

Zurich, 4 September 2007

Swiss Life raises net profit by 21% in the first half of 2007 to CHF 635 million

The Swiss Life Group again achieved a very strong result in the first half of 2007. It increased net profit by 21% on the prior-year figure to CHF 635 million. This performance was bolstered by the focus on profitable growth, further efficiency improvements, a favourable risk experience and a good financial result. The gross written premiums of CHF 14.0 billion represent a growth rate of 10%. Embedded value rose by 17% to CHF 12.5 billion. Swiss Life is not affected by the crisis on the US subprime mortgage market. The relevant exposure represents a mere 0.1% of investments.

In the first half of 2007, the Swiss Life Group generated a net profit of CHF 635 million, which corresponds to a rise of 21% on the same period last year. After allowing CHF 20 million for minority interest, a net profit of CHF 615 million was allocatable to the shareholders of Swiss Life Holding. This translates into (diluted) earnings per share of CHF 17.72 for the first half of the year and an annualised return on equity of 17.3% (2006 HY: 14.3%).

The Group's value in terms of embedded value grew by 17% in the period under review to CHF 12.5 billion. The value of new business climbed 6%, contributing CHF 83 million to the increase.

Swiss Life's profit from operations went up 34% on the same period last year to CHF 884 million. The Insurance segment made the biggest contribution, with a result of CHF 706 million (+23%). Approximately half of this amount was generated in Switzerland (CHF 350 million) and the other half (CHF 356 million) abroad.

The result of the Banking segment came to CHF 164 million and the Investment Management segment realised a result of CHF 35 million.

In the words of Rolf Dörig, Group CEO: "We have consistently improved our results in recent years and strengthened our market position. We expect to achieve the profit target set for 2008 of CHF 1 billion already in 2007, barring any unforeseen events. Consequently, we will communicate new strategic and financial targets in December 2007."

Strong premium growth in Switzerland

Swiss Life continued to experience above-average growth. Gross premiums, policy fees and deposits received under insurance and investment contracts climbed 10% (7% in local currency) to CHF 14.0 billion. In Switzerland, Swiss Life raised its premium income by 10% to CHF 6.0 billion, clearly outperforming market growth. This increase stemmed from group business, where Swiss Life grew its premium income by 12% to CHF 5.1 billion. In international markets, premium income came to CHF 8.0 billion and the growth rate was 10% (6% in local currency).

Policy fees received under insurance and investment contracts went up 37% to CHF 298 million. The fee income from asset management and banking rose by 6% on the prior-year period to CHF 260 million.

Financial result grew by 43% to CHF 4.2 billion

The financial result for investments held at own risk increased by 43% to CHF 4.2 billion. With regard to direct income, Swiss Life benefited from rising interest rates and higher dividends and hedge fund distributions. The direct return on insurance portfolio investments in the first half of 2007 amounted to 2.1% (not annualised). Taking into account net capital gains and impairments as well as expenses for asset management, the net investment return came to 2.4%. The total investment return of 0.0%, which also includes the changes in unrealised gains and losses directly reflected in equity, was adversely affected by the sharp rise in interest rates in the period under review.

Swiss Life slightly adjusted its strategic asset allocation as part of asset and liability management. The portfolio has been more broadly diversified, without any increase in

the overall risk. In addition, Swiss Life anticipated the rise in interest rates and shortened the duration of the bond portfolio early on. Mid-year, when the rates reached their highest levels so far this year, the duration was lengthened and the economic risk associated with interest rate changes was reduced. At the same time, Swiss Life is taking advantage of the wider credit spread to increase credit risks.

Swiss Life is not affected by the crisis on the US mortgage market. The exposure to US subprime mortgages totalled CHF 140 million, which represents 0.1% of the Group's investments.

Allocation to reserves for policyholder bonuses doubled to CHF 1.7 billion

Insurance benefits rose 9% to CHF 9.6 billion, reflecting the course of business.

The amount allocated to the reserves for policyholder bonuses was doubled to CHF 1.7 billion, meaning that policyholders get to share in the good financial result.

There was a 2% increase overall in operating costs. In Switzerland, they fell by a further 6% due to the ongoing measures to boost efficiency. In international markets, the costs developed in line with growth. On the whole, the operating expense came to CHF 1.7 billion, which represents a 15% increase on the prior-year figure. This rise primarily stems from the considerable increase in amortisation expense for deferred acquisition costs, the rise in commission payments due to growth, and currency effects as a result of the stronger euro.

Sound capital base

Shareholders' equity for Swiss Life Holding fell by 5% to CHF 7.2 billion in the period under review, mainly because of the hike in interest rates and the resultant reduction in the revaluation reserves for the bond portfolio. For the same reasons, the core capital declined by 15% to CHF 12.6 billion. The impact of rising interest rates was softened to some extent by the hybrid debt transaction in the first half of 2007. The Swiss Life Group has a sound capital base. The solvency ratio, calculated in accordance with the Federal Office of Private Insurance's new method, came to 175% on the key date.

As at 30 June 2007, the Swiss Life Group employed a workforce of 8673 (8693 as at 31 December 2006). The assets under control held by Swiss Life amounted to CHF 205.6 billion.

Transmission of today's events and further documentation

Today's events will be transmitted at 09:00 (presentation for analysts and investors in English) and 11:15 (presentation for the media in German) on www.swisslife.com. All additional documentation on the half-year results can also be found there.

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Swiss Life

The Swiss Life Group is one of Europe's leading providers of pension and life insurance products. The Swiss Life Group offers individuals and companies comprehensive advice across a broad range of products via agents, brokers and banks in its domestic market, Switzerland, where it is market leader, and selected European markets. Multinational companies are serviced with tailor-made solutions by a network of partners in over 60 countries and regions. With Banca del Gottardo, the Swiss Life Group is also a provider of private banking services. The bank, with its head office in Lugano, has an extended national and international network and around CHF 36 billion in customer assets under management.

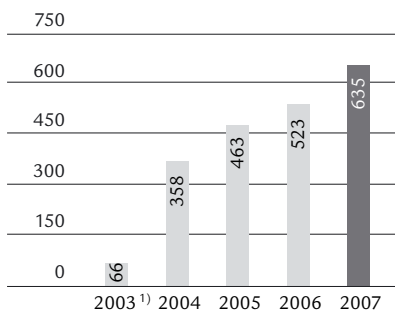
Swiss Life Holding, registered in Zurich, dates back to the Schweizerische Rentenanstalt founded in 1857. Shares of Swiss Life Holding are listed on the SWX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 9000.

Cautionary statement regarding forward-looking information

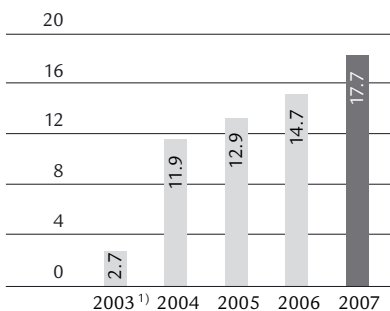
This publication contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

First-Half Key Figures (unaudited)

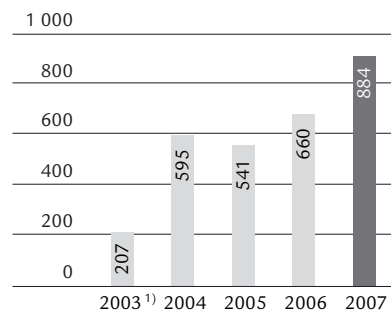
Net profit CHF million



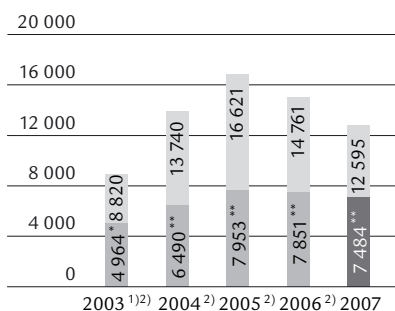
Diluted earnings per share CHF



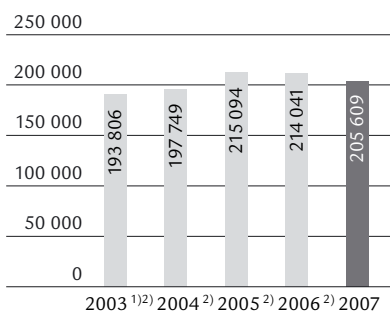
Profit from operations CHF million



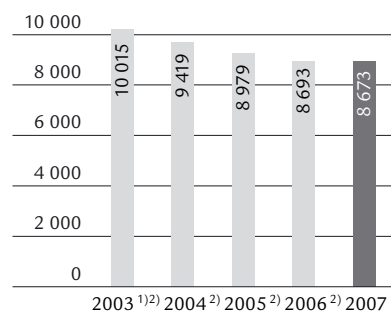
Core capital CHF million



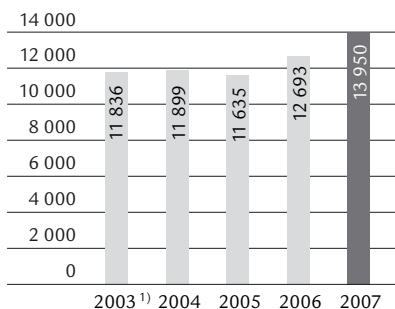
Assets under control CHF million



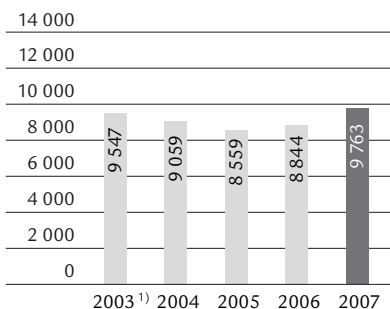
Employees (full-time equivalents)



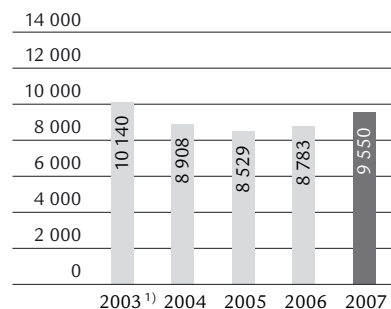
Gross written premiums, policy fees and deposits received CHF million



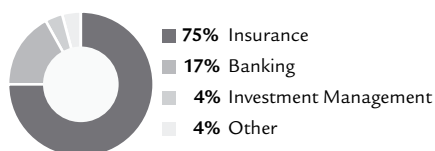
Net earned premiums and policy fees CHF million



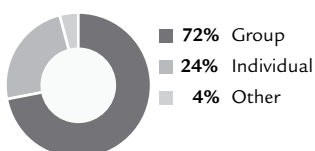
Net insurance benefits and claims CHF million



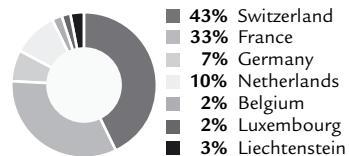
Segment result



Direct written premiums by type of insurance



Gross written premiums, policy fees and deposits received by country



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

2) As at 31.12.

* Equity

** Equity (incl. minority interest)

Consolidated Statement of Income (unaudited)

Consolidated statement of income for the half-years ended 30 June

In CHF million	2007 HY	2006 HY
Income		
Premiums earned on insurance contracts	9 491	8 677
Premiums earned on investment contracts with discretionary participation	98	69
Premiums ceded to reinsurers	-124	-119
Net earned premiums	9 465	8 627
Policy fees earned on insurance contracts	34	63
Policy fees earned on investment and unit-linked contracts	264	154
Net earned policy fees	298	217
Asset management and other commission income	260	246
Investment income	3 238	2 652
Net gains/losses on financial assets	914	177
Net gains/losses on financial instruments at fair value through profit or loss	36	105
Net gains/losses on investment property	64	69
Other income	-83	122
Total income	14 192	12 215
Expenses		
Benefits and claims under insurance contracts	-9 523	-8 779
Benefits and claims under investment contracts with discretionary participation	-107	-73
Benefits and claims recovered from reinsurers	80	69
Net insurance benefits and claims	-9 550	-8 783
Policyholder participation	-1 712	-869
Interest expense	-358	-429
Commission expense	-381	-330
Employee benefits expense	-608	-563
Depreciation and amortisation expense	-322	-203
Impairment of property and equipment and intangible assets	-1	0
Other expenses	-376	-378
Total expenses	-13 308	-11 555
Profit from operations	884	660
Borrowing costs	-145	-80
Share of results of associates	10	8
Profit before income tax	749	588
Income tax expense	-114	-65
Net profit	635	523
<i>Net profit attributable to</i>		
equity holders of Swiss Life Holding	615	511
minority interest	20	12
Net profit	635	523
Basic earnings per share for the net profit attributable to equity holders of Swiss Life Holding (in CHF)	18.41	15.26
Diluted earnings per share for the net profit attributable to equity holders of Swiss Life Holding (in CHF)	17.72	14.72

Consolidated Balance Sheet (unaudited)

Consolidated balance sheet

In CHF million	30.06.2007	31.12.2006
Assets		
Cash and cash equivalents	9 546	7 621
Insurance receivables and other receivables	5 243	4 899
Derivatives	699	859
Assets held for sale	25 005	14
Financial assets at fair value through profit or loss	24 438	29 437
Financial assets available for sale	85 566	92 916
Loans	27 972	28 883
Financial assets held to maturity	3 963	4 090
Financial assets pledged as collateral	126	124
Investment property	12 076	11 816
Investments in associates	78	75
Reinsurance assets	1 014	969
Property and equipment	1 128	1 159
Intangible assets including intangible insurance assets	4 060	3 507
Current income tax assets	18	22
Deferred income tax assets	138	94
Other assets	656	465
Total assets	201 726	186 950
Liabilities and equity		
Liabilities		
Insurance payables and other payables	4 487	4 268
Derivatives	584	817
Liabilities associated with assets held for sale	24 522	-
Financial liabilities at fair value through profit or loss	14 066	9 538
Investment contracts	12 873	30 077
Deposits	8 154	7 356
Borrowings	7 893	6 139
Insurance liabilities	112 411	109 456
Policyholder participation liabilities	5 204	7 092
Employee benefit liabilities	2 594	2 561
Current income tax liabilities	311	232
Deferred income tax liabilities	558	865
Provisions	170	202
Other liabilities	415	496
Total liabilities	194 242	179 099
Equity		
Share capital	1 399	1 385
Share premium	2 491	2 459
Treasury shares	-333	-66
Foreign currency translation differences	132	61
Gains/losses recognised directly in equity	-544	305
Retained earnings	4 050	3 435
Total shareholders' equity	7 195	7 579
Minority interest	289	272
Total equity	7 484	7 851
Total liabilities and equity	201 726	186 950