

*First-Half
Financial Report
2021*

Condensed Consolidated Statement of Income (unaudited).....	4
Condensed Consolidated Statement of Comprehensive Income (unaudited).....	5
Condensed Consolidated Balance Sheet (unaudited).....	6
Condensed Consolidated Statement of Cash Flows (unaudited)	8
Condensed Consolidated Statement of Changes in Equity (unaudited)	9
Condensed Notes to the Consolidated Financial Statements (unaudited).....	10
1 General Information.....	10
2 Summary of Significant Accounting Policies	11
3 Segment Information.....	12
4 Contracts for the Account and Risk of the Swiss Life Group's Customers	19
5 Premiums, Policy Fees and Deposits Received	20
6 Details of Certain Items in the Consolidated Statement of Income.....	21
7 Income Taxes.....	25
8 Financial Assets at Fair Value through Profit or Loss	25
9 Financial Assets Available for Sale.....	26
10 Loans and Receivables.....	26
11 Intangible Assets including Intangible Insurance Assets	27
12 Investment and Unit-Linked Contracts	31
13 Borrowings.....	32
14 Insurance Liabilities	33
15 Employee Benefits.....	34
16 Fair Value of Financial Instruments	35
17 Acquisitions and Disposals of Subsidiaries	40
18 Events after the Reporting Period.....	40
Review Report.....	41

Condensed Consolidated Statement of Income (unaudited)

Consolidated statement of income for the 6 months ended 30 June

In CHF million

	Notes	2021 HY	2020 HY
INCOME			
Premiums earned on insurance contracts		7 787	8 805
Premiums earned on investment contracts with discretionary participation		407	431
Premiums ceded to reinsurers		-76	-73
Net earned premiums	5	8 119	9 163
Policy fees earned on insurance contracts		15	14
Policy fees earned on investment and unit-linked contracts		192	161
Net earned policy fees	5	207	175
Commission income	6	873	741
Investment income	4, 6	1 986	1 998
Net gains/losses on financial assets	4, 6	1 462	-437
Net gains/losses on financial instruments at fair value through profit or loss	4, 6	-1 500	269
Net gains/losses on investment property	4	455	270
Share of profit or loss of associates	4	5	3
Other income	6	-36	77
TOTAL INCOME		11 571	12 260
EXPENSES			
Benefits and claims under insurance contracts		-7 350	-8 913
Benefits and claims under investment contracts with discretionary participation		-413	-422
Benefits and claims recovered from reinsurers		51	44
Net insurance benefits and claims	6	-7 712	-9 291
Policyholder participation		-1 114	-533
Interest expense	6	-82	-53
Commission expense	6	-727	-601
Employee benefits expense	6	-580	-550
Depreciation and amortisation expense	6	-207	-185
Impairment of property and equipment and intangible assets	11	-8	-12
Other expenses	6	-264	-269
TOTAL EXPENSES		-10 695	-11 495
PROFIT FROM OPERATIONS		876	765
Borrowing costs		-62	-59
PROFIT BEFORE INCOME TAX		814	706
Income tax expense	7	-196	-169
NET PROFIT		618	537
Net profit attributable to			
equity holders of Swiss Life Holding		613	533
non-controlling interests		5	3
NET PROFIT		618	537
Earnings per share attributable to equity holders of Swiss Life Holding			
Basic earnings per share (in CHF)		19.74	16.75
Diluted earnings per share (in CHF)		19.70	16.71

Condensed Consolidated Statement of Comprehensive Income (unaudited)

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

In CHF million

	2021 HY	2020 HY
NET PROFIT	618	537
OTHER COMPREHENSIVE INCOME		
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		
Exchange differences on translating foreign operations	251	-184
Net investment hedges	-195	91
Financial assets available for sale	-3 404	-207
Cash flow hedges	-292	180
Debt securities reclassified to loans and receivables	1	3
Adjustments relating to items that may be reclassified:		
Policyholder participation	2 555	-557
Shadow accounting	105	-24
Income tax	225	125
TOTAL	-755	-574
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		
Revaluation surplus on investment property	1	-2
Remeasurements on defined benefit pension liability	307	-76
Adjustments relating to items that will not be reclassified:		
Policyholder participation	-179	47
Shadow accounting	0	0
Income tax	-25	5
TOTAL	105	-26
NET OTHER COMPREHENSIVE INCOME	-650	-600
TOTAL NET COMPREHENSIVE INCOME	-32	-63
Total net comprehensive income attributable to		
equity holders of Swiss Life Holding	-38	-66
non-controlling interests	6	3
TOTAL NET COMPREHENSIVE INCOME	-32	-63

Condensed Consolidated Balance Sheet

(unaudited)

Consolidated balance sheet

In CHF million

	Notes	30.06.2021	31.12.2020
ASSETS			
Cash and cash equivalents		8 660	7 865
Derivatives		1 597	3 008
Assets held for sale		1	1
Financial assets at fair value through profit or loss	8	50 470	47 336
Financial assets available for sale	9	104 944	108 441
Loans and receivables	10	25 061	23 357
Financial assets pledged as collateral		4 404	4 064
Investment property ¹		39 394	38 120
Investments in associates		184	172
Reinsurance assets		587	556
Property and equipment ²		528	515
Intangible assets including intangible insurance assets	11	3 335	3 058
Current income tax assets		34	24
Deferred income tax assets		77	79
Other assets		980	942
TOTAL ASSETS		240 255	237 538

¹ Including IFRS 16 right-of-use assets of CHF 110 million (2020: CHF 101 million)

² Including IFRS 16 right-of-use assets of CHF 138 million (2020: CHF 131 million)

Consolidated balance sheet

In CHF million

	Notes	30.06.2021	31.12.2020
LIABILITIES AND EQUITY			
LIABILITIES			
Derivatives		2 114	1 387
Investment and unit-linked contracts	12	44 681	42 024
Borrowings	13	4 221	3 949
Other financial liabilities ¹		19 624	19 882
Insurance liabilities	14	131 057	128 776
Policyholder participation liabilities		17 337	18 824
Employee benefit liabilities	15	1 587	1 993
Current income tax liabilities		303	310
Deferred income tax liabilities		2 476	2 636
Provisions		53	121
Other liabilities		363	371
TOTAL LIABILITIES		223 817	220 275
EQUITY			
Share capital		3	3
Share premium		9	14
Treasury shares		-452	-77
Accumulated other comprehensive income		3 344	3 995
Retained earnings		12 760	12 810
TOTAL SHAREHOLDERS' EQUITY		15 664	16 745
Hybrid equity	1	675	425
Non-controlling interests		99	93
TOTAL EQUITY		16 438	17 263
TOTAL LIABILITIES AND EQUITY		240 255	237 538

¹ Including IFRS 16 lease liabilities of CHF 227 million (2020: CHF 220 million)

Condensed Consolidated Statement of Cash Flows (unaudited)

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

In CHF million

	Notes	2021 HY	2020 HY
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		1 295	647¹
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments in associates		-6	-2
Sales of investments in associates		1	-
Dividends received from associates		4	1
Purchases of property and equipment		-17	-13
Sales of property and equipment		0	0
Purchases of computer software and other intangible assets		-7	-6
Acquisitions of subsidiaries, net of cash and cash equivalents		-38	-
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES		-62	-21
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of debt instruments	13	248	-
Lease principal payments		-20	-19
Issuance of hybrid equity	1	248	-
Purchases of treasury shares		-387	-34
Sales of ownership interests in subsidiaries		3	-
Dividends paid to equity holders of Swiss Life Holding		-654	-477
Dividends paid to non-controlling interests		-2	-1
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES		-564	-530
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		669	96
Cash and cash equivalents as at 1 January		7 865	8 247
Foreign currency differences		126	-131
Total change in cash and cash equivalents		669	96
TOTAL CASH AND CASH EQUIVALENTS AS AT END OF PERIOD		8 660	8 212
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash on hand and demand deposits		5 855	5 518
Cash equivalents		4	10
Cash and cash equivalents for the account and risk of the Swiss Life Group's customers		2 800	2 684
TOTAL CASH AND CASH EQUIVALENTS AS AT END OF PERIOD		8 660	8 212

¹ Including restated borrowing costs paid of CHF 78 million as per Note 2

Condensed Consolidated Statement of Changes in Equity (unaudited)

Consolidated statement of changes in equity for the 6 months ended 30 June 2021

In CHF million										
	Notes	Share capital	Share premium	Treasury shares	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Hybrid equity	Non-controlling interests	Total equity
Balance as at 1 January		3	14	-77	3 995	12 810	16 745	425	93	17 263
Total net comprehensive income		-	-	-	-651	613	-38	-	6	-32
Issuance of hybrid equity		-	-	-	-	-2 ¹	-2	250	-	248
Equity-settled share-based payments		-	8	-	-	-	8	-	-	8
Purchases of treasury shares		-	-	-16	-	-	-16	-	-	-16
Share buyback	1	-	-	-371	-	-	-371	-	-	-371
Allocation of treasury shares under equity compensation plans		-	-13	13	-	-	-	-	-	-
Changes in ownership interest in subsidiaries		-	-	-	-	2	2	-	2	4
Dividends	1	-	-	-	-	-654	-654	-	-2	-656
Interest on hybrid equity		-	-	-	-	-11	-11	-	-	-11
Income tax effects		-	-1	-	-	2	1	-	-	1
BALANCE AS AT END OF PERIOD		3	9	-452	3 344	12 760	15 664	675	99	16 438

¹ Issuance costs

On 4 March 2021, Swiss Life placed a CHF 250 million perpetual subordinated bond, first callable in September 2026 (coupon until first call date: 1.75%). The bond was classified as equity as all payments under this issuance are at the discretion of Swiss Life.

Consolidated statement of changes in equity for the 6 months ended 30 June 2020

In CHF million										
		Share capital	Share premium	Treasury shares	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Hybrid equity	Non-controlling interests	Total equity
Balance as at 1 January		171	7	-787	3 542	12 988	15 920	425	89	16 435
Total net comprehensive income		-	-	-	-599	533	-66	-	3	-63
Reduction in par value		-159	-	-	-	-	-159	-	-	-159
Equity-settled share-based payments		-	8	-	-	-	8	-	-	8
Purchases of treasury shares		-	-	-5	-	-	-5	-	-	-5
Share buyback		-	-	-29	-	-	-29	-	-	-29
Allocation of treasury shares under equity compensation plans		-	-13	13	-	-	-	-	-	-
Dividends		-	-	-	-	-477	-477	-	-1	-478
Interest on hybrid equity		-	-	-	-	-9	-9	-	-	-9
Income tax effects		-	-2	-	-	-	-2	-	-	-2
BALANCE AS AT END OF PERIOD		12	-1	-809	2 943	13 036	15 181	425	91	15 697

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, tecis, Horbach, Proventus, Chase de Vere and Fincentrum 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.

Placement of hybrid bonds

In March 2021, Swiss Life placed a CHF 250 million perpetual subordinated bond, first callable in September 2026 (coupon until first call date: 1.75%), presented in equity, and a CHF 250 million dated subordinated bond with final maturity in 2041, first callable in September 2031 (coupon until first call date: 2.125%), presented in liabilities.

Dividend payment

For the 2020 financial year, Swiss Life paid a dividend to the shareholders of Swiss Life Holding Ltd (hereinafter referred to as "Swiss Life Holding") of CHF 21.00 per registered share in April 2021. This payment amounted to CHF 654 million in total.

Completion of share buyback programme

Swiss Life completed the CHF 400 million share buyback programme, which was announced in February 2020, by repurchasing in total 908 423 of its own shares at an average purchase price of CHF 440.32 per share between March 2020 and May 2021. In 2021, 829 099 shares were purchased for CHF 371 million (2020: 79 324 shares for CHF 29 million).

Resolution with the United States Department of Justice

As disclosed in a press release dated 14 May 2021, Swiss Life has reached a resolution with the US Department of Justice (DOJ) concerning the DOJ's inquiry into the legacy business with US clients that had been announced in September 2017. The resolution is in the form of a Deferred Prosecution Agreement (DPA) with a three-year term. The financial payment required as part of this resolution is in line with the provision of CHF 70 million charged against the 2020 results as announced on 2 March 2021.

2 Summary of Significant Accounting Policies

The half-year financial statements are prepared in accordance with International Accounting Standard 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 2020, except for the changes in accounting policies as described below.

These interim financial statements should be read in conjunction with the 2020 annual financial statements.

Figures may not add up exactly due to rounding.

Changes in accounting policies

In September 2016, the IASB amended IFRS 4 (applying IFRS 9 financial instruments with IFRS 4 insurance contracts) by introducing an optional temporary exemption from applying IFRS 9 for companies whose activities are predominantly connected with insurance. The use of this deferral approach to IFRS 9 has been aligned with the amended effective date of IFRS 17, so that qualifying insurance entities would only be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

The Swiss Life Group made an assessment of whether it is eligible for the temporary exemption and decided to adopt the option of deferring the application of IFRS 9.

The Swiss Life Group determined its eligibility by comparing the carrying amount of its liabilities arising from contracts within the scope of IFRS 4 and liabilities relating to the insurance business such as investment contracts at FVPL (unit-linked), hybrid debt, post-employment liabilities, insurance payables and policyholder deposits with the total carrying amount of its liabilities. The insurance-related liabilities represent 93 per cent of the total carrying amount of its liabilities based on 31 December 2015.

In response to the IBOR reform, the International Accounting Standards Board amended the IFRS Standards IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases in August 2020. The amendments introduce a practical expedient if a change to a financial contract results directly from the IBOR reform and occurs on an “economically equivalent” basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient applies under IFRS 16 Leases for lessees when accounting for lease modifications which are a result of the IBOR reform. The amendments also modify some specific hedge accounting requirements. For example, hedging relationships will not have to be discontinued because of changes to the hedge documentation required solely by the IBOR reform. Swiss Life adopted the amendments with effect from 1 January 2021. They have no material impact on the financial statements.

As of 31 December 2020, Swiss Life Group decided to present all interest and borrowing cost paid as a component of cash flows from operating activities. Previously, interest paid was presented as cash flows from operating activities and borrowing cost paid as cash flows from financing activities. The comparative period of the consolidated statement of cash flows was restated accordingly.

Other new or amended standards and interpretations did not have an impact on the consolidated financial statements.

Related party transactions

Transactions with subsidiaries were eliminated on consolidation. No major transactions with other related parties were entered into in the period under review.

Functional and presentation currency

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

Foreign currency exchange rates

	For the balance sheet		For the income statement	
	30.06.2021	31.12.2020	Average 2021 HY	Average 2020 HY
1 British pound (GBP)	1.2772	1.2083	1.2616	1.2177
1 Czech koruna (CZK)	0.0430	0.0412	0.0423	0.0404
1 Euro (EUR)	1.0965	1.0821	1.0947	1.0643
1 Singapore dollar (SGD)	0.6878	0.6699	0.6817	0.6908
1 US dollar (USD)	0.9255	0.8852	0.9084	0.9660

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. Intersegmental 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, as well as borrowing costs and income tax expense.

The reportable segments have been identified based on information about the components of the entity that management uses to make decisions about operating matters. 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

The segments “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, health, 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 mainly pertaining to life insurance.

“International” comprises the cross-border insurance operations in Liechtenstein, Luxembourg and Singapore, the Fincentrum and Swiss Life Select units operating in Austria, Czech Republic and Slovakia, and Chase de Vere operating in the United Kingdom.

Non-life operations involve operations in the segment “France” and mainly include property and casualty, liability and motor insurance and accident and health insurance.

“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” principally refers to various finance and service companies.

The statement of income and the balance sheet for the segments are provided on the following pages.

Statement of income for the 6 months ended 30 June 2021

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	5 285	1 923	542	49	-	-	7 799	-11	7 787
Premiums earned on investment contracts with discretionary participation	407	-	-	-	-	-	407	-	407
Premiums ceded to reinsurers	-5	-65	-9	-8	-	-	-87	11	-76
Net earned premiums	5 688	1 858	533	40	-	-	8 119	0	8 119
Policy fees earned on insurance contracts	2	2	11	0	-	-	15	-	15
Policy fees earned on investment and unit-linked contracts	26	117	8	41	-	-	192	-	192
Net earned policy fees	28	119	19	41	-	-	207	-	207
Commission income	129	82	305	123	431	1	1 071	-198	873
Investment income	1 416	296	248	14	2	10	1 986	-1	1 986
Net gains/losses on financial assets	1 018	155	262	7	1	19	1 462	-	1 462
Net gains/losses on financial instruments at fair value through profit or loss	-1 502	-30	56	0	0	-25	-1 500	0	-1 500
Net gains/losses on investment property	416	6	26	-	7	-	455	-	455
Share of profit or loss of associates	3	1	-	-	0	-	5	-	5
Other income	-40	4	2	-4	5	-1	-35	-1	-36
TOTAL INCOME	7 157	2 491	1 450	222	446	5	11 771	-199	11 571
of which intersegment	53	-21	-16	-2	184	1	199	-199	
EXPENSES									
Benefits and claims under insurance contracts	-5 179	-1 569	-579	-27	-	-	-7 354	5	-7 350
Benefits and claims under investment contracts with discretionary participation	-413	-	-	-	-	-	-413	-	-413
Benefits and claims recovered from reinsurers	2	44	6	3	-	-	55	-5	51
Net insurance benefits and claims	-5 590	-1 525	-573	-24	-	-	-7 712	0	-7 712
Policyholder participation	-607	-202	-298	-7	-	-	-1 114	0	-1 114
Interest expense	-16	-38	-22	-7	-2	0	-84	2	-82
Commission expense	-256	-283	-267	-81	-37	0	-925	198	-727
Employee benefits expense	-142	-107	-85	-31	-182	-2	-549	-2	-550
Depreciation and amortisation expense	-43	-110	-31	-9	-15	0	-207	-	-207
Impairment of property and equipment and intangible assets	-	-	0	-	-7	-	-8	-	-8
Other expenses	-46	-82	-32	-16	-62	-6	-243	1	-242
TOTAL EXPENSES	-6 699	-2 347	-1 308	-176	-305	-7	-10 843	199	-10 643
of which intersegment	-133	-15	-27	2	-25	-3	-199	199	
SEGMENT RESULT	458	144	142	46	140	-3	928	-	928
Unallocated corporate costs									-52
PROFIT FROM OPERATIONS									876
Borrowing costs									-62
Income tax expense									-196
NET PROFIT									618
Additions to non-current assets	697	85	79	99	15	-	975	-	975

Statement of income for the 6 months ended 30 June 2020

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	6 745	1 503	531	37	-	-	8 816	-11	8 805
Premiums earned on investment contracts with discretionary participation	431	-	-	-	-	-	431	-	431
Premiums ceded to reinsurers	-5	-63	-9	-8	-	-	-84	11	-73
Net earned premiums	7 172	1 440	522	29	-	-	9 163	0	9 163
Policy fees earned on insurance contracts	2	2	9	0	-	-	14	-	14
Policy fees earned on investment and unit-linked contracts	23	94	5	40	-	-	161	-	161
Net earned policy fees	25	96	14	40	-	-	175	-	175
Commission income	116	65	249	99	392	1	922	-181	741
Investment income	1 419	297	252	16	1	14	1 999	-1	1 998
Net gains/losses on financial assets	-563	-44	186	5	-1	-20	-437	-	-437
Net gains/losses on financial instruments at fair value through profit or loss	313	-11	-44	-7	6	13	269	-	269
Net gains/losses on investment property	216	9	29	-	16	-	270	-	270
Share of profit or loss of associates	1	2	-	-	0	-	3	-	3
Other income	71	2	-17	3	18	0	78	0	77
TOTAL INCOME	8 769	1 857	1 192	185	432	7	12 442	-182	12 260
of which intersegment	34	-2	-21	-3	172	2	182	-182	
EXPENSES									
Benefits and claims under insurance contracts	-7 249	-1 073	-573	-20	-	-	-8 915	3	-8 913
Benefits and claims under investment contracts with discretionary participation	-422	-	-	-	-	-	-422	-	-422
Benefits and claims recovered from reinsurers	2	35	5	4	-	-	47	-3	44
Net insurance benefits and claims	-7 670	-1 038	-568	-16	-	-	-9 291	0	-9 291
Policyholder participation	-243	-122	-161	-6	-	-	-533	0	-533
Interest expense	-16	-38	7	-7	-3	1	-56	3	-53
Commission expense	-244	-220	-219	-65	-31	0	-780	180	-601
Employee benefits expense	-133	-104	-80	-30	-167	-2	-516	-1	-517
Depreciation and amortisation expense	-2	-117	-43	-9	-16	0	-185	-	-185
Impairment of property and equipment and intangible assets	-	-	-	0	-12	-	-12	-	-12
Other expenses	-47	-85	-29	-14	-67	-7	-250	0	-249
TOTAL EXPENSES	-8 354	-1 724	-1 094	-146	-297	-9	-11 624	182	-11 442
of which intersegment	-123	-12	-27	0	-17	-3	-182	182	
SEGMENT RESULT	415	133	98	38	135	-1	818	-	818
Unallocated corporate costs									-53
PROFIT FROM OPERATIONS									765
Borrowing costs									-59
Income tax expense									-169
NET PROFIT									537
Additions to non-current assets	1 550	109	28	9	96	-	1 792	-	1 792

Balance sheet as at 30 June 2021

In CHF million

	Switzer- land	France	Germany	Inter- national	Asset Managers	Other	Total before elim- inations	Elimi- nations	Total
ASSETS									
Cash and cash equivalents	2 955	2 148	525	2 773	235	24	8 660	-	8 660
Derivatives	1 500	131	35	-	3	0	1 668	-72	1 597
Assets held for sale	1	-	-	-	-	-	1	-	1
Financial assets at fair value through profit or loss	7 811	19 044	4 643	19 029	4	-	50 531	-61	50 470
Financial assets available for sale	71 538	21 518	9 615	1 614	1	660	104 944	-	104 944
Loans and receivables	16 632	3 683	5 682	202	369	2 772	29 340	-4 279	25 061
Financial assets pledged as collateral	2 817	1 377	-	-	-	210	4 404	-	4 404
Investment property	32 740	3 319	3 203	-	133	-	39 394	-	39 394
Investments in associates	36	96	48	-	3	-	184	-	184
Reinsurance assets	32	309	137	113	-	-	591	-4	587
Property and equipment	233	65	140	32	57	0	528	-	528
Intangible assets including intangible insurance assets	737	395	1 416	430	358	-	3 335	-	3 335
Other assets	560	29	27	10	550	3	1 179	-199	980
SEGMENT ASSETS	137 591	52 113	25 470	24 203	1 712	3 668	244 759	-4 614	240 144
Income tax assets									111
TOTAL ASSETS									240 255
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	1 939	154	33	-	-	60	2 186	-72	2 114
Investment and unit-linked contracts	7 142	13 343	1 363	22 833	-	-	44 681	-	44 681
Other financial liabilities	11 268	6 381	1 799	274	654	486	20 862	-1 237	19 624
Insurance liabilities	89 670	24 391	16 859	223	-	-	131 143	-86	131 057
Policyholder participation liabilities	9 441	4 534	3 344	18	-	-	17 337	0	17 337
Employee benefit liabilities	1 121	111	188	8	157	1	1 587	-	1 587
Provisions	14	14	8	4	6	6	53	-	53
Other liabilities	139	114	62	19	24	7	364	-1	363
SEGMENT LIABILITIES	120 734	49 041	23 657	23 378	840	562	218 212	-1 396	216 816
Borrowings									4 221
Income tax liabilities									2 779
EQUITY									16 438
TOTAL LIABILITIES AND EQUITY									240 255

Balance sheet as at 31 December 2020

In CHF million

	Switzer- land	France	Germany	Inter- national	Asset Managers	Other	Total before elim- inations	Elimi- nations	Total
ASSETS									
Cash and cash equivalents	2 700	1 782	432	2 671	247	32	7 865	-	7 865
Derivatives	2 647	323	92	-	-	11	3 073	-65	3 008
Assets held for sale	1	-	-	-	-	-	1	-	1
Financial assets at fair value through profit or loss	8 022	17 128	4 295	17 890	0	-	47 336	-	47 336
Financial assets available for sale	74 214	21 825	9 849	1 683	1	869	108 441	-	108 441
Loans and receivables	15 101	3 139	5 990	171	419	2 843	27 663	-4 307	23 357
Financial assets pledged as collateral	2 506	1 453	-	61	-	45	4 064	-	4 064
Investment property	31 645	3 270	3 085	-	119	-	38 120	-	38 120
Investments in associates	31	91	48	-	3	-	172	-	172
Reinsurance assets	31	290	132	106	-	-	559	-4	556
Property and equipment	233	67	134	25	57	0	515	-	515
Intangible assets including intangible insurance assets	687	366	1 300	340	365	-	3 058	-	3 058
Other assets	609	54	22	8	447	7	1 146	-205	942
SEGMENT ASSETS	138 429	49 788	25 378	22 955	1 658	3 806	242 015	-4 580	237 435
Income tax assets									103
TOTAL ASSETS									237 538
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	1 384	17	3	-	-	49	1 452	-65	1 387
Investment and unit-linked contracts	6 931	12 454	1 206	21 433	-	-	42 024	-	42 024
Other financial liabilities	12 039	6 048	1 808	431	549	324	21 199	-1 318	19 882
Insurance liabilities	89 689	22 504	16 468	197	-	-	128 858	-82	128 776
Policyholder participation liabilities	9 852	5 220	3 729	22	-	-	18 824	0	18 824
Employee benefit liabilities	1 464	106	209	14	197	2	1 993	-	1 993
Provisions	14	11	9	4	7	76	121	-	121
Other liabilities	155	115	56	15	24	7	372	-1	371
SEGMENT LIABILITIES	121 529	46 475	23 488	22 117	776	458	214 844	-1 466	213 379
Borrowings									3 949
Income tax liabilities									2 946
EQUITY									17 263
TOTAL LIABILITIES AND EQUITY									237 538

Premiums and policy fees from external customers

In CHF million	Net earned premiums		Net earned policy fees	
	2021 HY	2020 HY	2021 HY	2020 HY
LIFE				
Individual life	1 996	1 698	197	166
Group life	5 913	7 279	10	9
TOTAL LIFE	7 909	8 977	207	175
NON-LIFE				
Accident and health	6	5	-	-
Property, casualty and other	204	181	-	-
TOTAL NON-LIFE	210	186	-	-
TOTAL	8 119	9 163	207	175

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 and 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 these guarantees are included in financial liabilities (investment and unit-linked contracts) and insurance liabilities, respectively.

The assets and liabilities from separate account/unit-linked contracts and private placement life insurance are generally excluded from the Swiss Life Group's financial risk adjustment considerations to the extent that the risks are borne by the customers.

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

In CHF million			30.06.2021	31.12.2020
Cash and cash equivalents			2 800	2 667
Derivatives			0	0
Financial assets at fair value through profit or loss				
Debt securities			7 641	7 683
Equity securities			5 819	5 759
Investment funds			27 116	23 337
Other			17	15
Investment property			338	307
TOTAL ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS			43 730	39 768

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

In CHF million			Notes	30.06.2021	31.12.2020
Unit-linked contracts		12		27 523	25 693
Investment contracts		12		5 951	5 315
Insurance liabilities		14		9 973	8 399
TOTAL LIABILITIES LINKED TO ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS				43 446	39 407

Financial result for the 6 months ended 30 June

In CHF million		Assets and liabilities for the account and risk of the Swiss Life Group		Assets and liabilities for the account and risk of the Swiss Life Group's customers		Total	
Notes	2021 HY	2020 HY	2021 HY	2020 HY	2021 HY	2020 HY	
Investment income	6	1 986	1 998	–	–	1 986	1 998
Net gains/losses on financial assets	6	1 460	–443	3	6	1 462	–437
Net gains/losses on financial instruments at fair value through profit or loss	6	–1 498	290	–3	–20	–1 500	269
Net gains/losses on investment property		450	270	6	–	455	270
Share of profit or loss of associates		5	3	–	–	5	3
FINANCIAL RESULT		2 401	2 118	6	–15	2 407	2 103

5 Premiums, Policy Fees and Deposits Received

Written premiums

In CHF million		
	2021 HY	2020 HY
Direct	7 920	9 028
Assumed	331	261
GROSS WRITTEN PREMIUMS	8 251	9 289
Ceded	-82	-79
NET WRITTEN PREMIUMS	8 169	9 209

Earned premiums

In CHF million		
	2021 HY	2020 HY
Direct	7 873	8 980
Assumed	322	256
GROSS EARNED PREMIUMS	8 194	9 236
Ceded	-76	-73
NET EARNED PREMIUMS	8 119	9 163

Written policy fees

In CHF million		
	2021 HY	2020 HY
Direct	219	186
GROSS WRITTEN POLICY FEES	219	186
Ceded	0	0
NET WRITTEN POLICY FEES	219	186

Earned policy fees

In CHF million		
	2021 HY	2020 HY
Direct	207	175
GROSS EARNED POLICY FEES	207	175
Ceded	0	0
NET EARNED POLICY FEES	207	175

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		
	2021 HY	2020 HY
Gross written premiums and policy fees	8 470	9 475
Deposits received under insurance and investment contracts	2 406	2 144
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	10 876	11 619

6 Details of Certain Items in the Consolidated Statement of Income

Commission income

In CHF million		
	2021 HY	2020 HY
Brokerage commissions	437	372
Asset management commissions	295	249
Other commissions and fees	141	120
TOTAL COMMISSION INCOME	873	741

Investment income

In CHF million		
	2021 HY	2020 HY
Interest income on financial assets available for sale	1 061	1 083
Interest income on loans and receivables	233	210
Other interest income	-5	-3
Dividend income on financial assets available for sale	162	234
Net income on investment property	534	475
TOTAL INVESTMENT INCOME	1 986	1 998

Net gains/losses on financial assets

In CHF million		
	2021 HY	2020 HY
Sale of		
financial assets available for sale	435	366
loans and receivables	136	105
Net gains/losses from sales	571	471
Impairment losses on		
debt instruments available for sale	1	-16
equity instruments available for sale	-136	-521
loans and receivables	-3	-7
Impairment losses on financial assets	-137	-544
Hedging gains/losses reclassified from other comprehensive income	-16	359
Foreign currency gains/losses	1 044	-723
TOTAL NET GAINS/LOSSES ON FINANCIAL ASSETS	1 462	-437

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

In CHF million

	2021 HY	2020 HY
Currency derivatives	-1 165	392
Interest rate derivatives	-3	-134
Equity derivatives	-636	160
Other derivatives	-26	4
Financial assets designated as at fair value through profit or loss ¹	428	-249
Investments in associates ²	2	2
Investment contracts without discretionary participation	31	-11
Third-party interests in consolidated investment funds	-128	121
Other financial liabilities	0	6
Assets for the account and risk of the Swiss Life Group's customers	2 615	-1 938
Liabilities linked to assets for the account and risk of the Swiss Life Group's customers	-2 618	1 918
TOTAL NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	-1 500	269

¹ Includes interest and dividend income of CHF 55 million (2020: CHF 55 million)² Includes dividend income of CHF 0 million (2020: CHF 0 million)**Other income**

In CHF million

	2021 HY	2020 HY
Realised gains/losses on sales of subsidiaries and other assets	0	0
Revenue from sale of inventory property	1	15
Other foreign currency gains/losses	-48	53
Other	11	8
TOTAL OTHER INCOME	-36	77

Net insurance benefits and claims

In CHF million

	2021 HY	2020 HY
Benefits and claims under insurance contracts		
Life benefits and claims paid, gross	6 827	6 423
Change in future life policyholder benefits and claims, gross	384	2 376
Non-life claims paid, gross	148	120
Change in non-life claims, gross	-9	-6
Benefits and claims recovered from reinsurers	-51	-44
Net benefits and claims under insurance contracts	7 299	8 868
Benefits and claims under investment contracts with discretionary participation		
Life benefits and claims paid, gross	403	338
Change in future life policyholder benefits and claims, gross	10	84
Net benefits and claims under investment contracts with discretionary participation	413	422
TOTAL NET INSURANCE BENEFITS AND CLAIMS	7 712	9 291

Interest expense

In CHF million

	2021 HY	2020 HY
Interest expense on deposits	11	8
Negative interest on repurchase agreements	-15	-12
Interest expense on due to banks	13	11
Interest expense on investment contracts	34	34
Interest expense on deposits under insurance contracts	29	3
Interest expense on lease liabilities	2	2
Other interest expense	8	7
TOTAL INTEREST EXPENSE	82	53

Commission expense

In CHF million

	2021 HY	2020 HY
Insurance agent and broker commissions	615	496
Asset management commissions	52	44
Other commissions and fees	61	60
TOTAL COMMISSION EXPENSE	727	601

Employee benefits expense

In CHF million

	2021 HY	2020 HY
Wages and salaries	413	396
Social security	84	77
Defined benefit plans	50	47
Defined contribution plans	2	2
Other employee benefits	31	29
TOTAL EMPLOYEE BENEFITS EXPENSE	580	550

Depreciation and amortisation expense

In CHF million

	Notes	2021 HY	2020 HY
Depreciation of property and equipment ¹		34	33
Amortisation of present value of future profits (PVP)	11	0	0
Amortisation of deferred acquisition costs (DAC)	11	148	129
Amortisation of deferred origination costs (DOC)	11	11	7
Amortisation of other intangible assets	11	14	16
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		207	185

¹ Including depreciation of IFRS 16 right-of-use assets of CHF 20 million (2020: CHF 20 million)

Other expenses

In CHF million

	2021 HY	2020 HY
Marketing and advertising	19	20
Information technology and systems	65	56
Maintenance and repair	14	14
Short-term leases	1	1
Leases of low-value assets	0	2
Professional services	99	93
Cost of inventory property sold	1	13
Premium taxes and other non-income taxes	34	42
Other	32	29
TOTAL OTHER EXPENSES	264	269

7 Income Taxes

Income tax expense

In CHF million

	2021 HY	2020 HY
Current income tax expense	160	67
Deferred income tax expense	36	102
TOTAL INCOME TAX EXPENSE	196	169

8 Financial Assets at Fair Value through Profit or Loss

In CHF million

	Notes	30.06.2021	31.12.2020
Debt securities		544	674
Equity securities		145	137
Investment funds – debt		1 355	1 752
Investment funds – equity		1 581	1 498
Investment funds – balanced		209	228
Real estate funds		2 810	3 034
Infrastructure investments		3 197	3 204
Private equity and hedge funds		36	14
Financial assets for the account and risk of the Swiss Life Group's customers	4	40 593	36 794
TOTAL FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		50 470	47 336

9 Financial Assets Available for Sale

In CHF million	Cost/amortised cost		Net unrealised gains/losses		Fair value (carrying amount)	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Debt securities	72 659	73 441	11 541	15 984	84 201	89 425
Senior secured loans	4 618	3 921	-26	-13	4 593	3 908
Equity securities	8 016	7 833	2 117	1 077	10 133	8 911
Investment funds – debt	1 660	2 095	91	160	1 751	2 256
Investment funds – equity	2 666	2 559	829	556	3 496	3 115
Investment funds – balanced	4	29	0	0	4	29
Real estate funds	569	590	62	50	631	640
Private equity	68	96	45	37	113	133
Hedge funds	18	19	6	7	24	26
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE	90 278	90 584	14 666	17 857	104 944	108 441

10 Loans and Receivables

In CHF million	Notes	Gross carrying amount		Allowance for impairment losses		Carrying amount	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Mortgages		11 944	11 555	-22	-21	11 922	11 534
Note loans		4 665	5 028	-	-	4 665	5 028
Corporate and other loans		2 698	1 793	-1	-2	2 696	1 791
Debt securities previously classified as available for sale		746	727	-	-	746	727
Other debt securities classified as loans		153	146	-	-	153	146
TOTAL LOANS	16	20 207	19 248	-23	-23	20 183	19 226
Insurance receivables		1 738	1 351	-31	-29	1 707	1 322
Reinsurance receivables		422	346	-	-	422	346
Accrued investment income		899	1 116	-	-	899	1 116
Settlement accounts		260	48	-	-	260	48
Other receivables		1 598	1 307	-9	-8	1 589	1 299
TOTAL RECEIVABLES	16	4 917	4 168	-40	-37	4 878	4 131
TOTAL LOANS AND RECEIVABLES		25 124	23 416	-63	-60	25 061	23 357

11 Intangible Assets including Intangible Insurance Assets

In CHF million	30.06.2021	31.12.2020
Intangible insurance assets	1 651	1 459
Other intangible assets	1 685	1 600
TOTAL INTANGIBLE ASSETS	3 335	3 058

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	
	2021 HY	2020 YE	2021 HY	2020 YE	2021 HY	2020 YE	2021 HY	2020 YE
Balance as at 1 January	6	7	1 363	1 360	89	54	1 459	1 421
Additions	–	–	209	379	36	54	245	432
Amortisation	0	–1	–148	–335	–11	–17	–159	–353
Effect of shadow accounting	0	0	93	–37	–	–	93	–37
Foreign currency translation differences	0	0	12	–3	1	–1	13	–4
BALANCE AS AT END OF PERIOD	6	6	1 529	1 363	115	89	1 651	1 459

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 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 to investment management services within investment contract policies. They relate to contracts in Switzerland, Luxembourg and Singapore.

Other intangible assets for the 6 months ended 30 June 2021

In CHF million						
	Notes	Goodwill	Customer relationships	Computer software	Brands and other	Total
COST						
Balance as at 1 January		1 452	76	40	32	1 600
Additions		-	-	6	1	7
Additions from business combinations	17	68	15	-	-	83
Disposals		-	-	-2	0	-3
Amortisation		-	-7	-6	-1	-14
Impairment losses		-	-	-	-7	-7
Foreign currency translation differences		17	2	1	0	19
BALANCE AS AT END OF PERIOD		1 537	86	37	25	1 685
Cost						
Cost		2 024	253	227	46	2 550
Accumulated amortisation and impairment		-487	-167	-190	-21	-865
TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD		1 537	86	37	25	1 685

Other intangible assets for the year 2020

In CHF million						
		Goodwill	Customer relationships	Computer software	Brands and other	Total
COST						
Balance as at 1 January		1 461	105	41	46	1 653
Additions		-	-	14	1	15
Additions from business combinations		7	-	-	-	7
Disposals		-7	-1	-1	-5	-14
Amortisation		-	-15	-14	-1	-30
Impairment losses		-	-12	0	-9	-21
Foreign currency translation differences		-8	-1	0	0	-10
BALANCE AS AT END OF PERIOD		1 452	76	40	32	1 600
Cost						
Cost		1 935	234	224	45	2 438
Accumulated amortisation and impairment		-483	-159	-184	-13	-838
TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD		1 452	76	40	32	1 600

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 acquisition of subsidiaries is included in intangible assets. Goodwill on associates is included in the carrying amount of the investment.

In May 2021, a goodwill of CHF 64 million was recognised in the segment "International" in relation to the acquisition of the Edinburgh based Principal & Prosper IFA Holdings Ltd.

In October 2020, a goodwill of CHF 7 million was recognised in the segment "International" in relation to the acquisition of the London based Nestor Financial Group Limited. Following an adjustment of the consideration, goodwill in relation to the Nestor Financial Group Limited acquisition increased by CHF 4 million in March 2021.

The divestment of Financière du Capitole in France resulted in a derecognition of goodwill of CHF 7 million in December 2020.

Since 1 January 2021, the goodwill recorded in previous years has been assigned to one cash generating unit per segment, which is the lowest level at which goodwill is monitored. This reallocation was necessary in order to be able to carry out the impairment tests at the level at which the goodwill is actually monitored by management today. During the reallocation, the requirements of IAS 36 were complied with, according to which the new CGUs correspond to the lowest level at which an impairment test can be carried out. In addition, neither the book values nor the relevant events and circumstances have changed significantly since the last impairment test. The following table shows the reallocation of the existing goodwill to the new CGUs.

Reallocation of goodwills

in CHF million

	31.12.2020	Reallocation	01.01.2021
Switzerland			
Swiss Life Select Switzerland	152	-152	-
Segment Switzerland	-	152	152
France			
Lloyd Continental	287	-287	-
Other (France)	10	-10	-
Segment France	-	297	297
Germany			
Swiss Life Select Germany	437	-437	-
Segment Germany	-	437	437
International			
Swiss Life Select International	70	-70	-
CapitalLeben	149	-149	-
Other (International)	71	-71	-
Segment International	-	290	290
Asset Managers			
Corpus Sireo	94	-94	-
Beos	131	-131	-
Other (Asset Managers)	50	-50	-
Segment Asset Managers	-	275	275
TOTAL	1 452	-	1 452

Goodwill

In CHF million

	Switzerland		France		Germany		International		Asset Managers	
	30.06.2021	01.01.2021	30.06.2021	01.01.2021	30.06.2021	01.01.2021	30.06.2021	01.01.2021	30.06.2021	01.01.2021
Net carrying amount of goodwill	152	152	298	297	442	437	366	290	279	275
Impairment losses	-	-	-	-	-	-	-	-	-	-

At 30 June 2021, Swiss Life did not identify any indication for an impairment. Swiss Life performs its annual assessment of recoverable amounts in the second half of each financial year.

Customer relationships

As at 30 June 2021, customer relationships allocated to the segment “Switzerland” comprise customer relationship assets relating to Swiss Life Select of CHF 1 million (31.12.2020: CHF 1 million). The “France” segment comprises customer relationship assets of CHF 5 million (31.12.2020: CHF 5 million) and the “Asset Managers” segment comprises customer relationship assets of CHF 58 million (31.12.2020: CHF 63 million). In the first half of 2020 an impairment loss of CHF 12 million was recognised related to customer relationships in the “Asset Managers” segment. The “International” segment comprises customer relationships of CHF 22 million, including CHF 15 million of customer relationships added with the acquisition of Principal & Prosper IFA Holdings Ltd. in May 2021 (31.12.2020: CHF 7 million). Customer relationships are amortised over their useful lives.

Brands and other

As at 30 June 2021, “Brands and other” comprises the brands Mayfair, Beos, Fincentrum and Fontavis, as well as an intangible asset representing a performance fee related to the acquisition of Fontavis. Brands are amortised over their useful lives. Following a two-stage reorganisation, the Corpus Sireo brand was fully impaired between 1 July 2020 and 30 June 2021, resulting in an impairment loss of CHF 9 million in the second half of 2020 and CHF 7 million in the first half of 2021.

12 Investment and Unit-Linked Contracts

In CHF million	Notes	Gross		Ceded		Net	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Unit-linked contracts	16	27 523	25 693	–	–	27 523	25 693
Investment contracts with discretionary participation features (DPF)		16 506	15 717	127	119	16 379	15 598
Investment contracts without DPF at fair value through profit or loss	16	651	614	–	–	651	614
Investment contracts without DPF at amortised cost	16	1	0	–	–	1	0
TOTAL INVESTMENT AND UNIT-LINKED CONTRACTS		44 681	42 024	127	119	44 554	41 905
of which for the account and risk of the Swiss Life Group's customers							
unit-linked contracts	4	27 523	25 693	–	–	27 523	25 693
investment contracts	4	5 951	5 315	–	–	5 951	5 315

13 Borrowings

In CHF million		Notes	30.06.2021	31.12.2020
Hybrid debt			3 172	2 900
Senior bonds			1 049	1 049
TOTAL BORROWINGS		16	4 221	3 949

Reconciliation of liabilities arising from financing activities for the 6 months ended 30 June

In CHF million	Hybrid debt		Senior bonds		Lease liabilities ¹		Total	
	2021 HY	2020 HY	2021 HY	2020 HY	2021 HY	2020 HY	2021 HY	2020 HY
Balance as at 1 January	2 900	2 902	1 049	1 049	220	152	4 169	4 104
Cash flows								
Issuance	248	–	–	–	–	–	248	–
Redemption	–	–	–	–	–20	–19	–20	–19
Other changes								
New leases	–	–	–	–	25	109	25	109
Premium/discount amortisation	2	2	0	0	2	2	4	4
Other movements	–	–	–	–	–3	–4	–3	–4
Foreign currency translation differences	22	–31	–	–	3	–3	25	–34
BALANCE AS AT END OF PERIOD	3 172	2 872	1 049	1 049	227	237	4 448	4 158

¹ Included in other financial liabilities

Hybrid debt

On 4 March 2021, Swiss Life placed a CHF 250 million dated subordinated bond with final maturity in 2041, first callable in September 2031 (coupon until first call date: 2.125%).

There were no issuances or redemptions of hybrid debt in 2020.

Senior bonds

There were no issuances or redemptions of senior bonds in the first half of 2021 or in 2020.

14 Insurance Liabilities

In CHF million	Gross		Ceded		Net	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Claims under non-life insurance contracts	921	918	190	184	731	734
Unearned premiums non-life	67	44	1	1	65	42
Claims under life insurance contracts	6 521	6 569	111	107	6 410	6 462
Future life policyholder benefits	110 357	109 554	150	142	110 207	109 412
Unearned premiums life	97	62	6	0	92	62
Deposits under insurance contracts	13 094	11 629	–	–	13 094	11 629
TOTAL INSURANCE LIABILITIES	131 057	128 776	458	434	130 599	128 342
of which for the account and risk of the Swiss Life Group's customers	9 973	8 399	1	1	9 972	8 398

Claims under life insurance contracts

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

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.

Future life policyholder benefits and claims

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	30.06.2021	31.12.2020
Employee benefit liabilities consist of		
gross defined benefit liabilities	1 406	1 803
other employee benefit liabilities	180	189
TOTAL EMPLOYEE BENEFIT LIABILITIES	1 587	1 993

Amounts recognised as defined benefit assets/liabilities

In CHF million	30.06.2021	31.12.2020
Present value of defined benefit obligation	-3 801	-4 041
Fair value of plan assets	2 436	2 306
NET DEFINED BENEFIT LIABILITY	-1 365	-1 735
Insurance contracts not eligible as plan assets under IFRS	1 236	1 261
NET DEFINED BENEFIT SURPLUS (+)/DEFICIT (-) (ECONOMIC VIEW)	-129	-474
The net defined benefit liability consists of		
gross defined benefit liabilities	-1 406	-1 803
gross defined benefit assets	41	68

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 deficit taking into consideration insurance contracts not eligible as plan assets under IFRS amounted to CHF 129 million as at 30 June 2021 (31.12.2020: deficit of CHF 474 million).

16 Fair Value of Financial Instruments

For reporting purposes, a fair value hierarchy is established that categorises the inputs to valuation techniques used to measure fair value into levels 1, 2 or 3. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

The fair value of assets or liabilities included in level 1 is based on unadjusted quoted prices in active markets for identical assets or liabilities. The fair value of assets or liabilities 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 assets or liabilities are included in level 2.

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

Financial instruments measured at fair value on a recurring basis

As a general rule, fair values of financial instruments are based on quoted prices sourced from well-known independent price providers such as Bloomberg. Model-based level 2 and level 3 valuations of financial instruments are applied to a minority of the assets.

Fair value hierarchy

In CHF million								
	Quoted prices (level 1)		Valuation technique - observable inputs (level 2)		Valuation technique - unobservable inputs (level 3)		Total	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
FINANCIAL ASSETS								
Derivatives								
Currency	0	0	337	1 109	-	-	337	1 109
Interest rate	0	0	855	1 698	-	-	855	1 698
Equity	365	168	38	33	-	-	403	201
Other	1	-	0	0	-	-	1	0
Total derivatives	366	168	1 230	2 840	-	-	1 597	3 008
Debt instruments								
Governments and supranationals	53 566	56 675	283	331	-	-	53 849	57 006
Corporates	39 248	40 470	431	351	128	156	39 807	40 977
Other	40	39	46	49	-	-	86	88
Total debt instruments	92 853	97 184	760	731	128	156	93 742	98 071
Equity instruments								
Equity securities	9 649	8 416	19	16	610	616	10 278	9 048
Investment funds	7 050	7 270	1 705	2 208	3 081	3 073	11 837	12 552
Alternative investments	-	0	187	218	3 183	3 159	3 370	3 377
Total equity instruments	16 699	15 686	1 911	2 442	6 875	6 848	25 485	24 976
Assets for the account and risk of the Swiss Life Group's customers	35 271	31 787	1 388	1 145	3 933	3 862	40 593	36 794
TOTAL FINANCIAL ASSETS	145 189	144 825	5 290	7 158	10 936	10 866	161 416	162 849
INVESTMENTS IN ASSOCIATES								
Associates at fair value through profit or loss	-	-	-	-	69	67	69	67
FINANCIAL LIABILITIES								
Derivatives								
Currency	0	0	983	330	-	-	983	330
Interest rate	0	0	638	819	-	-	638	819
Equity	233	230	260	9	-	-	493	238
Other	0	-	-	0	-	-	0	0
Total derivatives	234	230	1 881	1 158	-	-	2 114	1 387
Investment contracts without discretionary participation	-	-	651	614	-	-	651	614
Unit-linked contracts	-	-	27 396	25 567	127	126	27 523	25 693
Third-party interests in consolidated investment funds	-	-	870	1 002	2 794	3 062	3 664	4 063
TOTAL FINANCIAL LIABILITIES	234	230	30 797	28 340	2 922	3 188	33 952	31 758

The fair value hierarchy of assets for the account and risk of the Swiss Life Group's customers is consistent with the categorisation of assets for the account and risk of the Swiss Life Group.

For a detailed description of the valuation techniques and significant inputs used in the fair value measurement of financial instruments, refer to the Consolidated Financial Statements 2020, Note 30 Fair Value Measurements.

During the first half of 2021, debt securities of CHF 116 million (HY2020: CHF 65 million) were transferred from level 1 into level 2 due to reduced frequency of price quotations; and debt securities of CHF 62 million (HY2020: nil) and assets for the account and risk of the Swiss Life Group's customers of CHF 40 million (HY2020: nil) were transferred from level 2 into level 1 due to new liquid price sources. During the comparative period only, assets for the account and risk of the Swiss Life Group's customers of CHF 67 million were transferred from level 3 into level 1 due to available quoted prices.

The transfers between the levels of the fair value hierarchy were made at the end of the reporting period.

Reconciliation of fair value measurements categorised within level 3

The following tables show a reconciliation from the opening balances to the closing balances for fair value measurements categorised within level 3 of the fair value hierarchy.

Assets measured at fair value based on level 3 for the 6 months ended 30 June 2021

In CHF million

	Derivatives	Debt instruments		Equity instruments		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	-	-	156	5 677	1 238	3 862	10 933
Total gains/losses recognised in profit or loss	-	-	2	246	3	12	263
Total gains/losses recognised in other comprehensive income	-	-	1	-	8	-	9
Additions	-	-	-	235	36	343	615
Disposals	-	-	-33	-470	-87	-345	-934
Transfers out of level 3	-	-	-	-	-	-1	-1
Foreign currency translation differences	-	-	1	45	13	61	121
BALANCE AS AT END OF PERIOD	-	-	128	5 733	1 211	3 933	11 005
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	-	-	230	-3	12	238

¹ including associates at fair value through profit or loss

Assets measured at fair value based on level 3 for the 6 months ended 30 June 2020

In CHF million

	Derivatives	Debt instruments		Equity instruments		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	-	-	238	4 537	1 032	4 275	10 082
Total gains/losses recognised in profit or loss	-	-	0	-182	-6	-3	-191
Total gains/losses recognised in other comprehensive income	-	-	-6	-	3	-	-3
Additions	-	-	-	980	34	667	1 680
Disposals	-	-	-	-659	-55	-333	-1 047
Transfers out of level 3	-	-	-1	-	-	-67	-68
Foreign currency translation differences	-	-	-4	-40	-15	-116	-176
BALANCE AS AT END OF PERIOD	-	-	227	4 635	994	4 423	10 279
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	-	0	-92	-12	-3	-107

¹ including associates at fair value through profit or loss

Liabilities measured at fair value based on level 3 for the 6 months ended 30 June

In CHF million		Derivatives		Unit-linked contracts		Third-party interests in consolidated investment funds		Total	
		2021 HY	2020 HY	2021 HY	2020 HY	2021 HY	2020 HY	2021 HY	2020 HY
Balance as at 1 January	-	-	126	136	3 062	2 582	3 188	2 719	
Total gains/losses recognised in profit or loss	-	-	0	0	92	-84	92	-84	
Additions	-	-	1	13	110	72	111	84	
Disposals	-	-	0	0	-493	-226	-493	-226	
Foreign currency translation differences	-	-	0	0	23	-27	23	-27	
BALANCE AS AT END OF PERIOD	-	-	127	149	2 794	2 317	2 922	2 466	
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-	0	0	85	-88	85	-88	

Gains/losses recognised in profit or loss

Gains/losses on level 3 fair value measurements recognised in profit or loss are presented in the income statement as follows.

In CHF million		Financial assets		Financial instruments at fair value through profit or loss	
		2021 HY	2020 HY	2021 HY	2020 HY
ASSETS					
Total gains/losses recognised in profit or loss		5	-6	258	-185
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period		-3	-12	242	-95
LIABILITIES					
Total gains/losses recognised in profit or loss		-	-	-92	84
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period		-	-	-85	88

Fair value of financial instruments carried at amortised cost

The following table shows the carrying amounts and fair values of those financial assets and liabilities not measured at fair value in the Swiss Life Group's balance sheet.

In CHF million	Carrying amount		Fairvalue	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
ASSETS				
Loans	20 183	19 226	22 617	22 677
Receivables ¹	4 878	4 131	4 878	4 131
LIABILITIES				
Investment contracts without discretionary participation ¹	1	0	1	0
Borrowings	4 221	3 949	4 584	4 327
Other financial liabilities ^{1,2}	15 960	15 819	15 960	15 819

¹ Carrying amount approximates fair value.

² Excluding third-party interests in consolidated investment funds

17 Acquisitions and Disposals of Subsidiaries

On 31 May 2021, Swiss Life completed the acquisition of Principal & Prosper, an independent financial advisor based in Edinburgh, United Kingdom. Total consideration was CHF 76 million, of which CHF 38 million were paid in cash and CHF 38 million were recorded as contingent consideration. The acquired assets and liabilities consisted of CHF 64 million of goodwill, CHF 15 million of customer relationships and CHF 3 million of deferred tax liabilities. These values are preliminary and still subject to the final valuations.

There were no significant acquisitions and disposals of subsidiaries in the first half of 2020 and no significant disposals of subsidiaries in the first half of 2021.

18 Events after the Reporting Period

There were no events after the reporting period that would require disclosure.

Review Report

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

Introduction

We have reviewed the 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 to the consolidated financial statements, pages 4 to 40) of Swiss Life Holding Ltd for the period ended 30 June 2021. 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 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers AG



Peter Eberli



Beat Walter

Zürich, 16 August 2021



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Important Dates

Interim Statement Q3 2021

9 November 2021

Investor Day 2021

25 November 2021

Presentation of 2021 results

1 March 2022

Annual General Meeting 2022

22 April 2022, Hallenstadion Zurich

Interim Statement Q1 2022

11 May 2022

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Financial Publications

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

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

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*We enable people to lead
a self-determined life.*

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