



2021 Annual Report

Swiss Re Finance (Luxembourg) S.A.
Société Anonyme

Swiss Re Finance (Luxembourg) S.A.
2, rue Edward Steichen
L-2540 Luxembourg

R.C.S. Luxembourg B90 713

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Directors' Report

The Directors present their annual report together with the audited annual accounts for the year ended 31 December 2021.

Activities of the Company

The main activity of Swiss Re Finance (Luxembourg) S.A. (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 assets as at 31 December 2021 amount to EUR 2.569.457.240,00 (2020: EUR 2.441.185.993,00). Increase 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 2021.

The financial year ends with a profit of EUR 2.411.042,00 (profit 2020: EUR 2.001.633,00). 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 2021. The Directors assessed the Company was not significantly impacted by the pandemic situation at year-end.

Refer to note 16 for details of material matters or events, which have occurred subsequent to 31 December 2021.

Development and performance

The Company is a treasury services company whose main activity is to raise external finance for the purposes of on-lending the proceeds to other members of the Swiss Re Group. Loans granted to affiliated undertakings have the same principal, final maturity and currency as the issued bonds and bear fixed interest with a margin over the coupon of the issued bonds. The core business area and principal activities are appropriate to the ultimate parent undertaking and controlling party's risk appetite and strategy. This is not envisaged to change in the near future. During the course of 2021, the Company did not issue any new bonds.

Principal risks and uncertainties

Refer to Note 15 for details of the Company's policies relating to financial risk management.

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 2021 and to allocate the result as follows:

	EUR
Profit brought forward	3.638.803,00
Profit for the financial year	2.411.042,00
Allocation to the legal reserve	–
Allocation to profit or loss brought forward	–6.049.845,00
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. Following the significant contractions of 2020, economic growth momentum is expected to carry over into 2022. However, the expectation of post-crisis global growth and the recovery remains fragile and uneven across economies, which are less resilient to face any subsequent shocks and/or challenges. 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, 18 March 2022

Swiss Re Finance (Luxembourg) S.A.

ivo_hux@swissre.com

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Hux
Date: 18.03.2022
19:02:09



Digitally signed by
Christian Kahl
Date: 18.03.2022
19:11:20

christian_kahl@swissre.com



KPMG Luxembourg, Société anonyme
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholder of
Swiss Re Finance (Luxembourg) S.A.
2, rue Edward Steichen
L-2540 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Swiss Re Finance (Luxembourg) S.A. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

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

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 "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter relating to comparative information

The annual accounts of the Company for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those annual accounts on 11 March 2021.

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 report of the "réviseur d'entreprises agréé" thereon.



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

In connection with our audit of the annual accounts, our responsibility is to read the other information 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 this 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 a report of the "réviseur d'entreprises agréé" 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 skepticism 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

Luxembourg, 21 March 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Emmanuel Dollé
Partner

Annual Accounts Helpdesk :

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

RCSL Nr. : B90713

Matricule : 2002 2236 203

BALANCE SHEET

Financial year from ⁰¹ 01/01 /2021 to ⁰² 31/12/2021 (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	109	110
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

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

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	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 <u>2.3, 3, 15.2</u>	135 <u>2.510.199.994,00</u>	136 <u>2.385.399.998,00</u>
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 <u>2.3, 3, 15.2</u>	139 <u>2.510.199.994,00</u>	140 <u>2.385.399.998,00</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 <u>2.4, 4, 5, 15.2</u>	151 <u>44.325.381,00</u>	152 <u>39.939.536,00</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 <u>2.4, 4, 15.2</u>	163 <u>44.276.656,00</u>	164 <u>37.880.526,00</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 <u>2.4, 4, 15.2</u>	171 <u>44.276.656,00</u>	172 <u>37.880.526,00</u>
a) becoming due and payable within one year	1173 <u>2.4, 4, 15.2</u>	173 <u>44.276.656,00</u>	174 <u>37.880.526,00</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

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	Reference(s)	Current year	Previous year
III. Investments	1189 <u>2.4, 5</u>	189 _____	190 <u>2.051.857,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>2.4, 5</u>	195 _____	196 <u>2.051.857,00</u>
IV. Cash at bank and in hand	1197 <u>2.4, 15.2</u>	197 <u>48.725,00</u>	198 <u>7.153,00</u>
E. Prepayments	1199 <u>2.5, 6</u>	199 <u>14.931.865,00</u>	200 <u>15.846.459,00</u>
TOTAL (ASSETS)		201 <u>2.569.457.240,00</u>	202 <u>2.441.185.993,00</u>

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>7, 7.1, 7.2</u>	301 <u>8.067.965,00</u>	302 <u>5.656.923,00</u>
II. Share premium account	1303 <u>7, 7.1</u>	303 <u>181.200,00</u>	304 <u>181.200,00</u>
III. Revaluation reserve	1305 <u>7</u>	305 <u>1.818.800,00</u>	306 <u>1.818.800,00</u>
IV. Reserves	1307	307	308
1. Legal reserve	1309 <u>7, 7.2</u>	309 <u>18.120,00</u>	310 <u>18.120,00</u>
2. Reserve for own shares	1311 <u>7, 7.2</u>	311 <u>18.120,00</u>	312 <u>18.120,00</u>
3. Reserves provided for by the articles of association	1313	313	314
4. Other reserves, including the fair value reserve	1315	315	316
a) other available reserves	1429	429	430
b) other non available reserves	1431	431	432
V. Profit or loss brought forward	1433	433	434
VI. Profit or loss for the financial year	1319 <u>7</u>	319 <u>3.638.803,00</u>	320 <u>1.637.170,00</u>
VII. Interim dividends	1321 <u>7</u>	321 <u>2.411.042,00</u>	322 <u>2.001.633,00</u>
VIII. Capital investment subsidies	1323	323	324
	1325	325	326
B. Provisions	1331	331	332
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337	337	338
C. Creditors	1435 <u>2.6, 2.8, 8, 9</u>	435 <u>2.546.121.752,00</u>	436 <u>2.419.682.611,00</u>
1. Debenture loans	1437 <u>2.6, 8</u>	437 <u>2.510.199.994,00</u>	438 <u>2.385.399.998,00</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>2.6, 8</u>	445 <u>2.510.199.994,00</u>	446 <u>2.385.399.998,00</u>
i) becoming due and payable within one year	1447	447	448
ii) becoming due and payable after more than one year	1449 <u>2.6, 8</u>	449 <u>2.510.199.994,00</u>	450 <u>2.385.399.998,00</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

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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	379	380
a) becoming due and payable within one year	1381	381	382
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	2,8, 9 35.921.758,00	452 34.282.613,00
a) Tax authorities	1393	2,8, 9 48.436,00	394 47.276,00
b) Social security authorities	1395		396
c) Other creditors	1397	2,8, 9 35.873.322,00	398 34.235.337,00
i) becoming due and payable within one year	1399	2,8, 9 35.873.322,00	400 34.235.337,00
ii) becoming due and payable after more than one year	1401		402
D. Deferred income	1403	2,2, 2,9, 10 15.267.523,00	404 15.846.459,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 2.569.457.240,00	406 2.441.185.993,00

Annual Accounts Helpdesk :

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

RCSL Nr. : B90713

Matricule : 2002 2236 203

PROFIT AND LOSS ACCOUNT

Financial year from ₀₁ 01/01 /2021 **to** ₀₂ 31/12/2021 (in ₀₃ EUR)

Swiss Re Finance (Luxembourg) S.A.

2, rue Edward Steichen
L-2450 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>-6.871,00</u>	622 <u>-64.687,00</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
	2.10, 11	101.438.942,00	105.343.279,00
a) derived from affiliated undertakings	1723	723	724
	2.10, 11	101.437.770,00	105.342.638,00
b) other income not included under a)	1725	725	726
		1.172,00	641,00
11. Other interest receivable and similar income	1727	727	728
		1.429,00	19.499,00
a) derived from affiliated undertakings	1729	729	730
		1.429,00	19.499,00
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
	2.10, 12	-98.994.178,00	-103.269.799,00
a) concerning affiliated undertakings	1629	629	630
	2.10, 12	-14.569,00	-2.784,00
b) other interest and similar expenses	1631	631	632
	2.10, 12	-98.979.609,00	-103.267.015,00
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
		2.439.322,00	2.028.292,00
17. Other taxes not shown under items 1 to 16	1637	637	638
		-28.280,00	-26.659,00
18. Profit or loss for the financial year	1669	669	670
		2.411.042,00	2.001.633,00

Notes to the annual accounts

as at 31 December 2021

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, 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.

The Company has debts listed on the Euro MTF Market of the Luxembourg Stock Exchange.

The Company’s accounts are included in the consolidated financial statements of Swiss Re Group, representing the largest entity of which the Company is an indirect subsidiary. The registered office of the ultimate parent company, Swiss Re Ltd, is Mythenquai 50/60, 8022 Zurich, Switzerland, where the consolidated financial statements are available.

In addition, the Company’s accounts are included in the consolidated financial statements of Swiss Reinsurance Company Group, representing the smallest entity of which the Company is an indirect subsidiary. The registered office of Swiss Reinsurance Company Ltd is Mythenquai 50/60, 8022 Zurich, Switzerland, where the consolidated financial statements are available.

The Company’s direct parent company is Swiss Re Europe Holding S.A., a société anonyme domiciled in Luxembourg.

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 on a going concern basis and 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. Assets and liabilities are initially recognized at the exchange rate prevailing at the date of the transaction and subsequently translated into EUR at year-end exchange rates.

Unrealized foreign exchange gains 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.

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 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.

Debt securities held as current assets are valued at amortized cost. Premium and discounts are amortized over the period remaining to maturity. In case of decrease of market value below amortized cost, value adjustment is recognized.

2.5 Prepayments

This asset item includes any expenses in connection with external debt issuances incurred during the financial year but relating to a subsequent financial year and amortized over the duration of the underlying debt instrument using an effective interest rate method. Until 31 December 2020, a straight-line method was used for the amortisation. For the change of accounting policy, refer to note 2.10. The amortisation is presented under the caption "Interest payable and similar expenses".

2.6 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. Otherwise such debt is reported at the redemption value at maturity.

2.7 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.

2.8 Other creditors

Other creditors are valued at their settlement value.

2.9 Deferred income

This liability item includes any income in connection with internal debt issuances incurred during the financial year but relating to a subsequent financial year and amortized over the duration of the underlying debt instrument using an effective interest rate method. Until 31 December 2020, a straight-line method was used for the amortisation. For the change of accounting policy, refer to note 2.10. The amortisation is presented under the caption "Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings".

In addition, this liability item includes exchange rate differences, as presented in the note 2.2.

2.10 Change of accounting policies

Prepayments and deferred income as of 31 December 2021 are amortised using an effective interest rate ("EIR") method since the inception of the deals. Prepayments and deferred income for the prior periods were amortised using the straight-line method. The impact of the change to the EIR method was recognised in the profit or loss of the current period in "Interest payable and similar expenses" and "Income from loans forming part of the fixed assets". As the comparative figures for the year 2020 have not been adjusted retrospectively, figures for the years 2021 and 2020 are not directly comparable. The change of accounting policies and the impact are further disclosed in notes 2.5, 2.9, 11 and 12. The EIR method was adopted as of 1 January 2021 in order to harmonize Swiss Re Group's and the Company's accounting policies on debt issuance costs amortization.

3. Financial assets

The following loans have been granted to SRZ:

Instruments	Maturity	Interest rate	Original currency	Principal 2020 in original currency	Book value 2020 in EUR	Movement in original currency	Principal 2021 in original currency	Book value 2021 in EUR
Loan	30 April 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	817.699.999,00	–	1.000.000.000,00	880.099.997,00
Loan	No scheduled final maturity date	4.300%	USD	1.000.000.000,00	817.699.999,00	–	1.000.000.000,00	880.099.997,00
Total					2.385.399.998,00			2.510.199.994,00

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

4. Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings are as follows:

All amounts in EUR	Balance as at 31 December 2020	Balance as at 31 December 2021
Accrued interest	35.108.525,00	25.982.167,00
Cash pooling	2.747.201,00	18.294.489,00
Intercompany receivables	24.800,00	–
Total	37.880.526,00	44.276.656,00

5. Other Investments

The Company has owned the following transferrable securities:

All amounts in EUR	Governments bonds (after FX revaluation)	Total (after FX revaluation)
Book value - as at 01.01.2021	2.051.857,00	2.051.857,00
Net movement	-2.051.857,00	-2.051.857,00
Book value - as at 31.12.2021	–	–

6. Prepayments

Prepayments include deferred debt issuance costs in the amount of EUR 14.931.865,00 (note 2.5).

7. Capital and reserves

The movements in capital and reserves for the financial year 2021 are as follows:

All amounts in EUR	Balance as at 31 December 2020	Allocation of the 2020 result	Dividends	Profit for the year	Balance as at 31 December 2021
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	1.637.170,00	2.001.633,00	–	–	3.638.803,00
Profit or loss for the financial year	2.001.633,00	-2.001.633,00	–	2.411.042,00	2.411.042,00
Total	5.656.923,00	–	–	2.411.042,00	8.067.965,00

7.1 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.

7.2 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 2021.

8. Debenture loans

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

Instruments	Maturity	Coupon	Original currency	Principal 2020 in original currency	Book value 2020 in EUR	Movement in original currency	Principal 2021 in original currency	Book value 2021 in EUR
Fixed Rate Note	30 April 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	143.915.200,00	–	176.000.000,00	154.897.599,00
Fixed Rate Note	2 April 2049	5.000%	USD	824.000.000,00	673.784.799,00	–	824.000.000,00	725.202.398,00
Fixed Rate Note	No scheduled final maturity date	4.250%	USD	1.000.000.000,00	817.699.999,00	–	1.000.000.000,00	880.099.997,00
Total					2.385.399.998,00			2.510.199.994,00

Debts are listed on the Euro MTF Market of the Luxembourg Stock Exchange and are guaranteed by SRZ.

9. Other creditors

Other creditors mainly include accrued interest in the amount of EUR 35.844.244,00 and net wealth tax liability in the amount of EUR 48.436,00 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.

10. Deferred income

This liability item includes deferred income related to provided loans in the amount of EUR 14.931.865,00 (note 2.9; 2020: EUR 15.846.459,00) and exchange rate differences (note 2.2) amounting to EUR 335.658,00 as at 31 December 2021 (2020: nil). In total, deferred income amounts to EUR 15.267.523,00.

11. Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings

Income from financial assets derived from affiliated undertakings amounted to EUR 101.437.770,00 in 2021, compared to EUR 105.342.638,00 in 2020. The decrease is mainly driven by variance in exchange rates and change of amortization method for internal debt issuances from straight-line to effective interest rate (note 2.10).

Instruments	Coupon payment frequency	Latest coupon date	Original currency	Straight-line method amortization as at 31 December 2021	Effective interest rate method amortization as at 31 December 2021	Amortization method adjustment
Loan	annual	30.04.21	EUR	360.799,00	197.625,00	163.174,00
Loan	semi-annual	02.10.21	USD	899.372,00	394.859,00	504.513,00
Loan	annual	04.09.21	USD	1.631.857,00	1.162.718,00	469.139,00
Total				2.892.029,00	1.755.203,00	1.136.826,00

12. Interest payable and similar expenses

Interest payable and similar expenses amounted to EUR 98.994.178,00 in 2021, compared to EUR 103.269.799,00 in 2020. The decrease is mainly driven by variance in exchange rates and change of amortization method for external debt issuances from straight-line to effective interest rate (note 2.10).

Instruments	Coupon payment frequency	Latest coupon date	Original currency	Straight-line method amortization as at 31 December 2021	Effective interest rate method amortization as at 31 December 2021	Amortization method adjustment
Fixed Rate Note	annual	30.04.21	EUR	360.799,00	197.625,00	163.174,00
Fixed Rate Note	semi-annual	02.10.21	USD	899.372,00	394.859,00	504.513,00
Fixed Rate Note	annual	04.09.21	USD	1.631.857,00	1.162.718,00	469.139,00
Total				2.892.029,00	1.755.203,00	1.136.826,00

13. Off-balance sheet commitments

As at 31 December 2021, the Company had no off-balance sheet commitments.

14. Other

14.1 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.

14.2 Personnel employed

No personnel was employed by the Company during the years ended 31 December 2021 and 31 December 2020.

14.3 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.

15. Financial risk management

Risk management is an inherent part of the business activities of the Group, of which the Company is a part. The Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Directors.

An overview of the key aspects of risk management and use of financial instruments is provided below.

15.1 Liquidity risk

Liquidity risk arises from the general funding needs of the Company's activities and from the management of its assets and liabilities. The Company's funding needs are met externally and guaranteed by SRZ. Moreover, the funds are managed in a manner consistent with the overall Group liquidity management framework.

The bonds outstanding have long-term final maturity and early redemption dates with interest paid at least annually. The liquidity risk is reduced since the Company has provided back-to-back loans to Group companies with the same maturity and early redemption dates, as well as the same interest payment dates with higher interest rate, resulting in the overall net cash inflows.

15.2 Credit risk

The Company's exposure to credit risk arises from the possibility that counterparties may default on their obligations to the Company. The Company manages its credit risk by minimising its exposure to external counterparties. The amount of Company's maximum exposure to credit risk is indicated by the carrying value of its financial assets. The cash of EUR 48.725,00 is mainly held at JPMorgan and cash pooling of EUR 18.294.489,00 is pooled to SRZ, both having excellent Moody's credit rating. The Company has credit risk related to the funds loaned to SRZ of EUR 2.510.199.994,00 (2020: EUR 2.385.399.998,00). The funds loaned are unsecured and subordinated to any other obligations. The funds loaned are neither past due, nor impaired as provided to Group companies having Moody's financial strength rating as Aa3 (excellent). The Company did not identify an objective evidence of impairment for these assets as at 31 December 2021.

15.3 Market risk

Market risk represents the potential loss in value of portfolios and financial instruments caused by adverse movements in market variables. At the balance sheet date, the Company does not have any significant exposure to market risk.

15.4 Cash flow risk

The Company has significant long-term funds granted to affiliated undertakings with fixed interest rates, as well as significant long-term bonds issued at fixed interest rates. The maturity of the funds loaned and borrowed is identical. The net interest margin on these back-to-back positions is 0.05%. Due to interest being fixed for both financial assets and financial liabilities, the risk of loss resulting from movements in interest rates is considered low.

At the balance sheet date, the Company had foreign currency bank balances, loans granted to affiliated undertakings and bonds issued to external parties, the net of which is not significant. Therefore, the Company is not considered to have significant cash flow risk arising from changes in foreign exchange rates.

16. Subsequent events

The Company has evaluated whether events or transactions have occurred after 31 December 2021 that would require recognition or disclosure in these financial statements through 18 March 2022, which is the issuance date of these financial statements. There are no subsequent events that have had a material effect on the Company.

The military conflict unfolding in Ukraine, and the resulting trade and economic sanctions, are likely to have geopolitical, economic, business and financial asset implications that are difficult to predict at this stage. The Swiss Re Group's expenses linked to the military conflict are being monitored and evaluated.

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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Swiss Re Finance (Luxembourg) S.A.
2, rue Edward Steichen
L-2540 Luxembourg

R.C.S. Luxembourg B90 713

Telephone +352 261 216 30
Fax +352 261 233 04
www.swissre.com