

Elips Life AG Solvency and Financial Condition Report 2024

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Summary

The present report is published in accordance with 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 2024, elipsLife continued to develop its key business lines in the area of Employee Benefits and Accident and Health (A&H) with a gross written premium of CHF 897 million and a net profit during the year of CHF 25.0 million. Details on the business performance can be found in section A of this report.

The governance system in place plays a central role in the day-to-day activities of elipsLife. In section B, description and details on the system of governance are provided including description of key roles and functions within elipsLife (the Board of Directors and the related committees, the risk management, compliance and actuarial function) and 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 2023 and year-end 2024:

(CHF million)	2023		2024	
	Statutory	Solvency	Statutory	Solvency
Balance sheet				
Total assets	2'236	2'163	2'650	2'676
Total liabilities	2'126	2'059	2'515	2'530
Excess of assets over liabilities	110	103	135	146

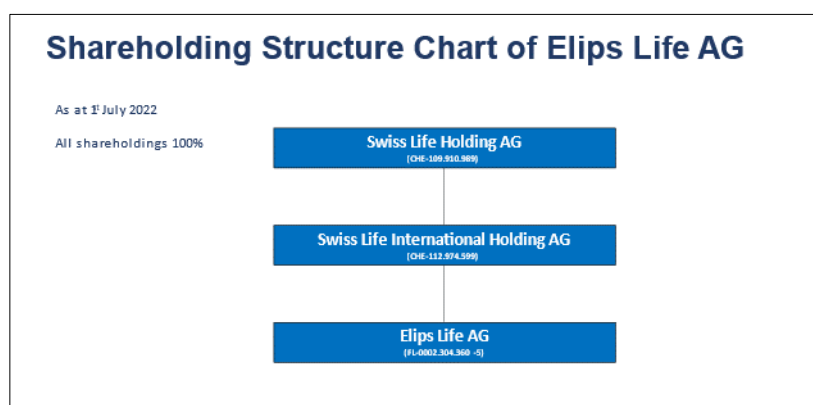
A. Business and Performance

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 279 9490 Vaduz (Liechtenstein). PricewaterhouseCoopers (PwC)¹ is serving as external auditor for elipsLife. elipsLife underwrites the following material lines of business: life and non-life insurance.

¹ PriceWaterhouseCoopers AG, Birchstrasse 160, 8050 Zurich, Switzerland

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

elipsLife is part of 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 FINMA².



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.

A.2. Underwriting performance

The underwriting performance in 2024 was driven by changes to the reinsurance cover from Swiss Re (as per agreements with Swiss Re at the time of elipsLife transfer to Swiss Life International). This resulted in more of the health and life underwriting risks being retained by elipsLife.

Overall, net premiums less claims were at CHF 121 million (last year's CHF26 million). Gross written premiums increased by 3% from CHF 871 million in 2023 to CHF 897 million in 2024.

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

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

Country	Total		Switzerland Life and Health Liechtenstein		Switzerland Accident and Health ³ Liechtenstein		Netherlands		Italy	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Gross Premium										
Gross	871	897	73	60	286	321	406	423	107	93
Reinsurers' share	752	561	66	53	283	127	342	327	62	52
Net	119	336	7	7	3	194	64	95	44	40
Gross Claims										
Gross	486	905	53	55	246	388	165	414	20	46
Reinsurers' share	393	689	21	54	244	283	119	325	8	27
Net	93	216	31	2	2	106	46	89	12	19

A.3. Investment performance

At year-end 2024, elipsLife investments consist mainly of investments in government and corporate bonds, with remaining investments in liquid investments including money market funds and cash. elipsLife does not hold any investments in equities or property. Going forward funds will continue to be invested in line with the strategic asset allocation.

Swiss Life Asset Management (SLAM) is responsible for credit risk management and for day to day management of elipsLife assets. The investments are managed in line with the elipsLife Strategic Asset Allocation, and with the objective to, where possible and appropriate, match assets and liabilities by duration and currency. elipsLife assets are invested in line with the guidelines set in the Group Guidelines on Asset Liability Management and on Credit Risk.

A.4. Performance of other activities

Intangible assets were further impaired by CHF 12.9 million (last year CHF 13.4 million).

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.

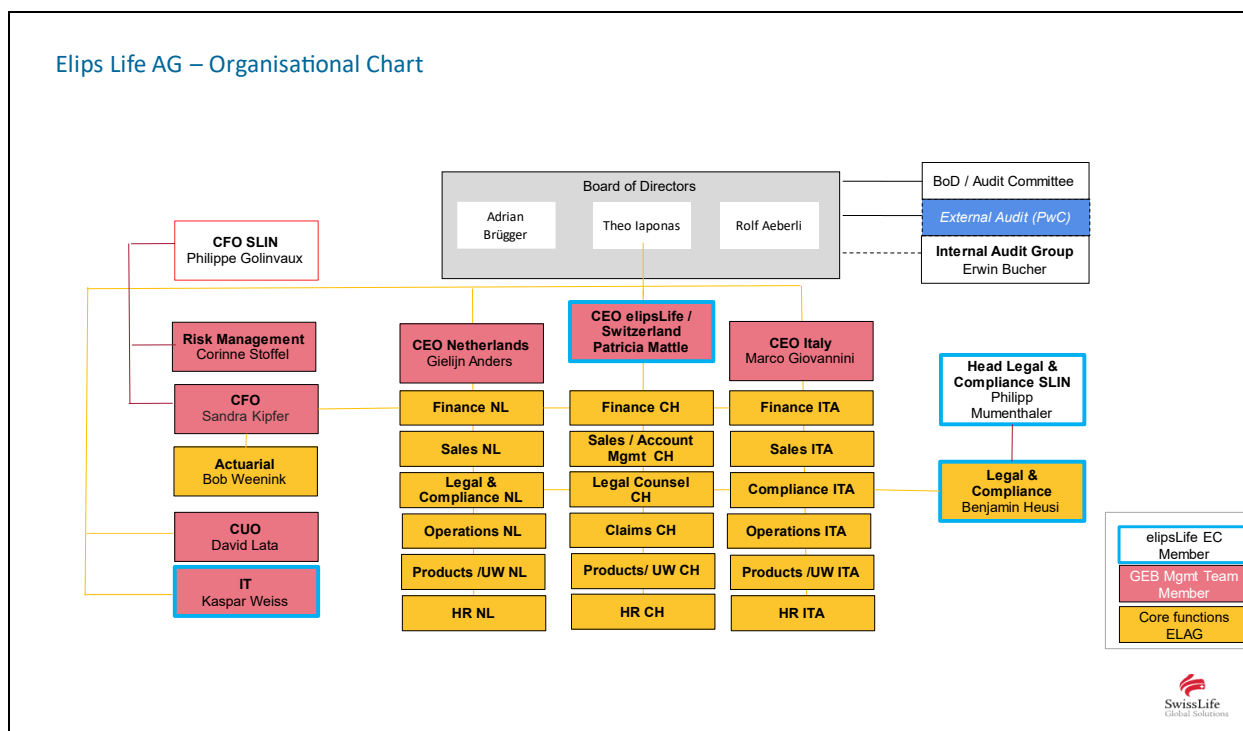
As part of the corporate governance, Swiss Life operates a directives system to regulate the functional management throughout the Group and to define the content-related and organisational principles, standards and topics. Each local entity is responsible for applying Group Framework and implementing specific processes and controls and 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 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. Certain responsibilities are delegated to the Branch Heads and the Regional Management Teams which are mainly responsible for the client facing activities in the local markets (Sales, Policy Administration and Claims Handling). 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

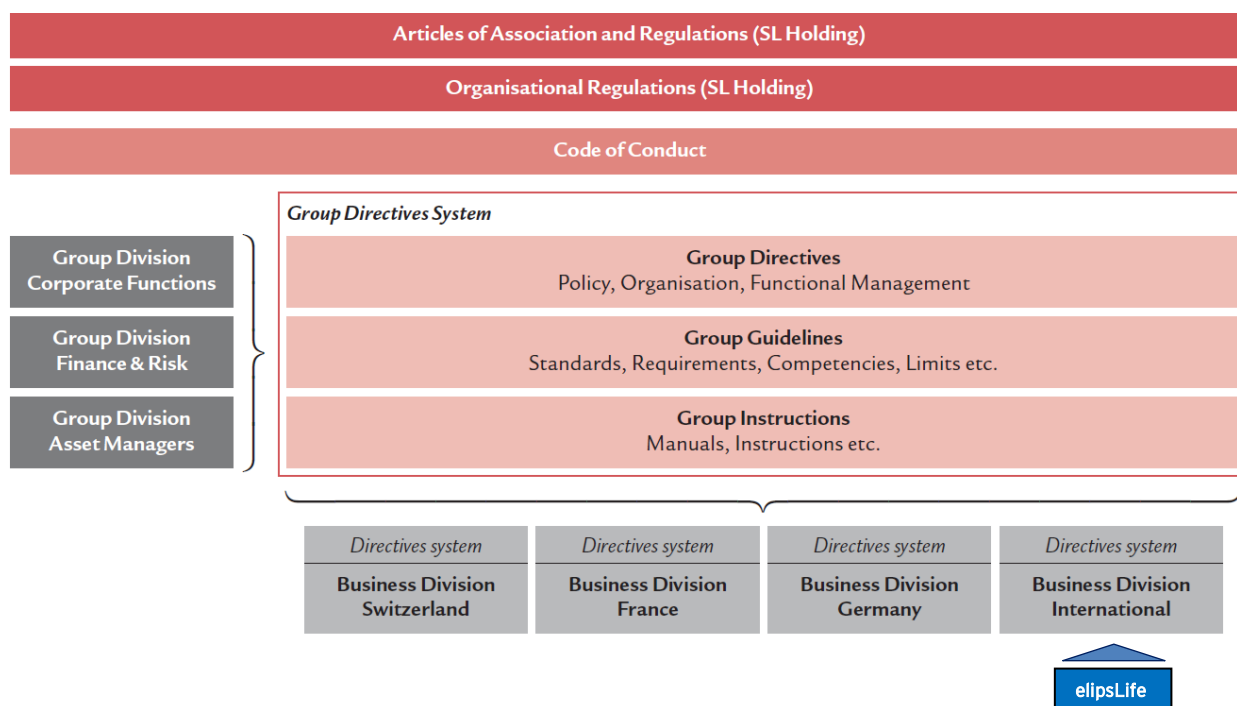
An integral part of Swiss Life’s system of governance is the Group Directives System. It regulates the functional management throughout Swiss Life Group and defines the content-related and organisational principles, standards and topics.

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, for example manuals.

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.



The Business Division International in the graph above is also called Swiss Life International (SLI) and includes elipsLife as well as other smaller life insurance entities in Liechtenstein, Luxembourg and Singapore. Local units operate within the Group’s risk framework considering additional local constraints due to their operating environment. For more information refer to Swiss Life Group Risk Charter published march 2022.

Risk directives, standards and guidelines established at the Swiss Life Group and Business Unit level form a large part of elipsLife risk management system. These are adopted by elipsLife following review for appropriateness and approved by its Board of Directors. Any departures needed to align with specific risks procedures, processes and controls which are specific to elipsLife and necessary to maintain required standards of governance are retained by the business.

B.2. Fit and Proper requirements

elipsLife requires that all persons effectively running the company and key functions holders (a “Relevant Person”³) 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.

³Members of the BoD, the elipsLife Executive Committee, the Head of Compliance, the Appointed Actuary/Actuarial Function Holder, the Company Auditor and Branch Managers.

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 elip-sLife 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.
- 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, in compliance with local data protection requirements.
- 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

Remuneration Entitlements of the Administrative, Supervisory or Management Body (AMSB)

The members of the BoD are not paid directly for their activities.

Remuneration for employees

Remuneration for employees is based on:

- A fixed remuneration: the base salary
- A variable remuneration : the (T)API and the gratification

Salary

- The amount of the salary depends on the position, function, education, experience and work performance of the employees
- The salary is reviewed annually. The potential salary increases are defined on a discretionary basis, except in countries where mandatory increase are requested due to Collective Bargaining Agreements, for example in The Netherlands
- Salary definition criteria are defined in more details in the Guidelines on fairness and equity
- Salary is paid in monthly instalments on the 25th of the month. The number of instalment varies from country to country based on local regulatory requirements

(T)API

- At the end of the financial year, elipsLife can provide employees with an API (Annual Performance Incentive), i.e. a voluntary special remuneration.
- Whether and to what extent an API is aligned is at the full discretion of elipsLife
- The paid API is defined based on 3 factors:
 - The Target API (TAPI) depends on:
 - the hierarchical job level
 - market situation
 - internal benchmarks and the level of function of elected employees
 - The TAPI is then affected by a dual factor:
 - The BPF (Business Performance factor) reflects the company's performance
 - The IPF (Individual Pay-out Factor) reflects the individual performance assessment, taking into account the two dimensions on the 'what' and 'how' and is set at the manager's discretion but cannot exceed a factor of 2. As a guideline;

Low Performer	Some Concerns	Solid Performer	High Performer
0.0 – 0.7	0.4 – 1.0	0.8 – 1.6	1.2 – 2.0
ET Session on Nov 4, 2020: <ul style="list-style-type: none"> • Ranges to be considered as "Guidelines" • Exemptions from "guidelines" to be justified by Comp. Planning Mgr. 			

- $API = \text{Adjusted TAPI} \times BPF \times IPF$ (capped at $2 \times \text{Adjusted TAPI}$)

Others: gratification and commissions

- After the end of the financial year, elipsLife may pay employees who do not receive an API or sales commissions, a gratification, i.e. a voluntary special remuneration within the meaning of Art. 322d CO or Art. 13 ABGB. A gratification payment ranges from EUR 2'000 – EUR 4'000. Employees eligible for gratification are typically lower seniority levels.
- Employees with sales activities can receive closing and inventory commissions. The requirements and scope are contained in the commission provisions, which form an integral part of the respective employment contract.
- Employees who are entitled to commission are neither entitled to gratuities nor APIs.

Whereas, as of today, the weighting of each element is not expressly defined, the right balance between both elements of remuneration is at the core of their definition.

Additionally, local regulations in The Netherlands put a cap (20%) on the proportion of variable compensation compared to fixed remuneration.

As of today, no employee earns more variable than fixed remuneration and departure packages are implemented making sure not reward mis-behaviours, poor performance or excessive risk taking.

A convergence of elipsLife Remuneration Policy with Swiss Life is planned over 2024 and should be finalized by end-2025.

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:

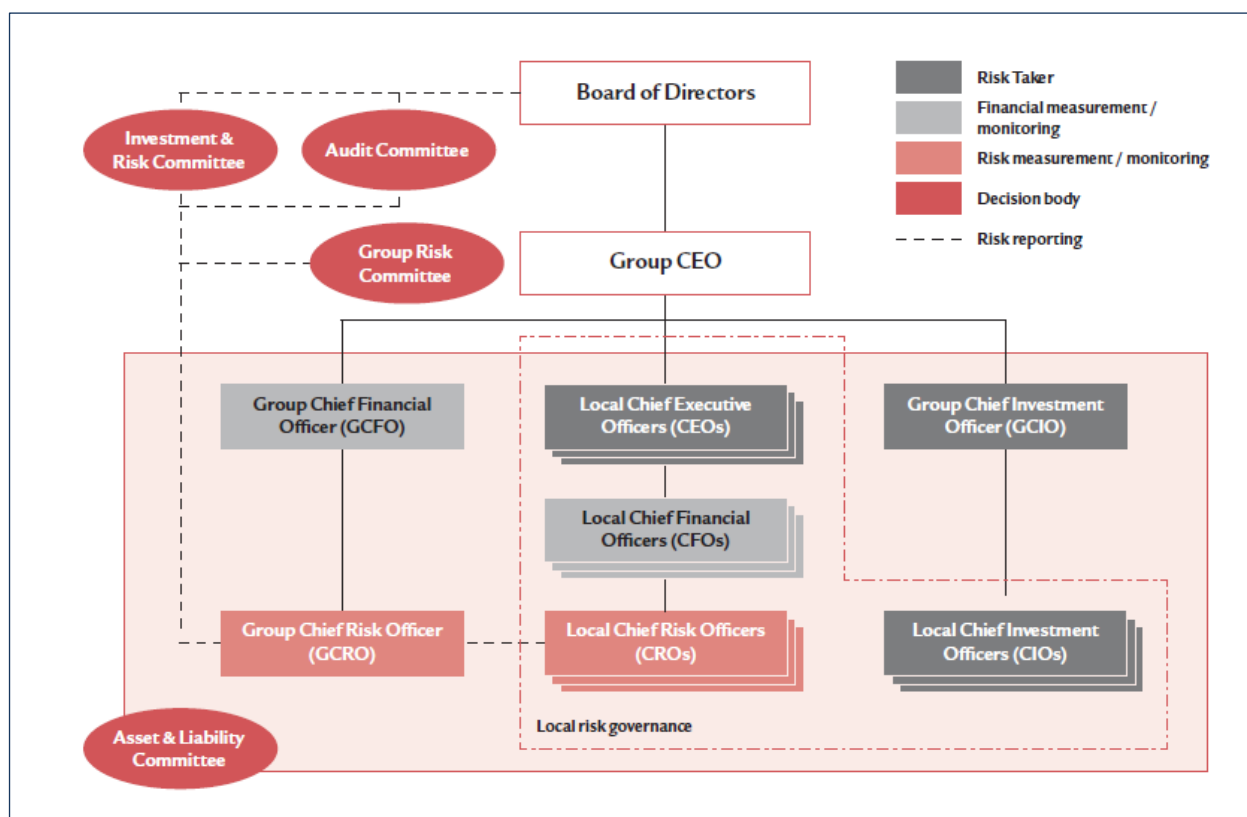
- Risk management functions
- Compliance
- Other control functions

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.

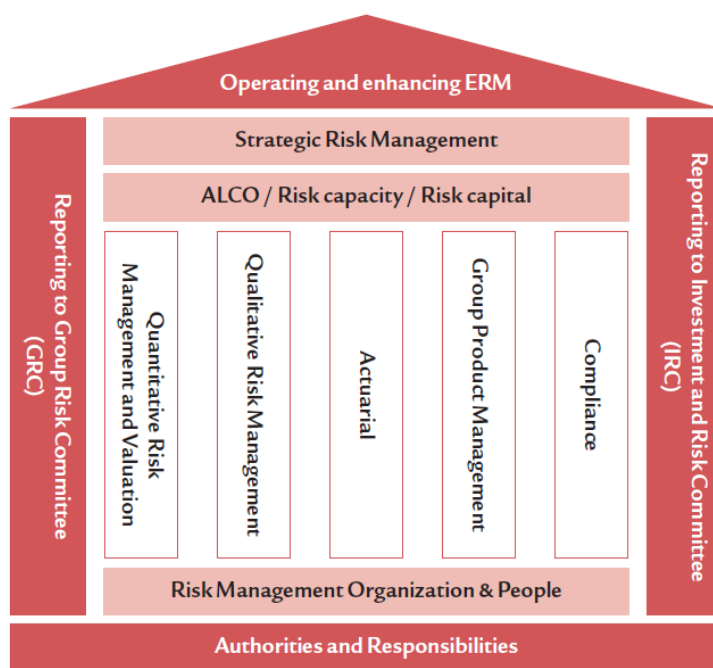
The risk culture framework serves to influence appropriate risk-taking behaviour in four key aspects:

- 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 customers and shareholders.

Risk Tolerance level

Risk tolerance forms an important part of the Risk Framework. The risk tolerance level, set at 130% of the SCR 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 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 annually. 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 adopted the Internal Control System framework from Swiss Life that consists of all the procedures, methods and measures instituted by the Board of Directors (BoD) and Executive Board (ExB) in order to ensure

- compliance with applicable laws and regulations, internal standards,
- the effectiveness of operations (i.e. business processes),
- the mitigation of potential losses in processes,
- the availability, confidentiality and integrity of financial and non-financial information, and
- the protection of assets.

elipsLife maintains an ICS framework that supports the departments (i.e. first line of defence) to ensure the aspects mentioned above.

The internal control system framework organizes and categorizes internal controls, which include activities established to mitigate risks to an adequate level. The key elements of the internal control system are control activities on entity-level, process-level, the IT control framework, minimum control requirements for end-user computing tools and eBanking-Solutions.

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 Group Directive on Compliance which has been endorsed by Elips Life AG and 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 elipsLife Directive on Compliance adopted by the BoD. The Directive on Compliance 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 Code of Conduct apply to 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 a Guideline Outsourcing which has been approved by the BoD. The Guideline 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

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. The main risks for elipsLife are the life underwriting risk and health underwriting risk from writing of insurance business. The risk profile of elipsLife has been changing over the last two years due to continued planned decrease in the amount of life and health underwriting risks transferred to Swiss Re via reinsurance treaties. This is in line with the reinsurance contracts elipsLife entered into with Swiss Re as part of the transfer of elipsLife to Swiss Life International in 2022. As a result a higher portion of the life and health underwriting risks are now retained by elipsLife and life and health underwriting risks are the main risks for elipsLife

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 2024. 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.

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. The exposure to Health underwriting risk comes from the Accident and Health insurance business written in Switzerland. elipsLife mitigates some of the underwriting risk via reinsurance agreements.

C.2. Market Risk

Market risk is a risk of negative financial impact due to change in values of the investments. Majority of elipsLife assets are invested in in bonds, including government bonds and corporate bonds, with the remainder invested in liquid instruments including time deposit and cash and in bonds. elipsLife currently does not hold any investments in equity or property.

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 concentration due to reinsurance with Swiss Re, where downgrade or default of Swiss Re could have negative financial impact on elipsLife.

The second highest 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. The exposure is monitored through the year. elipsLife is continuously working on improving communication with customers and brokers to encourage timely premium payment.

Swiss Life Asset Management (SLAM) are responsible for day to day management of assets in line with the Strategic Asset Allocation. They are also responsible for credit risk management. The exposure to credit risk within elipsLife investments is managed following the guidelines set in the Group Guidelines on Asset Liability Management and on Credit Risk.

For SLI the credit risk process is closely linked to the Swiss Solvency Test (SST) calculations. The models required for these calculations are being developed for elipsLife. Once the calculations are finalised elipsLife will be integrated into the full SLI credit risk process including more detailed credit limit setting and reporting of credit exposures against limits.

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 in 2024 indicates that elipsLife retains sufficient liquidity, in the form of unencumbered liquid assets and cash, to meet potential funding requirements.

C.5. Operational Risk

Operational risk is defined as the risk of a loss or other adverse consequences resulting from failed or inadequate internal processes, people, systems or from external events. This includes legal and compliance risks but excludes strategic and business risks.

The Operational Risk Framework

The Operational Risk Framework is based on industry standards and takes into account regulatory requirements. The framework covers all business processes and information systems.

The Operational Risk Standard Catalogue (ORSC) defines the universe of inherent operational risks for Swiss Life which arise as a consequence of business activities. This standard ensures a consistent risk taxonomy and allows aggregation of operational risks across Swiss Life. The ORSC is reviewed and updated on an annual basis. Changes to the ORSC require an approval of the functional Qualitative Risk Management Board.

Operational Risk Management process

In general, the business (First line) is responsible for the identification and management of operational risks and Operational Risk Events. Qualitative Risk Management supports the business in the identification and description of risks, definition of mitigating measures, identification and description of risk events.

Operational Risk Event Collection

Operational risk event identification, collection and analysis forms an integral part of the operational risk management framework. Operational risk events provide an important source for root cause analysis and

lessons learned. This is important for the identification of new risks, evaluation of existing risks and further mitigation measures

Operational Standard Risk Assessment

Operational Standard Risks are assessed based on the Operational Risk Standard Catalogue (ORSC) by the risk owner. Qualitative Risk Management supports the risk owner by providing information from Internal Control System (ICS) control assessments, historical data such as operational risk events, audit reports and expert judgement. In the assessment the potential impact on operational expenses and reputation is considered. Operational Standard Risks have to be assessed at least annually or in case of material changes or events ("ad-hoc analysis").

The operational risk tolerance limit (the acceptable level of operational risks to which the company is willing to tolerate a negative impact on business results and stakeholder value) is set by Swiss Life International based on the guidelines from Swiss Life.

Operational Risk Mitigation

Risks exceeding the tolerance limit need to be addressed with further measures that are recorded and tracked as part of the annual Qualitative Risk Management (QRM) process

Escalation

The responsible QRM function can escalate to the responsible CRO in case of a disagreement between the responsible QRM function and the risk owner regarding the assessment of an operational risk. If the disagreement remains, the Group Head of Qualitative Risk Management can be consulted for further escalation.

Monitoring and reporting

Both, the risk owner and responsible QRM function monitor operational risks. A reporting on a regular basis to the Divisional and Group Risk Committee is established. Group QRM is responsible to summarize and provide operational risk information as required by the Group Risk Committee.

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 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.

Cross border risk

The causes of legal and reputational risks in cross-border financial services are varied. Frequently, they arise from foreign supervisory law. Failures to meet requirements in this area may result in administrative sanctions being imposed by foreign authorities and may incur consequences under criminal law. Tax legislation is a further source of risk. However, with its branch model elipsLife is very well anchored locally. The business is run with local employees and in compliance with local regulations and the focus is on the local market only with some minor exemptions for the Dutch branch. elipsLife focus is on employee benefits business which is embedded in the local employment, social insurance and tax law. So even though elipsLife is active in foreign markets it is from the perspective of the branch domestic business, with little of the usual risks associated that cross border business is often exposed to.

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 Quota Share 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 2024 were as follows:

D.1.3. Investments (other than assets held for index-linked and unit-linked funds);

- Reinsurance recoverables;
- Other assets.

Investments: elipsLife investment portfolio at year end 2024 consists of government and corporate bonds, cash and money market funds. The bonds are valued in the statutory accounts at amortized costs (at year end 2024 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.

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.1.4. 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.1.5. Changes made to recognition and valuation basis of material assets during the year

No changes.

D.1.6. 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.1.7. Property (held for own use)

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

D.1.8. Inventories

elipsLife doesn't hold any inventories.

D.1.9. Intangible assets

There are no intangible assets at elipsLife under Solvency II.

D.1.10. 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.1.11. Holdings in related undertakings

elipsLife does not have any holdings in related undertakings.

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', and in the category 'Health similar to life' (Health SLT) which relates to Accident and Health portfolio

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

(values in CHF million)	Other Life		Health SLT		Health NSLT		Total	
	2023	2024	2023	2024	2023	2024*	2023	2024
Best-estimate	1'653	2'040	213	249	4.3	0	1'870	2'290
Risk Margin	40	33	5	4	0.1	0	45	37
Technical provision	1'693	2'073	218	218	4.4	0	1'915	2'327

*This business has been reclassified

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).

- The basic risk free interest rate term structure used for the discounting of cash flows in the calculation of technical provisions is delivered by EIOPA.
- 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 2023 reinsurance recoverables amount to CHF 1'803 million (2023: 1'770 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 33.1 million (2023: CHF 39.9 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	
	2023	2024	2023	2024	2023	2024
Provisions other than technical provisions	8	9	8	9	0	0
Pension benefit obligations	4	5	0	0	4	5
Deposits from reinsurers	3	0	3	0	0	0
Deferred tax liabilities	1	7	0	0	1	7
Subordinated liabilities	37	37	30	30	7	7
Total of all other liabilities not listed above	95	126	95	126	0	0
Total other liabilities	147	184	135	165	12	19

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 9.2 million (previous business year CHF 7.8 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 5.2 million (previous year CHF 4.2 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 2023 granted by Swiss Life Holding AG. It was approved by FMA as subordinated liability and qualifies as own fund item. The loan amount is CHF 30 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 36.8 million.

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

Insurance and 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

Based on the data and assumptions as at 31 December 2024, the elipsLife own funds consist entirely of Tier 1 and Tier 2 guarantee, and amount to CHF 230.2 million (previous year CHF 190.8 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)	2023	2024
Market risk	25.1	38.7
Counterparty Default Risk	33.7	42.9
Life & Health underwriting risk	53.7	77.2
Health risk	53.0	55.4
Non-life underwriting risk	0.0	0.0
Diversification	-54.0	-70.2
BSCR	111.5	144.0
Operational Risk	32.5	34.2
Loss absorbing capacity of deferred taxes	-20.6	-28.1
Loss absorbing capacity of technical provisions	0.0	0.0
Solvency Capital Requirement	123.5	150.1
Eligible Own Funds	190.8	230.2
Ratio of Eligible Own Funds to SCR	154.5%	153.4%

elipsLife applies the Volatility Adjustment which is considered in above solvency ratio. Assuming a Volatility Adjustment of zero the solvency ratio would be 140% (last year 141%).

The MCR is calculated based on standard formula and amounts to CHF 67.6 million (2023: CHF 30.9 million). With eligible own funds of CHF 160.9 million (previous year CHF 190.8 million) the MCR ratio is 238.1% (2023: 438%).

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	
		2023	2024	2023	2024
Assets	Intangible assets	13	18	-	-
	Pension benefit surplus	-	-	-	-
	Property, plant & equipment held for own use	1	1	1	1
	Holdings in related undertakings	-	-	-	-
	Equities	-	-	-	-
	Bonds	153	515	160	532
	Collective Investments Undertakings	3	88	3	89
	Loans	-	-	-	-
	Reinsurance recoverables <i>thereof EPIFP</i>	1'835	1'771	1'770	1'803
	Insurance and intermediaries receivables	158	195	158	195
	Reinsurance receivables	11	0	11	0
	Receivables (trade, not insurance)	6	8	6	8
	Cash and cash equivalents	52	44	52	44
	Any other assets, not elsewhere shown	5	11	3	5
	Total Assets	2'236	2'650	2'163	2'677

(values in CHF million)		Statutory		Solvency II	
		2023	2024	2023	2024
Liabilities	Technical provisions	1'994	2'332	1'915	2'327
	<i>thereof: Best Estimate</i>	1'994	2'332	1'870	2,290
	<i>thereof: Risk margin</i>	-	-	45	33
	Deferred tax liabilities	-	-	1	7
	Insurance & intermediaries payables	63	93	63	93
	Reinsurance payables	14	33	14	37
	Payables (trade, not insurance)	-	-	-	-
	Subordinated liabilities	30	30	37	37
	Pension benefit obligations	-	-	4	5
	Provisions other than technical provisions	8	9	8	9
	Any other liabilities, not elsewhere shown	18	18	18	18
	Assets over liabilities	110	135	103	147
	Total Liabilities	2'126	2'515	2'059	2'530

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 2023 Elips Life AG

All monetary amounts are in thousands of Swiss Francs.

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Balance sheet

	Solvency II value	
thousands CHF	C0010	
Assets as of 31 December 2024		
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	561
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	620 365
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities - listed	R0110	0
Equities - unlisted	R0120	0
Bonds	R0130	531 522
Government Bonds	R0140	227 563
Corporate Bonds	R0150	303 959
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	88 843
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	1 803 857
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1 803 857
Health similar to life	R0320	114 115
Life excluding health and index-linked and unit-linked	R0330	1 689 742
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	194 627
Reinsurance receivables	R0370	0
Receivables (trade, not insurance)	R0380	8 115
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	44 464
Any other assets, not elsewhere shown	R0420	4 642
Total assets	R0500	2 676 631

DP_S020102_B

Balance sheet (continued)

	Solvency II value	
thousands CHF	C0010	
Liabilities as of 31 December 2024		
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions - life (excluding index-linked and unit-linked)	R0600	2 327 295
Technical provisions - health (similar to life)	R0610	253 428
TP calculated as a whole	R0620	0
Best Estimate	R0630	249 386
Risk margin	R0640	4 042
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	2 073 868
TP calculated as a whole	R0660	0
Best Estimate	R0670	2 040 791
Risk margin	R0680	33 077
Technical provisions – index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	9 119
Pension benefit obligations	R0760	5 213
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	7 265
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	92 811
Reinsurance payables	R0830	33 371
Payables (trade, not insurance)	R0840	0
Subordinated liabilities	R0850	36 804
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	36 804
Any other liabilities, not elsewhere shown	R0880	18 173
Total liabilities	R0900	2 530 051
Excess of assets over liabilities	R1000	146 580

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thousands CHF	Home Country		Top 5 countries (by amount of gross premiums written): Life insurance and reinsurance obligations					Total Top 5 and home country	
	R1400	C0030	NL	CH	IT	BE	C0040		
			C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written									
Gross Written Premium	R1020	8 454	419 032	372 914	92 556	4 151			897 107
Gross Earned Premium	R1030	8 454	419 739	372 914	49 631	4 158			854 897
Claims incurred	R1040	7 169	412 385	436 006	46 296	1 671			903 527
Gross Expenses Incurred	R1050	1 758	15 459	27 839	4 568	153			49 776

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	Line of Business for: life insurance obligations						Life reinsurance obligations			
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance	Life reinsurance	Total	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300	
thousands CHF										
Premiums written										
Gross	R1410	321 026	0	0	576 050	0	0	0	897 076	
Reinsurers' share	R1420	126 819	0	0	433 946	0	0	0	560 765	
Net	R1500	194 207	0	0	142 104	0	0	0	336 311	
Premiums earned										
Gross	R1510	321 026	0	0	533 912	0	0	0	854 938	
Reinsurers' share	R1520	125 953	0	0	412 357	0	0	0	538 310	
Net	R1600	195 073	0	0	121 555	0	0	0	316 628	
Claims incurred										
Gross	R1610	388 449	0	0	516 211	0	0	0	904 660	
Reinsurers' share	R1620	282 555	0	0	406 411	0	0	0	688 967	
Net	R1700	105 894	0	0	109 800	0	0	0	215 694	
Expenses incurred	R1900	7 861	0	0	41 940	0	0	0	49 801	
Other expenses	R2500									
Total expenses	R2600									

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		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 obligations	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	C0090			
thousands CHF	C0020	C0030	C0040	C0050	C0060	C0070	C0080				
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030					2 040 791				2 040 791	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080					1 689 742				1 689 742	
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090					351 049				351 049	
Risk Margin	R0100				33 077					33 077	
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200					2 073 868				2 073 868	

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	Health insurance (direct business)					
	Health insurance (direct business)	Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0160	C0170	C0180	C0190	C0200	C0210
thousands CHF						
Technical provisions calculated as a whole	R0010					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020					
Technical provisions calculated as a sum of BE and RM						
Best Estimate						
Gross Best Estimate	R0030		249 386			249 386
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		114 115			114 115
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		135 271			135 271
Risk Margin	R0100	4 042				4 042
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0110					
Best estimate	R0120					
Risk margin	R0130					
Technical provisions - total	R0200	253 428				253 428

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as of 31 December 2024		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
thousands CHF		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	2 327 295	0	0	35 597	0
Basic own funds	R0020	160 884	0	0	- 9 087	0
Eligible own funds to meet Solvency Capital Requirement	R0050	230 170	0	0	- 6 439	0
Solvency Capital Requirement	R0090	150 141	0	0	9 840	0
Eligible own funds to meet Minimum Capital Requirement	R0100	160 884	0	0	- 9 087	0
Minimum Capital Requirement	R0110	67 563	0	0	4 428	0

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as of 31 December 2024

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
thousands CHF						
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	12 400	12 400			
Share premium account related to ordinary share capital	R0030	103 300	103 300			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	10 100	10 100			
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0	0			
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	- 1 720	- 1 720			
Subordinated liabilities	R0140	36 804		31 020	5 784	
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			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	0	124 080	31 020	5 784	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
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				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	82 000				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	82 000				
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	242 884	124 080	31 020	87 784	
Total available own funds to meet the MCR	R0510	160 884	124 080	31 020	5 784	
Total eligible own funds to meet the SCR	R0540	230 170	124 080	31 020	75 070	
Total eligible own funds to meet the MCR	R0550	160 884	124 080	31 020	5 784	
SCR	R0580	150 141				
MCR	R0600	67 563				
Ratio of Eligible own funds to SCR	R0620	153%				
Ratio of Eligible own funds to MCR	R0640	238%				

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as of 31 December 2024		Total
thousands CHF		C0010
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	146 580
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	22 500
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
Reconciliation reserve	R0760	- 1 720
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	64 000
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	29 719
Total Expected profits included in future premiums (EPIFP)	R0790	93 719

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as of 31 December 2024

thousands CHF		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	38 702		
Counterparty default risk	R0020	42 865		
Life underwriting risk	R0030	77 178		
Health underwriting risk	R0040	55 443		
Non-life underwriting risk	R0050	0		
Diversification	R0060	- 70 163		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	144 026		
Calculation of Solvency Capital Requirement		C0100		
Operational risk	R0130	34 198		
Loss-absorbing capacity of technical provisions	R0140	0		
Loss-absorbing capacity of deferred taxes	R0150	- 28 083		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0		
Solvency capital requirement excluding capital add-on	R0200	150 141		
Capital add-on already set	R0210	0		
Solvency capital requirement	R0220	150 141		
Other information on SCR				
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 2023

thousands CHF

C0070

Linear MCR	R0300	101 802
SCR	R0310	150 141
MCR cap	R0320	67 563
MCR floor	R0330	37 535
Combined MCR	R0340	67 563
Absolute floor of the MCR	R0350	6 294
Minimum Capital Requirement	R0400	67 563