

## Financial Performance

The 2021 financial performance of Swiss Life (Singapore) Pte. Ltd. is presented in the summary below:

Description	SIF Amount	OIF Amount	Total
Gross premiums	34,443,638	167,527,381	201,971,019
Less: Outward reinsurance premium	1,260,225	1,368,616	2,628,841
<b>Net Premiums Written (1 - 2)</b>	<b>33,183,413</b>	<b>166,158,765</b>	<b>199,342,178</b>
Gross claims settled	48,333,696	152,902,593	201,236,289
Less: Reinsurance recoveries	-	-	-
<b>Net Claims Settled (4 - 5)</b>	<b>48,333,696</b>	<b>152,902,593</b>	<b>201,236,289</b>
Less:			-
Increase (decrease) in gross policy liabilities	15,176,895	490,230,632	505,407,527
Decrease/(increase) in reinsurers' share of policy liabilities	100,951	35,495	136,446
Management expenses:			-
Staff costs	1,971,414	4,010,511	5,981,925
Office rent	-	62,912	62,912
Head office/related corporation expenses	416,824	774,013	1,190,837
Directors' fees	12,700	22,300	35,000
Audit fees	89,142	158,665	247,807
Managing agent's fees			-
Other management expenses	879,087	659,837	1,538,924
Total (9 to 15)	3,369,167	5,688,238	9,057,405
Distribution expenses	3,172,564	9,589,911	12,762,475
Impairment loss/(reversal of impairment loss) on receivables)	-	-	-
Other expenses	223,502	397,401	620,903
Total (7 + 8 + 16 + 17 + 18 + 19)	22,043,079	505,941,677	527,984,756
Other income	7,205,198	18,276,416	25,481,614
Net investment income/(loss)	29,233,283	475,897,102	505,130,385
<b>Net Income/(Loss) Before Tax (3 - 6 - 20 + 21 + 22)</b>	<b>(754,881)</b>	<b>1,488,013</b>	<b>733,132</b>
Less: Taxation expenses	-	-	-
<b>NET INCOME (23 - 24)</b>	<b>(754,881)</b>	<b>1,488,013</b>	<b>733,132</b>

## Source of Earnings Analysis

The table below provides a summary of the 2021 Source of Earnings

Sources of net income arising in the year:	SIF Amount	OIF Amount	Total
New business	(5,894,454)	(11,421,316)	(17,315,770)
Mortality/ Morbidity	11,074,660	68,213,674	79,288,334
Forfeiture/ Surrender	82,969,284	210,013,280	292,982,564
Interest	10,095,153	427,982,608	438,077,761
Expense	(297,548)	402,917	105,369
Change in basis			-
Miscellaneous	(98,701,976)	(693,703,150)	(792,405,126)
<b>Total (1 to 7) = Row 25 of Form A2</b>	<b>(754,881)</b>	<b>1,488,013</b>	<b>733,132</b>

## Claims Statistics for the year ending 2021

The table below provides details of claims and termination for the 5 year period from 1 January 2017 to 31 December 2021.

	SIF Amount		OIF Amount		Total
	Death	Surrenders	Death	Surrenders	
2017	-	51,881,749	-	553,003,021	604,884,769
2018	-	63,099,059	22,360	190,427,527	253,548,946
2019	-	10,612,335	32,797	349,264,188	359,909,321
2020	3,722,652	47,015,186	153,449	265,687,566	316,578,854
2021	-	48,333,696	-	152,902,593	201,236,288

## Pricing Adequacy

Swiss Life Singapore prices its products in accordance with its internal guidelines ensuring pricing adequacy. Profitability targets are met under a market consistent basis with consideration of relevant risks. Premium certificates for all new and re-priced products are filed with the MAS in accordance with MAS Notice 302.

## Liquidity Risk

Liquidity risk refers to the risk that Swiss Life Singapore:

- i) does not have enough cash or assets that can be converted to cash in a reasonable time frame to meet their financial obligations as and when they are due. An example of this is the unexpected high surrenders of the policies.
- ii) enforces a significant amount of VUL Alpha Plus contracts, with prefinanced commissions, and is unable to face the set-up commissions

With regard to point i) and due to the nature of investment-linked business, the liquidity risk is passed on to the respective surrendering policyholders. Upon surrender, the policyholder receives the account value, which is held in the policyholder's unit assets. Hence, the liquidity risk exposed to Swiss Life is immaterial with this regard.

With regard to point ii) and given the significant negative cash strain triggered by issuance of VUL Alpha Plus, the Company needs to monitor the liquidity situation periodically in view of ensuring enough liquidity capabilities. Hence, the liquidity risk exposed to Swiss Life is material in this context.