

Solvency and Financial Condition Report 2023

Swiss Life (Luxembourg) S.A.

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Summary

The present report is published in accordance to the law on the insurance sector of 7 December 2015. This law introduced a new Supervisory framework (referred to as Solvency II) with effective date on 1 January 2016.

Over 2023, Swiss Life (Luxembourg) S.A. (the Company) continued to develop its key business lines in the area of Employee Benefits and Private Wealth Solutions with a gross written premium of EUR 800 million and a net profit of EUR 27.4 million. Details on the business performance can be found in section A of this report.

As an affiliated company of the Swiss Life Group, the governance system in place plays a central role in the day-to-day activities of the Company. The Company is integrated in a comprehensive system of directives within the Swiss Life Group comprising legal requirements from Solvency II. In section B, descriptions and details on the system of governance are provided with a particular attention to the key roles and functions within the Company (the Board of Directors and the related committees, the risk management, compliance and actuarial functions) as well as the policies in place with regards to remuneration and outsourcing of critical activities.

The risk profile of the Company provides key information on the nature and the materiality of the risks the Company is exposed to and plays an important role in managing these risks. The risk profile of the Company is described under section C and has not changed significantly in comparison to last year. The main risks are market risk, underwriting risk and strategic risk entailed by the Company's growth strategy. The underwriting risk has been split between life and health similar to life risks following the volume of non-life business written in 2023.

Under Solvency II, the balance sheet of the Company is valued from an economic perspective. The balance sheet as presented in the Financial Statements (statutory figures) is therefore restated to reflect adequately the principles provided by the law. The statutory balance sheet on 31 December 2023 is valued at EUR 16 331 million and is valued at EUR 16 125 million according to the Solvency II principles. Section D provides a description of the main valuation principles applied as well as the deviations to the statutory values for the relevant items of the balance sheet.

With a level of eligible own funds of EUR 351.3 million and a Solvency Capital Requirement of EUR 220.5 million, the Company shows a strong solvency coverage of 159%. The increase in the Solvency II ratio is mainly driven by a new subordinated loan written in 2023. This level of Solvency coverage illustrates the Company's capital adequacy with regards to its risk exposures. In section E on capital management, more insights on the solvency situation and the available Own Funds are available.

A Business and Performance

A.1 Business

Swiss Life (Luxembourg) S.A. (the Company) is an insurance company incorporated in the Grand Duchy of Luxembourg on 27 March 1985, as a limited liability company (*société anonyme*).

The Company is under the supervision of the Luxembourg Supervisor, the Commissariat aux Assurances (CAA)¹. The statutory accounts are audited by Mazars². The Solvency II results published in this report have not been audited.

The Company belongs to the Swiss Life Group and is ultimately fully owned by Swiss Life Holding AG as shown in Annex Holding structure. The Swiss Life Group is under the supervision of the Swiss Financial Market Supervisory Authority FINMA³.

The Company is authorized to conduct life insurance business for classes I, II, III, VI and VII and non-life insurance business for classes 1 and 2.

The Company's activities consist of life insurance business with a focus on two main client segments: group life business and private wealth individual life insurance. The business sold in the non-life classes consists in disability covers.

The first activity consists in providing comprehensive group benefits solutions for local and mobile employees of multinational corporations. The local and cross-border solutions offered from Luxembourg include life insurance, disability and retirement covers. These are designed as flexible modular programs, tailored to each client's needs. This activity also includes:

- the administration of the Swiss Life Network which offers pooling solutions for multinational corporations employee benefits schemes. The Swiss Life Network is a global association of more than 90 local insurers and business partners covering 80 countries and territories;
- the administration of the Swiss Life International Pension Fund Asbl, a pension fund under the supervision of the Commissariat aux Assurances.

The second main activity consists in providing high-end life insurance solutions to wealthy individuals as target clients investing mainly in dedicated funds. The Company designs tailored and sophisticated solutions to accommodate clients' wealth management and succession planning needs. Together with selected partners from renowned financial institutions and advisors, life insurance is combined with a wide range of investment opportunities to accommodate the requirements of the Company's clients and their trusted advisors. The main distribution partners are private banks, asset managers, brokers and family offices. Under this segment, the Company offers unit-linked, mainly dedicated funds solutions.

The two activities described above are called Employee Benefits and Private Wealth in this report.

A branch has been created in France as of October 1st 2021. The objective of this branch is to increase customer proximity for better servicing clients on the French market.

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² Mazars, 5 rue Guillaume J. Kroll, L-1882 Luxembourg, (+352) 27 11 41, www.mazars.lu

³ FINMA, Laupenstrasse 27, CH-3003 Berne, (+41) 31 327 91 00, info@finma.ch, www.finma.ch

Swiss Life (Luxembourg) S.A. operates internationally for both activities following the freedom to provide services. The main markets where dedicated products exist for the freedom to provide services are Finland, France, Germany, Portugal and Spain. The Company also offers solutions for other countries without active prospecting if requested.

A.2 Underwriting Performance

The following table provides a summarised technical profit and loss account for the year 2023, split by material lines of business. The detailed figures are available in the Financial Statements 2023 of the Company.

Swiss Life (Luxembourg) S.A. presents the result of the financial year 2023, with a net profit of EUR 27.4 million (EUR 30.8 million in 2022). This confirms the Company's robustness and stability in a challenging economic environment.

A stable asset base, an increase in the Employee Benefits client basis and a good cost management led to this result. The investment margin is affected in 2023 by lower performance of the real estate investments over the year. However, the Company successfully preserved a strong net margin after policyholders' participation.

In terms of lines of business, regarding the risk inherent to the different products, usually the Company differentiates between unit-linked business and non unit-linked business. This defines the level of detail shown in this table and which will be used for the residual part of the report, unless stated differently.

Technical Result

In EUR thousand			31.12.2023	31.12.2022
	Unit-linked	Other life insurance (with and without profit sharing)	Total	Total
TECHNICAL ACCOUNT – LIFE INSURANCE BUSINESS				
Earned premiums, net of reinsurance	468 465	252 866	721 331	1 068 159
Net investment income (including investment charges)	1 123 202	24 272	1 147 474	-1 057 774
Net other technical income, net of reinsurance	972	5 736	6 708	6 713
Claims incurred, net of reinsurance	-936 885	-145 473	-1 082 358	-1 122 250
Changes in other technical provisions, net of reinsurance	-609 459	-54 354	-663 813	1 210 593
Net operating expenses	-41 631	-50 569	-92 200	-64 808
Balance on the technical Account – Life Insurance Business	4 664	32 478	37 142	40 633

The following table provides information on the main geographical areas in terms of premiums. The countries that are represented are the five ones with the largest premium income in 2023.

Premiums, claims and expenses by Country

In EUR thousand

	Luxembourg	France	Denmark	Switzerland	Portugal	Netherlands
TECHNICAL ACCOUNT – INSURANCE BUSINESS						
Written premiums, gross of reinsurance	193 303	312 919	67 427	47 142	36 903	35 346
Claims incurred, gross of reinsurance	-134 121	-350 686	-16 550	-72 530	-114 431	-12 601
Operating expenses	-18 790	-18 483	-20 868	-3 457	-3 023	-6 813

In 2023, Switzerland represented the fourth largest country outside Luxembourg following the business written by the Swiss Life International Pension Fund Asbl and reinsured by the Company.

Premiums written on the non-life segment in 2023 are included in the volumes written in Denmark and Netherlands in the table above.

A.3 Investment Performance

In this section, the investment result shown is only in relation with the general assets of the Company (i.e. excluding the ones covering unit-linked business).

In 2023 as in the past years, focus has been set on a prudent but constant diversification of the investments held in the portfolio, compensating for the low interest rate environment from the past years. Since 2015, investments have been diversified by including corporate loan funds, real estate funds and infrastructure funds.

The following table provides the investment result 2023 by asset class.

Investment Performance

In EUR thousand	31.12.2023	31.12.2022
Bonds		
Investment income	24 656	23 350
Net realised gains / losses	-1 600	-451
Net realised gains / losses at fair value through profit or loss	-2 528	-467
Collective Investment Undertakings		
Investment income	5 161	5 389
Net realised gains / losses	60	-3
Net realised gains / losses at fair value through profit or loss	-2 061	-511
Cash		
Investment income	587	586
Investment expenses	-1 118	-1 002
Investment result	25 219	27 402

Swiss Life (Luxembourg) S.A. has no investments in securitisation.

The investment income on bonds is slightly higher in comparison to 2022, this is due to higher yields on new investments. In the same time, following the higher market rates, higher net losses have been realized.

The investment income paid by investment funds stayed at a comparable level.

The investment income of cash consists mainly in asset management and back office fees, banking fees and interests.

Investment expenses are higher than in 2022.

A.4 Performance of other activities

The profit before tax decreased by 10% to EUR 37.2 million (EUR 41.1 million in 2022) while the net profit decreased to EUR 27.4 million (compared to EUR 30.8 million in 2022).

Other Results

In EUR thousand	31.12.2023	31.12.2022
NON-TECHNICAL ACCOUNT		
Balance on the technical account – life insurance business	37 142	40 633
Allocated investment return transferred from the life insurance technical account	16	471
Other net charges, including value adjustments	0	0
Tax on profit or loss on ordinary activities	-9 429	-10 350
Profit on Ordinary Activities after Tax	27 729	30 755
Other taxes, not shown under the preceding items	-353	-1
Profit for the Financial year	27 376	30 754

B System of Governance

Swiss Life Group complies with accepted standards of corporate governance and, in the interests of its shareholders, policyholders and staff, attaches great importance to the requirements entailed in terms of its management and organisation.

As part of the corporate governance, Swiss Life operates a directives system to regulate the functional management throughout the Group and to define the content-related and organisational principles, standards and topics.

Finally, each local entity ensures a full and permanent application of the Group framework and is responsible to implement specific processes and controls for compliance with local law and regulations such as CAA circular letters for example.

Swiss Life (Luxembourg) S.A. implemented the principles, standards and topics in its own local directives system, taking into account local law and regulations as well as local business specifications. Specific adjustments are examined on an on-going basis in order to adapt the management and control tools and disclosure to current circumstances and to implement further improvements.

Within each business line in Luxembourg, a responsible having specific management functions and supervisory powers is appointed.

The governance described within this section ensures that the requirements from the Solvency II regulation is respected.

B.1 General information on the system of governance

System of governance

The Board of Directors is the body in charge of administration, supervisory and management of the Company. The Board of Directors is vested with the broadest powers to perform all acts of administration and disposal in compliance with the Company's corporate objects.

All powers not expressly reserved by the applicable laws or by the Articles of Association to the general meeting of shareholders fall within the competence of the Board of Directors, as for example any acts relating and/or instrumental to the extraordinary disposal of the Company's own assets and/or the establishment of liens, encumbrances or security thereon.

In particular, the Board of Directors will monitor the compliance of the Company's operations with applicable laws, EIOPA⁴ Guidelines on the System of Governance and the Articles of Association and provide in this respect relevant directives and instructions regarding risk control and risk management. Furthermore, the Board of Directors will ensure the establishment of adequate audit functions with respect to the Company's operations.

⁴ The European Insurance and Occupational Pensions Authority, EIOPA, is the European Supervisor for the insurance and occupational pensions sector. www.eiopa.europa.eu

The General Meeting appoints the members of the Board of Directors according to applicable laws and the Articles of Association for the duration foreseen in the Articles of Association. The list of members of the Board of Directors is updated with the Registre de Commerce et des Sociétés of the Grand Duchy of Luxembourg.

The members of the Board of Directors are subject to fit and proper requirements as defined in the next section. Guidance on competences and honorability checks is provided by the Commissariat aux Assurances in circular letter 22/15.

Functions and responsibilities

In addition to the legal prerogatives of any Board of Directors, circular letter 22/15 foresees specific responsibilities in the following areas; where appropriate, these tasks may be partially delegated to specialised committees, provided that the ultimate responsibility shall be reserved by the Board of Directors in any case:

- the corporate compliance with the program of operations as defined in the local CAA regulation 15/03,
- the risk management and the steering of the internal risk and solvency assessment (ORSA) as well as the testing of its results and the incorporation of its conclusions into the strategy and capital management,
- internal control and good governance, including the proper application of policies, in particular the remuneration policy,
- anti-money laundering and combating the financial terrorism (AML/CTF),
- the proper application of accounting principles and valuation methods used in the annual accounts.

An additional committee is operating within the Company and reporting directly to the Board of Directors, the Audit Committee. It is established in accordance with the law of 23 July 2016. Its functions and responsibilities are outlined by Article 52 (6) of the precited law, and include the following:

- communication to the Company's Board of Directors of the results of the statutory audit and explanations of the role played by the Audit Committee in this process,
- monitoring of the financial reporting process and making recommendations or proposals to ensure its integrity,
- monitoring of the effectiveness of the Company's internal quality control and risk management systems and, where applicable, the Company's internal audit, with respect to the financial information of the audited entity,
- monitoring of statutory audits of the annual and financial statements, in particular their execution,
- review and monitoring of the independence of external auditors or approved audit firms or, where applicable, audit firms, in particular as regards the merits of the provision of non-audit services to the audited entity,
- responsibility for the selection procedure of the external auditor(s) or audit firm(s),
- review of the ORSA (Own Risk and Solvency Assessment, as presented in section B.3),
- Review of the Solvency and Financial Conditions Report, as well as the Regular Supervisory Report for the local regulator.

The Audit Committee has additionally oversight responsibilities for a range of other risks that have become increasingly complex and challenging in the current business environment – ranging from risk management, legal/regulatory compliance and governance processes.

The Board of Directors has delegated powers to the following organisms:

- to the *Chief Executive Officer* and the two *Dirigeants agréés*:
 - all powers to represent the Company vis-à-vis third parties, including the Commissariat aux Assurances and other public authorities within the limits of the Company's daily management;
 - entitlement to act in the Company's name and carry out all acts and operations pertaining to the daily management of the Company, consistent with the Company's corporate object in accordance with the terms of the Articles of Association, with the joint signature of another *Délégué à la Gestion Journalière*;
- to the *Comité de Direction* composed by the *Délégués à la Gestion Journalière*:
 - the responsibility to define and implement the organisational objectives of the Company, to support the implementation of the business strategy in compliance with applicable laws;
 - the performance monitoring of the Employee Benefits and Private Wealth business lines in Luxembourg;
 - the execution and approval of all acts and operations pertaining to the daily management of the Company, consistent with the Company's corporate object in accordance with the terms of the Articles of Association;
- to the *Business Review Meetings* (BRM):
 - the validation of the relevant strategies within the Employee Benefits and Private Wealth business lines prepared by each head of business line within the guidelines set by the Company and the *Comité de Direction* in order to contribute to the development and the penetration of the relevant markets the Company is active;
 - the monitoring and the adaptation of the business strategies.

The key functions are presented in the next sections.

Directives system

An integral part of Swiss Life's system of governance is the Group Directives System. It regulates the functional management throughout Swiss Life Group and defines the content-related and organisational principles, standards and topics.

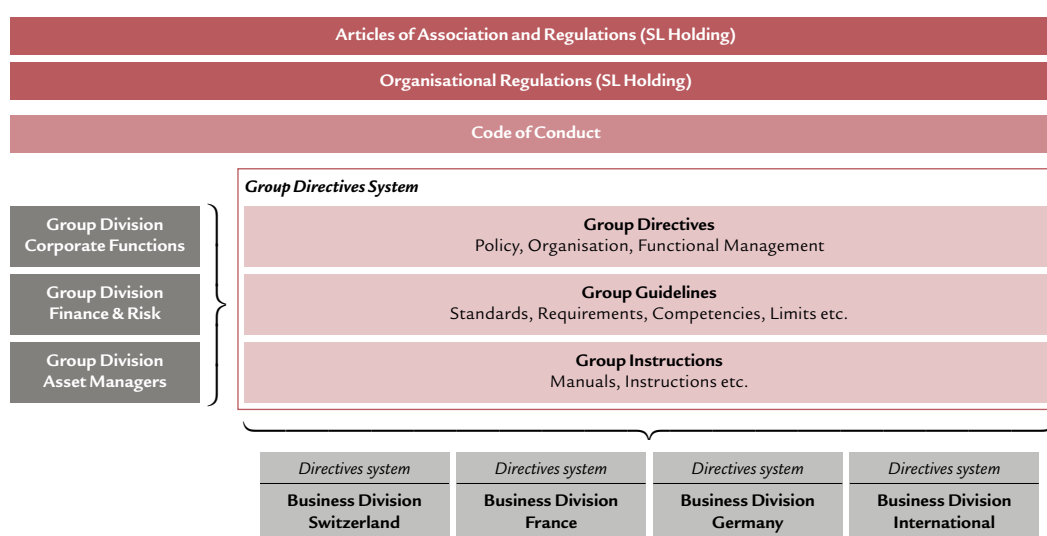
The Group Directives System contains Group Directives, Group Guidelines and Group Instructions:

- Group Directives set out the content-related principles (policy) and requirements as well as organisational and functional management aspects (including authorities' framework).
- Group Guidelines follow on from the Group Directive and set out more detailed content-based requirements and topics, as well as the minimum standards.
- Group Instructions are based on the Group Directives and Group Guidelines and set out concrete instructions in the form of manuals for example.

Following a standardised consultation process, involving management, functional stakeholders and responsible persons within the different units of Swiss Life Group, the Group Directives and Group Guidelines are put into effect by the Group Executive Board.

Swiss Life (Luxembourg) S.A. is responsible for the transposition of the internal regulations and the completion of the existing panel with specific local ones.

The following graph depicts the hierarchy of regulations and the Directives system within Swiss Life Group. The Company is included in the Business Division International; from a management perspective, Business Division International groups the insurance entities in Luxembourg, Liechtenstein and Singapore as well as the distribution units in the United Kingdom, Austria, the Czech Republic and Slovakia.



Swiss Life (Luxembourg) S.A. is responsible for the transposition of the internal regulations and the completion of the existing panel with specific local ones.

The local system of governance, defining processes and responsibilities, is formalised by local documentation following the same structure than the Group Directives System with the three levels described above. Group directives, guidelines and instructions are implemented locally including Luxembourg specific requirements. The Company writes own directives, guidelines and instructions on items not covered by the group Directive System.

Remuneration policy

The Company's compensation policy is derived from the one of Swiss Life Group. The Board of Directors is responsible for its establishment, and its main principles are summarised in a guideline communicated and made available to all employees on the Company Intranet.

The compensation policy underpins the performance culture required by the corporate strategy and forms part of the Human Resources policy. The aim is to retain qualified employees and recruit new, highly skilled staff.

The compensation system is to be in line with the market environment and must be competitive.

The individual overall compensation takes into account the employee's professional skills, engagement and personal performance and is independent of age, years of service or gender. It is made up of a basic salary, a variable bonus based on achievement of the annual objectives, which is generally paid in cash and, in restricted cases, a deferred variable mid- to long-term compensation in the form of an equity compensation plan (RSU-Plan or a Deferred Cash Plan). In 2023, employees were given the possibility to participate to the Company's good financial results through the allocation of a 'Prime Participative', as part of their variable compensation. The form and financing of fringe benefits and occupational pension solutions are market consistent.

B.2 Fit and proper requirements

Swiss Life (Luxembourg) S.A. places great importance on ensuring that all persons who effectively run the undertaking and fulfil key functions are fit and proper for their position (Key Persons). The Solvency II framework introduced key functions for insurance and reinsurance undertakings, namely risk function, actuarial function, compliance and internal audit.

The Company follows a human resources cycle. This cycle contains several processes, described in the internal Directives System to ensure that fit and proper requirements are fulfilled. These processes include annual objectives and review, salary reviews, training, or satisfaction surveys among employees.

Additionally, the Company has implemented a Code of Conduct defining individual responsibilities, behavior principles and additional responsibilities for the management.

Fitness and propriety are assessed on the basis of the principles set forth under the Luxembourg law on the insurance sector of 7 December 2015, as amended, notably by making reliance on the following elements:

- the professional qualifications, knowledge and experience of the Key Persons must be adequate to enable sound and prudent management (also referred to as Fit Requirements) and
- they are of good repute and integrity (also referred to as Proper Requirements).

Both elements together form the Fit and Proper Requirements, described in the internal Directive System. Insurance and Reinsurance undertakings must ensure that, at all times, all persons effectively running the undertaking or having other key functions fulfill the fit and proper requirements.

The fit and proper requirements are applicable for the members of the Board of Directors as representing the administrative, management and supervisory body under Solvency II, the two *dirigeants agréés* and the four key function holders.

For a Candidate, a person applying for a Key Person's position, the initial Fit Requirements assessment consists in:

- Interviews led by the Head of the Human Resources and the Head of the function to assess that the Candidate possesses sufficient qualification, experience and knowledge. The assessment will mostly focus on the skills relevant to the function. Without having expert knowledge in all

the fields listed below, the Candidate must at least have a global understanding of the following matters:

- Insurance and finance markets;
- Business strategy and business model;
- System of governance;
- Financial and actuarial analysis and
- Regulatory framework requirements.
- The Curriculum Vitae of the Candidate.
- A copy of the relevant degrees in connection with the function concerned.
- Additional third parties references can be requested.

Once in office, regular training and development plans are provided to maintain the required level of fitness.

The initial Proper Requirements assessment for a Candidate consists in:

- Obtaining the criminal record of the Candidate that is not older than three months after the date of issue.
- A declaration made by the Candidate confirming that:
 - The Candidate is not subject to any judicial investigation and measures or coming from a regulatory or professional body in particular in relation to the financial sector. This also includes disciplinary and administrative offences and sanctions.
 - The Candidate avoids performing activities that could create a conflict of interest or the appearance of a conflict of interest.
- Assessment of the honesty and financial soundness of the Candidate based on evidence regarding her/his character, personal behaviour and business conduct.

It is possible to perform a re-assessment of the Fit and Proper Requirements in the following situations:

- when the Key Person discourages to perform the business in a way that is consistent with applicable legislation;
- when the Key Person presents a risk to perform activities that would constitute financial crimes such as money laundering or financing of terrorism; or
- when there are reasons to believe that the sound and prudent management of the business is at risk.

The appointment of any Key Person has to be notified to the Commissariat aux Assurances with the relevant information to assess that the person complies with the Fit and Proper Requirements. The competence of the Key Person is demonstrated to the CAA during the notification against the criteria laid down in the CAA circular letter 21/12 relating to key functions (e.g. independency, prevention of conflict of interest incompatibilities).

The Board of Directors is responsible for the continuous assessment of the Fit and Proper Requirements for each of the key functions.

B.3 Risk management system

Swiss Life (Luxembourg) S.A. pursues an integrated, value-oriented risk management approach, involving both quantitative and qualitative elements. The goal is to protect customers' funds and ensure the best possible investment of risk capital, while complying with regulatory requirements and taking into account the challenging economic conditions.

Risk management is a key component of Swiss Life's management process. The Board of Directors and the *Comité de Direction* monitor and take decisions in the area of risk management; these are then incorporated into the annual planning process of Swiss Life. On the one hand, they comprise qualitative assessments relating to the strategy, to operational risks and to the Internal Control System. On the other hand, quantitative elements, such as risk budgeting and investment strategy, are included in the asset and liability management. Based on risk capacity and risk appetite, while taking account of regulatory provisions, limits are set within Swiss Life (Luxembourg) S.A..

Risk management framework

Taking and managing risk is central to Swiss Life Group and its businesses. All risk-related activities are subject to the risk management framework. This framework sets out how Swiss Life Group organises and applies its risk management practices. The details are set out in the Swiss Life Group Risk Management charter.

Swiss Life Group's risk strategy supports the business strategy and enables the Company to grow in its businesses and markets in a sustainable and profitable way.

Swiss Life (Luxembourg) S.A. seeks to take on those risks inherent to the insurance and pension business, that are well understood. Other risks inherent to the business that cannot be avoided, as operational risks for example, must be actively monitored and mitigated applying various techniques.

As a matter of principle, the Company sets its risk appetite, i.e. how much risk it is willing to assume, in consideration of its risk capacity. The risk appetite shall not exceed the risk capacity, i.e. the amount of risk that can be taken in order to run the business in a sustainable way.

Risk management objectives

Key components of risk management are the systematic identification, analysis, assessment, monitoring and management of risks as well as their reporting.

Risk strategy techniques

For the management of risks, the following techniques are applied at Swiss Life Group:

- Risk avoidance is the systematic avoidance of undesired risks (those expected not to compensate the shareholder adequately). Since some of them are connected with desired risks, the below mentioned techniques are applied subsequently;
- Risk mitigation is the systematic reduction of existing risks. This can be achieved for example by hedging undesired exposures through the purchase of financial instruments or by the implementation of controls;
- Risk diversification reduces risks by accepting risks, which are similar but not fully correlated. The overall risk is then lower than the sum of the individual risks;

- Risks are limited by setting thresholds so that the potential loss is limited, for example by limiting the equity exposure or by limiting the size of insurance coverage granted;
- Risk transformation is changing the character of an existing risk as through the purchase of reinsurance cover;
- Risk acceptance is the conscious decision to accept a risk, if necessary after application of the above risk techniques.

The application of these techniques varies by risk type and combinations of them may be required in addressing specific risks.

Risk governance

Responsibility for managing risks is an integral element of all roles and activities throughout Swiss Life Group. Key principles are:

- *Ownership and accountability*: roles and responsibilities and minimum control standards for risk takers and risk controllers are clearly defined and communicated;
- *Compliance with regulatory requirements*: external legal and regulatory requirements must be met at all times and in an efficient manner;
- *Coordination and reliance* among different assurance functions, such as ongoing exchange between Risk, Compliance and Audit;
- *Independence*: clear separation between risk taking and risk controlling/assurance functions while maintaining strong links to the business.

The organisational structure within Swiss Life Group and the local entities can be viewed as three “lines of defence” ensuring independent risk monitoring and control activities.

The first line of defence is the responsibility of the business (risk takers) and includes (but is not limited to):

- Senior management
- Process owners
- Control owners

The second line of defence concerns those responsible for risk oversight and risk guidance (risk controller i.e. risk measurement / monitoring) including the corresponding reporting:

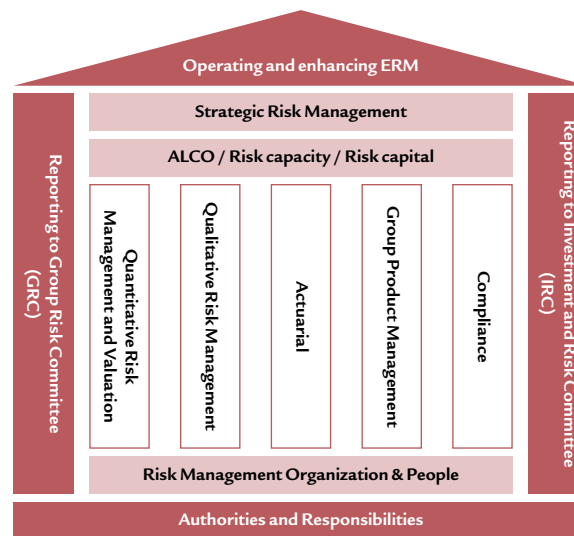
- Risk management functions
- Compliance
- Other control functions

The third line of defence is independent assurance of the effectiveness and efficiency of risk management processes (among others). This assurance is the responsibility of:

- Internal audit
- External audit

Risk management tasks are performed at all levels within the Company by corresponding bodies, such as the Audit Committee at the level of the Board of Directors and the Risk Committee at the level of level of the Comité de Direction. Additionally, the Asset-Liability Committee is responsible to review the strategic asset allocation.

The risk management framework as depicted below serves to operate and enhance the Group's Enterprise Risk Management (ERM) and to achieve the stated goals. The authorities and responsibilities are defined in the Articles of Association and Regulations, in the Organisational Regulations of Swiss Life Holding and in the Directives systems. They provide the foundation to operate the Group's Enterprise Risk Management.



Risk strategy, appetite and limits framework

The emphasis in the framework for the quantitative risks is put on the insurance businesses and relies on economic principles.

If possible and meaningful, risks are measured and quantified (quantitative risk management). Otherwise a qualitative assessment for the identified risks has to take place (qualitative risk management).

Risks should be quantified as far as possible, based on generally accepted methods.

Qualitative risk management covers strategic risks, emerging risks and operational risks. In these areas, the risks are difficult to quantify or a general quantification approach is not established yet in the insurance sector. Where appropriate, the identified risks are addressed by the Internal Control System.

Risk strategy techniques, specifically diversification, mitigation and reinsurance are used to limit the exposure to insurance risks. Certain risks, such as operational risk, are an inevitable consequence of being in business. The aim is not eliminate every source of risk but to provide a framework that supports the identification and assessment of all material risks in order to achieve an appropriate balance between risk and return.

Sound operational risk management (which includes information security and IT risk management as well as business continuity management) and an effective Internal Control System are an integral part of creating sustainable value for shareholders.

The Swiss Life's Internal Control System framework is described in section B.4.

Residual risks after risk strategy techniques are covered by the available capital of the Company. The amount of capital is measured in terms of potential losses of the regulatory own funds under the Solvency II regulation.

The overall risk appetite framework establishes the overall approach for controlled risk-taking. The risk tolerance describes the extent to which the Board of Directors has authorised the Company to assume risks. It represents the amount of risk that the Company is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy and the regulatory environment within which it operates. Additionally, the Asset and Liability Management process reviews the Strategic Asset Allocation via the Asset & Liability Committee (ALCO) for the Board of Directors to approve.

The risk appetite is set on Board of Directors level and is expressed as Solvency II ratio limit.

Risk Management function

The Risk Management function is not isolated but an integral part of the overall management activities of Swiss Life (Luxembourg) S.A. as it is within Swiss Life Group.

The local Chief Risk Officer (CRO) is heading the Company's Risk Management function.

The responsibilities of the local Chief Risk Officer are the coordination of tasks, standards, processes and insuring consistency across the Company. Additionally, the local Chief Risk Officer ensures that the Board of Directors and the *Comité de Direction* are regularly informed on the quantitative and qualitative risk profile of the Company.

The responsibilities of the local Chief Risk Officer in the context of quantitative risk management are:

- ensuring the establishment of an appropriate risk management in the Company;
- processing and solving risk management issues within the Company;
- representing the Company in risk management issues within and outside the Company in consultation with Swiss Life Group Risk;
- reporting according to the instructions outlined in the guideline on risk reporting;
- implementing the respective requirements of the Swiss Life Group directives and guidelines into their directives system by taking into consideration local law, local specifications and business activities;
- ensuring that the necessary human resources are available in terms of numbers, skills, knowledge and experience.

The final functional management is in the responsibility of the Group Chief Risk Officer.

Own Risk and Solvency Assessment

Pursuant to Article 75 of the law on the insurance sector of 7 December 2015, the Company performs an Own Risk and Solvency Assessment (ORSA) which is embedded in the Company's decision-making and risk management process. The ORSA process supports adherence to the internal risk appetite framework by monitoring that both current and planned exposures adhere to its criteria.

The ORSA consists in a forward-looking assessment of the Company's risk and solvency position over the planning period, comprising:

- an assessment of the continuous compliance with the Solvency Capital Requirement and Technical Provisions;
- an assessment of the significance of the deviations between the Company's own risk profile and the assumptions underlying the Solvency II Standard Formula;
- an assessment of the Overall Solvency Needs taking into account the Company's risk profile and risk tolerance limits.

The quantitative assessment of the Overall Solvency Needs is performed by taking the results of scenarios and stress-tests into account and is supplemented by a qualitative description of the Company's risk profile. The Overall Solvency Needs assessment covers all material risks the Company is exposed to and is performed considering a number of scenarios. Those are selected by the Board of Directors consistently with the Company's risk profile taking into account a range of developments relevant for the business such as changes in the economic environment, the resulting evolution of the risk profile and projected management decisions in accordance with the business strategy.

The ORSA is an integral part of the risk and capital management of the Company and is embedded in its decision-making process. The results of the ORSA are an input to the strategic planning process, which sets strategic orientation of the Company over a three-year time horizon.

The ORSA is performed at least on an annual basis in accordance with the schedule of the mid-term planning process. In addition, a non-regular ORSA might be required in case of specific internal or external events (e.g. the start-up of a new line of business, portfolio transfers or major changes in the asset structure or financial market conditions). The results of the ORSA are included in the ORSA report.

B.4 Internal control system

Swiss Life's Internal Control System (ICS) consists of the entirety of procedures, methods and measures prescribed by the Board of Directors and the Group Corporate Executive Board to ensure the orderly conduct of business. The focus is on the reliability of financial reporting, the effectiveness of business processes and compliance with laws and regulations issued to protect the Company's assets.

Swiss Life Group established an effective Internal Control System as part of the overall qualitative risk management to mitigate financial reporting risks, compliance risks and operational

risks. Swiss Life Group's Internal Control System essentially comprises the following parts as outlined in the Internal Control System Group Guideline: the Internal Control System framework, the internal control management process and the associated roles and responsibilities.

The Company implemented and operates the Internal Control System locally within the standards of Swiss Life Group.

The Internal Control System framework contains the description and documentation of:

- process-level control measures (measures implemented in business processes to mitigate financial reporting, operations and compliance risk),
- entity-level control measures (measures implemented to control compliance with external and internal laws, regulations and standards),
- the IT control framework (framework to ensure the completeness, accuracy and integrity of business transactions which are performed or supported by applications) and
- minimum requirements for end-user computing tools.

Compliance Function

The objective of the Compliance function in Swiss Life (Luxembourg) S.A. is:

- a conduct in line with compliance with legal and regulatory requirements and other external or internal regulations;
- the identification and avoidance of compliance risks, and thus of respective consequences, above all potential impacts on Swiss Life's reputation;
- a prudent over-all management at all times

by defining the necessary compliance standards and respective processes for all areas of the Company, supporting both employees and management in the implementation and enforcement thereof. Moreover, the role of the local Compliance function is prescribed to encompass the local regulatory requirements of Solvency II.

Compliance standards have been developed to implement and enforce material compliance topics, in accordance with the locally applicable legal and regulatory requirements. The Compliance function works at every functional level for adherence to the Group Directives System described in section B.1.

The Compliance Function, as part of the Internal Control System, is one of the key functions prescribed by the Solvency II regulation. The authority and responsibilities of the Compliance Function are established by the Board of Directors while taking into consideration the independence of the function as second line of defence. Its independence includes among others the authority to establish compliance processes and controls and to have unrestricted access to all records.

The Company has a flexible, risk-based annual Compliance Plan setting out the compliance work covering all areas of the Company taking into account their susceptibility to compliance risk. The Company supports and follows internationally and nationally recognized guidelines and standards for rules-compliant and value-based corporate governance. These include the principles of economic and financial sanctions and combating bribery, corruption, money laun-

dering and terrorism financing. Through these standards, the Company aims to avoid the risks of non-compliance.

The independent Compliance function is responsible for ensuring the effective implementation and monitoring of the Compliance Program within the Company as well as for investigating potential compliance infringements. This includes the identification, assessment and reporting of compliance risks. The Code of Conduct provide all employees with clear guidance on behavior that lives up to the values of the Company.

In application of the aforementioned principle, the Company's Compliance function is owned by the Head of Compliance. This function is geared towards different pillars for which the department is responsible for performing following tasks:

- Compliance with the regulation against money laundering and the financing of terrorism,
- Compliance Audits & Controls,
- Regulatory Compliance including tax reporting activities (FATCA/CRS),
- Whistleblowing,
- Special Investments in the context of the Global Private Wealth Solutions business (private equity investments).

B.5 Internal audit function

The Internal audit function of the Company is performed by the Corporate Internal Audit of the Swiss Life Group in conjunction with the Audit Committee of the Company. By doing so, the Company ensures that:

- appropriate resources are allocated to the task,
- recognised internal audit standards are applied and fulfill the requirements of the law such as audit plan definition, adequate reporting of audit findings and recommendations,
- a follow-up process is in place through effective tracking tools,
- decisions of the Board of Directors of the Company comply with previous recommendations.

It is the responsibility of the Corporate Internal Audit function to plan and perform the audit. The processes include a planning phase where the relevant topics are identified, how the audit has to be performed and documented as well as the manner in which the results have to be reported.

B.6 Actuarial function

The local Head of Actuarial Services ensures at all time that the Actuarial function is carried out by persons who have an adequate knowledge and understanding of the written insurance business, stochastic nature of insurance, the risk inherent in assets and liabilities, as well as an understanding of the use of statistical models commensurate with the sophistication of the method-

ologies and models applied by Swiss Life Group. The deepness of the knowledge required depends on the organisational level they belong to.

The Local Chief Actuary is the Actuarial Function holder.

The Actuarial function at Swiss Life is defined in the following organisational levels:

- Group Actuarial Services,
- Appointed Actuary,
- Actuarial Board,
- Actuarial Organisation and local Actuarial Services.

The Actuarial Board consists of the Group Chief Actuary (Chairman), the local Chief Actuaries and the local Appointed Actuaries. The Board approves Actuarial Directives, Guidelines and Instructions from a functional point of view according to the Group Directives system.

Local Chief Actuary

The local Chief Actuary is responsible for performing all actuarial functions of the Company without any statutory duties in contrast to the Appointed Actuary.

Within the Company, the Head of Actuarial Services covers both roles.

The local Chief Actuary has to ensure the appropriateness of the Company's Actuarial function Guideline and the alignment with all local specific legal and regulatory requirements. As representing the Actuarial function, the local Chief Actuary is responsible for the assessment of the technical provisions according to Solvency II principles and the assessment of reinsurance and underwriting policies regarding their appropriateness. An adequate segregation of responsibilities established within the organisational structure ensures that the people performing actuarial tasks are not simultaneously responsible for the execution and for providing an opinion on the adequacy of the executed item.

B.7 Outsourcing

A Group Outsourcing Guideline defines outsourcing requirements throughout the Swiss Life Group. It regulates the outsourcing to external service providers and describes the outsourcing process at Swiss Life.

Prior to the outsourcing of critical or important functions or activities as well as of any subsequent material developments with respect to those functions or activities, the outsourcing Swiss Life entity has to notify Group Qualitative Risk Management.

In case of outsourcing of critical or important functions such as risk management, compliance, internal audit or actuarial, the Company has to ensure the fitness and propriety of all persons working on that function.

The Company maintains an inventory about all outsourcings (internal and external) which contains information about the classification (“critical and / or important activity or function”), the performance evaluation of the outsourcing and the impact on Swiss Life, in case the service is not delivered as agreed (risk assessment).

The Company has a few critical outsourcings which all have the appropriate formal agreements and are monitored closely.

Outsourcing

Outsourcing	Country of the outsourcing	Intra-group or external
IT infrastructure management	Luxembourg	External
HR payroll administration	Luxembourg	External
Asset management for general assets not covering unit-linked liabilities	France	Intra-group
Accounting and reporting of the general assets	France	Intra-group
Internal Audit Function	Switzerland	Intra-group
Digital archiving	Luxembourg	External
Specific fund evaluation	Luxembourg	External
Claims management for specific business	Germany	External
Claims management for specific business	Denmark	External

B.8 Any other information

All relevant information is provided for in the previous sections. No additional information is deemed necessary.

C Risk Profile

Risk is defined as the potential danger of an actual result deviating adversely from the expected result. If meaningful, material risks must be measured and quantified. If a risk cannot be quantified, a qualitative assessment needs to be done.

When measured, the risks are assessed by their contribution to the Solvency Capital Requirement (SCR) applying the standard formula from the Directive 2009/138/EC, called Solvency II directive. In other cases, when this is not possible, the risks are identified, assessed and managed through the Company's qualitative risk management framework including the Internal Control System.

The detailed results from the Solvency II standard formula are given in section E.2. As a summary, the main risks for the Company are the market risk, more specifically equity, spread and real estate risk, and the life underwriting risk due to lapse risk. The risk profile of the Company has not changed in comparison to last year's evaluation.

The Company invests its assets according to the 'prudent person principle' as presented in Article 132 of Directive 2009/138/EC:

The general assets (i.e. not covering unit-linked contracts) are invested in regulated financial markets and no use of derivatives was made over 2023. A limit system by single counterparty and credit rating is in place to control single counterparty exposures and is included in the asset management mandate. The latter also integrates the management of the duration matching between assets and liabilities as well as regular reporting. At least once a year, the strategic asset allocation is defined in the ALCO process presented in section B.3, formally approved by the Board of Directors.

The unit-linked investments follow the investment strategy provided in the contract conditions chosen by the policyholder. Moreover, the valuation processes in place aim at limiting any discrepancy in value between the technical provisions and the covering assets.

C.1 Underwriting Risk

Life underwriting risk is mostly made of lapse risk linked to the policyholder behaviour, representing a risk capital of EUR 98.8 million with regards to an overall Life underwriting risk of EUR 120.2 million.

Expense risk exists in all insurance company and arises when the loadings are not sufficient to cover the administration expense basis. Expense risk is the second largest underwriting risk (capital of EUR 25.9 million). A close expense monitoring allows keeping the expense risk on an acceptable level.

Biometric risks such as mortality, longevity and disability have a limited risk contribution due to the reinsurance program in place and to the application of the contract boundaries as defined in the Solvency II framework (boundary of one year on the main part of the portfolio supporting these risks).

In 2023, the non-life business has been calculated separately in the health underwriting module. The main risk arising from these stand alone disability covers are related to disability risk (capital of EUR 9.0 million within an overall Health underwriting risk of EUR 9.4 million). The non-life risk exposure remains small in comparison to the Life underwriting risks.

C.2 Market Risk

Market risk is mainly explained by equity and spread risk with risk capitals of EUR 104.0 million and EUR 39.9 million respectively in relation to EUR 167.7 million of overall market risk capital. These risks are the largest ones given the high level of dedicated funds mainly invested in equity funds and the high share of bond investments to cover non unit-linked products.

Real estate risk represents, as in 2022, the third largest risk capital with EUR 30.9 million.

Interest rate risk is not material as the durations of the liabilities and their covering assets are almost matched. The duration gap is monitored on a regular basis in the risk management system.

The currency risk resulting from the international framework the Company is working in amounts to EUR 21.6 million. The currency risk capital is kept at a low level given the asset/liability currency matching in the Company's investment policy, limiting the net exposure in non EUR currencies for non unit-linked contracts. Unit-linked contracts also contribute to the currency risk.

For the general assets and non unit-linked products, monthly reports allow for an adequate monitoring of the market risk situation and ensure that corrective measures are put in place when necessary. In stressed market situation, ad-hoc validation can be triggered.

The concept of concentration risk is generic and can occur on different levels. The concentration risk measured by the Solvency II standard formula is the exposure to single ultimate counterparties. Monthly risk management reports exist monitoring among others the concentration risk in governmental exposures (excluded from the Solvency II definition). Concentration risk is not material for the Company.

Concentration risk can also occur on the liabilities when a specific type of industries is covered through contracts for multinational corporations or when a specific clientele in a particular country is targeted by the business strategy for example. Even if this concentration risk should be part of the life underwriting risk, it is addressed in the market risk together with the asset counterparty default risk in order to present a complete picture.

The different business activities need to be analysed separately. For Global Employee Benefits Solutions, group contracts are diversified and cover all types of industries in different parts of the world. For countries considered as riskier by the Swiss Life reinsurance department, contracts are either refused or specifically priced. Global Private Wealth Solutions has by definition an inherent concentration risk. The risk is mitigated by a close monitoring of the key partners and

the markets/countries where the business is written. The concentration risk arising from the liabilities is assessed as not material.

C.3 Credit Risk

Credit risk in the Solvency II framework is counterparty default risk with respect to cash positions, reinsurance treaties and amounts due from policyholders, including cash positions in the unit-linked assets.

Reinsurance treaties are in place with twelve different counterparties: biometric risk is reinsured by Swiss Life AG as well as four external reinsurers without any deposit foreseen, the other treaties are financial reinsurance treaties both secured by collaterals (pledged securities). These collaterals are at least equal to the receivables at all times, so that reinsurance receivables do not present a negligible counterparty default risk.

Regarding cash exposures, counterparty risk is primarily managed by the aforementioned counterparty exposure limits.

Counterparty default risk represents a risk capital of EUR 13.7 million.

C.4 Liquidity Risk

Liquidity risk is not covered explicitly in the market risk as defined in the Solvency II standard formula. It is assessed as not material.

The Company earns per year over EUR 180.0 million of written premiums from the Global Employee Benefits Solutions business. With such amounts of cash per year, liquidity problems are not likely to arise. In terms of investment policy, a certain minimum level of cash is always available in the accounts, also allowing facing liquidity risk. Finally, a weekly monitoring has been put in place to manage closely future liquidity needs. Repurchase agreements can be used to ensure short-term refinancing for unexpected liquidity shortfalls.

The expected profit included in future premiums as defined by the Solvency II framework is equal to EUR 43.8 million.

C.5 Operational Risk

Operational risk is included in the Solvency II standard formula and accounts for EUR 22.4 million.

Operational risk is inherent to insurance business. The management of operational risk is thus very important and is an integrated part of the qualitative risk management framework in Swiss Life. Operational risk is addressed more precisely by the Internal Control System in place.

The main operational risks the Company is facing are related to its cross-border activities in a number of European countries, with the risk that the offering does not respect applicable laws in the customer's country of domicile. In order to keep this risk under control, the Company works with legal consultants analysing the different markets and regulatory changes.

Other operational risks are linked to non-compliance to laws or regulations, especially regarding anti-money-laundering and terrorist financing or data protection. Anti-money laundering and terrorist financing risk is mainly present in the Private Wealth business, as it is expected to be low on Employee Benefits solutions. The Compliance team is analysing the situation based on screening, monitoring and 'know your customer' requirements. International sanctions review has been emphasised to account for the increased political instability in the world.

Data protection risks are inherent to the insurance business as the Company needs personal data to be able to price correctly individual risk covers, both on Employee Benefits and Private Wealth business lines. Internal controls as well as regular training sessions are used to limit the risks.

The large number of partners the Company is working with, especially in the Private Wealth business, can lead to insufficient due diligence. Due diligence processes are in place to reduce the risk.

From an IT perspective, the Company runs software management risks. The Company uses different softwares on a daily business which have the risk of not being fit for purpose, following wrong implementation or inefficiency in maintenances leading to outages or workaround costs. The IT team is analysing and reviewing regularly the softwares to limit the risks.

C.6 Other Material Risks

Besides the risk categories described above, other risks are monitored in the Swiss Life risk management system.

As a result of the risk management process in the Swiss Life group, Strategic and Reputational risks are material for the Company as they could endanger the business ambitions of the Company. Mitigation actions are defined and monitored in the ORSA process.

Emerging risk is deemed non material for the Company.

C.7 Any other information

A number of economic sensitivities has been performed as of 31.12.2023.

The Solvency Capital Requirement has been estimated for stressed interest rate yield curves, initial equity and real estate shocks and spread shocks.

In all the analysed sensitivities, the Own Funds are sufficient to cover the Solvency Capital Requirement.

As of the third quarter 2023, the Company was in breach of article 117 of the law on the insurance sector of 7 December 2015. Book values of the investments have always been sufficient to cover the insurance liabilities. Since the beginning of the year 2022, the market rates have been increasing leading to unrealised losses on the Company's bonds investments. A regular follow-up on the unrealised losses was set up, as of end of September 2023 the market value of the investments fell below the liability values. The situation could be resolved by a new subordinated loan from Swiss Life Holding of EUR 45 million which was already under discussion to increase the Solvency ratio of the Company.

D Valuation for Solvency Purposes

In this chapter, the Solvency II balance sheet as of 31.12.2023 is presented. It is compared to the statutory balance sheet as published in the Financial Statements. In this chapter, only the main items from the balance sheet are shown.

D.1 Assets

According to Article 75(1)(a) of Directive 2009/138/EC, all assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction, that means with their fair values.

The table hereunder provides a summary of the assets side of the balance sheet as of 31.12.2023. Solvency II accounting values are compared to local accounting values. In the following, the main asset categories in accordance to the view from the Financial Statements are presented in detail.

Assets

In EUR thousand

	Local accounting bases	SII accounting bases	Difference
Subscribed capital unpaid	6 000		-6 000
Intangible assets	8 992		-8 992
Investments	1 645 468	1 536 892	-108 577
Investments for the benefit of life insurance policyholders who bear the investment risk	14 116 623	14 116 623	
Reinsurer's share of technical provisions	315 729	233 334	-82 394
Deposits to cedants	14 949	14 949	
Debtors	156 483	156 598	114
Other assets	56 478	56 478	
Prepayments and accrued income	10 544	10 014	-530
Total assets	16 331 266	16 124 887	

Unpaid capital

The unpaid not called-up capital is not considered in the Solvency II balance sheet. Given the approval of the local Supervisor, unpaid not called-up capital is added as ancillary own funds.

Intangible assets

Intangible assets are valued at zero unless they can be sold separately and they possess a market value as defined by Article 10(2) of the Commission Delegated Regulation (EU) 2015/35.

In the case of Swiss Life (Luxembourg) S.A., they are not accounted for in the Solvency II balance sheet.

Investments

Besides the investments in bonds and Collective Investment Undertakings, in this table investments also include deposits and other loans.

In the Solvency II balance sheet, investments are considered at market value following the Directive 2009/138/EC.

Investments in bonds and the different investment funds are valued using quoted market prices from active markets. Investment funds as of 31.12.2023 include money market, real estate, corporate loan and infrastructure funds.

Differences between Solvency II and local accounting values represent unrealised gains and losses on the investments at closing date (the difference between market values and accounting values).

Deposits and short-term other loans are valued at accounting value, there is no difference in between Solvency II and statutory values. Longer other loans are taken at their nominal value. Under Solvency II, they are valued by discounting the future interest and reimbursement cash flows consistently with the market conditions.

Assets held for unit-linked assets

Assets held for unit-linked assets are taken at market value following the Directive 2009/138/EC.

There is no difference between local and Solvency II accounting bases as the market value for assets held for unit-linked funds is also used in the local accounting basis.

The 'private equity' positions included in the unit-linked contracts are valued using market valorisation models and techniques, resulting in no difference between statutory and Solvency II values. The general valuation methodology is detailed in section D.4.

Reinsurer's share of Technical Provisions

The share of reinsurers in the Technical Provisions in Solvency II accounting basis is given by the best estimate of reinsurance contracts. The evaluation methodology will be described in the next section and is similar to the one used for the valuation of insurance best estimates.

The difference shows the valuation difference between local accounting values and Solvency II best estimates.

Debtors

In the Solvency II balance sheet, debts are mostly considered at accounting value. The main part of recoverables arises from policyholders which are considered as short term. No market values are

available; the valuation methodology used consists in using the accounting value which is known at closing date, the short-term aspect justifying this choice.

Specific intra-group loans in the portfolio are valued by discounting future interest and reimbursement cash flows consistently with the market conditions. In opposition to other debts, their mid-term aspect justifies this approach.

Other assets

In the Solvency II balance sheet, other assets are considered at accounting value. Mainly cash positions compose the other assets items, for these positions market values equal accounting values.

Prepayments and accrued income

In the Solvency II balance sheet, intangibles such as deferred acquisition costs are not considered. The accrued interests are directly shown under the investments. The residual positions are kept at statutory level representing short term prepayments.

D.2 Technical Provisions

The valuation of Technical Provisions is set out in the Commission Delegated Regulation (EU) 2015/35, Articles 17 to 61. Technical provisions are calculated as the sum of the best estimate and the risk margin per line of business.

The calculation of Technical Provisions uses and is consistent with information provided by the financial markets and generally available data on underwriting risks (market consistency). They are calculated in prudent, reliable and objective manner.

The projection model complies with the following requirements:

- it generates asset prices that are consistent with asset prices observed in financial markets;
- it assumes no arbitrage opportunity.

The calculation of technical provisions takes into account the value of financial guarantees and contractual options included in insurance policies. Any assumptions made with respect to the likelihood that policyholders will exercise contractual options, including lapses and surrenders, or realise the value the financial guarantee are realistic and based on current and credible information. Financial market developments are considered in the valuation.

Best estimate

The best estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the

relevant risk-free interest rate term structure. The calculation of the best estimate is based upon up-to-date and reliable information and realistic assumptions and performed using adequate, applicable and relevant actuarial and statistical methods. The cash-flow projection used in the calculation of the best estimate takes account of all the cash in- and out-flows required to settle the insurance obligations over the lifetime thereof.

Requirements regarding future management actions and policyholder behaviour are set out by Articles 23 and 26 of the Commission Delegated Regulation (EU) 2015/35. In particular, those assumptions should be realistic, consistent with past experience and future expectations, and based on credible information.

The basic risk free interest rate term structure used for the discounting of cash flows in the calculation of technical provisions, is delivered by EIOPA.

In the Solvency II framework, liabilities are valued using models. Two valuation approaches are used:

- a projection model for the calculation of the best estimate as defined above,
- the statutory provision for a limited part of the liabilities, according to the Solvency II proportionality principle.

99.5% of statutory technical provisions are valued using the projection model. Stochastic calculations are used for the valuation of significant options and guarantees (policyholder profit sharing for example).

Projections take into account contract boundaries as defined in the Technical Specifications for the preparatory phase and CAA recommendations.

The projection model uses the following assumptions:

- Economic scenarios introduce economic assumptions in the stochastic part of the projection model. Based on EIOPA assumptions, yield curves, inflation rates and actualization rates are given for 2 000 simulations. Scenarios integrate four currencies: EUR, USD, CHF and GBP.
- Expense assumptions are fixed on a yearly basis. Starting point are the observed expenses for the last year, which are allocated in different expense classes and to the different product lines using keys. The best estimate only takes into account recurring expenses which are linked to the existing contracts.
- Mortality assumptions are fixed depending on the product type (death, survivor or annuity).
- Morbidity and disability assumptions are established based on the experience of the Company and of its reinsurer.
- Lapse rate assumptions are reviewed on a yearly basis based on historic observations. These rates are fixed per product line.

Assumptions used in the calculation of Technical Provisions are reasonable, justifiable, consistent over time and based on the risk characteristics of the underlying portfolio (Article 22 of Commission Delegated Regulation (EU) 2015/35).

The same model described above is used to determine the Solvency II value for reinsurance.

Risk margin

The aim of the risk margin is to ensure that the value of the Technical Provisions is equivalent to the amount that insurance undertakings would be expected to require in order to take over and meet the insurance obligations.

The following requirements regarding the risk margin calculation are met:

- The calculations are performed net of loss absorbing capacity of technical provisions, and gross of the loss absorbing capacity of deferred taxes.
- The risk margin is allocated to the relevant lines of business in a way that reflects their contribution to the Solvency Capital Requirement.

The risk margin is calculated using a proportional approach as suggested by EIOPA as simplified method 3. The proportionality factors are different for unit-linked and non unit-linked products.

Level of uncertainty in the amount of technical provisions

Random annual fluctuations of the insurance benefits, the lapse behaviour of policyholders and the profit sharing rules could lead to portfolio variation. Changes in policyholder biometrics or lapse risks lead to high level of uncertainty in Technical Provisions. Therefore, the assumptions used for the projection model are reviewed regularly.

Most assumptions are reviewed on a yearly basis.

Technical Provisions

In EUR thousand

	Unit-linked	Other life insurance (with and without profit sharing)	Total
Statutory technical provision	14 116 623	1 797 643	15 914 266
Reinsurer part in technical provisions	0	315 729	315 729
Net statutory technical provisions	14 116 623	1 481 914	15 598 537
Best estimate of gross technical provisions	13 879 057	1 600 600	15 479 657
Risk margin	50 354	29 183	79 537
Gross technical provisions including risk margin	13 929 411	1 629 784	15 559 195
Best estimate of reinsurers part in technical provisions	-18 569	251 904	233 334
Net technical provisions including risk margin	13 947 980	1 377 880	15 325 860

Differences between Solvency II and accounting values come from the different valuation models.

For unit-linked business, the difference arises from the recognition of future margins in the best estimate, in opposition to the simple counter value of the unit-linked assets in the local accounting balance sheet.

For the other life insurance provisions, the Solvency II value is lower than the statutory technical provision, reflecting the use of a reference yield curve for calculating actual values.

Impact of transitional measures

Only the volatility adjustment is used in the official Solvency II calculations. Quantitative impact of its use is given in Annex QRT S.22.01.21.

No matching adjustment or transitional measure has been used.

D.3 Other Liabilities

The following table provides the values of other liabilities as at 31.12.2023.

Other Liabilities

In EUR thousand

	Local accounting bases	SII accounting bases	Difference
Subordinated liabilities	64 000	70 378	6 378
Provisions for other risks and charges	1 741	42 067	40 326
Creditors	155 983	155 983	
Accruals and deferred income	316	316	

Subordinated liabilities

Subordinated liabilities have been issued in 2019, 2021 and 2023. In the statutory accounts, subordinated liabilities are taken at their nominal value. Under Solvency II, they are valued by discounting future interest and reimbursement cash flows consistently with the market conditions.

Provisions for other risks and charges

Provisions for other risks and charges include deferred tax liabilities. This is an additional item compared to the balance sheet in the local accounting bases. Deferred tax liabilities arise due to the recognition of future results namely through unrealised gains and losses on assets and through the recognition of liability best estimates. These future results will have to face tax payments when materialising and need to be recognised in the Solvency II balance sheet. Deferred tax liabilities are equal to EUR 40.3 million.

Provisions for other risks and charges excluding deferred tax liabilities are taken at accounting value. No market values are available; the valuation methodology used consisted in using the accounting value which is known at closing date.

Deferred tax liabilities are introduced in the balance sheet, the value is defined through the valuation methodologies on assets and liabilities.

Creditors

Creditors are taken at accounting value. The main part of debts arises from short-term debts towards policyholders. The used valuation methodology consists in using the accounting value known at closing date.

Accruals and deferred income

In the Solvency II balance sheet, accruals are taken at accounting value. The used valuation methodology consists in using the accounting value which is known at closing date.

D.4 Alternative methods for valuation

Alternative methods for valuation are used for unquoted investments.

International Private Equity and Venture Capital Valuation guidelines are the basis for the fair valuation of holding companies, representing the major part of the Company's unquoted investments. Private bonds / debts instruments are measured using the amortized cost approach as defined by the International Accounting Standards Board.

E Capital Management

E.1 Own Funds

Composition of Own Funds

The following table details the Own Funds as of the end of the reporting year.

Own Funds by Tier

In EUR thousand				31.12.2023	31.12.2022
	Tier 1 (unlimited)	Tier 1 (limited)	Tier 2	Total	Total
BASIC OWN FUND ITEMS					
Ordinary share capital	17 000			17 000	17 000
Subordinated liabilities			70 378	70 378	17 434
Reconciliation reserves	257 948			257 948	255 549
Reserves	144 584			144 584	135 330
SII reconciliation reserve	107 988			107 988	110 965
Retained earnings					
Profit from the year	27 376			27 376	30 754
Deductions	22 000			22 000	21 500
Basic own funds	274 948		70 378	345 326	289 983
ANCILLARY OWN FUND ITEMS					
Unpaid not called-up capital			6 000	6 000	6 000
Basic own funds			6 000	6 000	6 000

Basic own funds

Basic own funds items are equal to the own funds determined as excess of assets over liabilities. They also include subordinated liabilities. Deductions to be considered represent the dividend payment based on the result from year-end 2023.

Ordinary share capital is taken at accounting value. The unpaid not called-up capital is not considered in the Solvency II framework, it is re-integrated as ancillary own funds.

As at year-end 2023, the Company counts three subordinated loans. Two of them are borrowed from Swiss Life Assurance et Patrimoine. The first loan amounts to EUR 9 million running from 16 December 2019 until 16 December 2029. The second one covers EUR 10 million from 23 December 2021 until 23 December 2031.

As of 15 December 2023, the Company agreed to borrow the amount of EUR 45 million from Swiss Life Holding Ltd.. This subordinated loan has a maturity date on 15 December 2038.

The Reconciliation reserves include Reserves and the Profit from the year which are also included in the statutory accounts. The Solvency II reconciliation reserve aims at presenting balanced accounts and arises from the market valuation of the balance sheet.

Deductions represent the expected dividend payment based on the yearly result.

In comparison to last year, own funds are lower mainly due to the evolution of the economic environment.

Ancillary own funds

Ancillary own funds are composed by the unpaid not called-up capital as approved by the local Supervisor.

Ancillary own funds have not changed versus 2022.

Quality of Own Funds

For Solvency II purposes, own funds are categorised following their level of quality as shown above.

Except from the ancillary own funds and the new subordinated liabilities, in terms of classification, all own fund items are classified with the highest quality, in Tier 1. The ancillary own funds, representing the unpaid not called-up capital, and the subordinated liabilities are classified in Tier 2.

Eligible Own Funds

Regarding the solvency, the Own Funds are fully eligible to cover the Solvency Capital Requirement.

For the Minimum Capital Requirement, ancillary own funds are not eligible. The overall subordinated loans are only partly eligible to cover the Minimum Capital Requirement following limits prescribed by Directive 2009/138/EC.

Eligible Own Funds

In EUR thousand			31.12.2023	31.12.2022
	Tier 1	Tier 2	Total	Total
Available Own Funds	274 948	76 378	351 326	295 983
MCR				
Eligible Own Funds to cover MCR	274 948	19 843	294 791	289 983
SCR				
Eligible Own Funds to cover SCR	274 948	76 378	351 326	295 983

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement is calculated based on the Solvency II standard formula. Operational risk is determined based on premiums, reserves and expenses for unit-linked business.

SCR

In EUR thousand		
	31.12.2023	31.12.2022
BASIC SCR	283 151	278 647
Adjustment for the loss absorbing capacity of technical provisions	-44 755	-45 743
Adjustment for the loss absorbing capacity of deferred taxes	-40 326	-36 870
SCR for operational risk	22 406	19 216
SCR	220 476	215 250
MCR	99 214	96 863

The following table details the different components of the Solvency Capital Requirement, split by risk module.

SCR Detail

In EUR thousand		
	31.12.2023	31.12.2022
SCR for market risk	207 751	197 344
SCR for counterparty default risk	13 715	13 277
SCR for life underwriting risk	136 183	147 310
SCR for health underwriting risk	9 429	
Basic SCR	283 151	278 647

The highest risks are coming from market risk, equity risk representing the highest capital needs. This is explained by the high volume of dedicated funds. Spread risk is high given the high exposure of the Company to bonds.

The impact of the mass lapse risk for both businesses, unit-linked and with technical rate guarantees, is the driver for the life underwriting risk.

As of 31 December 2023, separate risk calculations have been performed on the non-life business written by the Company. The non-life business representing standalone disability covers. From a Solvency Capital Requirement perspective, the risk is included in the health risk and is driven by the impact of the disability risk.

Some simplifications are used in the calculation of the different risk modules, namely for interest rate risk and spread risk.

The Basic Solvency Capital Requirement increased in comparison to last year, mainly in relation with higher exposures and an increased symmetric adjustment for the equity risk.

The Minimum Capital Requirement is calculated based on the standard model. In the end, the cap from the Solvency Capital Requirement is defining the required level of the Minimum Capital Requirement (45% of the Solvency Capital Requirement). The linear Minimum Capital Requirement is determined based on capitals at risk and technical provisions.

MCR

In EUR thousand	31.12.2023	31.12.2022
Linear MCR	173 380	183 320
Floor	55 119	54 358
Cap	99 214	97 844
Combined MCR	99 214	97 844
Minimum guarantee fund	6 700	3 700
MCR	99 214	97 844

The Minimum Capital Requirement follows the evolution of the Solvency Capital Requirement.

The following table indicates the solvency level given the Solvency Capital Requirement and the Minimum Capital Requirement as represented above. Both solvency ratios exceed the requirements.

In EUR thousand	Capital requirement	Eligible capital	31.12.2023 Solvency ratio	31.12.2022 Solvency ratio
SCR	220 476	351 326	159%	138%
MCR	99 214	294 791	297%	299%

The amounts of the Solvency Capital Requirement and the Minimum Capital Requirement as of 31.12.2023 are still subject to supervisory assessment.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Swiss Life (Luxembourg) S.A. does not use the duration-based equity risk sub-module.

E.4 Differences between the standard formula and any internal model used

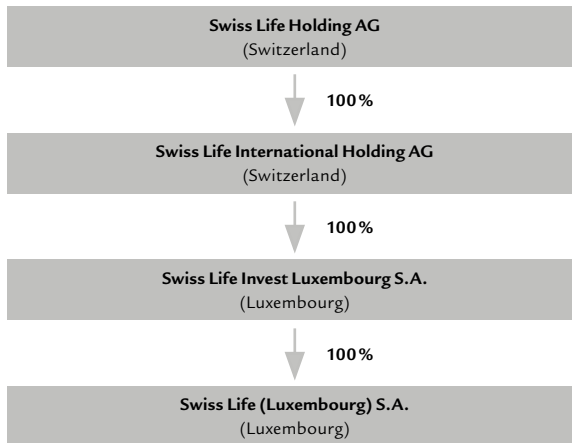
Swiss Life (Luxembourg) S.A. applies the standard formula.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The precedent figures show that Swiss Life (Luxembourg) S.A. is compliant with the regulatory requirements in terms of available solvency capital.

Annex

Holding structure



S.02.01.02 Balance sheet

in thousand EUR

Solvency II value

		C0010
ASSETS AS OF 31 DECEMBER 2023		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	1 085
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1 510 388
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities – listed	R0110	0
Equities – unlisted	R0120	0
Bonds	R0130	1 246 770
Government Bonds	R0140	641 990
Corporate Bonds	R0150	604 780
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	262 749
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	868
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	14 116 623
Loans and mortgages	R0230	26 504
Loans on policies	R0240	66
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	26 438
Reinsurance recoverables from:	R0270	233 334
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	251 904
Health similar to life	R0320	-9416
Life excluding health and index-linked and unit-linked	R0330	261 320
Life index-linked and unit-linked	R0340	-18 569
Deposits to cedants	R0350	14 949
Insurance and intermediaries receivables	R0360	63 561
Reinsurance receivables	R0370	29 439
Receivables (trade, not insurance)	R0380	63 598
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	56 478
Any other assets, not elsewhere shown	R0420	8 929
TOTAL ASSETS	R0500	16 124 887

S.02.01.02 Balance sheet (continued)

in thousand EUR	Solvency II value	
	C0010	
LIABILITIES AS OF 31 DECEMBER 2023		
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions – health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions – life (excluding index-linked and unit-linked)	R0600	1 629 784
Technical provisions – health (similar to life)	R0610	-9828
TP calculated as a whole	R0620	0
Best Estimate	R0630	-10666
Risk margin	R0640	838
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1 639 611
TP calculated as a whole	R0660	0
Best Estimate	R0670	1 611 266
Risk margin	R0680	28 345
Technical provisions – index-linked and unit-linked	R0690	13 929 411
TP calculated as a whole	R0700	0
Best Estimate	R0710	13 879 057
Risk margin	R0720	50 354
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	1741
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	40 326
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	29 179
Reinsurance payables	R0830	44 426
Payables (trade, not insurance)	R0840	82 378
Subordinated liabilities	R0850	70 378
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	70378
Any other liabilities, not elsewhere shown	R0880	316
TOTAL LIABILITIES	R0900	15 827 939
Excess of assets over liabilities	R1000	296 948

S.05.01.02 Premiums, claims and expenses by line of business

as of 31 December 2023		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to health insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
in thousand EUR		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
PREMIUMS WRITTEN										
Gross	R1410	71 464	163 637	469 038	67 247			22 801	6 287	800 475
Reinsurers' share	R1420	21 562	27 162	573	16 505			7 858	1 126	74 785
Net	R1500	0	136 475	468 465	50 742			0	5 161	660 843
PREMIUMS EARNED										
Gross	R1510	67 067	169 423	469 038	61 501			6 491	22 621	796 140
Reinsurers' share	R1520	21 562	27 162	573	16 505			7 858	1 126	74 785
Net	R1600	0	142 262	468 465	44 995			0	21 495	677 217
CLAIMS INCURRED										
Gross	R1610	22 676	199 803	936 885	35 172			6 497	8 474	1 209 508
Reinsurers' share	R1620	4 764	105 354	0	14 981			1 039	1 012	127 149
Net	R1700	0	94 449	936 885	20 192			0	7 462	1 058 988
Expenses incurred	R1900	23 162	7 122	42 952	18 478			18 478	1	110 194
Other expenses	R2500									
TOTAL EXPENSES	R2600									110 194

S.04.05.21 Premiums, claims and expenses by country

as of 31 December 2023

Home Country Top 5 countries (by amount of gross premiums written) – Life insurance and reinsurance obligations

in thousand EUR		C0150	C0160	C0170	C0180	C0190	C0200
			FR	DK	CH	PT	NL
		C0030	C0040	C0050	C0060	C0070	C0080
PREMIUMS WRITTEN	R1020	193 303	312 919	67 427	47 142	36 903	35 346
PREMIUMS EARNED	R1030	193 086	312 920	63 663	47 148	36 903	34 516
CLAIMS INCURRED	R1040	134 121	350 686	16 550	72 530	114 431	12 601
Expenses incurred	R1050	18 790	18 483	20 868	3 457	3 023	6 813

S.12.01.02 Life and Health SLT Technical Provisions

as of 31 December 2023

		Index-linked and unit-linked insurance				Other life insurance				Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		Insurance with profit participation	Index-linked and unit-linked insurance	Contracts without options and guarantees	Contracts with options or guarantees	Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		
in thousand EUR		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
TECHNICAL PROVISIONS CALCULATED AS A SUM OF BE AND RM											
BEST ESTIMATE											
Gross Best Estimate	R0030	1 525 655			13 879 057		22 006	45 194		18 412	15 490 323
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	264 321			-18 569		1 812	-4 708		-106	242 751
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	1 261 333			13 897 626		20 193	49 901		18 518	15 247 572
Risk Margin	R0100	26 956	50 354			1090				299	78 699
AMOUNT OF THE TRANSITIONAL ON TECHNICAL PROVISIONS											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
TECHNICAL PROVISIONS - TOTAL	R0200	1 552 611	13 929 411			68 289				18 711	15 569 022

S.12.01.02 Life and Health SLT Technical Provisions (continued)

as of 31 December 2023		Health insurance (direct business)					Total (Health similar to life insurance)
		Health insurance (direct business)	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	
in thousand EUR		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
TECHNICAL PROVISIONS CALCULATED AS A SUM OF BE AND RM							
BEST ESTIMATE							
GROSS BEST ESTIMATE	R0030		-5 746			-4 920	-10 666
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		-6 910			-2 506	-9 416
Best estimate minus recoverables from reinsurance/ SPV and Finite Re – total	R0090		1 164			-2 413	-1 249
Risk Margin	R0100	452				387	387
AMOUNT OF THE TRANSITIONAL ON TECHNICAL PROVISIONS							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
TECHNICAL PROVISIONS – TOTAL	R0200	-5 294				-4 533	-9 828

S.22.01.21 Impact of long term guarantees and transitional measures

as of 31 December 2023			Amount with	Impact of	Impact of	Impact of	Impact of
			Long Term Guarantee measures and transitionals	transitional on technical provisions	transitional on interest rate	volatility adjustment set to zero	matching adjustment set to zero
in thousand EUR			C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	15 559 195	0	0	24 633	0	
Basic own funds	R0020	345 326	0	0	-10 349	0	
Eligible own funds to meet Solvency Capital Requirement	R0050	351 326	0	0	-10 349	0	
Solvency Capital Requirement	R0090	220 476	0	0	2 779	0	
Eligible own funds to meet Minimum Capital Requirement	R0100	294 791	0	0	-10 099	0	
Minimum Capital Requirement	R0110	99 214	0	0	1 251	0	

S.23.01.01 Own funds

as of 31 December 2023

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
in thousand EUR		C0010	C0020	C0030	C0040	C0050
BASIC OWN FUNDS BEFORE DEDUCTION FOR PARTICIPATIONS IN OTHER FINANCIAL SECTOR AS FORESEEN IN ARTICLE 68 OF DELEGATED REGULATION (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	17 000	17 000			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	257 948	257 948			
Subordinated liabilities	R0140	70 378		0	70 378	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0			0	
OWN FUNDS FROM THE FINANCIAL STATEMENTS THAT SHOULD NOT BE REPRESENTED BY THE RECONCILIATION RESERVE AND DO NOT MEET THE CRITERIA TO BE CLASSIFIED AS SOLVENCY II OWN FUNDS						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
DEDUCTIONS						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	345 326	274 948	0	70 378	
ANCILLARY OWN FUNDS						
Unpaid and uncalled ordinary share capital callable on demand	R0300	6 000			6 000	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual – type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400	6 000			6 000	
AVAILABLE AND ELIGIBLE OWN FUNDS						
Total available own funds to meet the SCR	R0500	351 326	274 948	0	76 378	
Total available own funds to meet the MCR	R0510	345 326	274 948	0	70 378	
Total eligible own funds to meet the SCR	R0540	351 326	274 948	0	76 378	
Total eligible own funds to meet the MCR	R0550	345 326	274 948	0	70 378	
SCR	R0580	220 476				
MCR	R0600	99 214				
Ratio of Eligible own funds to SCR	R0620	159.3%				
Ratio of Eligible own funds to MCR	R0640	297.1%				
C0060						
RECONCILIATION RESERVE						
Excess of assets over liabilities	R0700	296 948				
Own shares (held directly and indirectly)	R0710					
Foreseeable dividends, distributions and charges	R0720	22 000				
Other basic own fund items	R0730	17 000				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Reconciliation reserve	R0760	257 948				
EXPECTED PROFITS						
Expected profits included in future premiums (EPIFP) – Life business	R0770	43 787				
Expected profits included in future premiums (EPIFP) – Non- life business	R0780					
Total Expected profits included in future premiums (EPIFP)	R0790	43 787				

S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

as of 31 December 2023

in thousand EUR		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	207 751		
Counterparty default risk	R0020	13 715		
Life underwriting risk	R0030	136 183		
Health underwriting risk	R0040	9 429		
Non-life underwriting risk	R0050	0		
Diversification	R0060	-83 928		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	283 151		

CALCULATION OF SOLVENCY CAPITAL REQUIREMENT

		C0100
Operational risk	R0130	22 406
Loss-absorbing capacity of technical provisions	R0140	-44 755
Loss-absorbing capacity of deferred taxes	R0150	-40 326
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	220 476
Capital add-on already set	R0210	
Solvency capital requirement	R0220	220 476

OTHER INFORMATION ON SCR

Capital requirement for duration-based equity risk sub-module	R0400
Total amount of Notional Solvency Capital Requirement for remaining part	R0410
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430
Diversification effects due to RFF nSCR aggregation for article 304	R0440

S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

as of 31 December 2023		C0040	
MCR _t Result	R0200	173 380	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
in thousand EUR		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	1 453 370	■
Obligations with profit participation – future discretionary benefits	R0220	72 284	■
Index-linked and unit-linked insurance obligations	R0230	13 897 626	■
Other life (re)insurance and health (re)insurance obligations	R0240	88 612	■
Total capital at risk for all life (re)insurance obligations	R0250	■	34 599 152

S.28.01.01 Overall MCR calculation

as of 31 December 2023			
in thousand EUR			C0070
Linear MCR		R0300	173 380
SCR		R0310	220 476
MCR cap		R0320	99 214
MCR floor		R0330	55 119
Combined MCR		R0340	99 214
Absolute floor of the MCR		R0350	6 700
			C0070
Minimum Capital Requirement		R0400	99 214

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



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

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