

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

Zurich, 26th March 2008

Dear Sirs

METHODOLOGY AND ASSUMPTIONS

In accordance with our letter of engagement dated 13th August 2007, we have assessed the Embedded Value-guidelines, their local implementation and management's assumptions. Our work was carried out in accordance with ISAE 3000

We have assessed whether the Embedded Value-guidelines, version 1.15, dated 15th October 2007 ("EV-Guidelines") prepared by Swiss Life Group ("the Company")'s management correspond with generally accepted actuarial methods. Furthermore we have assessed the reasonableness of the assumptions derived from these guidelines and of the models used by the Company.

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

In our opinion:

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

EMBEDDED VALUE INFORMATION

We have audited the schedule of Embedded Value Information of Swiss Life Group for the period ended December 31, 2007. This schedule is the responsibility of Swiss Life Group's management. Our responsibility is to express an opinion on the schedule based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. Our audit included examining, on a test basis, evidence

supporting the amounts and disclosures in the schedule. An audit also includes assessing the significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the Embedded Value Information at December 31, 2007 has been properly prepared on the basis of the EV Guidelines.

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

Yours sincerely,

PricewaterhouseCoopers AG



Peter Lüssi



Michael Köhler

Enclosures:

- Embedded Value Information
- EV-Guidelines

Enclosure 1: Embedded Value information

All amounts are in CHF million.

Summary of Embedded Value:

	31.12.2007	31.12.2006
Switzerland	4'847	4'053
Europe without Switzerland	4'996	4'502
Swiss Life Holding (Adjusted Net Asset Value) (*)	2'994	2'110
Total Embedded Value	12'837	10'665
whereas Adjusted Net Asset Value	8'705	6'793
whereas Present Value of Future Profits (PVFP)	4'880	4'922
whereas Cost of Solvency capital	-748	-1'050

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

Analysis of Changes:

	Swiss Life Group
Reported Value at end of previous year	10'665
Dividend payment	-245
Effect of moving forward	+674
Investment return 2007 variance	+119
Future investment return variance	+672
Allowance of new hybrid instrument	+63
New treatment of policyholders' participation in unrealised gains	-512
Revaluation of reserving after IT systems migration in individual life CH	+304
Tax effects	+115
Currency exchange rate fluctuation	+141
Value of new business 2007	+118
Various	+56
Effect from divestments	+667
Reported Value at end of period	12'837

Sensitivities – Business in Force:

	Switzerland	Europe without Switzerland	Other effects	Total
Base Case	4'847	4'996	2'994	12'837
Investment return of new money + 100 bp	+509	+420	---	+929
Investment return of new money - 100 bp	-679	-398	---	-1'077
RDR - 100 bp	+337	+278	---	+615
New money rate (Bonds only) + 100 bp	+151	+255	---	+406

Sensitivities – New business:

	Total SL Holding
Base Case	118
Investment return + 100 bp	+47
Risk Discount Rate - 100 bp	+28
New money rate (bonds only) + 100 bp	+29

Economic assumptions - Return assumptions per asset class:

	Switzerland		Europe without Switzerland	
	Current	in 5 years	Current	in 5 years
Risk discount rate	7.0%	7.0%	8.0%	8.0%
Total weighted new money return	4.0%	4.3%	4.9%	5.4%
Return assumptions per asset class				
Bonds & loans return	3.3%	3.8%	4.7%	5.2%
Real Estate return	4.5%	4.7%	5.4%	5.4%
Equities return	6.5%	6.5%	7.5%	7.5%
Return on participations / alternative investments	6.5%	6.5%	7.5%	7.5%