

Swiss Re Finance (Luxembourg) S.A.
Société Anonyme
2020 Annual Report

Audited Annual Accounts
as at 31 December 2020

Contents

Directors' report	2
Audit report	4
Balance sheet	7
Profit and loss account	12
Notes to the annual accounts	14
Cautionary note on forward-looking statements	18

Directors' report

The Directors present their annual report together with the audited annual accounts for the year ended 31 December 2020.

Activities of the Company

The main activity of the Company is to effect borrowings from third parties or affiliated undertakings, to issue debentures, to grant loan advances, and assist affiliated undertakings.

Evolution of the business

The total balance sheet as at 31 December 2020 amounts to EUR 2.441.185.993,00 (2019: EUR 2.592.162.866,00). Decrease is mainly attributable to foreign currency remeasurement of debenture loans and loans to affiliated undertakings denominated in USD. No new debenture loans were issued in 2020.

The financial year ends with a profit of EUR 2.001.633,00 (profit 2019: EUR 1.620.938,00). The result is driven by the interest income from provided loans offset by the interest expense on issued debt.

The uncertainties related to coronavirus pandemic, mostly related to recoverability of loans granted to the affiliated undertakings, have not materialized in 2020. The Directors assessed the Company was not significantly impacted by the pandemic situation at year-end.

Subsequent to 31 December 2020, no material matters or events, that may have an impact on the financial position or results of operations of the Company, have occurred.

Corporate governance declaration

The Company is part of Swiss Re Group and in scope of the Group Corporate Governance, subject to its Code of Conduct and its risk management system. The Company's internal control system is based on a general four eye principle, written procedures for its recurring activities, and management reviews for financial reporting.

It should also be noted that:

- The Company does not hold directly or indirectly listed participations.
- The subscribed capital of the Company is divided into shares that are all vested with the same rights and obligations. All the shares are in registered form and are held by Swiss Re Europe Holdings S.A., a société anonyme, having its registered office at 2, rue Edward Steichen, L-2540 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-72 575.
- The Directors are elected by the general meeting of shareholders at a simple majority of the votes validly cast, which determines their number and term of office. Any single term of office of a Director may not exceed six years. Directors may be re-elected for successive terms. Any Director may be removed at any time with or without cause by the general meeting of shareholders at a simple majority of the votes validly cast.
- The Articles of Association may be amended by a resolution of the extraordinary general meeting of shareholders.
- The issued share capital of the Company may be increased or reduced by a resolution of the extraordinary general meeting of shareholders adopted in the manner required for an amendment of these Articles of Association. The Company may, to the extent and under the terms permitted by the Laws, redeem its own shares. The Directors have not been authorized to issue or buy-back shares of the Company.

Other items

- The Company did not acquire own shares during the year under review.
- The Company did not carry on any activities in the field of research and development during the year under review.
- The Company has no branches.

Proposal to the Annual General Meeting

We recommend to approve the annual accounts as at 31 December 2020 and to allocate the result as follows:

	EUR
Profit or loss brought forward	1.637.170,00
Profit or loss for the financial year	2.001.633,00
Allocation to the legal reserve	-
Allocation to profit or loss brought forward	-3.638.803,00
Dividend distribution	-

Coronavirus

The global spread of the novel coronavirus and the disease it causes ("COVID-19"), and the actions taken to slow the spread of the pandemic, have had an adverse impact on communities, social and business interactions, economic activity and economies across the globe. After significant contractions in 2020, the global economy is expected to experience a protracted and uneven recovery in 2021. As the COVID-19 crisis continues, the ultimate toll of the pandemic in terms of lives lost, societal dislocations, business activity, economic growth, broader costs to society and industry losses remains highly uncertain. The Swiss Re Group will continue to monitor pandemic-related developments and their impact on its operations and its investments.

The Board of Directors

Luxembourg, 11 March 2021

Swiss Re Finance (Luxembourg) S.A.



ivo.hux@swissre.com

Digitally signed by Ivo
Hux
Date: 11.03.2021
12:57:00

Swiss Re Europe S.A.



lizemari_barnes@swissre.com

Digitally signed by Lize-
Mari Barnes
Date: 11.03.2021
16:04:40



Audit report

To the Shareholder of
Swiss Re Finance (Luxembourg) S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Swiss Re Finance (Luxembourg) S.A. (the “Company”) as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2020;
 - the profit and loss account for the year then ended; and
 - the notes to the annual accounts, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

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

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

Other information

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

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

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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

Responsibilities of the Board of Directors for the annual accounts

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

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

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

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



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

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

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 11 March 2021

Electronically signed by:
Sylvia Pucar

A handwritten signature in blue ink, appearing to read 'Sylvia Pucar', is written over a faint electronic signature line.

Sylvia Pucar

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B90713

Matricule : 2002 2236 203

eCDF entry date :

BALANCE SHEET

Financial year from ₀₁ 01/01/2020 **to** ₀₂ 31/12/2020 (in ₀₃ EUR)

Swiss Re Finance (Luxembourg) S.A.

2, rue Edward Steichen
L-2540 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____ <u>2,3,3</u>	109 _____ <u>2.385.399.998,00</u>	110 _____ <u>2.532.000.000,00</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

RCSL Nr.: B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	135	136
	<u>2.3,3</u>	<u>2.385.399.998,00</u>	<u>2.532.000.000,00</u>
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
	<u>2.3,3</u>	<u>2.385.399.998,00</u>	<u>2.532.000.000,00</u>
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	151	152
	<u>2.4</u>	<u>39.939.536,00</u>	<u>2.846.801,00</u>
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163	164
	<u>2.4</u>	<u>37.880.526,00</u>	<u>1.960.406,00</u>
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171	172
	<u>2.4</u>	<u>37.880.526,00</u>	<u>1.960.406,00</u>
a) becoming due and payable within one year	1173	173	174
	<u>2.4</u>	<u>37.880.526,00</u>	<u>1.960.406,00</u>
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

RCSL Nr. : B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
III. Investments	1189 <u>2.4</u>	189 <u>2.051.857,00</u>	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>2.4</u>	195 <u>2.051.857,00</u>	196 _____
IV. Cash at bank and in hand	1197 <u>2.4</u>	197 <u>7.153,00</u>	198 <u>886.395,00</u>
E. Prepayments	1199 <u>2.5,4</u>	199 <u>15.846.459,00</u>	200 <u>57.316.065,00</u>
TOTAL (ASSETS)		201 <u>2.441.185.993,00</u>	202 <u>2.592.162.866,00</u>

RCSL Nr.: B90713

Matricule : 2002 2236 203

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>5</u>	301 <u>5.656.923,00</u>	302 <u>3.655.290,00</u>
I. Subscribed capital	1303 <u>5.1</u>	303 <u>181.200,00</u>	304 <u>181.200,00</u>
II. Share premium account	1305 <u>5</u>	305 <u>1.818.800,00</u>	306 <u>1.818.800,00</u>
III. Revaluation reserve	1307	307	308
IV. Reserves	1309 <u>5.2</u>	309 <u>18.120,00</u>	310 <u>18.120,00</u>
1. Legal reserve	1311 <u>5.2</u>	311 <u>18.120,00</u>	312 <u>18.120,00</u>
2. Reserve for own shares	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves, including the fair value reserve	1429	429	430
a) other available reserves	1431	431	432
b) other non available reserves	1433	433	434
V. Profit or loss brought forward	1319 <u>5</u>	319 <u>1.637.170,00</u>	320 <u>16.232,00</u>
VI. Profit or loss for the financial year	1321 <u>5</u>	321 <u>2.001.633,00</u>	322 <u>1.620.938,00</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
B. Provisions	1331	331	332
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335 <u>2.6</u>	335	336
3. Other provisions	1337	337	338
C. Creditors	1435 <u>2.7,6</u>	435 <u>2.419.682.611,00</u>	436 <u>2.532.042.277,00</u>
1. Debenture loans	1437 <u>2.7,6</u>	437 <u>2.385.399.998,00</u>	438 <u>2.532.000.000,00</u>
a) Convertible loans	1439	439	440
i) becoming due and payable within one year	1441	441	442
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445 <u>2.7,6</u>	445 <u>2.385.399.998,00</u>	446 <u>2.532.000.000,00</u>
i) becoming due and payable within one year	1447	447	448
ii) becoming due and payable after more than one year	1449 <u>2.7,6</u>	449 <u>2.385.399.998,00</u>	450 <u>2.532.000.000,00</u>
2. Amounts owed to credit institutions	1355	355	356
a) becoming due and payable within one year	1357	357	358
b) becoming due and payable after more than one year	1359	359	360

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	2.8	380 14.720,00
a) becoming due and payable within one year	1381	2.8	382 14.720,00
b) becoming due and payable after more than one year	1383		384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		386
a) becoming due and payable within one year	1387		388
b) becoming due and payable after more than one year	1389		390
8. Other creditors	1451	2.9 34.282.613,00	452 27.557,00
a) Tax authorities	1393	2.9 47.276,00	394 27.557,00
b) Social security authorities	1395		396
c) Other creditors	1397	2.9 34.235.337,00	398
i) becoming due and payable within one year	1399	2.9 34.235.337,00	400
ii) becoming due and payable after more than one year	1401		402
D. Deferred income	1403	2.10,7 15.846.459,00	404 56.465.299,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 2.441.185.993,00	406 2.592.162.866,00

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

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RCSL Nr. : B90713

Matricule : 2002 2236 203

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ EUR)

Swiss Re Finance (Luxembourg) S.A.

2, rue Edward Steichen
L-2540 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 _____	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____	604 _____
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 <u>-64.687,00</u>	622 <u>-38.686,00</u>

RCSL Nr.: B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

Notes to the annual accounts

as at 31 December 2020

1. General information

Swiss Re Finance (Luxembourg) S.A. ("the Company") was incorporated on 27 December 2002 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period and is subject to the general company law in Luxembourg.

The registered office of the Company is established at 2, rue Edward Steichen, L-2540 Luxembourg. The Company's financial year starts on 1 January and ends on 31 December of each calendar year.

The main activity of the Company is to effect borrowings from third parties or affiliated undertakings, to issue debentures, to grant undertakings, in which the Company has an interest or with which it is affiliated within a group, to grant any assistance, loans, advances or guarantees, on either a short-term basis, with an expected maturity of at maximum one year, or on a long-term basis. The terms affiliated undertaking and affiliate take the meaning of wholly owned indirect subsidiaries of Swiss Re Group.

To manage any associated interest rate, foreign currency and/or credit risks, the Company may enter into derivative transactions with affiliated parties or third parties.

The Company is included in the consolidated financial statements of Swiss Re Ltd ("SRL"), its ultimate parent company. The registered office, where the consolidated financial statements are available, is located at Mythenquai 50/60, 8022 Zurich in Switzerland.

2. Summary of significant accounting policies

The principal accounting policies and valuation rules of the Company are as follows:

2.1 Presentation of the annual accounts

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention except for the use of the fair value for certain derivative financial instruments. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors of the Company.

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

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

The Company maintains its books and records in Euros ("EUR"). All amounts in these annual accounts are presented in EUR, unless otherwise indicated.

2.2 Foreign currency translation

Revenues and expenses are translated into EUR using the exchange rate prevailing at the date of the transaction. Until the end of the financial year 2019, the average exchange rates of the year were used to translate revenues and expenses.

Assets and liabilities denominated in foreign currencies are translated into EUR at year-end exchange rates.

Exchange rate differences arising from the adjustments from the application of year-end rates and foreign exchange transactions are presented under the caption "Deferred income". Recognition through the profit and loss account only occurs for the revaluation of the "Cash at bank and in hand" line item and for other balance sheet items in cases when the related existing provision is not sufficient to compensate for negative exchange rate differences. As at 31 December 2020, this amount was nil (2019: EUR 98.440,00).

2.3 Financial assets

Shares in affiliated undertakings, participating interests, loans to affiliated undertakings, securities held as fixed assets, or other loans, intended to be held for more than a year, are valued at their original purchase price, respectively nominal value for loans, including the expenses incidental thereto. In case of a durable depreciation in value according to the opinion of the Board of Directors of the Company, based upon objective evidence, value adjustments are deducted directly from the affected individual assets, so that these are valued at the lower figure to be attributed to them at the balance sheet date. The value adjustments are generally not maintained if the reasons for which the value adjustments were made have ceased to apply.

2.4 Current assets

The Company classifies any assets as current assets if these assets are expected to be settled within one year, or alternatively, can be settled at anytime. Debtors and cash at bank are valued at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Amounts owed by affiliated undertakings consists of accrued interest in amount of EUR 35.108.525,00, cash pooling receivable in amount of EUR 2.747.201,00 and intercompany receivables in amount of EUR 24.800,00. Positions totaling EUR 37.880.526,00 have a maturity of less than one year. In the financial year 2019, interest income on any loans granted relating to the financial year but not receivable until a subsequent financial year was included under Prepayments (note 2.5).

Debt securities held as current assets are valued at amortised cost. Premium and discounts are amortized over the period remaining to maturity.

2.5 Prepayments

This asset item includes deferred debt issuance costs and any expenditure incurred during the financial year but relating to a subsequent financial year.

In the financial year 2019, this asset item also included interest income on any loans granted relating to the financial year but not receivable until a subsequent financial year in amount of EUR 37.068.587,00. In the financial year 2020, such interest income is included in asset item Current assets (note 2.4).

2.6 Provision for taxation

This liability item encompasses the estimated income and net wealth taxes liabilities for financial years for which a definitive taxation notice has not been received from the fiscal authorities or which has been received but not yet paid.

2.7 Debenture loans

This liability item encompasses any debt issued by the Company to any non-affiliated parties in connection with the Company's participation in certain Swiss Re Group debt issuance programs, guaranteed by Swiss Reinsurance Company Limited ("SRZ"), and traded in various market places as set out in the relevant offering circulars. Such debt is reported by the Company at market value, if any derivatives, economically linked to such debt positions, are entered into by the Company. Otherwise such debt is reported at the redemption value at maturity.

Any expenses in connection with debt issuances are capitalised as "Prepayments" and amortised linearly over the duration of the underlying debt instrument. Amortization is presented under the caption "Interest payable and similar expenses".

2.8 Amounts owed to affiliated undertakings

This liability item encompasses any borrowings effected by the Company from affiliated undertakings, whether on a short-term or on a long-term basis, and are reported at their nominal value.

2.9 Other creditors

Creditors are valued at their settlement value. Other creditors mainly include accrued interest in amount of EUR 34.211.011,00. In the financial year 2019, interest charges on any debt issued or borrowings effected relating to the financial year but not payable until a subsequent financial year were included under Deferred income (note 2.10).

2.10 Deferred income

This liability item includes any income received during the financial year but relating to a subsequent financial year and exchange rate differences, as presented in the note 2.2.

In the financial year 2019, this liability item also included interest charges on any debt issued or borrowings effected relating to the financial year but not payable until a subsequent financial year in amount of EUR 36.094.540,00. In the financial year 2020, such interest charges are included in liability item Other creditors (note 2.9).

3. Financial assets

The following loans have been granted to SRZ:

Instruments	Maturity	Interest rate	Original currency	Principal 2019 in original currency	Book value 2019 in EUR	Movement in original currency	Principal 2020 in original currency	Book value 2020 in EUR
	30 April							
Loan	2050	2.584%	EUR	750,000,000,00	750,000,000,00	–	750,000,000,00	750,000,000,00
Loan	2 April 2049	5.050%	USD	1,000,000,000,00	891,000,000,00	–	1,000,000,000,00	817,699,999,00
Loan	No scheduled final maturity date	4.300%	USD	1,000,000,000,00	891,000,000,00	–	1,000,000,000,00	817,699,999,00
Total					2,532,000,000,00			2,385,399,998,00

No indicators have been identified for any value adjustment at year-end.

4. Prepayments

Prepayments include deferred debt issuance costs in the amount of EUR 15.846.459,00 (note 2.5).

5. Capital and reserves

The movements in capital and reserves for the financial year 2020 are as follows:

All amounts in EUR	Balance as at 31 December 2019	Allocation of the 2019 result	Dividends	Profit for the year	Balance as at 31 December 2020
Subscribed capital	181,200,00	–	–	–	181,200,00
Share premium account	1,818,800,00	–	–	–	1,818,800,00
Reserves - Legal reserve	18,120,00	–	–	–	18,120,00
Profit or loss brought forward	16,232,00	1,620,938,00	–	–	1,637,170,00
Profit or loss for the financial year	1,620,938,00	-1,620,938,00	–	2,001,633,00	2,001,633,00
Total	3,655,290,00	–	–	2,001,633,00	5,656,923,00

5.1 Subscribed capital

The subscribed capital amounts to EUR 181.200,00 and is divided into 1 812 shares fully paid up with a nominal value of EUR 100,00 each, all vested with the same rights and obligations. There are no shares carrying specific rights.

5.2 Legal reserve

In accordance with Luxembourg company law, the Company is required to allocate a minimum of 5% of its net profit for each financial year to the legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders. No allocation was required during the financial year ended 31 December 2020.

6. Debenture loans

The following debts have been issued by the Company to third parties:

Instruments	Maturity	Coupon	Original currency	Principal 2019 in original currency	Book value 2019 in EUR	Movement in original currency	Principal 2020 in original currency	Book value 2020 in EUR
Fixed Rate Note	30 April							
Fixed Rate Note	2050	2.534%	EUR	750,000,000,00	750,000,000,00	–	750,000,000,00	750,000,000,00
Fixed Rate Note	2 April 2049	5.000%	USD	176,000,000,00	156,816,000,00	–	176,000,000,00	143,915,200,00
Fixed Rate Note	2 April 2049	5.000%	USD	824,000,000,00	734,184,000,00	–	824,000,000,00	673,784,799,00
Fixed Rate Note	No scheduled final maturity date	4.250%	USD	1,000,000,000,00	891,000,000,00	–	1,000,000,000,00	817,699,999,00
Total					2,532,000,000,00			2,385,399,998,00

Debts are guaranteed by SRZ.

7. Deferred income

This liability item includes deferred income related to provided loans amounting to EUR 15.846.459,00.

8. Income from other investments and loans forming part of the fixed assets

Income from financial assets derived from affiliated undertakings amounted to EUR 105.342.638,00 in 2020, compared to EUR 63.619.303,00 in 2019. The increase is mainly caused by higher interest income from loans for full year in 2020 compared to 2019 when the loans were granted during the period.

9. Interest payable and similar expenses

Interest payable and similar expenses amounted to EUR 103.269.799,00 in 2020, compared to EUR 61.984.916,00 in 2019. The increase is mainly caused by higher interest expense from the issued debenture loans.

10. Off-balance sheet commitments

As at 31 December 2020, the Company had no off-balance sheet commitments.

11. Other

11.1 Tax status

The Company is subject to the general tax regulations applicable to all companies in Luxembourg. As from 1 January 2003, the Company has entered into the tax consolidation with its sole shareholder, Swiss Re Europe Holdings S.A.

11.2 Personnel employed

No personnel was employed by the Company during the year ended 31 December 2020 and 31 December 2019.

11.3 Emoluments granted to the members of the management and supervisory bodies

There are no emoluments granted to the members of the Board of Directors of the Company.

Cautionary note on forward-looking statements

In line with the Swiss Re Group, certain statements and illustrations, where applicable, contained herein, are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as “anticipate”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend”, “may increase”, “may fluctuate” and similar expressions, or by future or conditional verbs such as “will”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re Group’s actual results of operations, financial condition, solvency ratios, capital or liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity position or prospects expressed or implied by such statements or cause Swiss Re Group to not achieve its published targets. Such factors include, among others:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- Swiss Re Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of Swiss Re Group’s financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re Group’s investment assets;
- changes in Swiss Re Group’s investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re Group’s balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that Swiss Re Group’s hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re Group companies, and developments adversely affecting Swiss Re Group’s ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;

- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re Group or its ceding companies and the interpretation of legislation or regulations;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. Swiss Re Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re Group undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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