006	5.00
Dividend yield on year-end price (in %)	28.12.2007	2.47	29.12.2006	1.64

Source: Bloomberg

Swiss Life share price chart 03.01.2006 – 29.02.2008

Share price in CHF



Breakdown of registered shares with voting rights Balance as at 31.12.2007

Number of shares	Number of shareholders	In % of registered shareholders
1 - 25	162 838	85.3
26 - 100	20 134	10.5
101 - 1 000	7 235	3.8
> 1 000	750	0.4
Total	190 957	100.0

Standard & Poor's counterparty credit ratings

As at 31.12.2007	Classification	Outlook
Swiss Life/Rentenanstalt, Switzerland	A-	negative
Swiss Life Holding	BBB	negative

Standard & Poor's financial strength ratings

As at 31.12.2007	Classification	Outlook
Swiss Life/Rentenanstalt, Switzerland	A-	negative
Swiss Life, France	A-	negative
Swiss Life, Germany	A-	negative

Bonds

As at 31.12.2007	Convertible bond	EUR bond	EUR Perpetual nc10 Fiduciary Certificates ¹	EUR Perpetual nc10 Notes ²
Issuer	Swiss Life Holding, Zürich	Swiss Life Insurance Finance Ltd., Cayman Islands	J.P. Morgan Bank, Luxemburg	ELM B.V. (independent repackaging vehicle)
S&P Rating	BBB	BBB+	BBB	BBB
Ranking	Senior	Senior	Subordinated	Subordinated
Nominal value	CHF 68 664 000	EUR 300 000 000	EUR 350 000 000	EUR 700 000 000
Interest rate	0.625%, payable annually	4.375%, payable annually	5%, payable annually	5.849%, payable annually
Life	June 2004 - June 2010	June 2004 - June 2008	November 2005 (issued), perpetual	April 2007 (issued), perpetual
ISIN	CH0018461092	XS0195603096	XS0235535035	XS0295383524
Listing	SWX	Luxembourg Stock Exchange	Luxembourg Stock Exchange	Irish Stock Exchange

¹ The notes are issued by the fiduciary to fund a step-up subordinated perpetual loan to Swiss Life/Rentenanstalt.

² The notes are issued by ELM to fund step-up subordinated perpetual loan notes to Swiss Life/Rentenanstalt which are guaranteed by Swiss Life Holding.

Swiss Life Group historical comparison					
In CHF million (if not stated otherwise)	2007	2006	2005	2004	2003 ¹
Premium volume					
Gross written premiums, policy fees and deposits received	24 170	22 064	20 211	20 180	18 760
Gross written premiums, policy fees and deposits received (continuing operations)	21 213	19 421	n.a.	n.a.	n.a.
Figures from consolidated statement of income					
Net earned premiums	13 316	12 283	13 512	14 657	14 822
Net earned policy fees	389	390	394	167	n.a.
Financial result (for the account and risk of the Swiss Life Group)	4 885	5 307	6 966	6 844	5 836
Total income	18 971	18 219	21 542	22 328	21 088
Net insurance benefits and claims	-13 268	-12 012	-14 040	-15 375	-15 726
Policyholder participation	-1 746	-2 143	-2 227	-1 553	- 871
Operating expenses	-2 489	-2 432	-3 390	-3 341	-2 960
Total expenses	-17 958	-17 309	-20 519	-21 180	-20 611
Profit from operations	1 013	910	1 023	1 148	557
Net profit from continuing operations	726	576	n.a.	n.a.	n.a.
Net profit from discontinued operations	642 ²	378	n.a.	n.a.	n.a.
Net profit	1 368	954	874	606	233
<i>Net profit attributable to</i>					
Equity holders of Swiss Life Holding	1 345	933	860	579	n.a.
Minority interest	23	21	14	27	n.a.
Figures from consolidated balance sheet					
Equity	7 334	7 851	7 953	6 490	4 964
Insurance reserves	121 829	153 800	139 252	131 415	136 214
Balance sheet total	179 757	186 950	177 597	164 736	162 478
Share performance					
Basic earnings per share (CHF)	40.76	27.87	25.67	18.57	9.68
Diluted earnings per share (CHF)	39.60	26.92	24.82	18.27	8.83
Dividend paid per share (CHF)	7.00	5.00	4.00	-	-
Total dividend payout to shareholders	245	169	135	-	-
Year-end price (CHF)	283.00	305.25	237.70	165.50	227.00
Year-end market capitalisation	9 894	10 310	8 029	5 590	5 323
Further key figures					
Return on equity (in %)	18.1	12.2	12.3	10.7	5.3
Assets under control	138 946	214 041	215 094	197 749	193 806
Year-end embedded value	12 837	10 665	8 887	7 936	6 911
Value of new business	118	121	48	41	63
Number of employees (full-time equivalents)	8 556	8 693	8 979	9 419	10 015

¹ 2003 figures not adjusted to the financial reporting requirements as of 1 January 2005.

² Including reserve release of CHF 304 million due to change in Dutch law.

Due to the sale of its Dutch and Belgian operations and of Banca del Gottardo announced in November 2007, Swiss Life adjusted the presentation of its Financial Statements in accordance with the relevant regulations, gearing them to the continuing operations. The units sold are fully consolidated up to the completion of the transaction concerned, but only their net contribution to the net profit is included in the Consolidated Statement of Income. The previous year's figures have been adjusted accordingly to enhance comparability. In the Balance Sheet, the assets and liabilities of the units sold are stated separately.

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Caution regarding forward-looking statements

This Business Review contains forward-looking statements about Swiss-Life which involve certain risks and uncertainties. The reader should be aware that such statements represent projections which could differ materially from actual outcomes and results. All forward-looking statements are based on the data available to Swiss Life at the time the present Business Review was compiled.

The Business Review is a summary of the Annual Report (www.swisslife.com/report) and is also available in German and French. The English text is definitive as regards the extract from the Financial Statements.

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- | | A | B | C | D | E |
|----|---|---|---|---|---|
| 1A | On 28 September, the company's founding day, Swiss Life celebrates its official 150th anniversary with 500 guests in Zurich. | | | | |
| 1B | Spectators are enthralled by the music and dance performances of the young Swiss artists. | | | | |
| 1E | The national junior chef champions surprise the guests with creative culinary delights at the welcome cocktails. | | | | |
| 1F | Event speakers: Federal Councillor Hans-Rudolf Merz, Chair of the Zurich Cantonal Government Rita Fuhrer, and host Bruno Gehrig. | | | | |
| 1I | The 116-page magazine features stories, historical events, anecdotes and pictures spanning one and a half centuries. | | | | |
| 1J | The first of ten regional client events takes place in Altnau, the birthplace of the company's founder, Conrad Widmer. | | | | |
| 2B | Rolf Dörig, Group CEO, at the launch of the series of events. The leitmotif is the anniversary theme "Perspectives for People". | | | | |
| 2D | Thomas Rechsteiner, Head of the Eastern Switzerland Region, welcomes 300 customers to the anniversary event at Lake Constance. | | | | |
| 2E | Author Alex Capus, who paid a tribute to the company's founder Conrad Widmer at events in Altnau and Baden, with Bruno Gehrig. | | | | |
| 2F | Panel discussion in Baden on the subject: What distinguishes the patriarchs of the old days from the executive managers of today? | | | | |
| 3A | The board game "C'est la vie!" heightens awareness of pension issues in a playful fashion. Fun for the whole family! | | | | |
| 3C | Oncologist Madeleine Gay talks in Lausanne about her mission to give the grape varieties in Valais a new lease of life. | | | | |
| 4A | Climatologist Heinz Wanner who was awarded the international prize for geography "Vautrin Lud", gives a talk in Berne on 10 May. | | | | |
| 4G | Customers in Western Switzerland celebrate in Geneva on 31 May. Guest of honour is the top chef George Wenger. | | | | |
| 4J | At the invitation of the Zurich region, 200 guests visit FIFA's recently opened new headquarters on 7 June. | | | | |
| 5C | Lutz Jäncke, Professor for neuropsychology, explains how the brain can be kept agile even in old age. | | | | |
| 6A | Regional head Stefan Furrer invites customers from Central Switzerland to a series of events staged in Lucerne on 14 June. | | | | |
| 6D | Guest of honour in Lucerne: Professor Hans Küng, theologian, philosopher and holder of various awards and honorary doctorates. | | | | |
| 7C | Bellinzona, 5 July: Thomas Müller, Group CFO, at a client event in Biblioteca Cantonale at Palazzo Franscini. | | | | |
| 7E | Ticino-based speaker, Piernando Binaghi, head of the local TV weather reporting department, spoke about weather trends. | | | | |
| 7I | Customer event in Landquart: Guest speaker Hans Rickli, a cardiologist, explains how medical mishaps can be avoided. | | | | |





- 8D** Annual kick-off event in Zurich: On 8 January, 1500 employees get into the swing of the anniversary year.
- 8G** Swiss Life sponsors the competition "Young people design living space" run by the University of Applied Sciences in Rapperswil.
- 8H** National Councillor Pascale Bruderer, former National Councillor Marty Kälin, and Group CEO Rolf Dörig applaud the winners.
- 9D** The third class of Scuola Media Castione scoop up the prize thanks to their creative ideas on shaping the world around them.
- 9G** The Kids Festival, a tournament for up and coming football stars, was held in 40 locations throughout Switzerland.
- 9J** Over 14 000 boys and girls between six and ten years of age take part in the Kids Festival events.
- 10E** In September approximately 600 retirees accept Bruno Gehrig's invitation and enjoy a varied programme of events.
- 11D** Among the former employees is Verena Tanner, who worked for Swiss Life for 50 years.
- 11I** On 18 September a forum for distribution partners is held on the Rütli. The day begins with a boat trip.
- 11J** Bruno Gehrig and Paul Müller welcome around 200 distribution partners from all regions in Switzerland.
- 12B** The guests listen to the history of the Rütli told by Josef Wiget, former state archivist of the Canton of Schwyz.
- 12E** Guest of honour Emil Steinberger and Bruno Gehrig discuss changing perspectives "from apprenticeship to retirement".
- 12J** 14 September: Approximately 2800 employees from the whole of Switzerland travel to Lucerne to enjoy the best work day of the year.
- 14C** The schedule of events for the afternoon features all types of leisure time pursuits. There is something for everyone.
- 14H** An evening programme with culinary delights, performances and music. Highlight: the performance of the Swiss Life Choir.
- 15A** The Swiss Life Network celebrates with its network partners: 120 people from 26 countries take part.
- 15B** The Swiss Life Network event, presided over by CEO International, Bruno Pfister, is held in Lucerne on 26 September.
- 15C** In October, staff from Luxembourg celebrate the company's anniversary at an evening spent in a Swiss chalet.
- 15D** Georg Fahrenschon, State Secretary for the Bavarian Ministry of Finance, offering congratulations in Munich.
- 15E** The final event is staged in Basel, where 300 customers accept the invitation of the regional head Beat Müller.
- 15G** Guests of honour in Basel: Barbara Buser, architect, and Peter Achten, journalist and longstanding Asia correspondent.

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Important Dates

Interim Reporting

6 May 2008

Annual General Meeting

8 May 2008

Hallenstadion Zurich

Presentation of Half-Year Figures

28 August 2008

Interim Reporting

12 November 2008

Annual Report

You can find the Annual Report of the Swiss Life Group on the internet: www.swisslife.com/report

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