



# Annual Report 2021

AXA Life Ltd



# Content

Management report	2 – 5
Corporate governance	6 – 7
Financial statements	9 – 13
Statement of income	9
Statement of financial position	10
Statement of cash flows	12
Statement of changes in equity	13
Notes to the financial statements	14 – 23
Principles of accounting	14
Risk management and internal control system	15
Premiums earned	16
Claims paid and changes in technical provisions	17
Operating expenses and employee full-time equivalents	18
Investment result including financial derivatives	19
Other investments and investments from unit-linked business	20
Technical provisions	20
Receivables and payables from insurance activities	20
Related party balances	21
Events after the balance sheet date	22
Contingent liabilities	22
Assets pledged	22
Liabilities due to own pension funds	22
Release of management reserves	22
Fees paid to statutory auditors	22
Significant participations and own shares	23
Proposed appropriation of retained earnings	25
Report of the statutory auditor	26 – 27

# Management report

## Introduction

With 1.9 million clients, AXA is the overall market leader in Switzerland with a market share of approximately 11%<sup>1</sup> in totoal, 13% in Property & Casualty and 8% in Life & Savings. AXA insures around 40% of companies in Switzerland and is positioned as a reliable and innovative partner offering high quality services to its customers. The company offers a broad range of products in core business areas (e.g. motor, property, liability and workers compensation), specialty lines (e.g. transport and credit & surety), Individual Life, Group Life and Autonomous Markets. AXA has been providing comprehensive financial protection to its customers since 1875.

AXA brand awareness is among the highest in the market, supported by a track record in developing and launching innovative insurance solutions. Moreover, AXA is the only Swiss insurance company with its own accident research centre and has been promoting safety in road traffic for many years.

AXA Life Ltd is a member of AXA Group, which is a leading global insurance brand. The company has strengthened its position continuously over the last few years by improving cost efficiency and focusing on sustainable and profitable growth. Its large customer base in both the retail and the commercial segments, its remarkable market penetration, and the fact that it has the largest and densest distribution network, are major competitive advantages. Offers, services and processes are underpinned by exceptional expertise, notably in asset management, pricing, risk management and claims management.

## Current market situation

The global economy experienced a significant recovery from the shock of the COVID-19 pandemic over the year due to the increasing availability of vaccinations and the relaxation of the strict pandemic measures. The economic recovery in Switzerland was relatively swift compared to other countries.

The Swiss National Bank as well as most other central banks worldwide continued with their expansive monetary policy in 2021, which supported the recovery of the economy from the consequences of the pandemic. However, towards the end of the year the upswing was slowed down on the industry side by supply chain bottlenecks for various goods and the corresponding increase in inflation.

The life insurance market declined significantly by 6.8%<sup>1</sup> in 2021. This decline is mainly explained by the Group Life business (-10.9%), where single premiums fell by 17% and annual premiums by 4.2%. These effects are due to the more cautious underwriting of full insurance solutions across the industry and the trend towards capital preserving products. The Individual Life market (+3.3%) developed positively. An increase was recorded in both annual (+0.2%) as well as single premiums (+22.4%). With a market share of 8%, AXA is one of the leading life insurers in Switzerland (market share Group Life 5%, market share Individual Life 14%).

## Business performance, full-time equivalent employees and risk assessment

After the turbulence on the financial markets due to the COVID-19 pandemic in 2020, the net profit of AXA Life Ltd recovered and increased by CHF 60 million to CHF 301 million. The driver for the improvement was an extraordinary development on the financial markets especially in alternative investments.

Gross premiums decreased by CHF 288 million (-14.2%) to CHF 1,745 million in 2021. The decline resulted from the Group Life business, where three more foundations were transferred from full insurance to partial autonomy at the beginning of the year. The Individual Life business, on the other hand, increased by 3.4% to CHF 1,005 million thanks to the innovative «SmartFlex» product.

In 2017, AXA entered the health care market with supplementary health insurance products. In the past business year, the volume increased again significantly by 53% and the customer base was further expanded to over 100,000 clients. With its supplementary health insurance products, AXA became the first full-range provider on the Swiss life and health market.

Employees of AXA Life Ltd are under contract of AXA Insurance Ltd. Hence, no annual average of the full-time employee equivalent is disclosed.

AXA Life Ltd has performed a risk assessment in compliance with current regulatory and professional standards as outlined in Note 2 to the financial statements.

<sup>1</sup> Market shares are based on the statutory gross premiums of all Swiss business units belonging to the AXA Group and the market estimation by the Swiss Insurance Association (SIA) of 2<sup>nd</sup> February 2022.

## Sustainability in asset management

As an insurer and asset manager we are aware of our environmental, social and governance (ESG) responsibilities and embrace them as a whole AXA Group. As a member of various interest groups, such as UNPRI, Climate Action 100+ and Glasgow Financial Alliance for Net Zero, we are also actively and comprehensively involved in sustainable investments.

Sustainability criteria play a key role in the investment process of AXA Life Ltd. More than 8,000 companies are analysed with regard to ESG criteria. In the context of ESG standards, AXA Life Ltd evaluates risks and manages opportunities. These are consistently implemented and partially or completely exclude capital investments in certain economic sectors. In line with this approach sector-specific guidelines and business restrictions are used:

- No tobacco production
- No companies associated with the development, production, storage or trade of outlawed weapons
- No producers of palm oil associated with the clearing of rainforests
- No tar sands or shale oil companies (turnover more than 20%)
- No coal mining or coal-fired power generation companies (turnover more than 30%)
- No financial investments based on agricultural commodities

In addition to compliance with ESG standards, AXA Life Ltd has set itself the goal that the investment portfolio managed by AXA, including real estate, will emit net zero greenhouse gas emissions by 2050. This is in line with the Paris Climate Agreement. In an interim step, the CO<sub>2</sub> emissions of the investments will be reduced by a further 20% from 2019 to 2025, having already been reduced by 31% from 2014 to 2019. The contribution to a more sustainable future of the AXA Group and AXA Life Ltd is constantly monitored by various independent assessment institutions – for example, AXA was awarded the top rating «AAA» by MSCI ESG Research and occupies a top position in the Dow Jones Sustainability Index.

## Challenges and outlook

From a strategic perspective, AXA Life Ltd still faces challenges from the prevailing low interest rate environment, further regulatory tightening, changing customer expectations and new market players.

The company is forced by technological change, smart data, increasing transparency requirements, new competitors and social trends (e.g. the sharing economy in mobility or sustainability / sustainable finance) to continuously adapt its business model to current circumstances. With the vision «From Payer to Partner», the company is pursuing the goal of becoming more relevant to customers and creating added value beyond financial security and traditional insurance services, thus enabling a positive customer experience at all points of contact («Customer First»). The boost in digital customer interactions experienced through COVID-19 has been confirmed in the following year and will most likely continue to have a lasting impact on customer behaviour. In this regard, the investments made so far in digitalisation projects along the value chain are proving to be a forward-looking and important support.

Thanks to the successful transformation and the launch of new innovative products in Group and Individual Life, AXA Life Ltd is well positioned for the future. Together with the supplementary healthcare products, it can offer a holistic range of products and services as a unique selling proposition and benefit from the growth dynamics in the market.

After the favourable launch of the semi-autonomous solutions in 2019, 2021 was again a successful year. AXA's semi-autonomous collective foundations were able to pay a more than 800 million Swiss francs higher investment return to policyholders for 2021 than the minimum interest rate common in full insurance solutions would have allowed. Thanks to cautious asset management and a favourable age structure, AXA's semi-autonomous collective foundations achieved a coverage ratio of around 112.7 percent on average.

As part of its corporate strategy, AXA is also increasingly developing new services in cooperation with various start-up partners that go beyond classic insurance cover, namely in the areas of fringe benefits, accounting and employee health care, as well as trendsetting self-services for pension planning and asset management.

Within Individual Life business, AXA Life Ltd continues to offer attractive saving and protection products with the aim of meeting its customers needs. With the new product generation «SmartFlex», AXA offers an attractive pension solution, even in the low-interest world, which, with new self-services, creates a customer experience that is comparable to that of a purely digital pension provider.

Moreover, with «EasyInvest» AXA has successfully entered the private asset management market as a supplement to the Individual Life business.



# Corporate governance

## Board of Directors as of December 31, 2021

Name	Year of birth	Nationality	Position	Period of office until
Antimo Perretta <sup>1</sup>	1962	Swiss/Italian	Chairman	AGM 2024
Ruth Metzler-Arnold <sup>2</sup>	1964	Swiss	Vice-Chairwoman	AGM 2024
Giacomo Gigantiello	1971	Italian	Member	AGM 2024
Wanda Eriksen-Grundbacher <sup>2</sup>	1967	Swiss/American	Member	AGM 2024
Max E. Katz <sup>2</sup>	1955	Swiss	Member	AGM 2022
Hans Lauber <sup>2,3</sup>	1962	Swiss	Member	AGM 2022
Patrick Lemoine <sup>2,3</sup>	1958	French	Member	AGM 2022
Patrick Warnking <sup>1</sup>	1967	Swiss/German	Member	AGM 2024
Julia Ender Amacker			Secretary (non-member)	

<sup>1</sup> Member of the Nomination & Compensation Committee, chaired by A. Perretta

<sup>2</sup> Member of the Audit Committee, chaired by W. Eriksen-Grundbacher

<sup>3</sup> Member of the Risk Committee, chaired by H. Lauber



## CEO and Executive Committee Members as of December 31, 2021

Name	Year of birth	Nationality	Position
Fabrizio Petrillo	1969	Swiss/Italian	Chief Executive Officer
Michele Bernasconi	1966	Swiss	Head of Distribution
Daniela Fischer	1976	German	Head Human Responsibility
Thomas Gerber	1964	Swiss	Head of Life, Savings & Health
Dominique Kasper	1971	Swiss	Head of Property & Casualty
Markus Keller	1968	Swiss	Head of Customer Operations
Andreas Maier	1963	Swiss	Head of Data, Technology & Innovation (DTI)
Andreea Prange	1978	German/Romanian	Head of Customer Experience & Strategy
Alain Zweibrucker	1974	French	Chief Financial Officer

## Statutory auditors

The audit mandate was entrusted to PricewaterhouseCoopers Ltd, Zurich and Mazars Ltd, Zurich.



# Financial statements

## Statement of income

December 31, in CHF 1,000	Notes	2021	2020
Premiums gross		1,745,355	2,033,228
Premiums ceded		-19,908	-24,185
<b>Premiums written</b>		<b>1,725,447</b>	<b>2,009,043</b>
Change in provisions for unearned premiums		16,435	17,275
<b>Premiums earned</b>	<b>3</b>	<b>1,741,882</b>	<b>2,026,318</b>
Other income from insurance activities		4,742	17,304
<b>Total income from insurance activities</b>		<b>1,746,624</b>	<b>2,043,621</b>
Claims and annuities paid <sup>1</sup>		-4,966,882	-4,170,360
Claims and annuities paid ceded		16,448	-249
Change in technical provisions <sup>1</sup>		2,528,589	1,496,122
Change in technical provisions ceded		-208	7,336
Change in technical provisions incurred from unit-linked business		124,276	142,316
<b>Total claims paid and changes in technical provisions</b>	<b>4</b>	<b>-2,297,777</b>	<b>-2,524,834</b>
Operating expenses	5	-359,206	-330,171
Other expenses from insurance activities		-7,483	-4,268
<b>Total expenses from insurance activities</b>		<b>-2,664,465</b>	<b>-2,859,273</b>
Income from investment activities		2,321,639	3,359,924
Expenses from investment activities		-1,072,625	-2,227,210
<b>Investment result including financial derivatives</b>	<b>6</b>	<b>1,249,014</b>	<b>1,132,714</b>
Capital and interest income from unit-linked business		11,089	-11,010
Other financial income		19,731	11,042
Other financial expenses		-5,844	-6,147
<b>Operating income</b>		<b>356,149</b>	<b>310,947</b>
Interest expenses		-	-18
Other income		16,685	18,143
Other expenses		-14,581	-50,601
<b>Net profit before tax</b>		<b>358,253</b>	<b>278,471</b>
Tax		-57,233	-37,299
<b>Net profit after tax</b>		<b>301,020</b>	<b>241,172</b>

<sup>1</sup> Alignment of prior year structure

## Statement of financial position

### Assets

December 31, in CHF 1,000	Notes	2021	2020
Real estate		3,457,923	3,823,560
Participations	17	382,973	406,706
Fixed-income securities		20,363,029	21,542,586
Loans <sup>1</sup>	10	2,644,803	2,862,535
Mortgages	10	7,347,654	7,576,074
Equity securities <sup>1</sup>		621,986	632,040
Other investments <sup>1</sup>	7/10	4,889,963	5,374,183
<b>Total investments</b>		<b>39,708,331</b>	<b>42,217,684</b>
Investments from unit-linked business	7	1,825,771	1,922,331
Receivables from derivatives		259,271	314,210
Deposits from assumed reinsurance	10	844	2,803
Cash and cash equivalents		618,785	1,348,575
Technical provisions for ceded reinsurance	8/10	54,137	54,213
Deferred acquisition costs		654,124	622,730
Receivables from insurance activities	9/10	78,938	230,837
Sundry debtors	10	174,810	145,898
Accrued income and prepaid expenses	10	523,942	543,674
<b>Total assets</b>		<b>43,898,953</b>	<b>47,402,955</b>

<sup>1</sup> Alignment of prior year structure

## Statement of financial position

### Liabilities

December 31, in CHF 1,000	Notes	2021	2020
Technical provisions	8/10	35,729,079	38,268,961
Technical provisions from unit-linked business		1,725,800	1,850,060
Non technical provisions		18,178	15,128
Liabilities for derivatives		75,701	151,343
Deposits of ceded business	10	54,137	54,213
Payables from insurance activities	9/10	329,552	454,889
Other liabilities	10	3,024,520	3,221,199
Accrued expenses and deferred income	10	196,963	203,159
<b>Total liabilities</b>		<b>41,153,930</b>	<b>44,218,952</b>
Share capital		175,000	175,000
Legally required capital reserves		53,493	53,493
Legally required profit reserves		87,500	87,500
Free reserves			
Free profit reserves		2,122,449	2,622,449
Retained earnings brought forward		5,561	4,389
Net profit		301,020	241,172
<b>Total shareholders' equity</b>		<b>2,745,023</b>	<b>3,184,003</b>
<b>Total liabilities and shareholders' equity</b>		<b>43,898,953</b>	<b>47,402,955</b>

## Statement of cash flows

December 31, in CHF 1,000	2021	2020
Cash received from premiums	1,741,335	2,076,757
Cash paid for claims	-4,922,117	-3,979,786
Net cash flow from reinsurance activities	-3,460	-22,002
Cash paid for operating expenses	-402,655	-416,000
Cash paid for tax	-64,035	-146,418
Net cash flow on other receivables and payables	332,510	1,102,831
Net cash flow on investments	907,986	391,170
<b>Net cash flow provided by operating activities</b>	<b>-2,410,437</b>	<b>-993,448</b>
Sale / purchase of real estate	407,719	208,172
Sale / purchase of participations	43,134	-
Sale / purchase of fixed-income securities	1,086,651	1,772,096
Sale / purchase of loans	241,408	237,119
Sale / purchase of mortgages	430,099	248,531
Sale / purchase of equity securities	53,847	510,550
Sale / purchase of derivatives	25,370	-26,845
Sale / purchase of other investments	864,020	-783,240
<b>Net cash flow provided by investing activities</b>	<b>3,152,248</b>	<b>2,166,383</b>
Dividends paid	-740,000	-1,200,000
Cash used / provided for financial debts	-	-800
Interest on financing debts paid	-	-18
<b>Net cash flow provided by financing activities</b>	<b>-740,000</b>	<b>-1,200,818</b>
<b>Change in cash</b>	<b>1,811</b>	<b>-27,883</b>

## Cash reconciliation

December 31, in CHF 1,000	2021	2020
Cash as of January 1	259,315	287,198
Cash as of December 31	261,126	259,315
<b>Change in cash</b>	<b>1,811</b>	<b>-27,883</b>
December 31, in CHF 1,000	2021	2020
Cash and cash equivalents as in statement of financial position	618,785	1,348,575
Bank overdrafts	-30,499	-54,796
Collaterals	-327,160	-1,034,464
<b>Cash as in statement of cash flows as of December 31</b>	<b>261,126</b>	<b>259,315</b>

## Statement of changes in equity

in CHF 1,000	Share capital	Legally required capital reserves	Legally required profit reserves	Free reserves	Total
<b>As of December 31, 2019</b>	<b>175,000</b>	<b>53,493</b>	<b>87,500</b>	<b>3,826,838</b>	<b>4,142,831</b>
Ordinary dividend paid				-800,000	-800,000
Extraordinary dividend paid				-400,000	-400,000
Net profit				241,172	241,172
<b>As of December 31, 2020</b>	<b>175,000</b>	<b>53,493</b>	<b>87,500</b>	<b>2,868,010</b>	<b>3,184,004</b>
Ordinary dividend paid				-740,000	-740,000
Net profit				301,020	301,020
<b>As of December 31, 2021</b>	<b>175,000</b>	<b>53,493</b>	<b>87,500</b>	<b>2,429,031</b>	<b>2,745,024</b>

# Notes to the financial statements

## 1 Principles of accounting

The financial statement covers all the minimum requirements in line with the Swiss Code of Obligations (CO). Zero and negative messages are not listed.

The following are the most important accounting principles for AXA Life Ltd.

### Basis for accounting

The financial statements for AXA Life Ltd are prepared in accordance with the CO and relevant insurance legislation. The financial year ends on December 31. All figures have been rounded individually.

### Investments

The various investment positions are valued separately.

Real estate is valued at the purchase price, net of any provisions for impairment based on a lower close to the market price.

Participations are valued at the purchase price, net of any provisions for impairment based on a sustainable lower market price.

Fixed income securities are valued no higher than according to the scientific amortized cost method. Credit risks are taken into account by means of allowance.

Loans are reported at amortized cost. Mortgages are reported at nominal value. Credit risks are taken into account by means of allowance.

Equity securities and other investments (except asset backed securities) are carried at the lower of cost or market value (LOCOM). Asset backed securities are valued no higher than according to the scientific amortized cost method. For the hybrid Individual Life product "Smart Flex" the investment funds assets of the safety capital are carried at LOCOM, while those of the return-oriented capital are valued at fair value.

### Investments from unit-linked business

Investments from unit-linked business are valued at fair value with gains and losses recorded in the statement of income.

### Receivables and liabilities from derivatives

Receivables and liabilities from derivatives are reported at fair value with gains and losses recorded in the statement of income.

### Deferred acquisition costs

A part of the costs incurred from the acquisition of new insurance contracts are capitalized and amortized over the expected life of the contracts. This applies to Individual Life products sold in Switzerland beginning in the year 2000.

### Single-investor funds

Investments held by single-investor funds are classified directly in the respective balance sheet investment categories, in accordance with article 110 of the Insurance Supervision Ordinance (AVO).

### Technical provisions

Technical provisions are determined in such a way that the liabilities for policyholders and the beneficiaries will be sufficient to cover future obligations. The calculation formulae are fixed in the business plan and have been approved by the supervisory authorities.

### Non technical provisions

The non technical provisions are recognized at nominal value.

### Foreign currency translation

Participations are measured at historical exchange rates; any other balance sheet items requiring translation are measured at closing rates at balance sheet date.

Transactions in the income statement are recorded at current exchange rates. Foreign exchange rate impacts are recognized in the income statement.



## 2 Risk management and internal control system

### Risk management

AXA Life Ltd manages risks employing a three tier approach, with the first tier relying on risk owners in our lines of business, while the second and third tiers are centralized in dedicated risk management functions, and assurance functions, respectively. The local risk policy specifies these comprehensive activities, and defines the various risk measurement, management processes and governance structures across the three tiers and for quantifiable risks (such as insurance, market or credit risks) and other risk categories. AXA Life Ltd takes as its premier risk management objectives the defense of its financial strength and reputation, and the safeguarding policyholders' and shareholders' interests. Of specific importance in this respect is the compliance with regulatory capital under Swiss Solvency Test (SST). The SST, which is embedded in the risk indicators framework, is performed with a standard model.

### Risk assessment

Within AXA Life Ltd various risk assessments are being conducted. The Executive Board has performed a comprehensive, structured risk assessment in fall 2021. Based on risk assessments provided by risk control functions, the Executive Board has discussed the risk situation and defined the key risks. The Board of Directors has taken note of the results of the Executive Board's risk assessment. Updates of the risk profile are reflected in risk reports, presented to the Audit and Risk Management Committee and the Risk Committee.

### Internal control system

AXA Life Ltd's internal control system, related to the categories of objective financial reporting, operations, and compliance, contains internally defined, performed and documented procedures, methods and tools that serve to identify and assess risks, to define controls for relevant risks and to perform these controls.

### 3 Premiums earned

December 31, in CHF 1,000	Gross	Ceded	Net	Gross	Ceded	Net
	2021	2021	2021	2020	2020	2020
Direct business	1,745,491	-19,908	1,725,582	2,032,646	-24,185	2,008,461
Assumed business	-136	-	-136	581	-	581
<b>Total premiums written</b>	<b>1,745,355</b>	<b>-19,908</b>	<b>1,725,447</b>	<b>2,033,228</b>	<b>-24,185</b>	<b>2,009,043</b>
Direct business	16,435	-	16,435	17,275	-	17,275
<b>Total change in provisions for unearned premiums</b>	<b>16,435</b>	<b>-</b>	<b>16,435</b>	<b>17,275</b>	<b>-</b>	<b>17,275</b>
<b>Total premiums earned</b>	<b>1,761,790</b>	<b>-19,908</b>	<b>1,741,882</b>	<b>2,050,502</b>	<b>-24,185</b>	<b>2,026,318</b>

#### Premiums written

December 31, in CHF 1,000	Gross	Ceded	Net	Gross	Ceded	Net
	2021	2021	2021	2020	2020	2020
Single premium	63,814	-	63,814	58,399	-	58,399
Annual premium	940,787	-	940,787	912,768	-	912,768
<b>Total Individual Life</b>	<b>1,004,601</b>	<b>-</b>	<b>1,004,601</b>	<b>971,167</b>	<b>-</b>	<b>971,167</b>
Single premium	107,246	-	107,246	304,893	-	304,893
Annual premium	633,508	-19,908	613,600	757,167	-24,185	732,983
<b>Total Group Life</b>	<b>740,754</b>	<b>-19,908</b>	<b>720,846</b>	<b>1,062,060</b>	<b>-24,185</b>	<b>1,037,875</b>
<b>Total premiums written</b>	<b>1,745,355</b>	<b>-19,908</b>	<b>1,725,447</b>	<b>2,033,228</b>	<b>-24,185</b>	<b>2,009,043</b>

## 4 Claims paid and changes in technical provisions

December 31, in CHF 1,000	Gross	Ceded	Net	Gross	Ceded	Net
	2021	2021	2021	2020	2020	2020
Direct business <sup>1</sup>	-4,963,942	16,448	-4,947,494	-4,169,667	-249	-4,169,915
Assumed business	-2,939	-	-2,939	-693	-	-693
<b>Total claims and annuities paid</b>	<b>-4,966,882</b>	<b>16,448</b>	<b>-4,950,433</b>	<b>-4,170,360</b>	<b>-249</b>	<b>-4,170,608</b>
Direct business	12,474	-208	12,266	-2,011	7,336	5,325
Assumed business	2,585	-	2,585	229	-	229
<b>Total change in actuarial provisions</b>	<b>15,060</b>	<b>-208</b>	<b>14,851</b>	<b>-1,783</b>	<b>7,336</b>	<b>5,554</b>
Direct business <sup>1</sup>	-215,076	-	-215,076	-76,904	-	-76,904
<b>Total change in other actuarial provisions</b>	<b>-215,076</b>	<b>-</b>	<b>-215,076</b>	<b>-76,904</b>	<b>-</b>	<b>-76,904</b>
Direct business <sup>1</sup>	2,750,987	-	2,750,987	1,548,778	-	1,548,778
Assumed business	-47	-	-47	-	-	-
<b>Total change in provisions for annuity reserves</b>	<b>2,750,941</b>	<b>-</b>	<b>2,750,941</b>	<b>1,548,778</b>	<b>-</b>	<b>1,548,778</b>
Change in provisions for policyholder bonus fund	-22,334	-	-22,334	26,031	-	26,031
<b>Total policyholder bonus expenses</b>	<b>-22,334</b>	<b>-</b>	<b>-22,334</b>	<b>26,031</b>	<b>-</b>	<b>26,031</b>
<b>Change in technical provisions incurred from unit-linked business</b>	<b>124,276</b>	<b>-</b>	<b>124,276</b>	<b>142,316</b>	<b>-</b>	<b>142,316</b>
<b>Total claims paid and changes in technical provisions</b>	<b>-2,314,016</b>	<b>16,240</b>	<b>-2,297,777</b>	<b>-2,531,922</b>	<b>7,087</b>	<b>-2,524,834</b>

<sup>1</sup> Alignment of prior year structure

### Claims paid

December 31, in CHF 1,000	Gross	Ceded	Net	Gross	Ceded	Net
	2021	2021	2021	2020	2020	2020
Individual Life <sup>1</sup>	-1,381,459	-	-1,381,459	-1,367,023	-	-1,367,023
Group Life <sup>1</sup>	-3,585,423	16,448	-3,568,974	-2,803,337	-249	-2,803,586
<b>Total claims and annuities paid</b>	<b>-4,966,882</b>	<b>16,448</b>	<b>-4,950,433</b>	<b>-4,170,360</b>	<b>-249</b>	<b>-4,170,609</b>

<sup>1</sup> Alignment of prior year structure

## 5 Operating expenses and employee full-time equivalents

December 31, in CHF 1,000	2021	2020
Commissions - direct business	-161,456	-142,217
Commissions - assumed business	-19	-72
Commissions - ceded business	3,012	2,703
<b>Total commissions</b>	<b>-158,464</b>	<b>-139,586</b>
Personnel expenses	-161,635	-152,791
Other operating expenses	-39,106	-37,793
<b>Total operating expenses</b>	<b>-359,206</b>	<b>-330,171</b>

AXA Life Ltd employees are under contract to AXA Insurance Ltd. Therefore no annual average of employee full-time equivalent is disclosed.

## 6 Investment result including financial derivatives

### Income from investment activities

December 31, in CHF 1,000	Income		Appreciation		Realized gains		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Real estate	151,085	169,546	-	20,265	73,000	124,932	224,084	314,743
Participations	-	-	-	-	19,401	-	19,401	-
Fixed-income securities	320,065	390,792	90,000	59,000	90,883	193,010	500,949	642,802
Loans	37,380	40,866	40,000	10,000	-	-	77,380	50,866
Mortgages	116,975	132,012	200,065	20,064	2,113	110	319,153	152,187
Equity securities	28,377	25,658	1,877	504	69,979	129,321	100,233	155,483
Other investments <sup>1</sup>	199,209	156,028	118,856	580,390	52,856	105,730	370,921	842,148
Derivative financial instruments	22,730	11,835	124,263	409,366	562,525	780,494	709,518	1,201,695
<b>Income from investment activities</b>	<b>875,821</b>	<b>926,738</b>	<b>575,061</b>	<b>1,099,589</b>	<b>870,758</b>	<b>1,333,597</b>	<b>2,321,639</b>	<b>3,359,924</b>

<sup>1</sup> including foreign exchange impacts

### Expenses from investment activities

December 31, in CHF 1,000	Depreciation		Realized losses		Total	
	2021	2020	2021	2020	2021	2020
Real estate	-28,435	-15,965	-957	-246	-29,392	-16,212
Fixed-income securities	-	-300	-608	-11,438	-608	-11,738
Mortgages	-307	-229	-191	-1	-498	-230
Equity securities	-1,419	-7,566	-2,162	-40,185	-3,581	-47,751
Other investments <sup>1</sup>	-239,627	-440,007	-57,874	-723,490	-297,501	-1,163,497
Derivative financial instruments	-66,186	-99,531	-592,298	-813,515	-658,485	-913,046
<b>Total</b>	<b>-335,975</b>	<b>-563,599</b>	<b>-654,091</b>	<b>-1,588,876</b>	<b>-990,065</b>	<b>-2,152,475</b>
<b>Investment management expenses</b>					<b>-82,560</b>	<b>-74,736</b>
<b>Expenses from investment activities</b>					<b>-1,072,625</b>	<b>-2,227,210</b>

<b>Total investment result including financial derivatives</b>	<b>1,249,014</b>	<b>1,132,714</b>
--	------------------	------------------

<sup>1</sup> including foreign exchange impacts

## 7 Other investments and investments from unit-linked business

December 31, in CHF 1,000	2021	2020
Asset backed securities	1,101,964	1,404,119
Private equity <sup>1</sup>	2,735,762	2,624,339
Hedge funds	547,183	752,401
Investment funds traditional	380,033	554,244
Investment funds hybrid	125,020	39,079
<b>Total other investments</b>	<b>4,889,963</b>	<b>5,374,183</b>
Investment funds	1,638,429	1,634,832
Fixed-income securities	108,321	120,047
Derivatives - net	69,290	97,550
Equity securities	-	6,043
Cash and cash equivalents	9,732	63,860
<b>Total investments from unit-linked business</b>	<b>1,825,771</b>	<b>1,922,331</b>

<sup>1</sup> Alignment of prior year structure

## 8 Technical provisions

December 31, in CHF 1,000	Gross 2021	Ceded 2021	Net 2021	Gross 2020	Ceded 2020	Net 2020
Provisions for unearned premiums	241,004	-	241,004	257,452	-	257,452
Actuarial provisions	414,257	-54,137	360,120	429,278	-54,213	375,065
Other actuarial provisions <sup>1</sup>	6,848,787	-	6,848,787	6,632,023	-	6,632,023
Provisions for annuity reserves <sup>1</sup>	27,660,543	-	27,660,543	30,415,524	-	30,415,524
Provisions for contractual bonuses <sup>1</sup>	201,587	-	201,587	194,088	-	194,088
Provisions for bonus fund	362,902	-	362,902	340,597	-	340,597
<b>Total technical provisions</b>	<b>35,729,079</b>	<b>-54,137</b>	<b>35,674,942</b>	<b>38,268,961</b>	<b>-54,213</b>	<b>38,214,748</b>

<sup>1</sup> Alignment of prior year structure

## 9 Receivables and payables from insurance activities

December 31, in CHF 1,000	2021	2020
Receivables from policyholders	39,699	159,903
Receivables from insurance companies	39,239	70,934
<b>Total receivables from insurance activities</b>	<b>78,938</b>	<b>230,837</b>
Payables to policyholders	230,195	356,047
Payables to insurance companies	99,357	98,842
<b>Total payables from insurance activities</b>	<b>329,552</b>	<b>454,889</b>

## 10 Related party balances

December 31, in CHF 1,000	Other	Shareholder	Participations	2021
Loans	328,364	680,266	-	1,008,630
Mortgages	-	-	200,000	200,000
Other investments	6,943	-	-	6,943
Deposits from assumed reinsurance	844	-	-	844
Technical provisions for ceded reinsurance	19,332	-	-	19,332
Receivables from insurance activities	23,428	-	-	23,428
Sundry debtors	-	10,704	-	10,704
Accrued income and prepaid expenses	350	1,350	-	1,701
<b>Total receivables from related parties</b>	<b>379,261</b>	<b>692,321</b>	<b>200,000</b>	<b>1,271,582</b>
Technical provisions	844	-	-	844
Deposits of ceded business	19,332	-	-	19,332
Payables from insurance activities	33,821	-	-	33,821
Other liabilities	-	35,322	-	35,322
Accrued expenses and deferred income	224	530	-	754
<b>Total payables to related parties</b>	<b>54,221</b>	<b>35,852</b>	<b>-</b>	<b>90,073</b>
December 31, in CHF 1,000	Other	Shareholder	Participations	2020
Loans	342,396	694,466	-	1,036,862
Mortgages	-	-	200,000	200,000
Other investments	2,359	-	-	2,359
Deposits from assumed reinsurance	2,803	-	-	2,803
Technical provisions for ceded reinsurance	19,408	-	-	19,408
Receivables from insurance activities	21,383	-	-	21,383
Sundry debtors	-	215	-	215
Accrued income and prepaid expenses	284	1,353	-	1,636
<b>Total receivables from related parties</b>	<b>388,633</b>	<b>696,033</b>	<b>200,000</b>	<b>1,284,666</b>
Technical provisions	3,276	-	-	3,276
Deposits of ceded business	19,408	-	-	19,408
Payables from insurance activities	31,894	-	-	31,894
Other liabilities	-	68,019	50,543	118,561
Accrued expenses and deferred income	60	807	-	867
<b>Total payables to related parties</b>	<b>54,638</b>	<b>68,826</b>	<b>50,543</b>	<b>174,007</b>

Members of the board of directors, executive board and senior management may purchase insurance products, asset management products or other products and services of AXA. As at December 31, 2021, there were no substantial receivables or payables outstanding with regard to the board of directors, executive board and senior management.

## 11 Events after the balance sheet date

In the period between the balance sheet date and the meeting of the Board of Directors on April 14, 2022, no significant events have taken place that have an impact on the 2021 financial statements.

## 12 Contingent liabilities

December 31, in CHF 1,000	2021	2020
Guarantees and contingent liabilities	318,764	350,516
<b>Total contingent liabilities</b>	<b>318,764</b>	<b>350,516</b>

The company belongs to the Swiss value-added tax (VAT) group of AXA Insurance Ltd, and thus carries joint liability to the Swiss federal tax authority for value-added debts of the entire group.

## 13 Assets pledged

December 31, in CHF 1,000	2021	2020
Fixed-income securities	2,826,853	2,948,444
<b>Total assets pledged</b>	<b>2,826,853</b>	<b>2,948,444</b>

## 14 Liabilities due to own pension funds

December 31, in CHF 1,000	2021	2020
<b>Liabilities due to own pension funds</b>	<b>129</b>	<b>130</b>

## 15 Release of management reserves

December 31, in CHF 1,000	2021	2020
<b>Release of management reserves</b>	<b>319,633</b>	<b>88,700</b>

## 16 Fees paid to statutory auditors

December 31, in CHF 1,000	2021	2020
Statutory audit and certification of local financial statements	1,581	1,553
Other services	39	36
<b>Total fees paid to statutory auditors</b>	<b>1,620</b>	<b>1,589</b>



## 17 Significant participations and own shares

Participation	Domicile	Capital share CHF	Capital share/ Voting share %	Capital share CHF	Capital share/ Voting share %
December 31, in CHF 1,000		<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Zürcher Freilager Ltd	Zurich	938	100%	1,000	100%

No own shares are held at the reporting date by the company itself or the companies in which it participates.

### Translation

This annual report is a free translation into English from the original German text. In the event of differing interpretations, the German version shall take precedence.



## Proposed appropriation of retained earnings

December 31, in CHF 1,000	2021
Net profit	301,020
Retained earnings brought forward	5,561
<b>Retained earnings available for appropriation</b>	<b>306,581</b>

### Motion by Directors Board

in CHF 1,000	
Dividends	300,000
Carried forward	6,581
<b>Total</b>	<b>306,581</b>

Legally required profit reserves equal the legal requirement of 50 % of the share capital.

Winterthur, April 14, 2022

On behalf of the Board of Directors  
and the Executive Board

Antimo Perretta  
Chairman of the Board

Fabrizio Petrillo  
Chief Executive Officer

# Report of the statutory auditor to the General Meeting on the financial statements 2021

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of AXA Life Ltd, which comprise the statement of income, balance sheet, cash flow statement, change in shareholder's equity and notes to the financial statements (pages 9-23), for the year ended December 31, 2021.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements for the year ended December 31, 2021 comply with Swiss law and the company's articles of incorporation.

## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings (page 25) complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Mazars Ltd

Ray Kunz  
Audit expert  
Auditor in charge

Severin Merkle  
Audit expert

Denise Wipf  
Audit expert  
Auditor in charge

Daniel Müller  
Audit expert

Zurich, April 14, 2022



AXA Life Ltd  
P.O. Box 357  
CH-8401 Winterthur  
Telephone 0800 809 809  
AXA.ch