



# ANNUAL REPORT 2020

SI Re – Mutually yours  
Sustainable, agile, committed



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# SI Re at a glance

SIGNAL IDUNA Reinsurance Ltd (SI Re) is a Swiss reinsurer based in Zug.

Our strategy is based on sustainability, agility and long-term client commitment. We are strongly capitalised as evidenced by our «A-» financial strength rating from Fitch.

## Board of Directors

Dr. Klaus Sticker, Chairman  
Martin Berger  
Dr. Otto Bruderer  
Dr. Stefan Kutz  
Armin Landtwing (until 24 April 2020)  
Carl Mäder

## Executive Board

Bertrand R. Wollner, Chief Executive Officer  
Andreas Gadmer, Chief Risk Officer

## Executive Management

Adrian Suter, Head of Finance

## Shareholders

SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund

## Rating

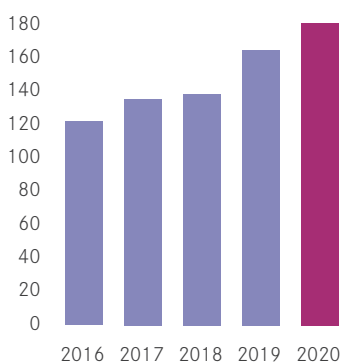
Fitch: A- «Outlook stable»

## Auditors

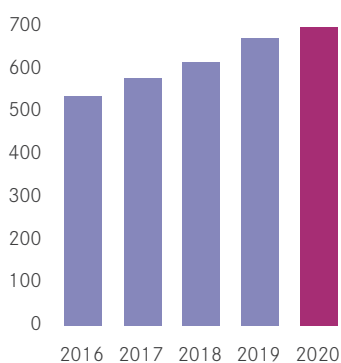
KPMG AG, Zurich

# Key figures

Gross Written Premiums  
(in mio. EUR)



Investments  
(in mio. EUR)



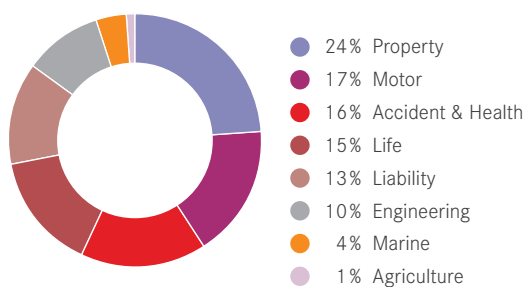
Shareholders' equity  
before dividend distribution  
(in mio. EUR)



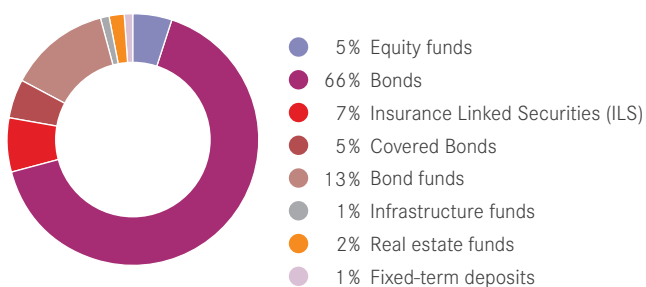
	2020 (in mio. EUR)	2019 (in mio. EUR)
Gross written premiums	179.5	163.9
Net earned premiums	172.4	163.7
Technical result	6.9	6.2
Net investment income, before deduction of technical interest	11.1	11.2
Annual result after taxes	8.3	7.7
Net technical provisions	576.7	540.2
Investments	705.4	673.7
Shareholders' equity (before dividend distribution)	177.3	174.6

## Portfolio composition 2020

Lines of business



Investments





Dr. Klaus Sticker

Bertrand R. Wollner

# Report of the Board of Directors and the Executive Board

Dear Readers,

In 2020, SIRe exceeded its impressive prior-year result, thus underlining the strength of its own brand. We improved all the crucial key figures once again. Net income increased by 8.2% to EUR 8.3 million, the balance sheet total rose by EUR 41.7 million to EUR 811.5 million, and reported shareholder equity of EUR 177.3 million remained at a high level of 21.8% of the balance sheet total.

The impact of the COVID-19 pandemic defined 2020. The crisis impacted insurers' asset side through increased volatility and low or negative interest rates for the foreseeable future as well as the liability side – mainly through business interruptions. On top of that came operational repercussions caused by the travel ban plus the requirement to conduct all operations – as far as possible – from home.

In spite of 2020 being a unique year in every respect, SIRe emerges stronger from it. Already in the January renewals we continued our success of previous years and again expanded our client base by almost 12%. As a result, our net earned premiums rose to EUR 172.4 million, a rise of 5.3%.

The breakdown of our portfolio by business line remained relatively stable. Property insurance, our largest line at 24%, increased by EUR 7.5 million to EUR 56.6 million. With a 17% share of the portfolio, the motor line posted gross premium growth of EUR 3.5 million. The share of group business fell slightly from 29.7% to 26.8% in 2020.

We maintained our prudent reserving practice during the year under review. The coverage ratio, i.e. the ratio of technical provisions to net earned premiums, remained at an above average high level of 334.5%, thereby even slightly exceeding the prior-year ratio of 330.0%.

Having already improved our combined ratio to 97.4% in 2019, improved prices and conditions attained in the January renewals enabled us to reduce it even more to 96.9% in 2020. As a result, we further strengthened our technical profitability. The technical result improved by 11.1% to EUR 6.9 million. That corresponds to 4.0% of net earned premiums, compared to 3.8% in the previous year.

The sum of our investments came to EUR 705.4 million on 31 December 2020, which was 4.7% higher than the previous year. With a level of A-, the rating of our fixed-income investments (excluding ILS) and fixed-term deposits was unchanged. Fixed-income investments account for the largest share with 78.6%. Bond funds account for 13.1% of our investments. The share of Insurance Linked Securities (ILS) increased to 6.6% of investments. The market value of the portfolio rose from USD 32.2 million in 2019 to USD 56.4 million at year-end 2020.

In response to the equity market volatility triggered by the COVID-19 pandemic, we released equalisation provisions of EUR 1.0 million net during the year under review. At year-end, the provisions accounted for 4.8% of recognised investments and were therefore slightly below the prior-year level of 5.2%.

Overall, we achieved current income from investments of EUR 13.5 million, which was on a par with the previous year at EUR 13.6 million. Measured in terms of average investment levels, this corresponds to a return of 2.0% (2019: 2.1%). The total return on investment after asset management expenses and prior to withdrawal from the equalisation provisions was 1.5% (3.3% in the previous year).

Measured by earned premiums, transaction or acquisition costs again rose slightly to 33.6%. In 2019, they were at 31.8%. This slight increase is in line with our expectations and results from the structure of our reinsurance contracts and some specific features of the life reinsurance business. Our administrative costs also underwent a moderate increase from EUR 7.1 million to EUR 7.3 million. As premiums increased at the same time, our already extremely competitive cost ratio of 4.3% of earned premiums in 2019 fell to 4.2% in 2020.

SIRe has been rated «A-» by Fitch for years. This credit rating was reconfirmed in 2020. Our solvency ratio is still significantly higher than what is required by the Swiss Financial Market Supervisory Authority FINMA.

In view of the thoroughly pleasing business progress in 2020, the Board of Directors proposes to the General Meeting an increased dividend of EUR 7.0 million. That equates to an increase of 25% compared to the previous year's dividend of EUR 5.6 million. After adjustment for this sum and profit allocation, our shareholder equity will amount to EUR 170.3 million.

We would like to express our most sincere gratitude for the high level of confidence given to us by our cedants and brokers over the past financial year. We are also particularly grateful to our employees, who enabled our success in this challenging year through their extraordinary flexibility and enormous commitment.



Dr. Klaus Sticker  
Chairman of the Board of Directors



Bertrand R. Wollner  
Chief Executive Officer



# Review of the 2020 financial year

## Business performance

SIRe achieved another outstanding result in the 2020 financial year. Once again our annual result, as indicated by an improved profitability, higher premium volume and a further expansion of our client base, confirms the brand strength and reputation of SIRe, which we have gained during the past 18 years in the market.

Our net income increased to EUR 8.3 million in 2020. That equates to 8.2% growth relative to the previous year's result of EUR 7.7 million. The financial strength of SIRe remains at a high level. As a result of our increased business activity, our balance sheet total rose by another EUR 41.7 million to its current level of EUR 811.5 million. Reported shareholder equity is EUR 177.3 million, or 21.8% of our balance sheet total, and thus just slightly below the prior-year level of 22.7%.

## Well-equipped in a turbulent market environment

Due to our strong capital base we believe to be well equipped for the current market challenges. The COVID-19 pandemic, the defining event of 2020, is one of the rare insurance events that impact both the asset and liability side of the balance sheet equally and can trigger an accumulation of losses across the most diverse business lines. Nonetheless, so far COVID-19 has mainly affected insurers' profits, but only had a limited effect on capitalisation levels. According to PeriStrat, insured losses amount to USD 35 billion (as at 6 March 2021) and may still rise to about USD 66 billion based on average industry estimates.

In addition, there were higher than average natural catastrophe losses. According to Aon, insured natural catastrophe losses accumulated to USD 97 billion in 2020. The annual average for recent years is currently at USD 69 billion. Last year was the fifth highest year ever for claims. Most of the events occurred in the US and were triggered by major convective storms, tropical hurricanes and wildfires.

The COVID-19 pandemic was the main cause of significant capital market volatility. Equity prices collapsed on a broad front worldwide starting in March 2020, although they had recovered by mid-year in response to government and central bank interventions in support of the financial markets and national economies. For the insurance sector, this means a continuation of low or even negative interest rates and a plentiful supply of inexpensive capital.

Against this backdrop, it is unsurprising that many reinsurers increased their capitalisation in expectation for rising premium rates. At the same time, there were many new entrants to the sector, resulting in additional risk capital of USD 23 billion deployed by the end of the third quarter. Traditional reinsurance capital reached to a new record of USD 533 billion. However, as alternative capital fell by USD 3 billion, global reinsurance capital at the end of the third quarter 2020 came to USD 625 billion, thus unchanged to the previous year.

### Gross written premiums (in mio. EUR)



### Consistent improvement in SI Re's portfolio profitability

The January 2020 renewal season, which largely determines our annual business performance, featured contrasting trends. Retrocession rates rose again following the record loss years of 2017 and 2018. The role of the convergence market as retrocessionary for the traditional reinsurers to provide cover for their own risks is growing. Its price increases prompted a stronger pricing discipline among reinsurers. Nevertheless, since excess capacity persisted in the market, for the most part only loss-affected programmes saw marked price increases and capacity fell in those lines where the claims volume was high.

SI Re continued the positive trend of the past four years in 2020 with rate increases and improved conditions at the renewals. The earning capacity of our portfolio is therefore steadily increasing. Also in 2020, we managed to expand our client base by 11.7% (previous year 10.9%). Overall, we posted a 5.3% increase in net earned premiums for the entire year from EUR 163.7 million to EUR 172.4 million. We achieved premium growth in both the non-life and the life business, where we were able to successfully renew a major individual contract concluded in 2019. Non-life premiums rose from EUR 138.9 million to EUR 146.2 million.

### Technical result (in mio. EUR)



The portfolio composition remained relatively stable in the past financial year. We achieved price increases and improved conditions in the lines marine, long-tail business, per risk property insurance and catastrophe cover, which had been impacted by major loss events in recent years. To these programmes we dedicated additional capacity. By shifting our capacity to higher layers for catastrophe programmes in dedicated cases, we successfully reduced our exposure in terms of frequency and strengthened our strategic position with cedents at the same time. Furthermore, we again diversified our geographic portfolio mix by writing business in Hungary and Croatia for the first time. Thus, the share of group business reduced from 29.7% to 26.8%.

### Improved combined ratio

Our claims ratio improved overall in 2020. That was partly due to fewer claims incurred in many property insurance lines during the lockdown. However, we also established a COVID-19 provision as part of our conservative reserving approach. On the other hand, we also dissolved some provisions from prior years. Technical provisions rose by EUR 36.5 million to EUR 576.6 million. The coverage ratio – the ratio of technical provisions to net earned premiums – remained almost unchanged at an exceptionally high level of 334%. Our combined ratio dropped from 97.4% to 96.9% due to improved rates and conditions as well as a lower claims volume. Our technical result rose by 11.1% from EUR 6.2 million to EUR 6.9 million. That corresponds to 4.0% of net earned premiums, again an improvement to the previous year's ratio of 3.8%.

## SI Re achieves a pleasing investment return in a volatile market environment

SI Re was also affected by the capital market volatility. The new and reinvestment of securities proved difficult in 2020 again, as interest rates remained extremely low or even fell further during the year.

Equity funds experienced massive losses in the spring, however, they rebounded during the year. Bond fund prices were also slightly down. Investment income therefore fell overall in 2020, although expenses were also down. We closed the entire year with current income of EUR 13.5 million, slightly below the prior-year level of EUR 13.7 million. Measured in terms of average investment levels, this corresponds to a return of 2.0%, compared to 2.1% in the previous year. The total return on investment after asset management expenses and prior to withdrawal from the equalisation provisions was 1.5% with 3.3% in the previous year.

SI Re's investments came to EUR 705.4 million as at 31 December 2020, thereby 4.7% higher than the previous year. With A-, the rating of our fixed-income investments - excluding ILS - was unchanged. The portfolio mix remained stable for the most part. Fixed-income investments account for the largest share at 79%, followed by bond funds (13%).

The proportion of Insurance Linked Securities posted the biggest increase within the entire portfolio in 2020. SI Re has been investing in this asset class for over ten years to actively diversify our insurance risk. We executed two ILS fund write-downs in 2020. However, we increased the overall share of Insurance Linked Securities in the entire portfolio from 4% in 2019 to 7% of investments, equivalent to an increase in investment volume from EUR 28.9 million to EUR 46.5 million at year-end.

We manage this portfolio very diligently with a dedicated management team. The natural catastrophe bond market, our focus area, had a successful 2020. New issuances reached a record of USD 10.9 billion. The market also demonstrated its maturity as liquidity remained unchanged in spite of the financial market uncertainty and more capital even flowed into the market as new sponsors entered. SI Re exploited this market momentum by significantly expanding and diversifying its portfolio.

Having increased our equalisation provisions by EUR 9.7 million in 2019, we withdrew EUR 1.0 million this year to cover losses during the year. At year-end, equalisation provisions amounted to 4.8% of our investments, compared to 5.2% in the previous year.

Investments  
(in mio. EUR)



Net technical provisions  
(in mio. EUR)



## Shareholders' equity before dividend distribution (in mio. EUR)



## Acquisition costs match our portfolio structure

Compared to the previous year, acquisition costs again rose slightly to EUR 57.8 million or 33.6% in relation to earned premiums. In 2019, they were just under EUR 52.0 million or 31.8%. The main increase in these acquisition costs was in the prior year when we expanded our life portfolio. As this portfolio continues its pleasing growth, acquisition costs are also rising in line with our expectations.

SIRe writes its premiums on the basis of an extraordinarily competitive cost ratio. In 2019, it was equivalent to 4.3% of earned premiums. In 2020, it decreased to 4.2%. In absolute terms, administrative costs came to EUR 7.3 million in 2020, almost unchanged from the EUR 7.1 million in 2019. Personnel expenses increased slightly through the recruitment of new employees. On the other hand, this year's administrative costs also reflect the savings achieved through reduced travel and promotional costs and employees working from home due to the coronavirus. The number of our employees came to 21 people at the end of 2020 (average: 20.5).

## Renewed dividend increase

In light of the excellent business year, the Board of Directors is proposing a higher dividend of EUR 7.0 million (EUR 5.6 million in the previous year) to the General Meeting. After distribution of the dividend, SIRe shareholder equity will come to EUR 170.3 million.

## Risk management assessment

SIRe employs modern company-specific risk management and internal control systems. The risk management is structured to reflect the complexity and size of the company. Risk management at SIRe involves consistently implementing the requirements of the Swiss Solvency Test (SST) of the Swiss Financial Supervisory Market Authority FINMA. We also apply our own internal corporate risk management model. In addition, SIRe is integrated in the SIGNAL IDUNA Group risk management framework.

The risk management process is the responsibility of the company's Risk Manager, who provides the Executive Board with a half-yearly report based on information contained in the risk catalogue. The risk report analyses the company's overall risk position and examines the development and quantification of technical, financial and company-wide risks.

The Executive Board reports twice a year on the findings of the report to the Board of Directors at its regular board meetings.

## Exceptional events

The defining feature of 2020 was obviously the COVID-19 pandemic. Our employees spent most of the year working from home, as did almost the entire insurance sector. Regular visits to cedants did not take place. We achieved a very good result this year and again expanded our client base. This resoundingly confirms the strength of our brand and the quality of our team. In light of these developments, 2020 was an exceptional year.

## Outlook: January renewals mark a good start to 2021

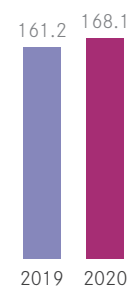
Continuity was a central aspect of the 2021 January renewals. SIRe increased its renewable premium volume, improved, as in previous years, prices and conditions and further expanded its client base. Premium volume grew by 1.9% to EUR 168.1 million. The above-average growth in the non-life business by 5.6% was particularly notable in this regard. We posted a 14.4% growth in non-proportional business and established price improvements of 8%, thereby continuing the upward trend of the past four years. Since 2017 we have increased prices by 16% in this segment.

The higher prices and conditions will provide a consistent contribution to the profitability of the entire portfolio. We reduced our combined ratio in 2019 and 2020 and continue to do so in 2021. The adjustments this year were in both loss-affected and claims-free business. As direct insurance prices also improved, this development will have a lasting effect on margins in proportional business.

During this renewal round, we maintained our practice of withdrawing from business that had failed to meet our expectations in the past. We cancelled over 3.8% of business in total. Nonetheless, we achieved the bulk of this year's growth in the existing portfolio with a plus of 3.9%. That is all the more gratifying as it shows the extent to which SIRe has established itself in the market as a reliable partner for pricing and defining contractual conditions. Group business with SIGNAL IDUNA Group remained constant. The share increased slightly from 29.9% to 30.1% compared to the prior year.

We share a cautiously positive outlook for the rest of 2021. The improvements in prices and conditions achieved in the renewals will benefit our technical results and the overall profit. The strength of our brand, as evidenced again during the latest renewals, fills us with confidence for the remainder of the year. At the same time, there is still considerable uncertainty with regards to the hoped for turnaround in our core markets, ongoing capital market volatility and the continuation of the pandemic.

Renewals  
(in mio. EUR)





# Balance sheet

(EUR)

## Assets

	Notes	31. 12. 2020 EUR	31. 12. 2019 EUR
Fixed-income securities	9	554'603'589	547'616'666
Other investments	10	150'810'053	126'071'492
<b>Total investments</b>		<b>705'413'642</b>	<b>673'688'158</b>
Deposits on ceded reinsurance business		17'382'578	16'747'459
Cash and cash equivalents		32'638'325	32'861'003
Tangible assets		1'020'157	1'154'786
Intangible assets		333'496	425'971
Receivables from insurance operations	6	49'759'039	39'713'966
Other receivables		145'790	95'684
Accrued income and prepaid expenses		4'819'818	5'167'717
<b>Total assets</b>		<b>811'512'845</b>	<b>769'854'744</b>

## Liabilities and shareholders' equity

Technical provisions	11	576'676'368	540'215'174
Non-technical provisions	12	40'536'431	40'265'523
Liabilities from insurance operations	7	16'186'455	14'192'214
Other liabilities	8	521'904	213'038
Accrued expenses and deferred income		326'514	388'521
<b>Total liabilities</b>		<b>634'247'672</b>	<b>595'274'470</b>
Share capital		83'166'999	83'166'999
Legal capital reserves		69'190'126	69'190'126
General legal reserves		4'998'337	4'998'337
Free reserves		19'909'710	17'224'812
<b>Total shareholders' equity</b>	<b>3</b>	<b>177'265'173</b>	<b>174'580'274</b>
<b>Total liabilities and shareholders' equity</b>		<b>811'512'845</b>	<b>769'854'744</b>

# Income statement

(EUR)

	Notes	2020 EUR	2019 EUR
Gross written premiums		179'493'350	163'893'581
Reinsurer's share of gross written premiums		-1'575'000	-1'350'000
<b>Net written premiums</b>		<b>177'918'350</b>	<b>162'543'581</b>
Net changes in reserves for unearned premiums		-5'627'986	618'324
Reinsurer's share of net changes in reserves for unearned premiums		93'750	562'500
<b>Net earned premiums</b>		<b>172'384'114</b>	<b>163'724'405</b>
Other income from insurance operations – technical interest		1'594'949	1'926'024
<b>Total income from technical insurance operations</b>		<b>173'979'062</b>	<b>165'650'430</b>
Payments for insurance claims, gross		-75'042'301	-77'598'788
Reinsurer's share of payments for insurance claims		-	-
Net change in technical provisions	13	-33'315'376	-28'972'099
Reinsurer's share of change in technical provisions		-	-
<b>Total expenses on insurance claims for own account</b>		<b>-108'357'677</b>	<b>-106'570'887</b>
Acquisition costs and administration expenses	14	-65'127'352	-59'075'189
Reinsurer's share of acquisition costs and administration expenses		-	-
<b>Acquisition costs and administration expenses for own account</b>		<b>-65'127'352</b>	<b>-59'075'189</b>
Other technical expenses for own account		-871'963	-845'069
<b>Total expenses due to technical insurance operations</b>		<b>-174'356'992</b>	<b>-166'491'145</b>
Income from investments	15	16'127'374	23'279'071
Expenses on investments	16	-6'118'919	-13'461'409
<b>Investment result</b>		<b>10'008'455</b>	<b>9'817'663</b>
Other financial income		16'881	-
Other financial expenses		-252'166	-497'636
<b>Operating result</b>		<b>9'395'240</b>	<b>8'479'311</b>
Other income		1'010	38'903
Other expenses		-114'844	-118'107
<b>Net income before tax</b>		<b>9'281'406</b>	<b>8'400'107</b>
Direct tax		-996'508	-742'045
<b>Net income</b>		<b>8'284'898</b>	<b>7'658'062</b>



# Cash flow statement

(EUR)

	2020 EUR	2019 EUR
Net income	8'284'898	7'658'062
Accrual of technical provisions	36'461'194	31'107'838
Valuation adjustments on tangible and intangible assets	375'551	401'340
Realised gains and losses on fixed-income securities	-1'967'930	-1'621'559
Valuation adjustments on fixed-income securities	6'562'019	-1'402'008
Write-ups and write-downs on other investments	4'494'967	-7'972'745
Change in equalisation provisions on investments	-1'218'905	9'808'321
Change in non-technical provisions	1'489'813	552'298
Change in balances resulting from technical accounts	-8'685'951	5'411'676
Changes in other assets	-50'107	-49'623
Change in accrued income	347'899	-109'156
Change in other liabilities	308'866	45'158
Change in accrued expenses	-62'007	134'988
<b>Cash flow from operating activities</b>	<b>46'340'308</b>	<b>43'964'590</b>
Fixed-income securities	-11'581'012	-48'600'573
Other investments	-29'233'528	-7'004'489
Tangible and intangible assets	-148'446	-691'732
<b>Cash flow from investment activities</b>	<b>-40'962'986</b>	<b>-56'296'794</b>
Dividend distribution	-5'600'000	-5'200'000
Capital contribution	-	25'000'000
<b>Cash flow from financing activities</b>	<b>-5'600'000</b>	<b>19'800'000</b>
<b>Net cash flow</b>	<b>-222'678</b>	<b>7'467'796</b>
Cash on 1 January	32'861'003	25'393'207
Cash on 31 December	32'638'325	32'861'003
<b>Change in cash</b>	<b>-222'678</b>	<b>7'467'796</b>

# Notes to the financial statements

(EUR)

## 1. General

SIGNAL IDUNA Reinsurance Ltd of Zug (Switzerland) is a subsidiary of SIGNAL IDUNA Group, Dortmund/Hamburg. 100% of the shares are owned by SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund.

The annual average number of full-time posts (FTE) at SIGNAL IDUNA Reinsurance Ltd is less than 50 persons.

Book-keeping and accounting are presented in Euros. Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in Swiss Francs.

## 2. Accounting and valuation principles

### Time period

Reinsurance business comprises the cedants' 2020 financial year. Cedant accounts not available at the time of closing have been estimated. General income and expenses are congruent with the 2020 financial year.

### Foreign currency translation

As is common practice in the international reinsurance business, accounts are denominated in the original currencies. For the purposes of the balance sheet, translations are made into Euros at year-end exchange rates; income statement amounts are translated at the relevant quarterly exchange rates. The resulting exchange-rate differences are recognised in the income statement. Net non-realised gains derived from foreign-currency translations are reserved. The main rates are:

<i>Currency</i>	<i>31. 12. 2020</i>	<i>31. 12. 2019</i>
EUR/USD	1.22160	1.12120
EUR/GBP	0.89374	0.84567
EUR/CHF	1.08120	1.08507

### Investments

Bonds, covered bonds and Insurance Linked Securities (ILS) are valued using the linear cost amortisation method. The difference between the purchase price and the redemption value is distributed evenly over the remaining time to maturity and is recorded in the income statement as write-ups or write-downs. Any credit impairments are accounted for through value adjustment. The fixed-term deposits are recorded up to acquisition cost. Shares in bond, equity and real estate funds are carried at fair value on the balance sheet date. Infrastructure funds are recorded at acquisition cost or at the net investment value, if lower.

**Receivables**

Receivables, deposits and other assets are carried at nominal value. In questionable cases, the value of the positions is reduced as appropriate.

**Technical provisions**

Unearned premiums, provisions for future insurance benefits and other technical provisions are based on information supplied by cedants. Final calculations conducted internally may result in the original reported provisions being strengthened. Additional provisions are created based on estimates for claims incurred but not yet reported. In addition, equalization provisions are accrued to offset business volatility.

**Premium and claim portfolio movements**

Premiums consist of premium portfolio inflows and outflows, and claims paid consist of the corresponding claims portfolio inflows and outflows.

**Non-technical provisions**

In the spirit of prudent risk management – and in order to ensure the long-term health of the company against a backdrop of rising investment risk – provisions are established for:

- Fixed equalisation provision for fixed-income investments. This provision will be built up prudently and over a long time horizon.
- Provisions for real estate funds. The build-up of this provision is oriented toward the development of the net investment value and is based on an assessment of the risks in the real estate market.
- The equalisation provision on Insurance Linked Securities (ILS) is designed to cover a large loss event on one of the ILS investments in our portfolio.

The provision for taxes includes liabilities relating to taxes on income and capital at year-end as well as estimated income tax on years that have not yet been assessed for tax purposes.

**Technical interest, non-life reinsurance**

The interest recorded in the technical income statement corresponds to the income from technical interest calculated in the pricing for the entire portfolio of reinsurance contracts. It is calculated by currency and as accrued, using the risk-free interest rate curve in effect at the time of pricing.

**Change in the presentation of fixed-term deposits**

The fixed-term deposits are now shown under Fixed-income securities and no longer under Other investments. The previous year's figures were adjusted accordingly in the balance sheet, cash flow statement and Note 10 for comparison purposes.

## NOTES TO THE FINANCIAL STATEMENTS (EUR)

### 3. Statement of shareholders' equity

	<i>Share capital</i>	<i>Legal capital reserves</i>	<i>General legal reserves</i>	<i>Free reserves</i>	<i>Total</i>
	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>	<i>EUR</i>
As at 31.12.2018	83'166'999	44'190'126	4'998'337	14'766'750	147'122'212
Movements during 2019					
- Appropriation of profits from prior year - dividend	-	-	-	-5'200'000	-5'200'000
- Allocation	-	25'000'000	-	-	25'000'000
- Result for 2019	-	-	-	7'658'062	7'658'062
<b>As at 31.12.2019</b>	<b>83'166'999</b>	<b>69'190'126</b>	<b>4'998'337</b>	<b>17'224'812</b>	<b>174'580'274</b>
Movements during 2020					
- Appropriation of profits from prior year - dividend	-	-	-	-5'600'000	-5'600'000
- Result for 2020	-	-	-	8'284'898	8'284'898
<b>As at 31.12.2020</b>	<b>83'166'999</b>	<b>69'190'126</b>	<b>4'998'337</b>	<b>19'909'710</b>	<b>177'265'173</b>

### 4. Total amount of equities used to secure own liabilities and assets under reservation of ownership

Technical provisions and other liabilities secured by pledged securities or current accounts:

	<i>31. 12. 2020</i>	<i>31. 12. 2019</i>
	<i>EUR</i>	<i>EUR</i>
Securities	214'410'924	176'312'557
Current account	226'250	567'905
<b>Total book value of pledged assets</b>	<b>214'637'174</b>	<b>176'880'181</b>

The Zürcher Kantonalbank, Zurich, has granted SIGNAL IDUNA Reinsurance Ltd a credit facility of up to EUR 115.6 million (CHF 125 million). The credit facility is available in various currencies and secures deposits, guarantees and letters of credit issued by this credit institution on our behalf. On the balance sheet date, 31 December 2020, EUR 61.2 million (CHF 66.2 million) of the above credit facility had been used.

A number of securities are held at BNP Paribas and HSBC, which are used to guarantee the technical provisions. This amount totalled EUR 122.6 million on the balance sheet date, 31 December 2020.

## 5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2023: EUR 808'979 (CHF 874'668)  
(previous year: EUR 1'099'219 and CHF 1'192'730 respectively).

## 6. Receivables from insurance operations

	31. 12. 2020 EUR	31. 12. 2019 EUR
Receivables from agents and intermediaries	26'729'356	33'316'888
Receivables from insurance companies (third parties)	19'955'595	4'532'489
Receivables from Group companies	3'074'088	1'864'589
<b>Total receivables from insurance operations</b>	<b>49'759'039</b>	<b>39'713'966</b>

## 7. Liabilities from insurance operations

	31. 12. 2020 EUR	31. 12. 2019 EUR
Liabilities to agents and intermediaries	-6'729'938	-8'566'299
Liabilities to insurance companies (third parties)	-6'564'445	-893'627
Liabilities to Group companies	-2'892'073	-4'732'288
<b>Total liabilities from insurance operations</b>	<b>-16'186'455</b>	<b>-14'192'214</b>

## 8. Other liabilities

	31. 12. 2020 EUR	31. 12. 2019 EUR
Other liabilities to third parties	-343'955	-178'440
Other liabilities to Group companies	-177'949	-34'598
<b>Total other liabilities</b>	<b>-521'904</b>	<b>-213'038</b>

## 9. Fixed-income securities

	31. 12. 2020 EUR	31. 12. 2019 EUR
Bonds	464'866'362	461'213'968
Covered bonds	34'250'315	31'388'091
Fixed-term deposits	9'004'600	26'027'856
Insurance Linked Securities (ILS)	46'482'311	28'986'750
<b>Total fixed-income securities</b>	<b>554'603'589</b>	<b>547'616'666</b>

## NOTES TO THE FINANCIAL STATEMENTS (EUR)

### 10. Other investment assets

	31. 12. 2020 EUR	31. 12. 2019 EUR
Other investments – recorded at fair values	143'595'022	121'071'492
Bond funds	92'374'161	77'706'195
Equity funds	35'252'674	36'383'592
Real estate funds	15'968'187	6'981'705
Other investments – valued at the lower of cost or market	7'215'031	5'000'000
Infrastructure funds	7'215'031	5'000'000
<b>Total other investments</b>	<b>150'810'053</b>	<b>126'071'492</b>

As of 31 December 2020, there were capital commitments not yet called for real estate and infrastructure funds to the amount of EUR 10'037'327.

### 11. Technical provisions

31. 12. 2020	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Unearned premiums	-14'533'159	-	-14'533'159
Provision for outstanding claims	-479'807'607	-	-479'807'607
Other technical provisions	-67'042'179	-	-67'042'179
Provision for future life benefits	-15'293'424	-	-15'293'424
<b>Total technical provisions</b>	<b>-576'676'368</b>	<b>-</b>	<b>-576'676'368</b>
31. 12. 2019	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Unearned premiums	-8'850'990	562'500	-8'288'490
Provision for outstanding claims	-447'536'675	-	-447'536'675
Other technical provisions	-69'438'318	-	-69'438'318
Provision for future life benefits	-14'951'691	-	-14'951'691
<b>Total technical provisions</b>	<b>-540'777'674</b>	<b>562'500</b>	<b>-540'215'174</b>

## 12. Non-technical provisions

	31. 12. 2020 EUR	31. 12. 2019 EUR
Equalisation provision for fixed-income investments	-30'470'000	-32'287'000
Equalisation provision for Insurance Linked Securities (ILS)	-3'028'820	-2'564'213
Equalisation reserve for real estate funds	-231'865	-98'378
Unrealised foreign exchange gains	-5'022'114	-3'786'064
Tax	-1'004'773	-840'696
Miscellaneous	-778'858	-689'172
<b>Total non-technical provisions</b>	<b>-40'536'431</b>	<b>-40'265'523</b>

In the 2020 financial year, net hidden reserves to the value of EUR 1'008'168 were released in accordance with Art. 960a para. 4 CO.

## 13. Changes to technical provisions

2020	EUR Gross	EUR Retro	EUR Net
Provision for outstanding claims	-35'329'596	-	-35'329'596
Other technical provisions	2'355'953	-	2'355'953
Provision for future life benefits	-341'733	-	-341'733
<b>Total changes to technical provisions</b>	<b>-33'315'376</b>	<b>-</b>	<b>-33'315'376</b>
2019	EUR Gross	EUR Retro	EUR Net
Provision for outstanding claims	-18'771'388	-	-18'771'388
Other technical provisions	-9'852'427	-	-9'852'427
Provision for future life benefits	-348'284	-	-348'284
<b>Total changes to technical provisions</b>	<b>-28'972'099</b>	<b>-</b>	<b>-28'972'099</b>

## 14. Acquisition costs and administration expenses

	2020 EUR	2019 EUR
Commissions and profit commissions	-57'848'510	-52'022'354
Personnel expenses	-4'638'152	-4'235'402
Depreciation	-375'551	-401'340
Other administrative expenses	-2'265'139	-2'416'094
<b>Total acquisition costs and administration expenses</b>	<b>-65'127'352</b>	<b>-59'075'189</b>

NOTES TO THE FINANCIAL STATEMENTS  
(EUR)

15. Information regarding income from investments, per reported asset class

	<i>Current income</i>	<i>Write-ups</i>	<i>Realised gains</i>	<i>Other income</i>	<i>Total income from investments</i>
<b>2020</b>					
<i>EUR</i>					
Bonds	7'379'493	-	2'004'136	-	9'383'629
Covered bonds	829'060	-	-	-	829'060
Insurance Linked Securities	2'244'617	-	56	-	2'244'672
Bond funds	1'214'712	439'230	-	-	1'653'942
Equity funds	1'007'586	-	-	-	1'007'586
Real estate funds	363'202	198'933	-	-	562'135
Infrastructure funds	158'663	-	-	-	158'663
Fixed-term deposits	287'687	-	-	-	287'687
	-	-	-	-	-
<b>Total</b>	<b>13'485'020</b>	<b>638'163</b>	<b>2'004'191</b>	<b>-</b>	<b>16'127'374</b>
<b>2019</b>					
<i>EUR</i>					
Bonds	8'224'721	-	1'495'961	-	9'720'682
Covered bonds	822'795	-	125'598	-	948'393
Insurance Linked Securities	1'704'950	-	-	-	1'704'950
Bond funds	926'440	3'170'552	-	168'128	4'265'120
Equity funds	594'400	4'708'085	-	347'063	5'649'548
Real estate funds	268'210	97'262	-	-	365'471
Infrastructure funds	139'920	-	-	-	139'920
Fixed-term deposits	399'152	-	-	-	399'152
	-	-	-	85'835	85'835
<b>Total</b>	<b>13'080'588</b>	<b>7'975'899</b>	<b>1'621'559</b>	<b>601'025</b>	<b>23'279'071</b>



## 16. Information regarding expenses on investments, per reported asset class

	<i>Write-downs and valuation adjustments</i>	<i>Formation/ Accrual of equalisation provision</i>	<i>Realised losses</i>	<i>Technical interest debited Non-life insurance</i>	<i>Asset management expenses</i>	<i>Total expenses on investments</i>
<b>2020</b>						
<i>EUR</i>						
Bonds	-	1'817'000	-	-	-	1'817'000
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-	-675'345	-36'262	-	-	-711'607
Bond funds	-850'626	-	-	-	-	-850'626
Equity funds	-4'217'058	-	-	-	-	-4'217'058
Real estate funds	-65'446	-133'487	-	-	-	-198'933
Infrastructure funds	-	-	-	-	-	-
Fixed-term deposits	-	-	-	-	-	-
	-	-	-	-1'079'930	-877'765	-1'957'695
<b>Total</b>	<b>-5'133'130</b>	<b>1'008'168</b>	<b>-36'262</b>	<b>-1'079'930</b>	<b>-877'765</b>	<b>-6'118'919</b>
<b>2019</b>						
<i>EUR</i>						
Bonds	-	-8'900'000	-	-	-	-8'900'000
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'337'100	-757'575	-	-	-	-2'094'675
Bond funds	-	-	-	-	-	-
Equity funds	-	-	-	-	-	-
Real estate funds	-3'154	-94'108	-	-	-	-97'262
Infrastructure funds	-	-	-	-	-	-
Fixed-term deposits	-	-	-	-	-	-
	-	-	-	-1'420'936	-948'536	-2'369'472
<b>Total</b>	<b>-1'340'254</b>	<b>-9'751'683</b>	<b>-</b>	<b>-1'420'936</b>	<b>-948'536</b>	<b>-13'461'409</b>

NOTES TO THE FINANCIAL STATEMENTS  
(EUR)

17. Information on the auditor's fee

	<i>2020</i> <i>EUR</i>	<i>2019</i> <i>EUR</i>
Audit services	51'738	86'613
Other services	19'905	-

18. Information on gross premiums

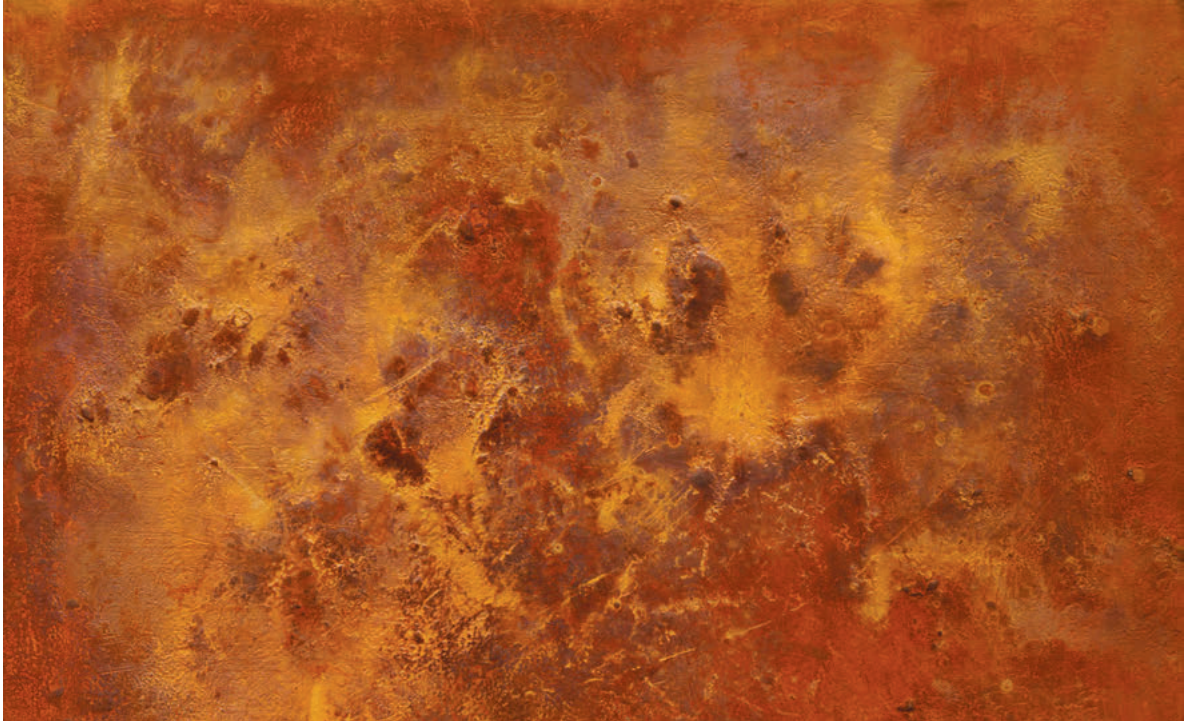
	<i>2020</i> <i>%</i>	<i>2019</i> <i>%</i>
Property	24.4	24.8
Motor	16.6	16.1
Accident & Health	16.2	17.6
Life	14.6	15.2
Liability	13.0	13.4
Engineering	9.9	7.4
Marine	3.9	3.1
Agriculture	1.4	2.3
Cyber	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Group business accounts for percentage of total gross premiums	26.8	29.7

## 19. Information on the technical result

	<i>2020</i> <i>EUR</i>	<i>2019</i> <i>EUR</i>
Net earned premiums	172'384'114	163'724'405
Technical interest	1'594'949	1'926'024
Commissions and profit commissions	-57'848'510	-52'022'354
Expenses on insurance claims for own account	-108'357'677	-106'570'887
Other technical income and expenses	-871'963	-845'069
<b>Total technical result</b>	<b>6'900'913</b>	<b>6'212'120</b>
Combined Ratio (without technical interest)	96.9%	97.4%

## 20. Significant events after the balance sheet date

There are no events after the balance sheet date that have a material impact on the financial statements.



# Balance sheet

(CHF)

## Assets

	Notes	31. 12. 2020 CHF	31. 12. 2019 CHF
Fixed-income securities	9	599'637'400	594'202'416
Other investments	10	163'055'829	136'796'394
<b>Total investments</b>		<b>762'693'229</b>	<b>730'998'809</b>
Deposits on ceded reinsurance business		18'794'043	18'172'165
Cash and cash equivalents		35'288'557	35'656'489
Tangible assets		1'102'993	1'253'024
Intangible assets		360'576	462'209
Receivables from insurance operations	6	53'799'473	43'092'433
Other receivables		157'629	103'823
Accrued income and prepaid expenses		5'211'187	5'607'335
<b>Total assets</b>		<b>877'407'688</b>	<b>835'346'287</b>

## Liabilities and shareholders' equity

Technical provisions	11	623'502'489	586'171'279
Non-technical provisions	12	43'827'989	43'690'911
Liabilities from insurance operations	7	17'500'796	15'399'545
Other liabilities	8	564'283	231'161
Accrued expenses and deferred income		353'027	421'573
<b>Total liabilities</b>		<b>685'748'583</b>	<b>645'914'469</b>
Share capital		100'000'000	100'000'000
Legal capital reserves		80'915'458	80'915'458
General legal reserves		6'010'000	6'010'000
Free reserves		21'772'891	19'176'153
Conversion difference		-17'039'245	-16'669'793
<b>Total shareholders' equity</b>	3	<b>191'659'104</b>	<b>189'431'818</b>
<b>Total liabilities and shareholders' equity</b>		<b>877'407'688</b>	<b>835'346'287</b>

# Income statement

(CHF)

	Notes	2020 CHF	2019 CHF
Gross written premiums		194'068'210	177'836'008
Reinsurer's share of gross written premiums		-1'702'890	-1'464'845
<b>Net written premiums</b>		<b>192'365'320</b>	<b>176'371'164</b>
Net changes in reserves for unearned premiums		-6'084'978	670'925
Reinsurer's share of net changes in reserves for unearned premiums		101'363	610'352
<b>Net earned premiums</b>		<b>186'381'704</b>	<b>177'652'441</b>
Other income from insurance operations – technical interest		1'724'458	2'089'871
<b>Total income from technical insurance operations</b>		<b>188'106'162</b>	<b>179'742'312</b>
Payments for insurance claims, gross		-81'135'736	-84'200'117
Reinsurer's share of payments for insurance claims		-	-
Net change in technical provisions	13	-36'020'584	-31'436'755
Reinsurer's share of change in technical provisions		-	-
<b>Total expenses on insurance claims for own account</b>		<b>-117'156'320</b>	<b>-115'636'872</b>
Acquisition costs and administration expenses	14	-70'415'693	-64'100'716
Reinsurer's share of acquisition costs and administration expenses		-	-
<b>Acquisition costs and administration expenses for own account</b>		<b>-70'415'693</b>	<b>-64'100'716</b>
Other technical expenses for own account		-942'767	-916'959
<b>Total expenses due to technical insurance operations</b>		<b>-188'514'780</b>	<b>-180'654'547</b>
Income from investments	15	17'436'917	25'259'422
Expenses on investments	16	-6'615'776	-14'606'571
<b>Investment result</b>		<b>10'821'142</b>	<b>10'652'851</b>
Other financial income		18'251	-
Other financial expenses		-272'641	-539'970
<b>Operating result</b>		<b>10'158'134</b>	<b>9'200'646</b>
Other income		1'092	42'212
Other expenses		-124'169	-128'154
<b>Net income before tax</b>		<b>10'035'056</b>	<b>9'114'704</b>
Direct tax		-1'077'424	-805'170
<b>Net income</b>		<b>8'957'632</b>	<b>8'309'533</b>

# Cash flow statement

(CHF)

	2020 CHF	2019 CHF
Net income	8'957'632	8'309'533
Accrual of technical provisions	39'421'843	33'754'182
Valuation adjustments on tangible and intangible assets	406'046	435'482
Realised gains and losses on fixed-income securities	-2'127'726	-1'759'505
Valuation adjustments on fixed-income securities	7'094'854	-1'521'277
Write-ups and write-downs on other investments	4'859'958	-8'650'987
Change in equalisation provisions on investments	-1'317'880	10'642'714
Change in non-technical provisions	1'610'786	599'282
Change in balances resulting from technical accounts	-9'391'250	5'872'048
Changes in other assets	-54'175	-53'844
Change in accrued income	376'149	-118'442
Change in other liabilities	333'946	49'000
Change in accrued expenses	-67'042	146'472
<b>Cash flow from operating activities</b>	<b>50'103'141</b>	<b>47'704'658</b>
Fixed-income securities	-12'521'390	-52'735'024
Other investments	-31'607'291	-7'600'361
Tangible and intangible assets	-160'500	-750'577
<b>Cash flow from investment activities</b>	<b>-44'289'180</b>	<b>-61'085'962</b>
Dividend distribution	-6'360'893	-6'038'604
Capital contribution	-	27'126'750
<b>Cash flow from financing activities</b>	<b>-6'360'893</b>	<b>21'088'146</b>
<b>Net cash flow</b>	<b>-546'932</b>	<b>7'706'841</b>
Cash on 1 January	35'656'489	28'615'351
Exchange rate difference on cash and cash equivalents	-179'001	665'703
Cash on 31 December	35'288'557	35'656'489
<b>Change in cash</b>	<b>-546'932</b>	<b>7'706'841</b>

# Notes to the financial statements

(CHF)

## 1. General

SIGNAL IDUNA Reinsurance Ltd of Zug (Switzerland) is a subsidiary of SIGNAL IDUNA Group, Dortmund/Hamburg. 100% of the shares are owned by SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund.

The annual average number of full-time posts (FTE) at SIGNAL IDUNA Reinsurance Ltd is less than 50 persons.

Book-keeping and accounting are presented in Euros. Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in Swiss Francs.

## 2. Accounting and valuation principles

### Time period

Reinsurance business comprises the cedants' 2020 financial year. Cedant accounts not available at the time of closing have been estimated. General income and expenses are congruent with the 2020 financial year.

### Foreign currency translation

As is common practice in the international reinsurance business, accounts are denominated in the original currencies. For the purposes of the balance sheet, translations are made into Euros at year-end exchange rates; income statement amounts are translated at the relevant quarterly exchange rates. The resulting exchange-rate differences are recognised in the income statement. Net non-realised gains derived from foreign-currency translations are reserved. The main rates are:

<i>Currency</i>	<i>31. 12. 2020</i>	<i>31. 12. 2019</i>
EUR/USD	1.22160	1.12120
EUR/GBP	0.89374	0.84567
EUR/CHF	1.08120	1.08507

### Investments

Bonds, covered bonds and Insurance Linked Securities (ILS) are valued using the linear cost amortisation method. The difference between the purchase price and the redemption value is distributed evenly over the remaining time to maturity and is recorded in the income statement as write-ups or write-downs. Any credit impairments are accounted for through value adjustment. The fixed-term deposits are recorded up to acquisition cost. Shares in bond, equity and real estate funds are carried at fair value on the balance sheet date. Infrastructure funds are recorded at acquisition cost or at the net investment value, if lower.



**Receivables**

Receivables, deposits and other assets are carried at nominal value. In questionable cases, the value of the positions is reduced as appropriate.

**Technical provisions**

Unearned premiums, provisions for future insurance benefits and other technical provisions are based on information supplied by cedants. Final calculations conducted internally may result in the original reported provisions being strengthened. Additional provisions are created based on estimates for claims incurred but not yet reported. In addition, equalization provisions are accrued to offset business volatility.

**Premium and claim portfolio movements**

Premiums consist of premium portfolio inflows and outflows, and claims paid consist of the corresponding claims portfolio inflows and outflows.

**Non-technical provisions**

In the spirit of prudent risk management – and in order to ensure the long-term health of the company against a backdrop of rising investment risk – provisions are established for:

- Fixed equalisation provision for fixed-income investments. This provision will be built up prudently and over a long time horizon.
- Provisions for real estate funds. The build-up of this provision is oriented toward the development of the net investment value and is based on an assessment of the risks in the real estate market.
- The equalisation provision on Insurance Linked Securities (ILS) is designed to cover a large loss event on one of the ILS investments in our portfolio.

The provision for taxes includes liabilities relating to taxes on income and capital at year-end as well as estimated income tax on years that have not yet been assessed for tax purposes.

**Technical interest, non-life reinsurance**

The interest recorded in the technical income statement corresponds to the income from technical interest calculated in the pricing for the entire portfolio of reinsurance contracts. It is calculated by currency and as accrued, using the risk-free interest rate curve in effect at the time of pricing.

**Change in the presentation of fixed-term deposits**

The fixed-term deposits are now shown under Fixed-income securities and no longer under Other investments. The previous year's figures were adjusted accordingly in the balance sheet, cash flow statement and Note 10 for comparison purposes.

## NOTES TO THE FINANCIAL STATEMENTS (CHF)

### 3. Statement of shareholders' equity

	<i>Share capital</i>	<i>Legal capital reserves</i>	<i>General legal reserves</i>	<i>Free reserves</i>	<i>Conversion difference</i>	<i>Total</i>
	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
As at 31.12.2018	100'000'000	53'134'208	6'010'000	16'905'224	-10'258'882	165'790'550
Movements during 2019						
- Appropriation of profits from prior year – dividend	-	-	-	-6'038'604	-	-6'038'604
- Allocation	-	27'781'250	-	-	-	27'781'250
- Result for 2019	-	-	-	8'309'533	-	8'309'533
Conversion difference					-6'410'911	-6'410'911
As at 31.12.2019	100'000'000	80'915'458	6'010'000	19'176'153	-16'669'793	189'431'818
Movements during 2020						
- Appropriation of profits from prior year – dividend	-	-	-	-6'360'893	-	-6'360'893
- Result for 2020	-	-	-	8'957'632	-	8'957'632
Conversion difference					-369'452	-369'452
As at 31.12.2020	100'000'000	80'915'458	6'010'000	21'772'892	-17'039'245	191'659'105

### 4. Total amount of equities used to secure own liabilities and assets under reservation of ownership

Technical provisions and other liabilities secured by pledged securities or current accounts:

	<i>31.12.2020 CHF</i>	<i>31.12.2019 CHF</i>
Securities	198'724'190	191'311'466
Current account	237'720	615'912
<b>Total book value of pledged assets</b>	<b>198'961'910</b>	<b>191'927'378</b>

The Zürcher Kantonalbank, Zurich, has granted SIGNAL IDUNA Reinsurance Ltd a credit facility of up to EUR 115.6 million (CHF 125 million). The credit facility is available in various currencies and secures deposits, guarantees and letters of credit issued by this credit institution on our behalf. On the balance sheet date, 31 December 2020, CHF 66.2 million (EUR 61.2 million) of the above credit facility had been used.

A number of securities are held at BNP Paribas and HSBC, which are used to guarantee the technical provisions. This amount totalled CHF 132.5 million (EUR 122.6 million) on the balance sheet date, 31 December 2020.

## 5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2023: CHF 874'668 (previous year: CHF 1'192'730)

## 6. Receivables from insurance operations

	31. 12. 2020 CHF	31. 12. 2019 CHF
Receivables from agents and intermediaries	28'899'780	36'151'155
Receivables from insurance companies (third parties)	21'575'990	4'918'068
Receivables from Group companies	3'323'704	2'023'210
<b>Total receivables from insurance operations</b>	<b>53'799'473</b>	<b>43'092'433</b>

## 7. Liabilities from insurance operations

	31. 12. 2020 CHF	31. 12. 2019 CHF
Liabilities to agents and intermediaries	-7'276'409	-9'295'034
Liabilities to insurance companies (third parties)	-7'097'478	-969'648
Liabilities to Group companies	-3'126'909	-5'134'863
<b>Total liabilities from insurance operations</b>	<b>-17'500'796</b>	<b>-15'399'545</b>

## 8. Other liabilities

	31. 12. 2020 CHF	31. 12. 2019 CHF
Other liabilities to third parties	-371'884	-193'620
Other liabilities to Group companies	-192'398	-37'541
<b>Total other liabilities</b>	<b>-564'283</b>	<b>-231'161</b>

## 9. Fixed-income securities

	31. 12. 2020 CHF	31. 12. 2019 CHF
Bonds	502'613'511	500'449'441
Covered bonds	37'031'441	34'058'276
Fixed-term deposits	9'735'774	28'242'046
Insurance Linked Securities (ILS)	50'256'675	31'452'653
<b>Total fixed-income securities</b>	<b>599'637'400</b>	<b>594'202'416</b>

## NOTES TO THE FINANCIAL STATEMENTS (CHF)

### 10. Other investment assets

	31. 12. 2020 CHF	31. 12. 2019 CHF
Other investments – recorded at fair values	155'254'937	131'371'044
Bond funds	99'874'943	84'316'661
Equity funds	38'115'191	39'478'745
Real estate funds	17'264'804	7'575'638
Other investments – valued at the lower of cost or market	7'800'892	5'425'350
Infrastructure funds	7'800'892	5'425'350
<b>Total other investments</b>	<b>163'055'829</b>	<b>136'796'394</b>

As of 31 December 2020, there were capital commitments not yet called for real estate and infrastructure funds to the amount of CHF 10'852'358.

### 11. Technical provisions

31. 12. 2020	<i>CHF</i> <i>Gross</i>	<i>CHF</i> <i>Retro</i>	<i>CHF</i> <i>Net</i>
Unearned premiums	-15'713'251	-	-15'713'251
Provision for outstanding claims	-518'767'984	-	-518'767'984
Other technical provisions	-72'486'004	-	-72'486'004
Provision for future life benefits	-16'535'250	-	-16'535'250
<b>Total technical provisions</b>	<b>-623'502'489</b>	<b>-</b>	<b>-623'502'489</b>
31. 12. 2019	<i>CHF</i> <i>Gross</i>	<i>CHF</i> <i>Retro</i>	<i>CHF</i> <i>Net</i>
Unearned premiums	-9'603'944	610'352	-8'993'592
Provision for outstanding claims	-485'608'620	-	-485'608'620
Other technical provisions	-75'345'435	-	-75'345'435
Provision for future life benefits	-16'223'631	-	-16'223'631
<b>Total technical provisions</b>	<b>-586'781'630</b>	<b>610'352</b>	<b>-586'171'279</b>

## 12. Non-technical provisions

	31. 12. 2020 CHF	31. 12. 2019 CHF
Equalisation provision for fixed-income investments	-32'944'164	-35'033'655
Equalisation provision for Insurance Linked Securities (ILS)	-3'274'760	-2'782'350
Equalisation reserve for real estate funds	-250'692	-106'747
Unrealised foreign exchange gains	-5'429'910	-4'108'144
Tax	-1'086'361	-912'214
Miscellaneous	-842'102	-747'800
<b>Total non-technical provisions</b>	<b>-43'827'989</b>	<b>-43'690'911</b>

In the 2020 financial year, net hidden reserves to the value of CHF 1'090'031 were released in accordance with Art. 960a para. 4 CO.

## 13. Changes to technical provisions

2020	CHF Gross	CHF Retro	CHF Net
Provision for outstanding claims	-38'198'359	-	-38'198'359
Other technical provisions	2'547'257	-	2'547'257
Provision for future life benefits	-369'482	-	-369'482
<b>Total changes to technical provisions</b>	<b>-36'020'584</b>	<b>-</b>	<b>-36'020'584</b>
2019	CHF Gross	CHF Retro	CHF Net
Provision for outstanding claims	-20'368'269	-	-20'368'269
Other technical provisions	-10'690'573	-	-10'690'573
Provision for future life benefits	-377'913	-	-377'913
<b>Total changes to technical provisions</b>	<b>-31'436'755</b>	<b>-</b>	<b>-31'436'755</b>

## 14. Acquisition costs and administration expenses

	2020 CHF	2019 CHF
Commissions and profit commissions	-62'545'809	-56'447'895
Personnel expenses	-5'014'770	-4'595'707
Depreciation	-406'046	-435'482
Other administrative expenses	-2'449'068	-2'621'631
<b>Total acquisition costs and administration expenses</b>	<b>-70'415'693</b>	<b>-64'100'716</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CHF)

15. Information regarding income from investments, per reported asset class

	<i>Current income</i>	<i>Write-ups</i>	<i>Realised gains</i>	<i>Other income</i>	<i>Total income from investments</i>
<b>2020</b>					
<i>CHF</i>					
Bonds	7'978'708	-	2'166'872	-	10'145'579
Covered bonds	896'380	-	-	-	896'380
Insurance Linked Securities	2'426'880	-	60	-	2'426'940
Bond funds	1'313'347	474'895	-	-	1'788'242
Equity funds	1'089'402	-	-	-	1'089'402
Real estate funds	392'694	215'087	-	-	607'781
Infrastructure funds	171'546	-	-	-	171'546
Fixed-term deposits	311'048	-	-	-	311'048
	-	-	-	-	-
<b>Total</b>	<b>14'580'003</b>	<b>689'982</b>	<b>2'166'932</b>	<b>-</b>	<b>17'436'917</b>
<b>2019</b>					
<i>CHF</i>					
Bonds	8'924'398	-	1'623'222	-	10'547'620
Covered bonds	892'790	-	136'282	-	1'029'072
Insurance Linked Securities	1'849'990	-	-	-	1'849'990
Bond funds	1'005'252	3'440'271	-	182'430	4'627'954
Equity funds	644'966	5'108'602	-	376'587	6'130'155
Real estate funds	291'026	105'536	-	-	396'562
Infrastructure funds	151'823	-	-	-	151'823
Fixed-term deposits	433'108	-	-	-	433'108
	-	-	-	93'137	93'137
<b>Total</b>	<b>14'193'354</b>	<b>8'654'409</b>	<b>1'759'505</b>	<b>652'155</b>	<b>25'259'422</b>

## 16. Information regarding expenses on investments, per reported asset class

	<i>Write-downs and valuation adjustments</i>	<i>Accrual of equalisation provision</i>	<i>Realised losses</i>	<i>Technical interest debited Non-life insurance</i>	<i>Asset management expenses</i>	<i>Total expenses on investments</i>
<b>2020</b>						
<i>CHF</i>						
Bonds	-	1'964'540	-	-	-	1'964'540
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-	-730'183	-39'206	-	-	-769'389
Bond funds	-919'697	-	-	-	-	-919'697
Equity funds	-4'559'484	-	-	-	-	-4'559'484
Real estate funds	-70'760	-144'326	-	-	-	-215'086
Infrastructure funds	-	-	-	-	-	-
Fixed-term deposits	-	-	-	-	-	-
	-	-	-	-1'167'620	-949'040	-2'116'660
<b>Total</b>	<b>-5'549'940</b>	<b>1'090'031</b>	<b>-39'206</b>	<b>-1'167'620</b>	<b>-949'040</b>	<b>-6'615'776</b>
<b>2019</b>						
<i>CHF</i>						
Bonds	-	-9'657'123	-	-	-	-9'657'123
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'450'847	-822'022	-	-	-	-2'272'869
Bond funds	-	-	-	-	-	-
Equity funds	-	-	-	-	-	-
Real estate funds	-3'422	-102'114	-	-	-	-105'536
Infrastructure funds	-	-	-	-	-	-
Fixed-term deposits	-	-	-	-	-	-
	-	-	-	-1'541'815	-1'029'227	-2'571'042
<b>Total</b>	<b>-1'454'269</b>	<b>-10'581'259</b>	<b>-</b>	<b>-1'541'815</b>	<b>-1'029'227</b>	<b>-14'606'571</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CHF)

17. Information on the auditor's fee

	<i>2020</i> <i>CHF</i>	<i>2019</i> <i>CHF</i>
Audit services	55'939	93'981
Other services	21'521	-

18. Information on gross premiums

	<i>2020</i> <i>%</i>	<i>2019</i> <i>%</i>
Property	24.4	24.8
Motor	16.6	16.1
Accident & Health	16.2	17.6
Life	14.6	15.2
Liability	13.0	13.4
Engineering	9.9	7.4
Marine	3.9	3.1
Agriculture	1.4	2.3
Cyber	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Group business accounts for percentage of total gross premiums	26.8	29.7



## 19. Information on the technical result

	2020 CHF	2019 CHF
Net earned premiums	186'381'704	177'652'441
Technical interest	1'724'458	2'089'871
Commissions and profit commissions	-62'545'809	-56'447'895
Expenses on insurance claims for own account	-117'156'320	-115'636'872
Other technical income and expenses	-942'767	-916'959
<b>Total technical result</b>	<b>7'461'267</b>	<b>6'740'585</b>
Combined Ratio (without technical interest)	96.9%	97.4%

## 20. Significant events after the balance sheet date

There are no events after the balance sheet date that have a material impact on the financial statements.



# Proposal for the appropriation of profits

(EUR)

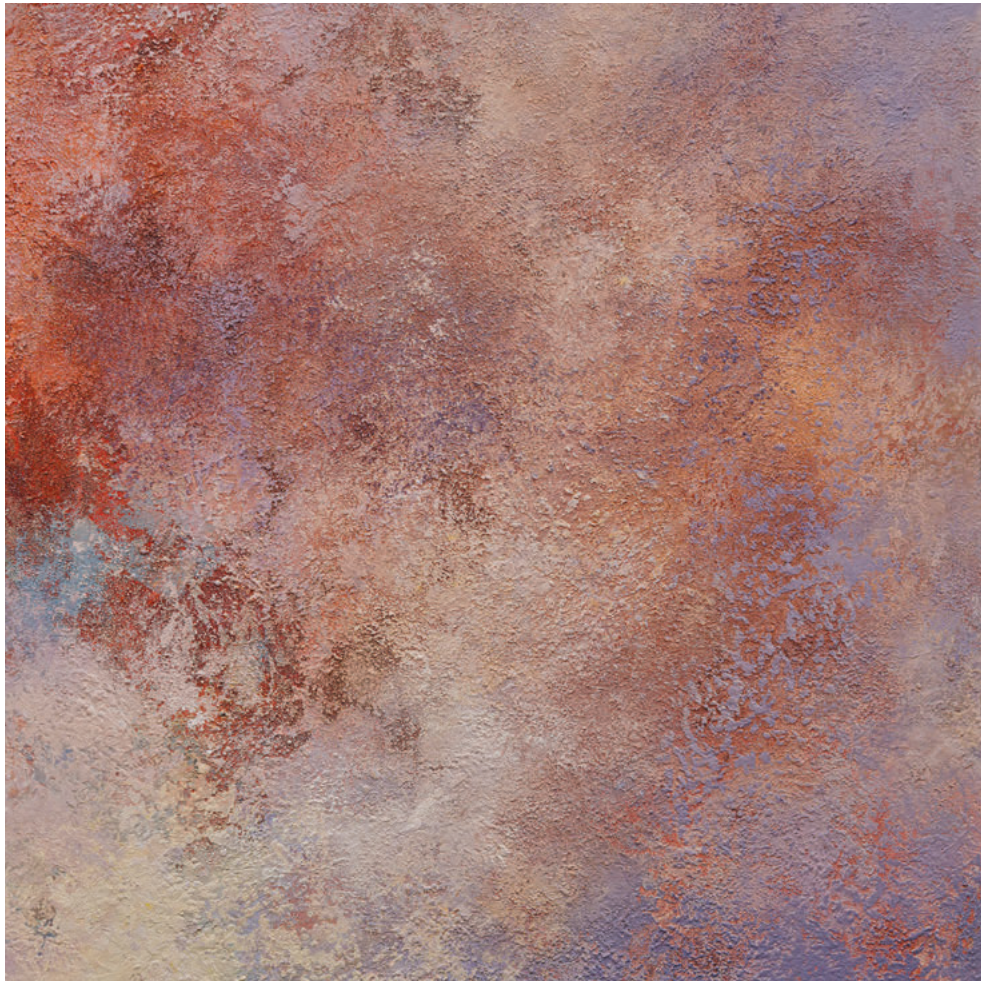
EUR

Voluntary profit reserves after appropriation of profits for 2019	11'624'812
Net income for 2020	8'284'898
<b>Free reserves available to the General Meeting</b>	<b>19'909'710</b>

The Board of Directors proposes to the General Meeting that the available free reserves be appropriated as follows:

Dividend distribution	7'000'000
<b>Free reserves carried forward to new account</b>	<b>12'909'710</b>

Note: The amount of the dividend is limited to the total in Swiss Francs of the free reserves available to the General Meeting. This amount is CHF 21'772'892.



# Proposal for the appropriation of profits (CHF)

CHF

Voluntary profit reserves after appropriation of profits for 2019	12'815'260
Net income for 2020	8'957'632
<b>Free reserves available to the General Meeting</b>	<b>21'772'892</b>

The Board of Directors proposes to the General Meeting that the available free reserves be appropriated as follows:

Dividend distribution	7'716'840
<b>Free reserves carried forward to new account</b>	<b>14'056'052</b>

Note: The amount of the dividend is limited to the total in Swiss Francs of the free reserves available to the General Meeting. This amount is CHF 21'772'892.

# Auditor's report

Report of the statutory auditor  
to the General Meeting of  
SIGNAL IDUNA Reinsurance Ltd  
Zug

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of SIGNAL IDUNA Reinsurance Ltd, which comprise the balance sheet, income statement, cash flow statement and notes for the year ended 31 December 2020.

### Board of Directors' Responsibility

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.

## Report on Other Legal Requirements

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

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

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

KPMG AG

Rainer Pfaffenzeller  
Licensed Audit Expert  
Auditor in Charge

Elina Monsch  
Licensed Audit Expert

Zurich, 23 April 2021







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Umschlag: «mauve mountain» detail  
Seite 14: «deep purple»  
Seite 28: «iron planet» detail  
Seite 42: «green green gras» detail  
Seite 44: «cloud dance» detail  
Seite 48: «music of stones»

Born in 1954, Susanne Keller is a freelance artist living and working in the old town of Zurich, Switzerland. After studying at the School of Art and Design in Zurich, she completed her degree in Art History in Florence in 1982. Upon graduation, Susanne moved into her first studio in Winterthur. She has been working in Zurich since 1983.

Her passion, talent and ability find expression in her creations, in expressive composition and layering of colours, in tension and in depth as well as the interplay of the elements of her work with the mysterious and the dynamic. Her positive personality grants her pictures a wealth of strength, thereby evoking unforeseen emotions.

Since 1991, she has increasingly been managing larger projects and her work can be found in public spaces (KiöR, Kunst am Bau) in Switzerland and its neighbouring countries. Since 1982 she has also presented her work in numerous exhibitions in the USA, Korea, Belgium, France and Germany, etc.



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