

# Half-year results 2022

## Extract from investor presentation for media representatives

17 August 2022

# Agenda

 ***Overview***

*Financial results and strategy update*

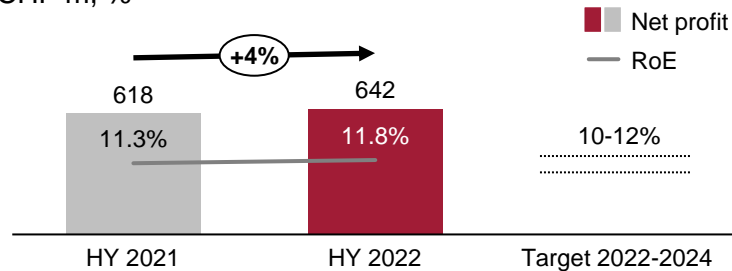
***Patrick Frost, Group CEO***

***Matthias Aellig, Group CFO***

# Swiss Life HY 2022: Strong set of results

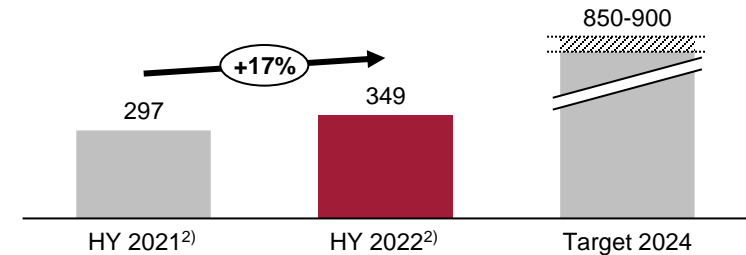
## Net profit, RoE<sup>1)</sup>

CHF m, %



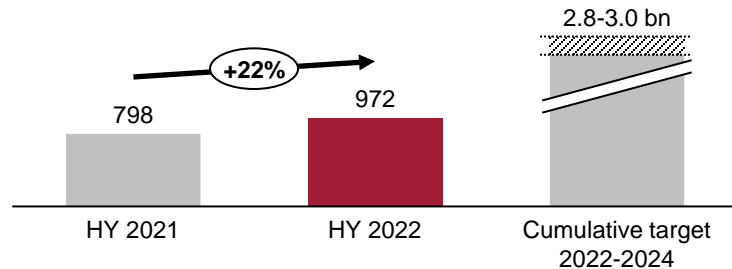
## Fee result

CHF m



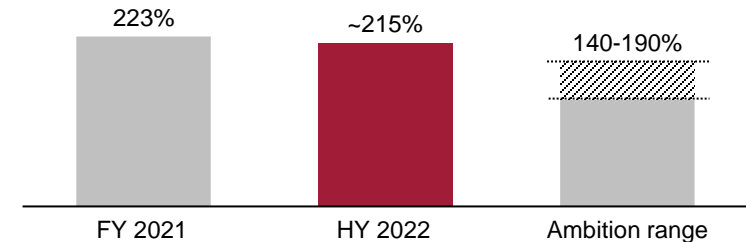
## Cash to Holding

CHF m



## SST ratio

%




1) Shareholders' equity excl. unrealised gains/losses 2) Adjusted as outlined on slide 7

# Agenda

*Overview*

*Patrick Frost, Group CEO*

 ***Financial results and strategy update***

***Matthias Aellig, Group CFO***

# Key figures HY 2022 results

- ✓ **Net profit** increased by 4% to CHF 642 m
- ✓ Adjusted **profit from operations** up by 6% to CHF 922 m
- ✓ **Fee and commission income** grew by 13% in local currency to CHF 1 169 m
- ✓ **Fee result** increased by 17% to CHF 349 m
- ✓ **Premiums** up by 2% in local currency to CHF 10.8 bn
- ✓ Resilient **direct investment income** of CHF 1 981 m at 1.2% (not annualised)
- ✓ **TPAM** with positive NNA of CHF 3.0 bn; AuM decreased to CHF 99.7 bn (FY 21: CHF 102.8 bn)
- ✓ **Value of new business** rose by 1% to CHF 254 m; NBM increased from 3.1% to 3.8%
- ✓ Annualised **return on equity**<sup>1)</sup> grew to 11.8% from 11.3%
- ✓ **SST ratio** estimated to be around 215% as of 30.06.2022 (01.01.2022: 223%)
- ✓ **Cash to Holding** up by 22% to CHF 972 m

1) Shareholders' equity excl. unrealised gains/losses

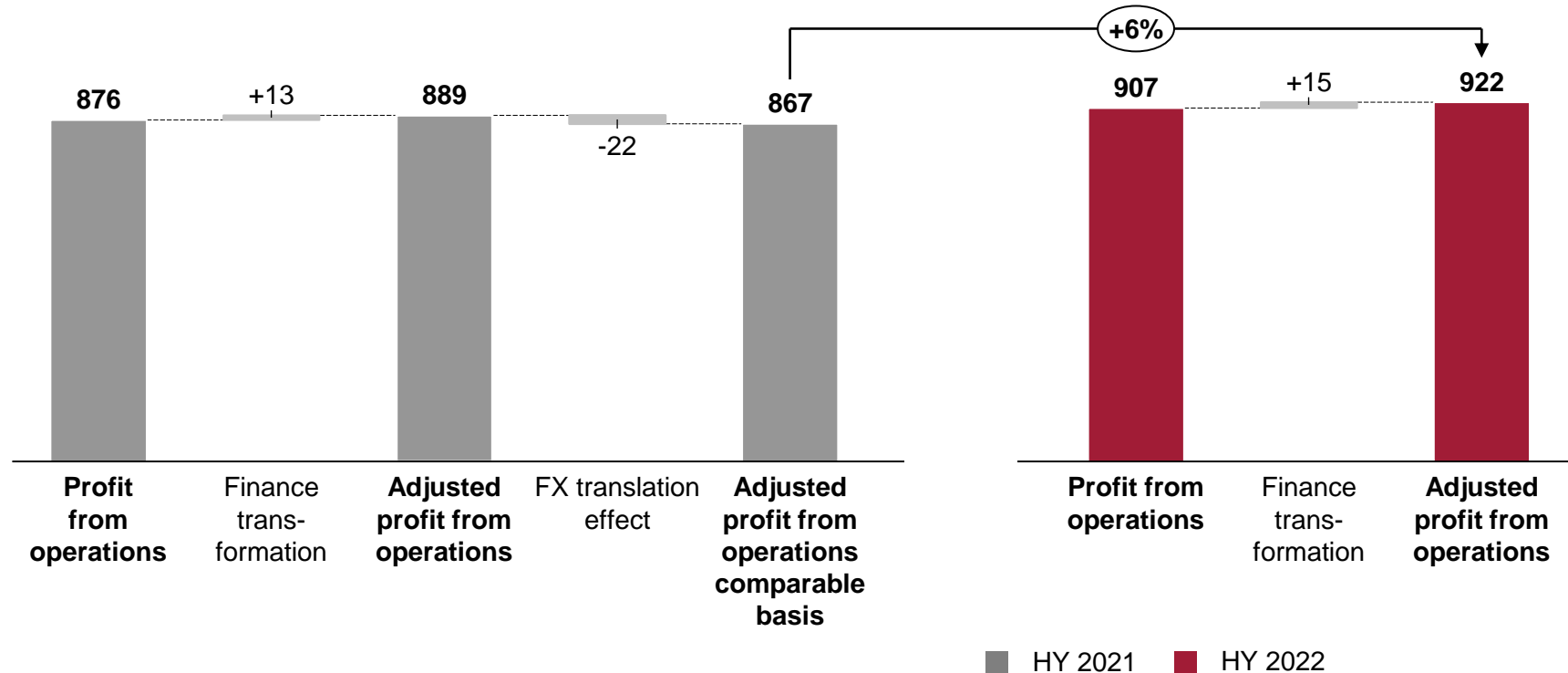
# Selected P&L figures

CHF million (IFRS basis)

	HY 2021	HY 2022
Gross written premiums, fees and deposits received	10 876	10 801
Fee and commission income	1 081	1 169
Net investment result insurance portfolio for own risk	2 181	2 787
Net insurance benefits and claims	-7 712	-7 212
Policyholder participation	-1 114	-1 929
Operating expense	-1 786	-1 881
<b>Profit from operations</b>	<b>876</b>	<b>907</b>
Borrowing costs	-62	-56
Income tax expense	-196	-209
<b>Net profit</b>	<b>618</b>	<b>642</b>
Basic earnings per share (in CHF)	19.7	20.8

# Adjusted profit from operations

CHF million (IFRS basis, adjusted)



# Business review Switzerland

CHF million (IFRS basis, VNB)

	HY 2021	HY 2022	Change	
GWP incl. PHD	5 878	5 907	0%	<ul style="list-style-type: none"> <li>GL: +1% (market -2%), driven by single premiums; AuM in semi-autonomous business increased to CHF 6.0 bn (FY 21: CHF 5.6 bn)</li> <li>IL: -2% (market +1%), higher periodic premiums from UL products offset by lower single premiums</li> </ul>
Fee and commission income <sup>1)</sup>	157	163	+3%	<ul style="list-style-type: none"> <li>Higher revenues from owned IFA and from UL solutions</li> </ul>
Operating expense	-200	-204	+2%	<ul style="list-style-type: none"> <li>Increase driven by growth initiatives in the fee businesses partly offset by a positive effect due to a plan amendment in the owned IFA pension scheme</li> </ul>
<b>Segment result</b>	<b>458</b>	<b>503</b>	<b>+10%</b>	<ul style="list-style-type: none"> <li>Positive development of savings result</li> <li>Fee result supported by the positive pension plan effect</li> </ul>
Fee result	17	20	+17%	
Value of new business	88	116	+31%	<ul style="list-style-type: none"> <li>Higher volume in semi-autonomous business; positive interest rate development</li> </ul>
Cash remittance <sup>2)</sup>	387	422	+9%	<ul style="list-style-type: none"> <li>Based on local statutory accounts</li> </ul>

1) Net earned policy fees and commission income 2) Before eliminations



# Business review France

EUR million (IFRS basis, VNB)

	HY 2021	HY 2022	Change	
GWP incl. PHD	3 470	3 547	+2%	<ul style="list-style-type: none"> <li>Life: +2% (market +1%); UL share of 62% (market 41%)</li> <li>Health &amp; protection: +3% (market +5%)</li> <li>P&amp;C: -2% (market +4%)</li> </ul>
Fee and commission income <sup>1)</sup>	183	210	+15%	<ul style="list-style-type: none"> <li>Higher UL fee income due to strong net inflows and higher average UL reserves; strong contribution from banking business</li> </ul>
Operating expense	-172	-186	+8%	<ul style="list-style-type: none"> <li>Investments in growth and efficiency projects</li> </ul>
<b>Segment result</b>	<b>132</b>	<b>147</b>	<b>+12%</b>	<ul style="list-style-type: none"> <li>Higher savings and fee results; lower risk and cost results</li> <li>Positive development of fee result driven by UL result and very strong contribution from banking business</li> </ul>
Fee result	49	68	+38%	
Value of new business	94	82	-12%	<ul style="list-style-type: none"> <li>Positive impacts from business mix and interest rate; lower volumes and changes in operating environment</li> </ul>
Cash remittance <sup>2)</sup>	80	128	+60%	<ul style="list-style-type: none"> <li>Rebound of dividend payment to a more normal level</li> </ul>

1) Net earned policy fees and commission income 2) Before eliminations

# Business review Germany

EUR million (IFRS basis, VNB)

	HY 2021	HY 2022	Change	
GWP incl. PHD	661	695	+5%	<ul style="list-style-type: none"> <li>Higher premiums with modern, modern-traditional and disability products (market +1%)</li> </ul>
Fee and commission income <sup>1)</sup>	295	321	+9%	<ul style="list-style-type: none"> <li>Continued strong financial advisor activity; number of financial advisors up by 14%</li> </ul>
Operating expense	-115	-118	+3%	<ul style="list-style-type: none"> <li>Business growth and investments in growth initiatives</li> </ul>
<b>Segment result</b>	<b>130</b>	<b>102</b>	<b>-21%</b>	<ul style="list-style-type: none"> <li>Positive development of fee result; extraordinary strong savings result in prior-year period</li> </ul>
Fee result	55	61	+10%	<ul style="list-style-type: none"> <li>Higher fee result driven by owned IFAs</li> </ul>
Value of new business	37	35	-7%	<ul style="list-style-type: none"> <li>Continued focus on capital-light business with increase in UL products; lower contribution of risk business</li> </ul>
Cash remittance <sup>2)</sup>	55	69	+25%	<ul style="list-style-type: none"> <li>Higher dividend based on FY 2021 fee result development</li> </ul>

1) Net earned policy fees and commission income 2) Before eliminations

# Business review International

EUR million (IFRS basis, VNB)

	HY 2021	HY 2022	Change	
GWP incl. PHD	451	522	+16%	• Higher premiums with private and corporate clients
Fee and commission income <sup>1)</sup>	151	166	+10%	• Increased revenues from owned IFAs in all locations; higher revenues also with private clients
Operating expense	-50	-56	+12%	• Business growth and investments in process optimisation and digitalisation
<b>Segment result</b>	<b>42</b>	<b>46</b>	<b>+9%</b>	• Higher fee result; lower savings result
Fee result	33	38	+14%	• Fee result increased due to higher income and productivity gains
Value of new business	19	21	+12%	• Increase driven by both corporate and private client businesses
Cash remittance <sup>2)</sup>	49	55	+13%	• Positive FY 2021 net profit development

1) Net earned policy fees and commission income 2) Before eliminations

# Business review Asset Managers (1/2)

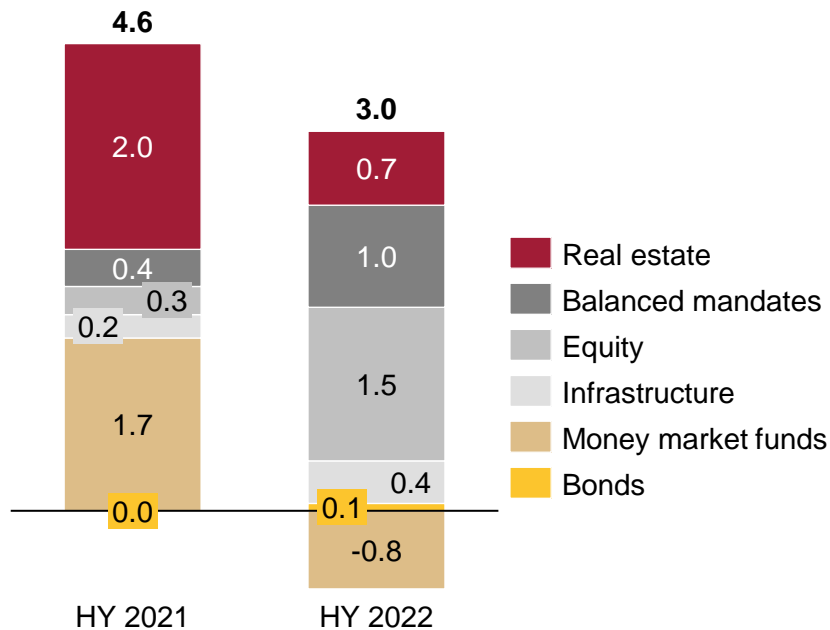
CHF million (IFRS basis)

	HY 2021	HY 2022	Change	
Commission and other net income <sup>1)</sup>	445	505	+14%	<ul style="list-style-type: none"> <li>PAM: Higher income from real estate business offset by lower securities related income</li> </ul>
PAM	183	184	+1%	<ul style="list-style-type: none"> <li>TPAM: Strong growth of recurring income mostly based on higher average assets (incl. contribution of an acquisition); higher non-recurring income</li> </ul>
TPAM <sup>1)</sup>	262	322	+23%	
Operating expense	-267	-293	+10%	<ul style="list-style-type: none"> <li>Business growth, process harmonisation, digitalisation; prior year incl. derecognition of a brand asset</li> </ul>
<b>Segment result</b>	<b>140</b>	<b>154</b>	<b>+10%</b>	<ul style="list-style-type: none"> <li>PAM: Increase in fee income offset by higher expenses</li> <li>TPAM: Increase driven by strong income development; prior year incl. derecognition of a brand asset</li> </ul>
PAM	97	94	-3%	
TPAM	43	60	+39%	
TPAM cost income ratio <sup>2)</sup>	79%	74%		<ul style="list-style-type: none"> <li>Positive development; prior year is 75% if derecognition of a brand asset is excluded</li> </ul>
Cash remittance <sup>3)</sup>	224	274	+22%	<ul style="list-style-type: none"> <li>Increase due to FY 2021 net profit development and a special dividend payment</li> </ul>

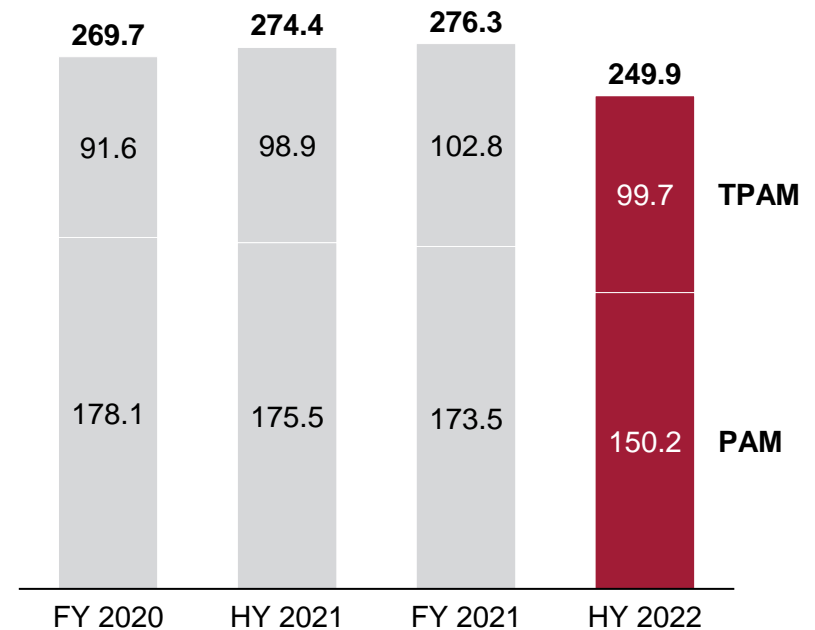
1) Incl. net income from real estate project development 2) Excl. Livit and real estate project development, as shown at Investor Day 3) Before eliminations

# 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 result

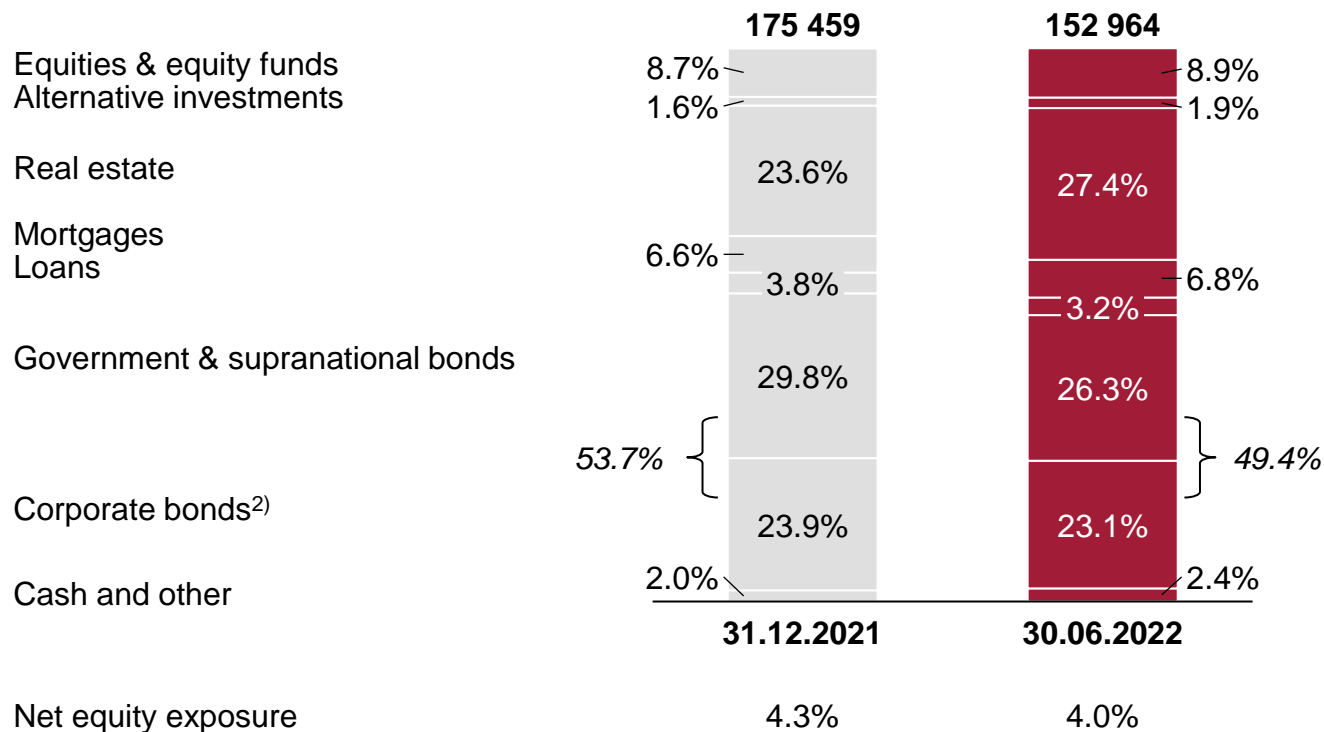
CHF million (IFRS basis), insurance portfolio for own risk

	HY 2021	HY 2022
Direct investment income	1 970	1 981
Direct investment income in %	1.1%	1.2%
Expense	-212	-212
Net capital gains/losses on investments and impairments <sup>1)</sup>	422	1 018
Net investment result	2 181	2 787
Net investment result in %	1.3%	1.7%
Changes in unrealised gains/losses on investments	-3 694	-18 051
Total investment result	-1 513	-15 264
Total investment result in %	-0.9%	-9.6%
Average net investments	171 889	159 552

1) Incl. FX gains/losses on hybrid of CHF 66 m in HY 2022 and CHF -25 m in HY 2021

# Investment portfolio

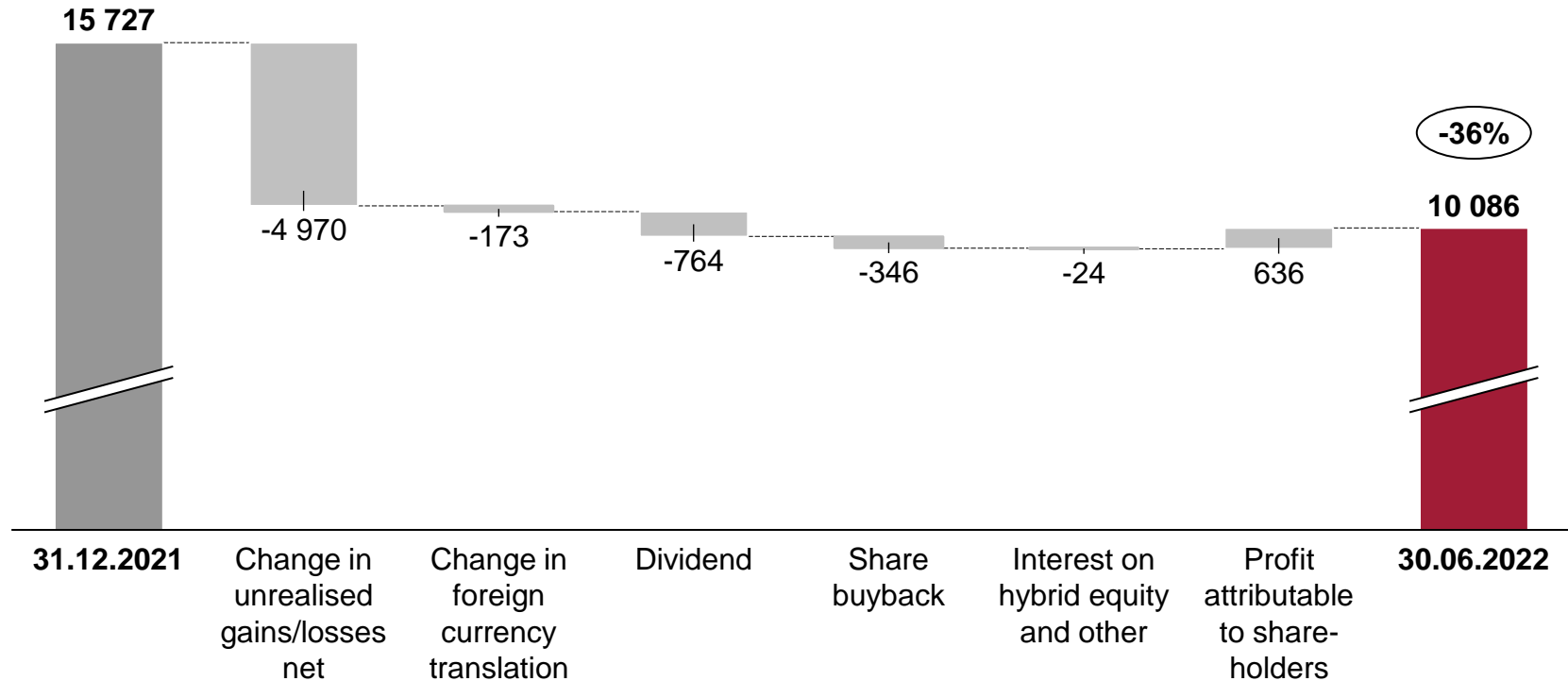
CHF million (fair value basis), insurance portfolio for own risk<sup>1)</sup>



1) Excl. repo positions of CHF -3 902 m in FY 2021 and CHF -4 212 m in HY 2022 2) Incl. senior secured loan funds

# Shareholders' equity

CHF million (IFRS basis)





# Swiss Life 2024 financial targets

## *Swiss Life 2024 financial ambitions and targets*

### *Quality of earnings and earnings growth*

- **Fee result**  
FY 2024 **CHF 850-900 m**
- **RoE<sup>1) 2)</sup>**  
2022-2024 **10-12%**

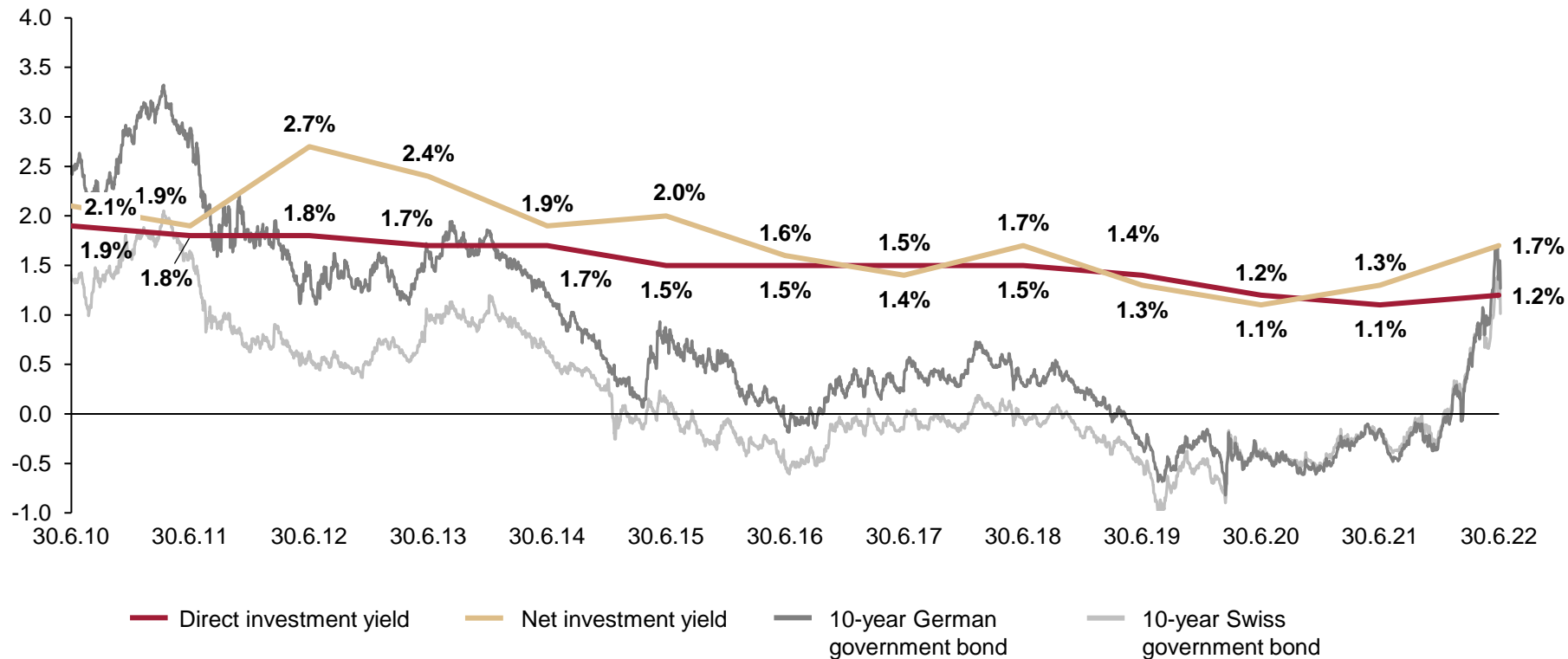
### *Capital, cash and payout*

- **Cash to Holding**  
Cumulative 2022-2024 **CHF 2.8-3.0 bn**
- **Dividend payout ratio<sup>2)</sup>**  
2022-2024 **> 60%**
- **Share buyback**  
Dec 2021 – May 2023 **CHF 1 bn**

1) Shareholders' equity excl. unrealised gains/losses 2) Targets based on IFRS 4 / IAS 39 accounting standard

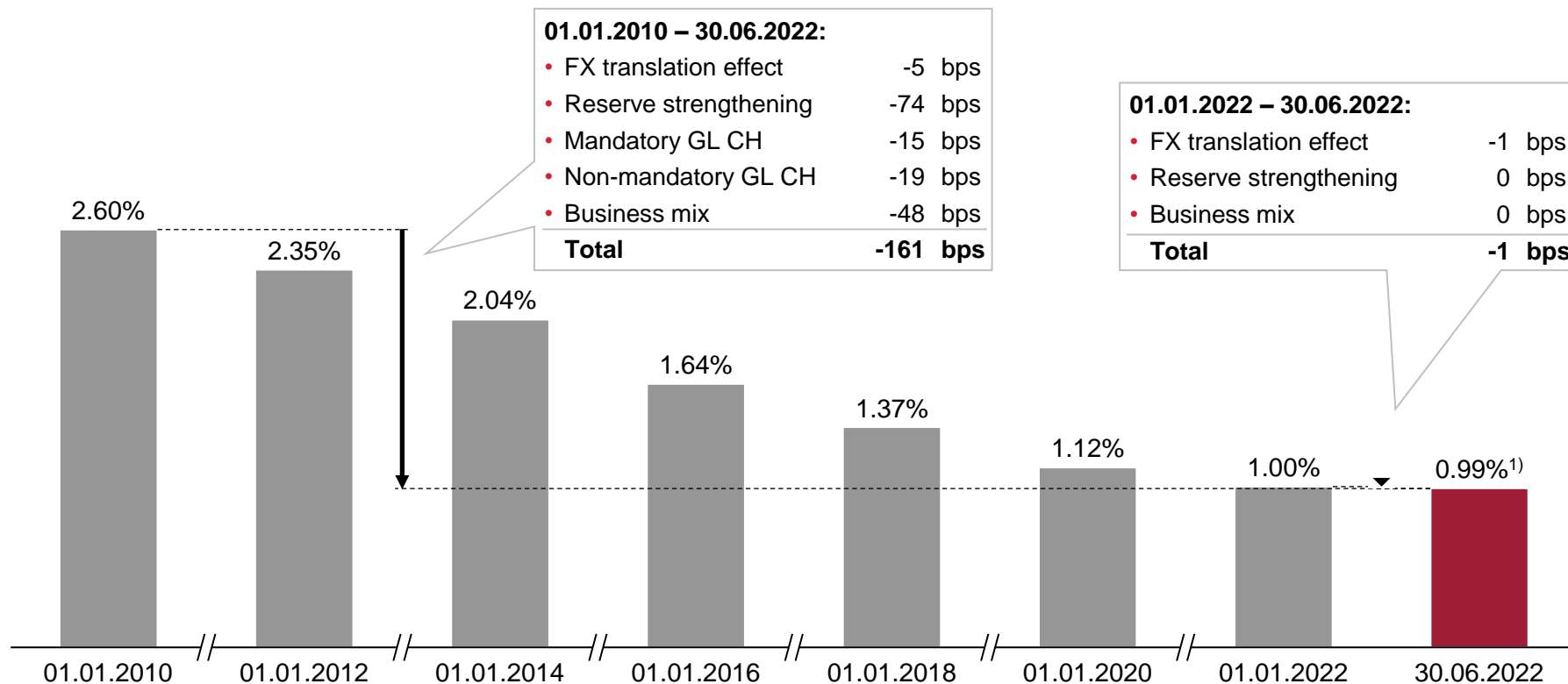
# Yield development

Direct and net investment yield (IFRS basis, in %, yields not annualised)



# Declining average technical interest rate

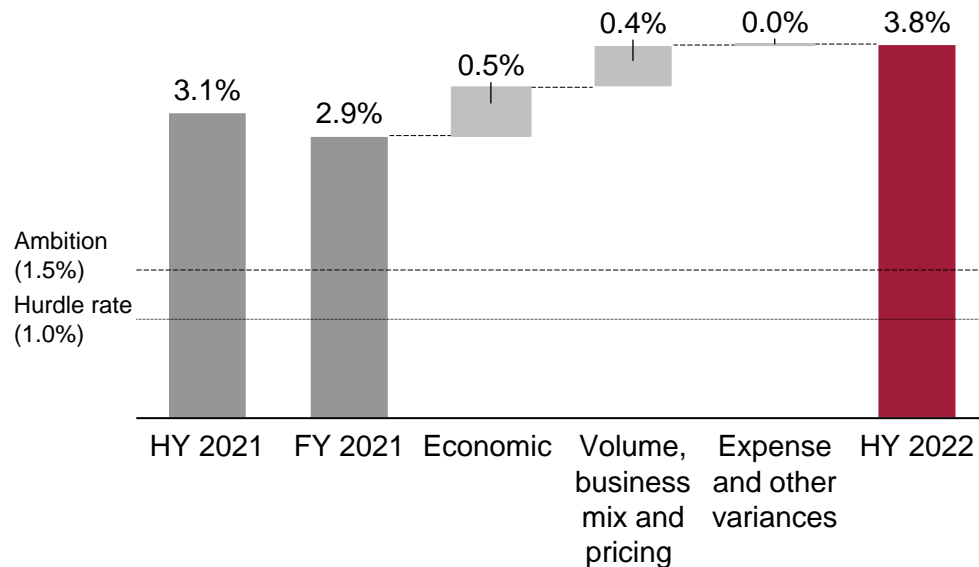
Statutory basis



1) Average technical interest rate of 0.72% in CHF and 1.70% in EUR

# New business margin development

New business margin (NBM) development (VNB in % PVNBP)



<b>252</b>	<b>482</b>	<b>VNB</b>	<b>254</b>
8 056	16 824	PVNBP	6 696
751	1 625	APE	719
33.6%	29.6%	New business margin (% APE)	35.3%

## Economic variances

- Positive development of interest rates

## Volume, business mix and pricing variances

Continued focus on margin management

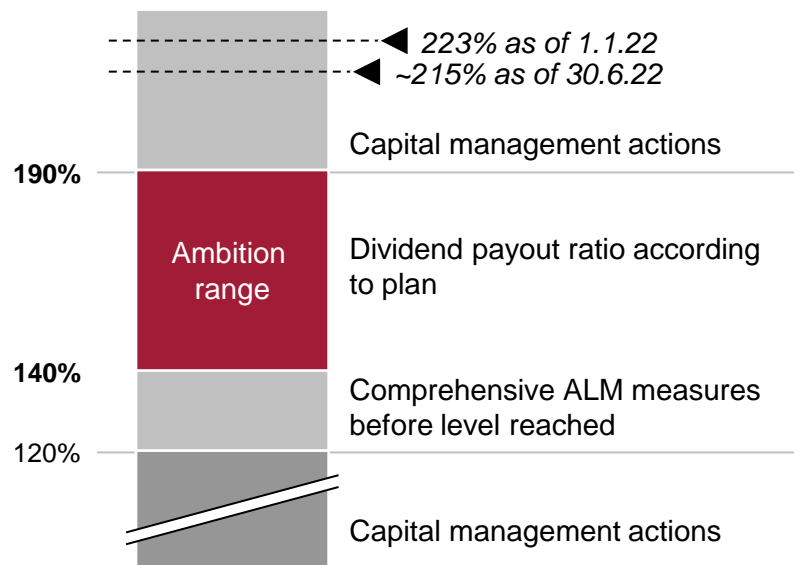
- CH: Improved business mix in GL and IL; GL with higher volumes in semi-autonomous business
- FR: Higher UL share in life and improved business mix in health
- DE: Increased share of UL products
- IN: Positive volume development with a stable margin

## Expense & other variances

- Update of cost and actuarial parameters

# Group SST ratio as of 30 June 2022 estimated to be around 215%

Swiss Life Group  
SST standard model



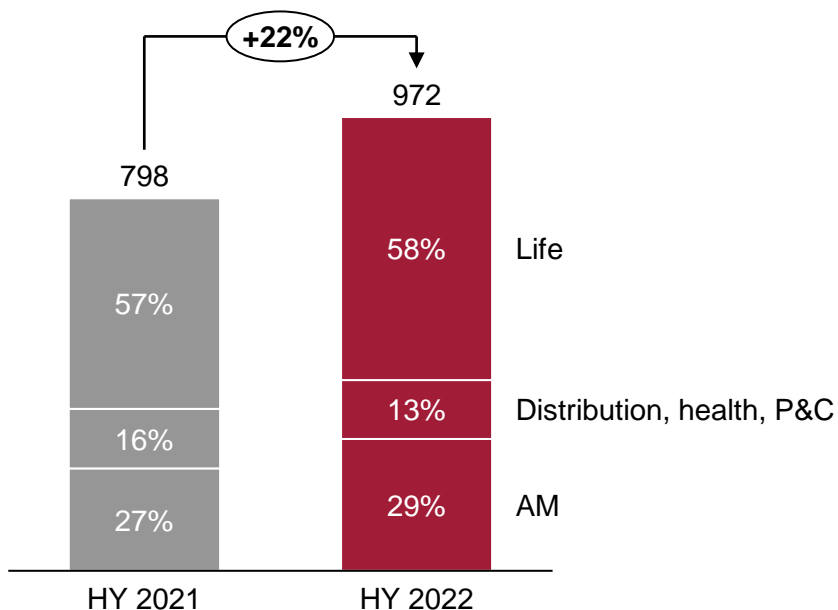
Swiss Life Group SST sensitivities  
(as of 01.01.2022)

<b>Real estate -10%</b>	-20 ppts
<b>Credit spreads<sup>1)</sup> +100 bps</b>	-9 ppts
<b>Interest rates -50 bps</b>	-2 ppts
<b>Equities -30%</b>	-10 ppts
<b>Insurance 1-in-10-year event</b>	-11 ppts

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

# Increased cash remittance to Holding; share buyback on track

Cash remittance to Holding  
(CHF million)



Share buyback programme  
(additional details)

<b>Amount</b>	<ul style="list-style-type: none"> <li>CHF 1 bn (Dec 2021 – May 2023)</li> </ul>
<b>Current status</b>	<ul style="list-style-type: none"> <li>Shares repurchased in the amount of CHF 463 m until end of July 2022</li> </ul>
<b>Shares issued</b>	<ul style="list-style-type: none"> <li>Shares issued 30 825 887, thereof                             <ul style="list-style-type: none"> <li>– Shares repurchased but not yet cancelled<sup>1)</sup> until end of July 2022: 566 800</li> <li>– Treasury shares: 129 322</li> </ul> </li> </ul>

1) Shares repurchased under the ongoing share buyback programme to be cancelled after AGM in 2023 and 2024

# Good start to Swiss Life 2024 financial programme

## Swiss Life 2024 financial ambitions and targets

## Current assessment

### Quality of earnings and earnings growth

- **Fee result**  
FY 2024

CHF 850-900 m

*On track*

- **RoE<sup>1) 2)</sup>**  
2022-2024

10-12%

*On track*

### Capital, cash and payout

- **Cash to Holding**  
Cumulative 2022-2024

CHF 2.8-3.0 bn

*Slightly ahead*

- **Dividend payout ratio<sup>2)</sup>**  
2022-2024

> 60%

*On track*

- **Share buyback**  
Dec 2021 – May 2023

CHF 1 bn

*On track*

1) Shareholders' equity excl. unrealised gains/losses 2) Targets based on IFRS 4 / IAS 39 accounting standard

# Abbreviations

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	NBP	New business production
CAD	Canadian dollar	n.m.	Not mentioned
CH	Business division Switzerland	NNA	Net new assets
CHF	Swiss francs	PAM	Proprietary insurance asset management
DAC	Deferred acquisition costs	P&C	Property and casualty
DE	Business division Germany	P&L	Profit and loss
ESG	Environmental, Social and Governance	PHD	Policyholder deposits
EUR	Euro	PVNB	Present value of new business premiums
FR	Business division France	RoE	Return on equity
FX	Foreign exchange	TCFD	Task Force on Climate-Related Financial Disclosures
FY	Full-year	TPAM	Third-party asset management
GBP	British pound	SST	Swiss Solvency Test
GL	Group life	UK	United Kingdom
GWP	Gross written premiums	UL	Unit-linked
IFA	Independent financial advisor	USD	US dollar
IFRS	International Financial Reporting Standard	VNB	Value of new business

Segment Other: Includes Swiss Life Holding and finance/service companies

Owned IFAs: Includes Swiss Life Select, tecis, Horbach, Proventus, Chase de Vere, Pôle Agami, Fincentrum and Principal & Prosper



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# Contact details and financial calendar

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## *Financial calendar*

Interim statement Q3 2022

09 November 2022

Full-year results 2022

01 March 2023

Annual General Meeting 2023

28 April 2023

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