

*First-Half
Financial Report
2013*

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Condensed Consolidated Statement of Income (unaudited)

Consolidated statement of income for the 6 months ended 30 June

In CHF million			restated
	Notes	2013 HY	2012 HY
INCOME			
Premiums earned on insurance contracts		7 584	7 022
Premiums earned on investment contracts with discretionary participation		344	401
Premiums ceded to reinsurers		-97	-94
Net earned premiums	5	7 832	7 329
Policy fees earned on insurance contracts		13	18
Policy fees earned on investment and unit-linked contracts		140	133
Net earned policy fees	5	153	151
Commission income	6	393	368
Investment income	4, 6	2 154	2 204
Net gains/losses on financial assets	4, 6	1 146	1 079
Net gains/losses on financial instruments at fair value through profit or loss	4, 6	-463	-86
Net gains/losses on investment property	4	385	181
Share of profit or loss of associates	2, 4	5	6
Other income	6	-27	38
TOTAL INCOME		11 577	11 270
EXPENSES			
Benefits and claims under insurance contracts		-7 986	-7 273
Benefits and claims under investment contracts with discretionary participation		-357	-416
Benefits and claims recovered from reinsurers		59	48
Net insurance benefits and claims	6	-8 284	-7 641
Policyholder participation	2	-1 193	-1 637
Interest expense	6	-124	-124
Commission expense	6	-412	-373
Employee benefits expense	2, 6	-416	-409
Depreciation and amortisation expense	6	-212	-303
Impairment of property and equipment and intangible assets		-4	0
Other expenses	6	-244	-244
TOTAL EXPENSES		-10 889	-10 731
PROFIT FROM OPERATIONS	2	688	539
Borrowing costs		-68	-62
PROFIT BEFORE INCOME TAX		620	477
Income tax expense	2, 7	-148	-112
NET PROFIT	2	472	365
Net profit attributable to			
equity holders of Swiss Life Holding		472	364
non-controlling interests		0	1
NET PROFIT		472	365
Earnings per share attributable to equity holders of Swiss Life Holding			
Basic earnings per share (in CHF)	2	14.78	11.42
Diluted earnings per share (in CHF)	2	14.72	11.38

Condensed Consolidated Statement of Comprehensive Income (unaudited)

Consolidated statement of comprehensive income for the 6 months ended 30 June

In CHF million	Notes	2013 HY	restated 2012 HY
NET PROFIT		472	365
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT			
Exchange differences on translating foreign operations		44	-32
Financial assets available for sale		-4 775	1 524
Cash flow hedges		-509	285
Financial assets reclassified to loans and receivables		27	59
Share of other comprehensive income of associates		0	-
Assets held for sale		-	0
Adjustments relating to items that may be reclassified:			
Policyholder participation		2 915	-1 193
Shadow accounting		105	23
Income tax		499	-166
TOTAL	2	-1 695	500
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT			
Revaluation surplus on investment property		3	-1
Remeasurements on defined benefit pension liability		1	107
Adjustments relating to items that will not be reclassified:			
Policyholder participation		-8	-55
Shadow accounting		0	0
Income tax		0	-11
TOTAL	2	-5	40
NET OTHER COMPREHENSIVE INCOME		-1 699	540
TOTAL NET COMPREHENSIVE INCOME		-1 227	905
Total net comprehensive income attributable to			
equity holders of Swiss Life Holding		-1 228	905
non-controlling interests		1	0
TOTAL NET COMPREHENSIVE INCOME		-1 227	905

Condensed Consolidated Balance Sheet (unaudited)

Consolidated balance sheet

In CHF million	Notes	30.06.2013	restated 31.12.2012
ASSETS			
Cash and cash equivalents		5 175	6 480
Derivatives		1 197	1 636
Assets held for sale		64	–
Financial assets at fair value through profit or loss	2, 8	28 712	28 153
Financial assets available for sale	9	80 614	81 176
Loans and receivables	10	26 853	25 488
Financial assets pledged as collateral		1 525	964
Investment property		17 175	16 225
Investments in associates	2	233	219
Reinsurance assets	14	393	369
Property and equipment		445	433
Intangible assets including intangible insurance assets	11	3 023	2 893
Current income tax assets		6	5
Deferred income tax assets	2	96	85
Other assets	2	379	335
TOTAL ASSETS		165 891	164 461

Consolidated balance sheet

In CHF million	Notes	30.06.2013	restated 31.12.2012
LIABILITIES AND EQUITY			
LIABILITIES			
Derivatives		1 526	839
Financial liabilities at fair value through profit or loss	2, 8	22 287	22 264
Investment contracts	12	12 230	11 553
Borrowings	13	3 217	2 768
Other financial liabilities		7 865	7 722
Insurance liabilities	14	100 703	97 474
Policyholder participation liabilities	2	6 012	8 139
Employee benefit liabilities	2, 15	1 554	1 592
Current income tax liabilities		87	74
Deferred income tax liabilities	2	1 017	1 421
Provisions		180	188
Other liabilities		424	274
TOTAL LIABILITIES		157 102	154 308
EQUITY			
Share capital		164	164
Share premium		1 364	1 507
Treasury shares		-14	-17
Accumulated other comprehensive income	2	45	1 745
Retained earnings	2	7 195	6 724
TOTAL SHAREHOLDERS' EQUITY		8 754	10 122
Non-controlling interests	2	34	33
TOTAL EQUITY		8 789	10 155
TOTAL LIABILITIES AND EQUITY		165 891	164 461

Condensed Consolidated Statement of Cash Flows (unaudited)

Consolidated statement of cash flows for the 6 months ended 30 June

In CHF million

	Notes	2013 HY	2012 HY
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		-1 532	193
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales of investments in associates		1	0
Dividends received from associates		2	3
Purchases of property and equipment		-21	-12
Sales of property and equipment		0	0
Purchases of computer software and other intangible assets		-7	-13
Acquisitions of subsidiaries, net of cash and cash equivalents	16	-	-1
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES		-25	-23
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of debt instruments		422	-
Redemption of debt instruments		0	-1
Distribution out of capital contribution reserve		-144	-144
Sales of treasury shares		1	-
Capital contributions from non-controlling interests		-	0
Borrowing costs paid		-56	-59
Dividends paid to non-controlling interests		0	-1
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES		223	-205
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		-1 334	-35
Cash and cash equivalents as at 1 January		6 480	5 084
Foreign currency differences		29	-80
Total change in cash and cash equivalents		-1 334	-35
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD		5 175	4 969

Condensed Consolidated Statement of Changes in Equity (unaudited)

Consolidated statement of changes in equity for the 6 months ended 30 June 2013

In CHF million									
	Notes	Share capital	Share premium	Treasury shares	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January		164	1 507	-17	1 745	6 724	10 122	33	10 155
Total net comprehensive income		-	-	-	-1 700	472	-1 228	1	-1 227
Distribution out of capital contribution reserve	1	-	-144	-	-	-	-144	-	-144
Equity-settled share-based payments		-	4	-	-	-	4	-	4
Sales of treasury shares		-	0	1	-	-	1	-	1
Allocation of treasury shares under equity compensation plans		-	-3	3	-	-	-	-	-
Dividends		-	-	-	-	-	-	0	0
BALANCE AS AT END OF PERIOD		164	1 364	-14	45	7 195	8 754	34	8 789

Consolidated statement of changes in equity for the 6 months ended 30 June 2012 (restated)

In CHF million									
	Notes	Share capital	Share premium	Treasury shares	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance as at 1 January		164	1 651	-25	711	6 626	9 127	35	9 162
Changes in accounting policies		-	-	-	-181	-	-181	0	-181
Balance as at 1 January restated		164	1 651	-25	530	6 626	8 946	35	8 981
Total net comprehensive income		-	-	-	540	364	905	0	905
Distribution out of capital contribution reserve	1	-	-144	-	-	-	-144	-	-144
Equity-settled share-based payments		-	4	-	-	-	4	0	4
Allocation of treasury shares under equity compensation plans		-	-7	7	-	-	-	-	-
Disposals of subsidiaries		-	-	-	-	-	-	0	0
Capital contributions from non-controlling interests		-	-	-	-	-	-	0	0
Dividends		-	-	-	-	-	-	-1	-1
BALANCE AS AT END OF PERIOD		164	1 504	-18	1 070	6 991	9 711	34	9 745

Condensed Notes to the Consolidated Financial Statements (unaudited)

1 General Information

The Swiss Life Group is one of Europe's leading comprehensive life and pensions and financial solutions providers. In its core markets of Switzerland, France and Germany, Swiss Life offers individuals and corporations comprehensive and individual advice plus a broad range of own and partner products through its sales force and distribution partners such as brokers and banks.

Swiss Life Select (formerly AWD), tecis, HORBACH, Proventus and Chase de Vere advisors choose suitable products for customers from the market according to the Best Select approach. Swiss Life Asset Managers offers institutional and private investors access to investment and asset management solutions. Swiss Life provides multinational corporations with employee benefits solutions and high net worth individuals with structured life and pensions products.

Distribution out of capital contribution reserve

For the 2012 financial year, a distribution was made to the shareholders of Swiss Life Holding Ltd (hereinafter referred to as "Swiss Life Holding") from the capital contribution reserve instead of a dividend payment from profit. This amounted to CHF 144 million (CHF 4.50 per registered share) and was paid in the first half of 2013.

2 Summary of Significant Accounting Policies

The half-year financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the financial statements for the year ended 31 December 2012, except for the changes in accounting policies as described below.

These interim financial statements should be read in conjunction with the 2012 annual financial statements.

Figures may not add up exactly due to rounding.

Changes in accounting policies

IAS 19 Employee Benefits (revised)

IAS 19 Employee Benefits (revised) was adopted as at 1 January 2013. Comparative periods were restated. The main changes from the adoption of IAS 19 Employee Benefits (revised) were as follows:

- Actuarial gains and losses are no longer deferred but immediately recognised in other comprehensive income.
- Net interest is determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation. This replaces the finance charge and expected return on plan assets.

– The new provision on risk sharing between the employees and the employer has an impact on the calculation of the defined benefit obligation and the allocation of service costs.

As a result of these changes, the net defined benefit liability increased by CHF 406 million as at 31 December 2012 and by CHF 499 million as at 1 January 2012. Defined benefit expense for the first half of 2012 decreased by CHF 11 million.

The net impact of these changes on shareholders' equity was a decrease of CHF 131 million as at 31 December 2012, CHF 133 million as at 30 June 2012 and CHF 181 million as at 1 January 2012. Net profit for the first half of 2012 increased by CHF 4 million.

IFRS 10 Consolidated Financial Statements

The application of the principles of control set out in IFRS 10 Consolidated Financial Statements led to the consolidation of additional investment funds. Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss increased by CHF 1102 million as at 31 December 2012 and CHF 371 million as at 1 January 2012.

IFRS 13 Fair Value Measurement

In May 2011, the International Accounting Standards Board issued IFRS 13 Fair Value Measurement which contains new guidance on fair value measurement and disclosure requirements for International Financial Reporting Standards. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The new guidance is effective for annual periods beginning on 1 January 2013 without retrospective application. As a result of the new requirements, the Swiss Life Group adjusted the fair value measurement of certain investment properties taking into account highest and best use. The impact of these adjustments to fair value was an increase of CHF 176 million (before policyholder participation and income tax expense) which was recognised in profit or loss in the first half of 2013.

Reclassifications in the consolidated balance sheet and consolidated statement of income

As at 31 December 2012, investments in associates of CHF 132 million that are measured at fair value through profit or loss were reclassified from financial assets at fair value through profit or loss to investments in associates due to IAS 28 Investments in Associates and Joint Ventures (revised) (1 January 2012: CHF 125 million). The share of profit or loss of associates of CHF 6 million for the first half of 2012 was reclassified into profit from operations.

The amended IAS 1 Presentation of Financial Statements requires entities to group together items within other comprehensive income that may be reclassified to profit or loss. The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. The presentation of items within other comprehensive income was adjusted according to the new requirements. As at 31 December 2012, foreign currency translation differences of CHF 855 million (losses) and gains/losses recognised directly in equity of CHF 2736 million (gains) were reclassified into accumulated other comprehensive income due to IAS 1 Presentation of Financial Statements (revised) (30 June 2012: foreign currency translation differences of CHF 867 million (losses) and gains/losses

recognised directly in equity of CHF 2075 million (gains) and 1 January 2012: foreign currency translation differences of CHF 833 million (losses) and gains/losses recognised directly in equity of CHF 1544 million (gains)).

Restatement and reclassification effects on the consolidated statement of income for the 6 months ended 30 June 2012

In CHF million

	As reported	Reclassification	Adjustment	Restated
INCOME				
Share of profit or loss of associates	-	6	-	6
TOTAL INCOME	11 264	6	-	11 270
EXPENSES				
Policyholder participation	-1 631	-	-6	-1 637
Employee benefits expense	-420	-	11	-409
TOTAL EXPENSES	-10 736	-	5	-10 731
PROFIT FROM OPERATIONS	528	6	5	539
Share of profit or loss of associates	6	-6	-	-
PROFIT BEFORE INCOME TAX	472	-	5	477
Income tax expense	-111	-	-1	-112
NET PROFIT	361	-	4	365
Earnings per share attributable to equity holders of Swiss Life Holding				
Basic earnings per share (in CHF)	11.30	-	0.12	11.42
Diluted earnings per share (in CHF)	11.26	-	0.12	11.38

Restatement and reclassification effects on the consolidated statement of comprehensive income for the 6 months ended 30 June 2012

In CHF million

	As reported	Reclassification	Adjustment	Restated
NET PROFIT	361	-	4	365
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	-35	35	-	-
Financial assets available for sale	1 524	-1 524	-	-
Cash flow hedges	285	-285	-	-
Revaluation surplus on investment property	-1	1	-	-
Financial assets held for sale	0	0	-	-
Financial assets reclassified to loans and receivables	59	-59	-	-
Policyholder participation	-1 193	1 193	-	-
Shadow accounting	23	-23	-	-
Income tax relating to other comprehensive income	-166	166	-	-
TOTAL	496	-496	-	-
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT				
Exchange differences on translating foreign operations	-	-35	3	-32
Financial assets available for sale	-	1 524	-	1 524
Cash flow hedges	-	285	-	285
Financial assets reclassified to loans and receivables	-	59	-	59
Assets held for sale	-	0	-	0
Policyholder participation	-	-1 193	-	-1 193
Shadow accounting	-	23	-	23
Income tax	-	-166	-	-166
TOTAL	-	497	3	500
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT				
Revaluation surplus on investment property	-	-1	-	-1
Remeasurements on net defined benefit liability	-	-	107	107
Policyholder participation	-	0	-55	-55
Shadow accounting	-	0	-	0
Income tax	-	0	-11	-11
TOTAL	-	-1	41	40
NET OTHER COMPREHENSIVE INCOME	496	-	44	540
TOTAL NET COMPREHENSIVE INCOME	857	-	48	905

Restatement and reclassification effects on the consolidated balance sheet as at 31 December 2012

In CHF million

	As reported	Reclassification	Adjustment	Restated
ASSETS				
Financial assets at fair value through profit or loss	27 183	-132	1 102	28 153
Investments in associates	87	132	-	219
Deferred income tax assets	85	-	0	85
Other assets	376	-	-41	335
TOTAL ASSETS	163 400	-	1 061	164 461
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities at fair value through profit or loss	21 162	-	1 102	22 264
Policyholder participation liabilities	8 376	-	-237	8 139
Employee benefit liabilities	1 227	-	365	1 592
Deferred income tax liabilities	1 458	-	-37	1 421
TOTAL LIABILITIES	153 114	-	1 193	154 308
EQUITY				
Foreign currency translation differences	-855	855	-	-
Gains/losses recognised direct in equity	2 736	-2 736	-	-
Accumulated other comprehensive income	-	1 881	-137	1 745
Retained earnings	6 718	-	6	6 724
TOTAL SHAREHOLDERS' EQUITY	10 253	-	-131	10 122
Non-controlling interests	33	-	0	33
TOTAL EQUITY	10 286	-	-131	10 155
TOTAL LIABILITIES AND EQUITY	163 400	-	1 061	164 461

Restatement and reclassification effects on the consolidated balance sheet as at 1 January 2012

In CHF million

	As reported	Reclassification	Adjustment	Restated
ASSETS				
Financial assets at fair value through profit or loss	24 120	-125	371	24 366
Investments in associates	74	125	-	199
Deferred income tax assets	153	-	0	153
Other assets	535	-	-52	483
TOTAL ASSETS	151 875	-	319	152 194
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities at fair value through profit or loss	18 782	-	371	19 153
Policyholder participation liabilities	5 150	-	-270	4 880
Employee benefit liabilities	1 261	-	447	1 708
Deferred income tax liabilities	1 144	-	-48	1 096
TOTAL LIABILITIES	142 713	-	500	143 213
EQUITY				
Foreign currency translation differences	-833	833	-	-
Gains/losses recognised direct in equity	1 544	-1 544	-	-
Accumulated other comprehensive income	-	711	-181	530
Retained earnings	6 626	-	-	6 626
TOTAL SHAREHOLDERS' EQUITY	9 127	-	-181	8 946
Non-controlling interests	35	-	0	35
TOTAL EQUITY	9 162	-	-181	8 981
TOTAL LIABILITIES AND EQUITY	151 875	-	319	152 194

Related party transactions

Transactions with subsidiaries have been eliminated on consolidation.

No major transactions with other related parties have been entered into in the period under review.

Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group's entities operate (the "functional currency"). The consolidated financial statements are presented in millions of Swiss francs (CHF), which is the Group's presentation currency.

Foreign currency exchange rates

	30.06.2013	31.12.2012	Average 2013 HY	Average 2012 HY
1 British pound (GBP)	1.4366	1.4855	1.4461	1.4650
1 Czech koruna (CZK)	0.0474	0.0481	0.0479	0.0479
1 Euro (EUR)	1.2304	1.2070	1.2298	1.2053
100 Hungarian forint (HUF)	0.4173	0.4142	0.4153	0.4078
100 Polish zloty (PLN)	28.4033	29.5619	29.4437	28.3795
1 Singapore dollar (SGD)	0.7457	0.7487	0.7534	0.7350
1 US dollar (USD)	0.9461	0.9146	0.9365	0.9290

3 Segment Information

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by management (corporate executive board) in deciding how to allocate resources and in assessing performance.

The accounting policies for the segments are the same as those described in the Summary of Significant Accounting Policies section. Inter-segmental services and transfers of assets and liabilities are treated as if the transactions were with third parties, i.e. at market prices applicable at the time of the transaction.

Corporate costs were not allocated to the individual segments as they consist of general administrative expenses and head office expenses that relate to the Swiss Life Group as a whole.

The reportable segments have been identified based on information about the components of the entity that management uses to make decisions about operating matters. With the implementation of the new strategic Group-wide programme in 2013, the management structure and the reportable segments were adjusted accordingly. The corresponding information for the statement of income for the six months ended 30 June 2012 and the balance sheet as at 31 December 2012 have been restated.

The business is managed based on IFRS results.

The information provided to management focuses on product lines and services. The organisational and management structure within the insurance business is geographical. The reportable segments have therefore been identified as follows:

- Switzerland
- France
- Germany
- International
- Asset Managers
- Other

Switzerland, France, Germany and International primarily consist of life insurance operations and distribution units. The life insurance operations offer a broad range of life, pension, annuity and investment-type policies to both groups and individuals, including disability coverage. The Group's strategy focuses primarily on life and pensions in Switzerland, France and Germany and on cross-border business from Liechtenstein, Luxembourg, and Singapore. These segments also include a number of companies which hold investments primarily pertaining to life insurance.

"International" comprises the cross-border insurance operations in Liechtenstein, Luxembourg and Singapore.

Non-life operations involve operations in France and Luxembourg and mainly include property and casualty, liability and motor insurance, accident and health insurance and payment protection insurance. These operations are included in the segments "France" and "Other".

"Asset Managers" refers to the management of assets for institutional clients and the Group's insurance business, as well as the provision of expert advice for such clients.

"Other" refers principally to various finance and service companies, as well as payment protection insurance.

The statement of income and the balance sheet for the segments are provided in the following pages:

Statement of income for the 6 months ended 30 June 2013

In CHF million									
	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
INCOME									
Premiums earned on insurance contracts	5 421	1 414	768	25	-	0	7 629	-44	7 584
Premiums earned on investment contracts with discretionary participation	344	-	-	-	-	-	344	-	344
Premiums ceded to reinsurers	-16	-102	-18	-5	-	0	-141	45	-97
Net earned premiums	5 749	1 312	750	20	-	0	7 832	0	7 832
Policy fees earned on insurance contracts	4	9	-	0	-	-	13	-	13
Policy fees earned on investment and unit-linked contracts	22	57	19	42	-	-	140	-	140
Net earned policy fees	26	65	19	42	-	-	153	-	153
Commission income	54	49	161	73	169	36	542	-149	393
Investment income	1 494	311	334	17	0	40	2 197	-43	2 154
Net gains/losses on financial assets	866	53	225	0	0	2	1 146	-	1 146
Net gains/losses on financial instruments at fair value through profit or loss	-478	32	-15	-1	0	-2	-463	-	-463
Net gains/losses on investment property	357	25	3	-	-	0	385	-	385
Share of profit or loss of associates	1	2	0	-	2	0	5	-	5
Other income	-31	1	2	0	0	1	-27	-1	-27
TOTAL INCOME	8 039	1 851	1 480	152	172	77	11 770	-193	11 577
of which inter-segment	51	-22	-14	3	108	67	193	-193	
EXPENSES									
Benefits and claims under insurance contracts	-6 105	-1 059	-854	-5	-	6	-8 017	30	-7 986
Benefits and claims under investment contracts with discretionary participation	-357	-	-	-	-	-	-357	-	-357
Benefits and claims recovered from reinsurers	10	71	11	1	-	-3	90	-31	59
Net insurance benefits and claims	-6 452	-989	-843	-4	-	3	-8 284	0	-8 284
Policyholder participation	-675	-211	-296	-12	-	0	-1 193	0	-1 193
Interest expense	-33	-77	-8	-8	0	0	-126	3	-124
Commission expense	-189	-189	-112	-52	-18	-1	-561	149	-412
Employee benefits expense	-129	-99	-75	-31	-58	-2	-395	0	-394
Depreciation and amortisation expense	-38	-124	-46	-2	-1	-1	-212	-	-212
Impairment of property and equipment and intangible assets	-	-	-4	0	-	-	-4	-	-4
Other expenses	-51	-69	-48	-34	-24	-13	-238	0	-238
TOTAL EXPENSES	-7 567	-1 757	-1 430	-144	-101	-14	-11 014	152	-10 862
of which inter-segment	-138	18	-19	1	-10	-4	-152	152	
SEGMENT RESULT	472	93	50	8	71	63	756	-41	715
of which inter-segment	-87	-5	-32	4	99	63	41	-41	
Unallocated corporate costs									-28
RESULT FROM OPERATIONS									688
Borrowing costs	-85	0	-12	-1	-	-11	-109	41	-68
Income tax expense									-148
NET RESULT									472

Statement of income for the 6 months ended 30 June 2012 (restated)

In CHF million

	Switzer- land	France	Germany	Inter- national	Asset Managers	Other	Total before elim- inations	Elimi- nations	Total
INCOME									
Premiums earned on insurance contracts	5 077	1 233	732	22	-	1	7 065	-43	7 022
Premiums earned on investment contracts with discretionary participation	396	5	-	-	-	-	401	-	401
Premiums ceded to reinsurers	-15	-111	-7	-4	-	0	-137	43	-94
Net earned premiums	5 458	1 127	725	18	-	1	7 329	0	7 329
Policy fees earned on insurance contracts	8	10	-	0	-	-	18	-	18
Policy fees earned on investment and unit-linked contracts	25	58	12	38	-	-	133	-	133
Net earned policy fees	33	68	12	38	-	-	151	-	151
Commission income	50	36	167	75	148	27	502	-134	368
Investment income	1 526	333	323	15	0	41	2 238	-34	2 204
Net gains/losses on financial assets	1 032	-5	82	-27	0	-4	1 079	-	1 079
Net gains/losses on financial instruments at fair value through profit or loss	-135	50	-33	31	-	0	-86	-	-86
Net gains/losses on investment property	155	21	5	-	-	0	181	-	181
Share of profit or loss of associates	2	2	0	-	1	1	6	-	6
Other income	36	2	1	-3	1	2	38	0	38
TOTAL INCOME	8 156	1 634	1 283	147	150	67	11 437	-168	11 270
of which inter-segment	45	-25	3	-9	99	55	168	-168	
EXPENSES									
Benefits and claims under insurance contracts	-5 612	-880	-800	-7	-	8	-7 291	18	-7 273
Benefits and claims under investment contracts with discretionary participation	-408	-8	-	-	-	-	-416	-	-416
Benefits and claims recovered from reinsurers	8	61	2	0	-	-5	66	-18	48
Net insurance benefits and claims	-6 012	-827	-798	-7	-	3	-7 641	0	-7 641
Policyholder participation	-1 308	-179	-141	-9	-	-	-1 637	0	-1 637
Interest expense	-35	-76	-7	-8	0	0	-126	1	-124
Commission expense	-168	-142	-132	-48	-15	-2	-507	134	-373
Employee benefits expense	-139	-95	-72	-34	-52	-3	-394	1	-394
Depreciation and amortisation expense	-92	-154	-47	-8	0	-2	-303	-	-303
Impairment of property and equipment and intangible assets	0	-	0	-	-	-	0	-	0
Other expenses	-49	-79	-44	-35	-21	-6	-234	0	-234
TOTAL EXPENSES	-7 801	-1 552	-1 241	-149	-89	-9	-10 841	136	-10 706
of which inter-segment	-112	11	-20	-2	-11	-2	-136	136	
SEGMENT RESULT	355	82	41	-2	61	59	596	-32	564
of which inter-segment	-67	-14	-17	-10	88	53	32	-32	
Unallocated corporate costs									-25
RESULT FROM OPERATIONS									539
Borrowing costs	-73	0	-14	-2	-	-5	-94	32	-62
Income tax expense									-112
NET RESULT									365

Balance sheet as at 30 June 2013

In CHF million

	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
ASSETS									
Cash and cash equivalents	1 515	567	393	2 371	46	284	5 176	0	5 175
Derivatives	1 004	140	67	5	-	-	1 216	-18	1 197
Assets held for sale	64	-	-	-	-	-	64	-	64
Financial assets at fair value through profit or loss	3 299	7 797	919	16 697	0	-	28 712	-	28 712
Financial assets available for sale	57 384	15 254	6 428	1 090	41	417	80 614	-	80 614
Loans and receivables	15 693	2 051	10 253	178	163	1 672	30 010	-3 157	26 853
Financial assets pledged as collateral	619	905	-	-	-	-	1 525	-	1 525
Investment property	14 324	1 849	999	-	-	3	17 175	-	17 175
Investments in associates	28	68	126	-	4	7	233	-	233
Reinsurance assets	32	398	43	3	-	10	485	-92	393
Property and equipment	233	48	143	2	3	16	445	-	445
Intangible assets including intangible insurance assets	733	452	1 579	240	12	6	3 023	-	3 023
Other assets	404	9	4	4	27	1	449	-70	379
SEGMENT ASSETS	95 333	29 538	20 954	20 590	296	2 416	169 126	-3 338	165 789
Income tax assets									102
TOTAL ASSETS									165 891
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	1 487	16	8	11	-	21	1 544	-18	1 526
Financial liabilities at fair value through profit or loss	2 600	321	627	18 739	-	-	22 287	-	22 287
Investment contracts	1 867	9 582	46	734	-	-	12 230	-	12 230
Other financial liabilities	4 454	3 049	744	276	34	122	8 678	-813	7 865
Insurance liabilities	70 249	13 110	17 205	219	-	36	100 819	-116	100 703
Policyholder participation liabilities	3 621	1 395	967	31	-	0	6 014	-2	6 012
Employee benefit liabilities	1 338	69	101	4	40	1	1 554	-	1 554
Provisions	22	12	60	77	5	3	180	-	180
Other liabilities	301	77	46	19	2	1	447	-23	424
SEGMENT LIABILITIES	85 940	27 632	19 804	20 111	82	184	153 753	-972	152 781
Borrowings									3 217
Income tax liabilities									1 104
EQUITY									8 789
TOTAL LIABILITIES AND EQUITY									165 891

Balance sheet as at 31 December 2012 (restated)

In CHF million

	Switzer- land	France	Germany	Inter- national	Asset Managers	Other	Total before elim- inations	Elimi- nations	Total
ASSETS									
Cash and cash equivalents	2 592	495	275	2 881	109	129	6 481	0	6 480
Derivatives	1 355	204	102	1	-	1	1 663	-27	1 636
Assets held for sale	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	3 293	8 479	891	15 438	-	53	28 153	-	28 153
Financial assets available for sale	58 671	14 821	6 430	990	35	230	81 176	-	81 176
Loans and receivables	14 660	1 861	10 095	179	149	1 658	28 601	-3 114	25 488
Financial assets pledged as collateral	-	964	-	-	-	-	964	-	964
Investment property	13 505	1 789	928	-	-	3	16 225	-	16 225
Investments in associates	28	65	116	-	2	7	219	-	219
Reinsurance assets	30	376	34	2	-	14	456	-87	369
Property and equipment	238	48	126	3	3	16	433	-	433
Intangible assets including intangible insurance assets	667	458	1 511	240	12	7	2 893	-	2 893
Other assets	360	35	2	2	25	1	425	-90	335
SEGMENT ASSETS	95 399	29 595	20 509	19 734	336	2 118	167 691	-3 318	164 371
Income tax assets									90
TOTAL ASSETS									164 461
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	815	15	9	0	-	27	866	-27	839
Financial liabilities at fair value through profit or loss	2 532	1 105	567	18 061	-	-	22 264	-	22 264
Investment contracts	1 733	9 140	36	644	-	-	11 553	-	11 553
Other financial liabilities	4 309	3 059	779	221	20	152	8 540	-818	7 722
Insurance liabilities	68 097	12 590	16 652	200	-	44	97 583	-110	97 474
Policyholder participation liabilities	5 439	1 594	1 087	21	-	0	8 141	-2	8 139
Employee benefit liabilities	1 369	82	89	7	45	1	1 592	-	1 592
Provisions	28	13	67	74	5	0	188	-	188
Other liabilities	137	94	55	9	2	1	298	-24	274
SEGMENT LIABILITIES	84 459	27 692	19 339	19 237	72	225	151 025	-981	150 045
Borrowings									2 768
Income tax liabilities									1 495
EQUITY									10 155
TOTAL LIABILITIES AND EQUITY									164 461

Premiums and policy fees from external customers

In CHF million	Net earned premiums		Net earned policy fees	
	2013 HY	2012 HY	2013 HY	2012 HY
LIFE				
Individual life	1 857	1 648	149	147
Group life	5 780	5 483	4	4
TOTAL LIFE	7 637	7 131	153	151
NON-LIFE				
Accident and health	7	7	–	–
Property, casualty and other	188	191	–	–
TOTAL NON-LIFE	194	198	–	–
TOTAL	7 832	7 329	153	151

4 Contracts for the Account and Risk of the Swiss Life Group's Customers

Assets relating to certain life insurance and investment contracts are managed for the account and risk of the Swiss Life Group's customers (separate account/unit-linked contracts, private placement life insurance). They are segregated and managed to meet specific investment objectives of the policyholders. The assets back the insurance liabilities and the financial liabilities arising from these contracts. The fair values of the liabilities reflect the fair values of the assets. Certain contracts with unit-linking features contain financial and insurance guarantees. The liabilities relating to this part are included in financial liabilities and insurance liabilities.

Assets for the account and risk of the Swiss Life Group's customers

In CHF million	Notes	30.06.2013	31.12.2012
Cash and cash equivalents		2 223	2 767
Financial assets at fair value through profit or loss			
Debt securities	8	5 758	5 526
Equity securities	8	3 977	3 165
Investment funds	8	13 914	12 444
Other	8	1 021	1 494
TOTAL ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS		26 893	25 396

Liabilities linked to assets for the account and risk of the Swiss Life Group's customers

In CHF million			
	Notes	30.06.2013	31.12.2012
Unit-linked contracts	8	21 430	20 570
Investment contracts	12	3 321	2 994
Insurance liabilities	14	1 894	1 603
TOTAL LIABILITIES LINKED TO ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS		26 645	25 167

The financial result for the six months ended 30 June for the account and risk of the Swiss Life Group and the Swiss Life Group's customers was as follows:

In CHF million						
	For the account and risk of the Swiss Life Group		For the account and risk of the Swiss Life Group's customers		Total	
	2013 HY	2012 HY	2013 HY	2012 HY	2013 HY	2012 HY
Investment income	2 154	2 204	–	0	2 154	2 204
Net gains/losses on financial assets	1 145	1 109	0	–30	1 146	1 079
Net gains/losses on financial instruments at fair value through profit or loss (FVPL)	–452	–142	–11	56	–463	–86
Net gains/losses on investment property	385	181	–	–	385	181
Share of profit or loss of associates	5	6	–	–	5	6
FINANCIAL RESULT	3 238	3 358	–11	26	3 227	3 384

5 Premiums, Policy Fees and Deposits Received

Written premiums

In CHF million		
	2013 HY	2012 HY
Direct	7 845	7 323
Assumed	140	143
GROSS WRITTEN PREMIUMS	7 985	7 466
Ceded	–96	–94
NET WRITTEN PREMIUMS	7 889	7 372

Earned premiums

In CHF million

	2013 HY	2012 HY
Direct	7 792	7 286
Assumed	136	137
GROSS EARNED PREMIUMS	7 928	7 423
Ceded	-97	-94
NET EARNED PREMIUMS	7 832	7 329

Written policy fees

In CHF million

	2013 HY	2012 HY
Direct	163	158
Assumed	0	1
GROSS WRITTEN POLICY FEES	163	159
Ceded	0	0
NET WRITTEN POLICY FEES	163	159

Earned policy fees

In CHF million

	2013 HY	2012 HY
Direct	153	150
Assumed	0	1
GROSS EARNED POLICY FEES	153	151
Ceded	0	0
NET EARNED POLICY FEES	153	151

Under the accounting principles adopted, deposits received under insurance and investment contracts for which deposit accounting is used are not recognised as income:

In CHF million

	2013 HY	2012 HY
Gross written premiums and policy fees	8 148	7 625
Deposits received under insurance and investment contracts	2 220	2 212
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	10 368	9 837

6 Details of Certain Items in the Consolidated Statement of Income

Commission income

In CHF million

	2013 HY	2012 HY
Brokerage commissions	245	247
Asset management commissions	66	56
Other commissions and fees	82	65
TOTAL COMMISSION INCOME	393	368

Investment income

In CHF million

	2013 HY	2012 HY
Interest income on financial assets held to maturity and available for sale	1 339	1 317
Interest income on loans and receivables	465	527
Other interest income	3	5
Dividend income on financial assets available for sale	30	43
Net income on investment property	316	312
TOTAL INVESTMENT INCOME	2 154	2 204

Net gains/losses on financial assets

In CHF million

	2013 HY	2012 HY
Sale of		
financial assets held to maturity	–	483
financial assets available for sale	484	526
loans	158	65
Net gains/losses from sales	642	1 074
Impairment losses on		
debt securities available for sale	0	–1
equity securities available for sale	–5	–16
loans and receivables	2	–1
Impairment losses on financial assets	–3	–18
Foreign currency gains/losses	506	23
TOTAL NET GAINS/LOSSES ON FINANCIAL ASSETS	1 146	1 079

Net gains/losses on financial instruments at fair value through profit or loss

In CHF million

	Notes	2013 HY	2012 HY
Interest rate derivatives		48	3
Equity derivatives		–33	–21
Currency derivatives		–606	–224
Other derivatives		0	8
Financial assets designated as at fair value through profit or loss		116	157
Financial liabilities designated as at fair value through profit or loss		13	–61
Associates at fair value through profit or loss		10	–4
Financial instruments for the account and risk of the Swiss Life Group's customers	4	–11	56
TOTAL NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS		–463	–86

Other income

In CHF million

	2013 HY	2012 HY
Realised gains/losses on sales of subsidiaries and other assets	0	2
Other foreign currency gains/losses	-31	18
Other	4	18
TOTAL OTHER INCOME	-27	38

Net insurance benefits and claims

In CHF million

	2013 HY	2012 HY
Benefits and claims under insurance contracts		
Life benefits and claims paid, gross	5 323	5 211
Change in liability for future life policyholder benefits, gross	2 530	1 933
Non-life claims paid, gross	143	140
Change in reserve for non-life claims, gross	-10	-11
Benefits and claims recovered from reinsurers	-59	-48
Net benefits and claims under insurance contracts	7 927	7 225
Benefits and claims under investment contracts with discretionary participation		
Life benefits and claims paid, gross	203	240
Change in liability for future life policyholder benefits, gross	154	176
Net benefits and claims under investment contracts with discretionary participation	357	416
TOTAL NET INSURANCE BENEFITS AND CLAIMS	8 284	7 641

Interest expense

In CHF million

	2013 HY	2012 HY
Interest expense on deposits	12	13
Interest expense on investment contracts	53	48
Interest expense on deposits under insurance contracts	39	45
Other interest expense	20	18
TOTAL INTEREST EXPENSE	124	124

Commission expense

In CHF million

	2013 HY	2012 HY
Insurance agent and broker commissions	370	340
Asset management and banking commissions	31	24
Other commissions and fees	11	9
TOTAL COMMISSION EXPENSE	412	373

Employee benefits expense

In CHF million		restated	
	Notes	2013 HY	2012 HY
Wages and salaries		293	285
Social security		61	58
Defined benefit plans	15	47	47
Defined contribution plans		1	0
Other employee benefits		15	19
TOTAL EMPLOYEE BENEFITS EXPENSE		416	409

Depreciation and amortisation expense

In CHF million			
	Notes	2013 HY	2012 HY
Depreciation of property and equipment		12	13
Amortisation of present value of future profits (PVP)	11	2	0
Amortisation of deferred acquisition costs (DAC)	11	180	257
Amortisation of deferred origination costs (DOC)	11	6	14
Amortisation of other intangible assets	11	12	19
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		212	303

Other expenses

In CHF million			
		2013 HY	2012 HY
Marketing and advertising		34	27
Information technology and systems		36	28
Rental, maintenance and repair		31	41
Professional services		76	74
Premium taxes and other non-income taxes		26	27
Other		41	47
TOTAL OTHER EXPENSES		244	244

7 Income Taxes

Income tax expense

In CHF million		restated	
		2013 HY	2012 HY
Current income tax expense		65	25
Deferred income tax expense		82	87
TOTAL INCOME TAX EXPENSE		148	112

8 Financial Assets and Liabilities at Fair Value through Profit or Loss

In CHF million	Notes	30.06.2013	restated 31.12.2012
FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Debt securities		604	693
Money market instruments		1	1
Equity securities		15	7
Investment funds – debt		1 790	1 912
Investment funds – equity		397	759
Investment funds – mixed		17	19
Real estate funds		341	419
Hedge funds		19	20
Assets attributable to non-controlling interests of investment funds		858	1 694
Assets for the account and risk of the Swiss Life Group's customers	4	24 670	22 629
TOTAL FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		28 712	28 153
FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Unit-linked contracts	4	21 430	20 570
Share of net assets of investment funds attributable to non-controlling interests		858	1 694
TOTAL FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		22 287	22 264

The application of the principles of control set out in IFRS 10 Consolidated Financial Statements led to the consolidation of additional investment funds. Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss increased by CHF 1102 million as at 31 December 2012.

During the first half of 2013, investment funds were deconsolidated due to loss of control. This resulted in a significant decrease in the amount of assets attributable to non-controlling interests of investment funds and of the corresponding liability.

9 Financial Assets Available for Sale

In CHF million	Cost/amortised cost		Net unrealised gains/losses		Fair value (carrying amount)	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Debt securities	74 932	70 696	3 011	7 917	77 943	78 613
Money market instruments	5	57	-	-	5	57
Equity securities	480	399	83	76	563	475
Investment funds – debt	79	88	3	3	82	91
Investment funds – equity	1 052	1 051	-9	16	1 042	1 067
Investment funds – mixed	10	8	0	0	10	8
Real estate funds	220	218	7	6	227	224
Private equity	511	417	78	54	589	472
Hedge funds	98	104	55	66	153	170
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE	77 387	73 038	3 227	8 138	80 614	81 176

10 Loans and Receivables

In CHF million	Gross amount		Allowance for impairment losses		Cost/amortised cost (carrying amount)	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
LOANS						
Mortgages	5 803	5 488	-24	-24	5 779	5 464
Policy loans	281	299	-	-	281	299
Other originated loans	1 462	955	-1	-8	1 461	948
Note loans	8 255	7 970	-	-	8 255	7 970
Debt securities previously classified as available for sale	6 324	6 434	-31	-31	6 293	6 403
Debt securities designated as loans	546	529	-	-	546	529
TOTAL LOANS	22 671	21 675	-55	-63	22 615	21 612
RECEIVABLES						
Insurance receivables	1 684	1 180	-19	-19	1 665	1 162
Reinsurance receivables	241	240	-	-	241	240
Accrued income	1 480	1 651	-	-	1 480	1 651
Settlement accounts	99	40	-	-	99	40
Other	754	784	-1	-1	753	783
TOTAL RECEIVABLES	4 258	3 895	-20	-20	4 238	3 876
TOTAL LOANS AND RECEIVABLES	26 929	25 570	-75	-82	26 853	25 488

11 Intangible Assets including Intangible Insurance Assets

In CHF million

	30.06.2013	31.12.2012
Intangible insurance assets	1 725	1 605
Other intangible assets	1 298	1 288
TOTAL INTANGIBLE ASSETS	3 023	2 893

Intangible insurance assets

In CHF million

	Present value of future profits from acquired insurance portfolios (PVP)		Deferred acquisition costs (DAC)		Deferred origination costs (DOC)		Total	
	2013 HY	2012 YE	2013 HY	2012 YE	2013 HY	2012 YE	2013 HY	2012 YE
Balance as at 1 January	15	15	1 554	1 743	36	59	1 605	1 817
Additions	2	1	186	391	6	31	193	422
Amortisation	-2	-1	-180	-565	-6	-53	-187	-619
Impairment	-	-	-4	-2	-	-	-4	-2
Effect of shadow accounting	0	0	96	-4	-	-	96	-4
Classification as assets held for sale and other disposals	0	-	-	-	-	-	0	-
Foreign currency translation differences	0	0	21	-9	1	0	21	-10
BALANCE AS AT END OF PERIOD	15	15	1 674	1 554	36	36	1 725	1 605

Present value of future profits (PVP)

The present value of future profits relates to portfolios of insurance contracts and investment contracts with discretionary participation acquired in a business combination or transfer of portfolios. It relates to contracts acquired in Germany and France and is amortised in proportion to gross profits or margins over the effective life of the acquired insurance and investment contracts.

Deferred acquisition costs (DAC)

Certain acquisition costs relating to new and renewed insurance contracts and investment contracts with discretionary participation are deferred.

Deferred origination costs (DOC)

These costs are recoverable and are directly attributable to securing the right for investment management services within investment contract policies. They relate to contracts in Luxembourg and Switzerland.

Other intangible assets

In CHF million	Goodwill		Customer relationships		Brands and other		Total	
	2013 HY	2012 YE	2013 HY	2012 YE	2013 HY	2012 YE	2013 HY	2012 YE
COST								
Balance as at 1 January	1 726	1 727	309	311	258	236	2 293	2 274
Additions	-	-	-	-	7	22	7	22
Additions from business combinations	-	7	-	-	-	1	-	7
Additions from internal software development	-	-	-	-	2	6	2	6
Classification as assets held for sale and other disposals	-7	0	-173	-	-97	-3	-277	-3
Foreign currency translation differences	17	-8	5	-2	4	-2	26	-12
BALANCE AS AT END OF PERIOD	1 738	1 726	141	309	175	258	2 054	2 293
ACCUMULATED AMORTISATION AND IMPAIRMENT								
Balance as at 1 January	-550	-157	-255	-112	-200	-100	-1 005	-369
Amortisation	-	-	-7	-28	-6	-11	-12	-39
Impairment losses	-	-393	-	-115	-	-94	-	-601
Classification as assets held for sale and other disposals	7	-	173	-	97	3	277	3
Foreign currency translation differences	-7	0	-4	1	-3	1	-15	1
BALANCE AS AT END OF PERIOD	-551	-550	-92	-255	-113	-200	-755	-1 005
TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD	1 187	1 176	49	54	62	58	1 298	1 288

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred and the amount of any non-controlling interest recognised, if applicable, over the fair value of the assets and liabilities recognised at the date of acquisition. Goodwill includes amounts relating to both the Swiss Life Group's interest and the non-controlling interest in the business acquired in the case where non-controlling interest is measured at fair value. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on associates is included in the carrying amount of the investment.

Goodwill relating to the acquisition of aXenta AG, Baden, in May 2012 amounted to CHF 7 million.

Goodwill relating to Lloyd Continental has been allocated to the "France" segment. Goodwill relating to CapitalLeben has been allocated to the "International" segment. Of the goodwill relating to other acquisitions, CHF 13 million (31.12.2012: CHF 12 million) has been allocated to the "France" segment and CHF 9 million (31.12.2012: CHF 9 million) to the "Asset Managers" segment as at 30 June 2013. The goodwill on the acquisition of aXenta AG, Baden, was fully impaired in 2012.

In CHF million	Lloyd Continental		CapitalLeben		Other	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Net carrying amount of goodwill	287	287	149	149	22	21
Impairment losses	-	-	-	-	-	7

Goodwill relating to “Swiss Life Select” (acquisitions of AWD Holding AG and Deutsche Proventus AG) has been allocated to the “Switzerland”, “Germany” and “International” segments.

Goodwill relating to “Swiss Life Select”

In CHF million	Switzerland		Germany		International		Total	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Net carrying amount of goodwill	152	152	497	487	80	80	729	719
Impairment losses	-	-	-	218	-	168	-	386

In 2012, CHF 218 million impairment losses were recognised on the goodwill relating to the “Germany” segment and CHF 168 million relating to the “International” segment. No impairment losses on the goodwill relating to “Swiss Life Select” were recognised in the first half of 2013.

Customer relationships

As at 30 June 2013, customer relationships comprise customer relationships relating to “Swiss Life Select” CHF 6 million (31.12.2012: CHF 6 million) which were allocated to the “Switzerland” segment and CHF 25 million (31.12.2012: CHF 29 million) which were allocated to the “Germany” segment. The “France” segment comprises customer relationships of CHF 17 million (31.12.2012: CHF 18 million) and the “Asset Managers” segment CHF 1 million (31.12.2012: CHF 1 million).

On the customer relationships relating to “Swiss Life Select”, CHF 24 million was recognised as an impairment loss in 2012 in the “Switzerland” segment, CHF 72 million in the “International” segment and CHF 2 million in the “Germany” segment due to higher than originally projected fluctuation rates of financial advisers.

On the customer relationships relating to “International” CHF 17 million was recognised as an impairment loss in 2012. The impairment loss arose due to the pursued two-carrier strategy with the strong focus on new business in Luxembourg and Singapore.

No impairment losses on customer relationships were recognised in the first half of 2013.

Brands and other

Consists of brands, trademarks, computer software and other intangible assets. Due to the rebranding strategy relating to the AWD brand CHF 94 million was recognised in 2012 as an impairment loss on the carrying amount of brands and other.

12 Investment Contracts

In CHF million

	Notes	30.06.2013	31.12.2012
Investment contracts with discretionary participation with deposit accounting		10 228	9 694
Investment contracts with discretionary participation with actuarial valuation		1 832	1 678
Investment contracts without discretionary participation at amortised cost		51	43
Investment contracts without discretionary participation at fair value through profit or loss		118	138
TOTAL INVESTMENT CONTRACTS		12 230	11 553
of which for the account and risk of the Swiss Life Group's customers			
investment contracts with discretionary participation	4	3 232	2 903
investment contracts without discretionary participation	4	89	91

13 Borrowings

In CHF million

	30.06.2013	31.12.2012
Hybrid debt	2 636	2 609
Senior bonds	422	-
Bank loans	156	156
Other	3	3
TOTAL BORROWINGS	3 217	2 768

In May 2013, Swiss Life Holding successfully raised CHF 425 million debt through the issuance of a CHF public bond dual tranche transaction, split into a CHF 225 million tranche with a tenor of 6 years and a CHF 200 million tranche with a tenor of 10 years. The unsecured senior bonds bear coupons of 1.125% and 1.875%, respectively. Payment date of the bonds was 21 June 2013.

14 Insurance Liabilities and Reinsurance Assets

In CHF million

	Notes	Gross		Reinsurance assets		Net	
		30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Claims under non-life insurance contracts		963	954	199	191	764	763
Unearned premiums non-life		90	66	0	0	89	65
Claims under life insurance contracts		6 154	6 414	93	87	6 061	6 328
Future life policyholder benefits		87 431	84 177	100	91	87 331	84 085
Unearned premiums life		73	38	0	0	73	38
Deposits under insurance contracts		5 993	5 825	-	-	5 993	5 825
TOTAL INSURANCE LIABILITIES AND REINSURANCE ASSETS		100 703	97 474	393	369	100 310	97 104
of which for the account and risk of the Swiss Life Group's customers	4	1 894	1 603	-	-	1 894	1 603

Unearned premiums

Unearned premiums represent the portion of the premiums written relating to the unexpired terms of coverage.

Claims under non-life insurance contracts

Claims under non-life insurance contracts represent the liability needed to provide for the estimated ultimate cost of settling claims relating to insured events that have occurred on or before the financial reporting date. The estimated liability includes the amount that will be required for future payments on both claims that have been reported to the insurer and claims relating to insured events that have occurred but have not been reported to the insurer as at the date the liability is estimated. Loss development tables are generally used to make these estimates.

Claims under life insurance contracts

Claims under life insurance contracts represent the liability for unpaid portions of claims incurred. It includes an estimate of the liability for claims incurred but not reported (IBNR). The measurement at reporting date is a best estimate of ultimate future claim payments.

Future life policyholder benefits

For participating contracts where the contribution principle applies to the allocation of the policyholder bonus, future life policy benefit liabilities are determined by using the net-level-premium method on the basis of appropriate mortality and interest rate assumptions.

The valuation of other long-duration contracts is also based on the net-level-premium method with actuarial assumptions as to mortality, persistency, expenses and investment returns including provisions for adverse deviation.

Deposits under insurance contracts

For investment-type contracts with significant insurance risk, savings premiums collected are reported as deposits (deposit accounting).

15 Employee Benefits

Employee benefit liabilities

In CHF million		restated
	30.06.2013	31.12.2012
Employee benefit liabilities consist of		
gross defined benefit liabilities	1 469	1 488
other long-term employee benefit liabilities	0	0
other employee benefit liabilities	84	104
TOTAL EMPLOYEE BENEFIT LIABILITIES	1 554	1 592

Amounts recognised as defined benefit assets/liabilities

In CHF million		restated
	30.06.2013	31.12.2012
Present value of defined benefit obligation	-2 684	-2 615
Fair value of plan assets*)	1 306	1 213
NET DEFINED BENEFIT ASSET (+)/LIABILITY (-)	-1 378	-1 402
The net defined benefit asset/liability consists of		
gross defined benefit liabilities	-1 469	-1 488
gross defined benefit assets	91	86
*) excluding insurance contracts not eligible as plan assets under IFRS in the amount of	1 402	1 389

To assess the funding situation of the defined benefit plans in total, plan assets as well as insurance contracts not eligible as plan assets under IFRS must be set off against the present value of the defined benefit obligation. The total surplus taking into consideration insurance contracts not eligible as plan assets under IFRS amounted to CHF 24 million as at 30 June 2013 (31.12.2012: deficit of CHF 13 million).

Amounts recognised as defined benefit expense

In CHF million		restated
	2013 HY	2012 HY
Current service cost	46	40
Net interest cost	15	20
Employee contributions	-14	-13
TOTAL DEFINED BENEFIT EXPENSE	47	47

IAS 19 Employee Benefits (revised) has been applied retrospectively from 1 January 2013. The deferral of recognising gains/losses, known as the 'corridor method', has been eliminated. Gains/losses are now recognised immediately in other comprehensive income. The application of the risk sharing provision in IAS 19 Employee Benefits (revised) led to a decrease of the defined benefit liability as additional benefits arising from higher future employee contributions are no longer considered in the calculation of the defined benefit obligation. These two effects led to a net increase of the net defined benefit liability of CHF 406 million as at 31 December 2012.

Expected returns on plan assets are no longer recognised in profit or loss. Instead, interest on the defined benefit liability is calculated using the discount rate used to measure the defined benefit obligation. Due to the elimination of the above-mentioned 'corridor method', amortisation of gains/losses no longer impacts profit or loss, as these gains/losses are immediately recognised in other comprehensive income. Defined benefit expense was CHF 11 million lower for the first half of 2012 due to these effects.

16 Acquisitions and Disposals of Subsidiaries

Assets and liabilities from acquisitions

In CHF million

2012 HY

CONSIDERATION	
Cash consideration	2
Contingent consideration arrangement(s)	5
TOTAL CONSIDERATION	7
ACQUISITION-RELATED COSTS	
Other expenses	0
TOTAL	0
IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED	
Cash and cash equivalents	1
Loans and receivables	0
Intangible assets including intangible insurance assets	1
Other assets	0
Financial liabilities	0
Employee benefit liabilities	-1
Provisions	0
Other liabilities	0
TOTAL IDENTIFIABLE NET ASSETS	1
Goodwill	6
TOTAL	7

In 2013, no significant acquisitions of subsidiaries took place.

In May 2012, the Swiss Life Group acquired a 100% share of aXenta AG, Baden, a company specialised in software development for pension funds.

Assets and liabilities from disposals

In CHF million

2012 HY

CONSIDERATION

NON-CASH CONSIDERATION RECEIVED	8
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ASSETS AND LIABILITIES DISPOSED

Cash and cash equivalents	1
Financial assets available for sale	15
Loans and receivables	11
Property and equipment	1
Other assets	0
Financial liabilities	-10
Insurance liabilities	-8
Employee benefit liabilities	-1
Provisions	-1
Other liabilities	0
NET ASSETS DISPOSED OF	8

GAIN/LOSS ON DISPOSALS

Consideration received	8
Net assets disposed of	-8
Amounts recognised in other comprehensive income	0
GAIN (+)/LOSS (-) ON DISPOSALS	0

In 2013, no significant disposals of subsidiaries took place.

In June 2012, the French non-life operation Garantie Assistance S.A., Paris, was sold.

17 Fair Value of Financial Instruments

Financial instruments measured at fair value

In CHF million

	Quoted prices (level 1)	Valuation technique – observable inputs (level 2)	Valuation technique – unobservable inputs (level 3)	Total
FAIR VALUE HIERARCHY AS AT 30 JUNE 2013				
FINANCIAL ASSETS				
Derivatives	394	803	–	1 197
Debt securities at fair value through profit or loss	230	254	121	605
Debt securities available for sale	76 673	1 274	1	77 948
Equity securities at fair value through profit or loss	2 392	21	166	2 579
Equity securities available for sale	1 464	354	848	2 666
Financial assets pledged as collateral	1 525	–	–	1 525
Associates at fair value through profit or loss	–	132	11	142
Assets attributable to non-controlling interests of investment funds	598	–	260	858
Assets for the account and risk of the Swiss Life Group's customers	22 482	1 806	383	24 670
TOTAL FINANCIAL ASSETS	105 758	4 643	1 789	112 191
FINANCIAL LIABILITIES				
Derivatives	167	1 359	–	1 526
Investment contracts	–	118	–	118
Unit-linked contracts	–	21 362	68	21 430
Share of net assets of investment funds attributable to non-controlling interests	–	858	–	858
TOTAL FINANCIAL LIABILITIES	167	23 696	68	23 931

FAIR VALUE HIERARCHY AS AT 31 DECEMBER 2012 (RESTATED)

FINANCIAL ASSETS				
Derivatives	324	1 312	–	1 636
Debt securities at fair value through profit or loss	157	383	154	694
Debt securities available for sale	73 498	5 168	4	78 670
Equity securities at fair value through profit or loss	3 065	55	16	3 136
Equity securities available for sale	1 263	484	759	2 506
Financial assets pledged as collateral	964	–	–	964
Associates at fair value through profit or loss	–	121	11	132
Assets attributable to non-controlling interests of investment funds	1 403	–	291	1 694
Assets for the account and risk of the Swiss Life Group's customers	20 315	2 246	68	22 629
TOTAL FINANCIAL ASSETS	100 989	9 769	1 303	112 061
FINANCIAL LIABILITIES				
Derivatives	89	750	–	839
Investment contracts	–	138	–	138
Unit-linked contracts	–	20 502	68	20 570
Share of net assets of investment funds attributable to non-controlling interests	–	1 694	–	1 694
TOTAL FINANCIAL LIABILITIES	89	23 084	68	23 241

The fair value of financial instruments included in level 1 is based on unadjusted quoted prices in active markets for identical assets or liabilities.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. If all significant inputs to these valuation techniques are observable (directly and indirectly) in the market, the financial instruments are included in level 2.

With regard to debt securities carried at fair value inputs to the fair value measurement categorised as level 2 within the fair value hierarchy are primarily determined using present value techniques on the basis of yield curves and appropriate spreads or discounted cash flow models with deposit and swap rates as the main input parameters. With regard to equity instruments carried at fair value, inputs to the fair value measurement categorised as level 2 within the fair value hierarchy are determined using quotes from the custodian bank for the determination of fair values of fund units. Quoted prices of the underlying equity and debt securities are taken into account. Some fair value measurements of fund units categorised as level 2 are determined based on quoted prices/redemption prices with an adequate adjustment for illiquidity.

Fair value measurements for derivative financial instruments are obtained from quoted market prices (level 1) and/or valuation models (level 2) as appropriate. Quoted market prices are sourced from well-known price providers such as Bloomberg. Fair values for over-the-counter derivatives are established based on well established valuation models (Black Scholes, discounted cash flows). Market quotes of the input variables are generally used as the parameters for the models. Main inputs to the models are deposit/swap rates (for interest rate swaps), yield curves, inflation and retail price index (for inflation-linked swaps), realised and implied volatilities (for equity variance swaps), interest rates and price volatility of underlying (for total return swaps), foreign exchange spot rates and foreign exchange ticks (for foreign currency forwards). In certain cases these market quotes may be slightly adjusted to better reflect specific market behaviour, e.g. volatility smiles.

If one or more significant inputs to the valuation techniques are not observable in the market, the financial instruments are included in level 3. Such inputs may include information that is derived through extrapolation which is not substantiated by observable market data or that reflects own assumptions about what market participants would use in pricing the asset or liability.

Private equity investments are primarily classified as available for sale. The fair values are based on generally accepted valuation techniques. Valuation techniques use a maximum of market inputs and include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants. Because of the inherent valuation uncertainty, those estimated fair values may differ significantly from the values that would be used if a ready market for the financial assets existed, and those differences could be material. The fair values are determined by the general partner in the partnership and reviewed by management. In determining the fair value of fund investments, the partnership considers the funds as transparent holding vehicles. The fair values of the underlying investments are determined using the general partner valuation. These fair value measurements are generally categorised as level 3 within the fair value hierarchy.

As at 30 June 2013, financial assets of CHF 1146 million (31.12.2012: CHF 944 million) were included in level 3 of the fair value hierarchy (excluding financial assets for the account and risk of the Swiss Life Group's customers and assets attributable to non-controlling interests of investment funds). The exposure primarily consists of alternative investments such as hedge funds,

private equity, infrastructure and real estate funds. These investments are valued based on regular reports from the issuing funds. Fair values are reviewed by a team of in-house investment professionals and may be adjusted based on their understanding.

No significant transfers were made between level 1 and level 2 of the fair value hierarchy.

Financial assets measured at fair value based on level 3 for the 6 months ended 30 June 2013

In CHF million

	Derivatives	Debt securities		Equity securities		Financial assets for the account and risk of the Swiss Life Group's customers	Total
		At fair value through profit or loss	Available for sale	At fair value through profit or loss ¹	Available for sale		
Balance as at 1 January	-	154	4	318	759	68	1 304
Total gains/losses recognised in profit or loss	-	4	0	5	36	-	45
Total gains/losses recognised in other comprehensive income	-	-	0	-	17	-	17
Purchases	-	-	-	202	123	317	642
Sales	-	-40	-3	-89	-90	-	-223
Foreign currency translation differences	-	3	0	0	3	-2	4
BALANCE AS AT END OF PERIOD	-	121	1	437	848	383	1 789
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	2	0	5	-2	-	6

¹ Includes associates at fair value through profit or loss and assets attributable to non-controlling interests of investment funds

For fair value measurements categorised within level 3 of the fair value hierarchy, gains/losses recognised in profit or loss are presented in the income statement as follows:

Fair value measurements level 3 for the 6 months ended 30 June 2013

In CHF million	Net gains/losses on financial assets	Net gains/losses on financial instruments at fair value through profit or loss
ASSETS		
Total gains/losses recognised in profit or loss	36	9
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-2	7
LIABILITIES		
Total gains/losses recognised in profit or loss	-	-
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented in the Group's balance sheet at fair value:

Fair value of financial instruments carried at amortised cost as at 30 June 2013

In CHF million	Carrying amount	Fair value
ASSETS		
Loans	22 615	24 691
Receivables	4 238	4 238
LIABILITIES		
Investment contracts without discretionary participation	51	51
Borrowings	3 217	3 501
Other financial liabilities	7 865	7 865

Review Report

Report on the Review of
the condensed consolidated financial statements
to the Board of Directors of
Swiss Life Holding Ltd
Zurich

Introduction

We have reviewed the accompanying condensed consolidated financial statements (condensed consolidated statement of income, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and condensed notes, pages 4 to 41) of Swiss Life Holding Ltd for the period ended 30 June 2013. The Board of Directors is responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers AG

Ray Kunz

Christian Schacher

Zurich, 13 August 2013

Important Dates

Interim Statement Q3 2013

12 November 2013

Presentation of 2013 results

26 February 2014

Annual General Meeting of Shareholders 2014

23 April 2014, Hallenstadion Zurich

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Financial Publications

All the Swiss Life Group's financial publications can be found at: www.swisslife.com/report

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This document may contain projections or other forward-looking statements related to Swiss Life that are subject to known and unknown risks, uncertainties and other important factors. The reader should be aware that these statements are only projections which could differ materially from the actual results, financial situation, development, performance or expectations and that therefore no undue reliance should be placed on such forward-looking statements. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. Neither Swiss Life nor any of its directors, officers, employees or advisors, nor any other person connected or otherwise associated with Swiss Life, shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this document. All forward-looking statements are based on the data available to Swiss Life at the time the present document was compiled. Unless otherwise required by applicable law, Swiss Life assumes no responsibility to publicly update or alter its forward-looking statements or to adapt them, whether as a result of new information, future events or developments or any other reason.

There may be minor discrepancies in total figures and percentages in this report due to rounding effects.

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The future starts here.

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