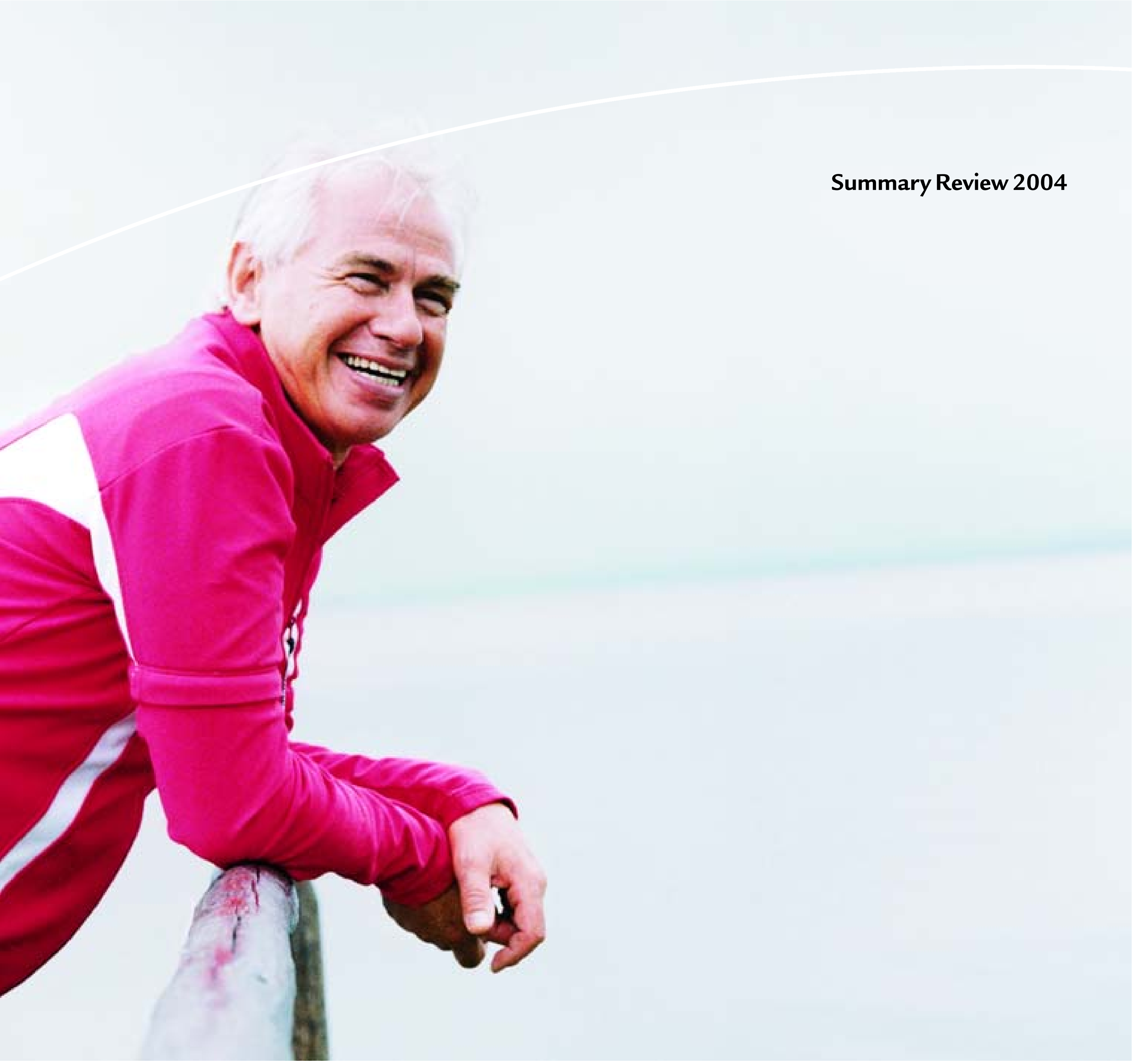
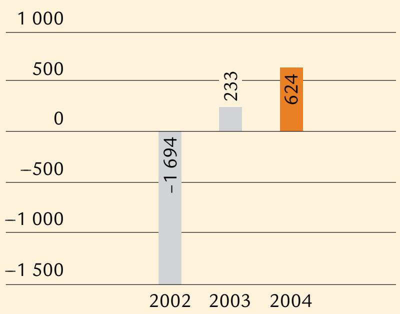
Swiss Life



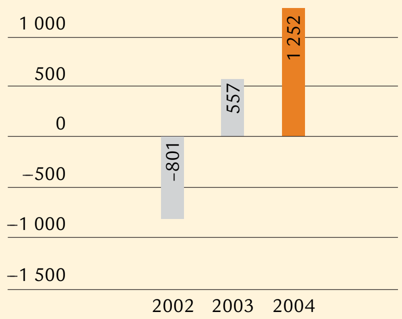
Summary Review 2004

Key Figures 2004

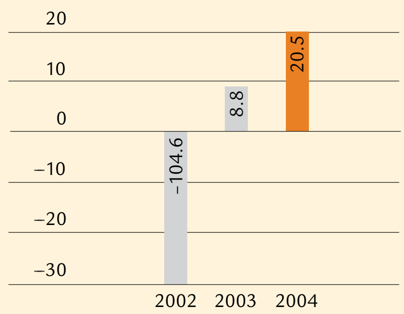
Net result CHF million



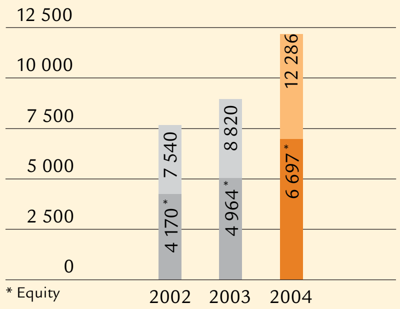
Operating result [1] CHF million



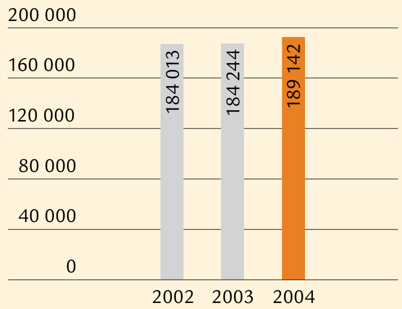
Earnings per share CHF



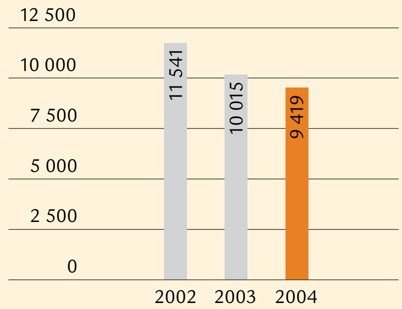
Core capital CHF million



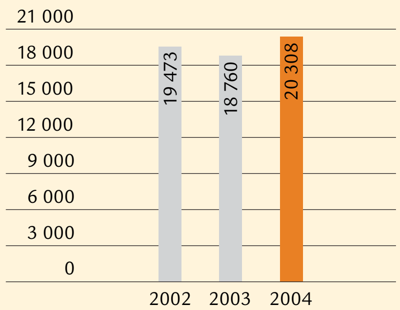
Assets under management CHF million



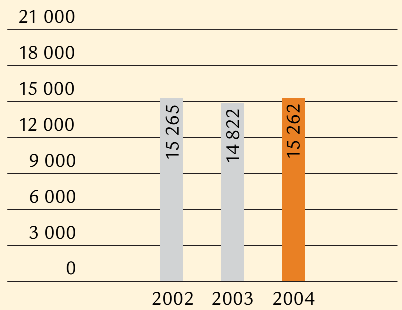
Employees (full-time equivalents)



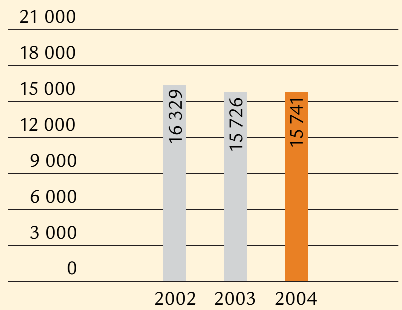
Gross written premiums [2] CHF million



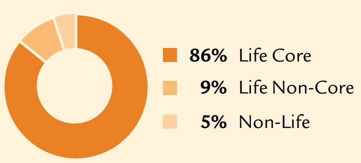
Net earned premiums and policy fees
CHF million



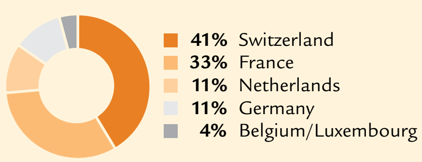
Benefits paid and changes in insurance reserves
CHF million



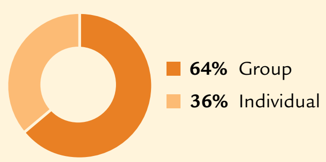
Gross written premiums by segment [2,3]



Gross written premiums Life Core by country [2,3]



Direct premiums and policy fees Life Core [3]



1) Before goodwill amortisation
2) Gross written premiums incl. deposits under investment contracts
3) On consolidated basis

Highlights

- Improved results: Net profit of CHF 624 million and return on equity of 10.7%
- Growth: Gross premium income boosted by 8% to CHF 20.3 billion
- Strong capital base: Equity increased by 35%
- Business focus: Concentration on life insurance and pensions business now complete
- Positioning: Higher profile with new brand

Swiss Life in brief

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 40 countries.

Swiss Life Holding, registered in Zurich, dates back to the Swiss Life Insurance and Pension Company 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 10 000.

Dear Shareholders,

It is our intention to achieve a position of pensions leadership for Swiss Life. Indeed, in the 2004 financial year we made further significant progress in realising our ambition. Our focus on the life insurance and pensions business was successfully moved forward. Premium growth was above the market average in Switzerland, France, Germany, Belgium and Luxembourg. Gross premium income for the Group as a whole increased by more than 8% over the last year, exceeding the CHF 20 billion mark for the first time in the company's history. We achieved this significant improvement in results thanks to an excellent financial result, strict cost management and more risk-based pricing. This produced a profit of CHF 624 million (2003: CHF 233 million). All sectors and countries have contributed to this happy result. On the basis of these results, the Board of Directors will propose that the General Meeting on 10 May 2005 approve a dividend of CHF 4 per share – after three financial years without a distribution of profit – in the form of a repayment of par value.

We have established our new focus. Concentration on our core pensions and life insurance business advanced rapidly in 2004. The insurance business in the United Kingdom was sold to the Resolution Life Group in December 2004. We spun off our third-party private equity business in February 2004. The Banca del Gottardo was separated from the insurance company in July 2004. It is now a direct subsidiary of Swiss Life Holding. In February 2005, we took the last important steps in the process of sharpening our focus with the announced concentration on the Swiss Life brand within the home market of Switzerland, the integration into Swiss Life of the life insurance business of our subsidiary «La Suisse», the amalgamation of the sales organisations of both companies, and the sale of the remaining business lines of «La Suisse».

We have gained market share both at home and abroad. In the 2004 financial year, the Swiss Life Group generated, for the first time in its history, gross premium income exceeding CHF 20 billion. The actual premium volume of CHF 20.3 billion corresponded to a growth rate of over 8%. In France (+17%), Germany (+7%), Belgium/Luxembourg (+29%), but also in the Swiss domestic market (+8%), Swiss Life's growth lay well above the market average.

Bruno Gehrig

Rolf Dörig

We have significantly improved results. The significant improvement on the previous year's results from CHF 233 million to CHF 624 million derives from a very good financial result, reduced costs and risk-based pricing. The net profit earned corresponds to a return on equity of 10.7%. Inasmuch as we had already achieved the objectives set by the cost savings programme at the end of 2003 one year ahead of schedule, we managed to reduce operating costs by an additional CHF 110 million (–5%) in 2004 despite the considerable growth in premiums. Operating expenses decreased by 3% to CHF 2.8 billion.

We have strengthened our balance sheet. As of 31 December 2004, the total equity of the Swiss Life Group stood at CHF 6.7 billion. This represents an increase of 35% compared to the previous year. The Swiss Life Group thus has a solid financial base. The solvency margin of the Swiss Life Group stands at 195%.

We have our risks under control. Our Group-wide approach to asset and liability management (ALM) has proven its worth and will be developed on an ongoing basis. In the 2004 financial year, we narrowed the gap between the average duration of our investments on the asset side of the balance sheet and our obligations on the liabilities side by lengthening the maturities of our investments. The interest-rate sensitivity of the balance sheet has thus been reduced.

We have improved the quality of our service. Ongoing customer surveys, expert evaluations, and awards and distinctions underscore the success we have had in appreciably improving the quality of our customer service. The quality initiatives implemented in all markets have had the desired impact.

Our new brand has given us a clear profile. In 2004 the brand architecture of the company was simplified and its image refreshed. The previously complex brand structure with its many different names and logos has been replaced by a simple, clear look with "Swiss Life" as the umbrella brand. The new corporate identity was introduced in all markets in the course of 2004.

We thank all our employees. Their competence and commitment have made this progress possible. The performance achieved in 2004 allows us to view the future with confidence.

The demand for financial provisions for the future continues to grow. Because people are now living to an ever-riper old age, the need for financial provisions for the future will continue to grow. The state pension systems in many European countries are promising benefits that simply cannot be financed in the long run. With the ratio of pensioners to the actively employed visibly increasing, most countries are being forced to usher in reforms for which even acquired entitlements are not sacrosanct. Germany is a striking example, where "first-pillar" pension benefits (paid for by current employees in a pay-as-you-go process) make up around 80% of the average retirement income. These inevitable corrections to the system are shifting the accent towards fully-funded occupational or individual solutions. These alternatives are the core business of Swiss Life.

We want to achieve a position of pensions leadership. Swiss Life wants to set the standards in both the private and occupational benefits business. We intend to be a leader in our business – not simply in size but by leading in the quality of our advice, products and service. We want people to think of Swiss Life first when they think about safeguarding their retirement income or the financial security of their business or their family.

We occupy an attractive position in the market. Among the leading insurance providers, we are one of the very few internationally operating companies to focus systematically on the area of private and occupational benefits. In order to maximise our advantage, we will be gearing ourselves even more closely to the needs of our clients and selected customer segments such as self-employed persons and high earners.

We have successfully concluded an intensive fitness cure. We have reduced operating costs by about 20% in the past two years. Strict cost management and the organisational streamlining of our units in all countries have also contributed to these savings.

We have exceptional expertise. With its nearly 150 years of tradition and experience, Swiss Life possesses exceptional expertise in both products and risk, and intends to develop its potential even further. In the past year, we had highly promising initial successes in individual markets with product innovations driven by market requirements. In addition, we want to continue to improve cooperation and knowledge exchanges within the company beyond organisational and geographical borders.

We are prepared for the coming challenges. We are optimistic that we are on our way to making further progress in 2005. We intend to grow at least 1% over the market average in each country where we operate. The basis for our success is an even greater focus on our customers' needs and satisfaction. We intend to improve profitability primarily by means of increased efficiency. This will create the conditions to achieve a sustainable return on equity above 10%.

Dear shareholders, we thank you for the confidence you continue to place in the Swiss Life Group, our strategies and our employees. You may rest assured that we will do all we can to remain worthy of this confidence in the future.

Bruno Gehrig
Chairman of the
Board of Directors

Rolf Dörig
Chief Executive Officer

Strategy

Swiss Life intends to achieve a position of pensions leadership. Swiss Life should be the first choice that comes to mind when customers, investors and employees think of this industry. To realise this ambition, Swiss Life is concentrating strategically on growth, efficiency and leadership.

The business of providing financial benefits is a growing market. People are getting older. The need for individual retirement solutions in the form of pensions and long-term savings is growing with increasing life expectancy and the rising percentage of retired people in the population. Swiss Life assumes that, in coming years, the market growth in Europe for both private and occupational benefits will be considerably above the general trend in economic growth.

Swiss Life wants to set the standards in this growing market for pensions. Swiss Life intends to achieve a position of pensions leadership – leading in the quality of advice, products, and service. The company offers private individuals comprehensive solutions for the financial safeguarding of their families and a secure retirement, as well as individual savings programmes with or without risk coverage. Corporate customers of every size are advised concerning their pensions situation and directed by Swiss Life to the right product for the specific needs of their company and its employees. Swiss Life focuses on the geographic markets in which it enjoys a strong existing or potential position. It is number two in premium volume in its home market of Switzerland, and the clear market leader for individual life insurance. Thanks to its competence, effective sales channels and strong brand, Swiss Life is a preferred alternative to domestic providers in the French, German, Dutch, Belgian and Luxembourg markets.

Between 2002 and 2004, Swiss Life successfully adjusted its business model to the changed realities: the company concentrated on its core business, reduced costs, adapted product conditions to economic and demographic parameters, implemented an integrated risk management approach with Group-wide asset and liability management, and strengthened its capital base. In the coming years Swiss Life will be focusing on the following three strategic directions: growth, efficiency and leadership.

Growth Swiss Life intends to profit from the growing pensions market and position itself internationally as the preferred provider of pension solutions for individuals and companies. The continuous improvement of customer satisfaction is one important driver for this. Distribution in the individual markets will be more strongly diversified in order to create additional possibilities for customers to make contact. Swiss Life intends to grow by at least 1% above the market average in the countries in which it operates.

Efficiency Swiss Life intends to continue improving the profitability of its insurance business and to reduce its dependence on the financial result. This will be achieved through the simplification and optimisation of operational processes, reduction of complexities across the entire value chain and strict cost management.

Leadership Swiss Life wants to promote a performance-oriented culture and an entrepreneurial approach. The basis for this includes our corporate values, clear objectives and performance yardsticks, short decision-making processes, a performance-oriented remuneration system, and the systematic recording and development of our employees' skills and abilities.

Thanks to these measures, Swiss Life will be positioned to create the conditions for achieving a sustainable return on equity of over 10%, and to reward its shareholders with an appropriate dividend.

Summary of Group Results

The Swiss Life Group generated a profit of CHF 624 million and a return on equity of 10.7% in 2004. Based on these good results, the Board of Directors is proposing a dividend of CHF 4 per share, in the form of a payback of par value, to the General Meeting.

The Swiss Life Group achieved a good result in 2004. It increased profits from CHF 233 million in 2003 to CHF 624 million, thus generating a return on equity of 10.7% (2003: 5.3%). Operating income before amortisation of goodwill worked out at CHF 1252 million (2003: CHF 557 million). The Life Core segment (Switzerland, France, Germany, the Netherlands, Belgium/ Luxembourg) contributed CHF 957 million to this figure (2003: CHF 341 million).

Swiss Life boosted its gross premium income by over 8% from the prior-year figure to more than CHF 20.3 billion. Premium growth in the Life Core segment was also 8%. Swiss Life profited from significantly greater demand for pension products in France and Germany, achieving premium growth there of 18% (France) and 8% (Germany). Swiss Life gained market share in both countries. But also in its domestic market of Switzerland, Swiss Life returned to the growth zone (+8%) and recovered lost market share after suffering a drop of 19% in the previous year.

The financial result, at CHF 6.7 billion, was 14% higher than the previous year. This outstanding performance can be particularly attributed to capital gains realised on fixed-interest investments. On the one hand, asset maturities were extended once again in the context of asset and liability management in order to continue narrowing the differential between average assets and liabilities durations and to reduce the economic risk of interest rate fluctuation in the balance sheet. On the other hand, targeted opportunities were seized in the financial markets due to the historically low interest rates in the second half of the year. The return on insurance portfolio investments came to 6.4% (previous year: 4.7%). The net equity exposure was raised in connection with the increased risk capacity and was 5.0% as of 31 December 2004 (end 2003: 2.1%).

Insurance benefits including changes in insurance reserves remained unchanged from the previous year at CHF 15.7 billion. The increase by CHF 878 million in insurance benefits paid (to CHF 15.2 billion) was offset by the decline in changes in insurance reserves. The amount for policyholder bonuses and participation in surplus was around 56% higher at CHF 1.4 billion.

Operating expenses fell by 3% from their prior-year level to CHF 2.8 billion despite the much higher premium volume. Operating costs dropped by CHF 110 million, or 5%.

Equity stood at CHF 6.7 billion on 31 December 2004. The increase of 35% compared with the end of 2003 can be attributed partly to the profit generated, but above all to the capital increase of CHF 917 million that took place in June 2004. Core capital for capital adequacy purposes, which includes deferred Group-related funds in addition to equity capital per se, improved by 39% to stand at CHF 12.3 billion. Goodwill was further reduced by CHF 243 million.

Assets under management totalled CHF 189.1 billion (+3%) on 31 December 2004.

On 31 December 2004 the full-time equivalents came to 9419, a decline of 7% in the personnel figures compared with the preceding year.

Results by Segment

All segments contributed to the substantial operating result of CHF 1252 million (2003: CHF 557 million), before amortisation of goodwill.

Life Core Swiss Life's operating income in 2004 came to CHF 957 million in the Life Core segment (2003: CHF 341 million). All countries contributed to this most satisfactory outcome. Gross premium income rose by 8% to CHF 17.4 billion.

Switzerland In Switzerland, its domestic market, Swiss Life demonstrated clearly that it has regained the confidence of its customers. In a slowing market, the company succeeded in increasing its premiums written by 8% to CHF 7156 million. The growth came exclusively from group insurance: Swiss Life took in CHF 5485 million in premiums in this segment (+12%), largely through new contracts and vested benefit policies. Periodic premiums recorded a growth of 3% and single premiums were up 21%. The strong advance in single premiums includes the mathematical reserves brought in by new customers and the increased quotas for contracts managed by several companies.

Individual life experienced a further decline in premiums, down 4% to CHF 1601 million, reflecting the stubbornly low level of interest rates. Single premiums (–7%) took a harder hit than periodic premiums (–2%).

The financial result of CHF 2574 million was 9% above the previous year due to higher realised capital gains and a reduced need for valuation adjustments, as well as interest rate and currency effects.

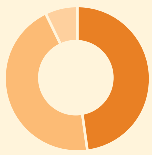
Insurance benefits including changes in insurance reserves rose by 6% to CHF 7907 million. This growth, attributed to additional reserves for future risks and premium growth, was only partially equalised by the graduated reduction of the pension conversion rate from 7.2% to 5.835% in the supplementary portion of occupational provisions, the reduction of the minimum interest rate from 3.25% to 2.25%, and an improved claims experience.

Operating costs continued to be reduced further in the year under review. Operating expenses rose by 2% to CHF 767 million in the second half of the year due to higher commissions as a result of premium growth, and (due to conservative model assumptions) a greater sum for the amortisation of deferred acquisition costs.

This resulted in overall operating income of CHF 443 million (2003: CHF 76 million). The one-off effects of the reduction in the conversion rate and the introduction of a statutory minimum payout ratio (known in Switzerland as the "legal quote") contributed CHF 148 million to this figure.

In February 2005 the Swiss Life Group announced that their focus in Switzerland is on the Swiss Life brand. The «La Suisse» life portfolio, previously managed independently by this subsidiary, is being integrated into Swiss Life.

Life Core business: premiums by type of insurance



Key figures, Life Core

in CHF million	2004	2003	+/–%
Gross written premiums, policy fees and deposits under investment contracts	**17 391**	16 081	8.1%
Net earned premiums and policy fees	**12 998**	12 532	3.7%
Financial result	**5 919**	5 038	17.5%
Other income incl. fees	**28**	–50	n.a.
Total revenue	**18 945**	17 520	8.1%
Benefits paid	**–13 746**	–13 557	1.4%
Policyholder bonuses and participation in surplus	**–1 320**	–805	64.0%
Interest expenses	**–957**	–941	1.7%
Total benefits, losses and interest expenses	**–16 023**	–15 303	4.7%
Total operating expenses	**–1 965**	–1 876	4.7%
Operating result	**957**	341	n.a.
Assets under management	**126 612**	117 963	7.3%
Technical reserves	**96 007**	93 533	2.6%
Number of employees (full-time equivalent)	**5 915**	5 933	–0.3%

The external sales units of both companies (which occasionally compete) will be amalgamated. The number of locations is being reduced from 111 to 58. The stronger sales network will facilitate more efficient exploitation of the market potential in all our sales territories. By acquiring the Vaudoise group life portfolio, we also bolstered our core business. In addition, Swiss Life is entering into agreements with Helsana, Switzerland's largest health insurer, and Vaudoise to collaborate in distribution.

France Swiss Life saw its gross written premiums in France grow by 23% (21% in local currency), thus increasing its market share from 2.4% to 2.6%. This very satisfactory growth was mainly thanks to the sales agents and banking channels working exclusively for Swiss Life. With Erisa, a joint venture with the HSBC Group, and cooperation with Banque Rothschild, Swiss Life also enjoys direct access to the distribution channel represented by banks, which is very important in France. Since the beginning of 2005, Swiss Life has expanded its access by means of a sales agreement with CaixaBank.

Health insurance premium volume increased by 7% (6% in local currency). Taken together, the premium growth in France came to 18% (17% in local currency). Premium growth and the higher financial result led to an 11% rise in earnings to CHF 3607 million.

Total insurance benefits and losses went up to CHF 2806 million (+11%). The increase compared with the previous year can be attributed to higher outlays for policyholder bonuses and participation in surplus (+98%) ensuing from the higher financial result, and the refinement of the method used to calculate deferred bonus liabilities. Operating expenses rose mainly due to growth-related higher commissions (+16%). This produced an operating result of CHF 98 million (2003: CHF 123 million).

The sales organisation introduced at the beginning of the reporting period is thus already paying off. Swiss Life products continued to prove their merit as various pension solutions were once again given top marks by the trade press. In addition, a pension-savings plan was introduced in June 2004 based on the introduction in April 2004 of tax incentives for individual saving (Plan d'épargne retraite populaire, PERP). In health insurance, Swiss Life played a pioneering role by launching a new range of products which, among other things, encourage customers to shoulder greater responsibility.

Germany In 2004 Swiss Life generated gross written premiums of CHF 1910 million in Germany, representing an increase of 8% over the previous year. Growth in local currency came to 7% and was thus clearly higher than the 3% expansion of the overall market. The growth in premiums is due especially to the change in the Retirement Income Act effective 1 January 2005, which made taking out life insurance particularly attractive in 2004. Thanks to intensive marketing, Swiss Life managed to profit above the average from this situation. Premium growth and the higher financial result led to a rise in earnings of 6% to CHF 2749 million.

The 8% growth of total insurance benefits and losses to CHF 2452 million resulted from the increase in future policyholder bonuses and participation in surplus by 40% to CHF 607 million as a result of actuarial revaluations and the marked growth in capital gains on investments. Administrative costs were further reduced (–1%) despite considerable premium growth. Operating expenses dropped by 27% from the previous year to CHF 194 million, primarily due to a change in the method of amortising deferred acquisition costs during the reporting period. This produced an operating result of CHF 103 million (2003: CHF 40 million).

The year 2004 confirmed once again that Swiss Life is a preferred partner for brokers. In a broker survey on occupational pensions (bAV Award) in November 2004, Swiss Life was rated the best provider of occupational pension products. At the beginning of 2005 Swiss Life announced that it was taking a stake in MetallRente. MetallRente, the largest superannuation scheme in Germany, is directly involved with the 3.6 million employees of the metalworking and electronics industries. The stake in this consortium opens up new marketing possibilities.

Netherlands Income from gross written premiums in the Netherlands totalled CHF 1959 million in 2004, a 17% decline (18% in local currency) from the previous year. The acquisition in the second half of the year of the group insurance portfolio from the Netherlands insurer De Goudse (EUR 300 million) only partly came up to the one-off impact of the contract concluded in 2003 with the pension fund of construction company HBG (EUR 570 million). Excluding the one-off impact of the above-mentioned contracts, premium volume was virtually unchanged, though profitability increased significantly in 2004.

Total insurance benefits and losses from the insurance business dropped by CHF 214 million (–10%) to CHF 2017 million. The decline in insurance benefits of CHF 343 million was partially offset by higher outlays for policyholder bonuses. Operating expenses rose by 18% to CHF 234 million. Commissions in particular as well as other insurance business-related expenses rose (+69%), mainly due to higher write-offs on deferred acquisition costs. On the other hand, administrative costs were reduced (–11%).

This produced an operating result of CHF 272 million, which is CHF 171 million more than in the previous year. It must also be noted that the extraordinary profit from the sale of the mortgage portfolio contributed CHF 135 million to this result.

A survey conducted by insurance brokers in 2004 revealed that Swiss Life had achieved the greatest improvement in service quality in the industry, and underscored the positive impact of initiatives to increase customer satisfaction. Swiss Life intends to achieve further progress in service quality, and become one of the best in this area, by consistently gearing processes and systems to customer needs. With its acquisition of De Goudse's group business, Swiss Life expanded its strong position in the corporate clients segment. Swiss Life's acquisition on 1 January 2005 of the pension fund of the employees of the Netherlands central bank counts as a further success.

Belgium/Luxembourg In 2004, Swiss Life managed a considerable 31% increase (29% in local currency) in total gross written premiums in both markets to CHF 741 million. Premium volume in Belgium grew by 13% (11% in local currency) to CHF 505 million. In Luxembourg, premium volume nearly doubled (CHF 236 million). The reason for such marked growth is the success in cross-border insurance sales involving fund products.

Earnings rose 13% to CHF 460 million, largely thanks to the considerably higher financial result (+39%), which can be attributed to the growth in investment income and realised gains on investments. While total insurance benefits and losses from the insurance business remained practically constant (+2%), operating expenses rose by 11% to CHF 82 million, mainly due to higher, growth-driven commissions. Despite the clear growth in premiums, administrative outlays in local currency remained constant. This produced an operating result of CHF 41 million (2003: CHF 1 million).

Swiss Life expanded its range of products, offering occupational benefits for small and mid-sized companies to cover growing demand from this business segment. Swiss Life also expanded the product range for self-employed individuals. Swiss Life received important awards in Belgium and Luxembourg. In Belgium, Swiss Life was awarded the "Trophée de l'assurance vie" for innovation. For the second time in a row, the company was honoured in Luxembourg with the "Best Pensions Solutions" title.

Life, Non-Core In 2004, the Life, Non-Core segment included operations in the UK and Italy besides the life business of «La Suisse» in Switzerland. Swiss Life announced the sale of Swiss Life (UK) to the Resolution Life Group in December 2004. As announced in February 2005, the life business of «La Suisse» is to be integrated into Swiss Life.

In the 2004 financial year, earnings in this segment amounted to CHF 1677 million. The decline of 6% against the previous year is due to the significantly lower financial result (–20%) caused by the CHF 125 million charge for the sale of Swiss Life (UK). Expenses in the insurance business fell to CHF 1465 million, or 5% as compared to the previous year, and operating expenses were reduced by 28% to CHF 137 million. This produced an operating result of CHF 75 million (2003: CHF 67 million).

Non-Life The Non-Life segment consists of the non-life operations of «La Suisse» in Switzerland, certain operations in France, and Zelia in Belgium. Swiss Life announced in February 2005 that it would be selling the non-life operations of «La Suisse» to Vaudoise and Helsana.

Premium income in non-life fell slightly in 2004 to CHF 1067 million (–1%). However, lower earnings were more than compensated for by lower expenses in the insurance business and the 4% fall in operating expenses. This produced an operating result of CHF 46 million (2003: CHF 23 million).

Private Banking The Private Banking segment consists primarily of Banca del Gottardo. The transfer of the bank to Swiss Life Holding in July 2004 served to allay uncertainties as to the bank's future, allowing complete concentration on business operations and the continued development of the bank. Operating profits for the 2004 financial year amounted to CHF 96 million in this segment. A loss of CHF 19 million was posted the previous year due to the loss of CHF 105 million on the sale of Schweizerische Treuhandgesellschaft STG. Assets under management increased by 7%, and amounted to CHF 44.6 billion on 31 December 2004.

Investment Management The Investment Management segment manages the insurance assets of Swiss Life, amounting to CHF 72.2 billion, as well as third-party assets of CHF 13.8 billion.

In 2004, in the course of implementing the strategy, Swiss Life simplified the structure of the Investment Management segment through liquidations and divestments.

The 8% decline in fee income to CHF 173 million is a consequence of the concentration on core business and reduced earnings in the real estate sector. France reported gratifyingly higher fee income. Swiss Life Asset Management, Zurich, the fourth-largest institutional asset manager in Switzerland, was able to increase assets under management by 40%. This will positively affect fee income from 2005.

The significantly lower financial result primarily reflects adverse developments in the biotechnology sector, which affected Adamed Investments Ltd.'s performance.

Operating expenses decreased by 15% to CHF 121 million. This decline is largely due to restructuring measures and an efficiency drive. Swiss Life thus posted a profit of CHF 67 million for this segment.

Corporate Governance

The Swiss Life Group is committed to good corporate governance for the benefit of its shareholders, policyholders and employees.

The organisation and internal procedures of the Swiss Life Group are clearly delineated and the cooperation between the Board of Directors, senior management and internal control bodies is optimally structured. The Swiss Life Holding Board of Directors is composed entirely of non-executive directors; there is a division of functions between the Chairman of the Board of Directors and the Chairman of the Corporate Executive Board (CEO).

Board of Directors The Board of Directors is responsible for all matters that are not reserved for the consideration of the General Meeting of Shareholders (formally the supreme decision-making body of a public limited company) under the terms of Art. 698 of the Swiss Code of Obligations (OR) or of the company's Articles of Association. In addition to its non-transferable duties (stipulated in Art. 716a OR) the Board of Directors is responsible, in particular, for the ultimate direction of the Group, including determination of strategy as well as supervision of the Corporate Executive Board. On the balance sheet date the Board of Directors comprised the following members:

Name	Functions	Year appointed/ reelected	Elected until
Bruno Gehrig	Chairman Chairman's Committee, Chairman Investment and Risk Committee	2003	2006
Gerold Bührer	Vice Chairman Chairman's Committee Investment and Risk Committee, Chairman	2002/2003 [1]	2005
Volker Bremkamp	Member Audit Committee, Chairman	2003/2004	2007
Paul Embrechts	Member Audit Committee	2003	2005
Rudolf Kellenberger	Member Chairman's Committee	2003/2004	2007
Georges Muller	Member Audit Committee	2002/2003 [2]	2006
Peter Quadri	Member Audit Committee	2003/2004	2007
Pierfranco Riva	Member Investment and Risk Committee	2003	2006
Franziska Tschudi	Member Investment and Risk Committee	2003	2005

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

2) Member of the Supervisory Board of Swiss Life/Rentenanstalt since 1995 and member of the Board of Directors since 1997

Chairman's Committee The Chairman's Committee assists the Chairman of the Board of Directors in fulfilling his leadership and coordination role, and assists the Board of Directors with matters concerning corporate governance. It also assists the Board of Directors in decisions concerning the appointment of personnel at the highest levels of management (nomination function) and in setting guidelines for compensation of the members of the Board of Directors and the Corporate Executive Board, and determining how these guidelines will be applied to the compensation and terms of employment of the CEO and the other members of the Corporate Executive Board (compensation function).

Investment and Risk Committee The Investment and Risk Committee assists the Board of Directors in matters concerning investment management, financial management and risk management within the company. The tasks and competencies of the Investment and Risk Committee include, among others, submitting proposals to the Board of Directors on the principles of asset and liability management for the Group, the assessment of capital adequacy, the definition of the Group's investment policy, verification of compliance with Group guidelines on investments, and establishment of the risk tolerance in insurance and investment operations.

Audit Committee The Audit Committee assists the Board of Directors in its supervision of the accounting function and financial reporting activities as well as the Group's compliance with the legal requirements. It reviews the appropriateness of the internal control structures and processes used to comply with the legal requirements. It monitors the activities of Corporate Internal Audit and the external audit services, and takes due note of their reports and recommendations.

Corporate Executive Board The Corporate Executive Board of Swiss Life Holding is composed of the following members:

Name	Position	Since
Rolf Dörig	Chief Executive Officer	06.11.2002
Reto Himmel	Chief Technology Officer	20.01.2003
Paul Müller	Chief Market Officer	15.01.2003
Bruno Pfister	Chief Financial Officer	01.08.2002
Martin Senn	Chief Investment Officer	01.01.2003

Compensation Pursuant to the Organisational Regulations, the Board of Directors as a whole is responsible for determining the level and composition of its members' compensation. The Chairman's Committee, in its capacity as Compensation Committee, is responsible for putting forward corresponding proposals. The Board of Directors also establishes guidelines for the compensation policy within the Group. In so doing, it takes into consideration the compensation policies of other organisations of comparable size and in comparable industries, with its findings drawn from publicly available information or, as necessary, studies by external experts. Based on these guidelines, the Chairman's Committee determines the compensation for individual members of the Corporate Executive Board and informs the entire Board of Directors accordingly. Compensation paid to incumbent members of the Board of Directors and the Corporate Executive Board during the period under review was in total as follows:

Board of Directors	CHF	1 391 000
Corporate Executive Board	CHF	7 826 686

Swiss Life Holding shares with a par value of CHF 50 each were allocated to members of the Board of Directors and the Corporate Executive Board as follows during the 2004 financial year.

Board of Directors	1 458 shares allocated at values of CHF 164.15, CHF 155.65 and CHF 142.80. They are subject to a three-year vesting period.
Corporate Executive Board	13 454 shares [1] in this case allocated at a value of CHF 164.15. They are subject to a three-year vesting period.

1) 6944 of the shares allocated in the 2004 financial year fell under the 2004 regulations on the long-term remuneration component

The highest total compensation for a member of the Board of Directors was paid to Bruno Gehrig, who was Chairman of the Board in 2004. The total compensation paid in the year under review is as follows:

Compensation	CHF 555 000	
Shares [1]	CHF 49 245	300 SLHN shares at CHF 164.15
Share options	none	
Total compensation	CHF 604 245	

1) The 300 shares allocated are subject to a vesting period of three years.

The highest total compensation for a member of the Corporate Executive Board was paid to Rolf Dörig as CEO. For transparency reasons and in view of forthcoming statutory disclosure rules on remuneration, the compensation he received is broken down. The total compensation paid in 2004 was as follows:

Compensation [1]	CHF 2 649 465	
Shares [2]	CHF 534 308	3 255 shares at CHF 164.15
Share options	none	
Total compensation	CHF 3 183 773	

1) Including bonus in cash.
2) 1519 shares were allocated under the 2004 regulations governing the long-term remuneration component and 1736 shares as bonus. All shares are blocked for three years until the end of March 2007 (vesting period).

Largest shareholders (as per 31 December 2004)

	Shares (entered) in the share register)	Voting rights
Premafin Group (Italy)	3 141 026	9.30%

The complete text on corporate governance can be found in the 2004 Annual Report or at www.swisslife.com. Its structure and scope are based on the Directive on Information Relating to Corporate Governance issued by the SWX Swiss Exchange, which came into force on 1 July 2002.

Consolidated Statement of Income

Consolidated statement of income for the years ended 31 December

In CHF million	2004	2003
Revenue		
Net earned premiums and policy fees	**15 262**	14 822
Net investment income	**5 465**	5 546
Net realised and unrealised gains/losses on investments	**965**	334
Share of results of associates	**3**	6
Net trading income	**237**	–50
Investment management, banking and other fee income	**448**	553
Other income	**–38**	–123
Total revenue	**22 342**	21 088
Benefits, losses and expenses		
Net benefits paid and changes in insurance reserves	**–15 741**	–15 726
Policyholder bonuses and participation in surplus	**–1 363**	–871
Interest credited to investment contracts, customer deposits and other funds on deposit	**–926**	–818
Interest on borrowings	**–193**	–177
Other interest expenses	**–64**	–59
Investment management and banking expenses	**–565**	–635
Insurance-underwriting and policy-acquisition costs	**–1 497**	–1 546
Other operating and administrative expenses	**–741**	–699
Amortisation of goodwill	**–243**	–80
Total benefits, losses and expenses	**–21 333**	–20 611
Net result before tax and minority interests	**1 009**	477
Income tax expenses	**–358**	–202
Net result before minority interests	**651**	275
Minority interests	**–27**	–42
Net result	**624**	233
Basic earnings per share (in CHF) *	**22.73**	9.68
Diluted earnings per share (in CHF) *	**20.50**	8.83

* Year-end 2003 figures adjusted to reflect the rights issue of June 2004

Under the accounting priniciples adopted, deposits under investment contracts are not recognised as income:

In CHF million	2004	2003
Net earned premiums and policy fees as reported	**15 262**	14 822
Deposits under investment contracts	**4 229**	3 382
Net earned premiums, policy fees and deposits under investment contracts	**19 491**	18 204
Gross written premiums, policy fees and deposits under investment contracts	**20 308**	18 760

Consolidated Balance Sheet

Consolidated balance sheet as of 31 December

In CHF million	2004	2003
Assets		
Investments		
Held-to-maturity investments	**6 339**	5 317
Available-for-sale investments	**95 541**	88 906
Financial assets held for trading	**3 045**	3 024
Investment property	**11 514**	11 082
Loans originated by the enterprise	**20 771**	25 600
Investments in associates	**58**	64
Total investments	**137 268**	133 993
Cash and cash equivalents	**8 304**	6 250
Insurance and other receivables	**4 469**	4 715
Reinsurance assets	**1 229**	1 608
Deferred acquisition costs	**2 755**	2 793
Property and equipment	**1 237**	1 468
Goodwill and other intangible assets	**899**	1 071
Deferred tax assets	**553**	944
Other assets	**722**	978
Separate account (unit-linked) assets	**8 177**	8 658
Total assets	**165 613**	162 478
Liabilities and equity		
Liabilities		
Financial liabilities held for trading	**1 165**	1 225
Investment contracts, customer deposits and other funds on deposit	**31 269**	29 352
Insurance reserves	**104 166**	103 862
Borrowings	**6 149**	5 802
Deferred tax liabilities	**1 684**	1 825
Insurance and other payables	**4 248**	4 779
Provisions	**193**	258
Other liabilities	**1 639**	1 522
Separate account (unit-linked) liabilities	**8 192**	8 674
Total liabilities	**158 705**	157 299
Minority interests	**211**	215
Equity		
Share capital	**1 689**	1 252
Share premium	**2 425**	1 948
Treasury shares	**–38**	–21
Gains/losses recognised directly in equity, net	**931**	714
Foreign currency translation differences	**–117**	–117
Retained earnings	**1 807**	1 188
Total equity	**6 697**	4 964
Total liabilities and equity	**165 613**	162 478

Important dates

Annual General Meeting of Shareholders
10 May 2005
Schluefweg Stadium, Kloten

Presentation of half-year figures
5 September 2005

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Read the complete Swiss Life Annual Report at
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Caution regarding foward-looking statements

This Summary 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 Summary Review was compiled.

This Summary Review is also available in German, French and Italian.
The German text is definitive.