Liechtenstein Life

Driving Sustainable Growth

Annual Report 2024 Liechtenstein Life Assurance AG

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Stability and innovation in tension

Dr Marcel Vaschauner,
Chief Investment Officer

Corporate success comes when stability and change are aligned. This objective shapes our actions and is the core of our vision. With the new building of our headquarters in Schaan we have sent out a strong signal: of our commitment to sustainable growth and future-focused innovation, as well as the values that define us as a company.

Growth needs space

Recent years have been characterised by rapid growth and major challenges. With more than 100 employees in the Group, we were starting to suffer from spatial constraints at the previous Ruggell location in Liechtenstein. Efficiency and cooperation were hampered by the fact that work processes were distributed across several office buildings. Our new headquarters are therefore not only a structural project, but also represent a strategic step into the future.

Architecture as an expression of values

The building itself reflects the balance of interests that shapes our actions. With its modern, well-lit workspaces, natural materials and flexible space concepts, it combines stability and transformation. The energy-efficient design underscores our commitment to sustainability, while the integration of the surrounding mountain landscape underscores our regional roots.

A place for the hybrid future

At a time when working environments are becoming more hybrid and flexible, our head office is far more than a physical piece of infrastructure. It provides us with a tangible focus within an increasingly digital world. The well-thought-out design – from open coworking areas to recreational zones – promotes flexible working while at the same time allowing for a focus on thinking.

Challenges as an opportunity

The new building was completed during a challenging period: work started before the COVID-19 pandemic, and the period was characterised by material shortages and economic uncertainty. These prevailing conditions represented a challenge, but also offered an opportunity to prove our ability to adapt and to work together. Thanks to the close cooperation among all involved, we successfully completed a project that sets new standards in every respect – both for ourselves and for the region.

A visible statement

The new head office in Schaan is more than just a modern building. It symbolises growth, trust and sustainability – the cornerstones of our brand. The new building embodies what Liechtenstein Life Assurance AG stands for: a reliable partner that is constantly evolving, without ever forgetting its roots.

We invite you to join us on this journey and shape the future with us.

> “We are creating a place where stability and momentum come together to shape the future of the world of finance.

Dr Marcel Vaschauner,
Chief Investment Officer

"Our new head office is a visible statement of the connection between tradition and progress. It embodies the principles that guide our actions: trust, sustainability and innovation.

Overview of key figures

In CHF thousand	2024	2023	2022
Gross premiums written	339,587	296,405	253,386
of which recurring premiums	246,777	214,597	176,427
of which single premiums	92,810	81,808	76,959
APE (Annual Premium Equivalent)	256,058	222,778	184,123
Earnings after taxes	14,117	13,138	9,421
Balance sheet total	1,293,635	977,179	783,862
Client assets managed	1,148,926	856,952	683,829
Shareholders' equity	69,185	57,468	45,830

1 Report of the Executive Board

Review of the financial year of Liechtenstein Life Assurance AG

Operating figures

2024 is history now, and we can take pride in looking back on an eventful year.

In many cultures, the number eight is a symbol of happiness, prosperity and perfection. If one turns the number eight around on its side, it symbolises the mathematical sign for infinity. Eight years are not yet infinity, but our path towards success has continued in the past financial year. We are proud to report another successful financial year in which we were able to increase our earnings, for the eighth time in a row. Profit after taxes increased by 8% to CHF 14.1 million. We also recorded encouraging growth in gross premiums. Having slightly missed the CHF 300 million mark in 2023, gross premiums rose significantly once again in 2024 by 15% to CHF 340 million. Thanks to the increase in gross premiums, which was largely due to regular premium payments, the Annual Premium Equivalent (APE) also increased by 15% to CHF 256 million.

In 2024, the stock market environment was largely positive, albeit volatile. Despite the continued strength of the Swiss franc against the euro, client assets under management rose further thanks to the positive performance of equity markets and consistently high premium payments. Client assets under management as at 31 December 2024 were 34% higher at CHF 1,149 million, having broken through the CHF 1 billion mark during the course of the year for the first time in the history of Liechtenstein Life Assurance AG.

Product range and fund universe

In 2023, the focus on product development was even greater on the German market. Through Liechtenstein Life Wealth, we focused on pensions, heirs and endowments. And with Liechtenstein Life Invest, for almost two years we have been offering a flexible unit-linked pension insurance policy with deferred lifelong pension payments which, in contrast with traditional insurance solutions, is not subject to any acquisition costs and is financed by the charging of a percentage-based fund management fee.

Product development in 2024 was now focused on the Swiss market. In addition to optimising our pillar 3a insurance – Prosperity 3a – we were also able to introduce three exciting new products.

Prosperity Plus is a unit-linked life insurance policy, which is characterised by freedom of choice for the beneficiary as well as major flexibility in terms of the amount of the premium. Prosperity Plus not only enables saving for one's own retirement under pillar 3b, but also offers coverage options for death or occupational disability. In the event of a claim, a pension can also be insured until the regular OASI retirement age is reached, and premiums will be waived for the remainder of the contractual term. In addition, this insurance is characterised by considerable flexibility in terms of capital withdrawals and supplemental payments, making it the ideal tool for individual financial pension provision.

Prosperity Duo is aimed at couples. It makes it possible to promote private pension provision for a related party insured with a medium to long-term capital investment, and to protect the savings process in the event of death. We cover subsequent premium payments in the event of the insured person's death. If the insured provider is unable to earn, a premium exemption can also be included as an optional extra. Furthermore, Prosperity Duo offers flexible options for supplemental payments and capital withdrawals. In addition to partial redemptions at any time, a payout plan can also be drawn up, with the person to be insured receiving five or more scheduled payments from the age of 60 onwards.

We would like to support our clients in achieving their financial goals and provide them with investment opportunities that are consistent with their respective values.

Finally, with Prosperity Junior, a unit-linked life insurance policy is also available specifically for children and young people, in order to create a solid financial basis at an early stage. As with Prosperity Plus, the premium amount can be adjusted flexibly in line with new circumstances, and we cover subsequent premium payments in the event of the death of the insured provider. This insurance helps support next-generation wealth accumulation up to the age of 25. In the event of an insured child's occupational disability during the insurance period, an occupational disability pension can also be included up until a maximum age of 65. Parents and grandparents can thus provide for the financial future of their children and grandchildren at an early stage.

We would like to support our clients in achieving these financial goals and provide them with investment opportunities that are consistent with their respective values. Accordingly, the range of investment opportunities was significantly expanded again in 2024, with the focus still remaining on sustainable funds. We now have a considerable range of sustainable investment opportunities, thus enabling our clients to invest in a better future. The fact that we have in previous years invested considerable time and resources in our investment universe with a view to incorporating various themes and assets classes has not gone unnoticed. For example, our insurance Liechtenstein Life Invest received two TOP ratings in the 2024 fund policy report as regards the necessary flexibility in creating strategic portfolios as well as flexibility and transparency.[1] In addition, in an exclusive survey carried out by FONDS professionell, we were elected to second place in the ranking of preferred insurers by 242 brokers in Germany.[2]

Assessment of the business environment in the year 2024

Macroeconomic review

The stock market year started 2024 with uncertainty driven by geopolitical tensions and persistent inflation concerns. However, a positive trend emerged over the course of the year, although it varied significantly from region to region.

The MSCI World Index performed extremely well with a remarkable gain of 17.0% and closed at 3,708, slightly below its high for the year in early December. The price trend was driven by excellent performance of the US stock markets. In particular the tech giants Apple, Microsoft, Amazon and Alphabet, which collectively account for around 14% of the index, performed convincingly with strong financial figures and price gains. However, there was still some volatility, with sharp corrections of -4.2% and -8.2% during the second and third quarters respectively, although the market subsequently made up the lost ground.[3]

Over the course of the year, the German share index (DAX) also posted solid growth of 14.9%, although this index too was also affected by volatility. Price gains of 9.5% were achieved during the first quarter. An extended sideways movement in the second quarter was followed by a strong correction at the start of August, which completely nullified its previous performance. How-

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While the number eight – tipped sideways – resembles the mathematical symbol for infinity, eight successful financial years mark another milestone on our path.

ever, the DAX recovered quickly from this correction, and further price gains were subsequently achieved. The DAX also peaked at 18.4% at the beginning of December. The sentiment was gloomier towards the end of the year due to the crisis in the German automotive industry, which is having to deal with the challenges of deglobalisation, new technological trends and the rise of China, coupled with political changes within Germany and uncertainty regarding US protectionist trade policy under President Trump.[4, 5, 6]
Following temporary price gains of 11.4%, the Swiss Market Index (SMI) ended the 2024 financial year with a moderate gain of 3.5%. Accordingly, the SMI grew significantly less markedly and fluctuated considerably over the course of the year. The four corrections of between -4.2% and -6.9% reveal the scale of the volatility. As in the previous year, the SMI's performance was heavily dependent on the three index heavyweights. The negative performance by Nestlé (-23.9%) caused by the failure to achieve company targets acted as a significant drag on the index, whilst Roche (+2.6%) and Novartis (+2.5%) only posted moderate price gains.[7]

Following the appreciation of the Swiss franc against the euro (+5.9%), the US dollar (+8.9%) and the pound sterling (+3.9%) in 2023, in 2024 these currencies gained ground on the Swiss franc. Taking into account some price fluctuations, the Swiss franc lost value slightly over the course of the year, against both the pound sterling (-5.4%) as well as the euro (-1.2%).

The US dollar hit its peak against the Swiss franc in mid-April at +9.6%, then experienced a sharp correction with a low of -1.1% in early November before it recouped sharply in the last two months of the year, increasing overall by 8.3% over the course of the year.[8] The US dollar strength was fuelled by American political developments. Donald Trump raised the prospect of higher import tariffs and tax cuts during his second term in office. Lower tax rates should stimulate growth, with higher tariffs driving inflation. Should this materialise, the US Federal Reserve would have to tear up its plans for interest rate cuts, which is likely to bolster the US dollar.[9]
The Swiss franc lost value against other currencies also due to the current interest rate environment. In Switzerland, the Swiss National Bank lowered its key interest rate in four steps from 1.75% to 0.5% over the course of the year.[10] The US Federal Reserve also reduced key interest rates three times by a total of 1.0% over the course of the year, although with a range of 4.25% to 4.5% they were significantly higher than those in Switzerland, and thus more attractive.[11] In turn, the European Central Bank (ECB) made more swingeing rate cuts, with interest on main refinancing operations slashed by 1.35% from 4.5% to 3.15% in 2024.[12]

Review of the insurance industry in our core markets

Sustainability reporting is indispensable for insurance companies under the terms of the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy Regu-

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lation. As of 2024, sustainability efforts must be disclosed transparently. The objective is to achieve comparability in terms of sustainability activities. The EU taxonomy offers a uniform classification system for this purpose. Key elements of the sustainability report are materiality analyses, data recording systems and the selection of suitable reporting frameworks. Sustainability management is an ongoing process, which requires continuous improvements after reporting.[13]

However, sustainability is not just a regulatory burden as the insurance industry has the opportunity to play a leading role in the transition to a sustainable economy and society. Insurance companies can use ESG as a driver for developing sustainable products that take into account both environmental and social aspects. Thus, sustainability must not only be understood as additional regulatory cost, but also offers an opportunity, especially for insurance companies, to bolster the company's reputation and client confidence through the integration of ESG, as demand for sustainable products is constantly increasing – especially among younger client groups.[14]

In 2024, amendments to the Insurance Oversight Act (IOA) (*Versicherungsaufsichtsgesetz, VAG*) and the Insurance Oversight Ordinance (IOO) (*Aufsichtsverordnung, AVO*) came into force in Switzerland. These govern cooperation with insurance brokers. Insurance companies now have more responsibility for ensuring that brokers comply with all rules, including both tied brokers and non-tied brokers. This includes stricter controls, evidence of training and ensuring registration with the FINMA for non-tied brokers. In addition, insurance companies must establish risk management and complaints management procedures for brokers. This primarily entails higher costs for insurers, both in terms of administration and also financially. However, we are convinced that these measures will enable the quality of our advice and added value for our clients to be enhanced.[15]

In spring 2024, Swiss voters approved the referendum initiative on the 13th monthly payment for those receiving Federal Old Age and Survivors' insurance retirement pensions. The Federal Council plans to finance the initiative by raising VAT by 0.7%, although any increase in VAT has to be put to the voters once again.[16] In September 2024 Swiss voters subsequently rejected the reform of the Occupational Pensions Act (OPA). The reform aimed to secure pensions under mandatory occupational pension schemes and to improve pension benefits for low-paid employees, amongst other things by reducing the conversion rate. However, the reform was rejected by 67% of the electorate.[17]
In a "Lettera al mercato" (letter to the market) sent last spring, Italy's insurance supervisory authority (IVASS) published its expectations with regard to the management and control of insurance products, placing a major focus on the topic of value for money. The IVASS noted that insurers operating on the Italian market took insufficient account of the client's perspective when determining and measuring client value. On the one hand, insurers' own insurance solutions are too often compared with similar insurance cover provided by competing companies without explicitly determining client value. On the other hand, some assessments are too heavily focused on reviewing the sustainability and profitability of insurance from the company's perspective only, and the client is not given sufficient attention. Considering the specific characteristics of the Italian market and taking into account the deficiencies identified by IVASS, valuable insights emerge for our product developments, thereby enabling European regulations to be properly interpreted and applied.[18]

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Outlook for the future

Economic outlook

Real GDP is forecast to grow by 2.8% in 2025, followed by 2.7% in 2026, which is roughly the same as the figure for 2024. However, due to ongoing geopolitical conflicts, the potential for disruptive political changes and the vulnerability in the financial markets, growth may also turn out to be lower. In addition, the increasing geographical divergence may be exacerbated by the policy stance of the next US administration. There are already major differences between individual economic zones. For example, the US is expected to achieve GDP growth of 2.2% in 2025. The eurozone is lagging far behind at 0.9%, while the UK and Japan are in the middle of the table at 1.2%. China has by far the highest forecast growth rate, at 4.6%.[19] In Switzerland, GDP growth of 1.5% is expected in 2025, after around 0.9% in 2024.[20]

Global inflation is also expected to decline steadily over the next few years. Inflation fell noticeably in the US in 2024. However, it is entirely possible that US inflation will increase sharply again over the next few years, depending upon the specific economic policies pursued by the new Trump Administration.[21] It is anticipated that inflation in the eurozone and the UK will settle between 2.0% and 2.2%. The US Federal Reserve is expected to trim interest rates cautiously in 2025, while central banks in the eurozone and China will ease their policies more quickly as concerns over economic growth prevail.[22] Inflation in Switzerland is forecast at 0.7% for 2025. With other central banks continuing to reduce their key interest rates, inflation risks in Switzerland are even trending downwards. After all, if the Swiss franc appreciates, inflation could end up being even lower than the target figure. For this reason, further cuts in the key interest rate are anticipated in Switzerland, with the key interest rate stabilising at around 0.5% in 2025.[23]

Political developments in the US and Germany will also be important in 2025. Donald Trump was elected as president on 5 November 2024 and is expected to pursue an aggressive economic policy agenda. These changes could have a significant impact on economic stability and market sentiment. In Germany, the political landscape is also challenging following the collapse of the previous coalition. These uncertainties could have an impact on economic planning and investment decisions, as companies rely on the stability of the government and its economic policies.

All in all, 2025 will be a year full of challenges and opportunities for the economy. Inflation expectations, interest rate developments and the political environment will be key to economic stability and growth.

Outlook for the insurance industry in our core markets

With the adoption of the Digital Operational Resilience Act (DORA), the EU has established a set of rules to strengthen digital operational resilience. The insurance industry faces the basic challenge of defending itself against a variety of cyber threats, which jeopardise the integrity and availability of critical IT systems. Accordingly, IT infrastructure has to be tested continuously and adapted in line with dynamic threat scenarios. Cybersecurity is non-negotiable, but must be an integral part of information technology. These new rules will require companies in the financial sector to apply stricter standards from 2025 onwards in order to limit the impact of risks associated information and communications technology.[24]

In Germany, a reform of pension provision was discussed in 2024. The current “Riester pension” is a private or occupational pension plan, which is promoted by the state through allowances and tax benefits. However, the Riester pension has lost some of its attractiveness. Since at least the contributions paid in and government allowances must be guaranteed when the pension is paid out, savings capital is invested in secure asset classes. During periods characterised by low interest rates, however, this reduces the scope for better returns and the prospect of a high additional pension.[25] Profit must therefore, as far as possible, exceed the annual inflation rate. Otherwise, accumulated private

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All in all, 2025 will be a year full of challenges and opportunities for the economy.

savings may lose their purchasing power. The reform is intended to maintain state subsidies, consisting in allowances and tax incentives. Changes are due to be made in particular with regard to the guarantee. In addition to the previous guarantee covering 100% of contributions paid in, there should now also be the option of a reduced guarantee of 80% of contributions paid in available. As a result, banks and insurers could take on a greater risk when investing capital, thus enabling the potential for higher returns. The previous federal government called for the reform to enter into force on 1 January 2026.[26] However, it is currently an open question whether efforts to implement this reform will be continued following the collapse of the previous coalition.

According to a survey which we conducted in Switzerland, more than half of respondents will be unable to raise the necessary funds to maintain the standard of living to which they are accustomed after retirement. The concerns about a so-called pension gap are significant.[27]
A pension gap exists if the expected expenditure after retirement exceeds the expected income. The rule of thumb is that, after retirement, income should account for around 80% to 90% of the last salary in order to maintain the same standard of living. Since the first two pillars in the Swiss pension system are usually insufficient to achieve this, a considerable portion must be covered by private pensions. The fact that people are living longer and thus spending more time in retirement is making pension gaps a more pressing reality. We life insurers must fulfil our social responsibility here. It is important to analyse any potential pension gaps for prospective and existing clients by providing excellent advice and comprehensive analysis of their needs, to identify the consequences of a pension gap and to present potential solutions in order to be able to retain the previous standard of living in old age. It is never too early to address the issue of pensions. After all, the longer the investment horizon, the more financial reserves there will be in old age. We can make a significant contribution to closing pension gaps among the population in order to ensure the desired prosperity during old age.

Outlook for Liechtenstein Life Assurance AG

The World Life Insurance Report 2025 demonstrates how important it is for insurers to provide outstanding client experience, or CX. In order to ensure a premium client experience, the challenges faced by policyholders as regards the issues of product range, conclusion of contracts, service and claims handling need to be kept under constant review. In addition, insurers will have to rely on advanced technologies to optimise data management and facilitate generative AI. Finally, talent and partnerships must

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Executive Board: Dr Aron Veress, CEO (right), Michael Blank, CFO (in the middle), and Dr Marcel Vaschauner, CIO (left)

be encouraged to foster a client-oriented culture and to increase efficiency throughout the value chain. Analysis has shown that taking these aspects into consideration can have a positive effect on client satisfaction, reduce operating costs and lead to stronger sales growth. In short, outstanding client experience is the cornerstone for tangible business success.[28]

In recent years, we have implemented various measures in order to focus even more on our clients. Some of these measures include transparent and understandable product information, usage of artificial intelligence to reduce processing times in client service, redesigning our website to ensure user-friendliness and the continuous revision and further development of our app, which means that our clients can access their insurance policies and data from all places and at all times. Particularly noteworthy is the innovative range of insurance solutions, now spanning a range of topics such as pensions, inheritance, gifts and the protection of life partners and children.

The positive feedback and our renewed successful business year reinforce our commitment to keeping our client experience at the heart of our corporate strategy in the future. We will continue to make intensive efforts to further optimise processes, promote digital innovation and align our services even more closely with our clients' needs. Our goal is not only to offer first-class insurance products to our clients, but also to help them achieve their prosperity goals by providing the best possible service.

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> “Technological excellence and user-friendliness provide the foundation for our digital future.

While the number eight – tipped sideways – resembles the mathematical symbol for infinity, eight successful financial years mark another milestone on our path. This success is no coincidence, but rather the result of hard work, strategic skill and the tireless commitment of our partners and employees.

We are not resting on our laurels, but are rather leveraging the positive energy to pursue our ambitious goals resolutely and with our full strength also in the future. Our focus on sustainable growth, innovative solutions and, above all, client satisfaction will continue to guide us in the coming year. We are confident that we will be able to give you further positive news in our next annual report – and who knows, perhaps we will already be making history with the next figure.

2 Report of the Board of Directors

In the 2024 financial year, the Board of Directors fulfilled its duties in accordance with legal requirements, the Articles of Association and the Organisational Regulations. It established the company's strategic direction, supervised business operations overall, and advised the Executive Board. In addition, the Board of Directors monitored how the Executive Board implemented the established strategy.

Personnel changes on the Board of Directors

There were no changes to the membership of the Board of Directors during the past financial year.

Subjects dealt with by the Board of Directors

Over the past financial year, the Board of Directors dealt intensively with business policy and major developments in the business and the economic situation. This was based on regular, prompt and comprehensive reports from the Executive Board, which were presented in written form and explained orally at the Board's five meetings.

The discussions and resolutions of the Board of Directors focused, among other things, on sales development, the financial and capital situation, and the company's risk management. The Board of Directors received detailed information on business performance, current developments and revenue development. The Executive Board also reported on the existing risk management arrangements, risk minimisation measures, and the company's financial and capital situation. Another focus was on assuring and expanding product quality, as well as increasing cost efficiency. In addition, the Board of Directors was informed about measures in these areas and also about the company's general situation.

The flow of information was rounded off by reports from the Executive Boards of other Group companies concerning issues of relevance for the Group.

Thanks to this structured information and exchange process, the Board of Directors was able to perform its monitoring and management function comprehensively at all times during the past financial year.

Work in the committees of the Board of Directors

In order to be able to carry out its tasks efficiently, the Board of Directors has established five permanent committees. These provide a specialised manner of handling the respective subject areas and support the Board of Directors as a whole by analysing the issues concerned, preparing for specific discussions and resolutions as well as adopting stand-alone resolutions within their respective areas of competence.

The five committees are as follows:

- Compliance Committee
- Audit Committee
- Risk Management Committee
- Remuneration Committee
- Investments Committee

Miguel Barroso Abecasis,
President of the Board of Directors

In 2024, the committees dealt primarily with the following subjects:

- Identification and analysis of the primary risks, together with the management of these risks
- Checking and approval of the annual financial statements for the attention of the General Meeting
- Personnel issues
- Review of capital investment guidelines, as well as sustainable capital investments
- Expansion of sustainability-related aspects in the corporate strategy
- Four-year planning for 2025–2028
- Impacts of changing interest rates on business activities

The Board of Directors was fully involved in all of the company's key decisions at an early stage. Significant business operations were discussed in detail on the basis of detailed reports from the committees and the Executive Board.

In doing so, the Board of Directors actively provided its own input, thereby decisively shaping the decision-making process. In particular, the Board of Directors exerted a strong influence over the strategic and personnel policies of Liechtenstein Life Assurance AG.

The auditors KPMG (Liechtenstein) AG, Vaduz audited the annual financial statements of Liechtenstein Life Assurance AG and issued an unqualified audit opinion.

The Board of Directors would like to express its warm thanks to all employees of Liechtenstein Life Assurance AG. Their dedication and commitment were crucial in making this financial year a successful one. It is only by working together that can we achieve our ambitious goals and ensure the positive development of Liechtenstein Life Assurance AG also in the future.

3 Board of Directors and Executive Board

Board of Directors

Miguel Barroso Abecasis
President of the Board of Directors

Reto Mathias Näscher
Vice-President of the Board of Directors

Luís Jaime Marques
Member of the Board of Directors

Christoph Böckle
Member of the Board of Directors

Dr Wei (Wilson) Sun
Member of the Board of Directors

Executive Board

Dr Aron Veress
Chief Executive Officer

Michael Jochen Blank,
Actuary DAV
Chief Financial Officer

Dr Marcel Vaschauner
Chief Investment Officer

Responsible Actuary

Rebekka Schreiber,
Actuary DAV, CERA

Auditors

KPMG (Liechtenstein) AG
Aeulestrasse 2, 9490 Vaduz

Board of Directors committees

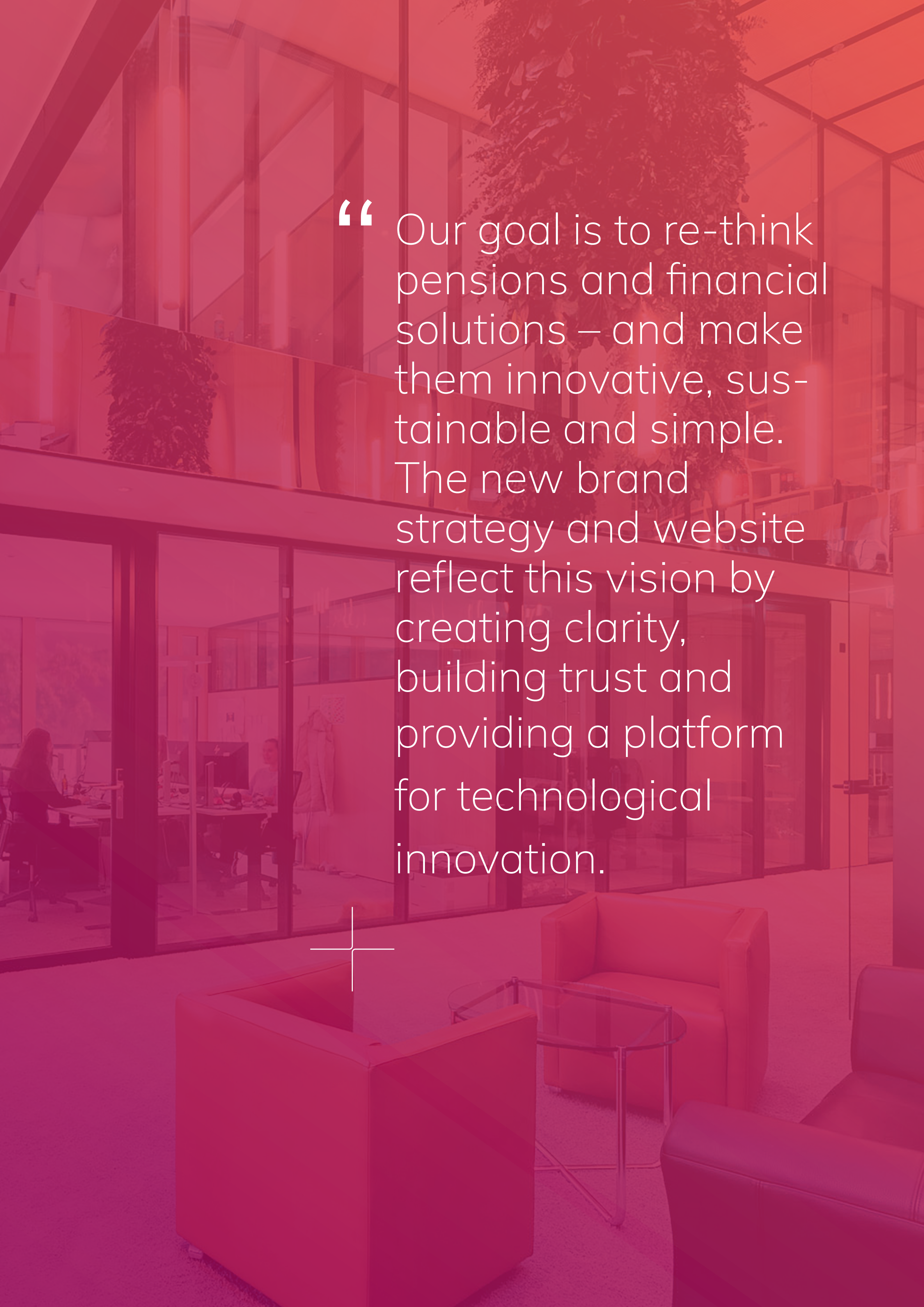
Investments Committee
Dr Wei (Wilson) Sun
Reto Mathias Näscher
Christoph Böckle

Compliance Committee
Dr Wei (Wilson) Sun
Reto Mathias Näscher
Christoph Böckle

Remuneration Committee
Miguel Barroso Abecasis
Reto Mathias Näscher
Christoph Böckle

Audit Committee
Luís Jaime Marques
Reto Mathias Näscher
Christoph Böckle

Risk Management Committee
Luís Jaime Marques
Reto Mathias Näscher
Christoph Böckle



> “Our goal is to re-think pensions and financial solutions – and make them innovative, sustainable and simple. The new brand strategy and website reflect this vision by creating clarity, building trust and providing a platform for technological innovation.

4 New brand identity creates clarity and trust

With a new brand identity and a strategic realignment, Liechtenstein Life Assurance AG is showing that it is more than just an insurer.

David Thomas Grübl
Marketing Director

explains in an interview how a uniform brand strategy boosts the company's innovative strength and why the new corporate website is paving the way for the future.

Mr Grübl, Liechtenstein Life Assurance AG is often cited as an industry innovator. What is behind the new brand strategy?
Our primary aim is to combine innovation and simplicity. With the new brand strategy, we create clarity and consistency in an increasingly complex world.

By pooling our strength, we not only bolster our brand architecture, but also the perception of our values such as stability, trust and progress.

A key element of this strategy is the new corporate website. What makes it so special?
The website is not just a platform – it showcases our vision. In doing so, we have reorganised complex content and presented it in a user-friendly manner. Our target audiences – whether clients, partners or stakeholders – can find everything they need in one place. The website is informative and visually attractive, and offers real added value.

What challenges were there during the rollout process?
The biggest challenge was creating an identity with recognition value from an existing, established brand. In order to do so we conducted market and competition analyses and developed our own visual identity based on state-of-the-art design trends. We have always been driven by the desire to combine a high level of user-friendliness with aesthetics.

How does the website reflect the technological affinity of Liechtenstein Life?
Our new platform combines advanced technologies with intuitive design. It was designed in a way that is not only visually convincing but also offers technical excellence. From responsive design to interactive elements, it has been conceptualised to cater to the hybrid requirements of our stakeholders, remaining cutting-edge and forward-looking.

Key facts about the new brand strategy

– Strengthened identity
Stronger positioning and further development of the established brand with recognition value

– Central corporate website
Bringing together all information on one page for a consistent user experience

— Innovative web design
Clear structure, modern look and user-friendliness based on current trends

— Focus on the future
Combining technological excellence, financial solutions and strong returns

What is the significance of the new brand identity for the positioning of Liechtenstein Life?
Liechtenstein Life is an innovative partner for pension and financial solutions. The new brand identity strengthens this message by building trust and clearly communicating our services. We show that we are a company that not only keeps up with the times, but also sets trends and always focuses on the needs of our clients.

What would you like for Liechtenstein Life's future?
I would like us to further expand our pioneering role and to present our vision of modern pension provision with technological excellence even more convincingly to the world. Our new brand strategy and the corporate website are important steps in this direction.

Together with our team, I look forward to the various challenges on the road ahead.

5 Management report

The new building reflects the balance of interests influencing our actions.

Development of the insurance portfolio

Periodic gross premiums rose to CHF 247 million, primarily due to the development of new business in the 2024 reporting period, representing an increase of 15% compared to the previous year. The annual premium equivalent totalled CHF 256 million in the 2024 financial year, up 15% on the previous year.

The growth in gross premiums written is also due, among other things, to the strong new client business. The number of policies under management increased by 14,201 contracts in the past financial year, an increase of 13 %. We now have a portfolio of 122,481 policies (2023: 108,280).

Unit-linked life insurance policies account for the most significant share of the portfolio structure at 99.1% (2023: 99.0%). Pure risk insurance policies account for 0.9% (1.0%).

Capital

Our need for capital and liquid funds is strongly influenced by the growth in our insurance portfolio and by our business model. The capitalisation required by Liechtenstein Life Assurance AG is derived from the legal provisions laid down by the Liechtenstein Insurance Supervision Act. In addition to the minimum capital level, a minimum solvency margin is also prescribed by law. The funds that are to be set aside as own funds to cover the legal supervisory requirement for the solvency margin are likewise prescribed with an equal degree of precision.

Share capital

As of 31 December 2024, our subscribed share capital amounted to CHF 20 million (2023: CHF 20 million). The subscribed share capital of Liechtenstein Life Assurance AG was made up of two million registered shares with a nominal value of CHF 10 each.

Key figures from the Liechtenstein Life Assurance AG balance sheet

Balance sheet total

The balance sheet total amounted to CHF 1,294 million in the reporting year (2023: CHF 977 million), thus increasing by 32% compared to the previous year. Most of the increase on the asset side came from capital investments for the account and at the risk of life insurance policyholders. On the liability side, the increase was attributable to underwriting provisions for life insurance contracts.

Capital investments

The other capital investments of Liechtenstein Life Assurance AG amount to CHF 31.9 million (2023: CHF 39.9 million). The change in invested capital was attributable to active medium-term liquidity management. In order to avoid taking on unnecessary risks, these capital investments have been largely limited to fixed-interest bonds with a few years to maturity, money market fund units and time deposits with banks.

Capital investments for the account and at the risk of life insurance policyholders

Capital investments for the account and at the risk of life insurance policyholders amounted to CHF 1,149 million as at 31 December 2024 (2023: CHF 856.9 million) and included, in addition to client investments, the policyholder's premium deposit of CHF 29.5 million (CHF 26.8 million) and uninvested assets of CHF 2.2 million (CHF 2.9 million). Capital investments held for the account and at the risk of life insurance policyholders increased by CHF 179 million over the course of the year due to net investments and by CHF 111 million due to unrealised price and FX factors.

The capital investments for the account and at the risk of life insurance policyholders account for 89% (88%) of the assets of Liechtenstein Life Assurance AG.

Current credits with banks, giro cheque credits, cheques and cash in hand

At the end of the financial year, Liechtenstein Life Assurance AG held own liquid assets of CHF 52.7 million (2023: CHF 35.6 million). Along with the other capital investments of Liechtenstein Life Assurance AG holds cash and cash equivalents of CHF 84.5 million (CHF 75.5 million).

Prepaid expenses

Other prepaid expenses consist primarily in capitalised acquisition costs. This accrual of expenses for the conclusion of insurance contracts increased in 2024 by 26% to CHF 38.5 million (2023: CHF 30.6 million). The increase compared to the previous year was attributable to the positive development of new business and a higher excess in the insurance business and the associated receivables from the insurance relationship that are earned but not yet due.

Provision for unsettled claims

The gross amount for the provision for unsettled claims at the end of 2024 was CHF 4.7 million, which was 69% higher than the figure at the end of 2023 (CHF 2.8 million). This change can be attributed to the higher level of unsettled claims due to portfolio growth. A significant increase was recorded especially in relation to insurance cover for the consequences of occupational disability consisting in a premium exemption or an additional pension.

By contrast, the portion borne by reinsurers in respect of claims also increased by 89%, resulting in a net provision for unsettled claims of CHF 1.6 million (CHF 1.1 million).

Underwriting provisions for life insurance contracts where the investment risk is borne by the insurance policyholders

Underwriting provisions amounted to CHF 1,119 million at the end of 2024 (2023: CHF 830.2 million). The increase of CHF 289 million can be attributed to unrealised market and FX gains of CHF 111 million and CHF 179 million in net inflows from clients.

Other provisions

Tax provisions increased compared to the previous year. This can be attributed primarily to the higher annual result. In addition, however, the tax expense for the 2024 financial year and thus the tax provision as at the end of the year were higher, since a higher income tax is payable for 2024 due to the OECD's new global minimum taxation, also known as BEPS 2.0.

Other provisions also increased over the course of the year due to higher provisions for distribution partner compensation and the increase in the provision providing cover for future claims under life insurance contracts with a premium guarantee.

Retained deposits for reinsured insurance business

These deposits from reinsurers show the reinsurers' share of future payments under existing claims in the area of supplementary income protection and occupational disability insurance, which we have already deducted from our payments to reinsurers. In line with the reinsurers' share of ongoing claims, deposits from reinsurers increased by 121% to CHF 2.1 million (2023: CHF 0.9 million).

Other liabilities

Accounts payable arising out of insurance business contracted directly of CHF 65.1 million (2023: CHF 58.3 million) increased by CHF 6.9 million, driven amongst other things by higher premium deposits for policyholders and higher cancellation reserves for distribution partners.

Key figures from the Liechtenstein Life Assurance AG income statement

Investment result

Taking account of capital investments for the account and at the risk of life insurance policyholders, unrealised gains of more than CHF 111 million were recorded in 2024 (2023: CHF 11.2 million). These comprised CHF 7.3 million of unrealised foreign exchange profit (CHF -29.0 million) and CHF 104 million of unrealised capital market gains (CHF 40.2 million).

Acquisition expenses

Acquisition expenses in the reporting year amounted to CHF 78.0 million (2023: CHF 84.5 million). The decline in acquisition expenses was mainly due to higher income from the capitalization of expenses for the conclusion of insurance contracts.

Administration expenses

Total administration expenses amounted to CHF 8.8 million (2023: CHF 9.7 million). The decline in administration expenses resulted from optimisations in the cost structure of Liechtenstein Life Assurance AG.

Commissions and shares of earnings received from the reinsurance business

The commissions and shares of earnings received from reinsurance business contracted from CHF 76.1 million in 2023 to CHF 62.4 million in 2024, which is due to a higher excess in the insurance business and the associated receivables from the insurance relationship that are not yet due.

Profit after taxes

In the past financial year, taking account of tax expenses of CHF 3.0 million (2023: CHF 1.9 million), Liechtenstein Life Assurance AG generated a profit after taxes of CHF 14.1 million (13.1 million).

Our employees: The foundation for our success

Under one roof: together in Schaan

Following a successful 2023 in which we focused on the importance of flexibility and employee satisfaction, 2024 was dominated by innovation and community – at all times concentrating on the needs and commitment of our employees.

A special highlight was certainly the move by all employees from the Principality of Liechtenstein to our new office building in Schaan. Previously housed in two

Employees now benefit from shorter lines of communication thanks to the new company building.

separate buildings in Ruggell, operations now share a home in Schaan. It has been very much worth it. Contact with the joint service units and with the Group's internal sales unit is now even more efficient, and we benefit from shorter communication paths.

Into the future together with artificial intelligence

The insurance industry is dynamic and is presenting us with new challenges on a daily basis. This makes it all the more important for us to be able to rely on the skills, commitment and openness of our employees to new technologies and sustainable action. We are particularly proud of the successful integration of our artificial intelligence into our everyday work.

Our employees have taken up the new technology with great interest and are actively using it to make their daily work easier and more efficient. This positive response is encouraging us to use future-oriented technologies in a protected environment in order to support our employees and clients.

Sustainability as a shared task

Our commitment to sustainability is apparent not only in our day-to-day work through advancing digitalisation, but also through tangible offers for our employees. The new mobility contribution for those who do not travel to work by car is actively used and makes a valuable contribution to protecting the environment.

Achieving major benefits together

Our teams in the areas of product development and digitalisation have demonstrated particular commitment. The expansion of the product range and the optimisation of our proprietary system LLA Suite, which makes our digital processes much more efficient, has made an important contribution to the company's success.

We would like to sincerely thank all of our colleagues for their efforts. Their dedication, expertise and resoluteness provide the foundation for our sustainable success and our confidence in the future.

Numbers and facts

In 2024, the 55 (2023: 54) employees at Liechtenstein Life Assurance AG accomplished great things.
Thank you very much for your efforts!

Risk management and mitigation

Where corporate management is concerned, Liechtenstein Life Assurance AG has a comprehensive risk management system. By means of effective analysis and controlling instruments, we can fulfil the requirements relating to recognising, analysing and mitigating risks to which Liechtenstein Life Assurance AG is exposed. The aim is to mitigate risks through active management. As a result, the company's financial strength is bolstered and its value can be sustainably increased.

Underwriting risks

Underwriting risks are defined as changing cash flows due to unfavourable developments in the underlying calculation assumptions, particularly in biometrics. Biometrics include mortality, disability and longevity. In addition to biometrics, the cancellation behaviour of clients and the development of internal administrative costs have an impact on the long-term development of the company. Actuarial risks are monitored on an ongoing basis using actuarial analyses. A growing insurance portfolio balances underwriting risks. Biometric risks are mitigated through rigorous underwriting, and insurance contracts above a predetermined loss threshold are transferred to appropriate reinsurers, thus further reducing potential exposure.

Counterparty default risks

The receivables from reinsurers, brokers and clients are subject to default risk. In the area of reinsurance, the risk of default can be rated as very low because the partner companies have a correspondingly high ranking in terms of rating. Any potential outstanding amounts with brokers or clients are quickly identified through the internally implemented early warning indicators. Outstanding amounts are monitored with an extensive electronic dunning and collection system. In addition, all business relationships are regularly reviewed, which significantly reduces the risk. In the event of a claim, Liechtenstein Life Assurance AG can additionally fall back on fidelity insurance.

Market risks

Risks in the area of capital investments are managed by means of a balanced policy of capital investment, and the risks posed by interest rates and exchange rates are kept to the minimum possible by means of diversification as permitted by supervisory regulations (mixture and spread).

Liechtenstein Life Assurance AG is also exposed to currency risk due to its cross-border business activities. In order to adequately manage currency risk, foreign currency holdings are continuously monitored and reduced as necessary.

Operational risks

Risks in conjunction with internal organisation, people, technology and external factors are summarised under operational risks. Liechtenstein Life Assurance AG has a comprehensive internal control system in place to minimise these risks. The risk of employee misconduct is minimised through the separation of functions in work processes, clear work instructions and plausibility checks. Extensive automation of the processes further reduces the potential for errors. In addition, the increasing use of digital technology is opening up further opportunities to monitor operational risks in a more comprehensive and granular manner. We devote particular attention to risks occurring in the area of data processing and cybercrime. Emphasis is especially placed on operating malfunctions, on data losses and on external attacks on the systems (cyberattacks). We counter these risks by means of comprehensive protective measures such as authorisation concepts, firewalls and antivirus measures that are being updated and developed continuously.

In summary, Liechtenstein Life Assurance AG has risk management instruments that are constantly being developed, also in regard to Solvency II requirements. From the current perspective, no changes can be recognised


The aim of risk management is to mitigate risks through active management.

that could exert any sustained negative influence on the position of the company in terms of its assets, finances and earnings.

Other risks

There are various other risk categories defined within Liechtenstein Life Assurance AG in addition to the risk categories stated above.

Liquidity risk

This refers to the risk that Liechtenstein Life Assurance AG is not able to meet its payment obligations on time. Liechtenstein Life Assurance AG pays great attention to this issue. Thus, the current liquidity level is monitored continuously and the medium-term liquidity level is projected.

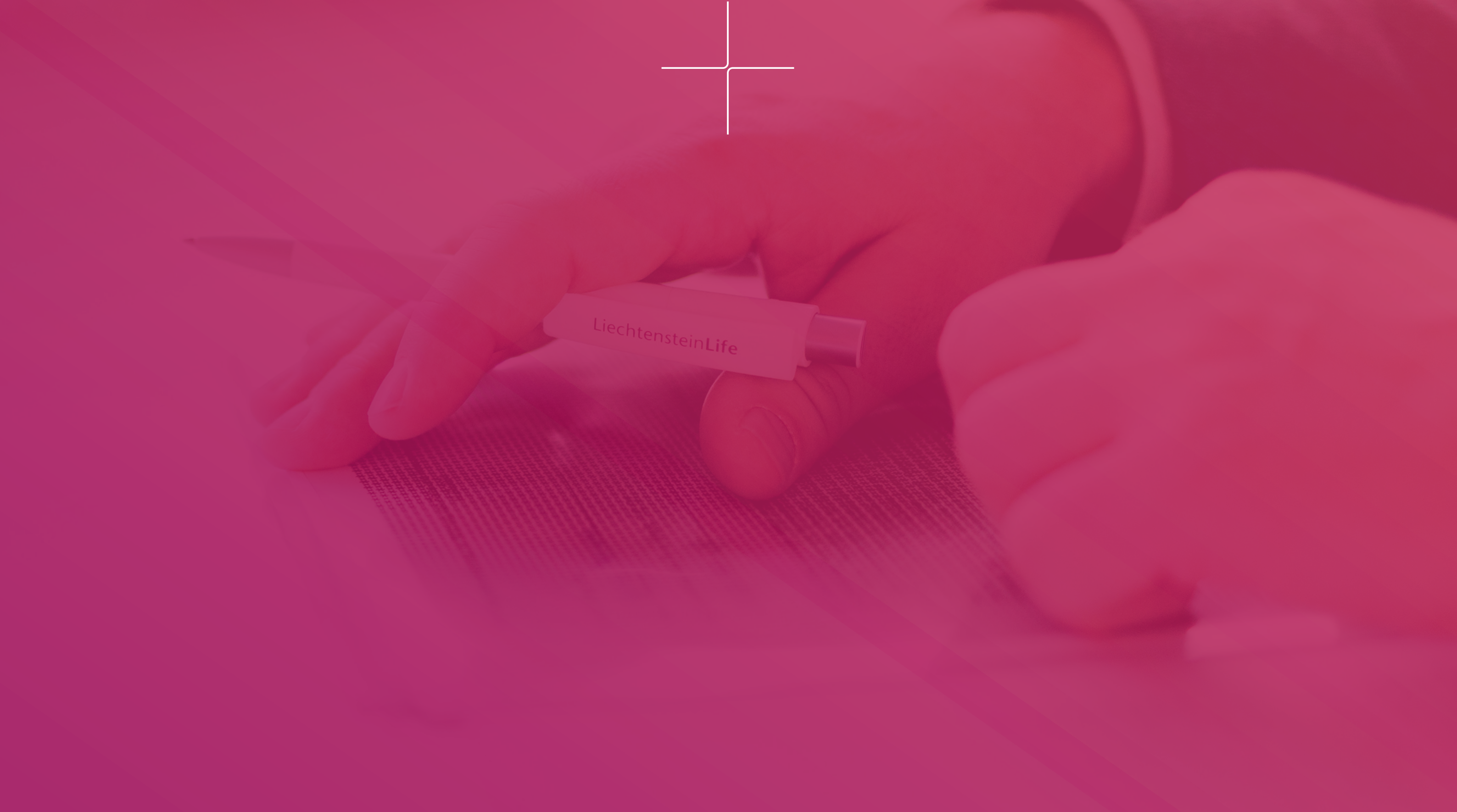
Reputational risk

This is the risk arising from possible damage to the company's reputation as a result of negative public perception. As part of its internal control system Liechtenstein Life Assurance AG attaches great importance to minimising any possible causes of reputational risks.

Strategic risk

Possible threats to strategic success potential due to structural changes or market dependencies are referred to as strategic risk. Liechtenstein Life Assurance AG continuously monitors macroeconomic and legal changes as well as market dependencies in order to react quickly and appropriately in the event of a strategic risk.

“Our vision is clear: We create a digital ecosystem for high-yield pensions and wealth planning. Innovative, forward-looking and sustainable.



6 Annual financial statements Balance sheet (in CHF thousand)

Assets	Notes	31.12.2024	31.12.2023
A. Intangible assets			
IV. Other intangible assets	6.1	207	260
		207	**260**
B. Capital investments	6.2		
III. Other capital investments			
1. Shares, other non-fixed-income securities and units in investment funds		9,927	98
2. Debt securities and other fixed-income securities		6,665	165
6. Deposits with banks		15,255	39,619
7. Other capital investments		30	30
		31,876	**39,912**
C. Capital investments for the account and at the risk of life insurance policyholders	6.3	**1,148,926**	**856,952**
D. Additional receivables			
I. Receivables from self-concluded insurance business			
1. from insurance policyholders		2,882	3,606
2. from insurance brokers		2,280	1,257
II. Receivables from the reinsurance business			
3. from other debtors		13,468	6,830
III. Other receivables			
3. from other debtors		14	38
		18,644	**11,730**
E. Other assets			
I. Property, plant and equipment (apart from land and buildings)	6.4	97	135
II. Current credits with banks, giro cheque credits, cheques and cash-in-hand		52,669	35,554
		52,765	**35,689**
F. Prepaid expenses			
III. Other prepaid expenses	6.5	41,217	32,637
		41,217	**32,637**
Total assets		1,293,635	977,179

Equity and liabilities	Notes	31.12.2024	31.12.2023
A. Shareholders' equity			
I. Paid-in capital			
1. Subscribed capital	6.6	20,000	20,000
II. Establishment fund		6,500	6,500
IV. Revenue reserves			
1. Legal reserve		2,000	1,496
V. Profit brought forward		26,568	16,335
VI. Annual earnings		14,117	13,138
		69,185	**57,468**
D. Underwriting provisions			
I. Unearned premiums			
1. Gross amount		72	63
		72	**63**
II. Actuarial reserve			
1. Gross amount		1,447	1,166
		1,447	**1,166**
III. Provision for unsettled claims			
1. Gross amount		4,683	2,768
2. Of which less: Reinsurers' share		-3,083	-1,631
		1,600	**1,136**
Total D. Underwriting provisions		**3,118**	**2,366**
E. Underwriting provisions for life insurance contracts where the investment risk is borne by the insurance policyholders	6.3	**1,119,433**	**830,161**
F. Other provisions			
II. Tax provisions		3,001	1,877
III. Other provisions		11,881	9,346
		14,883	**11,223**
G. Retained deposits for reinsured insurance business		**2,055**	**928**
Carried over		**1,208,674**	**902,146**

Equity and liabilities	Notes	31.12.2024	31.12.2023
Carried over		**1,208,674**	**902,146**
H. Other liabilities			
I. Accounts payable arising out of insurance business contracted directly	6.7		
1. from affiliated companies		197	0
3. to other creditors		64,944	58,250
II. Reinsurance settlement liabilities			
3. to other creditors		17,801	14,771
V. Other liabilities			
1. Liabilities from taxes		119	198
2. Liabilities within the framework of social security		116	134
3. Other liabilities to affiliated companies		686	323
5. Other liabilities to other creditors		260	207
		84,123	**73,883**
I. Deferred income and other accruals		**838**	**1,150**
Total equity and liabilities		1,293,635	977,179

6 Annual financial statements Income statement

(in CHF thousand)

	Notes	2024	2023
II. Technical account for life insurance			
1. Premiums earned for own account			
a) Gross premiums posted	6.8	339,587	296,405
b) Reinsurance premiums ceded		-80,705	-69,258
c) Change in gross unearned premiums		-8	-8
		258,874	**227,138**
2. Income from capital investments			
c) Current income from other capital investments		8,785	7,275
3. Unrealised gains from capital investments		**181,964**	**120,767**
4. Other underwriting income for own account		**2,943**	**1,883**
5. Insurance claims expenses for expenditures for own account			
a) Claims paid			
– Gross amount		-48,485	-37,651
– Reinsurers' share		585	554
b) Change in provision for unsettled insurance claims			
– Gross amount		-1,914	-696
– Reinsurers' share		1,450	464
		-48,363	**-37,330**
6. Change in the remaining underwriting net provisions			
a) Change in actuarial reserve			
– Gross amount		-289,298	-172,936
		-289,298	**-172,936**
8. Operating expenses for own account			
a) Acquisition expenses	6.9	-78,008	-84,508
b) Administration expenses	6.9	-8,807	-9,663
c) Commissions and shares of earnings received from reinsurance business	6.9	62,356	76,095
		-24,459	**-18,076**
Carried over		**90,445**	**128,721**

	Notes	2024	2023
Carried over		**90,445**	**128,721**
9. Expenses for capital investments			
a) Expenses for the administration of capital investments and interest expenses	6.10	-1,394	-1,101
10. Unrealised losses from capital investments		**-70,678**	**-110,854**
11. Other underwriting expenses for own account		**-3,568**	**-2,622**
14. Net technical result for life insurance		**14,804**	**14,145**
III. Non-technical account			
3. Income from capital investments			
c) Current income from other capital investments		854	352
d) Income from reversals of impairment losses		391	0
e) Gains on the disposal of capital investments		89	32
		1,335	**384**
5. Expenses for capital investments			
b) Depreciation, amortisation and impairment losses on capital investments		-8	-19
		-8	**-19**
7. Other income from ordinary business activities	6.11	**1,032**	**550**
8. Other expenses from ordinary business activities		**-41**	**-47**
10. Extraordinary income		**2**	**2**
13. Taxes on income and on earnings		**-3,007**	**-1,877**
Annual earnings		14,117	13,138

6 Notes to the annual financial statements

General notes

Reporting year

The financial year for Liechtenstein Life Assurance AG corresponds with the calendar year.

Basic accounting principles

Accounting principles

The annual financial statements are based on the basic principles of the Liechtenstein Persons and Companies Act (PCA; *Personen- und Gesellschaftsrecht – PGR*) as well as the Act of 12 June 2015 regarding supervision of insurance companies (Insurance Supervision Act – ISA; *Versicherungsaufsichtsgesetz – VersAG*) and the accompanying ordinance (Insurance Supervision Ordinance – ISO; *Versicherungsaufsichtsverordnung – VersAV*) in the versions in effect at any given time.

Translation of foreign currencies

Credits, receivables, proportional interest payments, liabilities and underwriting provisions, etc. issued in foreign currencies are, as a basic principle, converted into Swiss francs at the rate of valuation of the reporting date as established by the Liechtenstein tax authorities. The same also applies to securities issued in a foreign currency. Any possible currency differences are recorded so as to post their effect on net income.

The following reporting date exchange rates were applied in the 2024 reporting year:

Currency	31.12.2024	31.12.2023
EUR	0.9385	0.9297
USD	0.9063	0.8416

Valuation method

Capital investments

Capital investments in affiliated companies, holdings and other capital investments are applied in accordance with the lowest value principle.

Capital investments for the account and risk of insurance policyholders are valued at their fair value on the reporting date.

Intangible assets and other assets

Intangible assets as well as property, plant and equipment are capitalised at acquisition cost and depreciated in a linear manner in accordance with their estimated useful lives. The useful lives are between three and ten years.

Receivables

Receivables are valued with the nominal amounts, taking into account any value adjustments that may be required.

Deferred acquisition costs

According to Annex 1 of the Liechtenstein Insurance Supervision Ordinance (ISO), Ordinance (ISO) for life insurance ,the deferral of costs of acquiring insurance contracts shall be permissible to a limited extent on the basis of an appropriate procedure through the disclosure of "Deferred claims not yet due from the insurance contract relationship", insofar as they relate to acquisition costs incurred and to the extent that these relate only to acquisition costs disclosed to the policyholder as one-off acquisition costs.

For this appropriate procedure for calculating the claims that are not yet due from the insurance relationship, the acquisition costs used in actuarial calculations is authoritative, also the rate may not be higher than 40 ‰, related to the total of the committed premiums of the insurance contract concerned.

The attestation of accrual and deferral is only permitted for contracts that are active at the reporting date and for which the acquisition costs have been included in the actuarial calculations and have been actually paid out in whole or in part in the course of concluding the contract as an acquisition commission. Furthermore, regulations are to be agreed in the agreement with the insurance broker to the effect that the acquisition commission is to be reimbursed proportionately if the insurance contract is cancelled prematurely by the broker.

Unearned premiums

Unearned premiums are set in accordance with actuarial basic principles.

Underwriting provisions

The calculation of the underwriting reserve is undertaken whilst taking into account the due statutory provisions. Where investment risk is borne by the insurance policyholders, the underwriting provision is calculated according to the retrospective method for each individual contract. At the reporting date, the individual share units are valued with the time value on the date.

Liabilities

Liabilities to policyholders and brokers are reported together with the repayment amounts.

Assets

6.1 Intangible assets

All figures in CHF thousand	Portfolio as at 01.01.2024	Additions/disposals	Depreciation, amortisation and impairment	Portfolio as at 31.12.2024
Licences and software	260	11	-64	207
Total	**260**	**11**	**-64**	**207**

Previous year

All figures in CHF thousand	Portfolio as at 01.01.2023	Additions/disposals	Depreciation, amortisation and impairment	Portfolio as at 31.12.2023
Licences and software	37	256	-33	260
Total	**37**	**256**	**-33**	**260**

The terms “licences and software” are understood to include various licences and software tools required for conducting insurance business.

6.2 Capital investments

Other capital investments for the account and at the risk of Liechtenstein Life Assurance AG are valued in accordance with the lowest value principle, meaning the lower of acquisition cost or fair value on the reporting date.

All figures in CHF thousand	31.12.2024		31.12.2023	
Capital investments	Lowest value principle	Fair value	Lowest value principle	Fair value
Shares, other non-fixed-income securities and units in investment funds	9,927	10,039	98	140
Debt securities and other fixed-income securities	6,665	6,737	165	480
Deposits with banks	15,255	15,255	39,619	39,619
Other capital investments	30	30	30	30
Total	**31,876**	**32,061**	**39,912**	**40,268**

6.3 Capital investments for the account and at the risk of life insurance policyholders

All figures in CHF thousand	31.12.2024	31.12.2023
Capital investments	1,148,926	856,952
Premium deposit	-29,493	-26,791
Underwriting provisions where the investment risk is borne by the insurance policyholders	**1,119,433**	**830,161**

For capital investments for the account and at the risk of the policyholders, unrealised gains from market fluctuations amounted to CHF 182 million in the 2024 financial year (2023: CHF 121 million) and unrealised losses to CHF 71 million (CHF 111 million). The acquisition costs of these capital investments amounted to CHF 1,030 million (CHF 841 million), and they had a fair value of CHF 1,148 million (CHF 856 million) (excluding PLI business).

6.4 Property, plant and equipment

All figures in CHF thousand	Portfolio as at 01.01.2024	Additions/dis-posals	Depreciation, amorti-sation and impairment	Portfolio as at 31.12.2024
Office furniture	34	0	-10	24
Fixtures in buildings belonging to others	2	0	-2	0
EDP hardware	98	17	-43	72
Total	**135**	**17**	**-55**	**97**

Previous year

All figures in CHF thousand	Portfolio as at 01.01.2023	Additions/ disposals	Depreciation, amorti-sation and impairment	Portfolio as at 31.12.2023
Office furniture	44	0	-10	34
Fixtures in buildings belonging to others	23	0	-21	2
EDP hardware	84	51	-37	98
Total	**151**	**51**	**-67**	**135**

Office furniture is depreciated over a duration of 10 years and the EDP equipment over 4 years.

6.5 Other prepaid expenses

This item contains the deferred acquisition costs that are entered in the balance sheet with a haircut. Acquisition costs amounting to CHF 38.5 million (2023: CHF 30.6 million) have been entered on the balance sheet accordingly.

Deferred acquisition costs
In accordance with the guidelines of the Liechtenstein Insurance Supervision Ordinance (ISO), Liechtenstein Life Assurance AG capitalises the following values as “Deferred claims not yet due from the insurance contract relationship” under asset balance sheet item F. III. for each tariff group:

Tariff group	2024 amount in CHF thousand	2023 amount in CHF thousand
Value and Value Invest	6,069	7,596
KOKON Value	32,469	23,009
Total	**38,537**	**30,604**

Deferred acquisition expenses are posted after having taken into account the passive reinsurance for the unit-linked insurance products of Liechtenstein Life Assurance AG. This means that the levels of the prepaid expenses are determined on the basis of the excess in the insurance business and the associated claims from the insurance relationship with it that are earned but not yet due (“net principle”).

Capitalisation of the acquisition costs is made up of the total of amounts calculated for individual contracts. Redemption of the prepaid expenses is undertaken for each individual contract in the respective currency of the contract, i.e. CHF or EUR. For safety’s sake, a haircut is also performed once again on the value calculated according to the Insurance Supervision Ordinance.

Equity and liabilities

6.6 Subscribed capital

In the 2024 financial year, the share capital remained unchanged at CHF 20 million. As at the reporting date, two million registered shares with a nominal value of CHF 10 each had been issued. The nominal value capital amounting to CHF 20 million has been fully paid in.

6.7 Accounts payable arising out of insurance business contracted directly

Accounts payable arising out of insurance business of CHF 65.1 million (2023: CHF 58.3 million) included premium deposit liabilities to policyholders of CHF 29.5 million (CHF 26.8 million). Policyholders at Liechtenstein Life Assurance AG have the option of paying into a premium deposit account. This primarily involves payments exceeding the premiums that are already due. These are automatically allocated to the premium deposit.

Notes to the income statement

6.8 Gross premiums posted

All figures in CHF thousand	2024	2023
Recurring premiums in CHF	194,179	167,063
Recurring premiums in EUR	52,598	47,534
Single premiums in CHF	28,083	23,241
Single premiums in EUR	64,727	58,567
Total	**339,587**	**296,405**

Distribution of gross premiums posted according to country:

All figures in CHF thousand	2024	2023
Switzerland	221,182	189,428
Liechtenstein	1,277	1,119
Austria	745	813
Italy	252	285
Germany	116,131	104,758
Total	**339,587**	**296,405**

6.9 Operating expenses for own account

a) Acquisition expenses

All figures in CHF thousand	2024	2023
Commissions	-71,023	-75,277
Sales promotion costs	–615*	–2,738*
Personnel costs	-3,380	-3,325
Other acquisition expenses	-2,990	-3,168
Total	**-78,008**	**-84,508**

* Including doctor’s fees relating to health checks.

b) Administration expenses

All figures in CHF thousand	2024	2023
Portfolio commissions	-1,878	-1,572
Personnel expenses	-3,371	-2,599
Other operating expenses	-3,438	-5,392
Depreciation, amortisation and impairment	-119	-100
Total	**-8,807**	**-9,663**

c) Commissions and shares of earnings received from reinsurance business

All figures in CHF thousand	2024	2023
Financing commissions received by the reinsurers	62,356	76,095
Total	**62,356**	**76,095**

This is income from the pre-financing of acquisition costs from financial reinsurance contracts that are repaid over five years.

6.10 Expenses for the administration of capital investments and interest expenses

In the 2024 financial year, CHF (in thousand) 514 (2023: CHF [in thousand] 378) were incurred for account management charges, deposit account management charges, brokerage fees and interest expenses.

6.11 Other income from ordinary business activities

A guarantee agreement was concluded with an affiliated company in 2019. This guarantee enabled income was realised from self-funded receivables in 2019. In the 2024 financial year, further profits of CHF (in thousand) 16 (2023: CHF [in thousand] 27) were realised from the guarantee agreements concluded. The guarantee agreement was terminated effective 31 August 2024.

Other disclosures

Number of employees

As at the reporting date of 31 December 2024, the staff of the company consisted of 55 employees (2023: 54). Of these, 49.0 (46.7) employees were employed on a full-time equivalent basis.

Fixed remuneration for the administrative and managerial bodies

In line with Article 1092(9)(d) PCA, details of remuneration to members of Executive Board are not divulged. No fee was paid to the members of the Board of Directors of Liechtenstein Life Assurance AG.

Auditors' fees

According to the order confirmation, the auditing services provided in 2024 totalled CHF (in thousand) 157, excluding VAT (2023: CHF [in thousand] 175).

Events after the reporting date

There were no events of particular significance after the reporting date that had a material effect on our net assets, results of operations or financial condition.

Parent company

The prosperity company AG, Feldkircher Strasse 31 in 9494 Schaan has been the sole shareholder in Liechtenstein Life Assurance AG since 31 December 2019. The consolidated financial statements for the smallest group of companies are drawn up by Fidelidade – Companhia de Seguros, S.A. (Portugal). The consolidated financial statements for the largest group of companies are drawn up by Fosun International Holdings Ltd. (British Virgin Islands). The respective consolidated financial statements are available in digital format on the respective company's website.

Transactions with associated persons

Liechtenstein Life Assurance AG has 14 current life insurance contracts with associated persons. The volume of premiums for these contracts posted in the 2024 financial year amounted overall to CHF (in thousand) 42 (2023: CHF [in thousand] 23).

Services worth CHF 20.3 million and EUR 0.9 million were received during the 2024 financial year (2023: CHF 13.7 million and EUR 1.3 million) from affiliated companies. During the same period, no services were provided to affiliated companies (2023: EUR [in thousand] 19).

Liabilities to affiliated companies stood at CHF (in thousand) 883 as at 31 December 2024 (2023: CHF [in thousand] 323). In line with the previous year, there are no receivables due from affiliated companies.

In addition, Liechtenstein Life Assurance AG has been the sole authorised signatory member of the Board of Directors and the sole beneficiary of LLA Office Anstalt since 2022. In the balance sheet of Liechtenstein Life Assurance AG, the founding capital of this foundation-like institution is capitalised at CHF (in thousand) 30. In 2023, LLA Office Anstalt also issued a subordinated bond with a standard market variable interest rate. Liechtenstein Life Assurance AG is a bondholder of LLA Office Anstalt in the amount of CHF 1.8 million (2023: CHF 1.6 million). In the past financial year, the bond generated interest income of CHF (in thousand) 45 (CHF [in thousand] 16).

Proposed appropriation of retained earnings

Net profit for the year and proposed appropriation of retained earnings

The net profit for the year amounts to CHF 14.1 million. The Board of Directors proposes to the General Meeting the appropriation of the retained earnings as shown in the table below.

Retained earnings in CHF thousand	2024	2023
Profit brought forward	26,568	16,335
Profit for the year	14,117	13,138
Total retained earnings	**40,685**	**29,472**

Proposed appropriation of retained earnings in CHF thousand	2024	2023
Payment of a dividend	0	2,400
Transfer to the legal reserves	0	504
To be carried forward	**40,685**	**26,568**

7 Actuarial confirmation

Actuarial confirmation of Liechtenstein Life Assurance AG as at 31 December 2024

I confirm that the actuarial reserves and unearned premiums have been calculated in accordance with the provisions in force in this regard and with basic actuarial principles:

D. I. Unearned premiums of CHF 71,784
D. II. Actuarial reserves of CHF 1,446,675
D. III. Provisions for unsettled insurance claims (incl. incurred but not reported claim [IBNR]) of CHF 4,682,699
of which reinsurers' share of CHF 3,082,763
E. I. Underwriting provisions for life insurance contracts where the investment risk is borne by the insurance policyholders of CHF 1,119,433,238

No business in reinsurance was taken.

Schaan, 24 January 2025

Rebekka Schreiber
(Responsible Actuary)

Statutory Auditor's Report

To the General Meeting of Liechtenstein Life Assurance AG, Schaan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Liechtenstein Life Assurance AG (the Company) which comprise the balance sheet as at December 31, 2024, the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 28 to 41) give a true and fair view of the financial position of the Company as at December 31, 2024 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

EXISTENCE AND VALUATION OF CAPITAL INVESTMENTS FOR THE ACCOUNT AND AT THE RISK OF LIFE INSURANCE POLICYHOLDERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG (Liechtenstein) AG
Vaduz, February 28, 2025

KPMG

EXISTENCE AND VALUATION OF CAPITAL INVESTMENTS FOR THE ACCOUNT AND AT THE RISK OF LIFE INSURANCE POLICYHOLDERS

Key Audit Matter

Capital investments for the account and at the risk of life insurance policyholders represent a significant balance sheet position (approximately 89% of the total assets), and cover the corresponding underwriting provisions for life insurance contracts, where the investment risk is borne by the insurance policyholders. These investments are measured at fair value at the balance sheet date.

There is a risk that the capital investments for the account and at the risk of life insurance policyholders do not exist or are not correctly valued.

Due to the materiality of this position, we consider the existence and valuation of these investments as a key focus of our audit.

Our response

In summary, we have audited the existence and valuation of capital investments for the account and at the risk of life insurance policyholders as follows:

- Obtain an understanding of the Company's processes and internal controls relating to the recording and valuation of investments.
- Reconciliation of the recorded investments with external confirmations.
- Reconciliation of fair values used for the valuation of investments to independently determined fair values, analyzing deviations outside of a range determined by us and assessing their appropriateness if independent fair values were not available.

For further information on the valuation of capital investments for the account and at the risk of life insurance policyholders refer to the following:

— Basic accounting principles

— Note 6.3 Capital investments for the account and at the risk of life insurance policyholders

Other Matter

The financial statements of the Company for the year ended December 31, 2023 were audited by another statutory auditor, whose report, dated February 29, 2024, expressed an unmodified opinion on those statements.

Other Information in the Annual Report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the financial statements, the management report and our auditor's report thereon.

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

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our 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 Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 Liechtenstein law and ISAs 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 financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud 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.
- 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 auditor’s report to the related disclosures in the financial statements 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 auditor’s 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or the Audit Committee 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.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on March 28, 2024. We have been the statutory auditor of the Company without interruption since the financial year ending December 31, 2024.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the financial statements or in the management report, in addition to the statutory audit for the audited company or for the companies controlled by it:

- Regulatory audit pursuant to Articles 101 and 102 of the Insurance Supervision Act

Further, we declare that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were provided.

Further Confirmations pursuant to Article 196 PGR and Article 54(3) VersAV

The management report (pages 21 to 26) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law, the articles of incorporation and the regulatory requirements. We recommend that the financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Lars Klossack
Chartered Accountant
Auditor in Charge

Julia Kuoni
Chartered Accountant

Vaduz, February 28, 2025

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