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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.

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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