

*First-Half  
Financial Report  
2017*



# 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
19	4 Contracts for the Account and Risk of the Swiss Life Group's Customers
20	5 Premiums, Policy Fees and Deposits Received
22	6 Details of Certain Items in the Consolidated Statement of Income
26	7 Income Taxes
26	8 Financial Assets at Fair Value through Profit or Loss
27	9 Financial Assets Available for Sale
27	10 Loans and Receivables
28	11 Intangible Assets including Intangible Insurance Assets
32	12 Investment and Unit-Linked Contracts
33	13 Borrowings
34	14 Insurance Liabilities
36	15 Employee Benefits
37	16 Fair Value of Financial Instruments
42	Review Report

# Condensed Consolidated Statement of Income (unaudited)

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

In CHF million

	Notes	2017 HY	2016 HY
<b>INCOME</b>			
Premiums earned on insurance contracts		7 148	7 751
Premiums earned on investment contracts with discretionary participation		438	561
Premiums ceded to reinsurers		-72	-76
Net earned premiums	5	7 515	8 237
Policy fees earned on insurance contracts		9	10
Policy fees earned on investment and unit-linked contracts		140	124
Net earned policy fees	5	149	134
Commission income	6	527	517
Investment income	4, 6	2 182	2 224
Net gains/losses on financial assets	4, 6	-486	-532
Net gains/losses on financial instruments at fair value through profit or loss	4, 6	283	496
Net gains/losses on investment property	4	348	305
Share of profit or loss of associates	4	2	4
Other income	6	153	86
<b>TOTAL INCOME</b>		<b>10 674</b>	<b>11 472</b>
<b>EXPENSES</b>			
Benefits and claims under insurance contracts		-7 539	-8 564
Benefits and claims under investment contracts with discretionary participation		-448	-573
Benefits and claims recovered from reinsurers		30	45
Net insurance benefits and claims	6	-7 958	-9 093
Policyholder participation		-452	-261
Interest expense	6	-70	-82
Commission expense	6	-441	-427
Employee benefits expense	6	-457	-433
Depreciation and amortisation expense	6	-195	-174
Impairment of property and equipment and intangible assets		-	0
Other expenses	6	-340	-274
<b>TOTAL EXPENSES</b>		<b>-9 914</b>	<b>-10 743</b>
<b>PROFIT FROM OPERATIONS</b>		<b>760</b>	<b>729</b>
Borrowing costs		-84	-85
<b>PROFIT BEFORE INCOME TAX</b>		<b>676</b>	<b>644</b>
Income tax expense	7	-152	-143
<b>NET PROFIT</b>		<b>524</b>	<b>500</b>
Net profit attributable to			
equity holders of Swiss Life Holding		521	499
non-controlling interests		3	1
<b>NET PROFIT</b>		<b>524</b>	<b>500</b>
Earnings per share attributable to equity holders of Swiss Life Holding			
Basic earnings per share (in CHF)		16.22	15.67
Diluted earnings per share (in CHF)		15.37	14.78

# Condensed Consolidated Statement of Comprehensive Income (unaudited)

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

In CHF million

	2017 HY	2016 HY
<b>NET PROFIT</b>	<b>524</b>	<b>500</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT</b>		
Exchange differences on translating foreign operations	-53	-18
Net investment hedges	122	-1
Financial assets available for sale	-503	6 877
Cash flow hedges	-103	368
Financial assets reclassified to loans	11	22
Share of other comprehensive income of associates	0	0
Adjustments relating to items that may be reclassified:		
Policyholder participation	442	-4 480
Shadow accounting	13	-121
Income tax	14	-610
<b>TOTAL</b>	<b>-56</b>	<b>2 037</b>
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT</b>		
Revaluation surplus on investment property	2	0
Remeasurements on defined benefit pension liability	58	-383
Adjustments relating to items that will not be reclassified:		
Policyholder participation	-34	218
Shadow accounting	0	0
Income tax	-6	35
<b>TOTAL</b>	<b>21</b>	<b>-131</b>
<b>NET OTHER COMPREHENSIVE INCOME</b>	<b>-35</b>	<b>1 906</b>
<b>TOTAL NET COMPREHENSIVE INCOME</b>	<b>490</b>	<b>2 406</b>
Total net comprehensive income attributable to		
equity holders of Swiss Life Holding	486	2 405
non-controlling interests	4	1
<b>TOTAL NET COMPREHENSIVE INCOME</b>	<b>490</b>	<b>2 406</b>

# Condensed Consolidated Balance Sheet (unaudited)

## Consolidated balance sheet

In CHF million

	Notes	30.06.2017	31.12.2016
<b>ASSETS</b>			
Cash and cash equivalents		7 173	7 333
Derivatives		2 305	1 885
Assets held for sale		12	12
Financial assets at fair value through profit or loss	8	35 966	34 931
Financial assets available for sale	9	101 630	100 256
Loans and receivables	10	21 885	23 955
Financial assets pledged as collateral		3 155	2 942
Investment property		25 907	23 801
Investments in associates		105	93
Reinsurance assets		516	500
Property and equipment		392	383
Intangible assets including intangible insurance assets	11	2 773	2 717
Current income tax assets		31	41
Deferred income tax assets		51	39
Other assets		875	844
<b>TOTAL ASSETS</b>		<b>202 774</b>	<b>199 731</b>

## Consolidated balance sheet

In CHF million

	Notes	30.06.2017	31.12.2016
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Derivatives		1 415	1 648
Investment and unit-linked contracts	12	38 052	36 920
Borrowings	13	4 327	4 627
Other financial liabilities		14 574	15 200
Insurance liabilities	14	114 024	110 935
Policyholder participation liabilities		11 819	12 043
Employee benefit liabilities	15	1 957	2 068
Current income tax liabilities		182	122
Deferred income tax liabilities		2 027	1 998
Provisions		79	75
Other liabilities		339	355
<b>TOTAL LIABILITIES</b>		<b>188 795</b>	<b>185 992</b>
<b>EQUITY</b>			
Share capital		166	164
Share premium		464	745
Treasury shares		-26	-37
Accumulated other comprehensive income		2 638	2 673
Retained earnings		10 643	10 113
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>13 884</b>	<b>13 657</b>
Non-controlling interests		96	82
<b>TOTAL EQUITY</b>		<b>13 980</b>	<b>13 739</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>202 774</b>	<b>199 731</b>

# Condensed Consolidated Statement of Cash Flows (unaudited)

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

In CHF million

	Notes	2017 HY	2016 HY
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>475</b>	<b>729</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital contributions to investments in associates		-11	-
Sales of investments in associates		-	1
Dividends received from associates		2	0
Purchases of property and equipment		-22	-11
Sales of property and equipment		5	3
Purchases of computer software and other intangible assets		-5	-6
Disposals of subsidiaries, net of cash and cash equivalents		51	-
<b>TOTAL NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>20</b>	<b>-13</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of debt instruments	13	385	596
Redemption of debt instruments	13	-636	-157
Distribution out of capital contribution reserve		-356	-271
Sales of treasury shares		0	0
Borrowing costs paid		-110	-91
Dividends paid to non-controlling interests		-1	-1
<b>TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-719</b>	<b>75</b>
<b>TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>-224</b>	<b>791</b>
Cash and cash equivalents as at 1 January		7 333	5 296
Foreign currency differences		64	-128
Total change in cash and cash equivalents		-224	791
<b>CASH AND CASH EQUIVALENTS AS AT END OF PERIOD</b>		<b>7 173</b>	<b>5 959</b>



## Condensed Consolidated Statement of Changes in Equity (unaudited)

### Consolidated statement of changes in equity for the 6 months ended 30 June 2017

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	745	-37	2 673	10 113	13 657	82	13 739
Total net comprehensive income		-	-	-	-35	521	486	4	490
Distribution out of capital contribution reserve	1	-	-356	-	-	-	-356	-	-356
Conversion of convertible debt	13	2	81	-	-	9	93	-	93
Equity-settled share-based payments		-	5	-	-	-	5	-	5
Sales of treasury shares		-	0	0	-	-	0	-	0
Allocation of treasury shares under equity compensation plans		-	-11	11	-	-	-	-	-
In-kind contributions from non-controlling interests		-	-	-	-	-	-	11	11
Dividends		-	-	-	-	-	-	-1	-1
<b>BALANCE AS AT END OF PERIOD</b>		<b>166</b>	<b>464</b>	<b>-26</b>	<b>2 638</b>	<b>10 643</b>	<b>13 884</b>	<b>96</b>	<b>13 980</b>

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

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	1 022	-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		-	-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
<b>BALANCE AS AT END OF PERIOD</b>		<b>164</b>	<b>741</b>	<b>-35</b>	<b>3 755</b>	<b>9 691</b>	<b>14 316</b>	<b>80</b>	<b>14 396</b>

# *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 2016 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 356 million (CHF 11.00 per registered share) and was paid in the first half of 2017.

## *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 2016, except for the changes in accounting policies as described below.

These interim financial statements should be read in conjunction with the 2016 annual financial statements.

Figures may not add up exactly due to rounding.

### Changes in accounting policies

The Swiss Life Group adopted the amendments to IAS 7 Statement of Cash Flows as at 1 January 2017. The amendments improve the information provided to users of financial statements about an entity's financing activities. A reconciliation between the opening and closing balances of liabilities arising from financing activities is provided in Note 13 Borrowings.

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

### Reclassifications in the consolidated statement of income

Costs of CHF 47 million relating to inventory property was reclassified from other income to other expenses in order to achieve gross presentation. The consolidated statement of income for the 6 months ended 30 June 2016 was adjusted accordingly.

### 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 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

	30.06.2017	31.12.2016	Average 2017 HY	Average 2016 HY
1 British pound (GBP)	1.2475	1.2557	1.2522	1.4075
1 Czech koruna (CZK)	0.0419	0.0397	0.0402	0.0405
1 Euro (EUR)	1.0946	1.0728	1.0770	1.0962
1 Singapore dollar (SGD)	0.6967	0.7031	0.7082	0.7115
1 US dollar (USD)	0.9591	1.0172	0.9944	0.9818

### 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.

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 mainly include property and casualty, liability and motor insurance, accident and health insurance and payment protection 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” 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 2017

In CHF million									
	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
<b>INCOME</b>									
Premiums earned on insurance contracts	5 336	1 247	550	24	-	0	7 158	-9	7 148
Premiums earned on investment contracts with discretionary participation	438	-	-	-	-	-	438	-	438
Premiums ceded to reinsurers	-6	-60	-12	-4	-	-	-81	9	-72
Net earned premiums	5 769	1 187	539	20	-	0	7 515	0	7 515
Policy fees earned on insurance contracts	2	3	3	0	-	-	9	-	9
Policy fees earned on investment and unit-linked contracts	19	78	2	41	-	-	140	0	140
Net earned policy fees	21	81	5	41	-	-	149	0	149
Commission income	94	53	177	71	295	4	694	-167	527
Investment income	1 547	302	301	16	0	18	2 184	-1	2 182
Net gains/losses on financial assets	-480	-33	33	22	-1	-27	-486	-	-486
Net gains/losses on financial instruments at fair value through profit or loss	131	25	136	-32	0	23	283	0	283
Net gains/losses on investment property	283	65	0	-	-	-	348	-	348
Share of profit or loss of associates	0	2	-	-	0	-	2	-	2
Other income	31	0	2	9	100	0	141	12	153
<b>TOTAL INCOME</b>	<b>7 396</b>	<b>1 682</b>	<b>1 193</b>	<b>147</b>	<b>394</b>	<b>18</b>	<b>10 830</b>	<b>-156</b>	<b>10 674</b>
of which intersegment	-1	1	-4	-2	157	5	156	-156	
<b>EXPENSES</b>									
Benefits and claims under insurance contracts	-5 953	-985	-593	-10	-	0	-7 541	3	-7 539
Benefits and claims under investment contracts with discretionary participation	-448	-	-	-	-	-	-448	-	-448
Benefits and claims recovered from reinsurers	3	20	8	1	-	0	32	-3	30
Net insurance benefits and claims	-6 398	-965	-585	-10	-	0	-7 958	0	-7 958
Policyholder participation	-122	-71	-251	-8	-	-	-452	0	-452
Interest expense	-14	-45	-6	-7	-1	0	-73	3	-70
Commission expense	-193	-191	-131	-50	-26	-1	-592	151	-441
Employee benefits expense	-135	-93	-68	-27	-113	0	-436	0	-436
Depreciation and amortisation expense	-30	-104	-52	-3	-6	0	-195	-	-195
Impairment of property and equipment and intangible assets	-	-	-	-	-	-	-	-	-
Other expenses	-77	-69	-30	-18	-125	-11	-330	2	-328
<b>TOTAL EXPENSES</b>	<b>-6 971</b>	<b>-1 538</b>	<b>-1 123</b>	<b>-122</b>	<b>-271</b>	<b>-13</b>	<b>-10 037</b>	<b>156</b>	<b>-9 881</b>
of which intersegment	-93	-6	-23	0	-30	-4	-156	156	
<b>SEGMENT RESULT</b>	<b>425</b>	<b>145</b>	<b>70</b>	<b>25</b>	<b>123</b>	<b>5</b>	<b>793</b>	<b>-</b>	<b>793</b>
Unallocated corporate costs									-33
<b>PROFIT FROM OPERATIONS</b>									<b>760</b>
Borrowing costs									-84
Income tax expense									-152
<b>NET PROFIT</b>									<b>524</b>

## 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
<b>INCOME</b>									
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	53	0	1	6	26	1	88	-1	86
<b>TOTAL INCOME</b>	<b>8 336</b>	<b>1 702</b>	<b>1 130</b>	<b>143</b>	<b>306</b>	<b>6</b>	<b>11 623</b>	<b>-152</b>	<b>11 472</b>
of which intersegment	16	1	-4	-4	140	3	152	-152	
<b>EXPENSES</b>									
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	-79	-76	-29	-18	-60	-3	-265	1	-265
<b>TOTAL EXPENSES</b>	<b>-7 915</b>	<b>-1 564</b>	<b>-1 068</b>	<b>-119</b>	<b>-191</b>	<b>-8</b>	<b>-10 865</b>	<b>152</b>	<b>-10 713</b>
of which intersegment	-106	-4	-20	0	-16	-4	-152	152	
<b>SEGMENT RESULT</b>	<b>420</b>	<b>137</b>	<b>63</b>	<b>25</b>	<b>115</b>	<b>-1</b>	<b>758</b>	<b>-</b>	<b>758</b>
Unallocated corporate costs									-30
<b>PROFIT FROM OPERATIONS</b>									<b>729</b>
Borrowing costs									-85
Income tax expense									-143
<b>NET PROFIT</b>									<b>500</b>

**Balance sheet as at 30 June 2017**

In CHF million

	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
<b>ASSETS</b>									
Cash and cash equivalents	2 894	1 010	399	2 644	149	77	7 173	-	7 173
Derivatives	1 895	257	166	-	-	20	2 338	-33	2 305
Assets held for sale	-	-	-	-	-	12	12	-	12
Financial assets at fair value through profit or loss	6 020	12 394	1 399	16 152	0	-	35 966	-	35 966
Financial assets available for sale	72 431	17 536	8 692	1 385	23	1 562	101 630	-	101 630
Loans and receivables	13 435	2 251	7 127	108	193	1 848	24 962	-3 078	21 885
Financial assets pledged as collateral	1 886	1 269	-	-	-	-	3 155	-	3 155
Investment property	21 142	2 523	2 242	-	-	-	25 907	-	25 907
Investments in associates	9	92	1	0	3	-	105	-	105
Reinsurance assets	34	279	92	118	-	-	522	-6	516
Property and equipment	211	43	129	5	5	0	392	-	392
Intangible assets including intangible insurance assets	640	375	1 324	234	200	0	2 773	-	2 773
Other assets	647	43	1	14	283	1	989	-114	875
<b>SEGMENT ASSETS</b>	<b>121 244</b>	<b>38 071</b>	<b>21 572</b>	<b>20 660</b>	<b>856</b>	<b>3 520</b>	<b>205 924</b>	<b>-3 231</b>	<b>202 692</b>
Income tax assets									82
<b>TOTAL ASSETS</b>									<b>202 774</b>
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
Derivatives	1 313	47	50	-	-	38	1 448	-33	1 415
Investment and unit-linked contracts	6 668	10 917	846	19 621	-	-	38 052	0	38 052
Other financial liabilities	8 537	5 330	1 015	177	274	204	15 539	-965	14 574
Insurance liabilities	81 719	16 122	16 004	214	-	0	114 059	-35	114 024
Policyholder participation liabilities	6 810	3 021	1 964	25	-	-	11 819	0	11 819
Employee benefit liabilities	1 605	74	189	9	80	-	1 957	-	1 957
Provisions	28	12	13	19	7	0	79	-	79
Other liabilities	143	137	39	14	7	1	340	-1	339
<b>SEGMENT LIABILITIES</b>	<b>106 822</b>	<b>35 659</b>	<b>20 120</b>	<b>20 079</b>	<b>368</b>	<b>244</b>	<b>183 292</b>	<b>-1 034</b>	<b>182 259</b>
Borrowings									4 327
Income tax liabilities									2 209
<b>EQUITY</b>									<b>13 980</b>
<b>TOTAL LIABILITIES AND EQUITY</b>									<b>202 774</b>



## Balance sheet as at 31 December 2016

In CHF million

	Switzer-land	France	Germany	Inter-national	Asset Managers	Other	Total before elimi-nations	Elimi-nations	Total
<b>ASSETS</b>									
Cash and cash equivalents	2 627	1 563	252	2 581	188	123	7 333	-	7 333
Derivatives	1 613	255	42	-	-	7	1 917	-32	1 885
Assets held for sale	-	-	-	-	-	12	12	-	12
Financial assets at fair value through profit or loss	5 990	11 873	1 389	15 678	-	-	34 931	-	34 931
Financial assets available for sale	72 318	17 332	7 849	1 318	49	1 388	100 256	-	100 256
Loans and receivables	14 690	2 283	7 970	85	244	1 714	26 986	-3 031	23 955
Financial assets pledged as collateral	1 428	1 515	-	-	-	-	2 942	-	2 942
Investment property	19 896	2 162	1 743	-	-	-	23 801	-	23 801
Investments in associates	6	81	0	-	5	0	93	-	93
Reinsurance assets	33	278	84	112	-	0	506	-6	500
Property and equipment	213	35	129	3	4	0	383	-	383
Intangible assets including intangible insurance assets	621	372	1 292	231	202	0	2 717	-	2 717
Other assets	641	46	1	4	284	2	979	-135	844
<b>SEGMENT ASSETS</b>	<b>120 076</b>	<b>37 796</b>	<b>20 750</b>	<b>20 011</b>	<b>977</b>	<b>3 246</b>	<b>202 855</b>	<b>-3 204</b>	<b>199 652</b>
Income tax assets									80
<b>TOTAL ASSETS</b>									<b>199 731</b>
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
Derivatives	1 474	52	105	-	-	49	1 680	-32	1 648
Investment and unit-linked contracts	6 491	10 618	795	19 017	-	-	36 921	0	36 920
Other financial liabilities	8 226	6 467	876	182	297	206	16 255	-1 056	15 200
Insurance liabilities	80 229	14 939	15 600	198	-	0	110 966	-32	110 935
Policyholder participation liabilities	6 979	3 155	1 889	21	-	-	12 044	0	12 043
Employee benefit liabilities	1 694	71	194	12	96	-	2 068	-	2 068
Provisions	15	11	20	20	8	1	75	-	75
Other liabilities	179	122	41	7	6	3	357	-3	355
<b>SEGMENT LIABILITIES</b>	<b>105 286</b>	<b>35 436</b>	<b>19 521</b>	<b>19 457</b>	<b>407</b>	<b>260</b>	<b>180 367</b>	<b>-1 123</b>	<b>179 244</b>
Borrowings									4 627
Income tax liabilities									2 120
<b>EQUITY</b>									<b>13 739</b>
<b>TOTAL LIABILITIES AND EQUITY</b>									<b>199 731</b>

## Premiums and policy fees from external customers

In CHF million	Net earned premiums		Net earned policy fees	
	2017 HY	2016 HY	2017 HY	2016 HY
<b>LIFE</b>				
Individual life	1 531	1 571	143	129
Group life	5 812	6 504	5	5
<b>TOTAL LIFE</b>	<b>7 343</b>	<b>8 075</b>	<b>149</b>	<b>134</b>
<b>NON-LIFE</b>				
Accident and health	5	6	–	–
Property, casualty and other	166	156	–	–
<b>TOTAL NON-LIFE</b>	<b>172</b>	<b>162</b>	<b>–</b>	<b>–</b>
<b>TOTAL</b>	<b>7 515</b>	<b>8 237</b>	<b>149</b>	<b>134</b>

## 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		
	30.06.2017	31.12.2016
Cash and cash equivalents	2 577	2 489
Derivatives	0	0
Financial assets at fair value through profit or loss		
Debt securities	5 893	5 738
Equity securities	4 692	4 113
Investment funds	18 594	17 626
Other	2	2
<b>TOTAL ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS</b>	<b>31 758</b>	<b>29 968</b>

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

In CHF million			
	Notes	30.06.2017	31.12.2016
Unit-linked contracts	12	22 703	21 948
Investment contracts	12	4 392	4 192
Insurance liabilities	14	4 483	3 692
<b>TOTAL LIABILITIES LINKED TO ASSETS FOR THE ACCOUNT AND RISK OF THE SWISS LIFE GROUP'S CUSTOMERS</b>		<b>31 578</b>	<b>29 833</b>

### 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	2017 HY	2016 HY	2017 HY	2016 HY	2017 HY	2016 HY
Investment income	6	2 182	2 224	–	–	2 182	2 224
Net gains/losses on financial assets	6	–518	–513	32	–19	–486	–532
Net gains/losses on financial instruments at fair value through profit or loss	6	324	471	–41	25	283	496
Net gains/losses on investment property		348	305	–	–	348	305
Share of profit or loss of associates		2	4	–	–	2	4
<b>FINANCIAL RESULT</b>		<b>2 339</b>	<b>2 492</b>	<b>–9</b>	<b>6</b>	<b>2 330</b>	<b>2 498</b>

## 5 Premiums, Policy Fees and Deposits Received

### Written premiums

In CHF million		
	2017 HY	2016 HY
Direct	7 474	8 210
Assumed	161	152
GROSS WRITTEN PREMIUMS	7 635	8 362
Ceded	-77	-80
NET WRITTEN PREMIUMS	7 558	8 283

### Earned premiums

In CHF million		
	2017 HY	2016 HY
Direct	7 426	8 160
Assumed	160	152
GROSS EARNED PREMIUMS	7 586	8 312
Ceded	-72	-76
NET EARNED PREMIUMS	7 515	8 237

### Written policy fees

In CHF million		
	2017 HY	2016 HY
Direct	158	142
GROSS WRITTEN POLICY FEES	158	142
Ceded	-	-
NET WRITTEN POLICY FEES	158	142

## Earned policy fees

In CHF million

	2017 HY	2016 HY
Direct	149	134
<b>GROSS EARNED POLICY FEES</b>	<b>149</b>	<b>134</b>
Ceded	-	-
<b>NET EARNED POLICY FEES</b>	<b>149</b>	<b>134</b>

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

	2017 HY	2016 HY
Gross written premiums and policy fees	7 793	8 504
Deposits received under insurance and investment contracts	2 189	1 634
<b>GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED</b>	<b>9 982</b>	<b>10 138</b>

## 6 Details of Certain Items in the Consolidated Statement of Income

### Commission income

In CHF million

	2017 HY	2016 HY
Brokerage commissions	254	264
Asset management commissions	170	159
Other commissions and fees	103	94
<b>TOTAL COMMISSION INCOME</b>	<b>527</b>	<b>517</b>

### Investment income

In CHF million

	2017 HY	2016 HY
Interest income on financial assets available for sale	1 237	1 261
Interest income on loans and receivables	298	340
Other interest income	20	0
Dividend income on financial assets available for sale	231	265
Net income on investment property	397	358
<b>TOTAL INVESTMENT INCOME</b>	<b>2 182</b>	<b>2 224</b>

### Net gains/losses on financial assets

In CHF million

	2017 HY	2016 HY
Sale of		
financial assets available for sale	432	229
loans	164	54
<b>Net gains/losses from sales</b>	<b>596</b>	<b>284</b>
Impairment losses on		
debt instruments available for sale	0	-3
equity instruments available for sale	-6	-34
loans and receivables	0	-4
<b>Impairment losses on financial assets</b>	<b>-6</b>	<b>-41</b>
Foreign currency gains/losses	-1 075	-775
<b>TOTAL NET GAINS/LOSSES ON FINANCIAL ASSETS</b>	<b>-486</b>	<b>-532</b>

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

In CHF million

	2017 HY	2016 HY
Currency derivatives	758	472
Interest rate derivatives	-73	-66
Equity derivatives	-430	71
Other derivatives	-30	9
Financial assets designated as at fair value through profit or loss	109	74
Associates at fair value through profit or loss	-1	-
Investment contracts without discretionary participation	23	-57
Non-controlling interests in investment funds	-31	-32
Other financial liabilities	0	-
Assets for the account and risk of the Swiss Life Group's customers	679	-524
Liabilities linked to assets for the account and risk of the Swiss Life Group's customers	-720	549
<b>TOTAL NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>283</b>	<b>496</b>

## Other income

In CHF million

	2017 HY	2016 HY
Realised gains/losses on sales of subsidiaries and other assets	30	1
Revenue from sale of inventory property	131	59
Other foreign currency gains/losses	-22	20
Other	13	7
<b>TOTAL OTHER INCOME</b>	<b>153</b>	<b>86</b>

## Net insurance benefits and claims

In CHF million

	2017 HY	2016 HY
Benefits and claims under insurance contracts		
Life benefits and claims paid, gross	5 685	5 555
Change in liability for future life policyholder benefits, gross	1 752	2 903
Non-life claims paid, gross	114	121
Change in reserve for non-life claims, gross	-12	-15
Benefits and claims recovered from reinsurers	-30	-45
Net benefits and claims under insurance contracts	7 509	8 520
Benefits and claims under investment contracts with discretionary participation		
Life benefits and claims paid, gross	381	341
Change in liability for future life policyholder benefits, gross	67	232
Net benefits and claims under investment contracts with discretionary participation	448	573
<b>TOTAL NET INSURANCE BENEFITS AND CLAIMS</b>	<b>7 958</b>	<b>9 093</b>

## Interest expense

In CHF million

	2017 HY	2016 HY
Interest expense on deposits	3	4
Interest expense on investment contracts	38	37
Interest expense on deposits under insurance contracts	23	27
Other interest expense	6	14
<b>TOTAL INTEREST EXPENSE</b>	<b>70</b>	<b>82</b>

## Commission expense

In CHF million

	2017 HY	2016 HY
Insurance agent and broker commissions	368	369
Asset management and banking commissions	36	35
Other commissions and fees	37	22
<b>TOTAL COMMISSION EXPENSE</b>	<b>441</b>	<b>427</b>

## Employee benefits expense

In CHF million

	2017 HY	2016 HY
Wages and salaries	324	300
Social security	64	64
Defined benefit plans	46	48
Defined contribution plans	1	1
Other employee benefits	22	22
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>457</b>	<b>433</b>



## Depreciation and amortisation expense

In CHF million

	Notes	2017 HY	2016 HY
Depreciation of property and equipment		11	12
Amortisation of present value of future profits (PVP)	11	0	0
Amortisation of deferred acquisition costs (DAC)	11	165	142
Amortisation of deferred origination costs (DOC)	11	4	5
Amortisation of other intangible assets	11	14	14
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>195</b>	<b>174</b>

## Other expenses

In CHF million

	2017 HY	2016 HY
Marketing and advertising	24	21
Information technology and systems	42	40
Rental, maintenance and repair	33	32
Professional services	73	67
Cost of inventory property sold	106	46
Premium taxes and other non-income taxes	28	26
Other	35	42
<b>TOTAL OTHER EXPENSES</b>	<b>340</b>	<b>274</b>

## 7 Income Taxes

### Income tax expense

In CHF million

	2017 HY	2016 HY
Current income tax expense	120	99
Deferred income tax expense	32	44
<b>TOTAL INCOME TAX EXPENSE</b>	<b>152</b>	<b>143</b>

## 8 Financial Assets at Fair Value through Profit or Loss

In CHF million

	Notes	30.06.2017	31.12.2016
Debt securities		552	581
Equity securities		9	9
Investment funds – debt		2 623	3 214
Investment funds – equity		685	683
Investment funds – balanced		310	266
Real estate funds		1 307	1 514
Infrastructure investments		1 294	1 179
Private equity and hedge funds		5	6
Financial assets for the account and risk of the Swiss Life Group's customers	4	29 181	27 479
<b>TOTAL FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>35 966</b>	<b>34 931</b>

## 9 Financial Assets Available for Sale

In CHF million	Cost/amortised cost		Net unrealised gains/losses		Fair value (carrying amount)	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Debt securities	76 918	75 488	9 633	10 407	86 551	85 895
Senior secured loans	2 233	2 033	5	25	2 237	2 058
Equity securities	5 669	4 657	957	727	6 626	5 384
Investment funds – debt	3 396	3 570	66	109	3 463	3 679
Investment funds – equity	1 603	1 575	285	175	1 888	1 751
Investment funds – balanced	14	17	0	0	14	16
Real estate funds	279	814	4	36	283	850
Private equity	342	376	157	173	499	550
Hedge funds	45	48	23	26	69	74
<b>TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE</b>	<b>90 500</b>	<b>88 578</b>	<b>11 130</b>	<b>11 677</b>	<b>101 630</b>	<b>100 256</b>

## 10 Loans and Receivables

In CHF million	Notes	Gross amount		Allowance for impairment losses		Cost/amortised cost (carrying amount)	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
<b>LOANS</b>							
Mortgages		7 801	7 587	-15	-14	7 787	7 573
Corporate and other loans		1 590	2 124	-4	-4	1 586	2 120
Note loans		5 839	6 461	-	-	5 839	6 461
Debt securities previously classified as available for sale		2 269	3 008	-	-	2 269	3 008
Other debt securities classified as loans		343	435	-	-	343	435
<b>TOTAL LOANS</b>	16	<b>17 842</b>	<b>19 615</b>	<b>-19</b>	<b>-18</b>	<b>17 823</b>	<b>19 597</b>
<b>RECEIVABLES</b>							
Insurance receivables		1 548	1 362	-16	-21	1 532	1 341
Reinsurance receivables		304	297	-	-	304	297
Accrued income		1 235	1 481	-	-	1 235	1 481
Settlement accounts		372	743	-	-	372	743
Other receivables		620	499	-3	-2	618	496
<b>TOTAL RECEIVABLES</b>	16	<b>4 080</b>	<b>4 382</b>	<b>-19</b>	<b>-24</b>	<b>4 061</b>	<b>4 358</b>
<b>TOTAL LOANS AND RECEIVABLES</b>		<b>21 922</b>	<b>23 997</b>	<b>-38</b>	<b>-42</b>	<b>21 885</b>	<b>23 955</b>

## 11 Intangible Assets including Intangible Insurance Assets

In CHF million

	30.06.2017	31.12.2016
Intangible insurance assets	1 393	1 343
Other intangible assets	1 380	1 374
<b>TOTAL INTANGIBLE ASSETS</b>	<b>2 773</b>	<b>2 717</b>

### 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
	2017 HY	2016 YE	2017 HY	2016 YE	2017 HY	2016 YE	
Balance as at 1 January	9	12	1 319	1 431	15	21	1 343
Additions	–	–	187	400	5	5	192
Amortisation	0	–3	–165	–437	–4	–10	–170
Effect of shadow accounting	0	0	11	–65	–	–	11
Disposals	–	0	–	–	–	–	–
Foreign currency translation differences	0	0	17	–11	0	0	18
<b>BALANCE AS AT END OF PERIOD</b>	<b>9</b>	<b>9</b>	<b>1 369</b>	<b>1 319</b>	<b>16</b>	<b>15</b>	<b>1 393</b>

#### 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 June 2017

In CHF million					
	Goodwill	Customer relationships	Computer software	Brands and other	Total
<b>COST</b>					
Balance as at 1 January	1 754	147	188	22	2 110
Additions	-	0	5	0	5
Disposals <sup>1</sup>	-	-	-2	-	-2
Foreign currency translation differences	19	2	4	0	25
<b>BALANCE AS AT END OF PERIOD</b>	<b>1 773</b>	<b>149</b>	<b>195</b>	<b>23</b>	<b>2 139</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>					
Balance as at 1 January	-516	-76	-143	0	-736
Amortisation	-	-6	-7	0	-14
Disposals <sup>1</sup>	-	-	1	-	1
Foreign currency translation differences	-7	-1	-3	0	-11
<b>BALANCE AS AT END OF PERIOD</b>	<b>-523</b>	<b>-84</b>	<b>-152</b>	<b>0</b>	<b>-759</b>
<b>TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD</b>	<b>1 250</b>	<b>65</b>	<b>43</b>	<b>22</b>	<b>1 380</b>

<sup>1</sup> Includes elimination of fully amortised/impaired assets.

### Other intangible assets for the year 2016

In CHF million					
	Goodwill	Customer relationships	Computer software	Brands and other	Total
<b>COST</b>					
Balance as at 1 January	1 754	136	181	21	2 092
Additions	-	0	13	0	14
Additions from business combinations	17	13	-	1	31
Additions from internal software development	-	-	0	-	0
Disposals <sup>1</sup>	-	-2	-4	-	-6
Foreign currency translation differences	-17	-1	-3	0	-21
<b>BALANCE AS AT END OF PERIOD</b>	<b>1 754</b>	<b>147</b>	<b>188</b>	<b>22</b>	<b>2 110</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>					
Balance as at 1 January	-520	-66	-130	0	-716
Amortisation	-	-13	-15	0	-28
Impairment losses	-	-	-4	-	-4
Disposals <sup>1</sup>	-	2	4	-	5
Foreign currency translation differences	4	1	2	0	7
<b>BALANCE AS AT END OF PERIOD</b>	<b>-516</b>	<b>-76</b>	<b>-143</b>	<b>0</b>	<b>-736</b>
<b>TOTAL OTHER INTANGIBLE ASSETS AS AT END OF PERIOD</b>	<b>1 238</b>	<b>70</b>	<b>44</b>	<b>22</b>	<b>1 374</b>

<sup>1</sup> 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.

The acquisition of MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED, London, in November 2016 led to the recognition of goodwill of CHF 17 million. The goodwill has been allocated to the "Asset Managers" segment.

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 19 million (31.12.2016: CHF 18 million) have been allocated to the "France" segment and CHF 25 million (31.12.2016: CHF 25 million) to the "Asset Managers" segment as at 30 June 2017.

In CHF million	Lloyd Continental		CapitalLeben		Corpus Sireo		Other	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net carrying amount of goodwill	287	287	149	149	106	104	44	43

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net carrying amount of goodwill	152	152	442	433	70	70	664	655

#### Customer relationships

The acquisition of MAYFAIR CAPITAL INVESTMENT MANAGEMENT LIMITED, London, in November 2016 led to the recognition of customer relationships of CHF 13 million.

As at 30 June 2017, customer relationships comprise customer relationships relating to Swiss Life Select: CHF 4 million (31.12.2016: CHF 4 million), which were allocated to the “Switzerland” segment. The “France” segment comprises customer relationships of CHF 14 million (31.12.2016: CHF 15 million) and the “Asset Managers” segment of CHF 47 million (31.12.2016: CHF 51 million). Customer relationships were included in the impairment test of the respective cash-generating unit.

#### Brands and other

Comprises the brands Corpus Sireo and Mayfair.

## 12 Investment and Unit-Linked Contracts

In CHF million		Gross		Ceded		Net	
		Notes	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017
Unit-linked contracts	16	22 703	21 948	–	–	22 703	21 948
Investment contracts with discretionary participation features (DPF)		15 007	14 642	112	105	14 895	14 537
Investment contracts without DPF at fair value through profit or loss	16	342	330	–	–	342	330
Investment contracts without DPF at amortised cost	16	0	0	–	–	0	0
<b>TOTAL INVESTMENT AND UNIT-LINKED CONTRACTS</b>		<b>38 052</b>	<b>36 920</b>	<b>112</b>	<b>105</b>	<b>37 940</b>	<b>36 815</b>
of which for the account and risk of the Swiss Life Group's customers							
unit-linked contracts	4	22 703	21 948	–	–	22 703	21 948
investment contracts	4	4 392	4 192	–	–	4 392	4 192



## 13 Borrowings

In CHF million		Notes	30.06.2017	31.12.2016
Hybrid debt			3 035	3 633
Convertible debt			379	467
Senior bonds			424	423
Mortgage loans			489	103
Other			1	1
<b>TOTAL BORROWINGS</b>		16	<b>4 327</b>	<b>4 627</b>

### Reconciliation of liabilities arising from financing activities for the 6 months ended 30 June 2017

In CHF million		Hybrid debt	Convertible debt	Senior bonds	Mortgage loans	Other	Total
Balance as at 1 January		3 633	467	423	103	1	4 627
<b>Cash flows</b>							
Issues		-	-	-	385	-	385
Redemptions		-631	0	-	-5	-	-636
<b>Non-cash changes</b>							
Premium/discount amortisation		2	4	0	0	0	6
Conversions and other changes		-	-92	-	-	-	-92
Foreign currency translation differences		31	-	-	6	0	37
<b>BALANCE AS AT END OF PERIOD</b>		<b>3 035</b>	<b>379</b>	<b>424</b>	<b>489</b>	<b>1</b>	<b>4 327</b>

#### Hybrid debt

EUR 590 million in fixed to floating rate subordinated perpetual notes issued in 2007 were redeemed on the first call date on 12 April 2017.

#### Convertible debt

19 680 bonds were converted into 415 530 Swiss Life Holding shares which led to an increase in share capital of CHF 2 million and share premium of CHF 90 million.

## 14 Insurance Liabilities

In CHF million	Gross		Ceded		Net	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Claims under non-life insurance contracts	856	851	165	164	691	687
Unearned premiums non-life	69	53	0	1	69	52
Claims under life insurance contracts	6 012	6 078	91	97	5 921	5 981
Future life policyholder benefits	99 232	96 932	141	131	99 091	96 800
Unearned premiums life	70	37	5	0	66	37
Deposits under insurance contracts	7 785	6 984	-	-	7 785	6 984
<b>TOTAL INSURANCE LIABILITIES</b>	<b>114 024</b>	<b>110 935</b>	<b>402</b>	<b>393</b>	<b>113 622</b>	<b>110 542</b>
of which for the account and risk of the Swiss Life Group's customers	4 483	3 692	-	-	4 483	3 692

### Unearned premiums

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

### 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.

### 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		
	30.06.2017	31.12.2016
Employee benefit liabilities consist of		
gross defined benefit liabilities	1 840	1 912
other employee benefit liabilities	116	155
<b>TOTAL EMPLOYEE BENEFIT LIABILITIES</b>	<b>1 957</b>	<b>2 068</b>

### Amounts recognised as defined benefit assets/liabilities

In CHF million		
	30.06.2017	31.12.2016
Present value of defined benefit obligation	-3 564	-3 537
Fair value of plan assets	1 785	1 684
<b>NET DEFINED BENEFIT LIABILITY</b>	<b>-1 779</b>	<b>-1 853</b>
Insurance contracts not eligible as plan assets under IFRS	1 450	1 477
<b>NET DEFINED BENEFIT SURPLUS (+)/DEFICIT (-) (ECONOMIC VIEW)</b>	<b>-328</b>	<b>-376</b>
The net defined benefit liability consists of		
gross defined benefit liabilities	-1 840	-1 912
gross defined benefit assets	61	59

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 328 million as at 30 June 2017 (31.12.2016: deficit of CHF 376 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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
<b>FINANCIAL ASSETS</b>								
<b>Derivatives</b>								
Currency	11	1	754	342	–	–	765	342
Interest rate	1	0	1 240	1 413	–	–	1 241	1 413
Equity	258	113	41	17	–	–	299	130
<b>Total derivatives</b>	<b>270</b>	<b>113</b>	<b>2 035</b>	<b>1 771</b>	<b>–</b>	<b>–</b>	<b>2 305</b>	<b>1 885</b>
<b>Debt instruments</b>								
Governments and supranationals	47 744	47 954	302	266	–	–	48 046	48 219
Corporates	43 586	42 415	587	713	60	13	44 233	43 141
Other	194	108	23	7	–	–	216	116
<b>Total debt instruments</b>	<b>91 523</b>	<b>90 477</b>	<b>912</b>	<b>986</b>	<b>60</b>	<b>13</b>	<b>92 495</b>	<b>91 476</b>
<b>Equity instruments</b>								
Equity securities	6 314	5 071	21	21	300	301	6 635	5 393
Investment funds	7 683	8 671	1 774	1 665	1 116	1 638	10 573	11 973
Alternative investments	67	62	56	64	1 743	1 683	1 867	1 809
<b>Total equity instruments</b>	<b>14 064</b>	<b>13 804</b>	<b>1 851</b>	<b>1 749</b>	<b>3 159</b>	<b>3 621</b>	<b>19 074</b>	<b>19 174</b>
Assets for the account and risk of the Swiss Life Group's customers	25 464	23 840	1 259	1 323	2 458	2 316	29 181	27 479
<b>TOTAL FINANCIAL ASSETS</b>	<b>131 322</b>	<b>128 233</b>	<b>6 057</b>	<b>5 830</b>	<b>5 677</b>	<b>5 950</b>	<b>143 056</b>	<b>140 013</b>
<b>INVESTMENTS IN ASSOCIATES</b>								
Associates at fair value through profit or loss	–	–	1	0	30	22	30	23
<b>FINANCIAL LIABILITIES</b>								
<b>Derivatives</b>								
Currency	0	0	336	792	–	–	336	792
Interest rate	–	0	737	711	–	–	737	711
Equity	204	77	57	1	–	–	261	78
Other	–	–	80	66	–	–	80	66
<b>Total derivatives</b>	<b>204</b>	<b>78</b>	<b>1 210</b>	<b>1 570</b>	<b>–</b>	<b>–</b>	<b>1 415</b>	<b>1 648</b>
Investment contracts without discretionary participation	–	–	342	330	–	–	342	330
Unit-linked contracts	–	–	22 558	21 798	145	150	22 703	21 948
Non-controlling interests in investment funds	–	–	2 292	2 418	817	877	3 109	3 295
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>204</b>	<b>78</b>	<b>26 403</b>	<b>26 116</b>	<b>962</b>	<b>1 027</b>	<b>27 569</b>	<b>27 221</b>

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 2016, 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 2017

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 <sup>1</sup>	Available for sale		
Balance as at 1 January	-	13	0	2 315	1 328	2 316	5 972
Total gains/losses recognised in profit or loss	-	0	-2	32	16	1	47
Total gains/losses recognised in other comprehensive income	-	-	0	-	-17	-	-17
Additions	-	-	49	359	51	114	574
Disposals	-	-	-	-538	-387	-7	-932
Transfers into level 3	-	-	-	-	-	0	0
Foreign currency translation differences	-	0	-	17	12	34	63
<b>BALANCE AS AT END OF PERIOD</b>	-	13	47	2 186	1 003	2 458	5 707
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-	0	-	28	-1	2	28

<sup>1</sup> 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 2016

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 <sup>1</sup>	Available for sale		
Balance as at 1 January	-	15	1	1 707	1 283	2 750	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	-201	-83	-29	-317
Transfers into level 3	-	-	-	1	-	-	1
Foreign currency translation differences	-	0	-	-5	-2	-4	-12
<b>BALANCE AS AT END OF PERIOD</b>	-	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

<sup>1</sup> 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		Non-controlling interests in investment funds		Total	
	2017 HY	2016 HY	2017 HY	2016 HY	2017 HY	2016 HY	2017 HY	2016 HY
Balance as at 1 January	-	-	150	124	877	570	1 027	693
Total gains/losses recognised in profit or loss	-	-	0	0	10	5	10	5
Additions	-	-	-5	0	220	210	215	210
Disposals	-	-	0	-10	-296	-65	-296	-75
Foreign currency translation differences	-	-	0	0	6	-3	6	-3
<b>BALANCE AS AT END OF PERIOD</b>	-	-	<b>145</b>	<b>114</b>	<b>817</b>	<b>717</b>	<b>962</b>	<b>831</b>
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-	0	0	10	5	10	5

### 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	
	2017 HY	2016 HY	2017 HY	2016 HY
<b>ASSETS</b>				
Total gains/losses recognised in profit or loss	14	7	33	-26
Unrealised gains/losses recognised in profit or loss for assets held at the end of the period	-1	-12	30	-30
<b>LIABILITIES</b>				
Total gains/losses recognised in profit or loss	-	-	-10	-5
Unrealised gains/losses recognised in profit or loss for liabilities held at the end of the period	-	-	-10	-5



### 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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
<b>ASSETS</b>				
Loans	17 823	19 597	20 347	22 793
Receivables <sup>1</sup>	4 061	4 358	4 061	4 358
<b>LIABILITIES</b>				
Investment contracts without discretionary participation <sup>1</sup>	0	0	0	0
Borrowings	4 327	4 627	4 681	4 895
Other financial liabilities <sup>1,2</sup>	11 465	11 905	11 465	11 905

<sup>1</sup> Carrying amount approximates fair value.

<sup>2</sup> 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 41) of Swiss Life Holding Ltd for the period ended 30 June 2017. 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, 15 August 2017

## Important Dates

### Interim Statement Q3 2017

8 November 2017

### Presentation of 2017 results

27 February 2018

### Annual General Meeting 2018

24 April 2018, Hallenstadion Zurich

### Interim Statement Q1 2018

8 May 2018

## Contacts

Swiss Life

General-Guisan-Quai 40

P.O. Box 2831

CH-8022 Zurich

Tel. +41 43 284 33 11

[www.swisslife.com](http://www.swisslife.com)

Shareholder Services

Tel. +41 43 284 61 10

Fax +41 43 284 61 66

E-mail [shareholder.services@swisslife.ch](mailto:shareholder.services@swisslife.ch)

Investor Relations

Tel. +41 43 284 52 76

E-mail [investor.relations@swisslife.ch](mailto:investor.relations@swisslife.ch)

Media Relations

Tel. +41 43 284 77 77

E-mail [media.relations@swisslife.ch](mailto:media.relations@swisslife.ch)

## Financial Publications

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

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

© Swiss Life Holding Ltd, 2017

*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](http://www.swisslife.com)*