

# Half-year results 2023

## Extract from investor presentation for media representatives

6 September 2023

# Agenda

 ***Overview***

*Financial results and strategy update*

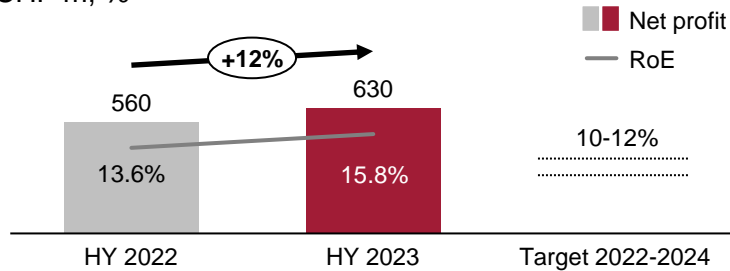
***Patrick Frost, Group CEO***

***Matthias Aellig, Group CFO***

# Swiss Life 2024 very well on track

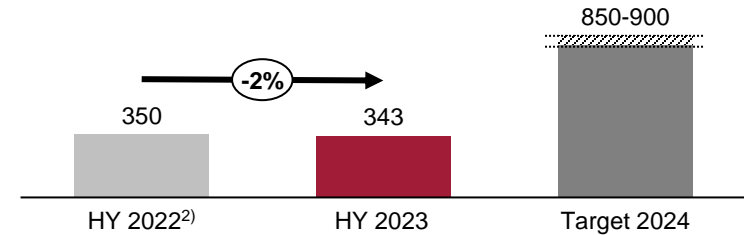
## Net profit<sup>1)</sup>, RoE<sup>1)</sup>

CHF m, %



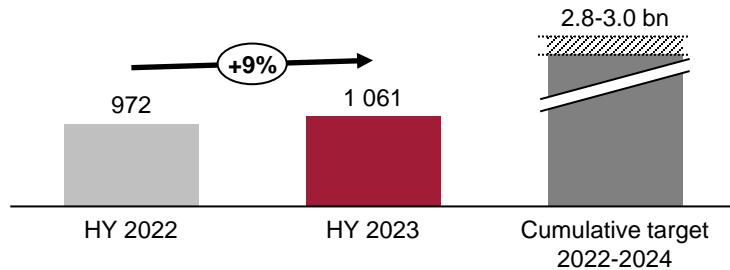
## Fee result

CHF m



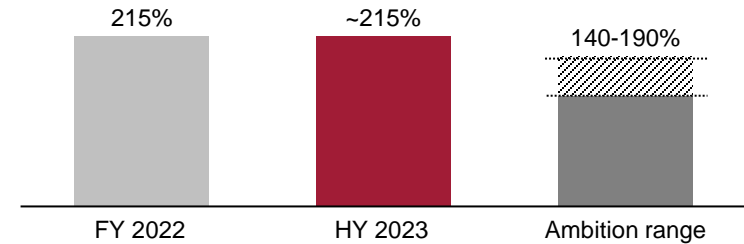
## Cash to Holding

CHF m



## SST ratio

%

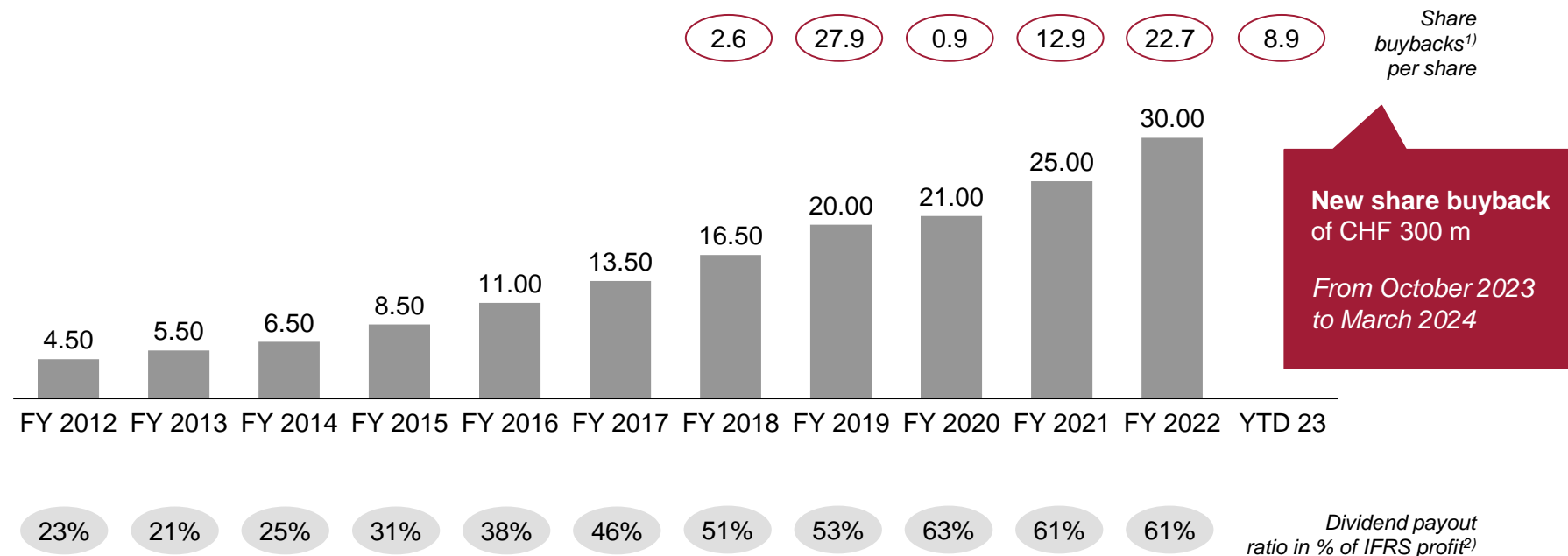


1) IFRS 17 / 9 2) FX adjusted, as outlined on slide 8

# Attractive cash returns to shareholders over past decade; new share buyback of CHF 300 m

## Dividend and share buybacks

CHF, per share




1) Share buybacks: CHF 1 bn from Dec 2018 to Dec 2019; CHF 0.4 bn from March 2020 to May 2021; CHF 1 bn from Dec 2021 to May 2023 2) IFRS 4 / IAS 39

# Agenda

*Overview*

*Patrick Frost, Group CEO*

 *Financial results and strategy update*

*Matthias Aellig, Group CFO*

# Business review Switzerland

CHF million

	<u>HY 2022</u>	<u>HY 2023</u>	<i>Change</i>	
GWP incl. PHD	5 907	6 044	+2%	<ul style="list-style-type: none"> <li>GL: -1% (market -2%), higher single premiums more than offset by lower periodic premiums; AuM semiautonomous business increased to CHF 6.9 bn (FY 22: CHF 6.2 bn)</li> <li>IL: +26% (market +9%) driven by higher single premiums</li> </ul>
Fee and commission income <sup>1)</sup>	163	156	-4%	<ul style="list-style-type: none"> <li>Primarily due to owned IFA</li> </ul>
<b>Segment result<sup>2)</sup></b>	<b>421</b>	<b>448</b>	<b>+6%</b>	<ul style="list-style-type: none"> <li>Higher operating result from VFA insurance business</li> </ul>
Fee result <sup>3)</sup>	30	27	-10%	<ul style="list-style-type: none"> <li>Fee result declined due to owned IFA; prior year supported by the positive pension plan effect</li> </ul>
Value of new business	116	125	+8%	<ul style="list-style-type: none"> <li>Mainly driven by higher volumes in IL</li> </ul>
Cash remittance <sup>4)</sup>	422	535	+27%	<ul style="list-style-type: none"> <li>Based on higher FY 2022 net profit</li> </ul>

1) Net earned policy fees and commission income (IFRS basis) 2) Based on IFRS 17 / 9; HY 2022 segment result corresponds to CHF 500 m under IFRS 17 / IAS 39

3) Refined approach: UL contribution of IL products now fully shown in fee result 4) Before eliminations

# Business review France

EUR million

	<u>HY 2022</u>	<u>HY 2023</u>	<i>Change</i>	
GWP incl. PHD	3 547	3 417	-4%	<ul style="list-style-type: none"> <li>• Life: -7% (market +6%); UL share of 63% (market 40%)</li> <li>• Health &amp; protection: +8% (market +6%)</li> <li>• P&amp;C: -2%</li> </ul>
Fee and commission income <sup>1)</sup>	210	229	+9%	<ul style="list-style-type: none"> <li>• Strong contribution from banking business; higher UL fee income due to positive market effects and strong net inflows</li> </ul>
<b>Segment result<sup>2)</sup></b>	<b>129</b>	<b>163</b>	<b>+26%</b>	<ul style="list-style-type: none"> <li>• Higher fee result and higher operating result from life and P&amp;C insurance businesses; lower result in health due to negative claims development</li> <li>• Increase of fee result primarily due to banking business</li> </ul>
Fee result	68	80	+18%	
Value of new business	82	85	+3%	<ul style="list-style-type: none"> <li>• Higher volumes in health &amp; protection and higher interest rates partially offset by lower volumes in the life business</li> </ul>
Cash remittance <sup>3)</sup>	128	154	+20%	<ul style="list-style-type: none"> <li>• Based on FY 2022 fee result development</li> </ul>

1) Net earned policy fees and commission income (IFRS basis) 2) Based on IFRS 17 / 9; HY 2022 segment result corresponds to EUR 232 m under IFRS 17 / IAS 39

3) Before eliminations

# Business review Germany

EUR million

	<u>HY 2022</u>	<u>HY 2023</u>	<i>Change</i>	
GWP incl. PHD	695	719	+3%	<ul style="list-style-type: none"> <li>Higher premiums with modern, modern-traditional and disability products (market -8%)</li> </ul>
Fee and commission income <sup>1)</sup>	321	379	+18%	<ul style="list-style-type: none"> <li>Driven by owned IFAs based on higher productivity and higher number of financial advisors (+3%)</li> </ul>
<b>Segment result<sup>2)</sup></b>	<b>102</b>	<b>115</b>	<b>+13%</b>	<ul style="list-style-type: none"> <li>Positive development of fee result more than outweighed a slightly lower operating result from insurance business</li> </ul>
Fee result	61	76	+24%	<ul style="list-style-type: none"> <li>Fee result driven by top line development</li> </ul>
Value of new business	35	37	+7%	<ul style="list-style-type: none"> <li>Higher volumes and continued focus on capital-light business</li> </ul>
Cash remittance <sup>3)</sup>	69	94	+37%	<ul style="list-style-type: none"> <li>Increase driven by insurance business</li> </ul>

1) Net earned policy fees and commission income (IFRS basis) 2) Based on IFRS 17 / 9; HY 2022 segment result corresponds to EUR 102 m under IFRS 17 / IAS 39

3) Before eliminations



# Business review International

EUR million

	<u><i>HY 2022</i></u>	<u><i>HY 2023</i></u>	<i>Change</i>	
GWP incl. PHD	522	1 391	+166%	<ul style="list-style-type: none"> <li>Higher premiums from business with corporate clients, in particular due to acquisition of elipsLife</li> </ul>
Fee and commission income <sup>1)</sup>	166	198	+20%	<ul style="list-style-type: none"> <li>Increase due to corporate business; lower income from owned IFAs and private clients</li> </ul>
<b>Segment result<sup>2)</sup></b>	<b>49</b>	<b>55</b>	<b>+13%</b>	<ul style="list-style-type: none"> <li>Positive contribution from fee result; slightly higher operating result from insurance business</li> </ul>
Fee result	40	44	+12%	<ul style="list-style-type: none"> <li>Fee result: Higher in business with corporate clients; lower from owned IFAs due to rebranding related expenses</li> </ul>
Value of new business	21	33	+59%	<ul style="list-style-type: none"> <li>Higher volumes from business with corporate clients</li> </ul>
Cash remittance <sup>3)</sup>	55	54	-2%	<ul style="list-style-type: none"> <li>Stable despite higher FY 2022 segment result due to acquisition-related effects and slightly higher tax rate</li> </ul>

1) Net earned policy fees and commission income (IFRS basis) 2) Based on IFRS 17 / 9; HY 2022 segment result corresponds to EUR 51 m under IFRS 17 / IAS 39

3) Before eliminations

# Business review Asset Managers (1/2)

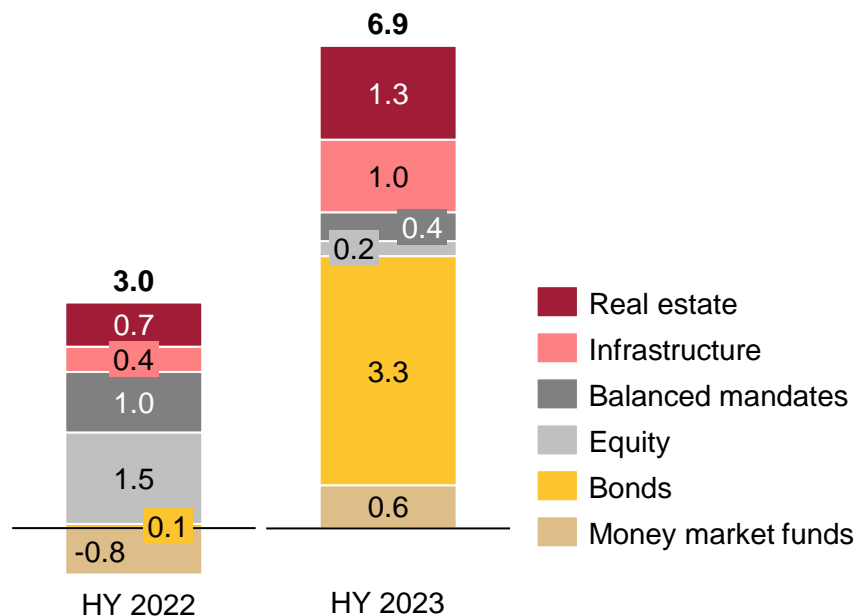
CHF million

	<u>HY 2022</u>	<u>HY 2023</u>	<i>Change</i>	
Commission and other net income <sup>1)</sup>	505	441	-13%	<ul style="list-style-type: none"> <li>• PAM: Sale of a subsidiary in 2022, lower average AuM and lower real estate transaction volumes</li> </ul>
PAM	184	154	-16%	<ul style="list-style-type: none"> <li>• TPAM: Driven by non-recurring business and sale of a subsidiary in 2022</li> </ul>
TPAM	322	288	-11%	
<b>Segment result</b>	<b>154</b>	<b>119</b>	<b>-23%</b>	<ul style="list-style-type: none"> <li>• PAM: Decrease mainly due to lower average AuM</li> <li>• TPAM: Decrease driven by lower contribution from non-recurring business</li> </ul>
PAM	94	84	-11%	
TPAM	60	35	-41%	
TPAM cost income ratio <sup>2)</sup>	74%	81%		<ul style="list-style-type: none"> <li>• Lower commission income</li> </ul>
Cash remittance <sup>3)</sup>	274	218	-20%	<ul style="list-style-type: none"> <li>• HY 2023 impacted by a time lag between FY 2022 income recognition and distributable cash remittance related to real estate project development</li> </ul>

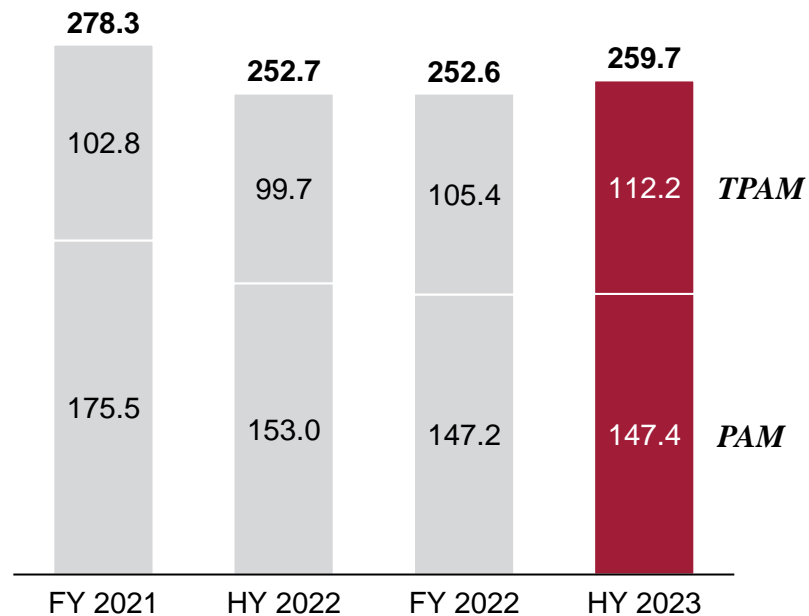
1) Incl. net income from real estate project development 2) Excl. Livit and real estate project development, as shown at Investor Day 3) Before eliminations

# Business review Asset Managers (2/2)

**TPAM net new assets, NNA**  
CHF billion (fair value basis)



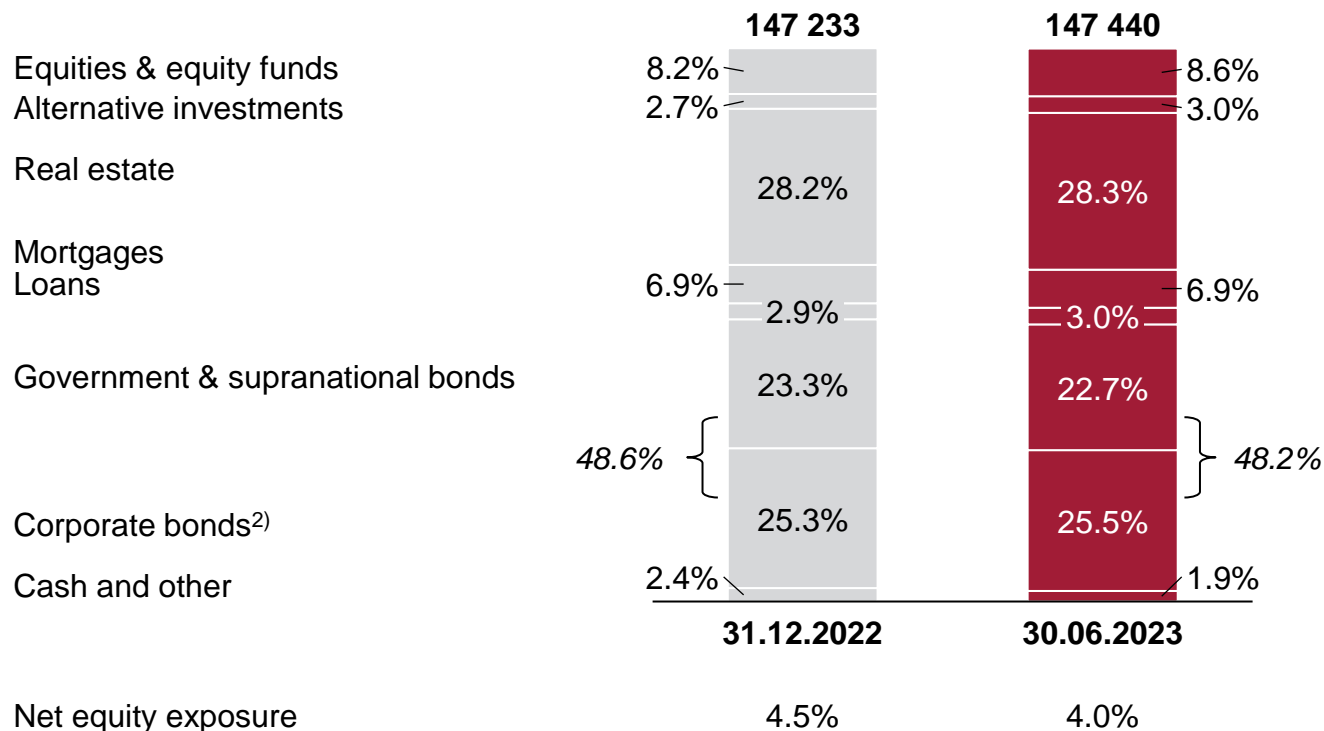
**PAM and TPAM assets under management, AuM**  
CHF billion (fair value basis)



# Investment portfolio

## *Insurance portfolio for own risk<sup>1)</sup>*

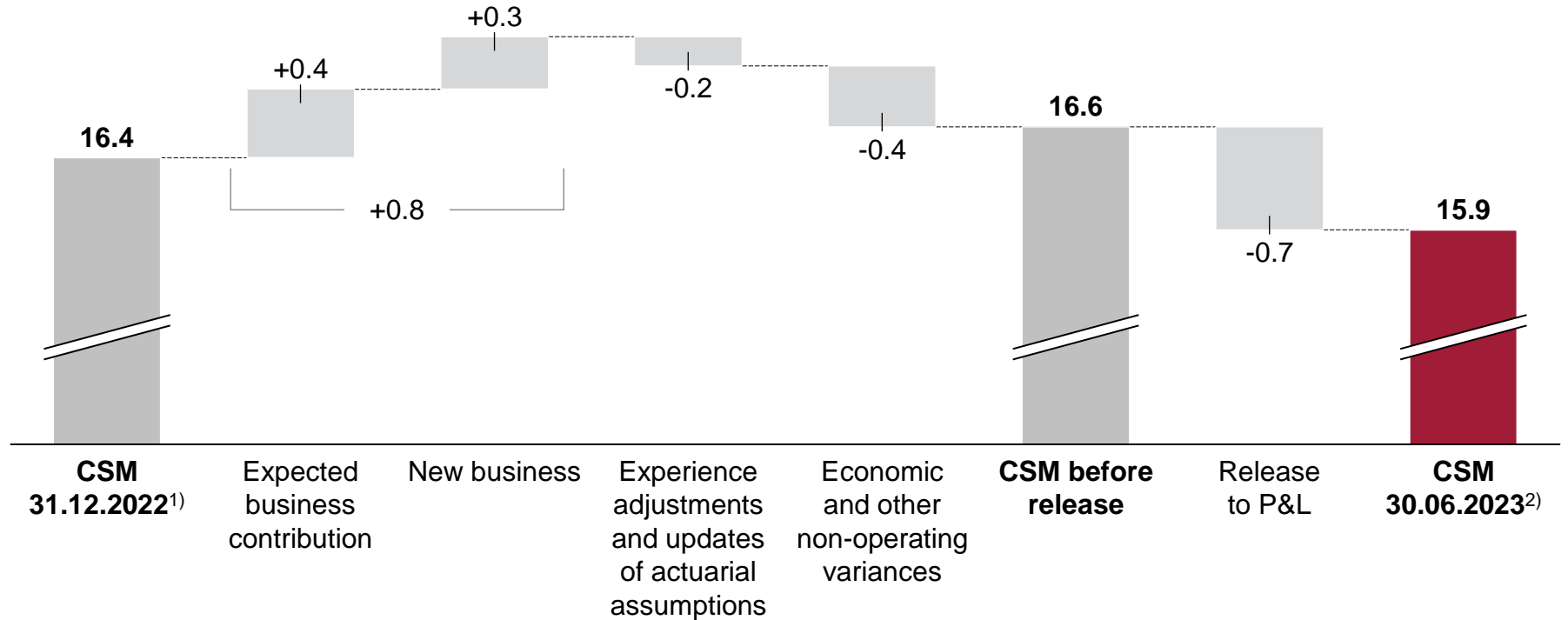
CHF million (fair value basis)



1) Excl. repo positions of CHF -4 189 m in HY 2023 and CHF -2 737 m in FY 2022 2) Incl. senior secured loan funds

# CSM development

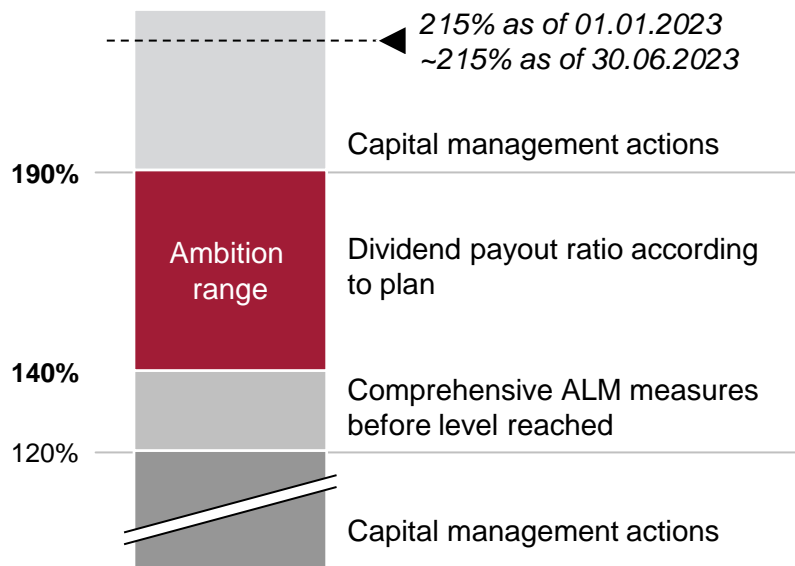
*CSM development (pre-tax, gross)*  
CHF billion (IFRS basis)



1) CSM net of reinsurance as of 31.12.2022: CHF 16.3 bn 2) CSM net of reinsurance as of 30.06.2023: CHF 15.8 bn

# Group SST ratio as of 30 June 2023 estimated to be around 215%

*Swiss Life Group*  
SST standard model



*Swiss Life Group SST sensitivities*  
(as of 30.06.2023)

<i>Real estate -10%</i>	-23 pts
<i>Credit spreads<sup>1)</sup> +100 bps</i>	-10 pts
<i>Interest rates -50 bps</i>	-7 pts
<i>Equities -30%</i>	-12 pts
<i>Insurance 1-in-10-year event</i>	-10 pts

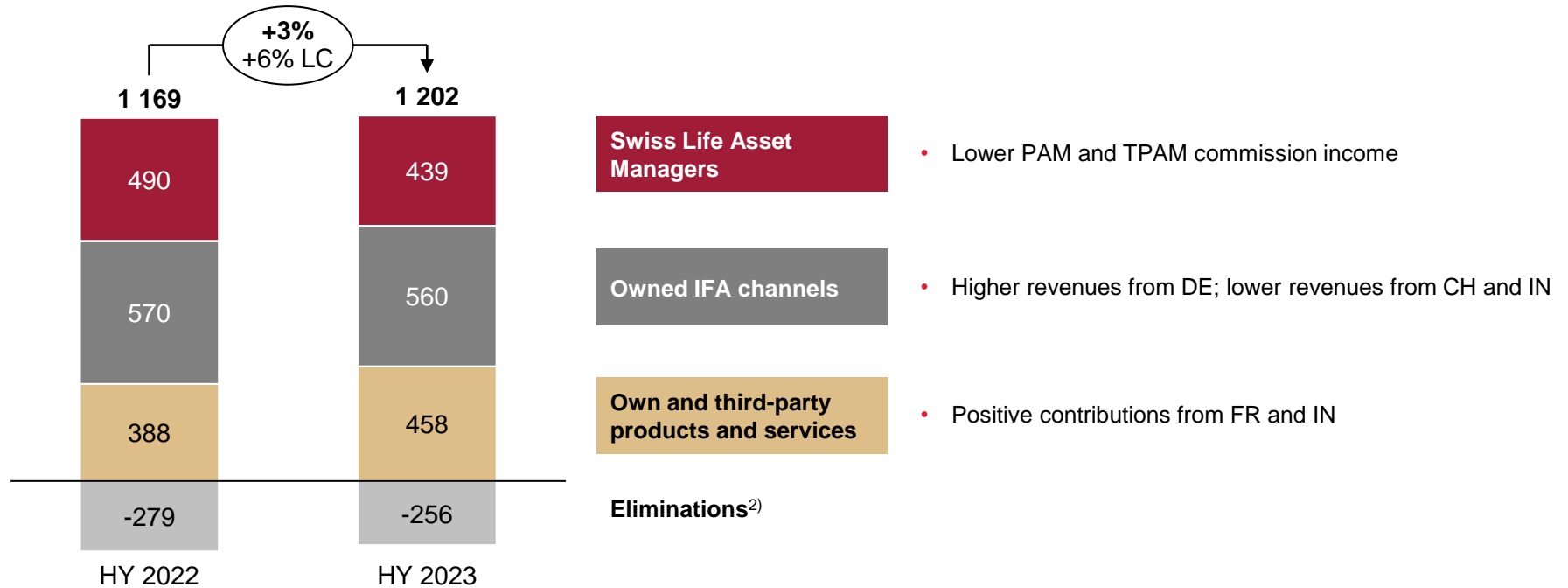
1) Corporate bonds and lower rated government bonds (BBB and lower); excluding covered / guaranteed bonds

# Growing fee and commission income

Quality of earnings  
and earnings growth

## Fee and commission income<sup>1)</sup>

CHF million (IFRS basis)

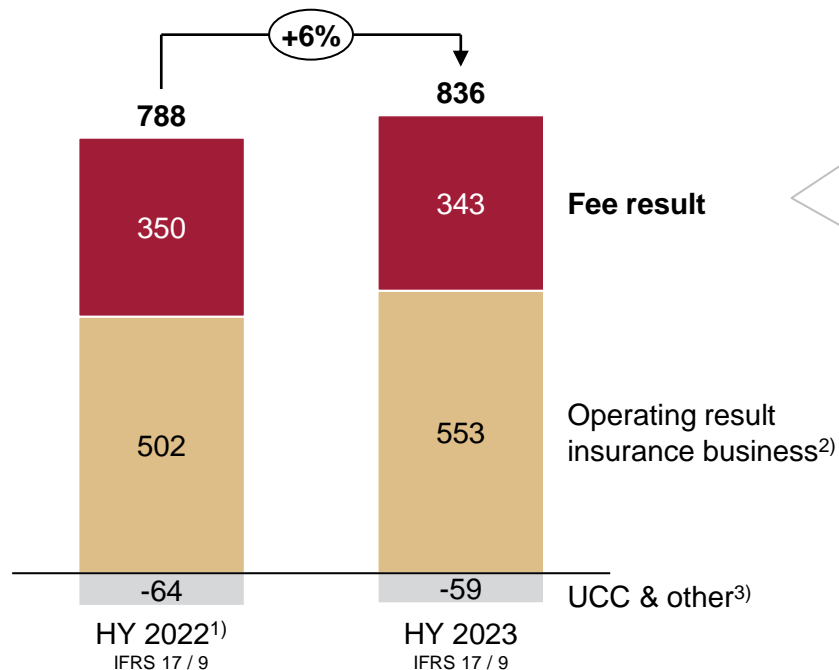


1) Net earned policy fees and commission income 2) Eliminations attributable to Swiss Life Asset Managers' PAM and owned IFAs

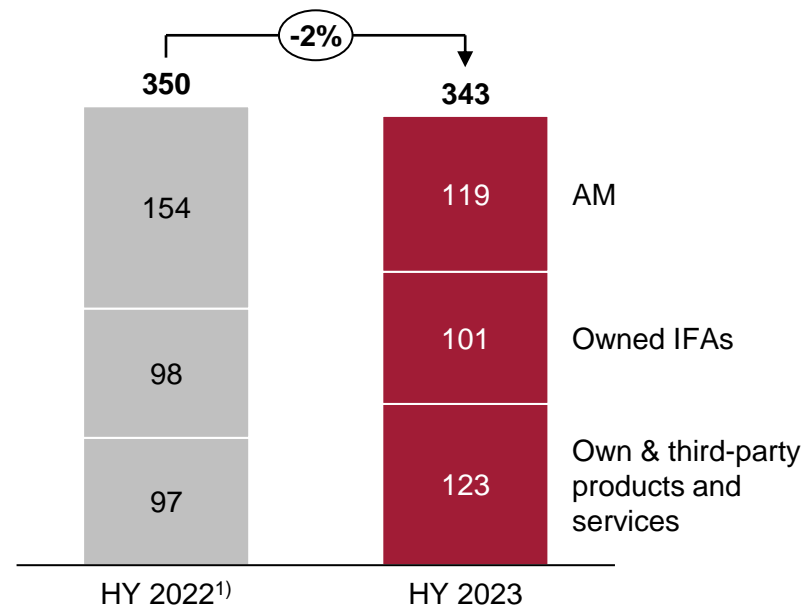
# Profit from operations and fee result

Quality of earnings  
and earnings growth

**Adjusted profit from operations**  
CHF million (IFRS basis)



**Components of fee result**  
CHF million (IFRS basis)

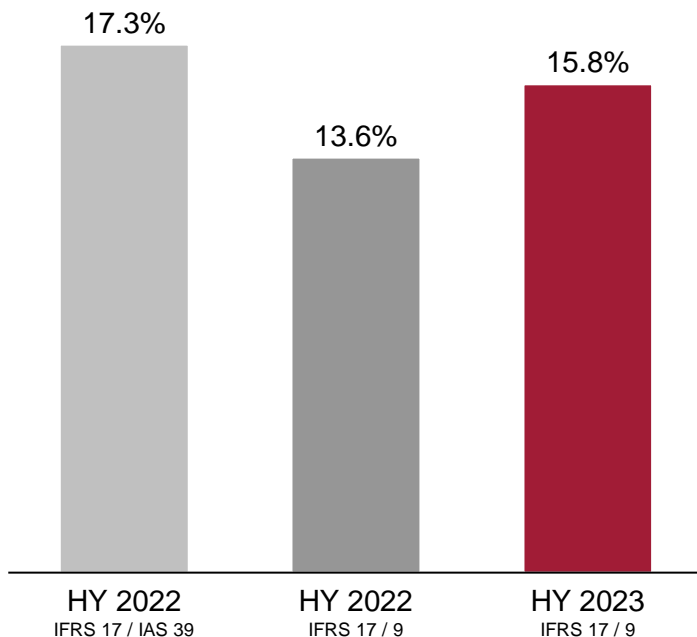


1) FX adjusted, as outlined on slide 8 2) Excl. UL fee business 3) Other refers to segment Other



# Return on equity

## *Return on equity, annualised* % (IFRS basis)



## *HY 2023 calculation* IFRS 17 / 9

### *Shareholders' equity*

- 01.01.2023: CHF 8.5 bn
- 30.06.2023: CHF 7.8 bn

### *Net profit*

- HY 2023: CHF 619 m  
(profit attributable to shareholders, excl. minorities)

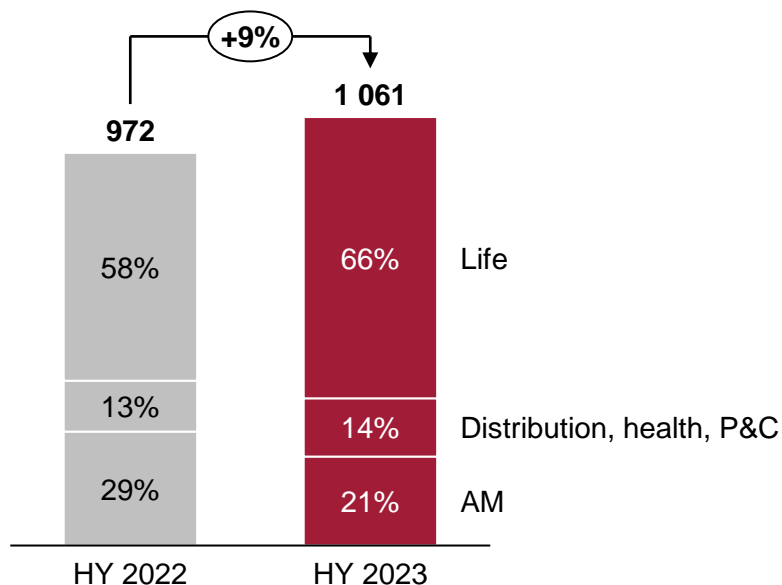
### *RoE*

- HY 2023: 15.8%  
(based on average shareholders' equity without making any adjustments)

# Increased cash remittance to Holding; new share buyback of CHF 300 m

## Cash remittance to Holding

CHF million



## Share buyback programmes

(additional details)

### Completed

- Amount: CHF 1 bn
- Timing: Dec 2021 – May 2023

### New

- Amount: **CHF 300 m**
- Timing: Oct 2023 – March 2024
- Purpose: Cancellation of repurchased shares
- Execution: Delegated to partner bank; purchases on 2<sup>nd</sup> trading line

### Shares issued

- Shares issued of 29 517 887<sup>1)</sup>, thereof 120 976 treasury shares

1) 288 287 of shares repurchased, but not yet cancelled, under the completed CHF 1 bn share buyback programme will be cancelled after the AGM in 2024

# Swiss Life 2024 very well on track

## Swiss Life 2024 financial ambitions and targets

### Quality of earnings and earnings growth

• <b>Fee result</b> FY 2024	CHF 850-900 m	<i>On track</i>
• <b>RoE<sup>1) 2)</sup></b> 2022-2024	10-12%	<i>Ahead<sup>3)</sup></i>

### Capital, cash and payout

• <b>Cash to Holding</b> Cumulative 2022-2024	CHF 2.8-3.0 bn	<i>Ahead</i>
• <b>Dividend payout ratio<sup>2)</sup></b> 2022-2024	> 60%	<i>On track</i> <i>Ambition to increase DPS</i>
• <b>Share buyback</b> Dec 2021 – May 2023	CHF 1 bn	<i>Completed</i>

1) Shareholders' equity excl. unrealised gains / losses 2) Targets based on IFRS 4 / IAS 39 accounting standards 3) Even allowing for mechanical uplift

# Abbreviations and IFRS 17 / 9 glossary

## Abbreviations

AGM	Annual general meeting	IFRS	International Financial Reporting Standards
ALM	Asset and liability management	IL	Individual life
AM	Business division Asset Managers	IN	Business division International
APE	Annual premium equivalent	LC	Local currency
AuM	Assets under management	m	Million
bn	Billion	MCEV	Market consistent embedded value
bps	Basis points	NBM	New business margin
BVG	Swiss federal law on occupational retirement, survivors' and disability pension plans	NNA	Net new assets
CH	Business division Switzerland	NO	Norway
DE	Business division Germany	OCI	Other comprehensive income
DPF	Discretionary participation features	PAM	Proprietary insurance asset management
DPS	Dividend per share	P&C	Property and casualty
ESG	Environmental, Social and Governance	P&L	Profit and loss
FR	Business division France	PHD	Policyholder deposits
FTE	Full time equivalent	PVNB	Present value of new business premiums
FX	Foreign exchange	RoE	Return on equity
FY	Full-year	SST	Swiss Solvency Test
GL	Group life	TPAM	Third-party asset management
GWP	Gross written premiums	UCC	Unallocated corporate costs
HY	Half-year	UK	United Kingdom
IAS	International Accounting Standards	UL	Unit-linked
IFA	Independent financial advisor	VNB	Value of new business

## IFRS 17 / 9 glossary

<b>Fee result</b>	Represents the operating result from fee businesses, incl. UL fee business in scope of IFRS 17	<b>ECL</b>	Expected credit loss – the weighted average of credit losses with the respective risks of a default
<b>Operating result insurance business</b>	Segment result of insurance business divisions (CH, FR, DE, IN) excluding the fee result	<b>PAA</b>	Premium allocation approach – a simplified optional approach of the General Measurement Model for short-term contracts
<b>BEL</b>	Best estimate liabilities – the unbiased estimate of the present value of expected future cash flows	<b>RA</b>	Risk adjustment – reflects the compensation required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risks
<b>CSM</b>	Contractual service margin – reflects unearned future profits of the insurance contract liability presented in the balance sheet	<b>VFA</b>	Variable fee approach – a specific, mandatory adaptation of the General Measurement Model for contracts with direct participation features

Segment Other: Includes Swiss Life Holding and finance / service companies  
 Owned IFAs: Includes Swiss Life Select, Tecis, Horbach, Proventus and Chase de Vere

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a self-determined life.*