SwissLife

Annual Accounts 2021

Swiss Life (Luxembourg)
Société Anonyme

Management report for the financial year 2021 to the Annual General Meeting of 13 May 2022

Comments on the financial year 2021

1 General considerations

Swiss Life (Luxembourg) S.A. ("the Company") presents the result of the financial year 2021 a net profit of EUR 28.3 million (EUR 31.5 million in 2020). This confirms our robustness and stability in a challenging economic environment.

A stable asset base increasing our employee benefits client basis and a good cost management led to this result. The low-interest environment still affects the evolution of the investment margin. However, the Company successfully preserved a strong net margin after policyholders' participation.

In 2021, a lot of efforts and resources have still been put into our strategic projects to improve the efficiency and support the growth. This will continue throughout 2022 as the regulatory changes on European level remain very demanding.

The management of Swiss Life Luxembourg has assessed the risks linked to the COVID 19 crisis based on the current available information and the current Swiss Life Luxembourg lines of business. The results of this assessment (including the review of solvency ratio, the review of asset liquidity and valuation and the review of claim ratio) do not reveal material impacts for the Company in 2021. The analysis demonstrates the Company's resilience in terms of business continuity, solvency position, and compliance with regulatory requirements. The potential consequences will continue to be monitored and assessed on a regular basis.

2 Analysis

The year 2021 has proven to be yet another exceptional financial year for the Company. The profit before tax decreased by 6% to EUR 39.3 million (EUR 42.0 million in 2020) and the net profit decreased at EUR 28.3 million (compared to EUR 31.5 in 2020).

The Company's own portfolio amounts to EUR 1 641.465 million on the balance sheet date, versus EUR 1 612.185 million for the previous year. This represents an increase of 2% explained by the assets evolution due to interest increase and the premium income. Strategic assets allocation remains in 2021 similar as in 2020 with a diversification in real estate and infrastructure investment funds, compensating the low interest rate environment.

The increase of the costs in 2021 is explained by the modernization of the IT infrastructure, the digitalization projects and the new administration system for Private Wealth business. The level of investments of the Company in its IT infrastructure and in the modernization of its processes has remained high.

2.1 Global Private Wealth business line

Gross Written Premiums decreased by 21% to EUR 684 million in 2021 and surrenders decreased by 35 % up to EUR 704 million in 2021, resulting in a combined net outflow of EUR 20 million in 2021.

Technical provisions relating to unit-linked products, totalled EUR 14 320 million at the end of 2021, versus EUR 12 814 million in 2020, an increase of 12% mainly explained by the markets performances in 2021.

2.2 Global Employee Benefits business line

Gross Written Premiums increased by 16% in 2021 explained by the good performances of the risk and retirement lines of business. The periodic premiums increased by 5% due to the good performance of the risk business. The assets under control increased by 1% from EUR 1 471 to EUR 1 483 million in 2021, due to a good inflow and negatively impacted by in the interest rates increase.

3 Perspectives

Swiss Life Group continues to invest substantially in Swiss Life (Luxembourg) S.A. and the cross-border business. A significant cross-border competence center has been built up in Luxembourg under the new brand Swiss Life Global Solutions. More than 250 experts worldwide are offering their skills to corporates and individuals. However, focus will always remain on growth and profitability.

Outlook for business related to Private Wealth

Our strategic decisions, measures and focus defined in 2020 were continued in 2021. The principles of growth, expertise, efficiency and compliance will drive business in our increasingly global and dynamic financial environment. We will continue to provide innovative insurance solutions that combine specialist expertise and market knowledge with greater emphasis on engaged partners. With key partners, we will enter into strategic agreements, to foster cooperation and provide know-how.

The need of the Global Private Wealth Solutions' clients in respect of inheritance planning and asset protection by combining life insurance with sophisticated asset management remains unbroken. The uncertain global economic and political situation forces the wealthy individuals to review their situation and to start engineering their wealth according to their needs.

On a proposition perspective, the Company will enhance its proposition offerings by combining a portfolio of assets with the option of substantial death cover, which should bring growth and profitability.

Outlook for the Pension business – Employee Benefits
The Company continued to confirm its position as group insurance leader in Luxembourg in 2021 with positive outlook in 2022.

In 2022, we are concentrating our efforts to further establish the market share of our solution Swiss Life Preferred Germany, a locally compliant solution for group risk benefits targeting German multinationals. Furthermore, we would like to extend our relationships with Managing General Agents ("MGAs") to offer simple biometric solutions to our strategic markets. We are also looking to further utilize Swiss Life Network, as a key generator of fee income via stronger partnerships with the respective partners.

With the support of our contract management systems we aim in improving efficiency as well as the clients' experience.

4 Post-balance sheet events

There are no major post-balance sheet events to report that are likely to impact the Annual Accounts.

The impacts of the Ukraine/Russia crisis do not have material impacts for the Company. Assessments of the sanction list are performed on the regular basis and the cyber risk monitoring has been reinforced. There is no impact in terms of Gross Written Premiums or on the annual accounts of the company.

5 Acquisition of own shares

The Company did not acquire any of its own shares over the 2021 financial year.

6 Research and Development

The Company did not conduct any research and development activities over the 2021 financial year.

7 Branch

The Company had a new branch over the 2021 financial year. The start date of the French branch is October 1st. The objective is to increase costumer's proximity in order to better serve our clients on the French market.

8 Description and management of main risks

The Risk Management functions are 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 Risk Management Function should not only analyse the developments of the past but should also provide the senior management with the analysis of future risk aspects. The Swiss Life Luxembourg Risk Management function is headed by the local Chief Risk Officer.

a) Competences
Risk monitoring (risk controlling) applies to all relevant risks and especially to the limits in place. Any limit breach requires the Company, in which the breach occurred, to immediately inform both the delegating unit or body and the risk functional line, including the Group Chief Risk Officer. The decision on further actions lies in the first place with the delegating unit or body.

b) Controls and reporting
Swiss Life (Luxembourg) S.A. has to report according to Internal Risk Reporting guideline.

c) Comprehensive system of limits
Swiss Life (Luxembourg) S.A. has set up a comprehensive system of limits to capture and reflect the nature of the underlying risks.

Quantitative risk
- The risk appetite is set on Board of Directors level and is expressed as Solvency II ratio limit for Swiss Life Luxembourg;
- Specific risk capital and exposure limits for units set by the Asset & Liability Committee (ALCO);
- For credit risk, rating-dependent exposure limits avoid concentration risk of counterparties.

Qualitative risk
- Strategic and operational risks have quantitative risk tolerance levels and thresholds.

Actuarial
- Insurance risk is managed through an underwriting process with limits and thresholds.

Product Management
- Profitability hurdle rates on unit and product level trough pricing policy;
- Local product developments exceeding certain thresholds are subject to a local and group approval process.

The main risks which are monitored by Swiss Life (Luxembourg) S.A. are:

Business / Strategic risk
Business or Strategic risk is the current and prospective impact on capital and earnings (various metrics) arising from the unintended risk that can result as a by-product of planning or executing the strategy such as:

- Inadequate assessment of strategic plans;
- Improper implementation of strategic plans;
- Assumptions underlying the strategic plans do not materialize including changing business environments.

Strategic risks are potentially risks combining drivers from various risk categories (i.e. overarching risks) which might have a substantial impact on the achievement of strategic goals.

Market risk
Market risk refers to the risk of a loss due to changes in the financial position, which, directly or indirectly, arise from fluctuations in the level and/or volatility of market prices for assets, liabilities or financial instruments. Market risk includes the risk of currency rate changes.

Credit risk
Credit risk is the risk due to the uncertainty in counterparty's ability to meet its contractual obligations.

Liquidity risk
Liquidity risk means the risk that Swiss Life (Luxembourg) S.A. is unable to realise investments and other assets to settle their financial obligations when they fall due. For the Global Private Wealth business, this risk is limited given the unit-linked investments where the financial risk is supported by the client. For Global Employee Benefits business, the risk is more related to settle financial obligations related to client's benefits : benefits coming from risk business (death/disability) or from maturities or surrenders from guaranteed products. This risk is managed through a proper cash management (cash needs projected on different time-horizons with an additional buffer) and through own investments policy in liquid assets.

Insurance risk
Insurance risk refers to the risk of a loss based on deviation between the expected costs for claims and benefits and the actual costs as a result of accident, error or change of circumstances.

Concentration risk
Concentration risk describes the risk of a loss caused by assuming single or highly correlated risks with significant loss exposure or potential defaults.

Operational risk
Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes Outsourcing and Legal Risks.

Reputational risk
Reputational risk is the risk of a perceived reduction in Swiss Life (Luxembourg) S.A.'s ability to generate future profits due to a loss of credibility leading to a negative impact on shareholders' value. Reputational damage can be a consequence of internal or external events.

Emerging risk
Emerging risks are newly occurring or altering existing risks. By nature, Emerging Risks are difficult to quantify at an early stage and may have a major impact on the Swiss Life (Luxembourg) S.A. Generally, Emerging Risks are more important to reinsurance or liability insurance companies than to life insurance companies.

Alternative risk Categorisation
In addition to the above described risk categories, Swiss Life distinguishes between quantitative and qualitative risks. Quantitative risks comprise market risk, credit risk, liquidity risk, insurance risk and concentration risk. Qualitative risks comprise operational risk, strategic risk, reputational risk and emerging risk.

The risk management framework in place at Swiss Life (Luxembourg) S.A. refers to:

- The ALCO monitoring role;
- The monthly financial risk management reports;
- The elaboration of half-yearly market consistent embedded value appraisals;
- The tenue of Underwriting and compliance committees (CBAC);
- The adherence of Luxembourg regulatory requirements;
- The maintenance of Business Continuity Plan in the event of unavailability of serious IT and/ or building failures.

Finally, the Company did not use derivatives during the financial year 2021.

9 Profit for the financial year and proposed allocation

The financial year under review resulted in a post-tax profit of EUR 28.291 million.

In view of the zero balance brought forward from financial year 2021, the balance available to the General Meeting totals EUR 28.291 million.

We propose the following allocation of this amount:

	EUR
Allocation to legal reserve:	0
Allocation to free reserves:	8 291 450
Allocation to reserve unavailable for tax reasons: [1]	0
Undistributable reserve brought forward for tax purposes: [2]	0
Dividend payable to shareholders:	20 000 000
Balance carried forward:	0

[1] In accordance with article 174 bis of the Income Tax Law allowing net wealth tax to be charged to its base.
[2] Clawback of due allocation to undistributable reserve for tax purposes (undistributable reserve retained for five fiscal years following the year in which the request to establish the reserve was made) and transfer to the free reserve.

Acknowledgements
We once again thank our clients for the trust and loyalty they have shown the Company over many years.

This 2021 annual report also gives us the opportunity to warmly thank the Company's employees for their support, dedication and energy in serving the ambitions and excellent results of Swiss Life (Luxembourg) S.A. over the last 35 years.

The Board of Directors

Luxembourg, 13 May 2022

Audit report

To the Shareholder of
SWISS LIFE (LUXEMBOURG)

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of SWISS LIFE (LUXEMBOURG) (the "Company") as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 21 to the annual accounts.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of Unit Linked assets - Unquoted investments Management estimates the market value of certain categories of assets in the absence of readily available market prices. As at 31 December 2021, the unquoted investments included in the unit-linked assets represent 1,455 million EUR (see Note 25). Reliable information as well as adequate valuation methods are required for Management to ensure that these assets are valued in accordance with the accounting principle described under Note 3(i) in the annual accounts. This process requires Management to exercise its judgement to: • assess reliability of the underlying source information, including challenging independent experts involved in the valuation exercise; • select appropriate valuation models and techniques.	We have gained an understanding of the process implemented by the Company with respect to the valuation of these unquoted assets. We have performed the following procedures on the market value derived from supporting documentation such as external valuation reports and/or audited financial statements of the underlying assets, or others alternative approaches: • Challenged Management's assessment of the reliability and independence of the experts involved; • Assessed the adequacy of the accounting framework and related disclosures; • Challenged the methodology and valuation model used. Additionally, we have recomputed the market value based on the source information and the selected valuation models.
Valuation of certain technical provisions Life insurance provision amounting to 1,713 millions EUR as at 31 December 2021 is valued in accordance with the accounting principle described under Note 3(l) in the annual accounts. Their valuation requires some level of judgment from Management when selecting methodologies and assumptions. Due to the size of the life insurance provision, inappropriate methodologies and/or inadequate assumptions setting may result in significant impact on their valuation.	We have assessed and tested the key controls over the actuarial processes (mainly data collection and roll-forward of technical provisions) put in place by Management with respect to the valuation of the life insurance provision. We have complemented our work by procedures which include the following: • Involving our actuarial experts to challenge Management's methodology, methods, and assumptions taking into consideration industry available studies and benchmark, as well as recognised actuarial practices and regulatory requirements;

Additionally, inaccurate or incomplete data used in the process of computation could also result in misstatements in the valuation.	• Independently calculating technical reserves for a sample of policies; • Assessing the consistency of the actuarial methods used compared to prior year; • Testing the completeness and the accuracy of a sample of data through a reconciliation with the source documentation.
Presentation of debtors and creditors balances related to "Investments for the benefit of life insurance policyholders who bear the investment risk" As part of the projects listed in the management report, the management of the unit-linked investments of the private wealth business was migrated to a new technical system during the last quarter of 2021. Due to the size of the business and number of operations, this change has been considered as an area of focus in our risk assessment. While the data migration was operated in line with Company's expectations, a significant number of transactions generating inconsistent balances were identified during the financial year closing process impacting the presentation of debtors and creditors balances linked to "investments for the benefit of life insurance policyholders who bear the investment risk". This resulted in initial balances not fairly presented and has required significant work from the Company to achieve a fair presentation in the annual accounts. While this has not resulted in any impact on the Company's net profit, the fair presentation of the debtors and creditors balances linked to "Investments for the benefit of life insurance policyholders who bear the investment risk" could have been significantly affected if an insufficient or incomplete clearing process has not been performed by the Company.	We have gained an understanding of the migration process by involving our IT specialists to assess: • The Overall ITGC framework covering access to programs and data, computer operations, change Management and program development; • The Control environment implemented by the Company for the migration: project governance, data cleaning and migration testing; • The reliability and completeness of key reports generated by the new technical system. We have complemented our work with the following procedures: • Detailed reconciliation between the technical and accounting systems; • Leveraging the work performed over the completeness and accuracy of the cash balances, including investigations performed over the reconciling items at year-end; • Substantially testing the completeness and accuracy for a sample of debtors/creditors balances at year-end.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 30 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 27 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 13 May 2022

Electronically signed by:
Talat Kadret

Talat Kadret

Annual Accounts

Balance sheet as at 31 December 2021

(expressed in euros)

	Notes	31.12.2021	31.12.2020
ASSETS			
Subscribed capital unpaid	12	**6 000 000**	6 000 000
Intangible assets	3(b), 4	**10 277 848**	11 092 736
Investments in affiliated undertakings and participating interests	3(g), 6		
Debt securities issued by, and loans to affiliated undertakings		**19 292 531**	19 594 070
Debt securities issued by, and loans to, undertakings with which an insurance undertaking is linked by virtue of a participating interest		**3 626 062**	3 626 062
Other financial investments	3(e), 7		
Shares and other variable yield transferable securities and units in unit trusts	3(f)	**232 394 008**	248 595 214
Debt securities and other fixed income transferable securities	3(g)	**1 273 256 911**	1 250 880 974
Other loans	3(s)	**65 818**	66 969
Deposits with credit institutions		**1 160 485**	1 160 504
Deposit with ceding undertakings	3(h),8	**9 398 771**	6 021 339
Investments		**1 539 194 586**	1 529 945 132
Investments for the benefit of life insurance policyholders who bear the investment risk	3(i),25	**14 718 290 176**	13 176 731 306
Reinsurer' share of technical provisions			
Life insurance provision		**381 445 109**	379 029 385
Provision for bonuses and rebates		**5 663 370**	5 616 586
Debtors arising out of direct insurance operations			
Policyholders	10	**19 570 040**	20 013 402
Intermediaries		**2 516 421**	300 507
Debtors arising out of reinsurance operations		**9 701 476**	4 654 793
Other debtors	9	**17 154 884**	14 915 111
Debtors	3(j), 9	**48 942 821**	39 883 813
Tangible assets and stocks	3(c), 5	**1 344 688**	1 535 769
Cash at bank and in hand		**102 269 965**	82 240 069
Other assets		**103 614 653**	83 775 838
Accrued interest and rent		**18 442 022**	18 310 785
Deferred acquisition costs	3(k), 11	**463 035**	274 665
Other prepayments and accrued income		**4 956 708**	4 038 479
Prepayments and accrued income		**23 861 765**	22 623 929
TOTAL ASSETS		**16 837 290 328**	15 254 698 725

The accompanying notes form an integral part of these Annual Accounts.

Balance sheet as at 31 December 2021

(expressed in euros)

	Notes	31.12.2021	31.12.2020
LIABILITIES			
Subscribed capital		**23 000 000**	23 000 000
Reserves			
Legal reserve	13	**2 300 000**	2 300 000
Other reserves		**124 738 645**	116 707 313
Profit or loss for the financial year		**28 291 450**	31 531 332
Capital and reserves	12	**178 330 095**	173 538 645
Subordinated liabilities	9	**19 000 000**	9 000 000
Technical provisions	3(l), 14		
Provision for unearned premiums		**14 595 651**	12 476 205
Life insurance provision		**1 712 584 846**	1 633 929 884
Claims outstanding		**32 406 274**	28 382 838
Provision for bonuses and rebates		**29 131 914**	24 974 733
Technical provisions		**1 788 718 685**	1 699 763 660
Technical provisions for life insurance policies where the investment risk is borne by the policyholders	3(l), 14, 23	**14 718 290 176**	13 176 731 306
Other provisions		**859 918**	772 285
Provisions for other risks and charges	3(m)	**859 918**	772 285
Creditors arising out of direct insurance operations	10	**18 018 524**	11 425 764
Creditors arising out of reinsurance operations		**15 281 018**	12 335 614
Amounts owed to credit institutions	22	**0**	56 455 403
Other creditors, including tax and social security	15	**98 251 776**	113 643 610
Creditors	3(n), 9	**131 551 318**	193 860 391
Accruals and deferred income	3(o)	**540 136**	1 032 438
TOTAL LIABILITIES		**16 837 290 328**	15 254 698 725

The accompanying notes form an integral part of these Annual Accounts.

Profit and loss account for the year ended 31 December 2021

(expressed in euros)

	Notes	31.12.2021	31.12.2020
TECHNICAL ACCOUNT – LIFE INSURANCE BUSINESS	16		
Gross premiums written	17	**962 202 270**	1 105 410 185
Outward reinsurance premiums	16	**–63 906 703**	–89 924 413
Change in the provision for unearned premiums, net of reinsurance		**–2 119 446**	–1 944 800
Earned premiums, net of reinsurance		**896 176 121**	1 013 540 972
Income from other investments		**37 793 145**	36 499 448
Gains on the realisation of investments		**141 516 972**	163 861 393
Investment income		**179 310 117**	200 360 841
Unrealised gains on investments	3(i)	**1 641 458 898**	155 411 245
Other technical income, net of reinsurance		**9 856 245**	6 507 107
Claims paid			
Gross amount		**–888 137 251**	–1 224 066 749
Reinsurers' share	16	**58 986 031**	162 128 081
Changes in the provision for claims			
Gross amount		**–4 023 436**	–7 032 032
Claims incurred, net of reinsurance		**–833 174 656**	–1 068 970 700
Life insurance provision			
Gross amount		**–1 601 497 278**	162 474 894
Reinsurers' share	16	**2 462 512**	–86 282 123
Changes in other technical provisions, net of reinsurance		**–1 599 034 766**	76 192 771
Bonuses and rebates, net of resinsurance		**–22 873 735**	–13 244 372
Acquisition costs	18	**–11 599 916**	–7 926 241
Change in deferred acquisition costs	11	**188 370**	–16 419
Administrative expenses	3(q)	**–45 606 942**	–41 160 055
Reinsurance commissions and profit participation	16	**2 232 442**	4 404 035
Net operating expenses		**–54 786 046**	–44 698 680
Investment management charges, including interest		**–14 592 262**	–10 980 665
Value adjustments on investments	3(r)	**–114 300**	–791 122
Losses on the realisation of investments		**–135 760 132**	–263 155 266
Investment charges		**–150 466 694**	–274 927 053
Unrealised losses on investments	3(i)	**–26 989 578**	–7 835 899
Other technical charges, net of reinsurance		**–165 811**	–308 324
Allocated investment return transferred to the non-technical account	3(p)	**–940 390**	–2 794 044
BALANCE ON THE TECHNICAL ACCOUNT – LIFE INSURANCE BUSINESS		**38 369 705**	39 233 864

The accompanying notes form an integral part of these Annual Accounts.

Profit and loss account for the year ended 31 December 2021

(expressed in euros)

	Notes	31.12.2021	31.12.2020
NON-TECHNICAL ACCOUNT			
Balance on the technical account – life insurance business		**38 369 705**	39 233 864
Allocated investment return transferred from the life insurance technical account	3(p)	940 390	2 794 044
Tax on profit or loss on ordinary activities		**–10 868 483**	–10 507 161
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	24	**28 441 612**	31 520 747
Other taxes, not shown under the preceding items	24	**–150 162**	10 585
PROFIT FOR THE FINANCIAL YEAR		**28 291 450**	31 531 332

The accompanying notes form an integral part of these Annual Accounts.

Notes to the Annual Accounts

1 General

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 purpose of the Company is to engage in any insurance and reinsurance business in the „life” branch, both in the Grand Duchy of Luxembourg and abroad, on its own behalf and on behalf of third parties, as follows:

1. Insurance operations
– in case of death
– in case of life, with or without reinsurance
– combined
– regarding complementary covers providing non-indemnity benefits in the event of sickness or accident, in particular in the event of disability.

2. Capitalisation operations

3. Management of collective pension funds, and more generally, any financial, asset and real estate transactions directly connected with the objects above.

The Company may also acquire any interests and shareholdings in any other companies or insurance companies which can further contribute to the Company’s business, and more particularly by establishing special purpose companies, investments, mergers, subscribing for and purchasing shares, bonds and other securities, purchasing interests in companies and by any partnership or other agreements of any kind whatsoever.

2 Presentation of the annual accounts

Basis of preparation

These Annual Accounts have been prepared in conformity with the law of 8 December 1994, as amended, on Annual Accounts with respect to insurance and reinsurance undertakings, and with the significant accounting policies generally accepted within the insurance industry in the Grand Duchy of Luxembourg.

The accounting policies and the valuation rules apart from those defined by the law or the Commissariat aux Assurances are determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumption changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial years. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the context of the "Covid-19" pandemic, since the first half of 2020, Management has paid particular attention to the possible impacts linked to the health crisis on certain significant elements of its balance sheet and its income statement, and more particularly to aspects of valuation and recoverability of investments and receivables, but also the estimation of technical provisions. Indeed, as mentioned above, forward-looking and / or estimated elements may enter into the calculation of certain items in the financial statements and be impacted by the pandemic and its related events, in particular greater volatility of the financial markets, but also a higher level of uncertainty in apprehending certain parameters relevant to the calculation of technical provisions. Based on its monitoring, Management has not identified any major impacts on the annual accounts requiring additional mention in the annual accounts.

3 Summary of significant accounting policies

The significant accounting policies applied by the Company are as follows:

(a) Translation of items expressed in foreign currencies

The assets and liabilities, expressed in foreign currencies, are translated into euros (EUR) at the exchange rates prevailing at the balance sheet date.

Transactions during the accounting period, expressed in foreign currencies, are translated into euros (EUR) at the exchange rates prevailing at the balance sheet date.

These transactions are translated into euros (EUR) in the profit and loss accounts with the monthly rate prevailing at the transaction date.

(b) Intangible assets

The intangible assets are valued at historical acquisition cost including incidental expenses.

Intangible assets are amortised on a straight line basis at the following rates:

Formation Expenses	33.3%
Software	16.67% – 50%
Goodwill	10%

Where the Company considers that intangible fixed assets have suffered a durable decline in value in excess of the accumulated amortization recognized, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made have ceased to apply.

(c) Tangible assets and stocks

Land and buildings and tangible assets, are valued at historical acquisition cost. The acquisition cost includes expenses incidental to the purchase.

Buildings and tangible assets with limited useful economic lives are amortised on a straight line basis at the following rates:

Technical installations	10% – 33.3%
Machines	20% – 33.3%
Office furniture	10% – 33.3%
Room fitting	10% – 33.3%

(d) Shares in affiliated undertakings and participating interests

Affiliated undertakings are considered to be the undertakings between which the Company or the parent company exercises a dominant influence either directly or indirectly. Participating interests refer to rights contained in the capital of other undertakings which, when creating a durable link with those undertakings, are intended to contribute to the Company's activities.

Shares in affiliated undertakings and participating interests are valued at the lower of historical acquisition cost which includes expenses incidental to the purchase or market value.

If an impairment in value is of a permanent nature, the shares in affiliated undertakings and participating interests are valued at the lower value to be attributed to them between the historical acquisition costs and the market value at the balance sheet date.

These value adjustments should no longer continue when the reasons for which they were made cease to apply.

(e) Other financial investments

Other financial investments are valued at the lower of historical cost which includes incidental purchase expenses or market value.

If the directors expect the impairment in value to be permanent in nature, the other financial investments are valued at the lower value to be attributed to them at the balance sheet date. These value adjustments may not be carried when the reasons for which they were made cease to apply.

(f) Shares and other variable yield transferable securities and units in unit trusts

Shares and other variable yield transferable securities and units in unit trusts are valued at the lower of historical acquisition cost and realisable value. The acquisition cost includes expenses incidental to the purchase. The value adjustments which correspond to the difference between the realisable value and the acquisition cost are maintained even if the reasons for which they were made cease to apply.

(g) Debt securities and other fixed income transferable securities

Debt securities and other fixed income securities are valued at historical acquisition cost, or redemption value, taking into account the following elements:

- a positive difference between the acquisition cost and redemption value is written off in instalments over the duration of the holding of the security;
- a negative difference between the acquisition cost and redemption value is released to income in instalments over the period remaining to repayment.

If the Directors expect the impairment in value to be permanent in nature, debt securities and other fixed income transferable securities are valued at the lower value to be attributed to them at the balance sheet date. These value adjustments may not be carried when the reasons for which they were made cease to apply.

(h) Deposit with ceding undertakings

Deposits with ceding undertakings are valued at nominal value. In case of a durable depreciation in value, value adjustments are made, so that these are valued at the lower amount to be attributed to these at the balance sheet date. These value adjustments are not continued if the reasons for which these were made have ceased to apply. The actual value of deposits with ceding undertakings corresponds to the nominal value of these deposits.

(i) Investments for the benefit of life insurance policyholders who bear the investment risk

Investments for the benefit of life insurance policyholders who bear the investment risk are valued at the market value at the balance sheet date and any difference between this value and the acquisition cost is disclosed in the technical account for life insurance in the unrealised gains or losses on investments line items.

The market value shall refer to the last available value at the balance sheet date quoted on a stock exchange or the value at which the investment could be sold, or the value resulting from generally accepted valuation models and techniques (such as last available third party external report for private equity investment) subject to management estimates, when no quoted price on a stock exchange is available.

In accordance with article 79.3 of the law dated 8 December 1994 as amended, the investments for the benefit of life insurance policyholders who bear the investment risk are valued at their cost less durable impairment when no reliable information is available to determine the market value.

(j) Debtors

Debtors are valued at the lower of their nominal and their probable realisable value. Value adjustments shall be made when recoverability is questionable, either in part or entirely. These value adjustments shall no longer be carried when the reasons for which they were made cease to apply.

(k) Deferred acquisition costs

Deferred acquisition costs directly related to life insurance contracts, disclosed as an asset, are based on the calculation of the life insurance provision.

(l) Technical provisions

Sufficient technical provisions are set up in order that the Company can meet, as far as can be reasonably foreseen, any liabilities arising from insurance contracts.

Provision for unearned premiums
Written premiums include all the amounts received or receivable with respect to insurance contracts concluded prior to the end of the accounting period.

That part of written premiums which is to be allocated to one or more subsequent financial years is deferred by way of the provision for unearned premiums, computed separately for each contract on a prorata basis.

Life insurance provision
The life insurance provision, which consists of the actuarial value of the Company's liabilities net of future premiums, is calculated separately for each contract.

The technical basis and methods applied for computing the balance sheets' life insurance provision are specified in the annual actuarial report communicated to the supervisory authority.

Provision for claims outstanding
The provision for claims outstanding corresponds to the total estimated cost (including claims settlement costs) for settling all claims arising from events which have occurred up to the end of the financial year.

The provision for claims outstanding is computed separately for each claim known by the Company. Claims occurred but not declared as at balance sheet date are assessed globally on a flat-rate basis.

Provision for bonuses and rebates
This provision consists of amounts intended for policyholders or contract beneficiaries to the extent that such amounts represent an allocation of surplus or profit arising on business, or a partial refund of premium made based on the performance of the contracts.

Technical provisions for life insurance contracts where the investment risk is borne by the policyholders
This item shall comprise technical provisions set up to cover liabilities relating to investments in the context of life insurance contracts whose value or return is determined by reference to an index or to investments for which the policyholder bears the risk.

(m) Provisions for other risks and charges

Provisions for other risks and charges are intended to cover losses or debts whose nature is clearly defined but are, at the balance sheet date, either likely or certain to be incurred but amounts or timing are indeterminable.

The liabilities for the employees' pension fund are included under the technical provisions item.

(n) Creditors

Creditors are included in liabilities at settlement value.

If the amount payable is greater than the amount received, the difference is charged to the profit and loss account at the date when the debt is recognised.

If the amount payable is lower than the amount received, the difference is released to income in instalments over the remaining period of the contract.

(o) Accruals and deferred income

This item consists of both income receivable before the balance sheet date but relating to a subsequent financial year and charges that relate to the current financial year but payable in a subsequent financial year.

(p) Allocated investment return transferred to the non-technical account

The allocated investment return transferred from the technical account to the non-technical account represents the income relating to assets being part of the Company's free assets.

(q) Administrative expenses

Administrative expenses specifically consist of costs arising from premium collection, portfolio administration, handling of bonuses and rebates and inward and outward reinsurance. In particular they include staff costs and depreciation provisions in respect of office furniture and equipment in so far as these need not to be shown under acquisition costs, claims incurred or investment charges.

(r) Value adjustments

Value adjustments are deducted directly from the related individual asset.

(s) Comparative figures

The presentation of the annual accounts has been modified when compared to the presentation used in respect of the financial year ended 31 December 2020. As a consequence and in order to ensure adequate comparability across both financial years, certain comparative figures in respect of the financial year ended 31 December 2020 have been reclassified.

4 Intangible assets

The movements in intangible assets incurred during the financial year are summarised as follows:

EUR	Formation expenses	Capital increase costs	Software	Goodwill	Total
Gross Book value 01/01/2021	0	0	32 027 604	0	32 027 604
Additions during the year	0	0	3 664 489	0	3 664 489
Disposals during the year	0	0	–1 176 258	0	–1 176 258
Gross Book value 31/12/2021	0	0	34 515 835	0	34 515 835
Accumulated depreciation 01/01/2021	0	0	–20 934 868	0	–20 934 868
Depreciation during the year	0	0	–3 303 119	0	–3 303 119
Accumulated depreciation 31/12/2021	0	0	–24 237 987	0	–24 237 987
Net book value 31/12/2021	**0**	**0**	**10 277 848**	**0**	**10 277 848**
Net book value 31/12/2020	0	0	11 092 736	0	11 092 736

5 Tangible assets

The movements during the financial year in respect of tangible assets are as follows:

EUR	Technical Installations	Machines	Office Furniture	Room Fitting	Total
Gross Book value 01/01/2021	686 541	470 581	1 587 754	1 124 421	3 869 297
Additions during the year	0	2 896	20 417	0	23 313
Disposals during the year	0	–14 590	0	0	–14 590
Gross Book value 31/12/2021	686 541	458 887	1 608 171	1 124 421	3 878 020
Accumulated depreciation 01/01/2021	–257 131	–452 343	–1 006 504	–617 550	–2 333 528
Depreciation during the year	–22 305	–895	–95 055	–81 549	–199 804
Accumulated depreciation 31/12/2021	–279 436	–453 238	–1 101 559	–699 099	–2 533 332
Net book value 31/12/2021	**407 105**	**5 649**	**506 612**	**425 322**	**1 344 688**
Net book value 31/12/2020	429 410	18 238	581 250	506 871	1 535 769

6 Investments in affiliated undertakings and participating interests

Investments in affiliated undertakings and participating interests are composed by corporate loans for EUR 22 918 593 (2020: EUR 23 220 132).
In relation to the acquisition of the Forest Buildings, the Company has entered into a shareholder loan agreement with Forest 1, Forest 2 and Forest 3 for a total principal amount of EUR 3 084 691 (2020: EUR 3 084 691) with a fixed interest rate of 2.5% per annum and maturity date on 2nd February 2036.

In relation to the acquisition of the Place de Paris Building, the Company has entered into a shareholder loan agreement with SwissLife Co-Invest for a principal amount of EUR 5 294 766 with a fixed interest rate of 2.86% per annum and maturity date on 2nd February 2041. The loan has been partially repaid in 2021 for EUR 301 539 which in the financial year 2021 stands at EUR 4 993 227 (2020: EUR 5 294 766).

In relation to the acquisition of Bijou Building, the Company has entered into a shareholder loan agreement with SwissLife Co-Invest for a respective principal amount of EUR 11 214 613 (2020: EUR 11 214 613) with a fixed interest rate of 1.92% per annum and maturity date on 2nd February 2041.

The Company has entered into a loan agreement with France Immo Residence for a respective principal amount of EUR 3 626 062 (2020: EUR 3 626 062) with a fixed interest rate of 1.7% per annum and maturity date on 8 November 2022 with tacit renewal.

In order to ensure adequate comparability across both financial years, these investments in respect of the financial year ended 31 December 2020 have been reclassified from the caption Other loans under Other financial investments.

7 Other financial investments

As at 31 December 2021 and 2020, the book and actual values of other financial investments were as follows:

EUR	2021		2020	
	Book value	Actual value	Book value	Actual value
Shares and other variable yield transferable securities and units in unit in trusts	**232 394 008**	**247 723 260**	248 595 214	256 744 141
Debt securities and other fixed income transferable securities	**1 273 256 911**	**1 366 077 456**	1 250 880 974	1 412 268 361
Total	**1 505 650 919**	**1 613 800 715**	1 499 476 188	1 669 012 502

The current value of the investment portfolio has been determined by the following methods:
- transferable securities which are admitted to official listing on a stock exchange or dealt in on another regulated market are valued on the basis of the last available price;

- transferable securities not admitted to official listing on a stock exchange or not dealt in on another regulated market and transferable securities admitted to official listing on a stock exchange or dealt in on another regulated market for which the last available price is not representative are valued on the basis of their reasonably foreseeable sales price determined with prudence and good faith by the Board of Directors.

The depreciation of the positive and negative differences between the acquisition cost and the redemption value (agio/disagio) in the financial year 2021 stands at EUR 7 494 679 (2020: EUR 7 321 395) and EUR 593 211 (2020: EUR 592 782) respectively.

The balance as at 31 December 2021 for discount depreciation remaining unamortised stands at EUR -4 251 893 (2020: EUR -4 271 057) and for premium depreciation remaining unamortised stands at EUR 85 405 820 (2020: EUR 91 806 913).

8 Deposit with ceding undertakings

The deposit under reinsurance contracts corresponds to the provision for claims for accepted reinsurance business. It is reevaluated on a quarterly basis based on the information sent by the counterparty.

9 Amounts owed by or to affiliated undertakings or undertakings with which the Company is linked by virtue of a participating interest

The items may be broken down as follows:

EUR	Affiliated undertakings	
	2021	**2020**
DEBTORS		
Debtors arising out of reinsurance operations	**7 001 515**	3 850 229
Other debtors	**4 950 998**	2 893 897
CREDITORS		
Creditors arising out of reinsurance operations	**13 622 327**	11 242 206
Debenture loans		
of which subordinated loans	**19 000 000**	9 000 000
Other creditors	**–46 850 333**	45 441 987

10 Debtors, creditors arising out of direct insurance operations

Debtors and creditors arising out of direct insurance operations represent amounts open as at balance sheet date and are mainly related to insurance operations which occurred close to the end of the financial period.

11 Deferred acquisition costs

The movements in deferred acquisition costs during the financial year can be summarised as follows:

EUR	2021	2020
Net acquisition costs, opening balance	**274 665**	291 084
Conversion differences (net)	**34**	–113
Net difference in additions/depreciation during the year	**188 336**	–16 306
Net acquisition costs, closing balance	**463 035**	274 665

12 Capital and reserves

The movements during the financial year in respect of capital and reserves may be broken down as follows:

EUR	Subscribed capital	Legal reserve	Other reserves	Profit brought forward	Profit for the year
As at 31/12/2020	23 000 000	2 300 000	116 707 313	0	31 531 332
Allocation of result 2020	0	0	31 531 332	0	–31 531 332
Dividend paid to shareholders	0	0	–23 500 000	0	0
Movements during the year 2021	0	0	0	0	28 291 450
As at 31/12/2021	**23 000 000**	**2 300 000**	**124 738 645**	**0**	**28 291 450**

As at 31 December 2021 and 31 December 2020, the subscribed capital amounting to EUR 23 000 000, is represented by 23 000 shares with no nominal value; the paid up capital amounts to EUR 17 000 000.

13 Legal reserve

The Company must allocate 5% of its net profit for each financial year in order to comply with Luxembourg company law requirements. This allocation ceases to be compulsory once the legal reserve balance reaches 10% of the issued share capital.

The legal reserve is not available for distribution to shareholders, except upon the dissolution of the Company.

14 Technical provisions

EUR	Provision for unearned premiums	Life insurance provision	Provision for claims outstanding	Provision for bonuses	Technical provisions[1]	Total
Closing balance 31/12/2020	12 476 205	1 633 929 884	28 382 838	24 974 733	13 176 731 306	14 876 494 966
Conversion Difference	129 218	10 669 679	431 831	77 762	155 049 170	166 357 660
Opening balance 01/01/2021	12 605 423	1 644 599 563	28 814 669	25 052 495	13 331 780 476	15 042 852 626
Movements during financial year 2021	1 990 228	67 985 283	3 591 605	4 079 419	1 386 509 700	1 464 156 235
Closing balance 31/12/2021	**14 595 651**	**1 712 584 846**	**32 406 274**	**29 131 914**	**14 718 290 176**	**16 507 008 861**

[1] relating to life insurance where investment risks are borne by the policyholder.

15 Other creditors, including tax and social security

The significant amount of other creditors, including tax and social security is mainly explained by:

- some significant disinvestment transactions amounting to EUR 26 million, initiated before the end of the year and finalized only in 2022 (2020: EUR 42 million);
- the liability representing tax provisions of its income tax for a total of EUR 42 million (2020: EUR 44 million) towards its parent company, as this is the one liable towards the tax administration in the scope of the tax unity in place.

16 Results from the life insurance business

The principal results of the life insurance business may be broken down as follows:

EUR	Life Insurance	
Direct Premium and Reinsurance Premium accepted	**2021**	2020
	EUR	EUR
Individual premiums	**697 186 326**	867 685 966
Premiums under group contracts	**265 015 944**	237 724 219
Periodic premiums	**233 783 865**	222 071 990
Single premiums	**728 418 405**	883 338 195
Premiums for non-bonus contracts	**287 652**	339 888
Premiums for bonus contracts	**263 827 882**	242 250 783
Premiums from contracts where the investment risks are borne by the policyholders	**698 086 736**	862 819 513
Reinsurance balance	**–225 718**	–9 674 420

17 Geographical breakdown of written premiums

Gross insurance premiums amounting to EUR 962 202 270 (2020: EUR 1 105 410 185), may be broken down into geographic zones according to where the contracts have been concluded:

EUR	Life Insurance	
	2021	2020
Contracts concluded in the Grand Duchy of Luxembourg	**203 577 982**	158 186 285
Contracts concluded in other countries of the EEA	**539 554 595**	745 156 768
Contracts concluded in other countries outside the EEA	**219 069 693**	202 067 132

As from 2020, United Kingdom is classified in the other countries outside the EEA.

18 Commissions

Commissions paid to insurance intermediaries relating to direct insurance amount to EUR 18 387 462 (2020: EUR 15 543 313) and are included in the acquisition costs item.

19 Personnel employed during the year

The average number of persons employed during the financial year 2021 amounts to 159 (2020: 157) and may be broken down in the following categories:

Category	Number of persons	
	2021	2020
Management	**9**	9
Executives	**60**	56
Salaried employees	**90**	92

EUR	**2021**	2020
Wages and salaries	**14 316 147**	12 873 540
Social securities costs	**1 863 189**	1 696 496
of which pensions	**1 628 648**	1 483 948

20 Remuneration granted to members of the Board of Directors and to Management

Directors' fees or other remuneration to members of the Board of Directors amount to Euro 0, including employer charges (2020: EUR 0).

Remuneration granted to the Company's Management amount to EUR 3 005 264 (2020: EUR 2 503 202) including employer charges.

21 Fees of the Independent Auditor

The fees of the independent auditor for the years ending 31 December 2021 and 31 December 2020 are broken down as follows:

EUR	2021	2020
Audit fees [1]	**324 401**	344 680
Audit-related fees	**4 303**	8 395
Tax fees	**9 758**	9 102
Other fees	**0**	16 794

[1] Such fees cover the audit of the Company's statutory accounts, Group reporting work and the issuance of supplementary regulatory reports as applicable and required by the Commissariat aux Assurances.

22 Off balance sheet commitments

At 31 December 2021 and 31 December 2020, the Company has the following commitments:

EUR	2021	2020
Leasing of hardware	**39 448**	63 155
Leasing of vehicles	**540 862**	486 890
Building's lease agreement	**6 446 917**	7 494 530
Asset pledged as collateral	**0**	56 003 984
Infrastructure fund	**32 812 379**	41 388 368
Real Estate fund	**6 331 158**	10 647 530
Other contingencies	**1 654 128**	1 055 114

The other contingencies included in the above table concern the engagement of the Company towards our IT infrastructure provider.

Swiss Life (Luxembourg) S.A. has an uncalled commitment amount of EUR 32 812 379 (2020: EUR 41 388 368) in four infrastructure funds which are Luxembourg common limited funds and has a commitment in three real estate funds amounting to EUR 6 331 158 (2020: EUR 10 647 530).

Moreover, Swisslife (Luxembourg) S.A. invested in asset pledged as collateral which has been fully repaid in 2021 (2020: EUR 56 003 984).

Finally, the Building lease agreement is due to the move of the Company to its new premises in the Cloche d'Or, effective 1 January 2017, and the related lease agreement signed.

23 Collective pension funds

EUR	2021	2020
Investments		
Investments for the benefit of life insurance policyholders who bear the investment risk		
Shares and other variable yields transferable securities and units in unit trusts	**4 922 629**	4 846 417
Other assets		
Cash at bank and in hand	**100 475**	17 839
ASSETS	**5 023 104**	4 864 256
Technical provisions		
Technical provisions for lilfe insurance contracts where the investment risk is borne by the policyholders	**5 023 104**	4 864 256
LIABILITIES	**5 023 104**	4 864 256

During 2021 the initial collective pension fund (invested since the 7th January 2015), has been divided into two collective pension funds.

24 Tax status

Swiss Life (Luxembourg) S.A. is subject to the tax legislation in force in the Grand Duchy of Luxembourg and included in a tax unity with its parent company.

25 Investments for the benefit of life insurance policyholders who bear the investment risk

The investments for the benefit of life insurance policyholders who bear the investment risk amount to EUR 14 718 million as at 31 December 2021 (2020: EUR 13 177 million).

This caption also includes private equity type vehicles for a total amount of EUR 1 455 million (2020: EUR 1 171 million).

The Company determines the best estimate of the fair value based on the type of inputs available at the time of preparation of the Annual Accounts, as follows:

- Level 1: The fair value is based on independent external experts valuation reports.
- Level 2: The fair value is determined using valuation techniques that maximize the use of recent audited financial statements and other reliable financial information and rely as little as possible on entity specific estimates.
- Level 3: Typically, when one or more of the significant inputs is not based on recent audited financial statements and data, specific management assumptions are used.

As at 31 December 2021, these investments can be split as follows:

Million EUR	**2021**	2020
Level 1	**507**	436
Level 2	**930**	460
Level 3	**18**	8
Total	**1 455**	904

26 Details on pledges to cover reinsurance treaties

Million EUR	2021		2020	
	Treaty A	Treaty B	Treaty A	Treaty B
	Private Wealth	Employee Benefits	Private Wealth	Employee Benefits
a. Technical provision Lux GAAP	**285**	**99**	**287**	**94**
b. Technical provision SII	**279**	**102**	**298**	**102**
Max(a,b)	**285**	**102**	**298**	**102**
Pledge	**302**	**114**	**335**	**102**

In 2021 and 2020, two reinsurance treaties are covered by pledges: one treaty which is a 100% quota share treaty covering the guaranteed rate fund for Private Wealth business (Treaty A) and one treaty which is a quota share treaty (one share with 50% and another share with 80%) covering the guaranteed rate fund for Employee Benefits business (Treaty B). A quarterly monitoring is in place to compare the value of the pledged assets to the provisions covered.

27 Information concerning consolidated companies

Swiss Life (Luxembourg) S.A. is included in the consolidated Annual Accounts prepared by Swiss Life Holding, a société anonyme under Swiss law, whose registered office is at CH-8022 Zurich, General-Guisan-Quai 40 (Switzerland), being the largest group of companies to which the Company belongs as a subsidiary.

The consolidated accounts are available at the head office of Swiss Life (Luxembourg) S.A..

28 Subsequent events

No significant subsequent events occurred after the balance sheet date.

Caution regarding forward-looking statements

This Annual Report contains forward-looking statements about Swiss Life (Luxembourg) S.A. which involve certain risks and uncertainties. All forward looking statements are based on the data available to Swiss Life at the time this Annual Report was compiled.

Swiss Life (Luxembourg) S.A.
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A limited company under Luxembourg law authorised by ministerial order on 2 May 1985
Trade Register Luxembourg section B no. 22663

We enable people to lead a self-determined life.

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03-2021