Credit Update

Danske Bank

1 September 2026

Investment Research

Corporate Bond News

Swiss Life

- We assess Swiss Life's Q2 26 report as credit supportive based on solid operational developments. We note stable and healthy performance in gross written premiums and fee income as well as the adequate performance in its Asset Management unit, while the group maintains solid capital headroom. The previously announced TELIS acquisition will strengthen the German footprint and support the fee engine outside the largest contributor being the domestic market. This bolt-on is considered credit positive. In addition, the group's unchanged mid-term guidance for profitability and solvency is supportive for controlled credit spread volatility. Although we continue to observe an appealing yield-to-call, we favour the issuer's 'defensive' characteristics and find it attractively priced on relative value grounds.
- We reiterate our positive view on the Swiss Life perpetual subordinated notes in our coverage universe: SLHNVX 4.5% perp. bond callable 2027 in EUR (ISIN: XS1492580516). The notes are issued via the Dutch special-purpose company ELM BV. The notes yield 3.4% p.a. to call in 2027, Z-spread of 82bp. This is trading above the 'A-' corporate hybrid curves where we see some room for continued spread compression, amidst most of the return deriving from the carry investment at this point.
- In conclusion, we find the investment profile of Swiss Life attractive and reiterate our Overweight recommendation on the subordinated notes. In addition, we favour the limited duration exposure as the trajectory of risk-free rates is still uncertain given the continued CPI updates showing elevated inflation across most economies.

Issuer information

Sector	Insurance
Corporate ticker	SLHN Corp
Equity ticker	SLHN SW
Market cap	CHF25.7bn
Total assets	CHF226.7bn

Issuer credit rating

S&P	A- (Stable)
Moody's	NR
Fitch	NR

Latest publication on issuer

Credit Update – Swiss Life, 21 May 2026

Source: Bloomberg, Danske Bank Credit Research

Selected Bond

Company	ISIN	Min. Piece	Seniority	Currency	Maturity/Call	CPN	Issue Size (m)	Credit Ratings	Price	Yield	Recommendation
Swiss Life	XS1492580516	100,000	Subordinated	EUR	May 2027	4.500	600	A-/NR/NR	100.7	3.4%	Overweight

Note: Credit ratings by S&P, Moody's, Fitch, respectively. Source: Bloomberg, Danske Bank Credit Research

Swiss Life: Q2 26 report

Swiss Life released its Q2 26 report, and the key highlights are the following.

- Gross written premiums (GWP) for the period amounted to CHF12.3bn, up 2% y/y on a reported basis and a 3% increase measured in local currency. The solid result was primarily due to a 7% increase in home market Switzerland, 3% increase in Germany but mitigated by an unchanged level in France and by the smaller contributors, i.e. an 8% decrease in the International segment.
- The group reported fee and commission income of CHF1.3bn in the period, up 5% on a reported basis and up 7% measured in local currency compared with the same period last year. Swiss Life reported solid contributions from most divisions; particularly home markets France and Germany performed well. Also, the Asset Management unit delivered a strong fee income of CHF519m. The Asset Management unit's contribution was up 5% y/y driven by inflow, supportive market performance, which in combination supported an 8% higher level of assets under management (and under administration) since FY 25, amounting to CHF157.6bn.
- The Q2 26 disclosed figures provide further details on profitability. The H1 26 report showed a profit from operations of CHF967m, up 7% y/y, and similarly the net profit was reported at CHF649m, up 8%y/y on a reported

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More information:

For further information, see the latest *Corporate Bond Lists, 31 August 2026*.

basis. The profitability level translated to a return on equity of 20.2%, compared with 17.6% in FY 25. In addition, with regard to the portfolio composition and risk assessment, we noted that as of H1 26 the portfolio discloses a holding composition of 35% invested in real estate and Mortgages loans, 22% invested in Government bonds, 25% invested in corporate bonds (of which 78% hold an Investment Grade credit rating), 11% invested in equities, 4% in Alternative asset investments, and the remaining holdings are money market funds. The geographical split showed that 62% is invested in Switzerland, followed by 25% in France, and 10% in Germany. The H1 26 report showed direct investment income of CHF1.999m in the period, down 8% y/y, reflecting a 1.4% yield compared to 1.5% in the corresponding period last year. The decline is explained by lower income from infrastructure and real estate holdings. We remain unconcerned about the overall exposure, amid some market volatility and continued geopolitical uncertainties.

- The SST (Swiss Solvency Test) ratio, comparable to the Solvency II ratio (equivalent but not equal), computed by Swiss Life, is estimated to 215% as of end-June 2026, up 5pts sequentially and up 2pts since FY 25. This is meaningfully above its strategic target range of 140-190%. Additionally, the group runs a CHF250m share buyback programme commitment following the CHF750m concluded programme in May 2026.
- Swiss Life announced earlier this year the acquisition of German advisor company TELIS Group at an undisclosed transaction price. With this bolt-on transaction Swiss Life strengthens its position as a financial advisory company in Germany, adding around 1,800 employees totalling around 8,000 certified advisors generating an annual fee income in excess of EUR1bn (including TELIS as of FY 25) according to the statement. The transaction has received regulatory approval, and contributions are not yet consolidated into group statements.
- The group is well on track with its 2027 financial targets as the following: a fee result in 2027 of above CHF1bn and a return on equity in the 2026-27 period in the range of 17-19%. On capital, cash to holding of cumulative CHF3.6-3.8bn, and a dividend payout ratio of above 75%.

Credit conclusion

We assess Swiss Life's Q2 26 report as credit supportive based on solid operational developments. We note stable and healthy performance in gross written premiums and fee income as well as the adequate performance in its Asset Management unit, while the group maintains solid capital headroom. The previously announced TELIS acquisition will strengthen the German footprint and support the fee engine outside the largest contributor being the domestic market. This bolt-on is considered credit positive. In addition, the group's unchanged mid-term guidance for profitability and solvency is supportive for controlled credit spread volatility. Although we continue to observe an appealing yield-to-call, we favour the issuer's 'defensive' characteristics and find it attractively priced on relative value grounds.

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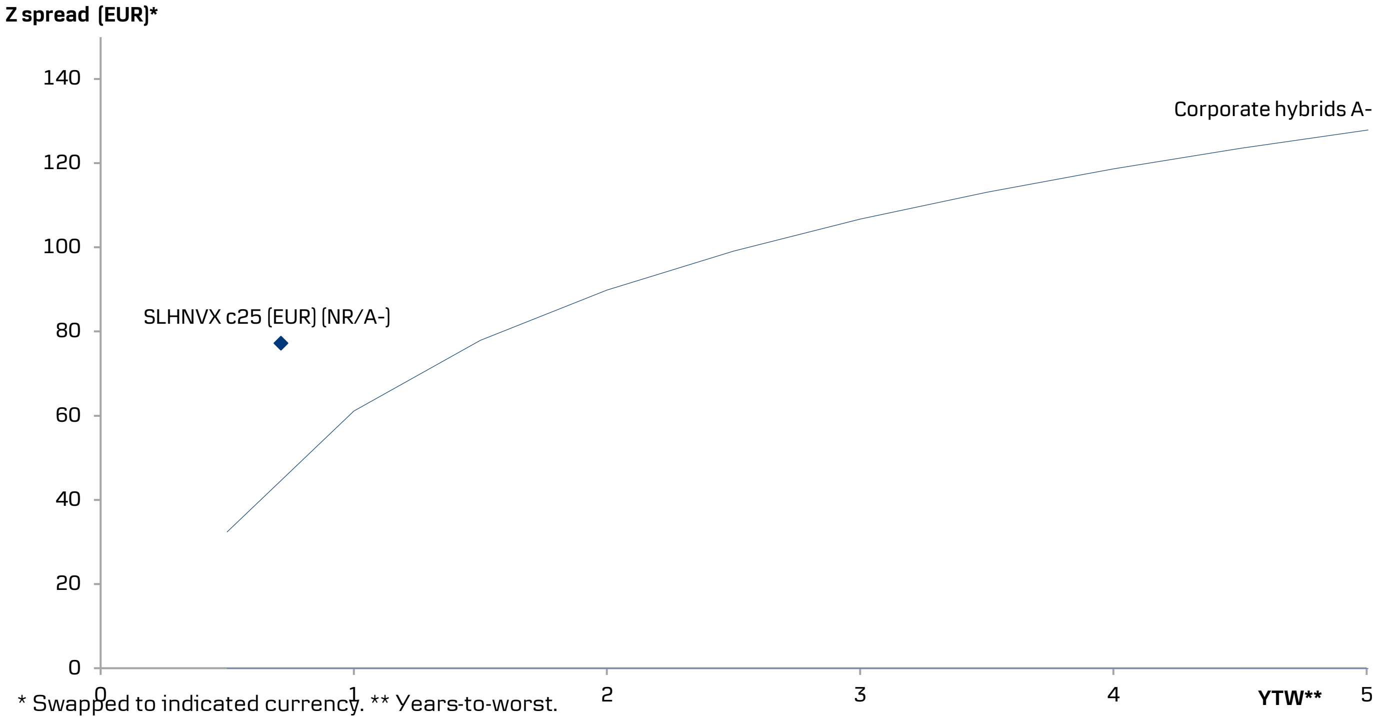
In conclusion, we find the investment profile of Swiss Life attractive and reiterate our Overweight recommendation on the subordinated notes. In addition, we favour the limited duration exposure as the trajectory of risk-free rates are still uncertain given the continued CPI updates showing elevated inflation across most economies.

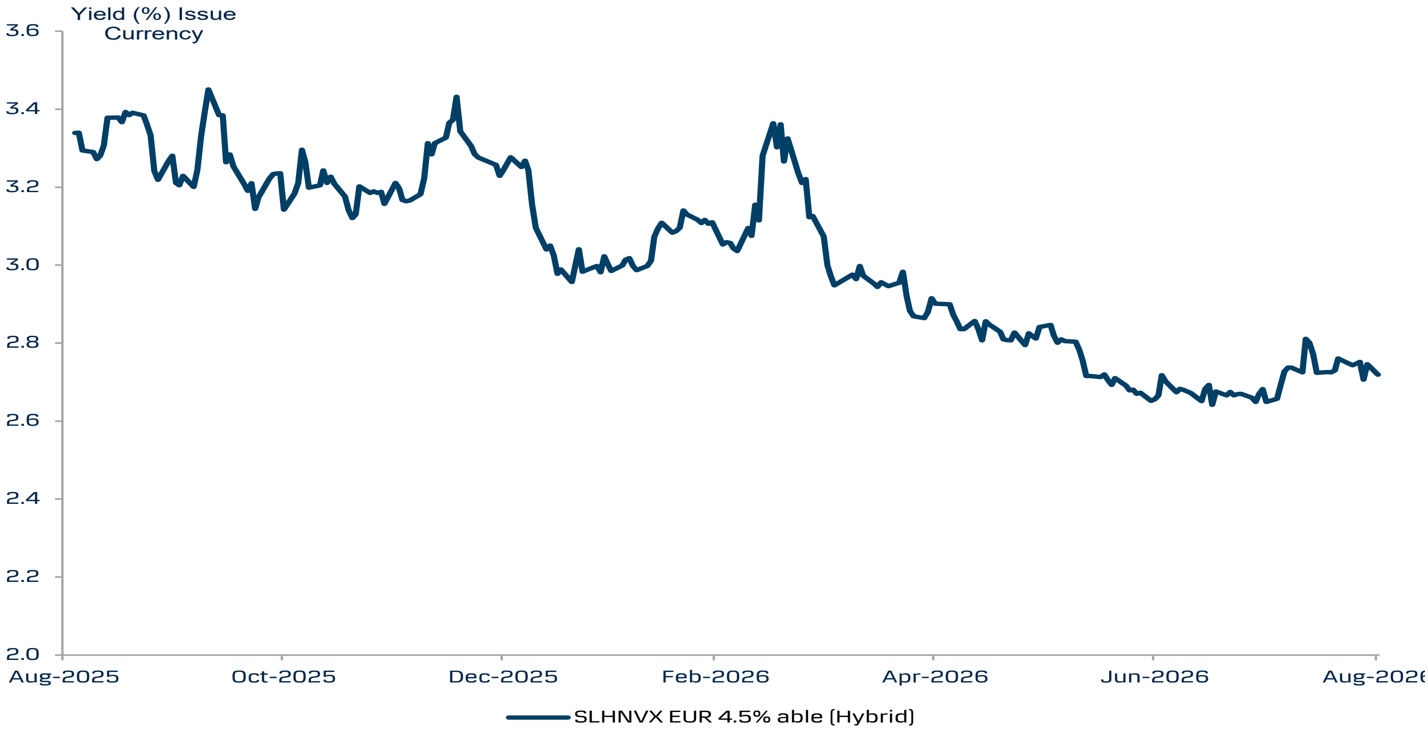
Relative value chart: SLHNVX 4.5% Perp. Call 2027 in EUR



* Swapped to indicated currency. ** Years-to-worst.
Note: Fair value curve(s) based on Danske Bank Credit Research's index group of EUR bonds.

Source: Bloomberg, Danske Bank Credit Research

Historical yield: SLHNVX 4.5% Perp. Call 2027 in EUR (YTC)



Source: Bloomberg, Danske Bank Credit Research

Disclosures

This research report has been prepared by Credit Research, a division of Danske Bank A/S ('Danske Bank'). The author of this research report is Rasmus Justesen, Chief Analyst.

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Major risks connected with recommendations or opinions in this research report, including a sensitivity analysis of relevant assumptions, are stated throughout the text.

Expected updates

We expect to update this investment analysis following the publication of Swiss Life AG's annual report provided that at such time the bond continues to be among our preferred credits.

This publication should be read in conjunction with the international single name credit bond publications *Corporate Bond News*, *Corporate Bonds: Investment opportunities in single name international fixed income credit* and *Company Profiles*. These publications are typically published once a month.

Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the final page of this research report for the date and time of first dissemination.

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Calculations and presentations in this research report are based on standard econometric tools and methodology as well as publicly available statistics for each individual security, issuer and/or country.

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Rating	Anticipated performance	Time horizon	Distribution of recommendations	Investment banking relationships
Overweight	Outperformance relative to peer group	12 months	44%	19%
Marketweight	Performance in line with peer group	12 months	50%	40%
Underweight	Underperformance relative to peer group	12 months	6%	2%
Sell	A decrease in price of more than 10%	12 months	-	-

Changes in recommendation over past 12 months

XS1492580516

Date	New recommendation	Old recommendation
No changes in recommendation over past 12 months		

Validity time period

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