

Segment Reporting

Swiss Life continued to improve its earning power in 2015, generating adjusted profit from operations across all segments of CHF 1323 million. All units contributed to this positive development. Net profit during the reporting period was CHF 878 million, a 7% rise.

Swiss Life reports by country: Switzerland, France and Germany. It also discloses separately the results of its cross-border segments: International and Asset Managers. In the Swiss domestic market, Swiss Life grew its segment result by 10%, to CHF 734 million. France increased its segment result to CHF 234 million (2014: CHF 222 million), while Germany contributed CHF 129 million (2014: CHF 97 million). The International market unit generated a segment result of CHF 41 million (2014: CHF 37 million). Swiss Life Asset Managers increased its contribution to the results by 28% to CHF 242 million. Net profit over all segments rose by 7% in the reporting period to CHF 878 million (2014: CHF 818 million).

The Swiss Life Group managed to ratchet up its operational effectiveness once again during the 2015 financial year. Gross written premiums, policy fees and deposits received across all segments grew by 5% in local currency to CHF 18.9 billion (2014: CHF 19.1 billion). The Group recorded growth in local currency of 8% in fee and commission income, a strategically central area of Swiss Life, to CHF 1.3 billion.

Switzerland

In the reporting year, Swiss Life managed an impressive 10% improvement in its segment result in its home market of Switzerland, to CHF 734 million (2014: CHF 669 million). The main driver of this pleasing outcome was the improved savings result and the risk result, which remained stable despite considerable margin pressure. Direct investment income was 1% lower than in 2014 at CHF 3.0 billion.

Long-term initiatives also contributed to this result, such as the proven distribution strategy with the sales force channels, Swiss Life Select plus brokers and partners, the expansion of the service and product offering, increased customer orientation and a renewed reduction in operating costs.

According to the Swiss Insurance Association (SIA), premiums in the Swiss Life insurance market remained steady relative to the previous year at CHF 32.5 billion. In Group life business, the market on the whole posted premium growth of 0.7% and a 2.2% reduction in individual life business. Swiss Life increased its premium volume by 4.9% to CHF 10.5 billion, thus again significantly outperforming the market as a whole. Group life business accounted for 85% of this result. Swiss Life increased its market share of group life business to 34.9% (2014: 33.2%) and of individual life business to 20.9% (2014: 20.1%), enabling the company to further consolidate its leadership position in the Swiss market.

Operating expenses rose by 10% to CHF 972 million due to higher acquisition costs from a lot of new business, higher writedowns and activated acquisition costs. Operational administrative costs, on the other hand, were reduced again.

Insurance benefits, including changes in insurance reserves, rose by 8% to CHF 12.3 billion. This mainly stemmed from higher savings premiums and the associated higher need for provisions.

The renewed optimisation of the product offering, which dovetails with the provider's strategy of comprehensive life and pensions and financial solutions, provided a strong foundation for premium growth. In individual life business, the successful product family Swiss Life FlexSave again proved very popular, despite necessary guarantee adjustments. The sale was also concluded of a further tranche of the Swiss Life Premium Immo product, which is a unit-linked life insurance policy whereby the customer's single premium is invested in a Swiss Life real estate fund comprising Swiss commercial real estate. The development and launch of the product innovation Swiss Life Calmo IncomePlan brought to market a new solution for leading a longer self-determined life. Swiss Life Calmo Income Plan provides older customers with a comprehensive package comprising a guaranteed payout plan, flexible investment, a component for longevity protection and digital services.

As a full-range provider, Swiss Life offers its corporate customers solutions to all their occupational pension requirements. The product offering was optimised further during the reporting year and aligned more closely with customers' needs, for example through the Swiss Life Business Premium product launched in 2015, which gives insured persons a say in the investment strategy based on their willingness and ability to assume risk. This executive solution is designed for companies which want to give their key employees more involvement in determining their own pension arrangements. The online portal Swiss Life myWorld, launched in 2015 for private clients' and insured persons' 2nd pillar pension provision, provides customers with a round-the-clock overview of their individual pension situation and allows them to make independent simulations.

Swiss Life aims to position itself as a leading provider of comprehensive life and pensions and financial solutions in Switzerland, supporting and accompanying its customers as they live a longer self-determined life. In this respect, the expansion of its service and product offering and a complete, fully synchronised customer experience via analogue and digital channels is a fundamental part of Swiss Life in Switzerland's strategy. The distribution successes – both in the core business and in the additional product categories of comprehensive life and pension provision – testify to Swiss Life's increased customer orientation. One example of this is Swiss Life Immopulse. Launched in 2012, the offering has established itself within three years as a leading Swiss real estate broker for private residential property.

For 2016, Swiss Life in Switzerland will focus on its long-term initiatives to strengthen its core business as part of the "Swiss Life 2018" strategy, to strengthen its product, service and advisory offering and expand the scope for customer access. Digital transformation initiatives including the use of analogue and digital channels play a key role in this strategy.

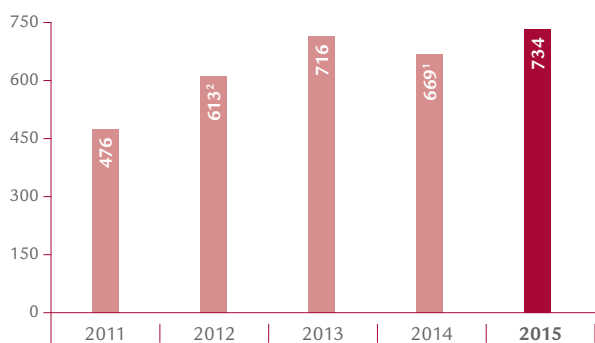
Key figures for Switzerland

Amounts in CHF million

	2015	2014	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	10 534	10 038	5%
Net earned premiums	10 217	9 654	6%
Fee and commission income	199	182	10%
Financial result	3 819	3 503	9%
Other income	218	31	n/a
TOTAL INCOME	14 452	13 370	8%
Net insurance benefits and claims	-12 251	-11 333	8%
Policyholder participation	-455	-427	7%
Interest expense	-39	-56	-30%
Operating expense	-972	-886	10%
TOTAL EXPENSE	-13 718	-12 702	8%
SEGMENT RESULT	734	669 ¹	10%
Assets under control	108 731	108 182	1%
Insurance reserves	89 906	86 365	4%
Number of employees (full-time equivalents)	2 016	1 972	2%

Segment result Switzerland

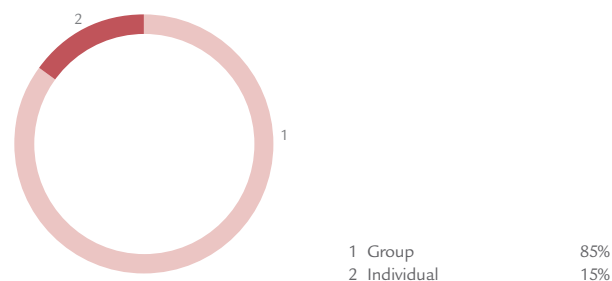
In CHF million



¹ adjusted for the Group's internal trademark fees, both levied and received (Swiss Life brand)

² restated

Premiums for Switzerland, by type of insurance



France

Swiss Life in France increased its segment result to CHF 234 million (2014: CHF 222 million). This represents a 20% increase in local currency, due principally to the quality of new business, a higher financial margin, increased unit-linked business and improved technical margins in health, death and disability insurance and property and casualty business.

The French insurance market posted 4% growth in local currency. Savings and pension provisions were up 5%, health, death and disability insurance by 3% and property and casualty rose by 1.5%. Swiss Life grew its premium volume in France, meanwhile, by 2% in local currency to CHF 4.5 billion (2014: CHF 5.1 billion). The strong positioning of the life insurance business in the premium segment, the diversification of business activities and multichannel distribution all contributed to this increase. Premium income in savings and pension provisions rose by 5% in local currency, placing them at market level. The share of premium income from unit-linked contracts (45%) was above the market average of 20% thanks to the private insurer strategy and the bonus distribution policy for customers in the premium segment. The realignment in health, death and disability insurance to group business gathered momentum, particularly towards the end of the year, with significant new business in target products (group standard business and individual death and disability). The full effect of this realignment will become apparent in 2016. Swiss Life Banque Privée continues to contribute to the Group's business with high net worth individuals through its increased volume and improved operating result.

In 2016, Swiss Life in France will continue to pursue the expansion of its product and service offering in life insurance for high net worth individuals and drive the development of its group business offering. Furthermore, the Group will also continue to expand its digital services and financial advice in France through its LaFinBox application, which affords users an overview of all bank and savings accounts.

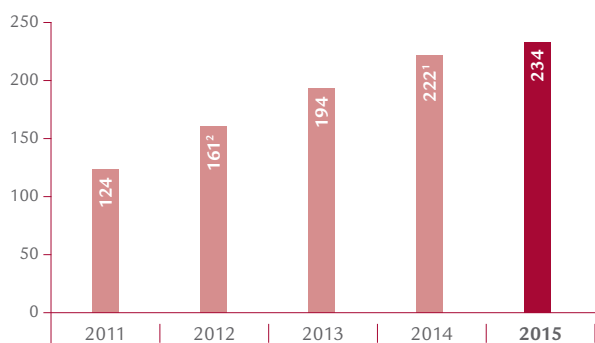
Key figures for France

Amounts in CHF million

	2015	2014	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	4 536	5 069	-11%
Net earned premiums	2 346	2 625	-11%
Fee and commission income	236	260	-9%
Financial result	745	863	-14%
Other income	-1	1	n/a
TOTAL INCOME	3 327	3 750	-11%
Net insurance benefits and claims	-1 970	-2 288	-14%
Policyholder participation	-157	-139	13%
Interest expense	-102	-124	-17%
Operating expense	-863	-977	-12%
TOTAL EXPENSE	-3 093	-3 528	-12%
SEGMENT RESULT	234	222¹	5%
Assets under control	34 578	36 770	-6%
Insurance reserves	26 848	28 391	-5%
Number of employees (full-time equivalents)	2 071	2 088	-1%

Segment result France

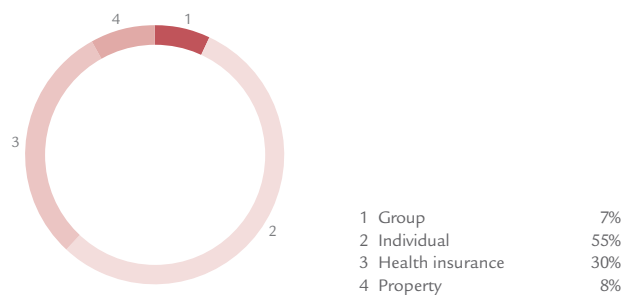
In CHF million



¹ adjusted for the Group's internal trademark fees, both levied and received (Swiss Life brand)

² restated

Premiums for France, by type of insurance



Germany

Swiss Life is positioning itself in Germany as a leading provider of pensions and financial solutions under one roof by managing all production and distribution organisations from a single source. The segment information comprises local insurance activities and the financial advisory companies operating in Germany under Swiss Life Select, tecis, Horbach and Deutsche Proventus.

During the year under review, Swiss Life Germany increased its segment result to CHF 129 million due to an excellent fee result and a good risk result – in spite of a challenging operating environment due mainly to sustained low interest rates and new requirements resulting from the Life Insurance Reform Act. Moreover, the operating result was affected by currency effects.

Swiss Life Germany generated premium volume of CHF 1.4 billion in 2015, equivalent to a fall of 14% (–2% in local currency). The core product areas of Swiss Life Germany are employee insurance, occupational pensions, long-term care insurance and modern guarantee concepts. Premium volume was affected by declining single-premium contributions in individual insurance due to the consistent focus on profitability before growth. New business premiums increased by 8.8% relative to 2014 (in local currency). The insurance benefits and bonus distribution were significantly lower than in the previous year, mainly due to the lower financial result in 2015.

Fee and commission income fell by 14% in 2015 to CHF 364 million due to exchange rate effects. In local currency they remained virtually at the previous year's level (–2%). 2014 was positively affected by the extraordinary economic circumstances triggered by a reduction in the maximum technical interest rate for life insurance effective 1 January 2015.

At the end of 2015 the proprietary financial advisory companies in Germany had 3138 trained and registered financial advisors under contract (+4%).

Administrative costs adjusted for one-offs fell by 5% in local currency to CHF 214 million. Swiss Life Germany thus continued its strict cost management and achieved additional cost savings.

The challenging market conditions look set to persist in 2016. Nevertheless, Swiss Life expects to again achieve an increase in its insurance business due to the extension and updating of its product range complemented by its efficient distribution structure. In financial consulting, Swiss Life expects the number of advisors to increase, which should have a positive impact on business development.

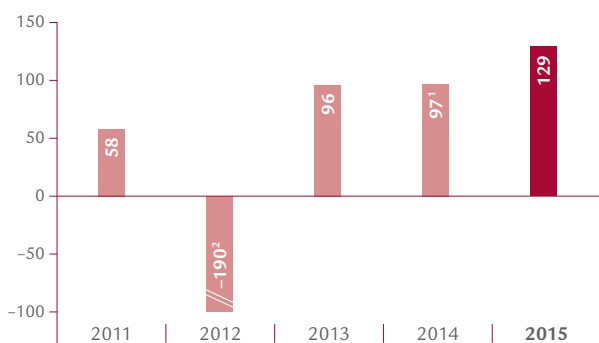
Key figures for Germany

Amounts in CHF million

	2015	2014	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	1 399	1 618	-14%
Net earned premiums	1 167	1 447	-19%
Fee and commission income	364	425	-14%
Financial result	678	958	-29%
Other income	2	2	17%
TOTAL INCOME	2 211	2 832	-22%
Net insurance benefits and claims	-1 287	-1 591	-19%
Policyholder participation	-283	-557	-49%
Interest expense	-12	-14	-13%
Operating expense	-500	-572	-13%
TOTAL EXPENSE	-2 082	-2 735	-24%
SEGMENT RESULT	129	97 ¹	33%
Assets under control	20 045	22 956	-13%
Insurance reserves	18 238	20 187	-10%
Number of employees (full-time equivalents)	1 364	1 368	-0%

Segment result Germany

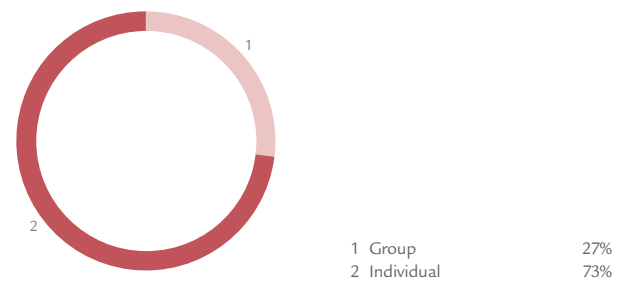
In CHF million



¹ adjusted for the Group's internal trademark fees, both levied and received (Swiss Life brand)

² restated

Premiums for Germany, by type of insurance



International

The International segment covers business with international high net worth individuals (private clients), multinationals (corporate clients) and the financial distribution companies Swiss Life Select in Austria and the Czech Republic, as well as Chase de Vere in the United Kingdom.

In the year under review, the segment achieved a result of CHF 41 million, which was 11% higher than during the previous year (2014: CHF 37 million). This encouraging development is due to operational progress, ongoing cost discipline and growth in fee and commission income. Due to negative currency effects, fee and commission income in Swiss francs fell to CHF 225 million (2014: CHF 240 million). Gross written premiums, policy fees and deposits received came to CHF 2.5 billion, which was the same as the previous year.

The Private Clients business area, with carriers based in Luxembourg, Liechtenstein and Singapore, specialises in life insurance solutions for high net worth individuals. The identification and development of new markets in Europe and Asia further underpinned the sustained growth in fee income thanks to the development of the portfolio in local currency.

Corporate Clients specialises in global life and pensions solutions for multinationals. Sustained positive risk development and increased reserves enabled Corporate Clients to further consolidate its own balance sheet in Luxembourg. The Swiss Life Network, a leading independent provider of global employee benefits solutions, also consolidated its strong market position in 2015.

Fee income from the financial advisory companies fell by CHF 9 million to CHF 131 million, due to the negative development of the local currencies against the Swiss franc.

In 2016, the main focus is on continued growth in all business areas. Swiss Life International is also targeting an increase in its fee and commission income and risk result.

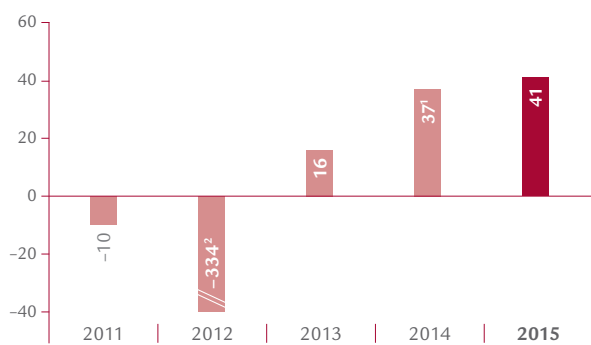
Key figures for International

Amounts in CHF million

	2015	2014	+/-
GROSS WRITTEN PREMIUMS, POLICY FEES AND DEPOSITS RECEIVED	2 453	2 451	0%
Net earned premiums	34	38	-11%
Fee and commission income	225	240	-7%
Financial result	51	54	-7%
Other income	-18	-11	53%
TOTAL INCOME	291	321	-9%
Net insurance benefits and claims	-10	-9	19%
Policyholder participation	-18	-26	-30%
Interest expense	-15	-17	-10%
Operating expense	-207	-233	-11%
TOTAL EXPENSE	-251	-284	-12%
SEGMENT RESULT	41	37¹	11%
Assets under control	20 528	22 393	-8%
Insurance reserves	20 065	21 841	-8%
Number of employees (full-time equivalents)	760	761	-0%

Segment result International

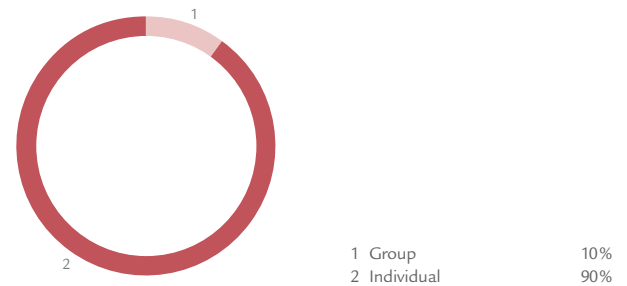
In CHF million



¹ adjusted for the Group's internal trademark fees, both levied and received (Swiss Life brand)

² restated

Premiums for International, by type of insurance



Asset Managers

The Asset Managers segment comprises Group-wide asset management activities. The German real estate asset management service provider Corpus Sireo, acquired in 2014, is incorporated for the first time for a full year in the 2015 financial year.

In 2015, Swiss Life Asset Managers achieved a segment result of CHF 242 million, which equates to an increase of CHF 53 million or 28% compared to the previous year. Assets under management by Swiss Life Asset Managers increased overall by CHF 2.3 billion to CHF 185.3 billion. Proprietary assets fell to CHF 146.5 billion and assets invested in investment funds and third-party customer mandates increased to CHF 38.8 billion. The expansion of higher-margin business and the first-time incorporation of Corpus Sireo for a full year led to an increase in income of 28.8%. Due in particular to the full deduction for Corpus Sireo, as well as to the continuing growth of third-party business, operating costs rose by 29%.

The expansion of third-party business led to a net inflow in assets under management of CHF 7.2 billion. This was due principally to the growth of institutional mandates in fixed income and real estate.

The support of Swiss Life Asset Managers enabled Corpus Sireo to significantly strengthen its operations in the German real estate market. Swiss Life Asset Managers aims to exploit its synergies further in 2016 to pursue its growth strategy in its third-party client business and strengthen its position in core markets.

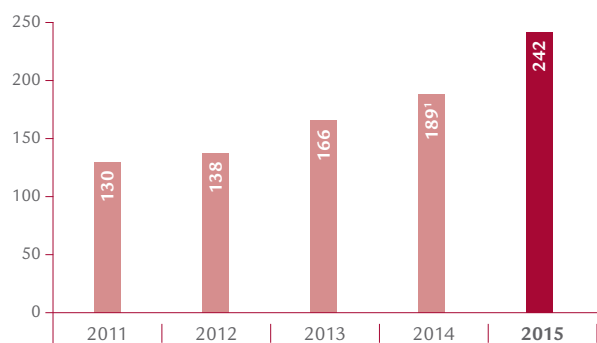
Key figures for Asset Managers

Amounts in CHF million

	2015	2014	+/-
Fee and commission income	560	450	24%
Financial result	4	0	n/a
Other income	28	8	n/a
TOTAL INCOME	591	459	29%
Interest expense	-1	-0	n/a
Operating expense	-348	-270	29%
SEGMENT RESULT	242	189¹	28%
Assets under management	185 286	182 992	1%
Number of employees (full-time equivalents)	1 344	1 261	7%

Segment result Asset Managers

In CHF million



¹ adjusted for the Group's internal trademark fees, both levied and received (Swiss Life brand)

Fee and commission income Asset Managers

In CHF million

