

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

Zurich, 21st August 2007

Dear Sirs

METHODOLOGY AND ASSUMPTIONS

In accordance with our letter of engagement dated 13 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 1.13, dated 1st June 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 reviewed the schedule of Embedded Value Information of Swiss Life Group for the period ended June 30, 2007. This schedule is the responsibility of the Company's management. Our responsibility is to issue a report on this schedule based on our review.

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

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

Based on our review, nothing has come to our attention that causes us to believe that the Embedded Value Information at June 30, 2007 has not been properly prepared, in all material respect, on the basis of the EV Guidelines

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

Yours sincerely,

PricewaterhouseCoopers AG



Peter Lüssi



Michael Köhler

Enclosures:

- Embedded Value Information
- EV-Guidelines

Enclosure 1: Embedded Value information

All amounts are in CHF million.

Summary of Embedded Value:

	30.06.2007	31.12.2006
Switzerland	4'828	4'053
Europe without Switzerland	5'154	4'502
Swiss Life Holding (Adjusted Net Asset Value) (*)	2'497	2'110
Total Embedded Value	12'479	10'665
whereas Adjusted Net Asset Value	7'290	6'793
whereas Present Value of Future Profits (PVFP)	6'012	4'922
whereas Cost of holding capital	-823	-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	0
Effect of moving forward	+341
Investment return 2007 variance	+485
Future investment return variance	+740
Impact of new hybrid	+21
New treatment of policyholders' participation in unrealised gains	-435
Revaluation of reserving after IT systems migration in individual life CH	+308
Tax effects	+41
Change in currency exchange rate	+150
Value of new business 2007	+83
Various	+80
Reported Value at end of period	12'479

Sensitivities – Business in Force:

	Switzerland	Europe without Switzerland	Other effects	Total
Base Case	4'828	5'154	2'497	12'479
Bond returns + 100 bps	162	233	---	395
Bond returns - 100 bps	-159	-247	---	-406
Investment return + 100 bp	530	437	---	967
Investment return - 100 bp	-600	-460	---	-1'060
RDR - 100 bp	345	315	---	660
Cost of holding capital at 150%	-602	-361	---	-963

Sensitivities – New business:

	Total SL Holding
Base Case	83
Bond return + 100bp	+19
Investment return + 100 bp	+31
Risk Discount Rate - 100 bp	+18
Administration costs -10 pts	+11
Acquisition costs -10 pts	+10

Economic assumptions - Return assumptions per asset class:

	Switzerland		Europe without Switzerland	
	Current	in 5 years	Current	in 5 years
Risk discount rate	7.00%	7.00%	8.00%	8.00%
Total weighted new money return	4.12%	4.29%	4.97%	5.14%
Return assumptions per asset class				
Bonds & loans return	3.50%	3.67%	4.80%	5.00%
Real Estate return	4.50%	4.70%	5.85%	5.85%
Equities return	6.50%	6.50%	7.50%	7.50%
Return on participations / alternative investments	6.50%	6.50%	7.50%	7.50%