



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 927 106 809  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: YOUPLUS LIVSFORSIKRING NUF  
Forretningsadresse: Erling Skakkes gate 4  
7013 TRONDHEIM

### Regnskapsår

Årsregnskapets periode: 24.06.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan Petter Opedal  
Dato for fastsettelse av årsregnskapet: 05.04.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 26.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP - TEKNISK REGNSKAP</b>			
<b>Premieinntekter</b>			
Forfalte premier, brutto		387 269	0
Avgitte gjenforsikringspremier		78 264	0
<b>Sum premieinntekter for egen regning</b>	<b>1</b>	<b>309 005</b>	<b>0</b>
<b>Sum netto inntekter fra investeringer i kollektivporteføljen</b>		<b>0</b>	<b>0</b>
<b>Sum netto inntekter fra investeringer i investeringsvalgporteføljen</b>		<b>0</b>	<b>0</b>
<b>Andre forsikringsrelaterte inntekter</b>			
<b>Erstatninger</b>			
Utbetalte erstatninger		0	0
Brutto erstatningsavsetninger		105 049	0
Endring av gjenforsikringsandel av erstatningsavsetninger		52 523	0
Endring i erstatningsavsetninger		52 526	0
<b>Sum erstatninger</b>	<b>1</b>	<b>52 526</b>	<b>0</b>
Endring i premiereserve m.v. brutto		218 359	0
Endring i premiereserve m.v.		218 359	0
Endring i tekniske avsetninger for skadeforsikringsvirksomheten		0	0
<b>Sum resultatendringer i forsikringsforpliktelse - kontraktsfaste forpliktelse</b>	<b>1</b>	<b>218 359</b>	<b>0</b>
<b>Sum resultatførte endringer i forsikringsforpliktelse - særskilt investeringsportefølje</b>		<b>0</b>	<b>0</b>
<b>Sum midler tilordnet forsikringskontraktene - kontraktsfaste forpliktelse</b>		<b>0</b>	<b>0</b>
Forsikringsrelaterte driftskostnader			



### Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Salgskostnader	2	942 451	0
Forsikringsrelaterte administrasjonskostnader (inkl. provisjoner for mottatt gjenforsikring)	2,3,4	11 505 200	0
Gjenforsikringsprovisjoner og gevinstandeler	2	-34 520	0
<b>Sum forsikringsrelaterte driftskostnader</b>		<b>12 413 131</b>	<b>0</b>
<b>Resultat av teknisk regnskap</b>	1	<b>-12 375 011</b>	<b>0</b>
<b>Sum netto inntekter fra investeringer i selskapsporteføljen</b>		<b>0</b>	<b>0</b>
<b>Resultat av ikke-teknisk regnskap</b>		<b>0</b>	<b>0</b>
<b>Resultat før skattekostnad</b>		<b>-12 375 011</b>	<b>0</b>
Skattekostnader	5	0	0
<b>Resultat før andre inntekter og kostnader</b>		<b>-12 375 011</b>	<b>0</b>
<b>Resultatregnskap - Andre inntekter og kostnader</b>			
<b>Andre inntekter og kostnader som ikke blir omklassifisert til resultatet</b>			
Justering av forsikringsforpliktelsene		-456	0
<b>Andre inntekter og kostnader som kan bli omklassifisert til resultatet</b>			
<b>TOTALRESULTAT</b>		<b>-12 375 467</b>	<b>0</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>EIENDELER I SELSKAPSPORTEFØLJEN</b>			
Sum immaterielle eiendeler		0	0
<b>Investeringer</b>			
Bygninger og andre faste eiendommer		0	0
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Finansielle eiendeler som måles til amortisert kost		0	0
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer		0	0
<b>Fordringer</b>			
Fordringer i forbindelse med direkte forretninger		225 939	0
Andre fordringer		32 419	0
Sum fordringer		258 358	0
Sum andre eiendeler		4 909 566	0
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		0	0
Sum eiendeler i selskapsporteføljen		5 167 924	0
<b>EIENDELER I KUNDEPORTEFØLJENE</b>			
<b>Investeringer i kollektivporteføljen</b>			
Bygninger og andre faste eiendommer		0	0
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Finansielle eiendeler som måles til amortisert kost		0	0
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer i kollektivporteføljen		0	0
<b>Investeringer i investeringsvalgporteføljen</b>			
Bygninger og andre faste eiendommer		0	0



### Balanse

Beløp i: NOK	Note	2021	2020
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Finansielle eiendeler som måles til amortisert kost		0	0
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer i investeringsvalgporteføljen		0	0
Sum eiendeler i kundeporteføljene		0	0
<b>SUM EIENDELER</b>		<b>5 167 924</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG FORPLIKTELSER</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		0	0
Annen innskutt egenkapital		14 000 000	0
<b>Sum innskutt egenkapital</b>		<b>14 000 000</b>	<b>0</b>
<b>Opptjent egenkapital</b>			
Risikoutjevningfond			
Fond		0	0
Annen opptjent egenkapital		-12 375 011	
<b>Sum opptjent egenkapital</b>		<b>-12 375 011</b>	<b>0</b>
<b>Sum egenkapital</b>		<b>1 624 989</b>	<b>0</b>
<b>Sum ansvarlig lånekapital m.v.</b>		<b>0</b>	<b>0</b>
Forsikringsforpliktelse - kontraktsfastsatte forpliktelser			
Premiereserve m.v.		218 359	0
Andre tekniske avsetninger for skadeforsikrings- virksomheten		52 526	0
<b>Sum forsikringsforpliktelse - kontraktsfastsatte forpliktelser</b>		<b>270 885</b>	<b>0</b>
<b>Sum forsikringsforpliktelse - særskilt investeringsportefølje</b>		<b>0</b>	<b>0</b>
<b>Sum avsetninger for forpliktelser</b>		<b>0</b>	<b>0</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Forpliktelser i forbindelse med direkte forsikring		74 065	0
Forpliktelser i forbindelse med gjenforsikring		43 744	0
Andre forpliktelser	4	2 900 482	0
<b>Sum forpliktelser</b>		<b>3 018 291</b>	<b>0</b>
<b>Påløpte kostnader og mottatte ikke opptjente inntekter</b>			
Andre påløpte kostnader og mottatte, ikke opptjente inntekter		253 759	0
<b>Sum påløpte kostnader og mottatte, ikke opptjente inntekter</b>		<b>253 759</b>	<b>0</b>
<b>SUM EGENKAPITAL OG FORPLIKTELSER</b>		<b>5 167 924</b>	<b>0</b>



## Annual Report 2021

YOUPLUS Assurance AG  
Austrasse 14  
FL - 9495 Triesen

Disclaimer: This document represents the English translation of the Annual Report 2021 of YOUPLUS Assurance AG. In case of any deviation from the original German version, the information disclosed in such original German version shall prevail.



## MANAGEMENT REPORT FOR FISCAL YEAR 2021

YOUPLUS Assurance AG, Triesen, Principality of Liechtenstein (hereinafter also referred to as the "Company") is a wholly-owned subsidiary of SWISS INSUREVOLUTION PARTNERS Holding (FL) AG, Triesen, Principality of Liechtenstein, and part of the life insurance group SWISS INSUREVOLUTION PARTNERS, and operates under the YOUPLUS umbrella brand.

In the year under review, YOUPLUS Assurance AG was involved in the corporate restructuring of the activities of SWISS INSUREVOLUTION PARTNERS with the aim of simplifying the YOUPLUS sub-group corporate structure in Liechtenstein. Following the first two implementation measures in 2020 in this corporate reorganisation, the Company became the direct holding Company for YOUPLUS Insurance International AG at the end of 2020. In a third measure, implemented as planned in 2021, the subsidiary YOUPLUS Insurance International AG was merged with YOUPLUS Assurance AG. Business activities - in particular all YOUPLUS new business activities - were brought together in a single YOUPLUS Company at the end of 2021. The merger of YOUPLUS Insurance International AG with YOUPLUS Assurance AG at the end of 2021 was effective retrospectively under commercial law from 1 July 2021. As a result, YOUPLUS Assurance AG in Liechtenstein has been the only operational YOUPLUS life insurance Company since end-2021, and is responsible for all new business activities through its branches in the Czech Republic and Slovakia, Austria and Norway. As part of the merger, all employees of YOUPLUS Insurance International AG were also transferred to the Company, which previously had no employees of its own, but instead had a corresponding outsourcing relationship with YOUPLUS Insurance International AG.

As part of the merger, the new business activities of YOUPLUS Insurance International AG in the Czech Republic and Slovakia were completely transferred to the Company. YOUPLUS Insurance International AG had already established branches in the Czech Republic and Slovakia in 2019, representing the main part of the operational activities required at local level for new business. New life insurance policies have been issued in the Czech Republic through external intermediary/broker organizations since the end of 2019. New business has also been generated in Slovakia since the beginning of 2020. Attractive biometrics products have been sold in the Czech Republic and Slovakia as part of life insurance business since 2019/2020; sales and policy administration are based on innovative processes supported by modern technical solutions that are significant drivers of digitalisation within the Company. The Company continues to generate new business in the Czech Republic and Slovakia in the area of term life insurance payable at death and various supplementary policies (riders) such as disability, accident, critical illness, hospitalisation or first risk.

In support of this new business initiative, YOUPLUS Insurance International AG had already taken over the portfolios of the branches of Basler Sachversicherungs-Aktiengesellschaft in the Czech Republic and Slovakia at the end of the 2019 fiscal year. This is a portfolio of general accident policies as well as incapacity and disability policies with additional cover. In addition to the portfolio, the staff of the branches of Basler Sachversicherungs-Aktiengesellschaft and Basler Lebensversicherungs-Aktiengesellschaft in the Czech Republic and Slovakia were also taken over and successfully integrated in 2020 in the activities of the branches in the Czech Republic and Slovakia. The portfolios of unit-linked life insurance policies managed by the branches of Basler Lebensversicherungs-Aktiengesellschaft in the Czech and Slovak markets were transferred to the affiliate myLife Lebensversicherung AG, Göttingen, Germany, as part of the same transaction at the end of 2019. YOUPLUS Insurance International AG had concluded a functional outsourcing agreement with myLife Lebensversicherung AG. This agreement stipulates in particular that customer service and portfolio management are to be performed by the Company's local branches in favour of myLife Lebensversicherung AG. As a result of the first full fiscal year 2020, approximately 8,400 new policies were issued by the branches by the end of 2020, despite the adverse economic environment. In 2021, the Company's second full year, the number of policies from new YOUPLUS business in the Czech Republic and Slovakia rose





to approximately 22,000 by the end of the year. This corresponds to a net increase of approximately 13,600 policies, showing continuing significant growth. This success with new business meant that the Company was again able to more than offset portfolio erosion in the run-off area and increase the overall policy portfolio. This success with new business is largely attributable to the Company's digitalisation of processes for this new business.

The branches in Austria and Norway were established by YOUPLUS Assurance AG in the year under review. The planned launch in the Austrian market took place in the second half of 2021 on the basis of a new unit-linked product and IT platform. A digital IT platform for unit-linked life insurance products was developed from mid-2020 with the IT service provider which had already developed the IT platform for the YOUPLUS Insurance International AG entry into the Czech and Slovak markets. A number of attractive and innovative unit-linked products and tariffs were designed in cooperation with external partners. Entry to the Norwegian market took place in the second half of 2021 through a branch established specifically for this purpose. The basis for this further strategic expansion of YOUPLUS into Norway was the acquisition of all the shares in Norway's Liv Norden Forsikring AS in February 2021. The ultimate aim of this move was to enable integration of a Norwegian management team with extensive experience and expertise in the Norwegian insurance market and the simultaneous acquisition of an innovative IT policy administration system based on digital processes. As with the new business activities of YOUPLUS in the Czech Republic and Slovakia, new business in Norway is also focused on so-called protection business.

In addition to the above new business activities now brought together in YOUPLUS Assurance AG, the Company continues to manage life insurance portfolios that do not generate new business. This is the PPLI business segment on the one hand and the run-off segment on the other.

In previous years, YOUPLUS Assurance AG focused on managing the existing insurance portfolio with unit-linked life policies, the assets and benefits of which are tied to the performance of securities in a deposit account, where the account is included in the insurance policy (known as wrapper policies or private placement life insurances – "PPLI" for short). Last but not least, the Company had already taken over a unit-linked insurance portfolio (PPLI policies) in 2019, aiming to achieve economies of scale in the PPLI segment – the Company previously managed insured assets of around CHF 137 million from 346 policies. This portfolio transfer was necessary at the time to protect the policyholders of two other Liechtenstein life insurance companies, Valorlife Lebensversicherungs-Aktiengesellschaft, Vaduz, and Wealth-Assurance AG, Schaan, through a regulatory order by the Liechtenstein Financial Market Authority (FMA). YOUPLUS Assurance AG acted as the Company taking over the portfolio. As part of the portfolio takeover and in a move designed to strengthen future new business activities, the Company established a branch in Dublin, Ireland. The portfolio transfer meant that the Company received customer assets of around CHF 3.3 billion from around 2,400 policies. In addition to the portfolio, YOUPLUS Insurance International AG also took over the employees of the two life insurance companies to provide the functional outsourcing services of YOUPLUS Assurance AG to the end of 2021 for customer-oriented and efficient management of the portfolio. At the end of 2021, the total PPLI portfolio amounted to approximately CHF 2,995 million in client assets from approximately 1,900 policies. While the operational and technical transfer of the portfolio dominated the 2019 fiscal year, the focus of the Company's activities in 2020 and the year under review was on the activities following the portfolio transfer – further development of the YOUPLUS Assurance AG digital policy administration system for PPLI, and integration of the new portfolio into processes with high quality standards and extensive compliance criteria. The portfolio transfer by Wealth-Assurance AG was completed by 31 December 2021; however, this is not yet the case from a formal legal perspective with regard to the portfolio takeover from Valorlife Lebensversicherungs-Aktiengesellschaft, as not all deposit accounts for the PPLI policies could be transferred to the Company by this date by the relevant custodian banks.

In addition to the PPLI segment, the run-off segment, as the historic core business of YOUPLUS Insurance International AG, is also separate from the new business activities listed above. This is the largely unit-linked life insurance portfolio of the former ASPECTA Assurance International





AG, which has been closed to new business for many years and is now part of the overall portfolio of YOUPLUS Assurance AG as a result of the merger of YOUPLUS Insurance International AG. Business activities are geared towards the efficient and client-oriented management and long-term support of this life insurance portfolio. At the end of 2021, the volume of this run-off portfolio amounted to around CHF 481 million in client assets from around 20,000 life policies. One of the core competencies of YOUPLUS Insurance International AG – now part of YOUPLUS Assurance AG – was efficient policy management, which is being gradually developed and optimised. On this basis, the Company also acts as an outsourcing service provider for the affiliate YOUPLUS Assurance SCHWEIZ AG, Pfäffikon (SZ), Switzerland. As of 31 December 2021, the Company had a functional outsourcing agreement with the above affiliate. As part of a reinsurance contract, the Company provides all tasks and support services in the areas of IT, customer service, accounting, actuarial services, sales management, due diligence and money laundering monitoring, legal and compliance, and claims processing for YOUPLUS Assurance SCHWEIZ AG. In the provision of services, a distinction is made between so-called basic services and project-related activities.

In connection with the merger of the two YOUPLUS companies in Liechtenstein described above, the Company was already commissioned to acquire a life insurance Company domiciled in Liechtenstein in 2020. At the end of 2020, YOUPLUS Assurance AG acquired all the outstanding shares in American Security Life Insurance Company Ltd. from AIG International Group Inc., New York, USA. As planned, the simplification of the group's structure also included the merger of American Security Life Insurance Company Ltd. in the first half of 2021 with retrospective effect on the Company under commercial law from 1 January 2021. This means that the life insurance portfolio of American Security Life Insurance Company Ltd., which is negligible in terms of volume, has also been subsumed into YOUPLUS Assurance AG and forms part of the run-off business segment.

## **Business developments**

It should be emphasised from the outset that the information on the reporting period or at the balance sheet date can only be compared with the corresponding values for the previous year to a very limited extent. On the one hand, this is because of the merger of the two Liechtenstein-based YOUPLUS companies described above, where only YOUPLUS Assurance AG still exists, while the corresponding information for the previous year only reflects YOUPLUS Assurance AG in its previous form. Comparison is made more difficult – at least with regard to the information in the income statement – by the fact that YOUPLUS Insurance International AG was merged with the Company retrospectively under commercial law with effect from 1 July 2021. This means that the business success of YOUPLUS Insurance International AG is explicitly only shown in the income statement of the merged YOUPLUS Assurance AG for the second half of 2021. The first half of 2021 is implicitly included in the Company's income statement through the gains resulting from the merger – explicitly shown in the merger gains. In this respect, the income statement of the merged Company cannot provide a true and fair view of the individual items in the income statement. In addition, comparisons are made more difficult due to the merger of the American Security Life Insurance Company, effective retrospectively under commercial law from 1 January, 2021.





Investments at the expense and risk of policyholders rose to around CHF 3,475 million in the year under review (previous year: CHF 3,206 million). This increase is mainly due to the fact that the insurance portfolios transferred from YOUPLUS Insurance International AG are included as of the 2021 balance sheet date. In the run-off business segment, investments at the expense and risk of policyholders increased to around CHF 481 million. The positive capital market development in 2021 more than compensated for the natural erosion of the run-off portfolio, which was also lower than expected. In the PPLI business segment, investments at the expense and risk of policyholders declined to around CHF 2,995 million as a result of portfolio erosion. (previous year: CHF 3,206 million). Taking into account the other capital investments and other assets, total assets rose to around CHF 3,651 million in the context of the merger (previous year: CHF 3,275 million).

The investments at the expense and risk of policyholders led to an increase in actuarial provisions for investment risk for the policyholder to around CHF 3,131 million as a result of the merger (previous year: CHF 3,080 million).

The Company's equity increased substantially to around CHF 68.1 million (previous year: CHF 35.5 million) and is accordingly strengthened as of the balance sheet date. This increase results from the clearly positive annual profit in the reporting period, which is essentially due to extraordinary income of around CHF 35.8 million associated with the two mergers. In addition, there is an equity-equivalent subordinated loan of CHF 20 million by the shareholders of the Company, which was transferred to the Company from YOUPLUS Insurance International AG as part of the merger.

Due to the overall positive business performance in 2021, driven not least by a positive capital market environment, earnings were also better than expected. The earned premiums for the Company's own account amounted to CHF 21.7 million in 2021 (previous year: CHF 7.6 million). As explained above, earned premiums of CHF 8.2 million for the account of YOUPLUS Insurance International AG in the first half of 2021 are not included. Taking into account the above value for the first half of the year, the adjusted pro forma earned premiums for the Company's own account for the full year 2021 are around CHF 29.9 million, compared to a like-for-like comparison with the previous year's figure of CHF 21.5 million. This shows that the Company's premium growth from new business activities significantly overcompensated the normal premium decline in the existing PPLI and run-off business sectors. The fact that there was less portfolio erosion than expected in the reporting period due to the positive capital market environment is beneficial in this respect. Expenditure on insurance operations rose to around CHF 31.2 million in the year under review, primarily as a result of the mergers described above (previous year: CHF 10.2 million) since this expenditure is now consolidated in an operational YOUPLUS company in Liechtenstein. In addition to the effects of the merger, expenses also increased due to the establishment and expansion of the two branches in Austria and Norway and the market entry in those countries. As expected, new business activities in the Czech Republic and Slovakia encumbered results in the 2021 fiscal year, as new business naturally leads to losses under commercial law in the first few years, while at the same time generating long-term value for the Company. New business activities in Austria and Norway also impacted the annual result, although not to the same extent as in the Czech Republic and Slovakia due to lower volumes. The PPLI business segment – and in particular the run-off segment – made a positive contribution to the business success of the Company. In the run-off business segment, the American Security Life Insurance Company Ltd. business contributed substantially to the annual profit of the Company through both the ordinary activities and the resulting gains from the merger. Extraordinary income of around CHF 35.8 million associated with the two mergers had a significant influence on annual profit in the reporting period. This extraordinary income includes





a total of CHF 32.2 million in gains from mergers. Given this, the Company made a substantial annual profit of around CHF 32.6 million in 2021 (previous year: CHF -0.4 million).

The number of employees as of 31 December 2021 was 170 (previous year: 0). At the end of 2020, YOUPLUS Insurance International AG had 149 employees, who were transferred to the Company as part of the YOUPLUS merger described above. The increase in the number of employees is due in particular to the expansion of business in the branches associated with new business activities.

## **Risk management**

While both risks and opportunities play an important role in corporate management, risk management focuses on negative deviations from target. Risk is therefore defined within the corporate governance system as the possibility of failure to achieve an explicitly formulated or implicit goal. A risk management system is basically guidelines, processes and reporting procedures for

- continuously identifying, recording, monitoring, managing and reporting accepted and potential risks,
- controlling their interdependencies or correlations and
- recording these on an individual basis and at an aggregated level.

The risk management system covers at least the following areas:

- the acceptance of risk and formation of provisions
- asset liability management (ALM)
- the assets, and particularly derivatives
- liquidity and concentration risk management
- management of operational risks
- reinsurance and other risk mitigation techniques
- management of strategic and reputational risks

Risk management is a management function in which an organisation's risks are identified, analysed, evaluated and controlled. Overarching goals, strategies and the organisation's risk management policy must be defined for this purpose. Specifically, this relates to setting criteria for classifying and evaluating risks, the methods of risk determination, the responsibilities for risk-related decisions, the provision of resources for risk prevention, internal and external communication about the identified risks (reporting), and the qualification of the staff assigned to risk management.

Due to the many opportunities for deviation from target, risk must be categorised to reduce complexity. It also makes it easier to identify risks and to take precautions against adverse forms of risk. To make it easier to identify risk drivers and risks, the Company first distinguishes between the following risk categories:

- Actuarial risk: mortality risk, longevity risk, disability risk, cancellation risk, cost risk and disaster risk;





- Market risk: interest rate risk, equities risk, real estate risk, spread risk, currency risk and (market) concentration risk;
- Concentration risk: accumulation loss in actuarial business, accumulation from event risks between assets and liabilities, overall accumulation risk, cluster risks in operations, strategic cluster risks and macroeconomic developments;
- Credit risk: relating to reinsurers, banks, share issuers (including sovereign risk) and credit spreads (risk premiums);
- Counterparty risk: applies, for example, to claims against premium payers, brokers or borrowers;
- Operational risk: operational risk also includes legal risks, but not strategic risks or reputational risks;
- Liquidity risk;
- Strategic risk;
- Reputational risk.

For risk evaluation and monitoring, the risks to the Company are categorised as follows:

- Actuarial risk (life);
- Market risk;
- Counterparty risk;
- Operational risk;
- Other risks: all risks that are not reflected in the (standard) model used by the Company to calculate the solvency capital requirement, such as strategic risks or reputational risks.

The Company has defined risk tolerance thresholds for the first three risk categories.

The main function of the Company's risk management is to ensure that the obligations resulting from the insurance policies can be met at all times. One of the core functions of risk management is to reduce the spread or range of fluctuation in profit and cash flow. In this context, risk management offers greater planning security above all. In addition to maintaining financial strength to secure customer claims and create sustainable shareholder value, it is also the function of risk management to protect the reputation of the Company. The Company's risk management is not designed to avoid risks entirely, but to make people aware of the possible effects if these arise. The aim is to deal with risks rationally, which can certainly involve taking conscious risks to create a balanced risk-opportunity profile.

The Company pursues the goal of sustainably guaranteeing the Company's performance towards its stakeholders, above all towards its policyholders and other beneficiaries, such as heirs, surviving dependents and pledgees, but also towards its employees, sales and service partners and their owners. The Company's risk management helps to identify, analyse, evaluate and control possible negative deviation from this and other targets.





The largest part of the Company's life insurance portfolio still remains in the run-off segment. It is accordingly necessary to adequately consider the special features of the run-off business in risk management. The Company is pursuing the goal of efficient and lean administration, consistent sales management and with costs and income factored into the products. This objective gives rise to the Company's main risks, which must be managed accordingly. The Company's life insurance portfolio mainly involves unit-linked life insurance and – to a much lesser extent – classic life insurance. The Company's actuarial risks are derived from this. In addition to the risk categories, reputational risks and strategic risks are also relevant for the Company. As a life insurance Company, the Company is exposed to strategic risks that may arise from changes in court and regulatory decisions or unfavourable developments on the financial markets. In the medium to long term, it is planned to further expand the Company's operating business, possibly through the acquisition of insurance companies or portfolios, in order to scale the existing business model. The purchase of additional insurance companies or portfolios can have a significant impact on the risk profile of the Company, and due to the lack of predictability presents risk management with the challenge of dealing with these circumstances.

For further details, as the Company is a life insurance company supervised by the FMA, see the Company's annual Solvency and Financial Condition Report (SFCR).

## Outlook

At the beginning of 2022, it was still assumed that economic recovery in the wake of the COVID-19 crisis would continue. Such a recovery would also have a positive effect on the insurance market. A degree of uncertainty exists as to how far the COVID-19 pandemic is now over. A lack of herd immunity can lead to new virus variants and waves of infection at any time.

However, while 2022 was still young, the world witnessed with dismay that the geopolitical tensions between the major economic and military powers worldwide have not only continued to increase across the board, but that, since the end of February 2022, a war that had been thought impossible for decades has been waging in Europe. The Russian attack on Ukraine has permanently changed the existing global geopolitical structure and, in addition to imposing terrible suffering on the affected Ukrainian population, has led to great uncertainty – and not just in Europe. This was recently reflected on the capital markets, where there have been upheavals similar to those last seen at the beginning of 2020 due to COVID-19. From an economic perspective, commodity prices can be expected to continue to rise, leading to higher prices for goods and services. This will only intensify the existing inflationary trend.

It remains uncertain how far central banks will be able to counteract this inflationary development, given the risks of recession due ultimately to the war in Ukraine, either by reining in expansionary monetary policy or by raising interest rates. Given this, the downside risks for general economic conditions predominate at the time of preparation of this management report.

Nevertheless, the YOUPLUS B2B2C business model has proven to be robust, not least in the past two years dominated by the COVID-19 crisis. One of the consequences of the pandemic, which will continue to have an impact in the years to come, is the acceleration of digitalisation. Expertise in digital processes and the digital linking of sales channels will continue to gain in importance. Because of its business model and strategic orientation, YOUPLUS Assurance AG believes it is well placed to exploit the opportunities arising and mitigate the risks associated with these developments. The management board in consultation with the Executive Board will continuously monitor and assess the general economic conditions, business prospects and risk situation for the Company in order to identify and implement suitable (counter)measures in the interests of the Company and its stakeholders.





The Executive Board and management board would like to thank our clients for their continued trust, and our employees and business partners for their ongoing cooperation and yet another successful financial year in 2021.

Triesen, 30 March 2022

YOUPLUS Assurance AG

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Martin Vogl  
(Chairman of the Executive Board)

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Simon Steinbach  
(Member of the management board, CFO)



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## STATEMENT OF FINANCIAL POSITION

	31.12.2021 CHF	31.12.2020 CHF
<b>I. Assets</b>		Appendix
<b>A. Intangible assets</b>		
I. Expenditure on the establishment and expansion of business operations	11'697'746	9'096'983
IV. Other intangible assets	1'026'270	0
<b>Total</b>	<b>12'724'016</b> <sup>6.1</sup>	<b>9'096'983</b>
<b>B. Financial investments</b>		
I. Land and buildings	3'544'531 <sup>6.2</sup>	0
II. Financial investments in affiliated companies		
2. Loans	41'437'802 <sup>6.3</sup>	0
3. Participating interests	3'407'243 <sup>6.4</sup>	4'711'395
III. Other financial investments		
1. Shares, other non-fixed income securities and units in investment funds	13'716'001	110'803
2. Other fixed-rate securities	2'648'572	0
5. Other loans	5'000'000	0
6. Deposits with banks	5'000'000	5'000'000
7. Other financial investments	27'039'288	11'180'534
<b>Total</b>	<b>101'793'437</b>	<b>21'002'732</b>
<b>C. Financial investments at the expense and risk of policyholders</b>	<b>3'475'942'395</b> <sup>6.6</sup>	<b>3'205'909'522</b>
<b>D. Other receivables</b>		
I. Receivables from insurance transactions concluded by the Company itself		
1. from policyholders		
c) from other policyholders	1'271'643 <sup>6.7</sup>	894'727
2. from insurance brokers		
c) from other insurance intermediaries	28'108 <sup>6.7</sup>	0
II. Receivables from reinsurance business		
c) from other debtors	9	0
III. Other receivables		
1. from affiliated companies	2'547'200 <sup>6.7</sup>	1'891
3. from other debtors	4'116'205 <sup>6.7</sup>	7'196'781
<b>Total</b>	<b>7'963'165</b>	<b>8'093'399</b>





## STATEMENT OF FINANCIAL POSITION

	31.12.2021 CHF	31.12.2020 CHF
		Appendix
<b>E. Other assets</b>		
I. Fixed assets (excluding land and buildings) and inventories	1'447'201	108'619
II. Current deposits at banks and cash on hand	33'504'273	27'177'669
<b>Total</b>	<b>34'951'474</b>	<b>27'286'289</b>
<b>F. Prepaid expenses and accrued income</b>		
I. Accrued interest	1'002'687	0
III. Deferred claims from policies not yet due	12'620'498 <sup>6.9</sup>	0
III. Other prepaid expenses and accrued income	4'204'699 <sup>6.10</sup>	3'636'836
<b>Total</b>	<b>17'827'884</b>	<b>3'636'836</b>
<b>Total assets</b>	<b>3'651'202'371</b>	<b>3'275'025'761</b>



## STATEMENT OF FINANCIAL POSITION

	31.12.2021 CHF	31.12.2020 CHF
<b>II. Liabilities</b>		Appendix
<b>A. Equity capital</b>		
I. Called capital		
1. Subscribed capital	30'000'000 <sup>7.1</sup>	30'000'000
III. Capital reserves	3'000'000	3'000'000
IV. Retained earnings	386'946	386'946
V. Profit carried forward	2'110'887	2'528'891
VI. Annual profit/loss	32'632'407 <sup>7.2</sup>	-418'004
<b>Total</b>	<b>68'130'240</b>	<b>35'497'833</b>
<b>B. Subordinated liabilities</b>	<b>20'000'000 <sup>7.3</sup></b>	<b>0</b>
<b>D. Actuarial provisions</b>		
I. Prepayments of insurance premiums		
1. Gross total	1'381'968	0
II. Actuarial reserve		
1. Gross total	32'021'400 <sup>7.4</sup>	2'881'993
2. Share of reinsurance	-2'004'200	0
III. Provision for outstanding insurance claims		
1. Gross total	12'038'396	998'996
2. Share of reinsurance	-2'014'598	0
IV. Provision for performance-related and non-performance-related premium refunds	336'937	0
VI. Other actuarial provisions	4'803'472	812'020
<b>Total</b>	<b>46'563'375</b>	<b>4'693'009</b>
<b>E. Actuarial provisions with investment risk for the policyholder</b>		
1. Gross total	3'416'516'213 <sup>7.5</sup>	3'080'531'462
2. Share of reinsurers	-285'845'239	0
<b>Total</b>	<b>3'130'670'974</b>	<b>3'080'531'462</b>
<b>F. Other provisions</b>		
II. Tax accruals	874'708	117'770
III. Other provisions	6'310'686 <sup>7.6</sup>	5'042'777
<b>Total</b>	<b>7'185'394</b>	<b>5'160'547</b>
<b>G. Deposit liabilities from reinsurance</b>	<b>287'854'409</b>	<b>0</b>





## STATEMENT OF FINANCIAL POSITION

	31.12.2021 CHF	31.12.2020 CHF
		Appendix
<b>H. Other liabilities</b>		
I. Liabilities from insurance transactions concluded by the Company itself		
3. to other creditors	83'919'209 <sup>7.7</sup>	147'076'582
II. Accounts payable from reinsurance business		
3. to other creditors	1'764'945 <sup>7.8</sup>	55'084
V. Other liabilities		
1. Liabilities from taxes	489'564	80'414
2. Social security liabilities	474'028	0
3. Other liabilities to affiliated companies	863'295 <sup>7.9</sup>	1'433'112
5. Other liabilities to other creditors	2'180'641	305'161
<b>Total</b>	<b>89'691'682</b>	<b>148'950'353</b>
<b>I. Accrued expense and deferred income</b>	<b>1'106'296</b>	<b>192'557</b>
<b>Total liabilities</b>	<b>3'651'202'371</b>	<b>3'275'025'761</b>



## ACTUARIAL CONFIRMATION OF THE 2021 STATEMENT OF FINANCIAL POSITION



*Dr Soler Maria Pia*  
YOUPLUS Assurance AG  
Austrasse 14  
FL - 9495 Triesen

Actuarial confirmation as at 31 December 2021 for YOUPLUS Assurance AG

In accordance with Art. 41 para. (2) b) first sentence VersAG (Insurance Supervision Act) as the responsible actuary I confirm pursuant to Art. 41 para. (1) VersAG, that the actuarial provisions listed below are based on the applicable legal provisions of the Insurance Supervision Act of Liechtenstein and the associated ordinance, specifically Art. 36 VersAV (Insurance Supervision Ordinance), and that the life insurance policies and recognised actuarial principles are correctly calculated and listed:

- D. 1. Unearned premiums	CHF	1'381'968
- of which share of reinsurers	CHF	0
- D. II. Actuarial reserves	CHF	32'021'400
- of which share of reinsurers	CHF	2'004'200
- D. III. Provisions for outstanding insurance claims (including IBNR)	CHF	12'038'396
- of which share of reinsurers	CHF	2'014'598
- D. IV. Provision for performance-related and non-performance-related premium refunds	CHF	336'937
- of which share of reinsurers	CHF	0
- D. VI. Other actuarial provisions	CHF	4'803'472
- of which share of reinsurers	CHF	0
- E. 1. Actuarial provision for life insurance policies, where the investment risk is borne by the policyholders	CHF	3'416'516'213
- of which share of reinsurers	CHF	285'845'239





The reinsurance contract with YOUPLUS Assurance SCHWEIZ AG (formerly Skandia Leben AG) has existed since 1 January 2018, under which YOUPLUS Assurance AG reinsures the mortality and disability risks according to existing reinsurance policies. The management of the Skandia portfolio of YOUPLUS Assurance SCHWEIZAG is also part of the reinsurance contract. However, actuarial provisions and reserves are not affected by the reinsurance contract.

Capital claims against the insurance Company were met as of 31 December 2021.

Place, Date

Name and signature

Triesen, 14.03.2022

Dr Maria Pia Soler



## INCOME STATEMENT

	2021 CHF		2020 CHF
<b>I. Actuarial account for non-life insurance</b>		Appendix	
<b>1. Net premiums earned for own account</b>			
a) Gross written premiums	1'650'190	8.1	0
b) Ceded reinsurance premiums	-1'614		0
c) Change in gross unearned premiums	31'959		0
<b>Total</b>	<b>1'680'535</b>		<b>0</b>
<b>3. Other income from insurance business for own account</b>	<b>150'218</b>		<b>0</b>
<b>4. Claims expenditure for own account</b>			
a) Payments on claims			
aa) Gross total	-444'993	8.2	0
b) Change in provision for outstanding insurance claims			
aa) Gross total	99'202		0
<b>Total</b>	<b>-345'791</b>		<b>0</b>
<b>6. Expenses for performance-related and non-performance-related premium refunds for own account</b>	<b>-117'627</b>		<b>0</b>
<b>7. Expenditure on insurance operations for own account</b>			
a) Acquisition costs	-19'196	8.4	0
b) Administration costs	-1'730'083	8.4	0
c) Commissions received	705		0
<b>Total</b>	<b>-1'748'574</b>		<b>0</b>
<b>8. Other expenses from insurance business for own account</b>	<b>-59'402</b>		<b>0</b>
<b>10. Result from the actuarial account for non-life insurance</b>	<b>-440'641</b>		<b>0</b>





## INCOME STATEMENT

	2021 CHF		2020 CHF
<b>II. Actuarial account for life insurance</b>		Appendix	
<b>1. Net premiums earned for own account</b>			
a) Gross written premiums	31'358'629	8.1	7'693'747
b) Ceded reinsurance premiums	-11'226'915		-108'590
c) Change in gross unearned premiums	-104'157		0
<b>Total</b>	<b>20'027'556</b>		<b>7'585'157</b>
<b>2. Income from financial investments</b>			
c) Ordinary income from other financial investments	3'678'999		5'238
d) Income from value re-adjustments	121		0
e) Profits on the disposal of financial investments	1'993'237		0
<b>Total</b>	<b>5'672'357</b>		<b>5'238</b>
<b>3. Unrealised profits from financial investments</b>	<b>216'042'066</b>		<b>342'151'695</b>
<b>4. Other income from insurance business for own account</b>	<b>6'932'684</b>		<b>7'399'359</b>
<b>5. Claims expenditure for own account</b>			
a) Payments on claims			
aa) Gross total	-278'271'532	8.2	-371'068'456
bb) Share of reinsurance	11'470'621		12'776
b) Change to the provision for outstanding insurance claims			
aa) Gross total	1'160'486		-402'404
bb) Share of reinsurance	-11'323		0
<b>Total</b>	<b>-265'651'747</b>		<b>-371'458'084</b>
<b>6. Change in other actuarial provisions</b>			
a) Change in the actuarial reserves			
aa) Gross total	158'381'856	8.3	334'052'389
bb) Share of reinsurance	-2'088'699		0
b) Change in other actuarial provisions			
	743'417		-157'772
<b>Total</b>	<b>157'036'573</b>		<b>333'894'617</b>



## INCOME STATEMENT

		2021	2020
		CHF	CHF
			Appendix
<b>8.</b>	<b>Operating expenses</b>		
	a) Acquisition costs	-9'802'229 8.4	0
	b) Administration costs	-21'067'982 8.4	-10'201'460
	c) Commissions and profit shares received in reinsurance business	1'450'186	0
	<b>Total</b>	<b>-29'420'025</b>	<b>-10'201'460</b>
<b>9.</b>	<b>Expenses for the management of capital and interest expense</b>		
	a) Expenses for the management of financial investments and interest expenditure	-315'602	-95'378
	b) Value adjustments on financial investments	-146'439	0
	c) Losses on the disposal of financial investments	-456'903	0
	<b>Total</b>	<b>-918'944</b>	<b>-95'378</b>
<b>10.</b>	<b>Unrealised losses from financial investments</b>	<b>-102'620'265 8.5</b>	<b>-285'199'005</b>
<b>11.</b>	<b>Other expenses from insurance business for own account</b>	<b>-8'702'826 8.6</b>	<b>-24'687'289</b>
<b>12.</b>	<b>Allocated investment return transferred to the non-technical account</b>	<b>331'390 8.7</b>	<b>0</b>
<b>14.</b>	<b>Result from the actuarial account for life insurance</b>	<b>-1'271'181</b>	<b>-605'150</b>





## INCOME STATEMENT

		2021 CHF	2020 CHF
<b>III.</b>	<b>Non-technical account</b>		Appendix
1.	Result of the actuarial account for non-life insurance	-440'641	0
2.	Result from the actuarial account for life insurance	-1'271'181	-605'150
3.	Income from financial investments	1'108'137	1'047'988
4.	Allocated investment return from the technical account for life insurance	-331'390 8.7	0
5.	Expenses for financial investments	-2'802'825	-751'598
7.	Other income from ordinary business activities	2'271'612	92'037
8.	Other expenses from ordinary business activities	-1'599'729	-160'872
9.	Result from ordinary business activities	-3'066'017	-377'595
10.	Extraordinary income	35'818'705 8.8	0
11.	Extraordinary expenses	-638	0
12.	Result after extraordinary income	32'752'051	0
13.	Taxes on income and profit	-62'356	-36'659
14.	Other taxes	-57'288	-3'750
15.	Annual profit/loss	32'632'407	-418'004

## APPENDIX TO THE ANNUAL FINANCIAL STATEMENTS

### 1 General information

As part of the Company's strategic shift, a decision was made a few years ago to further develop the Company on the basis of new business activities.

YOUPLUS Assurance AG acquired 100% of the outstanding shares in Liv Norden Forsikring AS, Trondheim, Norway in mid-February 2021.

In addition, YOUPLUS Assurance AG received the approval of the financial market authorities in the Principality of Liechtenstein, Austria and Norway for the establishment of branches in Austria and Norway in the reporting year, and entered the markets in the fiscal year with newly established offices in Austria and Norway.

The merger of American Security Life Insurance Company Ltd., Vaduz, with its 100% parent Company YOUPLUS Assurance AG took place during the fiscal year with retroactive effect from 1 January 2021.

In a further step, YOUPLUS Assurance AG and its 100% subsidiary YOUPLUS Insurance International AG merged in December 2021, with retroactive effect from 1 July 2021.

The financial statements shown here may be subject to minor rounding differences as the underlying data is calculated to two decimal places while the totals here are integers.

### 2 Accounting principles

The annual financial statements are based on the principles of the Liechtenstein Personal and Company Act (PGR), the Insurance Supervision Act (VersAG) of 6 December 1995 and the associated Insurance Supervision Ordinance (VersAV) in the currently valid version.

### 3 Balance sheet date

Insurance companies in the Principality of Liechtenstein are required by law to prepare their balance sheets as of 31 December.

### 4 Foreign currency translation

Credit balances, receivables, liabilities and securities denominated in foreign currencies are translated into Swiss francs at the exchange rate on the balance sheet date. Foreign currency transactions are translated at the exchange rate on the day of the transaction. Any currency differences are recognized in profit or loss. The following book and balance sheet date rates were used in the year under review:

Foreign currency exchange rates		31.12.2021	31.12.2020
Euro	EUR	1.03613	1.08171
U.S. dollar	USD	0.91100	0.88400
Swedish kroner	SEK	0.10064	0.10770
Pounds Sterling	GBP	1.23377	1.20869
Norwegian kroner	NOK	0.10333	0.10327





The balance sheets of the branches are translated from euros (EUR), Czech koruna (CZK) and Norwegian kroner (NOK) into Swiss francs (CHF) at the closing rate. The income statements of the branches are posted at current exchange rates.

## 5 Evaluation methods

### Intangible assets

Intangible assets are valued at acquisition cost less scheduled depreciation. Depreciation is linear and over a period of 4 or 5 years.

### Fixed assets

Fixed assets are valued at acquisition cost less scheduled depreciation. Depreciation is linear and the depreciation period is as follows:

- Real estate 50 years
- Hardware 4 years
- Office equipment 10 years

### Financial investments

Company investments (apart from balance sheet item B. III.7. Other financial investments) are recognised at the lower of cost or market. For listed financial investments, the market value is the last available market value on or before the balance sheet date. Other financial investments (balance sheet item B. III.7) are valued using the linear amortisation method.

### Financial investments at the expense and risk of policyholders

The method for valuation of investments at the expense and risk of policyholders was changed in the financial year:

- Whenever possible, the book value is determined at fair market value.
- If the effective fair market value is not available as of the closing date, the last available value (usually the value for the previous quarter) is used as the basis and corrected for transactions made (roll-forward analysis).
- For the determination of the book value for complex structures (illiquid assets of the portfolio transferred from Wealth-Assurance AG), the data most recently made available (e.g., annual financial statements for the previous year) is used as a basis.

### Receivables from insurance transactions concluded by the Company itself

Receivables from direct insurance business are reported at their nominal amounts less any individual value adjustments.

### Other claims against other debtors

The valuation method for investments at the expense and risk of policyholders is used to value other receivables from other debtors, as these are assets and investments from Valorlife Lebensversicherungs-Aktiengesellschaft and Wealth-Assurance AG that have not yet been transferred to YOUPLUS Assurance AG.





## Bank deposits, and prepaid expenses and accrued income

Prepaid expenses and accrued income and bank deposits are recognised at their nominal amounts.

## Actuarial reserve

The actuarial reserve includes the actuarially calculated value of the insurance company's obligations. The actuarial reserve was calculated according to the applicable regulations and actuarial principles.

## Other liabilities to policyholders

Liabilities to policyholders are shown on the balance sheet at the repayment amount.

## Liabilities

Liabilities are shown on the balance sheet at the repayment amount.

## Other provisions

Other provisions are estimated as accurately as possible on the basis of current information.

## Deviation from accounting and valuation methods

American Security Life Insurance Company Ltd. was merged with YOUPLUS Assurance AG with retroactive effect from 1 January 2021 and is fully included in the annual financial statements with effect from 31 December 2021.

The merger of YOUPLUS Insurance International AG with YOUPLUS Assurance AG, took place with effect from 1 July 2021. The income statement of YOUPLUS Assurance AG therefore only contains the corresponding transactions of YOUPLUS Insurance International AG affecting income in the period from 1 July 2021 to 31 December 2021.

The Liv Norden Forsikring AS participating interest holds 100% of YOUPLUS Insurtech AS. Both companies are domiciled in Trondheim, Norway and do not hold a corresponding insurance license in Norway. Their purpose is to provide services to YOUPLUS Assurance AG. Due to the insignificance of these two investments, they were not included in the annual financial statements as of 31 December 2021. Liv Norden Forsikring AS is accordingly shown as a 100% holding in the statement of financial position sheet.

## 6 Notes to the statement of financial position (assets)

### 6.1 Intangible assets

Expansion of business operations	31.12.2021	31.12.2020
	CHF	CHF
Balance at the beginning of the fiscal year	9'096'983	8'465'381
Additions	5'976'346	2'165'638
Disposals	-635'789	0





Adjustments	-2'739'794	-1'534'036
<b>Balance at the end of the fiscal year</b>	<b>11'697'746</b>	<b>9'096'983</b>

<b>EDP software</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>CHF</b>	<b>CHF</b>
Balance at the beginning of the fiscal year	0	0
Additions	243'634	0
Disposals	-2'085	0
Adjustments	-82'665	0
<b>Balance at the end of the fiscal year</b>	<b>158'884</b>	<b>0</b>

<b>Licences</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>CHF</b>	<b>CHF</b>
Balance at the beginning of the fiscal year	0	0
Additions	989'065	0
Disposals	-1'343	0
Adjustments	-120'335	0
<b>Balance at the end of the fiscal year</b>	<b>867'386</b>	<b>0</b>
<b>Total intangible assets</b>	<b>12'724'016</b>	<b>9'096'983</b>

## 6.2 Land and buildings

	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>CHF</b>	<b>CHF</b>
Balance at the beginning of the fiscal year	0	0
Additions	3'621'964	0
Disposals	-5'600	0
Adjustments	-71'834	0
<b>Balance at the end of the fiscal year</b>	<b>3'544'531</b>	<b>0</b>

The addition of real estate is the result of the merger of YOUPLUS Insurance International AG with YOUPLUS Assurance AG in the fiscal year, and the other assets were also taken over.

The current fair market value of the real estate is CHF 4,099,000. This value was calculated on the basis of the 2020 appraisal report for the valuation of condominium ownership with adjusted rent. The MEV (Multi Element Value) system was used for the evaluation in the report. Its function is to fully record the property to be valued and to calculate its total value. The MEV system entails the systematic analysis and classification of the real estate depending on its nature and individual value elements, which are then calculated using the appropriate method.

## 6.3 Loans to affiliated companies

In the fourth quarter of 2020, YOUPLUS Insurance International AG granted SWISS INSUREVOLUTION PARTNERS Holding (FL) AG a loan of CHF 40,000,000, which was





transferred to YOUPLUS Assurance AG as a result of the merger. A partial repayment of CHF 3,262,680 was made in the same quarter. The loan has a term of ten years.

Another subordinated loan of CHF 4,700,482 was granted to the wholly-owned subsidiary Liv Norden Forsikring AS, Trondheim, Norway in the fiscal year.

#### 6.4 Participating interests

YOUPLUS Assurance AG acquired 100% of the outstanding shares in Liv Norden Forsikring AS, Trondheim, Norway in mid-February 2021.

With an annual result of CHF -1,104,880 (NOK -10,692,735), the equity capital of Liv Norden Forsikring AS, Trondheim, as of the balance sheet date is CHF -800,719 (NOK -7,419,565), with an investment book value of CHF 3'407'243.

This company was removed from the consolidation for 2021.

Due to the merger of YOUPLUS Insurance International AG and American Security Life Insurance Company Ltd, Vaduz with YOUPLUS Assurance AG in the fiscal year, shareholdings in these two companies no longer exists at the balance sheet date.

#### 6.5 Other financial investments

The fair market value of other financial investments as of 31 December 2021 is CHF 57,571,510 (previous year: CHF 16,291,337).

The mergers with American Security Life Insurance Company Ltd. and YOUPLUS Insurance International AG led to an overall increase in financial investments compared to the previous year.

The other financial investments are mostly current balances or time deposits with banks and an investment of CHF 10,999,827 in shares in the Skandia Maturity Protected Fund 2022 ("SM22" for short), an investment fund designed as a guarantee fund; it is in cash lock and therefore not exposed to any significant market fluctuations.

A myLife policy investment (i.e. an investment in policies from myLife Lebensversicherung AG, Göttingen, Germany) for a single premium totalling EUR 3,000,000 (divided between 2 annuity policies) with a term of 9 years is part of other financial investments with a value of CHF 3,076,519 as of the balance sheet date.

The other investments of CHF 23,962,769 are accounted for using the linear amortisation method, i.e. the difference between the guaranteed surrender value and the value at the time of acquisition is updated on a linear basis. The original currency of these investments is EUR. YOUPLUS Assurance AG (taken over by YOUPLUS Insurance International AG as a result of a merger) hedges the risk of foreign currency fluctuations on these financial investments in accordance with its company guidelines. The Company has hedged 100% of the underlying transaction with a forward exchange transaction in the amount of EUR 22,000,000, which will be renewed on a rolling basis until maturity.

##### Rolling cash flow hedge – FX Forward

Base value	Volume in EUR	Transaction	Maturity	Purpose	31.12.2021 CHF
Basic transaction	22'000'000	1.08233	11/2026 and 11/2031		23'811'260
FX Forward	22'000'000	Acquisition (value date 31.12.21) EUR 22 million at the forward rate of 1.04	31.03.2022	Hedging of foreign currency risk	23'962'769





## 6.6 Financial investments at the expense and risk of policyholders

	31.12.2021 CHF	31.12.2020 CHF
Financial investments at the expense and risk of policyholders	3'475'942'395	3'205'909'522

Financial investments at the expense and risk of policyholders rose by 8.4% in the year under review. This increase is largely due to the merger with YOUPLUS Insurance International AG. The value of these client assets as of 31 December 2021 is CHF 480,824,021.

Valuation is based on the stock market price or repurchase value on the balance sheet date or, if the balance sheet date is not a stock exchange trading day, on the stock market price or repurchase value on the most recent trading day, or an estimated value based on the last available stock market prices, taking into account all business transactions and performance.

This balance sheet item also includes policies with illiquid assets amounting to CHF 20,540,691 (previous year: CHF 6,937,036). Another detailed assessment and revision of illiquid policies took place during the fiscal year, which is why the number increased again in 2021. Three categories were formed in order to make the valuation uncertainties in the policies transparent. A risk category matrix of illiquid investments was defined and policies were classified accordingly.

The matrix is divided into three main categories:

Documents to establish the values, customer behaviour (payment patterns) and value fluctuations. These categories are weighted (70%, 20% and 10%) and additional measurable and objective subcategories have been defined. The summary is shown in the table below.

31.12.2021	Categories			
Value in CHF	A	B	C	Total
Balance sheet values	0	17'779'807	2'760'884	<b>20'540'691</b>
Number of policies	5	15	15	<b>35</b>
Balance sheet values of the pledged policies	0	0	0	<b>0</b>
Number of pledged policies	0	0	0	<b>0</b>

## 6.7 Other receivables

### Receivables from policyholders and insurance brokers from direct insurance business

Receivables of CHF 1,271,643 (previous year: CHF 894,727) mainly correspond to outstanding premiums and fees from insurance policies, including adjustments.

There are also outstanding receivables from insurance brokers of CHF 28,108.





## Other receivables from affiliated companies

Of the receivables from affiliated companies, CHF 2,547,200 are receivables from YOUPLUS Assurance SCHWEIZ AG from the reinsurance contract taken over through the merger with YOUPLUS Insurance International AG in the amount of CHF 1,127,024 and cost transfers in the amount of CHF 655'190, as well as invoices for internal personnel services in the amount of CHF 82'810.

In addition, there are receivables from the affiliate myLife Lebensversicherung AG, Göttingen, Germany in the amount of CHF 682,175 from a service level agreement (contract for the outsourcing of functions) with the branches of YOUPLUS Assurance AG in the Czech Republic and Slovakia.

## Other claims against other debtors

Due to the ownership situation under civil law, Valorlife Lebensversicherungs-Aktiengesellschaft and Wealth-Assurance AG assets / capital investments that have not yet been transferred to YOUPLUS Assurance AG are shown in this item. This means that the assets and financial investments are not counted twice, but affect the balance sheet total.

Valuation is based on the stock market price on the balance sheet date or an estimated value based on the last available stock market prices, taking into account all business transactions and performance, and amounts to CHF 1,670,756 on the balance sheet date. Receivables from policies with illiquid values is CHF 0 (previous year: CHF 1,692,335).

This item also includes receivables from fund companies in the amount of CHF 1,673,345, a claim against the tax authorities for withholding tax over the last two years in the amount of CHF 624,725, rent deposits in the amount of CHF 126,925, and other receivables in the amount of CHF 20,454.

## 6.8 Other assets (fixed assets)

<b>Office equipment</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>CHF</b>	<b>CHF</b>
Acquisition value at the beginning of the year	44'090	29'348
Additions	888'205	18'124
Disposals	-27'026	0
Adjustments	-47'213	-3'382
<b>Net book value at the end of the year</b>	<b>858'056</b>	<b>44'090</b>
<b>EDP hardware</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>CHF</b>	<b>CHF</b>
Acquisition value at the beginning of the year	64'528	70'078
Additions	817'260	16'790
Disposals	-73'253	0
Adjustments	-219'392	-22'340
<b>Net book value at the end of the year</b>	<b>589'144</b>	<b>64'528</b>
<b>TOTAL fixed assets</b>	<b>1'447'201</b>	<b>108'619</b>





## 6.9 Deferred claims from policies not yet due

This item shows accruals for expenses for the conclusion of insurance policies that arose from new business in the Czech Republic, Slovakia and Austria.

## 6.10 Other prepaid expenses and accrued income

In 2020, YOUPLUS Insurance International AG concluded a sales partnership agreement with Swiss Life International Holding AG, Zurich / Switzerland, with a term of eight years. The service fee is spread over the term and is recognised in assets as prepaid expenses to the amount of CHF 1,351,521 as of 31 December 2021. This contract was taken over when the Company merged with YOUPLUS Assurance AG and was retained under this item. In addition, accruals for outstanding fees from insurance policies and accrued interest in the amount of CHF 2,676,404 are recognised here. The remaining prepaid expenses amounting to CHF 176,774 are prepaid services.

## 7 Notes on the statement of financial position (liabilities)

### 7.1 Subscribed capital

The subscribed and fully paid-up capital amounts to CHF 30,000,000 and is divided into 3,000 registered shares with a nominal value of CHF 10,000 per share.

### 7.2 Proposal of the Executive Board on the appropriation of net profit

	<b>31.12.2021</b>
	<b>CHF</b>
Retained earnings 31.12.	2'110'887
Annual profit 2021	32'632'407
<b>At the disposal of the annual general meeting of shareholders</b>	<b>34'743'294</b>
Allocation to legal reserve	2'913'094
Allocation to statutory reserve	2'699'960
Dividend	0
<b>Carry-forward to new account</b>	<b>27'019'353</b>

The legal reserves in 2021 do not meet the requirements of Art. 309 para. (1) PGR. For this reason, an allocation of CHF 2,913,094 to the legal reserves is required.

### 7.3 Subordinated liabilities

The subordinated loan of CHF 20,000,000 granted by the shareholders to YOUPLUS Insurance International AG in the first quarter of 2019 is unchanged and was transferred to YOUPLUS Assurance AG as a result of the merger.

### 7.4 Actuarial provisions – actuarial reserve

This item corresponds to the provisions for the risk element of the Company's actuarial risk when settling insurance claims.





## 7.5 Actuarial provisions with investment risk for the policyholder

	31.12.2021	31 December
	CHF	2020 CHF
Provision with investment risk for the policyholder including reinsurance share	3'130'670'974	3'080'531'462
<b>Total</b>	<b>3'130'670'974</b>	<b>3'080'531'462</b>

The actuarial provisions are valued according to recognised actuarial principles and the applicable regulations.

For the PPLI portfolios, the difference of CHF 59,426,182 (previous year: CHF 125,378,060) between the recognised financial investments at the expense and risk of policyholders and the actuarial provisions with investment risk of the policyholder, the gross amount, is partially ascribable to the assets and investments not yet transferred to YOUPLUS Assurance AG from Valorlife Lebensversicherungs-Aktiengesellschaft and Wealth-Assurance AG, which are shown as other receivables from other debtors (CHF 248,364, item 6.7) or are based on current bank balances (CHF -4,331) and other liabilities that are reported under liabilities from direct insurance business (CHF 59,210,951). In the case of standard products, CHF 28,802 is held in current bank balances.

## 7.6 Other provisions

Other provisions of CHF 6,310,686 (previous year: CHF 5,042,777) mainly include a provision for the outstanding purchase price payment to Valorlife Lebensversicherungs-Aktiengesellschaft for the transfer of insurance portfolios, which are linked to the complete transfer of all portfolios in the amount of CHF 3,170,000 (previous year: 3,750,000).

There are also provisions for litigation amounting to CHF 1,089,224 (previous year: CHF 1,286,166) and provisions for impending losses of policyholder fees of CHF 6,238 (previous year: CHF 6,611).

The legal proceedings are pending in various regional Italian courts, and will in some cases continue until at least 2023.

This item also includes provisions for bonus payments of CHF 1,140,082 (previous year: CHF 0) and provisions for vacation and overtime of CHF 621,964 (previous year: CHF 0) and the provision for remuneration to Swiss Life International Holding AG for the cooperation agreement taken over from YOUPLUS Insurance International AG with the merger of CHF 283,177 (previous year: 0).

## 7.7 Other liabilities from insurance transactions concluded by the Company itself

	31.12.2021	31.12.2020
	CHF	CHF
Other liabilities to policyholders	78'856'852	145'089'368
Other liabilities to insurance brokers	5'062'357	1'987'214
<b>Total</b>	<b>83'919'209</b>	<b>147'076'582</b>

Liabilities to policyholders mainly relate to payments to policyholder that are due and will be paid out in 2022. This item also includes prepaid premiums (premium deposits), most of which are due in the 2022 financial year. Liabilities to insurance brokers include the retained cancellation reserve that YOUPLUS Assurance AG (or the former YOUPLUS Insurance International AG) retains to secure its commission refund claims as a result of cancellations, as well as commissions that are due and will be paid to the brokers in 2022. These liabilities are recognised at the payment and repayment values.





**7.8 Other liabilities - accounts payable from reinsurance business**

Accounts payable arising from reinsurance business of CHF 1,764,945 (previous year: CHF 55,084) will be settled in the first quarter of 2022.

**7.9 Other liabilities - miscellaneous liabilities to affiliated companies**

This item includes liabilities to affiliate YOUPLUS Assurance SCHWEIZ AG for the personnel services provided in Q4 2021 and cost transfers in the amount of CHF 656,477 as well as interest on the loan to Liv Norden Forsikring SA, Trondheim, Norway, and repaid by YOUPLUS Assurance AG to the amount of CHF 41,081. There are also liabilities to affiliate myLife Lebensversicherung AG, Göttingen, Germany to the amount of CHF 165,736 for personnel services. All liabilities have a remaining term of less than one year.

## 8 Notes on the income statement

### Actuarial account

#### 8.1 Gross written premiums in non-life and life insurance

The gross premiums are divided between the following items (in CHF).

	2021	2020
Regular premiums 3a	2'721'596	0
Regular premiums 3b	20'882'025	7'693'747
Other regular premiums	5'696'068	0
Single premiums	0	0
Other regular premiums from non-life insurance	1'650'190	0
<b>Total gross premiums for direct insurance</b>	<b>30'949'878</b>	<b>7'693'747</b>
Premiums from payments in active reinsurance	2'058'940	0
<b>Total gross written premiums</b>	<b>33'008'818</b>	<b>7'693'747</b>

Primary insurance premiums relate to insurance policies where the financial investment risk is borne by the policyholder. The premium income from active reinsurance payments comes from the reinsurance contract with affiliate YOUPLUS Assurance SCHWEIZ AG. The premiums from non-life insurance from the branches in Eastern Europe and Norway are shown under other regular premiums from non-life insurance.

The total of all gross premiums is divided as follows by origin (in CHF).

Countries of origin	2021	2020
Principality of Liechtenstein	87'352	0
Other EEA member states	16'930'555	7'007'308
Switzerland	14'163'233	0
Other countries	1'827'678	686'439
<b>Total premiums</b>	<b>33'008'818</b>	<b>7'693'747</b>

#### 8.2 Payments on claims

This item contains the effective expenses for redemptions and insurance payments in the fiscal year.

#### 8.3 Change in the other actuarial technical provisions – change in the actuarial reserve

This item shows the change in actuarial provisions for life insurance policies, where the investment risk is borne by the policyholders or contractual partners.



## 8.4 Expenditure on insurance operations for own account

### a) Acquisition costs

Acquisition costs for non-life and life insurance for 2021 total CHF 9,821,425 (previous year: CHF 0). This rise is due to the merger of YOUPLUS Insurance International AG and the increase in new business in the branches in the Czech Republic, Slovakia, Austria and Norway. This amount includes CHF 14,307,035 in acquisition commissions, capitalised acquisition costs of CHF -4,492,421 and medical costs of CHF 6,811.

In the year under review, due to new business in the Czech Republic, Slovakia, Austria and Norway, costs were reassigned from administrative costs to acquisition costs for new life and non-life insurance on a premium-based basis in the amount of CHF 3,051,858 (previous year: CHF 2,868,573 in the merged YOUPLUS Insurance International AG). The distribution keys were determined by the number of new policies compared to the total number of policies. Administrative costs were then assigned to direct acquisition costs on this basis.

### b) Administration costs

Administrative expenses for non-life and life insurance for 2021 have risen, in particular due to the mergers and the expansion of new business activities, including new market entries (represented by the branches in the Czech Republic, Slovakia, Austria and Norway). These amount to a total of CHF 22,798,065 (previous year: CHF 10,201,460).

## 8.5 Unrealised losses from financial investments

This item shows the change in the valuation of the investments at the expense and risk of life insurance policyholders to the amount of CHF -102,620,265 (previous year: CHF -285,199,005).

## 8.6 Other expenses from insurance business for own account

This item mainly includes expenses for the reinsurance value adjustment to the amount of CHF 3,058,650 (previous year: CHF 0). These arise from the reinsurance financing agreement with Hannover Re.

In addition, the expenses for adjustments on outstanding policyholder fees are shown here as CHF -43,208 (previous year: CHF -753,156), unrealised losses from the balance sheet valuations (currency adjustment) in the amount of CHF 5,469,207 (previous year: CHF 23,934,133) and other actuarial expenses of CHF 218,177 (previous year: CHF 0).

## 8.7 Allocated investment return transferred to the non-technical account

Interest is taken into account for classic life insurance products as part of the premium calculation for insurance policies. This interest must be financed outside the contract, as the corresponding amounts are not financed from the premium.

This financing is therefore based on the non-technical result, which must be reduced by this amount, while the actuarial result is increased by this amount.

The investment return allocated to the non-technical account was calculated according to the fundamental principles in the tariff plans and corresponds to the minimum interest on the actuarial reserve taken into account when calculating the tariff. Interest must be earned by the insurance Company and is not covered by insurance income.

## 8.8 Extraordinary income





Extraordinary income totalling CHF 35,818,705 (previous year: CHF 0) results from the release of provisions to the amount of CHF 3,574,034 in the portfolio of the former American Security Life Insurance Company Ltd, Vaduz, as well as from the two merger gains totalling CHF 32,239,170, from the mergers during the fiscal year with YOUPLUS Insurance International AG, Triesen, and American Security Life Insurance Company Ltd, Vaduz.

## 9 Other information

### 9.1 Number of employees

The employment contracts of YOUPLUS Assurance AG employees were taken over as a result of the merger with YOUPLUS Insurance International AG.

The number of employees at YOUPLUS Assurance AG, including its branches, was 170 at the end of the year (at the end of 2020: 0; YOUPLUS Insurance International AG 2020: 149). The increase compared to the previous year is due in particular to the expansion of the branches in the Czech Republic and Slovakia, as well as to the new business activities in Austria and Norway established in 2021.

### 9.2 Rental and lease commitments

	2021 CHF	2020 CHF
Rental commitments	839'642	0
Lease commitments	176'928	0

The rental commitments relate to the lease of directly used office premises and parking spaces in Triesen and for the branches in Prague, Bratislava, Brunn, Linz and Trondheim. The lease commitments are leasing agreements for employee vehicles at the branches in the Czech Republic, Slovakia and Austria. The increase compared to the previous year is the result of the YOUPLUS Insurance International AG merger.

### 9.3 Remuneration of the administrative and management bodies

In line with Art. 192 (9d) PGR, remuneration of members of the Executive Board is not disclosed.

### 9.4 Business with affiliated companies

Note: In the following information on the 2021 fiscal year, it should be noted that the values of the merged YOUPLUS Insurance International AG are only included for the second half of the fiscal year because the merger was effective under commercial law on 1 July 2021.

- Expenses for personnel services received from YOUPLUS Assurance SCHWEIZ AG: CHF 496,089 (previous year: CHF 0)
- Revenue for personnel services rendered for YOUPLUS Assurance SCHWEIZ AG: CHF 185,759 (previous year: CHF 0)
- Expenses for personnel services received from myLife Lebensversicherung AG: CHF 178,949 (previous year: CHF 0)
- Revenue from the function outsourcing agreement with myLife Lebensversicherung AG: CHF 763,220 (previous year: CHF 0)
- Premium revenues from the reinsurance contract acquired through the merger with YOUPLUS Assurance SCHWEIZ AG: CHF 2,058,940 (previous year: CHF 0)
- Reinsurance services for YOUPLUS Assurance SCHWEIZ AG: CHF 117,236 (previous year: CHF 0)





- Fund management fee, Swiss Rock Asset Management AG: CHF 1,008,329 (previous year: CHF 0)
- Interest revenues of CHF 107,714 (previous year: 0) from the subordinated loan granted to wholly-owned subsidiary Liv Norden Forsikring AS, Trondheim, Norway.
- CHF 31,214 expenditure on interest (previous year: CHF 0) to YOUPLUS Assurance SCHWEIZ AG from the repayment of the loan for Liv Norden Forsikring AS, Trondheim, Norway

A myLife policy investment exists (an investment in two annuity insurance policies from myLife Lebensversicherung AG, Göttingen, Germany) which is listed under other financial investments (see Appendix, Section 6.5).

#### **Services received from affiliated companies**

An outsourcing agreement existed between YOUPLUS Assurance AG and its subsidiary YOUPLUS Insurance International AG since 5 May 2015, which is no longer valid as a result of the merger at the end of the year.

#### **9.5 Name and registered office of the parent company**

As of the end of 2021, the shares in YOUPLUS Assurance AG, Triesen, are 100% owned by SWISS INSUREVOLUTION Partners Holding (FL) AG. The annual financial statements of YOUPLUS Assurance AG are incorporated into the consolidated financial statements of SWISS INSUREVOLUTION Partners Holding (FL) AG. These consolidated financial statements can be viewed on request at the Company's headquarters in Triesen.

#### **9.6 Events after the balance sheet date**

There were no events after the balance sheet date at the time this annual report was prepared.





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Commercial Register No.:  
FL-0002.458.153-8

Auditor's report to the general meeting of shareholders of

**YOUPLUS Assurance AG, Triesen**  
(FL-0002.038.147-0)

#### **Audit opinion**

We have audited the annual financial statements of YOUPLUS Assurance AG (Company), comprising the statement of financial position as of 31 December 2021, the income statement for the year ending 31 December 2021 and the notes to the financial statements, including a summary of significant accounting and valuation principles.

In our opinion, the accompanying annual financial statements give a true and fair view of the Company's financial position as of 31 December 2021 and its income situation for the year ending on that date in accordance with the laws of Liechtenstein.

#### **Basis for the audit opinion**

We conducted our audit in accordance with the laws of Liechtenstein and International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are further described in the "Responsibilities of the auditor for the audit of the annual financial statements" section of our report.

We are independent of the Company in accordance with the requirements of the laws of Liechtenstein, professional standards, and 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 professional obligations in accordance with these requirements.

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

#### **Particularly important audit issues**

Particularly important audit issues are those issues that in our professional judgement were most significant in our audit of the annual financial statements for the reporting period. These issues were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion on these, and we do not offer a separate opinion on these issues.



**Evaluation of the actuarial reserve (gross) - given that the investment risk is not borne by the policyholders.**

*Facts*

In the annual financial statements of YOUPLUS Assurance AG as of 31 December 2021, an actuarial reserve of CHF 32,021,400 gross is shown for life insurance policies where the investment risk is not borne by the policyholder. In the case of classically calculated main and supplementary insurance, the actuarial reserve is calculated prospectively according to the corresponding tariffs. The valuation is based on assumptions about biometrics, as well as cost and interest rate developments, and also takes into account the additional interest reserve of CHF 4,574,240, which is included in the other actuarial provisions. The risk for the annual financial statements lies in the fact that the policy data might not be fully taken into account in valuation and that the actuarial reserve might be underestimated or overestimated as a result of incorrect application or determination of the calculation parameters. Due to the complexity of the valuation and the importance of the amount for the annual financial statements, this is a particularly important audit issue. The information provided by YOUPLUS Assurance AG on the valuation of the actuarial reserve is included in the "Valuation methods" section in the Appendix.

*Response to the audit*

To audit the actuarial reserve, we carried out the following key audit procedures together with our specialists with knowledge of actuarial mathematics: First, we recorded the procedure followed by the Company in determining and recognising the actuarial reserve. We have satisfied ourselves of the adequacy and implementation of the controls relating to the valuation of the actuarial reserve. The main focus was on audit procedures to ensure the completeness and correctness of the policy data in the policy management system, and the investigation of the individual policy reserves. Based on this, we performed substantive audit procedures in relation to the valuation of the actuarial reserve. Based on a random sample we checked the plausibility of the actuarial reserves calculated by the Company at the level of individual policies and the change in the actuarial reserve generally. The adequacy and traceability of the actuarial valuation methods, the valuation interest rates and the central actuarial assumptions were also examined (for example likelihood of cancellation and lump-sum settlement).

We also examined the explanatory report of the actuary. In doing so, we dealt in particular with his assessment of the valuation parameters used in the valuation of actuarial provisions, checked them for their appropriateness and satisfied ourselves that the explanatory report does not contain any statements that conflict with our audit results.

**Valuation of the provision for outstanding insurance claims (gross)**

*Facts*

In the annual financial statements of YOUPLUS Assurance AG as of 31 December 2021, there is a provision of CHF 12,038,396 gross for insurance claims not yet settled (claims provision).

## **IBDO**

The provision for claims that have not yet been settled (claims provision) is to be formed according to Art. 1075 PGR in conjunction with Art. 75 VersAG for obligations from claims that have arisen but have not yet been settled by the end of the financial year, including all claims settlement expenses. For known claims, the expected claims expenditure is generally estimated according to the principle of individual assessment for each claim with regard to the expected level of loss. A provision for late claims is formed for unknown claims, determined using mathematical estimates based on historical values. Pursuant to Art. 75 paras (2) and (5) VersAG the principle of commercial prudence must be observed when making estimates. The risk for the annual financial statements consists in particular in an inaccurate estimate of the claims payments to be expected for claims already known and an incorrect assessment of the extent of the claims to be expected for unknown incidents that have already occurred. This could result in overvaluation or undervaluation of the claims provision.

The methods used to determine the actuarial provisions and the calculation parameters used are influenced by discretionary decisions and assumptions by legal representatives. As a result and due to the importance of the claim provision for the annual financial statements, this is a particularly important audit issue.

### *Response to the audit*

To audit the valuation of the claim provision, we carried out the following key audit procedures on the basis of risk. First, we investigated the process for determining the provision for unsettled insurance claims. For the unsettled claims, we checked the adequacy of the provision formed based on a substantive examination of individual claims. In doing so, we reconstructed the respective estimate of the probable level of loss based on the files for various insurance branches and types. We also analysed the actual changes in the provision made in the previous year for outstanding claims based on the settlement results. We checked the plausibility of the calculations of the IBNR (incurred but not reported) reserves and the equalisation reserves using the documentation provided by the actuary responsible.

**Responsibility of the Executive Board for the annual financial statements**

The Executive Board is responsible for the preparation of the annual financial statements in accordance with the requirements of the law and for those internal controls that the Executive Board determines are necessary to enable the preparation of annual financial statements free from material misrepresentation, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing where material facts related to continuing as a going concern, and applying the "going concern" accounting principle, unless the Executive Board either intends to liquidate the Company or to cease operations, or have no realistic alternative.

**Responsibility of the auditors for auditing the annual financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misrepresentation, whether due to fraud or error, and to issue a report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the laws of Liechtenstein and the ISAs will always detect material misrepresentation, if any. Misrepresentations may occur due to fraud or error and are considered material if individually or as a whole they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of a statutory audit in accordance with the laws of Liechtenstein and the ISA, we exercise professional judgement and maintain a critical attitude throughout the audit. Further,

- we identify and assess the risks of material misrepresentation in the financial statements, whether due to fraud or error, plan and implement audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of failing to detect material misrepresentation resulting from fraud is greater than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal checks.
- We investigate the internal control system relevant to the audit in order to plan audit procedures appropriate to the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.
- We evaluate the appropriateness of the accounting policies followed and the reasonableness of the accounting estimates and related disclosures presented.
- We draw conclusions on the appropriateness of the Executive Board's application of the "going concern" accounting principle and, based on the audit evidence obtained, determine whether there is material uncertainty relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our report to the related statements in the annual financial statements, or if such disclosure is inappropriate to modify our audit opinion. We base our conclusions on the audit evidence obtained up until the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We assess the presentation, structure and contents of the annual financial statements, including the notes, and whether the annual financial statements present the underlying transactions and events in a fair manner.



We communicate with the audit committee, among other things about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal checks that we identify during our audit.

**Report on miscellaneous statutory and other legal requirements**

We were selected as auditors by the Annual General Meeting on 24 April 2019. We have been the Company's auditors without interruption since the year ended 31 December 2019.

We declare that the audit opinions contained in this auditor's report are in agreement with the additional report to the audit committee pursuant to Art. 11 of Regulation (EU) No. 537/2014.

Further, we declare pursuant to Art. 10 para. (2) f) of Regulation (EU) No. 537/2014 that we have not provided any prohibited non-audit services according to Art. 5 para. (1) of Regulation (EU) No. 537/2014.



**Further confirmations pursuant to Art. 196 PGR and Art. 54 para. 3 VersAV**

The enclosed annual report has been prepared in accordance with the applicable legal requirements, is consistent with the annual financial statements and, in our opinion based on the knowledge obtained from the audit of the annual financial statements and the understanding of the Company and its environment, does not contain any materially incorrect information.

We further confirm that the annual financial statements and the proposal for the appropriation of the net profit comply with the laws of Liechtenstein, the Company's articles of association and the regulatory requirements and we recommend that the annual financial statements be approved.

Vaduz, 8 April 2022

**BDO (Liechtenstein) AG**

Denise Becker  
Public Auditor  
Lead Auditor

Yves Gyr  
Certified auditor

Enclosed:

- Annual report (including annual financial statements)



## CONTACT

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YOUPLUS Assurance AG