

*First-Half
Financial Report
2016*

Contents

4	Condensed Consolidated Statement of Income (unaudited)
5	Condensed Consolidated Statement of Comprehensive Income (unaudited)
6	Condensed Consolidated Balance Sheet (unaudited)
8	Condensed Consolidated Statement of Cash Flows (unaudited)
9	Condensed Consolidated Statement of Changes in Equity (unaudited)
10	Condensed Notes to the Consolidated Financial Statements (unaudited)
10	1 General Information
10	2 Summary of Significant Accounting Policies
12	3 Segment Information
18	4 Contracts for the Account and Risk of the Swiss Life Group's Customers
19	5 Premiums, Policy Fees and Deposits Received
21	6 Details of Certain Items in the Consolidated Statement of Income
25	7 Income Taxes
25	8 Financial Assets at Fair Value through Profit or Loss
26	9 Financial Assets Available for Sale
26	10 Loans and Receivables
27	11 Intangible Assets including Intangible Insurance Assets
30	12 Investment Contracts
30	13 Borrowings
31	14 Insurance Liabilities
32	15 Employee Benefits
33	16 Fair Value of Financial Instruments
38	Review Report

Condensed Consolidated Statement of Income (unaudited)

Consolidated statement of income for the 6 months ended 30 June

In CHF million

	Notes	2016 HY	2015 HY
INCOME			
Premiums earned on insurance contracts		7 751	8 141
Premiums earned on investment contracts with discretionary participation		561	518
Premiums ceded to reinsurers		-76	-72
Net earned premiums	5	8 237	8 587
Policy fees earned on insurance contracts		10	10
Policy fees earned on investment and unit-linked contracts		124	125
Net earned policy fees	5	134	135
Commission income	6	517	477
Investment income	4, 6	2 224	2 182
Net gains/losses on financial assets	4, 6	-532	-1 549
Net gains/losses on financial instruments at fair value through profit or loss	4, 6	496	1 704
Net gains/losses on investment property	4	305	351
Share of profit or loss of associates	4	4	5
Other income	6	39	296
TOTAL INCOME		11 424	12 187
EXPENSES			
Benefits and claims under insurance contracts		-8 564	-8 726
Benefits and claims under investment contracts with discretionary participation		-573	-537
Benefits and claims recovered from reinsurers		45	41
Net insurance benefits and claims	6	-9 093	-9 223
Policyholder participation		-261	-931
Interest expense	6	-82	-90
Commission expense	6	-427	-399
Employee benefits expense	6	-433	-417
Depreciation and amortisation expense	6	-174	-209
Impairment of property and equipment and intangible assets		0	-4
Other expenses	6	-226	-222
TOTAL EXPENSES		-10 696	-11 496
PROFIT FROM OPERATIONS		729	692
Borrowing costs		-85	-69
PROFIT BEFORE INCOME TAX		644	623
Income tax expense	7	-143	-130
NET PROFIT		500	493
Net profit attributable to			
equity holders of Swiss Life Holding		499	490
non-controlling interests		1	3
NET PROFIT		500	493
Earnings per share attributable to equity holders of Swiss Life Holding			
Basic earnings per share (in CHF)		15.67	15.38
Diluted earnings per share (in CHF)		14.78	14.51

Condensed Consolidated Statement of Comprehensive Income (unaudited)

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

In CHF million

	2016 HY	2015 HY
NET PROFIT	500	493
OTHER COMPREHENSIVE INCOME		
ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		
Exchange differences on translating foreign operations	-19	-383
Financial assets available for sale	6 877	-3 155
Cash flow hedges	368	-13
Financial assets reclassified to loans	22	30
Share of other comprehensive income of associates	0	0
Adjustments relating to items that may be reclassified:		
Policyholder participation	-4 480	1 901
Shadow accounting	-121	70
Income tax	-610	279
TOTAL	2 037	-1 271
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		
Revaluation surplus on investment property	0	-18
Remeasurements on defined benefit pension liability	-383	-113
Adjustments relating to items that will not be reclassified:		
Policyholder participation	218	67
Shadow accounting	0	0
Income tax	35	12
TOTAL	-131	-52
NET OTHER COMPREHENSIVE INCOME	1 906	-1 322
TOTAL NET COMPREHENSIVE INCOME	2 406	-829
Total net comprehensive income attributable to		
equity holders of Swiss Life Holding	2 405	-827
non-controlling interests	1	-1
TOTAL NET COMPREHENSIVE INCOME	2 406	-829

Condensed Consolidated Balance Sheet

(unaudited)

Consolidated balance sheet

In CHF million			reclassified	reclassified
	Notes	30.06.2016	31.12.2015	01.01.2015
ASSETS				
Cash and cash equivalents		5 959	5 296	6 062
Derivatives		3 202	2 113	2 358
Assets held for sale		-	4	-
Financial assets at fair value through profit or loss	8	33 597	33 590	32 389
Financial assets available for sale	9	106 585	96 026	97 162
Loans and receivables	10	24 389	24 232	27 847
Financial assets pledged as collateral		2 040	2 109	2 763
Investment property		22 644	21 557	19 596
Investments in associates		65	67	284
Reinsurance assets		497	478	498
Property and equipment		402	407	442
Intangible assets including intangible insurance assets	11	2 754	2 840	2 972
Current income tax assets		29	17	14
Deferred income tax assets		37	47	34
Other assets		789	471	431
TOTAL ASSETS		202 989	189 252	192 854

Consolidated balance sheet

In CHF million			reclassified	reclassified
	Notes	30.06.2016	31.12.2015	01.01.2015
LIABILITIES AND EQUITY				
LIABILITIES				
Derivatives		2 039	989	2 165
Financial liabilities at fair value through profit or loss		-	-	-
Investment contracts	12	36 236	36 730	38 395
Borrowings	13	4 517	4 078	3 798
Other financial liabilities		15 345	12 780	13 146
Insurance liabilities	14	111 122	108 157	106 136
Policyholder participation liabilities		14 192	10 065	12 152
Employee benefit liabilities	15	2 295	1 976	1 821
Current income tax liabilities		92	104	78
Deferred income tax liabilities		2 330	1 720	1 913
Provisions		88	101	128
Other liabilities		336	293	289
TOTAL LIABILITIES		188 593	176 994	180 023
EQUITY				
Share capital		164	164	164
Share premium		741	1 022	1 237
Treasury shares		-35	-49	-31
Accumulated other comprehensive income		3 755	1 849	3 067
Retained earnings		9 691	9 191	8 319
TOTAL SHAREHOLDERS' EQUITY		14 316	12 177	12 755
Non-controlling interests		80	81	76
TOTAL EQUITY		14 396	12 258	12 831
TOTAL LIABILITIES AND EQUITY		202 989	189 252	192 854

Condensed Consolidated Statement of Cash Flows (unaudited)

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

In CHF million

	2016 HY	2015 HY
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES	729	-1 089
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments in associates	-	0
Sales of investments in associates	1	1
Dividends received from associates	0	173
Purchases of property and equipment	-11	-4
Sales of property and equipment	3	1
Purchases of computer software and other intangible assets	-6	-5
Acquisitions of subsidiaries, net of cash and cash equivalents	-	1
TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES	-13	166
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of debt instruments	596	774
Redemption of debt instruments	-157	-12
Distribution out of capital contribution reserve	-271	-207
Purchases of treasury shares	-	-35
Sales of treasury shares	0	0
Capital contributions from non-controlling interests	-	2
Borrowing costs paid	-91	-58
Dividends paid to non-controlling interests	-1	-1
TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES	75	462
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	791	-461
Cash and cash equivalents as at 1 January	5 296	6 062
Foreign currency differences	-128	-420
Total change in cash and cash equivalents	791	-461
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	5 959	5 181

Condensed Consolidated Statement of Changes in Equity (unaudited)

Consolidated statement of changes in equity for the 6 months ended 30 June 2016

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	1 022	-49	1 849	9 191	12 177	81	12 258
Total net comprehensive income		-	-	-	1 906	499	2 405	1	2 406
Distribution out of capital contribution reserve	1	-	-271	-	-	-	-271	-	-271
Conversion of convertible debt		0	0	-	-	-	0	-	0
Equity-settled share-based payments		-	5	-	-	-	5	-	5
Sales of treasury shares		-	0	0	-	-	0	-	0
Allocation of treasury shares under equity compensation plans		-	-14	14	-	-	-	-	-
Dividends		-	-	-	-	-	-	-1	-1
BALANCE AS AT END OF PERIOD		164	741	-35	3 755	9 691	14 316	80	14 396

Consolidated statement of changes in equity for the 6 months ended 30 June 2015

In CHF million									
		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	1 237	-31	3 067	8 319	12 755	76	12 831
Total net comprehensive income		-	-	-	-1 317	490	-827	-1	-829
Distribution out of capital contribution reserve		-	-207	-	-	-	-207	-	-207
Equity-settled share-based payments		-	5	-	-	-	5	-	5
Purchases of treasury shares		-	-	-35	-	-	-35	-	-35
Sales of treasury shares		-	0	0	-	-	0	-	0
Allocation of treasury shares under equity compensation plans		-	-17	17	-	-	-	-	-
Acquisitions of subsidiaries		-	-	-	-	-	-	1	1
Capital contributions from non-controlling interests		-	-	-	-	-	-	2	2
Dividends		-	-	-	-	-	-	-1	-1
BALANCE AS AT END OF PERIOD		164	1 018	-49	1 750	8 809	11 691	77	11 767

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 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 2015 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 271 million (CHF 8.50 per registered share) and was paid in the first half of 2016.

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 2015, except for the changes in accounting policies as described below.

These interim financial statements should be read in conjunction with the 2015 annual financial statements.

Figures may not add up exactly due to rounding.

Changes in accounting policies

No new or revised accounting standards or interpretations have been adopted in the period under review.

Reclassifications in the consolidated balance sheet

In order to improve consistency of presentation of items in the consolidated balance sheet reclassifications have been made as follows.

As at 1 January 2015, ceded investment contracts with discretionary participation features (DPF) and ceded policyholder participation of CHF 101 million have been reclassified from loans and receivables to reinsurance assets (31.12.2015: CHF 102 million).

As at 1 January 2015, financial liabilities at fair value through profit or loss of CHF 24 325 million relating to unit-linked contracts have been reclassified to investment contracts (31.12.2015: CHF 22 615 million) and CHF 1090 million relating to non-controlling interests in investment funds have been reclassified to other financial liabilities (31.12.2015: CHF 2496 million).

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 financial statements of the Group 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

	30.06.2016	31.12.2015	Average 2016 HY	Average 2015 HY
1 British pound (GBP)	1.2967	1.4729	1.4075	1.4441
1 Czech koruna (CZK)	0.0400	0.0402	0.0405	0.0384
1 Euro (EUR)	1.0822	1.0863	1.0962	1.0583
100 Polish zloty (PLN)	n/a	25.4470	n/a	25.5497
1 Singapore dollar (SGD)	0.7244	0.7055	0.7115	0.7021
1 US dollar (USD)	0.9773	0.9997	0.9818	0.9478

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.

Interest income from intercompany loans and intercompany guarantee fees charged and received have been excluded from the segment result. The statement of income for the 6 months ended 30 June 2015 has been adjusted accordingly.

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. 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, 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 Swiss Life Select units operating in Austria and the Czech Republic as well as Chase de Vere operating in the United Kingdom.

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 2016

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	5 937	1 230	572	24	-	0	7 763	-11	7 751
Premiums earned on investment contracts with discretionary participation	561	-	-	-	-	-	561	-	561
Premiums ceded to reinsurers	-6	-65	-10	-6	-	0	-87	11	-76
Net earned premiums	6 492	1 165	562	18	-	0	8 237	0	8 237
Policy fees earned on insurance contracts	4	4	2	0	-	-	10	-	10
Policy fees earned on investment and unit-linked contracts	16	67	3	38	-	-	124	-	124
Net earned policy fees	20	71	5	38	-	-	134	-	134
Commission income	97	41	177	70	279	2	666	-149	517
Investment income	1 565	326	305	16	0	13	2 226	-1	2 224
Net gains/losses on financial assets	-502	-26	30	-25	0	-9	-532	-	-532
Net gains/losses on financial instruments at fair value through profit or loss	379	54	44	20	0	-1	496	-	496
Net gains/losses on investment property	231	68	6	-	-	0	305	-	305
Share of profit or loss of associates	1	2	-	-	1	-	4	-	4
Other income	24	0	1	6	8	1	40	-1	39
TOTAL INCOME	8 306	1 702	1 130	143	288	6	11 576	-152	11 424
of which intersegment	16	1	-4	-4	140	3	152	-152	
EXPENSES									
Benefits and claims under insurance contracts	-6 757	-1 174	-628	-10	-	0	-8 569	5	-8 564
Benefits and claims under investment contracts with discretionary participation	-573	-	-	-	-	-	-573	-	-573
Benefits and claims recovered from reinsurers	4	37	7	1	-	0	49	-4	45
Net insurance benefits and claims	-7 327	-1 137	-621	-9	-	0	-9 093	0	-9 093
Policyholder participation	-140	68	-181	-7	-	-	-261	0	-261
Interest expense	-23	-48	-6	-7	0	0	-85	3	-82
Commission expense	-199	-176	-128	-47	-24	0	-574	147	-427
Employee benefits expense	-126	-86	-68	-28	-102	-4	-413	0	-412
Depreciation and amortisation expense	-22	-110	-35	-2	-5	0	-174	-	-174
Impairment of property and equipment and intangible assets	-	-	0	-	-	-	0	-	0
Other expenses	-50	-76	-29	-18	-42	-3	-218	1	-217
TOTAL EXPENSES	-7 886	-1 564	-1 068	-119	-173	-8	-10 818	152	-10 666
of which intersegment	-106	-4	-20	0	-16	-4	-152	152	
SEGMENT RESULT	420	137	63	25	115	-1	758	-	758
of which intersegment	-90	-3	-24	-5	124	-1	-	-	
Unallocated corporate costs									-30
PROFIT FROM OPERATIONS									729
Borrowing costs									-85
Income tax expense									-143
NET PROFIT									500

Statement of income for the 6 months ended 30 June 2015

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	6 370	1 199	578	21	-	4	8 173	-32	8 141
Premiums earned on investment contracts with discretionary participation	518	-	-	-	-	-	518	-	518
Premiums ceded to reinsurers	-6	-80	-13	-5	-	0	-104	32	-72
Net earned premiums	6 883	1 119	565	16	-	4	8 587	0	8 587
Policy fees earned on insurance contracts	4	6	0	0	-	-	10	-	10
Policy fees earned on investment and unit-linked contracts	17	63	6	40	-	-	125	-	125
Net earned policy fees	21	69	6	40	-	-	135	-	135
Commission income	75	51	162	71	259	2	620	-143	477
Investment income	1 499	357	300	15	2	11	2 183	-1	2 182
Net gains/losses on financial assets	-1 853	77	301	24	-2	-96	-1 549	-	-1 549
Net gains/losses on financial instruments at fair value through profit or loss	1 906	-38	-254	-1	0	92	1 704	-	1 704
Net gains/losses on investment property	301	36	14	-	-	0	351	-	351
Share of profit or loss of associates	0	2	-	-	2	0	5	-	5
Other income	313	0	1	-22	3	1	296	-1	296
TOTAL INCOME	9 145	1 672	1 094	143	263	14	12 332	-145	12 187
of which intersegment	32	-20	-18	11	133	7	145	-145	
EXPENSES									
Benefits and claims under insurance contracts	-7 176	-957	-616	-5	-	1	-8 753	26	-8 726
Benefits and claims under investment contracts with discretionary participation	-537	-	-	-	-	-	-537	-	-537
Benefits and claims recovered from reinsurers	5	51	10	1	-	0	67	-26	41
Net insurance benefits and claims	-7 708	-905	-606	-4	-	0	-9 223	0	-9 223
Policyholder participation	-580	-157	-183	-11	-	0	-931	0	-931
Interest expense	-25	-55	-6	-7	0	0	-93	3	-90
Commission expense	-188	-167	-112	-50	-23	0	-541	142	-399
Employee benefits expense	-119	-87	-63	-30	-96	-2	-397	0	-397
Depreciation and amortisation expense	-59	-101	-41	-2	-6	-1	-209	-	-209
Impairment of property and equipment and intangible assets	-4	-	0	-	-	-	-4	-	-4
Other expenses	-49	-67	-31	-19	-36	-10	-212	-1	-212
TOTAL EXPENSES	-8 733	-1 539	-1 041	-122	-162	-14	-11 610	145	-11 465
of which intersegment	-126	22	-20	2	-18	-5	-145	145	
SEGMENT RESULT	412	133	53	21	102	0	722	-	722
of which intersegment	-93	2	-38	12	115	2	-	-	
Unallocated corporate costs									-30
PROFIT FROM OPERATIONS									692
Borrowing costs									-69
Income tax expense									-130
NET PROFIT									493

Balance sheet as at 30 June 2016

In CHF million

	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
ASSETS									
Cash and cash equivalents	1 840	950	358	2 582	145	84	5 960	-1	5 959
Derivatives	2 787	414	19	-	-	4	3 224	-22	3 202
Assets held for sale	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	5 545	10 889	1 260	15 903	-	-	33 597	-	33 597
Financial assets available for sale	77 223	18 476	8 109	1 322	45	1 410	106 585	-	106 585
Loans and receivables	15 104	2 273	8 129	95	175	1 706	27 481	-3 092	24 389
Financial assets pledged as collateral	532	1 508	-	-	-	-	2 040	-	2 040
Investment property	18 988	2 061	1 592	-	-	3	22 644	-	22 644
Investments in associates	3	58	0	-	3	0	65	-	65
Reinsurance assets	34	360	77	112	-	0	583	-86	497
Property and equipment	215	35	132	2	3	13	402	-	402
Intangible assets including intangible insurance assets	612	380	1 352	233	176	0	2 754	-	2 754
Other assets	655	51	2	4	231	1	944	-155	789
SEGMENT ASSETS	123 539	37 455	21 031	20 253	778	3 221	206 278	-3 356	202 923
Income tax assets									66
TOTAL ASSETS									202 989
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	1 991	14	25	-	-	30	2 060	-22	2 039
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Investment contracts	6 276	10 027	730	19 203	-	-	36 236	-	36 236
Other financial liabilities	8 564	6 448	794	176	229	214	16 426	-1 081	15 345
Insurance liabilities	80 399	14 839	15 792	204	-	1	111 235	-112	111 122
Policyholder participation liabilities	8 580	3 465	2 119	29	-	-	14 192	0	14 192
Employee benefit liabilities	1 919	73	209	11	84	-	2 295	-	2 295
Provisions	14	11	29	24	10	1	88	-	88
Other liabilities	142	130	40	16	6	4	338	-2	336
SEGMENT LIABILITIES	107 885	35 007	19 738	19 662	330	249	182 870	-1 217	181 654
Borrowings									4 517
Income tax liabilities									2 422
EQUITY									14 396
TOTAL LIABILITIES AND EQUITY									202 989

Balance sheet as at 31 December 2015

In CHF million

	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
ASSETS									
Cash and cash equivalents	1 262	688	221	2 737	166	224	5 297	-1	5 296
Derivatives	1 751	311	35	46	-	-	2 144	-31	2 113
Assets held for sale	4	-	-	-	-	-	4	-	4
Financial assets at fair value through profit or loss	5 316	10 527	1 261	16 485	0	-	33 590	-	33 590
Financial assets available for sale	69 768	16 394	7 502	1 246	48	1 068	96 026	-	96 026
Loans and receivables	14 607	2 357	8 363	207	247	1 650	27 431	-3 199	24 232
Financial assets pledged as collateral	508	1 595	-	5	-	-	2 109	-	2 109
Investment property	18 122	1 884	1 548	-	-	3	21 557	-	21 557
Investments in associates	8	56	0	-	2	0	67	-	67
Reinsurance assets	32	357	73	105	-	1	566	-89	478
Property and equipment	218	35	135	3	2	13	407	-	407
Intangible assets including intangible insurance assets	615	402	1 406	235	182	1	2 840	-	2 840
Other assets	383	14	1	2	220	2	622	-150	471
SEGMENT ASSETS	112 594	34 621	20 544	21 072	866	2 961	192 659	-3 471	189 188
Income tax assets									64
TOTAL ASSETS									189 252
LIABILITIES AND EQUITY									
LIABILITIES									
Derivatives	863	10	104	11	-	32	1 020	-31	989
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Investment contracts	5 879	10 145	859	19 847	-	-	36 730	-	36 730
Other financial liabilities	6 967	5 459	767	368	221	220	14 002	-1 222	12 780
Insurance liabilities	77 977	14 318	15 774	192	-	12	108 273	-116	108 157
Policyholder participation liabilities	6 050	2 385	1 604	26	-	0	10 065	0	10 065
Employee benefit liabilities	1 636	70	167	13	90	0	1 976	-	1 976
Provisions	16	11	36	25	10	4	101	-	101
Other liabilities	159	71	45	10	7	2	294	-2	293
SEGMENT LIABILITIES	99 547	32 469	19 357	20 492	328	269	172 463	-1 370	171 092
Borrowings									4 078
Income tax liabilities									1 824
EQUITY									12 258
TOTAL LIABILITIES AND EQUITY									189 252

Premiums and policy fees from external customers

In CHF million	Net earned premiums		Net earned policy fees	
	2016 HY	2015 HY	2016 HY	2015 HY
LIFE				
Individual life	1 571	1 667	129	131
Group life	6 504	6 751	5	4
TOTAL LIFE	8 075	8 418	134	135
NON-LIFE				
Accident and health	6	5	–	–
Property, casualty and other	156	164	–	–
TOTAL NON-LIFE	162	169	–	–
TOTAL	8 237	8 587	134	135

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 these guarantees are included in financial liabilities and insurance liabilities, respectively.

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

In CHF million	Notes	30.06.2016	31.12.2015
Cash and cash equivalents		2 487	2 625
Financial assets at fair value through profit or loss			
Debt securities	8	5 624	5 785
Equity securities	8	4 499	4 751
Investment funds	8	16 486	16 756
Other	8	1	1
TOTAL ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS		29 097	29 918

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

In CHF million

	Notes	30.06.2016	31.12.2015
Unit-linked contracts	12	21 907	22 615
Investment contracts	12	3 737	3 995
Insurance liabilities	14	3 300	3 167
TOTAL LIABILITIES LINKED TO ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS		28 944	29 777

Financial result for the 6 months ended 30 June

In CHF million

	Notes	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	
		2016 HY	2015 HY	2016 HY	2015 HY	2016 HY	2015 HY
Investment income	6	2 224	2 182	–	–	2 224	2 182
Net gains/losses on financial assets	6	–513	–1 549	–19	–	–532	–1 549
Net gains/losses on financial instruments at fair value through profit or loss	6	471	1 704	25	0	496	1 704
Net gains/losses on investment property		305	351	–	–	305	351
Share of profit or loss of associates		4	5	–	–	4	5
FINANCIAL RESULT		2 492	2 692	6	0	2 498	2 692

5 Premiums, Policy Fees and Deposits Received

Written premiums

In CHF million

	2016 HY	2015 HY
Direct	8 210	8 541
Assumed	152	159
GROSS WRITTEN PREMIUMS	8 362	8 700
Ceded	–80	–72
NET WRITTEN PREMIUMS	8 283	8 628

Earned premiums

In CHF million

	2016 HY	2015 HY
Direct	8 160	8 502
Assumed	152	157
GROSS EARNED PREMIUMS	8 312	8 659
Ceded	–76	–72
NET EARNED PREMIUMS	8 237	8 587

Written policy fees

In CHF million

	2016 HY	2015 HY
Direct	142	143
Assumed	-	-
GROSS WRITTEN POLICY FEES	142	143
Ceded	-	-
NET WRITTEN POLICY FEES	142	143

Earned policy fees

In CHF million

	2016 HY	2015 HY
Direct	134	135
Assumed	-	-
GROSS EARNED POLICY FEES	134	135
Ceded	-	-
NET EARNED POLICY FEES	134	135

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

	2016 HY	2015 HY
Gross written premiums and policy fees	8 504	8 843
Deposits received under insurance and investment contracts	1 634	2 167
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	10 138	11 010

6 Details of Certain Items in the Consolidated Statement of Income

Commission income

In CHF million

	2016 HY	2015 HY
Brokerage commissions	264	235
Asset management commissions	159	156
Other commissions and fees	94	86
TOTAL COMMISSION INCOME	517	477

Investment income

In CHF million

	2016 HY	2015 HY
Interest income on financial assets available for sale	1 261	1 277
Interest income on loans and receivables	340	360
Other interest income	0	1
Dividend income on financial assets available for sale	265	179
Net income on investment property	358	365
TOTAL INVESTMENT INCOME	2 224	2 182

Net gains/losses on financial assets

In CHF million

	2016 HY	2015 HY
Sale of		
financial assets available for sale	229	432
loans	54	14
Net gains/losses from sales	284	446
Impairment losses on		
debt instruments available for sale	-3	4
equity instruments available for sale	-34	-8
loans and receivables	-4	-7
Impairment losses on financial assets	-41	-11
Foreign currency gains/losses	-775	-1 985
TOTAL NET GAINS/LOSSES ON FINANCIAL ASSETS	-532	-1 549

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

In CHF million

	2016 HY	2015 HY
Currency derivatives	472	1 399
Interest rate derivatives	-66	412
Equity derivatives	71	-39
Other derivatives	9	6
Financial assets designated as at fair value through profit or loss ¹	74	-7
Associates at fair value through profit or loss ¹	-	-12
Investment contracts without DPF	-57	-54
Non-controlling interests in investment funds	-32	0
Assets for the account and risk of the Swiss Life Group's customers ¹	-524	688
Liabilities linked to assets for the account and risk of the Swiss Life Group's customers	549	-688
TOTAL NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	496	1 704

¹ Includes interest and dividend income of CHF 48 million (2015 HY: CHF 44 million).

Other income

In CHF million

	2016 HY	2015 HY
Realised gains/losses on sales of subsidiaries and other assets	1	0
Net income on inventory property ¹	16	10
Other foreign currency gains/losses	20	281
Other	3	4
TOTAL OTHER INCOME	39	296

¹ The cost of inventories recognised as an expense was CHF 46 million (2015 HY: CHF 32 million).

Net insurance benefits and claims

In CHF million

	2016 HY	2015 HY
Benefits and claims under insurance contracts		
Life benefits and claims paid, gross	5 555	5 097
Change in liability for future life policyholder benefits, gross	2 903	3 526
Non-life claims paid, gross	121	119
Change in reserve for non-life claims, gross	-15	-16
Benefits and claims recovered from reinsurers	-45	-41
Net benefits and claims under insurance contracts	8 520	8 686
Benefits and claims under investment contracts with discretionary participation		
Life benefits and claims paid, gross	341	280
Change in liability for future life policyholder benefits, gross	232	257
Benefits and claims recovered from reinsurers	-	-
Net benefits and claims under investment contracts with discretionary participation	573	537
TOTAL NET INSURANCE BENEFITS AND CLAIMS	9 093	9 223

Interest expense

In CHF million

	2016 HY	2015 HY
Interest expense on deposits	4	6
Interest expense on investment contracts	37	37
Interest expense on deposits under insurance contracts	27	30
Other interest expense	14	17
TOTAL INTEREST EXPENSE	82	90

Commission expense

In CHF million

	2016 HY	2015 HY
Insurance agent and broker commissions	369	344
Asset management and banking commissions	35	36
Other commissions and fees	22	19
TOTAL COMMISSION EXPENSE	427	399

Employee benefits expense

In CHF million

	2016 HY	2015 HY
Wages and salaries	300	292
Social security	64	60
Defined benefit plans	48	38
Defined contribution plans	1	0
Other employee benefits	22	27
TOTAL EMPLOYEE BENEFITS EXPENSE	433	417

Depreciation and amortisation expense

In CHF million

	Notes	2016 HY	2015 HY
Depreciation of property and equipment		12	12
Amortisation of present value of future profits (PVP)	11	0	0
Amortisation of deferred acquisition costs (DAC)	11	142	177
Amortisation of deferred origination costs (DOC)	11	5	7
Amortisation of other intangible assets	11	14	13
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		174	209

Other expenses

In CHF million

	2016 HY	2015 HY
Marketing and advertising	21	23
Information technology and systems	40	32
Rental, maintenance and repair	32	33
Professional services	67	67
Premium taxes and other non-income taxes	26	27
Other	41	40
TOTAL OTHER EXPENSES	226	222

7 Income Taxes

Income tax expense

In CHF million

	2016 HY	2015 HY
Current income tax expense	99	96
Deferred income tax expense	44	34
TOTAL INCOME TAX EXPENSE	143	130

8 Financial Assets at Fair Value through Profit or Loss

In CHF million

	Notes	30.06.2016	31.12.2015
FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Debt securities		628	635
Money market instruments		-	0
Equity securities		7	7
Investment funds – debt		3 030	2 606
Investment funds – equity		653	718
Investment funds – balanced		280	173
Real estate funds		1 490	1 373
Private equity		4	-
Hedge funds		4	5
Infrastructure investments		891	780
Financial assets for the account and risk of the Swiss Life Group's customers	4	26 610	27 293
TOTAL FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		33 597	33 590

9 Financial Assets Available for Sale

In CHF million	Cost/amortised cost		Net unrealised gains/losses		Fair value (carrying amount)	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Debt securities	78 280	76 030	15 407	8 854	93 687	84 884
Senior secured loans	1 458	-	-2	-	1 456	-
Equity securities	4 461	3 431	268	232	4 729	3 663
Investment funds – debt	3 399	4 436	70	-69	3 470	4 367
Investment funds – equity	1 571	1 384	63	77	1 634	1 461
Investment funds – balanced	12	30	0	0	12	29
Real estate funds	886	881	55	33	941	914
Private equity	402	412	174	189	575	601
Hedge funds	53	76	27	30	80	106
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE	90 523	86 680	16 062	9 345	106 585	96 026

Following redesign of investment fund structures, two senior secured loan funds were fully consolidated in 2016.

10 Loans and Receivables

In CHF million	Notes	Gross amount		Allowance for impairment losses		Cost/amortised cost (carrying amount)	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
LOANS							
Mortgages		7 354	7 086	-13	-12	7 341	7 073
Corporate and other loans		2 196	1 735	-4	-4	2 192	1 732
Note loans		6 658	6 758	-	-	6 658	6 758
Debt securities previously classified as available for sale		3 332	3 959	-	-	3 332	3 959
Other debt securities classified as loans		419	433	-	-	419	433
TOTAL LOANS	16	19 960	19 971	-17	-16	19 943	19 955
RECEIVABLES							
Insurance receivables		1 603	1 413	-18	-18	1 585	1 395
Reinsurance receivables ¹		276	265	-	-	276	265
Accrued income		1 261	1 530	-	-	1 261	1 530
Settlement accounts		737	341	-	-	737	341
Other receivables		597	757	-10	-9	587	747
TOTAL RECEIVABLES	16	4 474	4 305	-28	-28	4 446	4 277
TOTAL LOANS AND RECEIVABLES		24 434	24 276	-45	-44	24 389	24 232

¹ Comparative amount adjusted due to reclassification of ceded investment contracts of CHF 102 million to reinsurance assets.

11 Intangible Assets including Intangible Insurance Assets

In CHF million

	30.06.2016	31.12.2015
Intangible insurance assets	1 393	1 464
Other intangible assets	1 361	1 376
TOTAL INTANGIBLE ASSETS	2 754	2 840

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	
	2016 HY	2015 YE	2016 HY	2015 YE	2016 HY	2015 YE	2016 HY	2015 YE
Balance as at 1 January	12	14	1 431	1 450	21	33	1 464	1 497
Additions	–	–	187	429	2	5	189	434
Amortisation	0	–1	–142	–401	–5	–14	–148	–415
Impairment	–	–	0	0	–	–	0	0
Effect of shadow accounting	0	0	–109	49	–	–	–109	49
Foreign currency translation differences	0	–1	–3	–96	0	–3	–3	–101
BALANCE AS AT END OF PERIOD	11	12	1 364	1 431	17	21	1 393	1 464

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

Other intangible assets for the 6 months ended 30 June 2016

In CHF million					
	Goodwill	Customer relationships	Computer software	Brands and other	Total
COST					
Balance as at 1 January	1 754	136	181	21	2 092
Additions	-	-	6	0	6
Disposals ¹	-	-2	-4	-	-5
Foreign currency translation differences	-8	0	-1	0	-9
BALANCE AS AT END OF PERIOD	1 746	134	182	21	2 084
ACCUMULATED AMORTISATION AND IMPAIRMENT					
Balance as at 1 January	-520	-66	-130	0	-716
Amortisation	-	-6	-8	0	-14
Disposals ¹	-	2	4	-	5
Foreign currency translation differences	1	0	1	0	2
BALANCE AS AT END OF PERIOD	-519	-70	-133	0	-723
TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD	1 227	64	49	21	1 361

¹ Includes elimination of fully amortised/impaired assets.

Other intangible assets for the year 2015

In CHF million					
	Goodwill	Customer relationships	Computer software	Brands and other	Total
COST					
Balance as at 1 January	1 843	191	190	23	2 247
Additions	-	-	11	-	11
Additions from business combinations	15	-	1	-	16
Disposals ¹	-	-39	-4	-	-43
Foreign currency translation differences	-104	-16	-18	-2	-140
BALANCE AS AT END OF PERIOD	1 754	136	181	21	2 092
ACCUMULATED AMORTISATION AND IMPAIRMENT					
Balance as at 1 January	-542	-99	-131	0	-772
Amortisation	-	-13	-15	0	-28
Impairment losses	-15	-	-	-	-15
Disposals ¹	-	39	4	-	42
Foreign currency translation differences	37	7	12	0	57
BALANCE AS AT END OF PERIOD	-520	-66	-130	0	-716
TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD	1 234	70	51	21	1 376

¹ Includes elimination of fully amortised/impaired assets.

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 2015, Actuaire & Associés, Petit-Lancy, ABCON AG, Bern, and Sobrado Software AG, Cham, were acquired. The goodwill amounted to CHF 15 million in total. The goodwill of all three acquisitions has been allocated to the "Switzerland" segment and was fully impaired in 2015.

Goodwill relating to Lloyd Continental has been allocated to the "France" segment. Goodwill relating to CapitalLeben has been allocated to the "International" segment. Goodwill relating to Corpus Sireo has been allocated to the "Asset Managers" segment. Of the goodwill relating to other acquisitions, CHF 18 million (31.12.2015: CHF 19 million) have been allocated to the "France" segment and CHF 8 million (31.12.2015: CHF 8 million) to the "Asset Managers" segment as at 30 June 2016.

In CHF million	Lloyd Continental		CapitalLeben		Corpus Sireo		Other	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net carrying amount of goodwill	287	287	149	149	105	105	26	27

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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net carrying amount of goodwill	152	152	437	438	71	76	660	666

Customer relationships

As at 30 June 2016, customer relationships comprise customer relationships relating to Swiss Life Select: CHF 4 million (31.12.2015: CHF 4 million), which were allocated to the "Switzerland" segment. The "France" segment comprises customer relationships of CHF 17 million (31.12.2015: CHF 20 million) and the "Asset Managers" segment of CHF 43 million (31.12.2015: CHF 46 million).

Brands and other

Comprises the brand Corpus Sireo.

12 Investment Contracts

In CHF million	Notes	Gross		Ceded		Net	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Unit-linked contracts	16	21 907	22 615	–	–	21 907	22 615
Investment contracts with DPF		13 921	13 762	107	100	13 814	13 662
Investment contracts without DPF at fair value through profit or loss	16	399	343	–	–	399	343
Investment contracts without DPF at amortised cost	16	9	9	–	–	9	9
TOTAL INVESTMENT CONTRACTS		36 236	36 730	107	100	36 129	36 630
of which for the account and risk of the Swiss Life Group's customers							
unit-linked contracts		21 907	22 615	–	–	21 907	22 615
investment contracts		3 737	3 995	–	–	3 737	3 995

13 Borrowings

In CHF million	Notes	30.06.2016	31.12.2015
Hybrid debt		3 508	2 916
Convertible debt		463	459
Senior bonds		423	423
Mortgage loans		121	278
Other		1	2
TOTAL BORROWINGS	16	4 517	4 078

Hybrid debt

On 24 March 2016, Swiss Life Ltd issued CHF 450 million in perpetual subordinated bonds, first callable in September 2021 (coupon until first call date: 3.75% p.a.) and CHF 150 million in subordinated bonds with final maturity in 2046, first callable in September 2026 (coupon until first call date: 4.375% p.a.).

In January 2016, the mortgage loan of CHF 156 million granted to Genblan AG matured and was redeemed.

14 Insurance Liabilities

In CHF million	Gross		Ceded		Net	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Claims under non-life insurance contracts	852	872	166	170	687	702
Unearned premiums non-life	72	56	0	1	72	55
Claims under life insurance contracts	5 992	6 102	90	84	5 902	6 018
Future life policyholder benefits	97 392	94 481	128	122	97 264	94 359
Unearned premiums life	71	38	4	0	67	38
Deposits under insurance contracts	6 743	6 609	-	-	6 743	6 609
TOTAL INSURANCE LIABILITIES	111 122	108 157	388	376	110 734	107 782
of which for the account and risk of the Swiss Life Group's customers	3 300	3 167	-	-	3 300	3 167

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	30.06.2016	31.12.2015
Employee benefit liabilities consist of		
gross defined benefit liabilities	2 185	1 823
other employee benefit liabilities	110	153
TOTAL EMPLOYEE BENEFIT LIABILITIES	2 295	1 976

Amounts recognised as defined benefit assets/liabilities

In CHF million	30.06.2016	31.12.2015
Present value of defined benefit obligation	-3 738	-3 325
Fair value of plan assets	1 654	1 599
NET DEFINED BENEFIT LIABILITY	-2 084	-1 726
Insurance contracts not eligible as plan assets under IFRS	1 475	1 459
NET DEFINED BENEFIT SURPLUS (+)/DEFICIT (-) (ECONOMIC VIEW)	-609	-267
The net defined benefit liability consists of		
gross defined benefit liabilities	-2 185	-1 823
gross defined benefit assets	101	97

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 609 million as at 30 June 2016 (31.12.2015: deficit of CHF 267 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 level 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 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
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
FINANCIAL ASSETS								
Derivatives								
Currency	1	0	599	416	–	–	600	416
Interest rate	–	0	2 220	1 421	–	–	2 220	1 421
Equity	377	262	5	13	–	–	382	275
Total derivatives	378	262	2 824	1 851	–	–	3 202	2 113
Debt instruments								
Government and supranational	52 754	45 828	294	373	–	–	53 049	46 201
Corporates	42 624	40 881	2 010	410	13	16	44 647	41 307
Other	108	112	7	8	–	–	115	120
Total debt instruments	95 486	86 821	2 311	791	13	16	97 811	87 628
Equity instruments								
Equity securities	4 438	3 368	21	21	278	281	4 736	3 670
Investment funds	8 370	8 859	1 693	1 436	1 446	1 346	11 510	11 641
Alternative investments	62	65	64	69	1 428	1 358	1 554	1 492
Total equity instruments	12 870	12 292	1 778	1 526	3 152	2 985	17 801	16 803
Assets for the account and risk of the Swiss Life Group's customers	22 616	23 300	1 210	1 243	2 784	2 750	26 610	27 293
TOTAL FINANCIAL ASSETS	131 351	122 675	8 123	5 411	5 950	5 751	145 424	133 837
INVESTMENTS IN ASSOCIATES								
Associates at fair value through profit or loss	–	–	–	1	–	5	–	6
FINANCIAL LIABILITIES								
Derivatives								
Currency	1	0	401	374	–	–	402	375
Interest rate	1	–	1 386	571	–	–	1 387	571
Equity	156	8	42	1	–	–	198	8
Other	–	–	52	35	–	–	52	35
Total derivatives	158	8	1 881	981	–	–	2 039	989
Investment contracts without discretionary participation	–	–	399	343	–	–	399	343
Unit-linked contracts	–	–	21 793	22 491	114	124	21 907	22 615
Non-controlling interests in investment funds	–	–	2 398	1 926	717	570	3 115	2 496
TOTAL FINANCIAL LIABILITIES	158	8	26 471	25 742	831	693	27 460	26 443

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 2015, Note 30, Fair Value Measurements.

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 2016

In CHF million

	Derivatives	Debt instruments		Equity instruments		Financial assets for the account and risk of the Swiss Life Group's customers	Associates at fair value through profit or loss	Total
		At fair value through profit or loss	Available for sale	At fair value through profit or loss	Available for sale			
Balance as at 1 January	-	15	1	1 702	1 283	2 750	5	5 756
Total gains/losses recognised in profit or loss	-	0	2	-30	5	4	-	-19
Total gains/losses recognised in other comprehensive income	-	-	-	-	-12	-	-	-12
Additions	-	-	-	455	34	64	-	553
Disposals	-	-2	-3	-196	-83	-29	-5	-317
Transfers into level 3	-	-	-	1	-	-	-	1
Foreign currency translation differences	-	0	-	-5	-2	-4	-	-12
BALANCE AS AT END OF PERIOD	-	13	-	1 927	1 225	2 784	-	5 950
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	0	-	-33	-12	3	-	-42

Assets measured at fair value based on level 3 for the 6 months ended 30 June 2015

In CHF million

	Derivatives	Debt instruments		Equity instruments		Financial assets for the account and risk of the Swiss Life Group's customers	Associates at fair value through profit or loss	Total
		At fair value through profit or loss	Available for sale	At fair value through profit or loss	Available for sale			
Balance as at 1 January	-	46	33	1 182	1 083	3 750	7	6 101
Total gains/losses recognised in profit or loss	-	-1	6	-6	28	-101	0	-74
Total gains/losses recognised in other comprehensive income	-	-	0	-	-61	-	-	-61
Additions	-	-	-	167	111	193	-	472
Disposals	-	-	-	-155	-92	-398	-1	-646
Transfers out of level 3	-	-	-38	-	-	-	-	-38
Foreign currency translation differences	-	-6	-	-61	-62	-395	-	-524
BALANCE AS AT END OF PERIOD	-	39	1	1 128	1 007	3 049	5	5 229
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	-1	6	-1	-6	-101	0	-104

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

In CHF million	Derivatives		Unit-linked contracts		Non-controlling interests in investment funds		Total	
	2016 HY	2015 HY	2016 HY	2015 HY	2016 HY	2015 HY	2016 HY	2015 HY
Balance as at 1 January	-	-	124	113	570	427	693	540
Total gains/losses recognised in profit or loss	-	-	0	0	5	0	5	0
Additions	-	-	0	-	210	50	210	50
Disposals	-	-	-10	0	-65	-72	-75	-72
Foreign currency translation differences	-	-	0	0	-3	-13	-3	-13
BALANCE AS AT END OF PERIOD	-	-	114	112	717	393	831	505
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-	0	0	5	0	5	0

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	Net gains/losses on financial assets		Net gains/losses on financial instruments at fair value through profit or loss	
	2016 HY	2015 HY	2016 HY	2015 HY
ASSETS				
Total gains/losses recognised in profit or loss	7	34	-26	-108
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-12	0	-30	-103
LIABILITIES				
Total gains/losses recognised in profit or loss	-	-	-5	0
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-	-5	0

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 Group's balance sheet.

In CHF million	Carrying amount		Fair value	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
ASSETS				
Loans	19 943	19 955	24 074	22 620
Receivables ¹	4 446	4 277	4 446	4 277
LIABILITIES				
Investment contracts without discretionary participation ¹	9	9	9	9
Borrowings	4 517	4 078	4 667	4 278
Other financial liabilities ^{1,2}	12 230	10 284	12 230	10 284

¹ Carrying amount approximates fair value.

² Excluding non-controlling interests in investment funds.

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 37) of Swiss Life Holding Ltd for the period ended 30 June 2016. 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

Ray Kunz

Nebojsa Baratovic

Zurich, 10 August 2016

Important Dates

Interim Statement Q3 2016

9 November 2016

Presentation of 2016 results

3 March 2017

Annual General Meeting 2017

25 April 2017, Hallenstadion Zurich

Interim Statement Q1 2017

10 May 2017

Contacts

Swiss Life

General-Guisan-Quai 40

P.O. Box 2831

CH-8022 Zurich

Tel. +41 43 284 33 11

www.swisslife.com

Investor Relations

Tel. +41 43 284 52 76

Fax +41 43 284 44 41

E-mail investor.relations@swisslife.ch

Shareholder Services

Tel. +41 43 284 61 10

Fax +41 43 284 61 66

E-mail shareholder.services@swisslife.ch

Media Relations

Tel. +41 43 284 77 77

Fax +41 43 284 48 84

E-mail media.relations@swisslife.ch

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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The future starts here.

*Swiss Life
General-Guisan-Quai 40
P.O. Box 2831
CH-8022 Zurich*

*Tel. +41 43 284 33 11
www.swisslife.com*