



ANNUAL REPORT 2019



SOGELIFE

SOGELIFE S.A.
Société Anonyme (Corporation)
11, Avenue Emile Reuter
L-2420 Luxembourg
R.C.S. Luxembourg: B 55.612
Annual accounts and Directors' Report
and Report from the Auditor of the Company
as of 31 December 2019

ANNUAL REPORT 2019



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DIRECTORS' REPORT

at the Ordinary General Meeting
on 28 April 2020

"Dear Madam, Dear Sir

We have the pleasure of hereby reporting to you on the transactions performed by SOGELIFE S.A. during the financial year ended 31 December 2018, and submitting said year's income statement and balance sheet for your approval."

2019 Activity

The life insurance market in Luxembourg had a relatively good year, even recording an increase in inflows of 18.61% compared to 2018.

This increase included a premium of EUR 2 billion, related to a portfolio transfer. By excluding this premium, inflow growth was up 10% compared to 2018. The unit-linked part of the 2019 inflow increased 10 points against 2018. The guaranteed part of the fund increased by 36 points.

SOGELIFE excelled with an increase of 72% of the level of payments received and a volume of units of account on the rise compared to 2018 (€+538M). This growth in inflow places SOGELIFE third, in terms of collection, amongst insurance companies.

As a result of the success of the collection and outputs below 10% of the outstanding amounts, SOGELIFE shows a net inflow exceeding a billion and a half euros almost 55% in account units.

Accompanied by solid partners in several geographic markets, SOGELIFE is pursuing its business development plan with a rich and diversified offering of unit-linked products.

Solvency

The company's solvency margin remains at an adequate level (184%) and does not require further strengthening.

- Share capital at year end amounted to EUR 48,222,846 and is held by Sogecap (60.14%) and SGBT (39.86%).
- Subordinated loans remained at EUR 125,800,000. A loan of EUR 2,250,000 has reached maturity and was not renewed.

Profit and loss account

The gross reinsurance turnover amounted to EUR 2 328 038 786 en 2019 compared to EUR 1 355 238 950 en 2018. Almost 65% was generated with the partners excluding Société Générale Group.

The investment income which includes the regular income and capital gains from asset disposals mainly financial assets representing commitments taken out as account units, amount to EUR 263 951 452 for 2019 compared to EUR 186 734 810 for the previous year.

Changes in our net commitments for reinsurance generated in 2019 charges for technical provisions of EUR 1 027 273 294 (compared to charges of EUR 25 914 234 in 2018) plus the profit-sharing amounting to EUR 71 723 009 (compared to EUR 173 376 192 in 2018).

Operating costs are allocated directly, broken down by destination. In accordance with applicable accounting standards. On a type-by-type basis, the commissions paid to providers amount to EUR 27 285 481 (compared to EUR 25 381 008 in 2018) and that the overheads amount to EUR 18 719 055 (compared to EUR 17 583 367 in 2018).

In light of all the products and expenses, the technical account shows a credit balance of EUR 35 094 274 directly attributable to technical insurance transactions, compared to a credit balance of EUR 32 179 546 in 2018.

After incorporating all the elements of the non-technical account which are primarily made up of the net investment income for a total of EUR -2 873 911, income tax for EUR -4,683,095 and other non-technical charges for EUR -90 326, the year confirmed a net income totaling EUR 26 604 428.

Proposed distribution of profit

We suggest allocating profits for year ended amounting to EUR 26 604 428 in the following manner:

- Allocation of EUR 4 820 150 to the unavailable reserve;
- EUR 2,225 carried forward as part of a correction made to unavailable reserves in 2018;
- EUR 2,225 carried forward as part of a correction made to unavailable reserves in 2018;
- Payment of EUR 13 000 000 in dividends to our shareholders;
- Allocation of EUR 12,916,928 (57,890,475 in total) deferred again.

For the record, the share of earnings brought forward to the unavailable reserve enables only a pro-rotta rate of the Wealth Tax to be paid provided that it is 5 times the amount of the Wealth Tax owed (EUR 964 030 x 5 for 2019) and unavailable for 5 years.

The equity and subordinated liabilities of the company amount to EUR 283 769 395.

Balance Sheet

Overall, the balance sheet total amounts to EUR 11 974 086 456 compared to EUR 10 104 160 501 the previous year.

The assets managed by SOGELIFE amount to EUR 4 665 300 108 in market value in 2019 compared to EUR 3 575 176 465 in 2018. The proportion of assets invested in UCITS and assets invested in negotiable debt securities remains stable compared to 2018. They amount to 64% and 36% (compared to 65% and 35% in 2018).

KEY FIGURES



+72%

INCREASE IN THE LEVEL OF CLIENT PAYMENTS RECEIVED BY SOGELIFE

+1,500M €



NET COLLECTION

55%

OF NET COLLECTION IN ACCOUNT UNITS



11,974M €



BALANCE SHEET TOTAL

184%

SOGELIFE'S SOLVENCY MARGIN



Perspectives

With a strong desire to continue to develop its business, SOGELIFE intends to consolidate its position as a leading insurer for large, private European banks through its innovative financial solutions that are adapted to clients' needs. In partnership with diversified distribution networks, SOGELIFE will continue to strengthen its operational efficiency and improve client experience, notably through digital innovation.

Risk management

SOGELIFE runs its savings and life insurance business through the distribution of a wide range of life insurance savings and capitalization policies. In this respect, market risk is the most significant exposure.

In terms of market risks, SOGELIFE is sensitive to shocks due to the level of interest rates on equity markets and credit spreads. The redemption risk within the risks of life insurance underwriting is also significant.

Through its various components, the risk management system set up within SOGELIFE aims to constantly ensure the management of all its risks. This system enables the adequate identification, measurement, oversight, management and reporting of risks that it is or could be exposed to, and the implementation of appropriate mitigation measures where necessary.

Policies, validated by the Board of Directors, define the risktaking framework by formalizing the governance and key metrics related to each risk.

Given SOGELIFE's activities, its risk management policy is structured around the following main risks, each of which may affect its business, its results or financial position.



The main risks to which SOGELIFE is exposed are :

- **ALM risks (liability and asset management)** including market risks (risk that the price of an asset on the SOGELIFE balance sheet will be revised downwards in accordance with offer and demand), credit risks (risk of loss of value of a bond due to a change in rating or default of the issuer), liquidity risks (risk that SOGELIFE will be unable to sell an asset to honour a commitment within the deadlines defined by the contract or regulations), cash flow risk (risk that SOGELIFE does not have sufficient liquidity and/or overdraft facilities to honour a commitment).
NB: Cash flow and liquidity risks are very closely linked.
SOGELIFE is mainly exposed to ALM risks.
- **Technical risks**, including life insurance underwriting risk. These risks may be of a biometric nature (mortality) or related to the conduct of the insured parties (redemption risk).
- **Operational risks and other risks** including strategic risks, reputational risks and risks of loss or penalties, mainly due to internal procedures and systems failures, human errors or external events

In accordance with existing regulations, the company has analyzed the main risks to which it is confronted.

This analysis is attached to this report.

Major event that materially impacts the relevance of the information disclosed

The data in this report provides information on SOGELIFE's solvency and financial condition at 31 December 2019 and, as a result, does not take into account the impact of any events that occurred after that date.

During the first quarter of 2020, the international Covid-19 pandemic caused the global economy to slow significantly, triggering precipitous drops in the financial markets across the major international exchanges. This crisis, the duration and outcome of which remained uncertain at the time this report was published, is having direct repercussions on SOGELIFE's solvency and financial condition due to the material market risks involved in the company's life insurance and savings business. As part of SOGELIFE's solvency ratio monitoring mechanism, the company is closely tracking the situation and the repercussions thereof on its solvency.

Against this backdrop, we are asking for your approval to authorise the Board of Directors to:

- issue up to EUR 58,000,000 of subordinated loans, to be performed in instalments;
- increase SOGELIFE's capital to EUR 100,000,000, either in one operation or in successive instalments. This approval relating to the authorised capital shall be valid for a period of five years as of the date of adoption and may be renewed by a shareholders' meeting for authorised capital which, during this period, shall not have been issued by the Board of Directors.



Terms of office

The term of office for a director in SOGECAP and SOCIETE GENERALE Luxembourg (formerly SOCIETE GENERALE BANK & TRUST) and for Mr. Marc DUVAL will end on 28 April 2020. We hereby request that the terms of office are renewed for four years, i.e. until the 2024 General Meeting called to approve the accounts for the financial year ending 31 December 2023.

Ms. Martine LASSEGUES informed us of her decision to stand down as a SOGELIFE director.

Miscellaneous

In 2019, the Company incurred no research and development expense, did not carry out any share buybacks and does not possess any.

The company does not have any subsidiaries.

No significant event occurred after the financial year end. In 2018, SOGELIFE did not use financial derivatives within the framework of its management of its equity and in the investment strategy of the internal investment fund with a return on investment in USD.

In accordance with the rules set out in instruction No. 014122 relating to the corporate governance principles applicable to Societe Generale Group entities, the Board of Directors shall propose to the General Meeting that a new version of the articles of association be adopted, reducing the duration of the term of office for future directors. Said term shall be reduced from the current term of six years to four years. Likewise, the Board will also propose simplifying the articles of association by extending the possibility of calling a General Meeting within 6 months of the end of SOGELIFE's financial year.

We would like to thank all of our providers and our subscribers for their trust that they placed in us as well as SOGELIFE's employees for their commitment and their attachment to the company's success.

Ladies and Gentlemen, we therefore propose that you ratify this report, to approve the balance sheet and consolidated results for the financial year ending 31 December 2018 as defined above, to approve the methods for allocating profit, that discharge be granted to the members of the Board of Directors and to grant discharge to the auditor.

Philippe PERRET

Chairman of the Board of Directors



SOGE LIFE : RISK ANALYSIS TO YEAR END 2019

1.1. Presentation of the main risks generated by the activities carried out by SOGELIFE

SOGELIFE has a risk mapping which identifies 45 risks to which the company is or could be exposed. A risk mapping broken down into 8 categories, was identified by Société Générale Group's insurance business line. The updated risk map highlighted the absence of a high residual risk and 17 moderate residual risks.

For all the identified risks, action plans were defined (including the strengthening of the controls and the procedural framework) and implemented in order to adequately control the dynamic and reactive risks.

1.1.1. Operational risks

Operating risks represent the majority of risks identified in the risk mapping carried out by SOGELIFE. Arrangements for detecting operational losses are in place within Société Générale Group and this enables action plans to be followed if an operational loss is revealed.

Regarding operation risks which may be generated by the non-compliance to regulatory and legislative changes (risks related to the introduction of new laws or regulations and the application these laws and regulation), the legal department of the company is permanently in contact with the Legal and Tax department of SOGECAP. It keeps abreast of changes via the usual media sources (press, internet, seminars, etc.), but also via the specialized commissions of the Insurance Company Association.

In order to guarantee the compliance of its products and business activities, the legal department also uses the services of external lawyers specialized in the markets on which SOGELIFE is present in order to guarantee the compliance of its products and business activities.

This legal monitoring enables SOGELIFE to respond to the many European and international regulatory changes affecting the insurance sector (Solvency II, EMIR, FATCA, CRS, PRIIPS, IDD, GDPR, etc.), as well as to the changing normative framework in Luxembourg.

1.1.2. Market risks

Exposure to market risk is low because 60% of assets are reinsured by SOGECAP, 35% of investments are borne by policyholders and the remaining 5% are subject to surveillance via ALM studies and asset dispersion controls.

Asset and liability mismatches are controlled and corrected monthly.

A strict control procedure for the eligibility of external funding is currently in force which ensures the eligibility of these supports in unit-linked life insurance/capitalization policies.

Technical result analysis performed monthly enable financial gains and losses to be identified and to find solutions if required.

1.1.3. Reputation risks

These are mainly image risks relating to non-compliance with measures aimed at controlling the client-transaction knowledge, at defects related to the control of subcontracted activities.

The company has an audit plan incorporating the mission to control AML/CFT activities. Furthermore, a subcontracting policy was adopted in order to make sure these activities were adequately controlled. The company has set itself commitments in terms of quality of services, in particular compliance with processing times.

1.1.4. Strategic and governance risks

The risk in this area is low because of the strong governance measures implemented by its insurance business line. Governance policies have been established in accordance with Solvency II requirements and have been approved by the Board of Directors.

Various committees are held regularly: Board of Directors, Finance Committee, Regular budget reviews, Audit, Internal oversight and Risk Committee (CACIR), ...

In addition, the company has setup a project management procedure which meets the Group's existing standards.

Group-wide regulatory projects are also supervised by its business line.

REPORT BY CERTIFIED COMPANY AUDITOR

Report on the audit of the annual accounts

Opinion

We have performed an audit of the financial statements of SOGELIFE S.A. (hereafter the “Company”) comprising the balance sheet as at 31 December 2019, as well as the income statement for the year then ended, and the notes to the financial statements, including a summary of the main accounting principles applied.

In our opinion, the attached financial statements give a true and fair view of the Company’s financial situation as at 31 December 2019, as well as the results for the year then ended, in accordance with current legal and regulatory obligations for preparing and presenting financial statements in force in Luxembourg.

Basis of our opinion

We performed our audit in compliance with Regulation (EU) No. 537/2014, the law of 23 July 2016 concerning the audit profession (the “law of 23 July 2016”) and International Standards on Auditing (ISA) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF). The responsibilities incumbent upon us pursuant to the aforementioned regulation, law and standards are described in more detail in the section of this report entitled “Responsibility of the certified auditors for the audit of the financial statements”. We are also independent from the Company in accordance with the code of ethics of the International Ethics Standards Board for Accountants (IESBA) as adopted for Luxembourg by the CSSF, as well as with the ethics rules applicable to the audit of financial statements and we fulfilled the other responsibilities incumbent upon us in accordance with such rules. We believe that the evidence we have gathered is sufficient and appropriate as a basis for our opinion.

Key audit matters

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

Investments held on behalf of life insurance policyholders where the risk is borne by them – unlisted assets in dedicated fund contracts and whose current value is not publicly available.

Description of the risk identified:

Investments held on behalf of life insurance policyholders where the risk is borne by them were recorded in the Company's balance sheet in an amount of EUR 4 215 million, i.e., 35% of the total balance sheet. From these investments, EUR 52 millions, i.e., 1,2% of the total of these investments are represented by unlisted assets which are assessed using the assessment method explained in note 2.e. to the financial statements.

We consider that the procedure concerning unlisted assets included in investments for the benefit of life insurance policyholders where the risk is borne by them is a key issue in the audit since this measure may involve judgement in the assessment method selected by the Board of Directors and in the appreciation of the reliable information selected for the assessment of these assets.

Audit procedures implemented in response to the risk identified:

Our audit procedures in relation to unlisted assets included in investments held on behalf of life insurance policyholders where the risk is borne by them notably include:

- Tests with regard to the design, the implementation of monitoring activities within the Company in terms of acceptance, monitoring and assessment of unlisted assets;
- Substantive procedures on a sample of unlisted assets on 31 December 2019 regarding the verification of the proper application of the assessment method as described in note 2.e. to the financial statements, and the precise nature of the information selected for the assessment of these assets.

Other information

The Board of Directors is responsible for the other information. Other information comprises the information contained in the management report, but does not include the financial statements and our certified company auditor report on said financial statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance in respect thereof.

With regard to our audit of the financial statements, our responsibility involves reading the other information and, in so doing, assess whether it is materially inconsistent with the financial statements or the knowledge we have acquired during the audit, or if the information appears to be otherwise materially misstated. If, in light of the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors with respect to the financial statements

In accordance with current statutory and regulatory provisions applicable to the drawing up and presentation of financial statements in Luxembourg, the Board of Directors is responsible for drawing up and presenting financial statements that provide a true and fair view. The Board is also responsible for internal controls that it deems necessary to ensure the financial statements are free from material misstatements whether from fraud or error.

When drawing up the financial statements, it is incumbent upon the Board of Directors to measure the Company's ability to continue operations, to communicate, if necessary, any issues relating to business continuity and to apply the going concern principle, unless the Board of Directors intends liquidating the Company or ceasing trading or if no other realistic solution is available.

It is incumbent upon the heads of corporate governance to monitor the Company's financial reporting process.

Responsibilities of the certified auditors

Our objectives are to obtain reasonable assurance that the financial statements as a whole do not include any material misstatements whether from fraud or error and to issue a certified report with our opinion. Reasonable assurance equates to a high level of assurance, which nonetheless does not guarantee that an audit performed in accordance with Regulation (EU) No. 537/2014, the law of 23 July 2016 and ISA as adopted for Luxembourg by the CSSF is always capable of detecting all material misstatements that exist. Misstatements can be the result of fraud or errors and are considered material when it is reasonable to expect that they may, individually or in aggregate, influence economic decisions made by users of financial statements based thereon.

Within the scope of an audit performed in accordance with Regulation (EU) No. 537/2014, the law of 23 July 2016 and ISA as adopted for Luxembourg by the CSSF we use professional judgement and critical thought throughout the process. Furthermore:

- We identify and measure the risks that the financial statements include material misstatements whether from fraud or from error, design and implement audit procedures in response to these risks, and gather sufficient and appropriate evidence on which to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may imply collusion, falsification, deliberate omissions or a circumvention of internal controls.
- We acquire an understanding of internal control issues relevant to the audit in order to design audit procedures that are appropriate in the circumstances and not with the aim of expressing an opinion on the effectiveness of the Company's internal controls.
- We assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by the Board of Directors, as well as any related information provided by the Board.

- We draw a conclusion on the appropriateness of the use by the Board of Directors of the going concern principle and, depending on the evidence obtained, regarding the existence or otherwise of material uncertainty connected with events or situations liable to cast significant doubt on the Company's ability to continue operations. If we conclude that material uncertainty exists, we are obliged to draw the readers' attention to the information provided in the financial statements about this uncertainty or, if such information is not adequate, to give a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. However, future events or situations could result in the Company ceasing trading.
- We assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the transactions and underlying events in such a way as to give a true and fair view.

We communicate to the heads of corporate governance notably on the scope and planned timetable for the audit and our key findings, including any significant deficiencies in internal control that we may have noted during our audit.

Among the matters communicated to the heads of corporate governance, we decide which were the most important in the audit of the financial statements for the period under review. These are the key audit matters. We describe these matters in our report, unless their publication is prohibited by legal texts or regulations in force.

Report on other legal or regulatory obligations

We have been appointed as certified auditors by the Shareholders' General Meeting of 24 April 2019, and the total uninterrupted duration of our engagement, including reappointments and renewals, is two years.

The management report is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

We confirm that we have not provided any non-audit services prohibited by Regulation (EU) No. 537/2014 and that we remained independent from the Company during the audit.

For Deloitte Audit, Statutory Auditors

Ludovic Bardon, Certified company auditor
Partner

April 28, 2020



BALANCE SHEET

On 31 December 2019
(expressed in EUR)

ASSETS	2019	2018
Intangible assets (Note 3)	1 359 758	385 691
Investments		
Other financial investments		
Shares and other variable income securities and shares in mutual funds (Note 4)	7 896 018	517 845
Bonds and other fixed income securities (Note 5)	336 987 493	351 278 213
Other loans	4 509 645	3 045 256
Deposits with credit institutions (Note 8)	82 993 905	77 197 633
	432 387 061	432 038 947
Investments held on behalf of life insurance policyholders where the risk is borne by them	4 214 952 019	3 133 234 718
Reinsurers' share of technical provisions (Note 8)		
Life insurance provision	6 921 964 148	6 115 407 644
Provision for Claims	31 323 440	36 443 396
Provision for bonuses	254 737 225	278 066 370
	7 208 024 813	6 429 917 410
Receivables		
Receivables deriving from insurance transactions on insurance brokers (Note 8)	5 546 940	3 281 122
Receivables from reinsurance transactions (Note 8)	6 462	6 462
Other receivables	813 769	1 327 978
	6 367 171	4 615 562
Other assets		
Tangible assets (Note 3)	21 093	63 356
Cash deposits, cheques and cash (Note 8)	110 051 949	103 014 795
	110 073 042	103 078 151
Adjustment accounts		
Deferred acquisition costs	8 536	16 386
Other adjustment accounts	914 055	873 636
	922 591	890 022
	11 974 086 455	10 104 160 501

Accompanying notes to the annual statements form an integral part of these financial statements.

LIABILITIES**Equity (Note 6)**

Subscribed capital	48 222 846	48 222 846
Share premium amount	24 494 913	24 494 913
Legal reserve	4 822 285	4 822 285
Special reserve	22 287 525	20 837 425
Profit carried forward	44 973 546	46 645 348
Profit from the financial year	26 604 428	24 778 298

2019**2018****171 405 543****169 801 115****Subordinated liabilities (Notes 7, 8)**

125 363 852 127 637 922

Technical provisions

Life insurance provision (Note 8)	7 100 997 961	6 277 106 843
Provision for claims	42 401 541	54 292 176
Provision for bonuses and rebates	263 816 066	287 200 826

7 407 215 568**6 618 599 845****Technical provisions concerning life insurance when the risk is borne by the policyholder**

4 214 952 019 3 133 234 718

Provisions for other risks and charges

Provisions for pensions and similar obligations	732 200	670 351
Other provisions	213 707	2 324 004

945 907**2 994 355****Debts (Note 8)**

Direct insurance liabilities (Note 8)	29 217 183	7 964 525
Debts from reinsurance transactions (Note 8)	15 693 216	27 138 312
Other debts, including tax (Notes 8, 13)	4 038 142	12 249 025

48 948 541**47 351 862****Adjustment accounts**

5 255 025

4 540 684

11 974 086 455**10 104 160 501**

Accompanying notes to the annual statements form an integral part of these financial statements.

	2019	2018
Investment charges		
Investment management charges, including interest payments	(28 007 439)	(26 326 416)
Losses from the realization of investments	(117 239 883)	(137 745 575)
	(145 247 322)	(164 071 991)
Unrealized losses on investments	(88 760 407)	(282 141 716)
Other technical charges, net of reinsurance	(5 767 200)	(295 915)
Allocated investment return transferred to the non-technical account	2 873 911	2 715 573
Life insurance technical account result	35 094 275	32 179 546
Non technical account		
Life insurance technical account result	35 094 275	32 179 546
Allocated investment return transferred to the non-technical account	(2 873 911)	(2 715 573)
Other charges, including value adjustments	(90 326)	(2 580)
Tax on income from ordinary operations (Note 13)	(5 520 119)	(4 675 937)
Profit on ordinary operations after tax	26 609 919	24 785 456
Other taxes which are not shown in the previous items	(5 491)	(7 158)
Profit from the financial year	26 604 428	24 778 298

Accompanying notes to the annual statements form an integral part of these financial statements.



APPENDIX

On 31 December 2019

Note 1 – Organization and purpose of the company

SOGELIFE (the “Company”), formerly Sogelux-Vie, is a Société Anonyme (corporation), governed by Luxembourg law, established on 22 July 1996. The registered address of the company is at 11, avenue Emile Reuter, L-2420 Luxembourg. The Company is registered in the Luxembourg Trade and Companies Register under number B 55 612.

The Extraordinary General Meeting on 26 May 1999 decided to change the Company’s name from Sogelux-Vie to SOGELIFE.

The Company purpose is to transact all types of insurance and reinsurance operations in the “Life” branch and all types of life insurance operations in the “management of group retirement funds” branch.

Note 2 – Summary of the main valuation rules

General principles

The financial statements have been prepared in accordance with the provisions of the modified law of 8 December 1994 on the financial statements of insurance and reinsurance companies and with generally accepted accounting principles in Luxembourg.

The company uses the following accounting policies:

a. Conversion of financial statements in foreign currency

The Company maintains its accounting records in Euro (EUR) and the financial statements are expressed in that currency. Assets and liabilities denominated in foreign currencies are converted at rates of exchange applicable at the year end. Foreign currency revenue and expenses are converted at the rate applicable on the transaction date. Realized and unrealized foreign currency losses on investments as well as realized and unrealized foreign currency gains resulting from the application of this valuation principle are included in the profit and losses account.

b. Intangible assets

Intangible assets are recorded in the balance sheet at the cost price, minus cumulative amortization value. Software is amortized using the straight-line method over three years.

c. Tangible assets

Intangible assets are recorded in the balance sheet at the acquisition price or cost price, minus cumulative amortization value. Software and electronics are amortized using the straight-line method over four years. Furniture and improvements made in the business premises are amortized using the straight-line method over four years.

d. Investments

Shares and other variable income securities and shares in mutual funds are recorded on the asset side of the balance sheet at their acquisition cost. Downward value adjustments are applied if the market value is lower than the acquisition value on the yearend date. These value adjustments should no longer remain when the reasons for which they were made cease to apply.

Debt securities and other fixed income transferable securities are recorded in the assets section of the balance sheet at their acquisition price and are valued using the “redemption value”:

- The difference between the acquisition price and the redemption price of these securities is amortized in instalments over the remaining term of the securities. The amortization value accumulated since the acquisition date is deducted from the acquisition value of these securities.
- The negative differences between the acquisition price and the redemption price of these securities is recorded in the profit and loss account over the remaining term of these securities. The pro rata value accumulated since the acquisition date is added to the acquisition value of these securities.

If the directors expect the impairment in value to be permanent in nature, bonds and other fixed income securities are adjusted in order to apply the lower value to be assigned to them on the balance sheet date.

The assets in the same category are assessed using the weighted average price method.

These value adjustments should no longer remain when the reasons for which they were made cease to apply.

These loans are recorded in the balance sheet at their nominal value.

Deposits with credit institutions are recorded in the balance sheet at their nominal value.

If the directors expect the impairment in value to be permanent in nature, bonds and other fixed income securities are adjusted in order to apply the lower value to be assigned to them on the balance sheet date.

e. Investments for the benefit of life insurance policyholders where the risk is borne by them

Investments held on behalf of life insurance policyholders where the risk is borne by them (unit-linked policies) are valued at the market price.

The market price represents the last known quote price on the balance sheet date or the value at which the investment could be sold, estimated with prudence and good faith. Any difference between this value and the acquisition cost is disclosed in the technical account for life insurance in the unrealized gains or losses on investments.

For unrated investments, the Board of Directors relies on the information at its disposal, notably the financial statements, bank statements and other sources of information deemed relevant so that the probable sales price of these investments can be valued with prudence and good faith.

The assets in the same category are assessed using the First In First Out (FIFO) method.

f. Receivables

Receivables are entered in the balance sheet at their nominal value. These values are adjusted should their full or partial recovery come into doubt. These value adjustments should no longer remain when the reasons for which they were made cease to apply.

g. Acquisition costs

Deferred acquisition costs directly related to life insurance contracts, disclosed as an asset, represent the fees, excluding a rebate of any fees to the Company, which are amortized over a period of five years. This method was approved by Luxembourg's Insurance Commission.

h. Technical provisions

Sufficient technical provisions are set up in order that the company can meet, as far as can be reasonably foreseen, any liabilities arising from the insurance contracts signed by the Company.

- **Life insurance provision**

Life insurance provision consists of the estimated value of the company's liabilities. It is calculated separately for each contract using methods validated by the Insurance Commission.

The reinsurers share in the life insurance provision appears in the asset section of the balance sheet. This represents the real or estimated values of the life insurance provision which, in accordance with existing reinsurance contracts, are borne by the reinsurers.

- **Provision for Claims**

The provision for claims corresponds to the total estimated cost for settling all claims arising from events which have occurred up to the end of the financial year, whether or not declared, after deduction of any amounts already paid in respect of these claims.

The provision for claims is computed separately for each claim.

The reinsurers share in the life insurance provision appears in the asset section of the balance sheet. This represents the real or estimated values of the life insurance provision which, in accordance with existing reinsurance contracts, are borne by the reinsurers.

- **Provision for bonuses and rebates**

Provision for bonuses and rebates includes the amounts intended for policyholders or contract beneficiaries in the form of bonuses.

- **Technical provisions concerning life insurance when the risk is borne by the policyholder**

Technical provisions for life insurance policies where the risk is borne by the policyholder are determined in order to cover liabilities related to the change of the value of the investments made on behalf of the policyholder.

i. Provisions for other risks and charges

Provisions for other risks and charges are intended to cover losses or debts whose nature is clearly defined and, at the balance sheet date, are either likely or certain but undetermined because of their amount or their date of occurrence.

j. Debts

Debts are recorded in the balance sheet at their nominal value or at their residual value, if applicable.

k. Allocated investment income

A part of the investment income has been allocated to the technical account and the other part has been allocated to the non technical account. They were allocated by taking into account the actual returns of the assets, either covering technical provisions, or assets held on a personal account.

l. Taxes

Taxes are recorded using the accrual principle and not during the period in which the payment occurs.

Note 3 - Intangible and tangible assets

These items evolved as follows in 2019:

	Intangible assets EUR	Tangible assets EUR
Acquisition costs as of 31 December 2018	3 635 364	633 449
Acquisitions from the financial year	1 300 035	25 075
Disposals during the year	(466 712)	(150 693)
Acquisition costs as of 31 December 2019	4 468 687	507 831
Cumulative value adjustments as of 31 December 2018	(3 249 673)	(570 093)
Amortization charges (with effect on the profit and loss account)	(288 621)	(66 423)
Recovery of depreciation (without effect on the profit and loss account)	429 365	149 778
Cumulative value adjustments as of 31 December 2019	(3 108 929)	(486 738)
Net carrying amount as of 31 December 2019	1 359 758	21 093

Note 4 - Shares and other variable income securities and shares in mutual funds

This item is broken down as follows:

	2019 EUR	2018 EUR
Acquisition costs	7 911 235	544 859
Cumulative value adjustments	(15 217)	(27 014)
Net carrying amount	7 896 018	517 845
Present value	7 792 215	528 360

Note 5 - Bonds and other fixed income securities

	2019 EUR	2018 EUR
Acquisition costs	345 872 420	358 101 495
Redemption value	337 745 550	353 944 582
Net carrying amount	336 987 493	347 395 349
Accrued interest not yet due	3 654 702	3 882 864
Market value	355 907 267	357 287 635

On 31 December 2019, some of the securities are recorded at a higher book value than their fair value. The book value was not adjusted because the loss in value was not deemed permanent:

Net carrying amount	9 081 945	89 945 731
Market value	9 043 175	86 708 204

The value that has not yet been amortized of the positive difference (premiums) between the acquisition cost and their redemption price represents an amount of EUR 16 112 884 as of 31 December 2019 (2018 : EUR 19 519 593).

The negative difference (discounts) between the acquisition cost of the bonds and their redemption price breaks down as follows between the amounts recorded and not recorded in the profit and losses account:

	2019 EUR	2018 EUR
Discounts recorded in the profit and loss account for the year ended	320 370	385 051
Discounts which have not yet been recorded in the profit and loss account	1 081 379	1 370 307



Note 6 - Equity

Subscribed capital

On 31 December 2019, the subscribed capital of the Company amounted to EUR 48 222 846 846 and is represented by 3 151 820 shares of a nominal value of EUR 15.30, fully paid up.

The movements for the period in owners' equity in 2019 can be summarized as follows:

	Subscribed Capital EUR	Share premium amount EUR	Legal reserve EUR	Special reserve EUR	Profit brought forward EUR	Profit for the fiscal year EUR
Balance as of 31 December 2018	48 222 846	24 494 913	4 822 285	20 837 425	46 645 348	24 778 298
Transfert of reserves	-	-	-	1 450 100	-	(1 450 100)
Dividend	-	-	-	-	(1 671 802)	(23 328 198)
Profit of the final year	-	-	-	-	-	26 604 428
Balance as of 31 décembre 2019	48 222 846	24 494 913	4 822 285	22 287 525	44 973 546	26 604 428

Legal reserve

In accordance with Luxembourg law, 5% of the year's profit must go to a legal reserve until this reserve reaches 10% of the share capital. This reserve is not available for dividend distribution.

Special reserve

In accordance with tax legislation in force, the Company reduced its wealth tax liability. In order to conform to current legal requirements, the Company decided to allocate an amount corresponding to five times the reduced wealth tax liability to a blocked reserve. This reserve will be unavailable for five years from the year following that during which the Wealth Tax was assigned.

Contributions to the reserve can be broken down as follows :

EUR	4 130 425 for the financial year 2014/2015
EUR	4 146 475 for the financial year 2015
EUR	4 923 150 for the financial year 2016
EUR	4 619 425 for the financial year 2017
EUR	4 468 050 for the financial year 2018
EUR	22 287 525



Note 7 - Subordinated liabilities

Date of the transaction	Issuer of the loan	Amount EUR	Maturity	Rate
19/05/2004	Société Générale Luxembourg	6 750 000,00	undetermined	Euribor 12 M + 0,70%
31/07/2006	Société Générale Luxembourg	2 250 000,00	undetermined	Euribor 12 M + 0,70%
31/07/2006	Société Générale Luxembourg	750 000,00	15 years	Euribor 12 M + 0,60%
29/05/2008	Société Générale Luxembourg	6 000 000,00	undetermined	Euribor 12 M + 2,80%
29/05/2008	Société Générale Luxembourg	2 000 000,00	15 years	Euribor 12 M + 1,80%
10/08/2009	Société Générale Luxembourg	11 250 000,00	undetermined	Euribor 12 M + 5,50%
10/08/2009	Société Générale Luxembourg	3 750 000,00	15 years	Euribor 12 M + 2,15%
30/12/2009	Société Générale Luxembourg	3 750 000,00	undetermined	Euribor 12 M + 3,50%
31/12/2009	Société Générale Luxembourg	1 250 000,00	15 years	Euribor 12 M + 1,50%
30/03/2010	Société Générale	11 850 000,00	undetermined	Euribor 6 M + 2,90%
30/03/2010	Société Générale	3 950 000,00	15 years	Euribor 6 M + 1,45%
30/09/2010	Société Générale	11 250 000,00	undetermined	Euribor 6 M + 4,063%
30/09/2010	Société Générale	3 750 000,00	15 years	Euribor 6 M + 1,9056%
26/06/2013	Sogecap	5 250 000,00	undetermined	9,13%
26/06/2013	Sogecap	1 750 000,00	15 years	5,90%
23/12/2013	Sogecap	5 250 000,00	undetermined	10,91%
23/12/2013	Sogecap	1 750 000,00	15 years	5,33%
27/06/2014	Sogecap	17 250 000,00	undetermined	8,16%
27/06/2014	Sogecap	5 750 000,00	15 years	4,35%
23/12/2014	Sogecap	13 500 000,00	undetermined	4,87%
23/12/2014	Sogecap	4 500 000,00	11 years	3,85%
Total		123 550 000,00		

At December 31, 2019, total accrued interest on subordinated debt recorded under subordinated liabilities in the balance sheet stood at EUR 1 813 852 (2018 : EUR 1 837 922).

Note 8 - Transactions with related companies

As of 31 December 2019, the items in the following balance sheet include the operations carried out with related companies:

	2019 EUR	2018 EUR
Balance sheet assets:		
Reinsurers' share of technical provisions	7 208 024 519	6 429 917 096
Receivables from reinsurance transactions	6 462	6 462
Cash deposits	20 198 584	92 014 620
Deposits with credit institutions	82 921 952	77 059 000
Accrued interest with credit institutions	71 953	138 633
Balance sheet liabilities:		
Subordinated loans	123 550 000	125 800 000
Accrued interest on subordinated loans	1 813 852	1 837 922
Life insurance provision (acceptance and reinsurance)	16 649 476	16 923 088
Direct insurance liabilities	3 018 004	3 128 187
Debts from reinsurance transactions	15 692 717	27 137 474
Other debts	3 298 143	2 587 975

Note 9 – Breakdown of gross written premiums

Gross written premiums can be broken down as follows:

	2019 EUR	2018 EUR
Individual premiums	2 328 038 786	1 353 282 016
Group premiums	-	-
Premiums accepted	670 865	1 956 934
	2 328 709 651	1 355 238 950

Breakdown of gross written premiums (excluding acceptance in reinsurance) between periodic premiums and single premiums can be broken down as follows:

Periodic premiums	-	-
Single premiums	2 328 038 786	1 353 282 016

The breakdown of gross written premiums (excluding acceptance in reinsurance) between contracts with or without shares in profit and contracts when the placement risk is borne by the subscribers can be broken down as follows:

	2019 EUR	2018 EUR
Premiums on policies without share in profits	-	-
Premiums on policies with share in profits	1 149 504 748	712 817 706
Primes de contrats lorsque le risque de placement est supporté par les souscripteurs	1 178 534 038	640 464 310
	2 328 038 786	1 353 282 016

Geographical distribution of gross written premiums is as follows:

	2019 EUR	2018 EUR
Luxembourg	49 208 569	67 385 149
Other EU countries	1 755 701 241	1 005 603 158
Other countries	523 799 841	282 250 643
	2 328 709 651	1 355 238 950

Note 10 - Commissions for direct insurance

Commissions paid to various intermediary entities amount to EUR 27 285 481 (2018 : EUR 25 381 008) and can be broken down as follows:

	2019 EUR	2018 EUR
Acquisition costs	1 037 934	574 994
Other commissions (included in the administration costs)	26 247 547	24 806 014
	<hr/> 27 285 481	<hr/> 25 381 008

Note 11 - Reinsurance balance

The reinsurance balance is as follows:

	2019 EUR	2018 EUR
Premiums ceded to reinsurers	(1 181 294 259)	(756 990 188)
Income from other investments	71 426 131	64 699 853
Reinsurers share in claim charges	471 550 968	575 182 864
Change in the reinsurers' share of technical provisions	783 227 359	347 931 425
Change in the share of reinsurers in claim charges	5 119 955	3 999 499
Commissions ceded to reinsurers	(6 414 827)	(5 909 823)
	<hr/> 143 615 327	<hr/> 228 913 630

The reinsurance balance is mainly due to withdrawals and entries, made on a guaranteed rate relating to the existing reinsurance contracts with Sogecap, a majority shareholder of the Company. The purpose of these contract is the reinsurance of the policies invested in Euros and whose risk is borne by the Company.

Sogecap has given financial instruments (government bonds) for the benefit of the Company for an amount at least equivalent to the liabilities.

Technical interests and other financial products relates to the reinsurance treaties are filled in as products from other investments.

Note 12 - Personnel

The Company employed 134 people on average during the year ended (2018 : 114 people) including 1 manager, 23 executives et 110 employees.

Personnel expenses can be broken down as follows:

	2019 EUR	2018 EUR
Wages and salaries	10 560 986	9 117 576
Social security contributions	1 689 415	1 412 805
<i>Including social security contributions relating to pensions</i>	424 987	348 983
	<hr/> 12 250 401	<hr/> 10 530 381

No compensation was paid to members of the Board of Directors. Article 83.7 of the law modified on 8 December 1994 was exercised with regard to other compensation. No loans were issued to members of the Board of Directors.

Note 13 - Taxes ."

The Company is subject to all the taxes to which Sociétés Anonymes (corporations) are liable for.

The amounts of taxes to be paid are included in the item "other debts".

Note 14 - Conversion rates

The exchange rates used for the preparation of balance sheets on 31 december 2018 and on 31 december 2017 are as follows :

	2019 EUR	2018 EUR
US dollars	1,1234	1,1450
Pound Sterling	0,8508	0,89453

Note 15 - Consolidation

The financial statements of the company are included in the consolidated accounts of Sogecap whose registered address is located at Tour D2 - 17 bis, place des Reflets - 92919 Paris La Défense Cedex, which draws up the consolidated accounts, being the smallest group of companies to which the company belongs as a subsidiary.

The financial statements of the company are included in the consolidated accounts of Société Générale, whose registered address is located at Tour Société Générale, F-92972 Paris La Défense Cedex, which draws up the consolidated accounts, being the largest group of companies to which the company belongs as a subsidiary.

The consolidated accounts are available at these addresses.

Note 16 - Statutory Auditor's fees

Category of fees for the financial year:

	2019 EUR	2018 EUR
Auditing of annual accounts (excluding VAT)	87 000	76 300

Note 17 - Off-balance-sheet

Securities

Sogecap has given a financial instruments account which was opened in the books of Société Générale in which were registered as of 31 December 2019 financial instruments for a stock price of EUR 8 492 787 851 (2018 : EUR 6 999 558 050) for the benefit of SOGELIFE as a guarantee of the timely payment of the sums owed as part of a reinsurance contract binding the two parties. The total value of pledges amounts to EUR 8 492 788 131 (2018 : EUR 6 999 558 323) for all reinsurers.

Collateral received

On 31 December 2019, Société Générale Luxembourg issued a guarantee of payment for a market value price of EUR 4 517 185 (2018 : EUR 3 043 490) for the benefit of the Company. This guarantee covers the payment default of a financial asset present in the other financial investments of the Company.

Note 18 – Post-balance sheet events

During the first quarter of 2020, the international spread of the Covid-19 virus significantly slowed down the world economy, bringing with it a sharp fall in financial markets on all international stock exchanges.

Although it is difficult to accurately assess the impact, the Company has implemented the necessary measures to maintain its operations and has not identified any impact on its financial statements for the year ended December 31, 2019.

As a result of this crisis, the outcome, duration and consequences of which remain uncertain and unpredictable, the Company anticipates repercussions in the financial year 2020, particularly on its financial situation and solvency, given the preponderance of market risks in the life and savings insurance business.

In this respect, the Board of Directors' meeting of April 3, 2020, decided to issue a subordinated debt for an amount equivalent to EUR 42,000,000 during the second quarter of 2020, to be subscribed by the Company's direct majority shareholder, in order to protect the Company from the adverse effects of financial market volatility on the coverage of solvency requirements.

The Board of Directors will also continue to closely monitor the potential impact of this crisis on the Company's business and development.

INFORMATION DOCUMENT - JULY 2020

SOBELIFE, COMPAGNIE D'ASSURANCE SUR LA VIE.

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DESIGN AND PRODUCTION

Communication service SOGELIFE

