

# **Elips Life AG Solvency and Financial Condition Report 2022**

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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 2022, elipsLife continued to develop its key business lines in the area of Employee Benefits with a gross written premium of CHF 750 million and a net profit during the year of CHF 72.9 million. Details on the business performance can be found in section A of this report.

On December 10, 2021, Swiss Re announced that it agreed to sell elipsLife to Swiss Life International and to enter into a long-term reinsurance partnership for elipsLife's in-force and new business. The transaction was completed successfully and elipsLife transferred to Swiss Life International on July 1, 2022.

As part of this transaction:

- Switzerland Accident and Health portfolio, written in Elips Versicherungen AG, transferred to elipsLife together with the risks from this business including health underwriting risk;
- Before acquisition by Swiss Life International, elipsLife sold the remaining Elips Versicherungen AG business, the medical insurance business (Medex) in Ireland, to Swiss Re. This had a corresponding impact on own funds and resulted in a decrease in capital requirements relating to risks in this business;
- New quota share reinsurance contracts were agreed with Swiss Re.

The governance system in place plays a central role in the day-to-day activities of elipsLife. In section B, descriptions and details on the system of governance are provided and includes description of the key roles and functions within elipsLife (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.

As a result of a regular Own Risk and Solvency Assessment (ORSA) led by the Board of Directors, the risk profile of elipsLife is established. The risk profile 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 elipsLife is described under section C.

Under Solvency II, the balance sheet of elipsLife 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. Section D provides a description of the main valuation principles applied and the deviations to the statutory values for the relevant items of the balance sheet. The following table compares total balance sheet amounts of year-end 2021 and year-end 2022:

(CHF million)	2021		2022	
Balance sheet	Statutory	Solvency	Statutory	Solvency
Total assets	1'600	1'645	2'155	1'721
Total liabilities	1'533	1'480	2'072	1'615
Excess of assets over liabilities	67	164	83	106

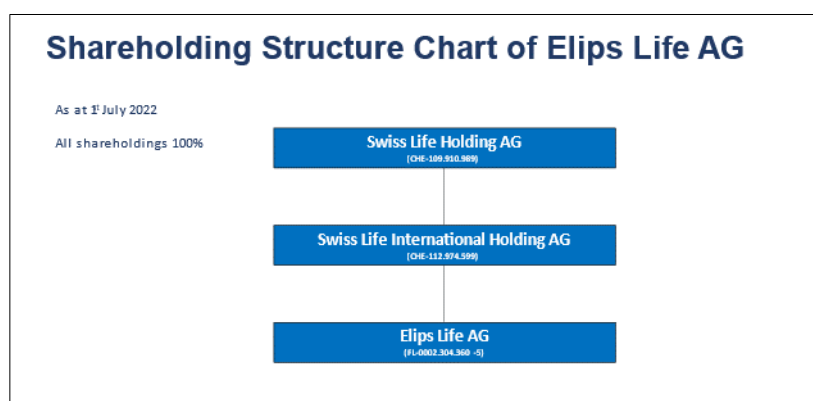
Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022

## A. Business and Performance

Elips Life AG, referred to as elipsLife, is an insurance company located and incorporated under the laws of Liechtenstein and regulated by the Finanzmarktaufsicht Liechtenstein (FMA), Landstrasse 109, Postfach 2799490 Vaduz (Liechtenstein). PricewaterhouseCoopers (PwC)<sup>1</sup> is serving as external auditor for elipsLife. elipsLife underwrites the following material lines of business: life and non-life insurance.

elipsLife operates in Europe. The European headquarter is located in Vaduz, Liechtenstein, with branch offices in Switzerland (Zurich), the Netherlands (Hoofddorp), Germany (Cologne) and Italy (Milan). In accordance with the principle of freedom to provide services, elipsLife also operates in Belgium.

With effect from 1 July 2022, Swiss Life International has successfully completed the acquisition of elipsLife from Swiss Re. From that date, elipsLife belongs to the Swiss Life Group and is ultimately fully owned by Swiss Life Holding AG, as shown in the holding structure in the figure below. The Swiss Life Group is under the supervision of the Swiss Financial Market Supervisory Authority FINMA<sup>2</sup>.



- elipsLife has gone through changes since last year's report due to the acquisition of elipsLife by Swiss Life International. As part of this transaction: new quota share reinsurance contracts were agreed with Swiss Re, replacing the former existing proportional and non-proportional treaties as of January 1st 2022.
- Switzerland Accident and Health portfolio, written in Elips Versicherungen AG, transferred to elipsLife together with the risks from this business including health underwriting risk;
- Before acquisition by Swiss Life International, elipsLife sold the remaining Elips Versicherungen AG business, the medical insurance business (Medex) in Ireland, to Swiss Re.

<sup>1</sup> PriceWaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

<sup>2</sup> FINMA, Laupenstrasse 27, CH-3003 Berne, (+41) 313279100, info@finma.ch, www.finma.ch

This had a corresponding impact on own funds and resulted in a decrease in capital requirements relating to risks in this business.

Following the acquisition, decision was made to close the elipsLife business in Germany. elipsLife will keep this small portfolio and run it off, not writing new business.

Due to these changes in the business, the results as at the end of 2021 are not directly comparable with results at the end of 2022.

## A.1. Business

elipsLife is a specialized European group life insurer, focusing on mid-market clients. elipsLife strives to be a leading competent B2B / B2B2C partner for mid-sized companies, offering life and health insurance products in selected markets. The focus is on accident and health coverages and on cover in the event of death or disability. Customers of elipsLife are pension funds, collective foundations, companies and associations. For elipsLife, to create value for the mid-market segment means to address needs of mid-sized companies and therefore to provide tailored affordable covers and to deliver excellent service in an efficient and effective way for insureds, policyholders and distribution partners.

The overall result for elipsLife is a profit of CHF 72.9 million for the business year 2022 while it was a loss of CHF -23.2 million for the previous business year. A good investment result as well as the gain from selling the participation in Elips Versicherungen AG contributed to this good result.

## A.2. Underwriting performance

The underwriting performance in 2022 was driven by the portfolio transfer of the Swiss and Liechtenstein Accident & Health portfolio from Elips Versicherungen AG to elipsLife<sup>3</sup>

Overall, net premiums and claims were at CHF -23 million, is at similar level to last year's CHF -19 million. In 2022, the underwriting result was mainly driven by a good investment result and the impacts of the of the transaction (in particular the new higher level of reinsurance and the one-off gain from elipsLife selling the participation of Elips Versicherungen AG to Swiss Re).

In the table below, the written premiums, claims (both in CHF million) for Switzerland, Netherlands and Italy are shown.

Country	Total	Switzerland Life and Health Liechtenstein		Switzerland Accident and Health <sup>3</sup> Liechtenstein		Nether- lands		Italy		
		2021	2022	2021	2022	2021	2022	2021	2022	
<b>Gross Premium</b>										
	Gross	470	750	65	70	229	365	383	27	61
	Reinsurers' share	369	741	51	70	229	286	383	20	53
	Net	100	9	14	0	0	0	0	7	8

<sup>3</sup>The results for the full year are shown in the table.

### Gross Claims

	Gross	435	653	68	80	203	306	341	23	22
	Reinsurers' share	315	621	58	80	201	231	333	17	21
	Net	119	32	10	0	2	75	8	7	0

Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022.

### A.3. Investment performance

At year-end 2022, elipsLife's investments consist mainly of cash and cash equivalents. Going forward these amounts will gradually be invested in line with the strategic asset allocation, mainly in fixed income assets.

At year-end 2022 the elipsLife investments were mainly invested in fixed-income assets (incl. cash). These were liquidated during the year in preparation for the transaction. Overall CHF 15.6 million investment gains was realized as the overall investment income was CHF 16.6 million (significantly higher than last year with only CHF 7.2 million) while the investment expenses amounted to only CHF 1.0 million (compared to last year's CHF 13.7 million).

### A.4. Performance of other activities

Intangible assets were further impaired by CHF 4.1 million (last year CHF 11.3 million).

By selling its 100% shareholding in Elips Versicherungen AG a gain on disposal of CHF 95.0 million was realised, which is included in the other income from ordinary business.

### A.5. Any other information

There is no further material information.

## 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. Each local entity is responsible for applying Group Framework and implementing specific processes and controls for compliance with local law and regulations.

### B.1. General information on the system of governance

elipsLife management and supervisory body consists of the Board of Directors (BoD) and the elipsLife Executive Committee. The members of the BoD bear ultimate responsibility and liability for meeting applicable legal obligations.

As determined by applicable law, other rules and regulations and the Articles of Association, the BoD is vested with the broadest powers to perform all acts of administration, acquisition and disposal and take decisions on behalf of elipsLife and in elipsLife's interest except in the case of acts reserved by Liechtenstein law or the Articles of Association to the general meeting of shareholders.

The BoD has delegated responsibilities and authorities to the elipsLife Executive Committee subject to the responsibilities expressly retained by the BoD. The Chief Executive Officer (CEO) and, under the CEO's leadership, the elipsLife Executive Committee may further delegate certain responsibilities and authorities to individual Committee members.

#### Group directive system

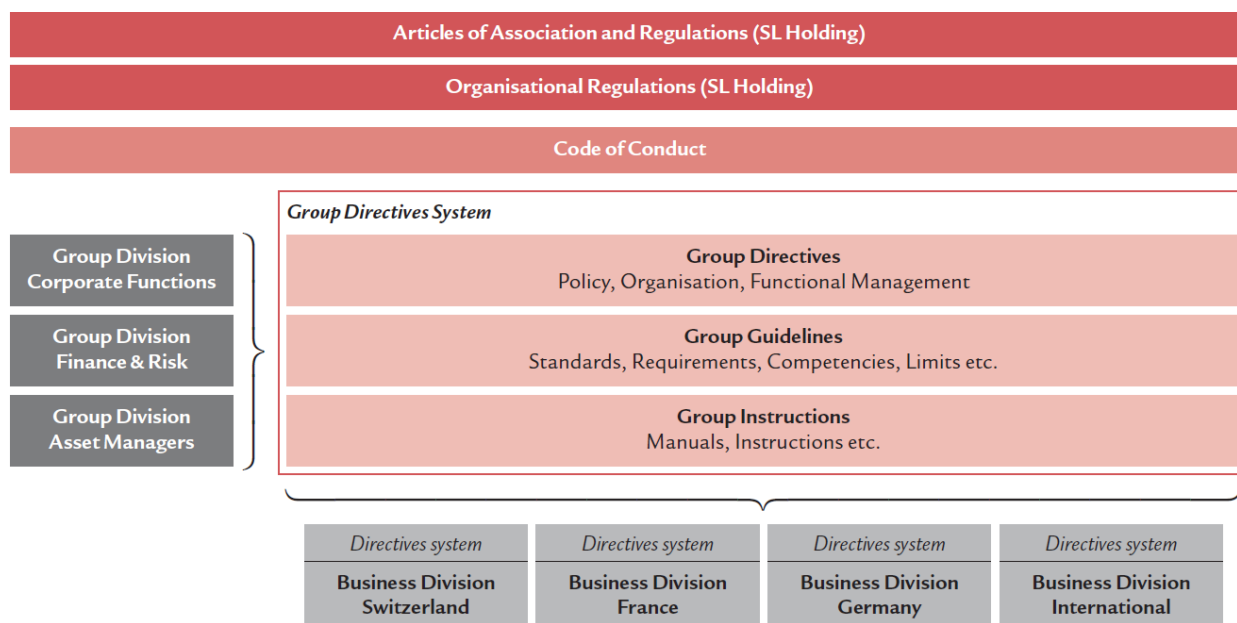
An integral part of Swiss Life's system of governance is the Group Directives System. It regulates the functional management throughout Swiss Life Group and defines the content-related and organisational principles, standards and topics.

The Group Directives System is arranged into Group topics and contains Group Directives, Group Guidelines and Group Instructions:

- Group Directives set out the content-related principles (policy) and requirements and 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.

The following graph depicts the hierarchy of regulations and the Directives system within Swiss Life Group. elipsLife is included in the Business Division International.



## B.2. Fit and Proper requirements

elipsLife requires that all persons effectively running the company and key functions holders (a “Relevant Person”<sup>4</sup>) are “fit and proper”. The fit and proper requirements demand qualities in relation to the integrity demonstrated in personal behaviour and business conduct, soundness of judgment and a sufficient degree of knowledge, experience and professional qualifications. These qualification criteria must be fulfilled at all times to provide for a sound and prudent management of the company.

Policies and procedures are in place to assess the fitness and propriety of all relevant persons prior to joining the company and annually throughout their employment.

The fit and proper evaluation process prior to joining the company can be described with the following steps:

- At the commencement of the recruitment or nomination process, all candidates for the position will be made aware that any offer of employment or engagement is conditional on meeting elipsLife’s fit and proper criteria.
- A candidate or nominee with an imminent offer of employment or engagement will be provided with a copy of the fit and proper policy and will be required to demonstrate their compliance with the policy by signing the declaration of fitness and propriety.
- Human Resources is responsible for conducting the assessment against the fit and proper criteria based on references provided, documentation from the candidate, completed fit and proper declaration and the results of the background check.

<sup>4</sup> Members of the BoD, the elipsLife Executive Committee, the Head of Compliance, the Appointed Actuary/Actuarial Function Holder, the Company Auditor and Branch Managers.



- In considering whether the candidate meets the fit and proper criteria, Human Resources will consider the materiality, relevance and timing of any matters identified in the assessment process.
- The outcome of the assessment will be documented and stored in the Human Resources file.
- Should the candidate or nominee be assessed as not having met the criteria any offer of employment or engagement shall be withdrawn.

The annual evaluation process is a detailed attestation by the relevant individual. This includes declarations concerning criminal convictions, adverse findings by courts or regulatory authorities, bankruptcy orders or liquidation or similar proceedings against them, potential or actual conflicts of interest, and engagement in dishonest or improper business practices.

### Remuneration policy

#### Variable component

The elipsLife Executive Team members, the Managing Directors, the Directors (since 2015) and other staff employed on senior level (since 2017) are eligible for a discretionary, variable compensation.

For elipsLife employees who aren't eligible for an API, other types of variable compensation elements can be paid out, such as sales commissions (for sales staff) or gratifications (for other staff).

#### Annual Performance Incentive

elipsLife API is set alongside a performance management framework that considers results-oriented and behaviour-related performance criteria for all eligible employees. The performance measurement and API weighting factors take into account business performance and individual performance.

## **B.3. Risk Management system including own risk and solvency assessment**

Taking and managing risk is central to Swiss Life and its business. 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.

### Risk management strategy

Swiss Life's risk strategy supports the business strategy and enables elipsLife to grow in its businesses and markets in a sustainable and profitable way. Swiss Life seeks to take on those risks inherent to the insurance that are well understood and for which the expected return compensates the shareholder adequately, i.e. to assume those risks with which the associated cost of capital can be earned. Other risks inherent to the business that cannot be avoided, for example operational risks, must be actively monitored and mitigated.

### Risk management objectives

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

## Risk management techniques

For the management of risks, the following techniques are applied:

- 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 re-insurance 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 - Guiding principles

Responsibility for managing risks is an integral element of all roles and business activities. 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.

## Risk Governance - three lines of defence

The elipsLife organizational structure 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 and monitoring) including the corresponding reporting:

- Risk management functions
- Compliance

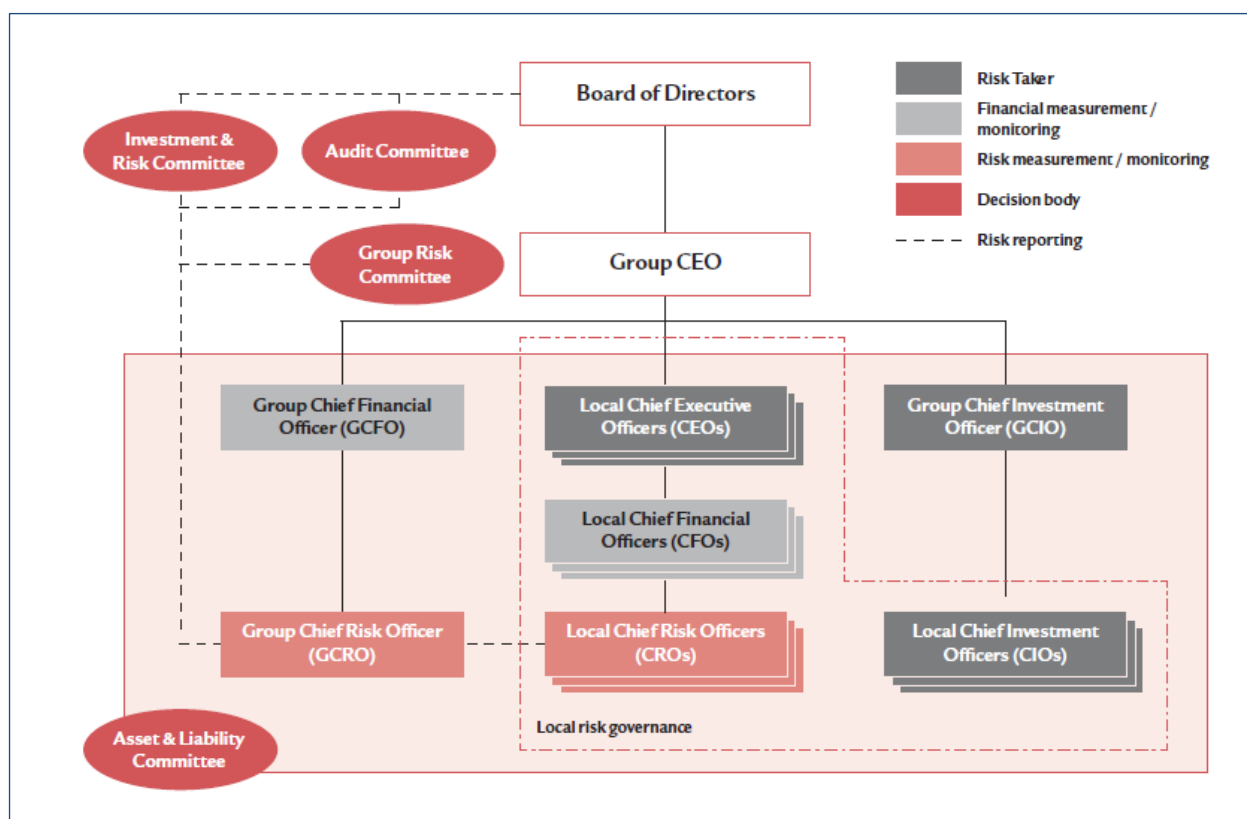
- Other control functions

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

## Boards and Committees

Risk management tasks are performed at all levels within Swiss Life Group by corresponding bodies, such as the Investment & Risk Committee at the level of the Board of Directors of the Swiss Life Group and the Group Risk Committee at the level of the Corporate Executive Board as shown below. In the local entities, respective risk governance is in place.



## Organisation of risk management

elipsLife is responsible for managing all relevant risks in its business. This is done under the supervision and guidance of the elipsLife Chief Risk Officer and the head of Swiss Life International Risk Management function Swiss Life International Chief Risk Officer. Where applicable, this is done in line with the structures, procedures and methods required by the Swiss Life Group Chief Risk Officer.

The responsibilities of the Swiss Life International Chief Risk Officer in the context of risk management are the coordination of tasks, standards, processes and insuring consistency across the reporting legal carriers within Swiss Life International.

The local risk function at elipsLife is headed by the elipsLife Chief Risk Officer. The responsibilities of the elipsLife Chief Risk Officer in the context risk management are:

- Ensuring the establishment of an appropriate risk management in the company;
- Processing and solving risk management issues within the entity;
- Representing the relevant unit in risk management issues within and outside the company in consultation with Swiss Life Group Risk and the Swiss Life International Chief Risk Officer;
- Reporting according to the instructions of the Swiss Life International Chief Risk Officer and Swiss Life Group Risk as 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.

### **Risk culture**

elipsLife fosters and maintains a strong risk culture to promote risk awareness and discipline across all its activities. This risk culture is based on risk and control related values and behaviour, shared by all employees. Its principal components are summarised in a framework that builds on the Code of Conduct as well as on the key risk management principles.

The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects:

- Leadership in providing clear vision and direction
- Consideration of risk relevant information in decision-making
- Risk governance and accountability of risk takers as well as transparent flow of risk information
- Embedding of risk management skills and competencies

Risk culture provides the foundation for the efficient and effective application of the risk management framework. The Risk Management function reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the risk-taking and risk management processes.

### **Risk management framework**

The risk management framework, as depicted below, serves to operate and enhance the Group's Enterprise Risk Management (ERM) to achieve 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 foundation for operating Group's Enterprise Risk Management.



## Risk management framework - Asset Liability Management process

The trade-off between risk and return in the insurance business (where the asset risk is borne by the shareholder) is steered and controlled in the Asset and Liability Management process. The Asset & Liability Committee (ALCO), at the Swiss Life group level, defines the Strategic Asset Allocation, the market risk and exposure limits, in line with the Group risk strategy and risk appetite defined by Investment and Risk Committee and Group Risk Committee.

### Quantitative risk management and valuation

The emphasis in the risk management 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

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.

## Strategic Risk

Swiss Life uses analytical methods to ensure that strategic risks are dealt with adequately in what continues to be a challenging economic environment. In its strategic risk management process, Swiss Life incorporates all the information on risks and the risk/return characteristics in its strategic decisions. A thorough understanding of the interplay of individual risks is essential to take into account factors influencing risks during strategy development so that these factors can be steered appropriately.

## Emerging Risk

With emerging risk management, newly developing or changing risks and their influence on the existing risk environment are monitored and analysed. Emerging risk is a dedicated risk category, which has strong interaction with other risk types as insurance risks such as mortality, longevity and disability. Often, consequences of emerging risks are influencing triggers of other risk types in both ways, positive or negative. From a risk management perspective, those consequences, which have an impact on the business have to be analysed, understood and monitored over time. The result of the analysis is considered in the strategic risk management process.

## Operational Risk

Operational risk is an inevitable consequence of being in business. The aim is not to eliminate every source of operational risk but to provide a framework that supports the identification and assessment of all material operational risks and potential concentrations 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) is an integral part of creating sustainable value for shareholders.

## Risk Appetite Framework

elipsLife's risk appetite framework establishes the overall approach for controlled risk-taking. The framework is set out in elipsLife's "Annex to Group Risk Management Standards and Business Unit Corporate Solutions Risk Management Operational Manual - elipsLife Risk Management Standard", and consists of two interlinked components: risk appetite statement and risk tolerance:

- Risk appetite statement - describes the conditions under which elipsLife engages in risk-taking activities and the types of risk that elipsLife wants to pursue or avoid;
- Risk tolerance - describes the extent to which the BoD has authorised elipsLife Executive Committee to assume risk. It represents the amount of risk that elipsLife is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates.

The risk appetite statement therefore facilitates discussions about where and how capital, liquidity and other resources should be deployed under a risk-return view, while the risk tolerance sets clear boundaries to risk-taking.

## ORSA process

Pursuant to Article 75 of the law on the insurance sector of 7 December 2015, elipsLife performs an Own Risk and Solvency Assessment (ORSA) which is embedded in decision-making and risk management process.

elipsLife ORSA process includes all of the existing activities performed throughout the business cycle to effectively manage risk and capital. It covers all elements of its risk management framework that serve to determine management's own view of risk and the associated solvency requirements. 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 of a forward-looking assessment of the elipsLife risk and solvency position over the planning period, comprising an assessment of the:

- Compliance with the Solvency Capital Requirement and Technical Provisions;
- Significance of the deviations between the elipsLife own risk profile and the assumptions underlying the Solvency II Standard Formula used to derive capital requirements;
- Overall solvency needs taking into account the elipsLife 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 elipsLife risk profile. The Overall Solvency Needs assessment covers all material risks elipsLife is exposed to and is performed considering a number of scenarios. Those are selected by the Board of Directors consistently with the elipsLife 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 for elipsLife over a three-year time horizon. The ORSA is performed at least on an annual basis. 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**

elipsLife has implemented a principle-based integrated Internal Control System to mitigate identified operational risks including financial reporting and compliance risks, as well as risks that could impair the effectiveness and efficiency of operations.

It aims to provide reasonable oversight and assurance in achieving three objectives:

- Reliability of reporting - addressing the preparation of reliable reporting arrangements as well as related data covering significant financial, economic, regulatory and other reporting risks;
- Compliance with applicable laws and regulations - addressing legal and regulatory requirements which elipsLife is subject to, including compliance, legal and tax risks;
- Effectiveness and efficiency of operations - addressing basic business objectives, including performance and profitability goals, and the safeguarding of assets covering significant market, credit, liquidity, insurance, technology and other risks.

The Internal Control System is based on four components:

RISK ASSESSMENT	CONTROL ACTIVITIES	INFORMATION & COMMUNICATION	MONITORING ACTIVITIES
Processes to identify and assess risks	Risk mitigation activities	Capturing and sharing information for risk control and decisions	Ongoing evaluation of control effectiveness
<ul style="list-style-type: none"> <li>Performed by risk takers (1st line of control)</li> <li>Based on Operational Risk Register</li> </ul>	<ul style="list-style-type: none"> <li>Performed by risk takers (1st line of control)</li> <li>Based on elipsLife Control Catalogue</li> </ul>	<ul style="list-style-type: none"> <li>Performed by all lines of control</li> <li>All incidents logged in central repository</li> </ul>	<ul style="list-style-type: none"> <li>Risk controlling by Risk Management and Compliance (2nd line of control)</li> <li>Assurance by Internal Audit (3rd line of control)</li> </ul>

## Compliance Function

The objective of the Compliance function is to ensure:

- Compliance with legal and regulatory requirements and other external or internal regulations at all times;
- Identification and avoidance of compliance risks, and thus of respective consequences, above all, potential impacts on the Company's reputation;

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

The Compliance Function, as a part of the Internal Control System, is one of the key functions. The authority and responsibilities of the Compliance Function are established by the BoD. The Compliance Function is a staff unit with a dotted reporting line to the CEO and the Chairman of the BoD. Its independence is ensured by the authorities laid down in the Compliance Charter which includes among others the authority to establish compliance related processes and controls and to have unrestricted access to all records.

The responsibilities, competencies and reporting duties of the Compliance Function are laid down in the Compliance Charter adopted by the BoD. The Compliance Charter provides that elipsLife has a flexible, risk-based annual Compliance Plan approved by the BoD setting out the compliance work and covering all areas of the company taking into account their susceptibility to compliance risk.

By means of a companywide Compliance Program, elipsLife 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 laundering and terrorism financing. Through these standards, elipsLife aims to avoid the risks that might arise from non-compliance.

The independent Compliance Function is responsible for ensuring the effective implementation and monitoring of the Compliance Program within elipsLife, as well as for investigating potential compliance infringements. This includes the identification, assessment, and reporting of compliance risks. In addition, the Compliance Function advises the management body on compliance



with the laws, regulations and administrative provisions adopted pursuant to Solvency II as well as the impact of any changes in the legal environment on the operations of the company.

The standards of conduct established by elipsLife's Code of Conduct are obligatory for all employees. The Code of Conduct and the internal guidelines derived from it provide all employees with clear guidance on behaviour that lives up to the values of elipsLife. In order to transmit the principles of the Code of Conduct and the Compliance Program, elipsLife has implemented a training program.

## **B.5. Internal audit**

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

- Appropriate resources are allocated to the task,
- Recognised internal audit standards are applied and fulfil 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 elipsLife 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 methodologies 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 represents the Actuarial Function.

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.

### **Actuarial Board**

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 for elipsLife, without any statutory duties in contrast to the Appointed Actuary.

Within elipsLife, 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 organizational 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

elipsLife has an Outsourcing Policy which has been approved by the BoD. The policy is in line with the Solvency II requirements as well as the requirements of the Liechtenstein Insurance Supervision Act (ISA) and defines the governance, processes and approvals for using outsourced services. Based on the risks involved with the outsourcing it ensures a proper due diligence process for any service provider and lays out the ongoing obligations with regard to the oversight on the services provided by the third party.

elipsLife Outsourcing Policy ensures that any third party arrangement entered into does not lead to impairment of either the elipsLife systems of governance and internal control, or the relevant supervisory authority in monitoring compliance risks, does not unduly increase the operational risk and does not undermine continuous and satisfactory service to customers.

The two key functions which elipsLife outsources internally to Swiss Life Group are Asset Management and Internal Audit. The rationale for the intra-group outsourcing of these key functions is to exploit synergies and expertise within the group. The Swiss Life Asset Management and Swiss Life Group Internal Audit, have the necessary skills and expertise to assume those functions on behalf of elipsLife.

In the Netherlands, underwriting functions and the administration of the policies are partly outsourced to independent ("mandated") brokers, which reflects local market practice for this particular distribution channel. These mandated brokers have to follow an agreed framework. Compliance with this framework is assessed regularly (i.e. ad-hoc, quarterly, annually) by a dedicated elipsLife specialist following a pre-defined risk and random based schedule.

All cooperation agreements with service providers who perform important processes on behalf of elipsLife have been supplemented with certain terms to ensure proper compliance with the Liechtenstein supervisory law. elipsLife exercises due diligence checks in the selection of service providers and applies effective systems and risk controls on a regular basis throughout the contractual relationship with all service providers.

## **B.8. Other material Information**

### **elipsLife transfer from Swiss Re to Swiss Life International**

On December 10, 2021, Swiss Re announced that it agreed to sell elipsLife to Swiss Life International and to enter into a long-term reinsurance partnership. The transaction was completed successfully and elipsLife transferred to Swiss Life International on July 1, 2022.

The integration of elipsLife into Swiss Life International and Swiss Life Group processes and frameworks, including Swiss Life Group risk governance framework has started. The relevant elipsLife policies and guidelines are being updated to reflect ownership transfer to Swiss Life Group.

### **Adequacy of the system of governance**

elipsLife risks are linked to the business strategy of writing life business, in a number of countries and currencies; these insurance risks are not interconnected with financial risks as they are not dependent on financial performance of the assets. elipsLife are confident that their governance framework and processes are appropriate for managing the risks that they are exposed to through its business activities.

## 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 elipsLife qualitative risk management framework. Detailed results from the Solvency II standard formula are given in section E.2. As a summary, the main risks for elipsLife are the life underwriting risk from writing of insurance business and default risk due to a proportion of the business being reinsured to Swiss Re.

elipsLife invests its assets according to the 'prudent person principle' as presented in Article 132 of Directive 2009/138/EC. The general assets are invested in regulated financial markets and no use of derivatives was made over 2022. 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 by the Asset & Liability Committee.

The risk profile of elipsLife changed during the year due to the acquisition of elipsLife by Swiss Life International and the new reinsurance contracts elipsLife entered into with Swiss Re as part of this transaction.

### C.1. Underwriting risk

Underwriting risk is the risk that claims resulting from the underwritten business are higher than expected. It is currently the biggest risk for elipsLife. The main exposure is to disability and mortality risk which elipsLife is exposed to due to insurance covers that it provides to the policyholders. elipsLife mitigates some of the underwriting risk via reinsurance agreements.

### C.2. Market Risk

The market risk is a risk of negative financial impact due to change in values of the investments. elipsLife exposure to market risk is currently low. Majority of elipsLife assets are invested in liquid instruments including time deposit and cash.

### C.3. Credit risk

Credit risk arises from the possibility that a counterparty defaults on its obligations to elipsLife. Credit risk is a material risk for elipsLife with main exposure due to reinsurance with Swiss Re, where downgrade or default of Swiss Re would have negative financial impact on elipsLife. The second exposure comes from premium receivables, where elipsLife is at risk that our customers do not pay their premiums on the contracts. This risk is highest at the start of the year, when contracts commence, and decrease throughout the year as customers pay the premiums.

#### **C.4. Liquidity Risk**

elipsLife is primarily exposed to liquidity risk through the uncertainty of the size and timing of insurance claims arising out of its insurance business. elipsLife exposure to liquidity risk is monitored by the finance team. The most recent analysis indicates that the elipsLife liquidity position is sufficient to meet expected liquidity requirements, as elipsLife assets are currently invested in highly liquid instruments.

#### **C.5. Operational Risk**

Operational risk is defined as the expected and unexpected economic impact of inadequate or failed internal processes, people, and systems or from external events. Operational risk is inherent to insurance business. The management of operational risk is an integrated part of the qualitative risk management framework.

#### **C.6. Any other material risks**

The material risks for elipsLife are covered in the solvency capital requirement. The non-quantified risks including reputational and strategic risks are less material but could still have an impact on elipsLife business. These are monitored and managed through the qualitative management process. As part of this process, mitigation actions are defined and monitored as required.

Emerging risks are risks which have not been experienced before, or an unknown development of a known risk that could cause harm to elipsLife in the future. Swiss Life Group considers emerging risks as a distinct risk category and these risks are assessed by a Swiss Life Group expert panel. The results of the panel are submitted to the local Chief Risk Officers who assesses the potential impact of the emerging risks on elipsLife and participates. The Chief Risk Officer participates in the respective divisional or Group discussions on these risks. The potential impacts on elipsLife are assessed based on qualitative information available at the time. For the risks which could have material impact on the elipsLife business, mitigation actions are developed as necessary and revised once there is more clarity on these risks' progression.

#### **C.7. Any other information**

##### **Risk exposure measurement**

elipsLife uses the Solvency II Standard Formula (calculating a 99.5% value at risk ) to assess all modelled risk categories together with an integrated risk management framework to manage and mitigate other risks.

##### **Risk concentration**

The concentration risk measured by the Solvency II standard formula is the exposure to single ultimate counterparty. for elipsLife the concentration risk comes primarily from the exposure to Swiss Re via reinsurance structures in place.

## **Risk mitigation**

The main financial risk mitigation method for elipsLife is through reinsurance agreements with Swiss Re.

## **Stress testing and sensitivity analysis**

In order to test on-going solvency, the elipsLife solvency ratio is calculated for different scenarios as part of the annual ORSA process. The impact of possible deviations from the planned conditions and their potential impact on elipsLife, are considered through modelling of three-year scenarios. These scenarios are selected based on discussions with the business and reflect the risk profile of elipsLife.

## D. Narrative information on valuation for solvency purposes

### D.1. Information on valuation of assets

#### D.1.1. Asset classes

elipsLife only uses the asset classes as prescribed by the Solvency II balance sheet template.

#### D.1.2. Methods applied for valuation of material asset classes

Material assets by Solvency II valuation basis as at 31 December 2022 were as follows:

- Investments (other than assets held for index-linked and unit-linked funds);
- Reinsurance recoverables;
- Other assets.

**Investments:** elipsLife investment portfolio at year end 2022 consists of fixed income securities and deposits with banks. The bonds are valued in the statutory accounts at amortized costs (at year end 2022 the value of 'amortized costs' is slightly higher than the 'market value'). Additional depreciation or write-downs are recognized if a permanent impairment is expected. Under Solvency II, bonds are recognized at market value. Therefore, this can generate a difference in valuation.

Deposits with banks are valued at nominal value and equities based on equity method - for both Solvency II as well as for statutory accounts.

**Reinsurance recoverables:** The share of technical provisions for reinsured business is determined in the statutory accounts with reference to the contractual agreement and the underlying gross liability per treaty. Solvency II reinsurance recoverables are derived from the statutory values and are valued at market value. This position is shown as a negative liability in the company's statutory Financial Report (in accordance to VersAV, Anhang 4) whereas under Solvency II it is reported as an asset.

**Deposits to cedents:** none

**Tangible assets:** In statutory accounts, tangible assets are measured at historical cost and depreciated using the straight-line method over the expected useful life. Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

**Intangible assets:** there are no intangible assets recognized under Solvency II.

**Receivables and accruals:** both asset types are measured in statutory accounts at par value (less specific valuation allowance). Since it can be assumed that this mostly corresponds to a market-to-market consideration, the same values are used for Solvency II accounts.

### **D.1.3. Assumptions and judgements applied for valuation of material assets**

Solvency II Investments are valued at market value which is determined as far as possible by reference to observable market prices. Where observable market prices aren't available, elipsLife follows the fair value measurement methodology. There are no major sources of estimation uncertainty when using judgments to determine valuations.

### **D.1.4. Changes made to recognition and valuation basis of material assets during the year**

No changes.

### **D.1.5. Drivers of difference between Solvency II and Company statutory accounts**

The difference between Solvency II balance sheet and the statutory balance sheet are explained by the different valuation methodologies used, as described above.

### **D.1.6. Property (held for own use)**

elipsLife only owns movable property. The statutory account values are used for Solvency II.

### **D.1.7. Inventories**

elipsLife doesn't hold any inventories.

### **D.1.8. Intangible assets**

There are no intangible assets at elipsLife under Solvency II.

### **D.1.9. Methods and assumptions applied in determining the economic value of financial assets**

Most financial asset prices are sourced from a major investment management company. The list of vendors used by the investment management company to confirm pricing is held by Swiss Life Asset Management. If the market value of an asset isn't available from the investment management company, then the pricing from an alternative vendor is used. These are pre-agreed vendors depending on the type of the financial assets. In addition, prices are checked by Swiss Re's independent pricing verification team to ensure agreement.

### **D.1.10. Holdings in related undertakings**

elipsLife does not have any holdings in related undertakings At year end 2021 there was the 100 % participation in Elips Versicherungen AG but this participation was sold in 2022 as part of the overall transaction (see Section A).

### **D.1.11. Equities**

10% participation in Sobrado Software AG (provider of broker platform). Valuation according to equity method. This participation was already completely impaired at year-end 2021 resulting in a value of CHF 0 for both Financial Statements and Solvency II.



## D.2. Information on valuation of technical provisions

### D.2.1. Value of technical provisions by line of business

elipsLife writes mainly business in the category 'Other Life', in the category 'Health similar to life' (Health SLT) which relates to Accident and Health portfolio following its transfer this year from Elips Versicherungen AG, and a small share which is classified in the category 'Health - similar to non-life' (Health NSLT).

The Health - NSLT portfolio is in run-off. It is classified as 'similar to non-life' on the Solvency II balance sheet because at the time, this small run-off portfolio was taken over from a non-life insurance company. The risk profile of the underlying products, however, is rather similar to life insurance products.

The Solvency II technical provisions are outlined in the below table:

(values in CHF million)	Other Life		Health SLT		Health NSLT		Total	
	2021	2022	2021	2022	2021	2022	2021	2022
Best-estimate	1371	1249		165	7	6	1378	1420
Risk Margin	42	32		4	0	0	43	36
<b>Technical provision</b>	<b>1413</b>	<b>1281</b>	<b>0</b>	<b>169</b>	<b>8</b>	<b>6</b>	<b>1421</b>	<b>1456</b>

Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022

elipsLife uses the volatility adjustment in its solvency considerations in order to mitigate the effect of short-term volatility of bond spreads.

There are no material changes in the relevant assumptions made for the calculation of the technical provisions compared to the previous reporting period.

### D.2.2. Material differences with statutory reserves

Material differences between technical provisions under Solvency II and reserves under Liechtenstein GAAP are the following:

- Discounting: under Solvency II, the interest rates published by European Insurance and Occupational Pensions Authority (EIOPA) with Volatility Adjustment are used, while under Liechtenstein GAAP discounting rates derived from interest rates curves published by the SNB and by De Nederlandsche Bank are used (for Switzerland and the Netherlands respectively).
- Expected profit included in future premiums (EPIFP): Under Solvency II the profit that is expected from future premiums of in-force contracts is subtracted from the technical provisions.
- Risk Margin: The Solvency II technical provisions contain a risk margin.
- Prudency reserves: Since Solvency II follows a best estimate consideration, prudency reserves are removed from the Solvency II balance sheet.

### D.2.3. Relevant assumptions about future management actions

The only relevant assumption about future management actions is the continuance of the existing reinsurance arrangements, taking into account already agreed changes.

### D.2.4. Relevant assumptions about policyholder behaviour

elipsLife assumes some lapses for a small part of the Swiss portfolio which is similar to individual business.

### D.2.5. Level of uncertainty of technical provisions

In the calculation of technical provisions, actuarial and economic assumptions are used. As the assumptions are used for prospective events, there is inherent uncertainty with regards to the development of future mortality, recovery and costs. The size of the portfolio isn't sufficient yet for easily absorbing large deviations from the expected values. Reinsurance is therefore used for reducing this risk (see next point).

### D.2.6. Description of the recoverables from reinsurance contracts

The following reinsurance covers were in-force in the reporting period:

- Quota-share, where premiums, claims and claims reserves, and profit commissions are shared;
- Stop-loss reinsurance cover.

The 2022 reinsurance recoverables amount to CHF 1'429.2 million (2021: CHF 734.9 million) under Solvency II valuation.

### D.2.7. Risk Margin

The risk margin is derived according to the standard formula, 6% of the present value of the projected SCR. It amounts to CHF 35.8 million (2021: CHF 42.6 million).

For the Risk Margin calculation, the SCR for submodules are projected for future time steps, aggregated to a total SCR per time step, and then discounted.

## D.3. Information on Valuation of other liabilities

(values in CHF million)	Solvency II		Statutory		Difference	
	2021	2022	2021	2022	2021	2022
Provisions other than technical provisions	10	13	10	13	0	0
Pension benefit obligations	0	4	0	0	0	4
Deposits from reinsurers	0	0	0	0	0	0
Deferred tax liabilities	6	8	0	0	6	8
Subordinated liabilities	0	28	0	24	0	4

Total of all other liabilities not listed above	43	107	43	107	0	0
<b>Total other liabilities</b>	<b>59</b>	<b>159</b>	<b>53</b>	<b>144</b>	<b>6</b>	<b>15</b>

Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022.

### **D.3.1. Provisions other than technical provisions**

The provisions other than technical provisions relate to corporate tax provisions and other provisions, mainly for restructuring, and bonus and holiday accruals. The total amount is CHF 13.0 million (previous business year CHF 10.3 million).

These provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow and these provisions are tested for adequacy on every reporting date. The statutory account values are used for Solvency II.

### **D.3.2. Pension benefit obligations**

For the defined contribution occupational pension scheme an IAS19 valuation has been performed and shows a pension benefit obligation of CHF 3.8 million (previous year CHF 0 million). For the statutory accounts no such obligation arises from the pension scheme.

### **D.3.3. Deposits from reinsurers**

There are no deposits from reinsurers.

### **D.3.4. Deferred tax liabilities:**

Deferred taxes arise due to the recognition of future results namely through unrealised gains and losses on assets and liabilities. In particular, deferred tax liabilities arise due to the recognition of liability best estimates being lower than statutory reserves as these future results will have to face tax payments when materialising and need to be recognised in the Solvency II balance sheet.

### **D.3.5. Subordinated liabilities**

A subordinated loan agreement was signed in 2022. It was approved by FMA as subordinated liability and qualifies as own fund item. The loan amount is CHF 24 million and corresponds to the statutory value. Under Solvency II a fair value is derived taking into account future interest payments so that the Solvency II value amounts to CHF 27.5 million.

### **D.3.6. All other liabilities (insurance & intermediaries payables, reinsurance payables, any other liabilities not shown elsewhere):**

Insurance & intermediaries payables, Reinsurance payables, other accounts payable as well as accruals are recorded at par value in both Solvency II and statutory accounts. Other provisions are raised for obligations that are probable but uncertain (either in amount or timing) on the

reporting date. Under Solvency II and in statutory accounts, the amount is based on a best estimate of the future cash outflow. Provisions are tested for adequacy on every reporting date.

#### **D.4. Any other material information**

There is no further material information.

## E. Capital Management

### E.1. Own Funds

elipsLife own funds consist entirely of Tier 1 capital and amount to CHF 133.6 million (previous year CHF 164.4 million). Own funds are managed and steered on a quarterly basis (and on an ad-hoc basis in case of major events) with the objective to keep Solvency II ratio above regulatory required thresholds at any time.

### E.2. Solvency Capital Requirement (SCR) / Minimum Capital Requirement (MCR)

(values in CHF million)	2021	2022
Market risk	66.9	21.2
Counterparty Default Risk	29.3	36.8
Life & Health underwriting risk	12.7	43.9
Health risk	0.0	5.1
Non-life underwriting risk	0.0	0.0
Diversification	-24.7	-31.6
BSCR	84.2	75.4
Operational Risk	18.0	22.6
Loss absorbing capacity of deferred taxes	-10.6	-17.9
Loss absorbing capacity of technical provisions	0.0	0.0
Solvency Capital Requirement	91.6	80.1
Eligible Own Funds	164.4	133.6
<b>Ratio of Eligible Own Funds to SCR</b>	<b>180%</b>	<b>167%</b>

Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022.

elipsLife applies the Volatility Adjustment which is considered in above solvency ratio. Assuming a Volatility Adjustment of zero the solvency ratio would be 159% (last year 177%).

The MCR is calculated based on standard formula and amounts to CHF 20.1 million (2021: CHF 22.9 million). With eligible own funds of CHF 133.6 million (previous year CHF 164.4 million) the MCR ratio is 667% (718%).

elipsLife is not using simplified calculations or undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC.

Due to simultaneous publication and submission to the regulators, the calculation of the capital requirements hasn't yet been approved by FMA.

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

elipsLife does not use the duration-based equity risk sub-module.

### E.4. Differences between statutory and Solvency II

The basic own funds under Solvency II differ from the assets over liabilities under Liechtenstein GAAP as follows:

- Market values for bonds and technical provisions are considered;
- Present value for future cash-flows impact the basic own funds positively;
- Risk margin impacts the basic own fund negatively;
- Inclusion of deferred tax assets and deferred tax liabilities;
- Allocation of deposits other than cash equivalents as bonds.

(values in CHF million)		Statutory		Solvency II	
		2021	2022	2021	2022
Assets	Intangible assets	11	4	-	-
	Pension benefit surplus	-	-	-	-
	Property, plant & equipment held for own use	2	2	2	2
	Holdings in related undertakings	7	-	140	-
	Equities	-	-	-	-
	Bonds	632	0	643	0
	Deposits other than cash equivalents	0	0	-	-
	Loans	20	-	20	-
	Reinsurance recoverables	818	1'859	735	1'429
	<i>thereof EPIFP</i>	-	-	(52)	(71)
	Insurance and intermediaries receivables	35	32	35	32
	Reinsurance receivables	16	(0)	16	(0)
	Receivables (trade, not insurance)	41	7	41	7
	Cash and cash equivalents	12	248	12	248
	Any other assets, not elsewhere shown	5	2	2	2
	<b>Total Assets</b>	<b>1'600</b>	<b>2'155</b>	<b>1'645</b>	<b>1'721</b>

(values in CHF million)		Statutory		Solvency II	
		2021	2022	2021	2022
Liabilities	Technical provisions	1'479	1'928	1'421	1'456
	<i>thereof: Best Estimate</i>	1'479	1'928	1'378	1'420
	<i>thereof: Risk margin</i>	-	-	43	36
	Deferred tax liabilities	-	-	6	8
	Insurance & intermediaries payables	20	-	20	-

Reinsurance payables	0	95	0	95
Payables (trade, not insurance)	-	-	-	-
Subordinated liabilities	-	24	-	28
Pension benefit obligations	-	-	-	4
Provisions other than technical provisions	10	13	10	13
Any other liabilities, not elsewhere shown	23	12	23	12
Basic Own Funds	67	83	164	106
<b>Total Liabilities</b>	<b>1'600</b>	<b>2'155</b>	<b>1'645</b>	<b>1'721</b>

Due to transfer of elipsLife to Swiss Life International and corresponding changes in the business, the values are not directly comparable between 2021 and 2022.

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

The precedent figures show that elipsLife is compliant with the regulatory requirements in terms of available solvency capital.

### **E.6. Any other material information**

There is no further material information.

## **Annex I - Quantitative Reporting Templates to Solvency and Financial Condition Report 2022**

### **Elips Life AG**

All monetary amounts are in thousands of Swiss Francs.



DP\_S020102\_A

**Balance sheet**

thousands CHF

Solvency II value

**C0010**

**Assets as of 31 December 2022**

Intangible assets	<b>R0030</b>	0
Deferred tax assets	<b>R0040</b>	0
Pension benefit surplus	<b>R0050</b>	0
Property, plant & equipment held for own use	<b>R0060</b>	1 740
Investments (other than assets held for index-linked and unit-linked contracts)	<b>R0070</b>	380
Property (other than for own use)	<b>R0080</b>	0
Holdings in related undertakings, including participations	<b>R0090</b>	0
Equities	<b>R0100</b>	0
Equities - listed	<b>R0110</b>	0
Equities - unlisted	<b>R0120</b>	0
Bonds	<b>R0130</b>	380
Government Bonds	<b>R0140</b>	380
Corporate Bonds	<b>R0150</b>	0
Structured notes	<b>R0160</b>	0
Collateralised securities	<b>R0170</b>	0
Collective Investments Undertakings	<b>R0180</b>	0
Derivatives	<b>R0190</b>	0
Deposits other than cash equivalents	<b>R0200</b>	0
Other investments	<b>R0210</b>	0
Assets held for index-linked and unit-linked contracts	<b>R0220</b>	0
Loans and mortgages	<b>R0230</b>	0
Loans on policies	<b>R0240</b>	0
Loans and mortgages to individuals	<b>R0250</b>	0
Other loans and mortgages	<b>R0260</b>	0
Reinsurance recoverables from:	<b>R0270</b>	1 429 178
Non-life and health similar to non-life	<b>R0280</b>	5 941
Non-life excluding health	<b>R0290</b>	0
Health similar to non-life	<b>R0300</b>	5 941
Life and health similar to life, excluding health and index-linked and unit-linked	<b>R0310</b>	1 423 236
Health similar to life	<b>R0320</b>	158 499
Life excluding health and index-linked and unit-linked	<b>R0330</b>	1 264 737
Life index-linked and unit-linked	<b>R0340</b>	0
Deposits to cedants	<b>R0350</b>	0
Insurance and intermediaries receivables	<b>R0360</b>	32 380
Reinsurance receivables	<b>R0370</b>	0
Receivables (trade, not insurance)	<b>R0380</b>	7 450
Own shares (held directly)	<b>R0390</b>	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	<b>R0400</b>	0
Cash and cash equivalents	<b>R0410</b>	248 409
Any other assets, not elsewhere shown	<b>R0420</b>	1 645
<b>Total assets</b>	<b>R0500</b>	<b>1 721 182</b>

DP\_S020102\_B

thousands CHF

Solvency II value

**C0010**

**Liabilities as of 31 December 2022**

Technical provisions – non-life	<b>R0510</b>	6 076
Technical provisions – non-life (excluding health)	<b>R0520</b>	0
TP calculated as a whole	<b>R0530</b>	0
Best Estimate	<b>R0540</b>	0
Risk margin	<b>R0550</b>	0
Technical provisions - health (similar to non-life)	<b>R0560</b>	6 076
TP calculated as a whole	<b>R0570</b>	0
Best Estimate	<b>R0580</b>	5 941
Risk margin	<b>R0590</b>	135
Technical provisions - life (excluding index-linked and unit-linked)	<b>R0600</b>	1 449 853
Technical provisions - health (similar to life)	<b>R0610</b>	169 149
TP calculated as a whole	<b>R0620</b>	0
Best Estimate	<b>R0630</b>	165 033
Risk margin	<b>R0640</b>	4 117
Technical provisions – life (excluding health and index-linked and unit-linked)	<b>R0650</b>	1 280 704
TP calculated as a whole	<b>R0660</b>	0
Best Estimate	<b>R0670</b>	1 249 136
Risk margin	<b>R0680</b>	31 568
Technical provisions – index-linked and unit-linked	<b>R0690</b>	0
TP calculated as a whole	<b>R0700</b>	0
Best Estimate	<b>R0710</b>	0
Risk margin	<b>R0720</b>	0
Contingent liabilities	<b>R0740</b>	0
Provisions other than technical provisions	<b>R0750</b>	13 009
Pension benefit obligations	<b>R0760</b>	3 815
Deposits from reinsurers	<b>R0770</b>	0
Deferred tax liabilities	<b>R0780</b>	7 979
Derivatives	<b>R0790</b>	0
Debts owed to credit institutions	<b>R0800</b>	0
Financial liabilities other than debts owed to credit institutions	<b>R0810</b>	0
Insurance & intermediaries payables	<b>R0820</b>	0
Reinsurance payables	<b>R0830</b>	95 086
Payables (trade, not insurance)	<b>R0840</b>	0
Subordinated liabilities	<b>R0850</b>	27 533
Subordinated liabilities not in BOF	<b>R0860</b>	0
Subordinated liabilities in BOF	<b>R0870</b>	27 533
Any other liabilities, not elsewhere shown	<b>R0880</b>	11 732
<b>Total liabilities</b>	<b>R0900</b>	<b>1 615 083</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>106 099</b>

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as of 31 December 2022

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)									
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	
thousands CHF		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	
<b>Premiums written</b>											
Gross - Direct Business	R0110		0								
Gross - Proportional reinsurance accepted	R0120		0								
Gross - Non-proportional reinsurance accepted	R0130	n	n	n	n	n	n	n	n	n	n
Reinsurers' share	R0140		0								
Net	R0200		0								
<b>Premiums earned</b>											
Gross - Direct Business	R0210		0								
Gross - Proportional reinsurance accepted	R0220		0								
Gross - Non-proportional reinsurance accepted	R0230	n	n	n	n	n	n	n	n	n	n
Reinsurers' share	R0240		0								
Net	R0300		0								
<b>Claims incurred</b>											
Gross - Direct Business	R0310		596								
Gross - Proportional reinsurance accepted	R0320		0								
Gross - Non-proportional reinsurance accepted	R0330	n	n	n	n	n	n	n	n	n	n
Reinsurers' share	R0340		596								
Net	R0400		0								
<b>Changes in other technical provisions</b>											
Gross - Direct Business	R0410		0								
Gross - Proportional reinsurance accepted	R0420		0								
Gross - Non- proportional reinsurance accepted	R0430	n	n	n	n	n	n	n	n	n	n
Reinsurers' share	R0440		0								
Net	R0500		0								
<b>Expenses incurred</b>											
Other expenses	R1200	n	n	n	n	n	n	n	n	n	n
<b>Total expenses</b>	<b>R1300</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>

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as of 31 December 2022

thousands CHF		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total C0200	
		Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120	Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160		
<b>Premiums written</b>										
	Gross - Direct Business	R0110			n	n	n	n		
	Gross - Proportional reinsurance accepted	R0120			n	n	n	n		
	Gross - Non-proportional reinsurance accepted	R0130	n	n	n					
	Reinsurers' share	R0140								
	Net	R0200								
<b>Premiums earned</b>										
	Gross - Direct Business	R0210			n	n	n	n		
	Gross - Proportional reinsurance accepted	R0220			n	n	n	n		
	Gross - Non-proportional reinsurance accepted	R0230	n	n	n					
	Reinsurers' share	R0240								
	Net	R0300								
<b>Claims incurred</b>										
	Gross - Direct Business	R0310			n	n	n	n		596
	Gross - Proportional reinsurance accepted	R0320			n	n	n	n		0
	Gross - Non-proportional reinsurance accepted	R0330	n	n	n					0
	Reinsurers' share	R0340								596
	Net	R0400								0
<b>Changes in other technical provisions</b>										
	Gross - Direct Business	R0410			n	n	n	n		
	Gross - Proportional reinsurance accepted	R0420			n	n	n	n		
	Gross - Non- proportional reinsurance accepted	R0430	n	n	n					
	Reinsurers'share	R0440								
	Net	R0500								
	<b>Expenses incurred</b>	R0550	n	n	n	n	n	n	n	
	<b>Other expenses</b>	R1200	n	n	n	n	n	n	n	
	<b>Total expenses</b>	R1300	n	n	n	n	n	n	n	

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as of 31 December 2022

		Line of Business for: life insurance obligations					Life reinsurance obligations			Total C0300
		Health insurance C0210	Insurance with profit participation C0220	Index- linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0260	Health reinsurance C0270	Life reinsurance C0280	
thousands CHF										
<b>Premiums written</b>										
Gross	R1410	229 223			521 112					750 335
Reinsurers' share	R1420	229 223			512 211					741 434
Net	R1500	0			8 901					8 901
<b>Premiums earned</b>										
Gross	R1510	229 223			487 486					716 709
Reinsurers' share	R1520	229 223			483 820					713 043
Net	R1600	0			3 666					3 666
<b>Claims incurred</b>										
Gross	R1610	203 367			448 650					652 016
Reinsurers' share	R1620	201 482			418 921					620 403
Net	R1700	1 885			29 728					31 613
<b>Changes in other technical provisions</b>										
Gross	R1710	0			0					0
Reinsurers' share	R1720	0			0					0
Net	R1800	0			0					0
<b>Expenses incurred</b>	R1900	14 113			40 021					54 134
<b>Other expenses</b>	R2500	n	n	n	n	n	n	n	n	
<b>Total expenses</b>	R2600	n	n	n	n	n	n	n	n	

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as of 31 December 2022

thousands CHF	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010	n	BE	CH	DE	IT	NL	n
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>								
Gross - Direct Business	R0110						0	0
Gross - Proportional reinsurance accepted	R0120						0	0
Gross - Non-proportional reinsurance accepted	R0130						0	0
Reinsurers' share	R0140						0	0
Net	R0200						0	0
<b>Premiums earned</b>								
Gross - Direct Business	R0210						0	0
Gross - Proportional reinsurance accepted	R0220						0	0
Gross - Non-proportional reinsurance accepted	R0230						0	0
Reinsurers' share	R0240						0	0
Net	R0300						0	0
<b>Claims incurred</b>								
Gross - Direct Business	R0310						596	596
Gross - Proportional reinsurance accepted	R0320						0	0
Gross - Non-proportional reinsurance accepted	R0330						0	0
Reinsurers' share	R0340						596	596
Net	R0400						0	0
<b>Changes in other technical provisions</b>								
Gross - Direct Business	R0410						0	0
Gross - Proportional reinsurance accepted	R0420						0	0
Gross - Non-proportional reinsurance accepted	R0430						0	0
Reinsurers' share	R0440						0	0
Net	R0500						0	0
<b>Expenses incurred</b>								
Other expenses	R1200	n	n	n	n	n	n	0
<b>Total expenses</b>	<b>R1300</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>n</b>	<b>0</b>

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as of 31 December 2022

thousands CHF	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations						Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	<b>R1400</b>	n	BE	CH	DE	IT	NL	n
		<b>C0220</b>	<b>C0230</b>	<b>C0240</b>	<b>C0250</b>	<b>C0260</b>	<b>C0270</b>	<b>C0280</b>
<b>Premiums written</b>								
Gross	<b>R1410</b>	4 586	4 084	294 210	5 176	61 139	378 718	<b>747 914</b>
Reinsurers' share	<b>R1420</b>	4 586	4 086	294 210	3 965	53 245	378 815	<b>738 906</b>
Net	<b>R1500</b>	0	- 1	0	1 212	7 894	- 97	<b>9 008</b>
<b>Premiums earned</b>								<b>0</b>
Gross	<b>R1510</b>	4 586	4 084	294 210	5 102	27 111	378 718	<b>713 812</b>
Reinsurers' share	<b>R1520</b>	4 586	4 086	294 210	2 209	26 242	378 815	<b>710 147</b>
Net	<b>R1600</b>	0	- 1	0	2 893	869	- 97	<b>3 665</b>
<b>Claims incurred</b>								<b>0</b>
Gross	<b>R1610</b>	2 936	1 767	280 745	3 718	21 701	338 591	<b>649 459</b>
Reinsurers' share	<b>R1620</b>	2 912	1 728	278 493	610	21 391	330 485	<b>635 620</b>
Net	<b>R1700</b>	24	39	2 251	3 108	310	8 106	<b>13 838</b>
<b>Changes in other technical provisions</b>								<b>0</b>
Gross	<b>R1710</b>	0	0	0	0	0	0	<b>0</b>
Reinsurers' share	<b>R1720</b>	0	0	0	0	0	0	<b>0</b>
Net	<b>R1800</b>	0	0	0	0	0	0	<b>0</b>
<b>Expenses incurred</b>	<b>R1900</b>	<b>0</b>	<b>0</b>	<b>21 486</b>	<b>371</b>	<b>4 385</b>	<b>27 453</b>	<b>53 696</b>
<b>Other expenses</b>	<b>R2500</b>	n	n	n	n	n	n	<b>0</b>
<b>Total expenses</b>	<b>R2600</b>	n	n	n	n	n	n	<b>53 696</b>

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as of 31 December 2022

		Index-linked and unit-linked insurance					Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health 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				
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090			
thousands CHF												
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>			n	n		n	n				
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	<b>R0020</b>			n	n		n	n				
<b>Technical provisions calculated as a sum of BE and RM</b>												
<b>Best Estimate</b>												
<b>Gross Best Estimate</b>	<b>R0030</b>		n			n	1 249 136					1 249 136
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0080</b>		n			n	1 264 737					1 264 737
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	<b>R0090</b>		n			n	- 15 601					- 15 601
<b>Risk Margin</b>	<b>R0100</b>			n	n	31 568	n	n				31 568
<b>Amount of the transitional on Technical Provisions</b>												
Technical Provisions calculated as a whole	<b>R0110</b>			n	n							
Best estimate	<b>R0120</b>		n			n						
Risk margin	<b>R0130</b>			n	n		n	n				
<b>Technical provisions - total</b>	<b>R0200</b>			n	n	1 280 704	n	n				1 280 704



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as of 31 December 2022

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		Health insurance (direct business) C0160	Contracts without options and guarantees C0170	Contracts with options or guarantees C0180	C0190	C0200	C0210
thousands CHF							
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>		n	n			
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	<b>R0020</b>		n	n			
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best Estimate</b>							
<b>Gross Best Estimate</b>	<b>R0030</b>	n	165 033				<b>165 033</b>
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0080</b>	n	158 499				<b>158 499</b>
Best estimate minus recoverables from reinsurance/ SPV and Finite Re - total	<b>R0090</b>	n	6 533				<b>6 533</b>
<b>Risk Margin</b>	<b>R0100</b>	4 117	n	n			<b>4 117</b>
<b>Amount of the transitional on Technical Provisions</b>							
Technical Provisions calculated as a whole	<b>R0110</b>	n	n	n			
Best estimate	<b>R0120</b>	n					
Risk margin	<b>R0130</b>		n	n			
<b>Technical provisions - total</b>	<b>R0200</b>	169 149	n	n			<b>169 149</b>

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as of 31 December 2022

Non-Life Technical Provisions		Direct business and accepted proportional			accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0140	C0150	C0160	C0170	
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>								
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	<b>R0050</b>								
<b>Technical provisions calculated as a sum of BE and RM</b>		n	n	n	n	n	n	n	n
<b>Best estimate</b>			n	n	n	n	n	n	n
<b>Premium provisions</b>			n	n	n	n	n	n	n
Gross - Total	<b>R0060</b>								
<b>Net Best Estimate of Premium Provisions</b>	<b>R0150</b>								
<b>Claims provisions</b>		n	n	n	n	n	n	n	n
Gross - Total	<b>R0160</b>		5 941						<b>5 941</b>
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0240</b>		5 941						<b>5 941</b>
<b>Net Best Estimate of Claims Provisions</b>	<b>R0250</b>								
<b>Total Best estimate - gross</b>	<b>R0260</b>		5 941						<b>5 941</b>
<b>Total Best estimate - net</b>	<b>R0270</b>								
<b>Risk margin</b>	<b>R0280</b>		135						<b>135</b>
<b>Amount of the transitional on Technical Provisions</b>		n	n	n	n	n	n	n	n
<b>TP as a whole</b>	<b>R0290</b>								
<b>Best estimate</b>	<b>R0300</b>								
<b>Risk margin</b>	<b>R0310</b>								
<b>Technical provisions</b>		n	n	n	n	n	n	n	n
Technical provisions - total	<b>R0320</b>		6 076						<b>6 076</b>
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	<b>R0330</b>		5 941						<b>5 941</b>
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	<b>R0340</b>		135						<b>135</b>

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as of 31 December 2022

thousands CHF		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		<b>C0010</b>	<b>C0030</b>	<b>C0050</b>	<b>C0070</b>	<b>C0090</b>
Technical provisions	<b>R0010</b>	1 455 929	0	0	14 688	0
Basic own funds	<b>R0020</b>	133 633	0	0	- 512	0
Eligible own funds to meet Solvency Capital Requirement	<b>R0050</b>	133 633	0	0	- 512	0
Solvency Capital Requirement	<b>R0090</b>	80 120	0	0	3 624	0
Eligible own funds to meet Minimum Capital Requirement	<b>R0100</b>	133 633	0	0	- 512	0
Minimum Capital Requirement	<b>R0110</b>	20 030	0	0	906	0

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as of 31 December 2022		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
thousands CHF						
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	12 400	12 400	n		n
Share premium account related to ordinary share capital	R0030	103 300	103 300	n		n
fund item for mutual and mutual-type undertakings	R0040	10 100	10 100	n		n
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0	0			n
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	- 19 701	- 19 701			n
Subordinated liabilities	R0140	27 533		27 533		
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0			
<b>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</b>						
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		n	n	n
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	0				
<b>Total basic own funds after deductions</b>	<b>R0290</b>	<b>133 633</b>	<b>106 099</b>	<b>27 533</b>	<b>0</b>	<b>0</b>
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0		n		n
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0		n		n
Unpaid and uncalled preference shares callable on demand	R0320	0		n		
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0		n		
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0		n		n
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0		n		
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0		n		n
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0		n		
Other ancillary own funds	R0390	0		n		
<b>Total ancillary own funds</b>	<b>R0400</b>	<b>0</b>		<b>n</b>		
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	R0500	133 633	106 099	27 533	0	
Total available own funds to meet the MCR	R0510	133 633	106 099	27 533	0	n
Total eligible own funds to meet the SCR	R0540	133 633	106 099	26 525	1 009	
Total eligible own funds to meet the MCR	R0550	133 633	106 099	26 525	1 009	n
<b>SCR</b>	<b>R0580</b>	<b>80 120</b>		<b>n</b>	<b>n</b>	<b>n</b>
<b>MCR</b>	<b>R0600</b>	<b>20 030</b>		<b>n</b>	<b>n</b>	<b>n</b>
<b>Ratio of Eligible own funds to SCR</b>	<b>R0620</b>	<b>167%</b>		<b>n</b>	<b>n</b>	<b>n</b>
<b>Ratio of Eligible own funds to MCR</b>	<b>R0640</b>	<b>667%</b>		<b>n</b>	<b>n</b>	<b>n</b>

C0060

<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	106 099
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	125 800
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
<b>Reconciliation reserve</b>	<b>R0760</b>	<b>- 19 701</b>
<b>Expected profits</b>		<b>0</b>
Expected profits included in future premiums (EPIFP) - Life business	R0770	69 412
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
<b>Total Expected profits included in future premiums (EPIFP)</b>	<b>R0790</b>	<b>69 412</b>

DP\_S250121

as of 31 December 2022

thousands CHF		Gross solvency capital requirement		
		C0110	USP C0090	Simplifications C0120
Market risk	R0010	21 244	n	n
Counterparty default risk	R0020	36 835	n	n
Life underwriting risk	R0030	43 895		
Health underwriting risk	R0040	5 050		
Non-life underwriting risk	R0050	0		
Diversification	R0060	- 31 633	n	n
Intangible asset risk	R0070	0	n	n
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>75 391</b>	<b>n</b>	<b>n</b>
<b>Calculation of Solvency Capital Requirement</b>		<b>C0100</b>		
Operational risk	R0130	22 617		
Loss-absorbing capacity of technical provisions	R0140	0		
Loss-absorbing capacity of deferred taxes	R0150	- 17 889		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
<b>Solvency capital requirement excluding capital add-on</b>	<b>R0200</b>	<b>80 120</b>		
Capital add-on already set	R0210	0		
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>80 120</b>		
<b>Other information on SCR</b>				
Capital requirement for duration-based equity risk sub-module	R0400	0		
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	0		
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0		
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0		

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as of 31 December 2022

thousands CHF		<b>C0070</b>
Linear MCR	<b>R0300</b>	<b>6 777</b>
SCR	<b>R0310</b>	<b>80 120</b>
MCR cap	<b>R0320</b>	<b>36 054</b>
MCR floor	<b>R0330</b>	<b>20 030</b>
Combined MCR	<b>R0340</b>	<b>20 030</b>
Absolute floor of the MCR	<b>R0350</b>	<b>6 122</b>
<b>Minimum Capital Requirement</b>	<b>R0400</b>	<b>20 030</b>