



# ANNUAL REPORT 2022

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  
Hieronymus T. Dormann  
Dr. Stefan Kutz  
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

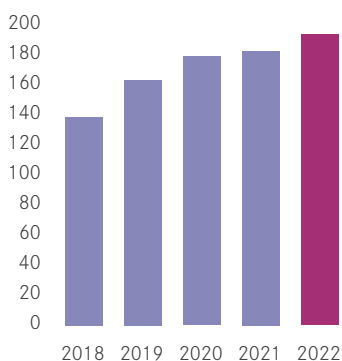
Fitch: A- «Outlook stable»

## Auditors

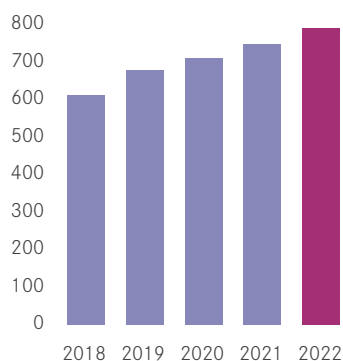
KPMG AG, Zurich

# Key figures

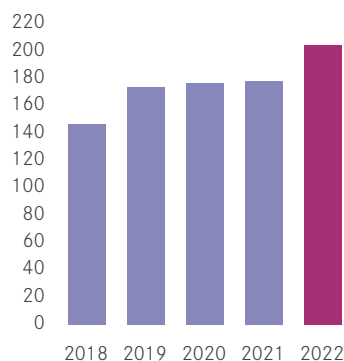
Gross written premiums  
(in mio. EUR)



Investments  
(in mio. EUR)



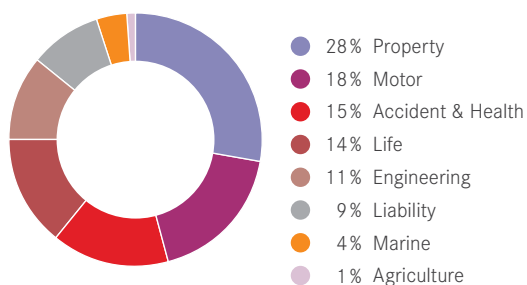
Shareholders' equity  
before dividend distribution  
(in mio. EUR)



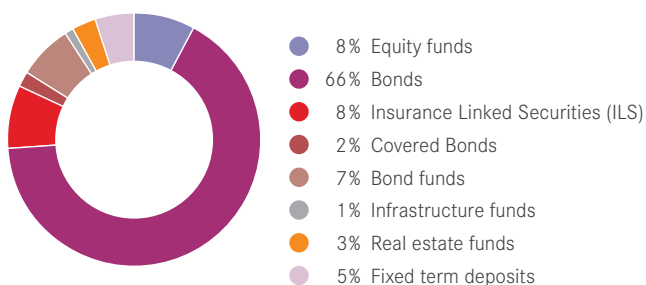
	2022 (in Mio. EUR)	2021 (in Mio. EUR)
Gross written premiums	194.2	183.4
Net earned premiums	192.0	180.9
Technical result	8.1	7.4
Net investment income, before deduction of technical interest	11.0	11.3
Net income	8.5	8.4
Technical provisions	664.1	641.2
Investments	783.0	740.8
Shareholders' equity (before dividend distribution)	205.2	178.7

## Portfolio composition 2022

Lines of business



Investments





Dr. Klaus Sticker

Bertrand R. Wollner

# Report of the Board of Directors and the Executive Board

Dear Readers,

SIRe again achieved an impressive operating result in 2022, despite an extraordinarily complex financial year where enormous economic, geopolitical and ecological challenges collided. At EUR 8.5 million, our net income was slightly higher than the previous year's result of EUR 8.4 million. Our balance sheet total grew by a further EUR 29.4 million to EUR 896.2 million. Reported shareholder equity of EUR 205.2 million remains at a high level of 22.9% of the balance sheet total. This result fills us with pride and shows how successfully we negotiated in this difficult reinsurance environment as well as in the challenging capital and financial markets last year.

We were again able to expand our client base by a pleasing 4.4%, compared with 5.6% in the previous year. As a result, our net earned premiums rose to EUR 192.0 million, which corresponds to 6.1% growth. The lines of business mix remained largely unchanged from the previous year. We grew by 1.5 percentage points in both property insurance and engineering while reducing our stance in liability by 1.5 percentage points. The share of Group business now stands at 25.5%, against 26.5% in 2021.

We also maintained our prudent reserving practice in 2022 and kept the coverage ratio, i.e. the ratio of technical provisions to net earned premiums, almost unchanged at 346%.

Despite a record claims year for the insurance sector, our net combined ratio slightly improved from 96.7% in 2021 to 96.5% in 2022. The technical result increased by 10.0% to EUR 8.1 million that corresponds to 4.2% of net earned premiums compared with 4.1% in the previous year.

Our investment holding on 31 December 2022 was EUR 783.0 million and was thus 5.7% higher than in the previous year. The quality of fixed-income securities - excluding Insurance Linked Securities (ILS) - and cash and cash equivalents remained high at A+. Fixed-income investments account for the largest share at 80.9%. Bond funds account for a further 6.7% of investments. The ILS portfolio increased to 7.9% of our investments in 2022.

The capital and financial markets underwent major fluctuations last year. Confidence in the global economy was affected by geopolitical conflicts and a muted economic recovery, which returned to growth more slowly post-pandemic than hoped. On top of that came soaring inflation, which the central banks sought to contain with several interest rate hikes in quick succession. As a result, both the equity and bond markets plummeted and insurers were confronted at times with high unrealised losses and also in some instances with pending losses.

The difficult financial and capital market environment also impacted the performance of our investment portfolio. Overall, we generated current income from investments of EUR 13.3 million in the reporting year and thus slightly exceeded the prior-year result of EUR 13.0 million. That corresponds to an unchanged return of 1.8% in terms of average investment levels. In order to offset the interest rate-induced write-downs of our fixed-income securities and investment funds, we decided to release EUR 22.6 million from the equalisation provisions. Following this measure, equalisation provisions amounted to 1.8% of recognised investments at year-end against 4.9% in the previous year. Prior to changing the equalisation provisions, the total return on investment including asset management expenses was -1.5% compared to 2.0% in 2021.

Measured by earned premiums, our acquisition costs rose from EUR 55.1 million to EUR 59.8 million in 2022. That corresponds to a ratio of 31.2% and is a bit higher than the previous year's value of 30.5%. The amount of these acquisition costs stems from the composition of our reinsurance portfolio or the underlying contracts, especially in life reinsurance. Our administrative costs increased from EUR 8.1 million in 2021 to EUR 8.6 million, mainly due to the depreciation of the Euro against the Swiss franc, whereby they stayed constant at 4.5% relative to net earned premiums. Headcount remained unchanged at 24 persons.

SIRe has been rated «A-» by Fitch for years, which was confirmed again in 2022. Our shareholders' capital base grew to EUR 205.2 million at year-end following an EUR 25.0 million payment into the capital contribution reserves.

The Board of Directors proposes to the General Meeting an unchanged dividend of EUR 7.0 million. After adjustment for this sum, our shareholder equity will come to EUR 198.2 million.

We thank our cedants and brokers most sincerely for their confidence in us. A special thank you also goes to our staff for their commitment; we would not have been able to achieve our goals in this demanding environment were it not for their reliable support.



Dr. Klaus Sticker  
Chairman of the Board of Directors



Bertrand R. Wollner  
Chief Executive Officer



# Review of the 2022 financial year

## Business performance

SIRe concluded an extremely demanding 2022 with an impressive result. As in the previous year, we withstood market adversity and improved the important key figures. We benefited from our prudent business practice, so we are now well equipped to take advantage of the current market environment.

In 2022, the balance sheet total expanded by 3.4% to EUR 896.2 million demonstrating the consistent growth of SIRe. Shareholders' equity also increased and reached EUR 205.2 million. It thus accounts for a solid and unchanged 22.9% of the balance sheet total. Net income improved by 0.4% over the previous year to EUR 8.5 million. In addition, the technical result rose by 10.0% to EUR 8.1 million. Net written premium volume was also up in 2022, rising by 5.8% to EUR 192.3 million. Moreover, we maintained the pleasing trend of recent years and expanded our client base by 4.4%, thereby further diversifying our book of business.

## 2022 was another costly and also complex financial year

Rarely the reinsurance industry will have confronted a financial year featuring such different economic, geopolitical and climate-induced challenges all at once. Inflation in the European Union peaked in October 2022 at 11.5%, a level most of us only know from history books. The price increase was driven by the unleashing of the pent-up demand caused by restrictions during the pandemic, disrupted supply chains and higher energy prices due to the Russian invasion of Ukraine.

The central banks were slow but drastic in their response to the rising inflation. The European Central Bank increased interest rates in quick succession from 0.0% at the start of the year to 2.5% in December 2022. The US Federal Reserve was even more radical as it hiked interest rates from 0.0% to 4.5% by the end of the year. The financial markets faltered under the impact of this rapid series of interest rate hikes, plus the political difficulties – mainly caused by the Russia-Ukraine war and tensions between the US and China – as well as the slow global economic recovery following the COVID-19 pandemic. This led to some substantial equity and bond market losses.

And it didn't end there: with insured losses of USD 130 billion, 2022 was slightly up on the previous year and the fourth costliest year in insurance history. Hurricane Ian accounted for a large proportion of that when it struck Florida at the end of September and triggered losses in the region of USD 60 billion, making it the second most expensive natural catastrophe on record. Europe did not emerge unscathed either, especially in the Mediterranean region – so-called frequency events such as drought, flooding, hailstorms and forest fires, which have increasingly caused major losses in recent years due to climate change – contributed to the unfortunate claims balance in 2022.

The combined effect of these events was detrimental to insurers. They had to contend with losses on both sides of the balance sheet at the same time: on one hand, rising interest rates caused high unrealised losses on the investment side, which brought down the solvency ratio. On the other hand, insurers were impacted by high insured losses as well.

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



### Technical result (in mio. EUR)



## Higher prices and stricter conditions

The reinsurance sector began 2022 with a record capitalisation of USD 660 billion. Compared to the previous year, it posted risk capital growth of USD 10 billion, almost exclusively from additional, traditional reinsurance capacity. However, and of greater importance, alternative capital – the growth driver in the past for the continual expansion in reinsurance capacity – stagnated at below USD 100 billion, as investors still had to come to terms with the high losses of previous years and were noticeably absent from the higher layers of natural catastrophe cover to avoid the growing frequency losses.

As a result, stricter conditions and higher rates featured in the January 2022 renewals, reflecting the increased exposure, claims experience and higher retrocession prices. According to the British broker Howden, global prices for catastrophe cover were up 9%, exceeding the 6% rate increase in 2021.

As in previous years, we were able to use price increases and improved conditions to grow our profitability. Following a particularly costly year for Europe in 2021 with the flooding catastrophe in Germany and Belgium caused by the low-pressure system «Bernd», we achieved price increases averaging 18.0% on our natural catastrophe portfolio. The non-proportional business development was especially pleasing, as we posted growth of 7.5% over the previous year.

For the entire year, net earned premiums were up 6.1% from EUR 180.9 million to EUR 192.0 million. We were again successful in expanding our client base, even though we terminated or restructured almost 17.0% of our portfolio in the renewal.

This balanced policy also applies to the line of business and country mix. Although the changes often might seem minor, SIRe regularly takes the opportunity to improve profitability and diversification during the renewals. In 2022, we wrote additional business in the marine, engineering and accident lines. In response to the price increases in natural catastrophe cover, SIRe grew its share in property insurance by two percentage points to 28% of the portfolio, while our share in the liability line, which struggles with social inflation and the impact of inflation on its long-tail business, fell from 11% to 9%. The share of Group business was one percentage point down at 25.5%.

There was a similar development in the country mix. The DACH region was slightly up at almost 45% of the portfolio, as contracts with high natural catastrophe exposure saw double-digit rate increases following «Bernd». By contrast, the presence of France fell to just under 25%. There were also slight increases in the northern European countries, especially for claims-laden programmes.

## Improved technical result in spite of high market losses

SIRe again improved its technical result in 2022. The result rose by 10.0% from EUR 7.4 million to EUR 8.1 million. Relative to net earned premiums, this higher technical result corresponds to a slight improvement from 4.1% in the previous year to 4.2% in 2022. In any case, the company again had to absorb record natural catastrophe losses in the year under review. Following the flooding in Germany in the previous year, frequency losses reoccurred, affecting France in the reporting year.

In view of the persistently high natural catastrophe losses, as well as inflation, we maintained our conservative reserving policy unchanged. The coverage ratio – the ratio of technical provisions to net earned premiums – stayed at the same high level of 345.9%.

## High volatility at financial markets

2022 was an extraordinarily difficult investment year. It is rare to experience such high equity and bond write-downs simultaneously. Last year, the Euro STOXX 50 Index fell by almost 10%, having been 20% below its January level in September. The fixed-income investment financial year was similarly dramatic with losses of up to 20% on occasion. Even if insurers normally keep their bond holdings up to maturity, these unrealised losses or falling equity prices, have massive implications for the solvency ratio and thus the risk-bearing capacity.

In concert with higher premiums, our investments increased by 5.7% in 2022 from EUR 740.8 million to EUR 783.0 million. SIRe achieved current income of EUR 13.3 million from this portfolio – a minor increase from EUR 13.0 million in the previous year. We decided to release EUR 22.6 million from the equalisation provisions to offset the interest rate-induced write-downs of our fixed-income securities and investment funds. Following this measure, equalisation provisions amounted to 1.8% of recognised investments at year-end against 4.9% in the previous year. Prior to changing the equalisation provisions, the total return on investment including asset management expenses was -1.5% compared to 2.0% in 2021.

The quality of our fixed-income securities including cash and cash equivalents – excluding Insurance Linked Securities (ILS) – is at the same high level with an A+ rating. The share of fixed-income investments increased to 80.9%, while bond funds decreased to 6.7% of investments. Real estate and infrastructure funds account for 4.4%, while the share of ILS is 7.9%.

The share of our ILS investments was up one percentage point or EUR 11.2 million from 2021 at EUR 62.2 million. Although SIRe again had to absorb write-downs of EUR 1.0 million, ILS developed very well. Income rose from EUR 2.2 million to EUR 3.4 million, as we were able to benefit from more attractive coupons as well as higher interest income. This development will continue over the next few years as coupons and interest income will keep rising caused by high demand and increasing capital market interest rates.

Nonetheless, we could not remain exempt from the financial market volatility. We had to absorb book losses on the equity and bond funds recorded at market value. We did not have to make any value adjustments for bonds or covered bonds held at amortised cost and which account for the largest share of our assets.

Investments  
(in mio. EUR)



Technical provisions  
(in mio. EUR)



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



## Competitive cost structure

Our acquisition costs reflect the composition of our portfolio and are thus subject to a certain level of fluctuation. In 2022, acquisition costs were up by a good EUR 4.7 million to EUR 59.8 million or 31.2% relative to net earned premiums. Transaction costs in the previous year came to EUR 55.1 million or 30.5%.

Headcount remained unchanged in 2022 at 24 employees. Our administrative costs were up from EUR 8.1 million in 2021 to EUR 8.6 million in 2022, mostly due to the appreciation of the Swiss franc against the Euro. The share of administrative costs relative to net earned premiums remained at 4.5%. We therefore retain an extraordinarily competitive cost ratio in the reinsurance sector.

## Unchanged dividend

In 2022, SIRe again demonstrated the quality of its strategy, which has now evolved over two decades. The challenges have risen continually in recent years due to climate change, effects of the pandemic and a more volatile economic environment. Nonetheless SIRe again exceeded its prior-year result in 2022. With reference to current capital commitments, the Board of Directors decided in December 2022 to exploit the opportunities arising from the hardening market and increase our shareholders' equity by EUR 25.0 million to EUR 205.2 million in the run-up to the January 2023 renewals. The Board of Directors also decided to propose an unchanged dividend to the General Meeting of EUR 7.0 million for the 2022 financial year. Following payment of the dividend, our shareholder equity will be EUR 198.2 million.

## Risk management assessment

SIRe employs modern company-specific risk management and internal control systems. They are 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 risk 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.

## Outlook: SI Re exploits massive market hardening

The January 2023 renewals were shaped by the eventful prior-year and its losses for insurers, both on investments and insurance business: the high frequency of costly claims from secondary perils plus inflation boosted demand for insurance cover. At the same time, retrocession market investors were only prepared to engage with the reinsurance market under strict conditions. The recurring severe claims from tropical windstorms and frequency risks weighed heavily.

In addition, solvency ratios fell across the sector following the equity and bond market slump. Insurers' risk-bearing capacity reduced for the first time since the 2007-2008 financial crisis. Risk capital in the industry plummeted by USD 50 billion to USD 350 billion at year-end. As premium volume also increased over the year, the industry solvency ratio fell to below 100%.<sup>1</sup>

As a result, rising demand had to contend with restricted capacity at the start of the year. This led to massive price increases, stricter conditions and tighter clauses. It was hard to find cover for programmes offering no scope for a recuperation of prior losses. Rates in the property business for non-loss afflicted programmes were up 30% to 40%, rising to over 50% for loss-afflicted programmes. Retentions doubled and capacity was often only available for lower frequency loss events. At the same time, ceding commissions shrank for proportional business, while loss participation increased.

We used the massive market hardening to further improve the profitability and diversification of our portfolio. In spite of a selective underwriting policy, we increased our premium volume by 4.4% to almost EUR 200 million, thus sustaining the consistent growth of recent years. Over 50% of the property business up for renewal was terminated or restructured. Over 66% of the non-proportional portfolio was terminated or restructured. XL priorities in the working layer for property rose by an average of 47% for the SI Re book of business.

We look to the rest of 2023 with optimism. Rates are likely to initially stabilise at a high level. Inflation will keep demand for insurance cover high. Moreover, we assume that the influx of fresh capacity will be restrained, as past losses continue to weigh heavily, and many investors are likely to seek less volatile investment opportunities than reinsurance in the current high interest rate environment.

Renewals  
(in mio. EUR)



1 Source: Howden, The Great Realignment, January 2023



# Balance sheet

(EUR)

## Assets

	Notes	31. 12. 2022 EUR	31. 12. 2021 EUR
Fixed-income securities	9	633'297'529	561'292'397
Other investments	10	149'728'476	179'555'087
<b>Total investments</b>		<b>783'026'005</b>	<b>740'847'485</b>
Deposits on ceded reinsurance business		17'872'760	18'022'960
Cash and cash equivalents		27'035'863	38'600'747
Reinsurer's share of technical provisions	11	8'739'539	7'187'441
Tangible assets		814'025	891'180
Deferred acquisition costs		3'694'578	3'379'958
Intangible assets		211'405	-
Receivables from insurance operations	6	50'088'483	53'329'877
Other receivables		28'260	9'075
Accrued income and prepaid expenses		4'654'160	4'482'684
<b>Total assets</b>		<b>896'165'077</b>	<b>866'751'407</b>

## Liabilities and shareholders' equity

Technical provisions	11	664'052'759	641'193'949
Non-technical provisions	12	17'541'699	42'126'683
Liabilities from insurance operations	7	8'626'307	4'059'054
Other liabilities	8	301'350	215'175
Accrued expenses and deferred income		482'804	459'562
<b>Total liabilities</b>		<b>691'004'919</b>	<b>688'054'423</b>
Share capital		83'166'999	83'166'999
Legal capital reserves		94'190'126	69'190'126
General legal reserves		4'998'337	4'998'337
Free reserves		22'804'695	21'341'522
<b>Total shareholders' equity</b>	3	<b>205'160'158</b>	<b>178'696'984</b>
<b>Total liabilities and shareholders' equity</b>		<b>896'165'077</b>	<b>866'751'407</b>

# Income statement

(EUR)

	Notes	2022 EUR	2021 EUR
Gross written premiums		194'165'972	183'447'928
Reinsurer's share of gross written premiums		-1'831'250	-1'725'000
<b>Net written premiums</b>		<b>192'334'722</b>	<b>181'722'928</b>
Net changes in reserves for unearned premiums		-407'498	-905'963
Reinsurer's share of net changes in reserves for unearned premiums		44'271	62'500
<b>Net earned premiums</b>		<b>191'971'494</b>	<b>180'879'465</b>
Other income from insurance operations – technical interest		1'342'099	1'485'402
<b>Total income from technical insurance operations</b>		<b>193'313'593</b>	<b>182'364'866</b>
Payments for insurance claims, gross		-104'493'585	-78'820'354
Reinsurer's share of payments for insurance claims		-	-
Net change in technical provisions	13	-21'440'997	-46'607'170
Reinsurer's share of change in technical provisions	13	1'507'827	6'468'691
<b>Total expenses on insurance claims for own account</b>		<b>-124'426'755</b>	<b>-118'958'833</b>
Acquisition costs and administration expenses	14	-68'391'966	-63'270'284
Reinsurer's share of acquisition costs and administration expenses		-	-
<b>Acquisition costs and administration expenses for own account</b>		<b>-68'391'966</b>	<b>-63'270'284</b>
Other technical expenses for own account		-948'229	-878'270
<b>Total expenses due to technical insurance operations</b>		<b>-193'766'950</b>	<b>-183'107'387</b>
Income from investments	15	13'918'002	18'918'242
Expenses on investments	16	-3'684'555	-8'587'644
<b>Investment result</b>		<b>10'233'447</b>	<b>10'330'598</b>
Other financial income		185'430	66'398
Other financial expenses		-440'106	-205'480
<b>Operating result</b>		<b>9'525'414</b>	<b>9'448'995</b>
Other income		3'605	655
Other expenses		-85'270	-78'359
<b>Net income before tax</b>		<b>9'443'749</b>	<b>9'371'291</b>
Direct tax		-980'575	-939'480
<b>Net income</b>		<b>8'463'173</b>	<b>8'431'811</b>



# Cash flow statement

(EUR)

	2022 EUR	2021 EUR
Net income	8'463'173	8'431'811
Valuation adjustments on tangible and intangible assets	153'742	599'519
Realised gains and losses on fixed-income securities	60'503	-1'296'505
Realised gains and losses on other investments	2'509'010	-838'640
Write-ups and write-downs on fixed income securities	-1'286'649	-2'433'723
Write-ups and write-downs on other investments	19'325'942	-3'015'607
Change in technical provisions	22'858'810	43'748'448
Change in reinsurer's share of technical provisions	-1'552'098	-
Change in deferred acquisition costs	-314'620	-
Change in equalisation provisions on investments	-22'379'951	2'912'092
Change in non-technical provisions	-2'205'033	-1'321'839
Change in balances resulting from technical accounts	7'958'849	-6'136'888
Changes in other assets	-19'185	136'716
Change in accrued income	-171'475	337'134
Change in other liabilities	86'175	-306'729
Change in accrued expenses	23'242	133'048
<b>Cash flow from operating activities</b>	<b>33'510'435</b>	<b>40'948'835</b>
Fixed-income securities	-70'778'986	-2'958'580
Other investments	7'991'660	-24'890'788
Tangible and intangible assets	-287'992	-137'047
<b>Cash flow from investment activities</b>	<b>-63'075'319</b>	<b>-27'986'414</b>
Dividend distribution	-7'000'000	-7'000'000
Capital contribution	25'000'000	-
<b>Cash flow from financing activities</b>	<b>18'000'000</b>	<b>-7'000'000</b>
<b>Net cash flow</b>	<b>-11'564'884</b>	<b>5'962'421</b>
Cash on 1 January	38'600'747	32'638'325
Cash on 31 December	27'035'863	38'600'747
<b>Change in cash</b>	<b>-11'564'884</b>	<b>5'962'421</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 (EUR). Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in Swiss Francs.

## 2. Accounting and valuation principles

### Foreign currencies

For the purposes of the balance sheet, translations are made into EUR 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. Unrealised exchange gains are reserved. The main foreign currencies and rates are:

<i>Currency</i>	<i>31. 12. 2022</i>	<i>31. 12. 2021</i>
EUR/USD	1.06725	1.13700
EUR/GBP	0.88534	0.84113
EUR/CHF	0.98956	1.03752

### Receivables and liabilities

Deposits/liabilities, cash and cash equivalents, receivables/liabilities from insurance operations, other receivables, accrued income and prepaid expenses/accrued expenses and deferred income as well as other liabilities are recorded at nominal value. In the event of indications of a (partial) default on a receivable, its value is adjusted accordingly.

### Tangible and intangible assets

Tangible and intangible assets are valued at acquisition cost minus accumulated valuation adjustments and accumulated depreciation. The write-downs are linear and based on the estimated useful economic life.

### 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. Shares in bond, equity and real estate funds are carried at fair value. Infrastructure funds and fixed-term deposits are recorded at acquisition cost or at the net investment value, if lower.

### **Share of technical provisions from reinsurance**

The shares of the technical provisions for the reinsurer arising from reinsured risks are recorded at nominal value. Value adjustments are made if necessary.

### **Deferred acquisition costs**

Deferred acquisition costs are calculated from paid commissions and are written down over the contract terms or, if applicable, over the shorter premium duration.

### **Technical provisions**

The technical provisions are non-discounted nominal values and comprise:

- Unearned premiums: The premiums are recorded on inception of the contract term. The unearned part of the premium is separated. In addition, any impending losses from unearned premiums are reserved, i.e. if the expectation is that the unearned premiums will not cover the future expenses on insurance claims for own account.
- Provisions for outstanding claims: Provisions are established for all incurred and reported losses up to preparation of the financial statements. Provisions are also formed for incurred but not yet reported losses. They are determined on the basis of actuarial calculations and factor in uncertainties.
- Other technical provisions: Attributable and non-attributable costs are reserved for settling reinsurance contracts. Equalisation provisions are established for uncertainties in the form of major claims fluctuations per financial year.
- Provision for future life benefits: The provision for future life benefits is established on the basis of the local calculation method, i.e. the value generated and reported in the country where the cedant's policy was signed.
- Contractual profit participation: This includes the no-claims bonus arising from a claims experience. In addition, shares of commissions and profit commissions are estimated and reserved on the basis of outstanding settlements. Actuarial profit participation can also be formed based on past experience and actuarial methods.

### **Non-technical provisions**

Equalisation reserves are established for investments in the spirit of prudent risk management – and in order to ensure the long-term health of the company. They are moderate in volume and based on a relatively long time horizon. They are for years in which investment volatility has a negative impact. 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. There are also provisions for unrealised foreign exchange gains as well as for employee benefits, such as separation of holiday and overtime entitlement as well as social insurance contributions. All non-technical provisions are set at nominal value.

### **Change in the presentation of technical provisions**

The technical provision items are now reported at gross value in the balance sheet. The prior-year values have been adjusted correspondingly in the balance sheet 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 31.12.2020	83'166'999	69'190'126	4'998'337	19'909'710	177'265'173
Movements during 2021					
- Appropriation of profits from prior year - dividend	-	-	-	-7'000'000	-7'000'000
- Result for 2021	-	-	-	8'431'811	8'431'811
<b>As at 31.12.2021</b>	<b>83'166'999</b>	<b>69'190'126</b>	<b>4'998'337</b>	<b>21'341'522</b>	<b>178'696'984</b>
Movements during 2022					
- Appropriation of profits from prior year - dividend	-	-	-	-7'000'000	-7'000'000
- Capital contribution	-	25'000'000	-	-	25'000'000
- Result for 2022	-	-	-	8'463'173	8'463'173
<b>As at 31.12.2022</b>	<b>83'166'999</b>	<b>94'190'126</b>	<b>4'998'337</b>	<b>22'804'695</b>	<b>205'160'158</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>31.12.2022 EUR</i>	<i>31.12.2021 EUR</i>
Securities	272'941'882	216'080'508
Current account	227'153	141'250
<b>Total book value of pledged assets</b>	<b>273'169'034</b>	<b>216'221'758</b>

The Zürcher Kantonalbank, Zurich, has granted SIGNAL IDUNA Reinsurance Ltd a credit facility of up to EUR 126.3 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. As at 31 December 2022, EUR 46.3 million (CHF 45.8 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 176.1 million on 31 December 2022.

## 5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2028: EUR 2'077'516 (CHF 2'055'826) (previous year: EUR 536'478 and CHF 556'607 respectively).

## 6. Receivables from insurance operations

	31. 12. 2022 EUR	31. 12. 2021 EUR
Receivables from agents and intermediaries	31'550'085	25'769'241
Receivables from insurance companies (third parties)	18'355'460	24'318'211
Receivables from Group companies	182'938	3'242'426
<b>Total receivables from insurance operations</b>	<b>50'088'483</b>	<b>53'329'877</b>

## 7. Liabilities from insurance operations

	31. 12. 2022 EUR	31. 12. 2021 EUR
Liabilities to agents and intermediaries	-223'176	-367'253
Liabilities to insurance companies (third parties)	-4'823'859	-3'205'399
Liabilities to Group companies	-3'579'272	-486'403
<b>Total liabilities from insurance operations</b>	<b>-8'626'307</b>	<b>-4'059'054</b>

## 8. Other liabilities

	31. 12. 2022 EUR	31. 12. 2021 EUR
Other liabilities to third parties	-166'135	-215'175
Other liabilities to Group companies	-135'215	-
<b>Total other liabilities</b>	<b>-301'350</b>	<b>-215'175</b>

## 9. Fixed-income securities

	31. 12. 2022 EUR	31. 12. 2021 EUR
Bonds	515'713'182	488'100'043
Covered bonds	16'162'027	21'761'684
Fixed-term deposits	39'238'760	414'630
Insurance Linked Securities (ILS)	62'183'560	51'016'041
<b>Total fixed-income securities</b>	<b>633'297'529</b>	<b>561'292'397</b>

## NOTES TO THE FINANCIAL STATEMENTS (EUR)

### 10. Other investment assets

	31. 12. 2022 EUR	31. 12. 2021 EUR
Other investments – recorded at fair values	139'053'183	171'641'357
Bond funds	52'365'450	91'543'803
Equity funds	63'065'330	56'848'399
Real estate funds	23'622'403	23'249'155
Other investments – valued at the lower of cost or market	10'675'293	7'913'730
Infrastructure funds	10'675'293	7'913'730
<b>Total other investments</b>	<b>149'728'476</b>	<b>179'555'087</b>

As of 31 December 2022, there were capital commitments not yet called for real estate and infrastructure funds to the amount of EUR 19'508'658.

### 11. Technical provisions

31. 12. 2022	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Unearned premiums	-17'895'735	763'021	-17'132'714
Provision for outstanding claims	-539'805'092	7'976'518	-531'828'575
Other technical provisions	-79'514'532	-	-79'514'532
Provision for future life benefits	-15'670'304	-	-15'670'304
Contractual profit participation	-11'167'096	-	-11'167'096
<b>Total technical provisions</b>	<b>-664'052'759</b>	<b>8'739'539</b>	<b>-655'313'221</b>
31. 12. 2021	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Unearned premiums	-17'456'215	718'750	-16'737'465
Provision for outstanding claims	-515'023'339	6'468'691	-508'554'648
Other technical provisions	-82'052'261	-	-82'052'261
Provision for future life benefits	-15'458'984	-	-15'458'984
Contractual profit participation	-11'203'150	-	-11'203'150
<b>Total technical provisions</b>	<b>-641'193'949</b>	<b>7'187'441</b>	<b>-634'006'508</b>

## 12. Non-technical provisions

	31. 12. 2022 EUR	31. 12. 2021 EUR
Equalisation provision on investments	-14'262'826	-36'642'777
Unrealised foreign exchange gains	-1'219'810	-3'544'696
Tax	-1'012'437	-992'965
Miscellaneous	-1'046'627	-946'246
<b>Total non-technical provisions</b>	<b>-17'541'699</b>	<b>-42'126'683</b>

In the 2022 financial year, net hidden reserves amounting to EUR 22'591'291 were released in accordance with Art. 960a, para. 4 CO.

## 13. Changes to technical provisions

2022	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Provision for outstanding claims	-25'128'360	1'507'827	-23'620'533
Other technical provisions	3'898'682	-	3'898'682
Provision for future life benefits	-211'320	-	-211'320
<b>Total changes to technical provisions</b>	<b>-21'440'997</b>	<b>1'507'827</b>	<b>-19'933'171</b>
	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
2021			
Provision for outstanding claims	-48'426'774	6'468'691	-41'958'083
Other technical provisions	1'985'164	-	1'985'164
Provision for future life benefits	-165'560	-	-165'560
<b>Total changes to technical provisions</b>	<b>-46'607'170</b>	<b>6'468'691</b>	<b>-40'138'479</b>

## 14. Acquisition costs and administration expenses

	2022 EUR	2021 EUR
Acquisition cost	-59'816'910	-55'141'527
Personnel expenses	-5'856'981	-5'168'585
Depreciation	-153'742	-599'519
Other administrative expenses	-2'564'334	-2'360'652
<b>Total acquisition costs and administration expenses</b>	<b>-68'391'966</b>	<b>-63'270'284</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>Total income from investments</i>
<b>2022</b>				
<i>EUR</i>				
Bonds	6'771'324	-	202'408	6'973'732
Covered bonds	283'585	-	-	283'585
Insurance Linked Securities	3'363'548	-	1'593	3'365'141
Bond funds	1'257'904	-	-	1'257'904
Equity funds	844'559	-	-	844'559
Real estate funds	512'953	416'636	-	929'589
Infrastructure funds	174'671	-	2'460	177'131
Fixed-term deposits	86'360	-	-	86'360
<b>Total</b>	<b>13'294'905</b>	<b>416'636</b>	<b>206'461</b>	<b>13'918'002</b>
<b>2021</b>				
<i>EUR</i>				
Bonds	6'838'962	-	1'300'073	8'139'035
Covered bonds	661'982	-	-	661'982
Insurance Linked Securities	2'196'293	-	4'958	2'201'251
Bond funds	1'367'638	-	-	1'367'638
Equity funds	1'143'366	3'638'409	838'640	5'620'415
Real estate funds	557'410	171'820	-	729'230
Infrastructure funds	190'735	-	-	190'735
Fixed-term deposits	7'957	-	-	7'957
<b>Total</b>	<b>12'964'343</b>	<b>3'810'229</b>	<b>2'143'670</b>	<b>18'918'242</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>2022</b>						
<i>EUR</i>						
Bonds	-	-	-243'043	-	-	-243'043
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'041'919	-	-21'461	-	-	-1'063'380
Bond funds	-6'888'250	-	-2'511'470	-	-	-9'399'720
Equity funds	-11'696'186	-	-	-	-	-11'696'186
Real estate funds	-43'388	-	-	-	-	-43'388
Infrastructure funds	-2'214'927	-	-	-	-	-2'214'927
Fixed-term deposits	-	-	-	-	-	-
	-	22'591'291	-	-814'767	-800'436	20'976'088
<b>Total</b>	<b>-21'884'669</b>	<b>22'591'291</b>	<b>-2'775'974</b>	<b>-814'767</b>	<b>-800'436</b>	<b>-3'684'555</b>
<b>2021</b>						
<i>EUR</i>						
Bonds	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-2'990'200	-	-8'525	-	-	-2'200'431
Bond funds	-830'357	-	-	-	-	-830'357
Equity funds	-52'420	-	-	-	-	-3'492'420
Real estate funds	-146'729	-	-	-	-	-171'820
Infrastructure funds	-29'432	-	-	-	-	-29'432
Fixed-term deposits	-	-	-	-	-	-
	-	-2'666'797	-	-961'268	-901'917	-1'863'185
<b>Total</b>	<b>-4'049'137</b>	<b>-2'666'797</b>	<b>-8'525</b>	<b>-961'268</b>	<b>-901'917</b>	<b>-8'587'644</b>

NOTES TO THE FINANCIAL STATEMENTS  
(EUR)

17. Information on the auditor's fee

	2022 EUR	2021 EUR
Audit services	98'820	83'501
Other services	-	-

18. Information on gross premiums

	2022 %	2021 %
Property	27.5	25.9
Motor	18.2	19.3
Accident & Health	14.9	15.9
Life	13.9	13.7
Engineering	10.9	9.3
Liability	9.4	10.9
Marine	3.7	3.4
Agriculture	1.4	1.5
Cyber	0.1	0.1
Total	100.0	100.0
Group business accounts for percentage of total gross premiums	25.5	26.5

## 19. Information on the technical result

	2022 EUR	2021 EUR
Net earned premiums	191'971'494	180'879'465
Other income from insurance operations – technical interest	1'342'099	1'485'402
Acquisition cost	-59'816'910	-55'141'527
Expenses on insurance claims for own account	-124'426'755	-118'958'833
Other technical expenses for own account	-948'229	-878'270
<b>Total technical result</b>	<b>8'121'699</b>	<b>7'386'236</b>
Combined Ratio	96.5 %	96.7 %

## 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. 2022 CHF	31. 12. 2021 CHF
Fixed-income securities	9	626'685'903	582'352'088
Other investments	10	148'165'311	186'291'994
<b>Total investments</b>		<b>774'851'213</b>	<b>768'644'082</b>
Deposits on ceded reinsurance business		17'686'168	18'699'182
Cash and cash equivalents		26'753'609	40'049'047
Reinsurer's share of technical provisions	11	8'648'298	7'457'114
Tangible assets		805'527	924'617
Deferred acquisition costs		3'656'006	3'506'774
Intangible assets		209'198	-
Receivables from insurance operations	6	49'565'559	55'330'814
Other receivables		27'964	9'415
Accrued income and prepaid expenses		4'605'570	4'650'875
<b>Total assets</b>		<b>886'809'113</b>	<b>899'271'920</b>

## Liabilities and shareholders' equity

Technical provisions	11	657'120'048	665'251'546
Non-technical provisions	12	17'358'564	43'707'276
Liabilities from insurance operations	7	8'536'249	4'211'349
Other liabilities	8	298'203	223'248
Accrued expenses and deferred income		477'763	476'805
<b>Total liabilities</b>		<b>683'790'828</b>	<b>713'870'225</b>
Share capital		100'000'000	100'000'000
Legal capital reserves		105'502'958	80'915'458
General legal reserves		6'010'000	6'010'000
Free reserves		23'557'465	22'804'224
Conversion difference		-32'052'137	-24'327'988
<b>Total shareholders' equity</b>	3	<b>203'018'286</b>	<b>185'401'695</b>
<b>Total liabilities and shareholders' equity</b>		<b>886'809'113</b>	<b>899'271'920</b>

# Income statement

(CHF)

	Notes	2022 CHF	2021 CHF
Gross written premiums		192'138'879	190'330'894
Reinsurer's share of gross written premiums		-1'812'132	-1'789'722
<b>Net written premiums</b>		<b>190'326'747</b>	<b>188'541'172</b>
Net changes in reserves for unearned premiums		-403'244	-939'955
Reinsurer's share of net changes in reserves for unearned premiums		43'809	64'845
<b>Net earned premiums</b>		<b>189'967'312</b>	<b>187'666'062</b>
Other income from insurance operations – technical interest		1'328'087	1'541'134
<b>Total income from technical insurance operations</b>		<b>191'295'399</b>	<b>189'207'196</b>
Payments for insurance claims, gross		-103'402'672	-81'777'694
Reinsurer's share of payments for insurance claims		-	-
Net change in technical provisions	13	-21'217'153	-48'355'871
Reinsurer's share of change in technical provisions	13	1'492'085	6'711'396
<b>Total expenses on insurance claims for own account</b>		<b>-123'127'740</b>	<b>-123'422'169</b>
Acquisition costs and administration expenses	14	-67'677'954	-65'644'185
Reinsurer's share of acquisition costs and administration expenses		-	-
<b>Acquisition costs and administration expenses for own account</b>		<b>-67'677'954</b>	<b>-65'644'185</b>
Other technical expenses for own account		-938'329	-911'223
<b>Total expenses due to technical insurance operations</b>		<b>-191'744'023</b>	<b>-189'977'576</b>
Income from investments	15	13'772'698	19'628'054
Expenses on investments	16	-3'646'088	-8'909'853
<b>Investment result</b>		<b>10'126'610</b>	<b>10'718'202</b>
Other financial income		183'494	68'890
Other financial expenses		-435'511	-213'190
<b>Operating result</b>		<b>9'425'968</b>	<b>9'803'521</b>
Other income		3'567	679
Other expenses		-84'380	-81'299
<b>Net income before tax</b>		<b>9'345'156</b>	<b>9'722'902</b>
Direct tax		-970'338	-974'729
<b>Net income</b>		<b>8'374'818</b>	<b>8'748'173</b>

# Cash flow statement

(CHF)

	2022 CHF	2021 CHF
Net income	8'374'818	8'343'783
Valuation adjustments on tangible and intangible assets	152'136	622'013
Realised gains and losses on fixed-income securities	59'872	-1'345'150
Realised gains and losses on other investments	2'482'816	-870'106
Write-ups and write-downs on fixed income securities	-1'273'216	-2'525'037
Write-ups and write-downs on other investments	19'124'179	-3'128'752
Change in technical provisions	22'620'164	45'389'889
Change in reinsurer's share of technical provisions	-1'535'894	-
Change in deferred acquisition costs	-311'335	-
Change in equalisation provisions on investments	-22'146'304	3'021'353
Change in non-technical provisions	-2'182'013	-1'371'434
Change in balances resulting from technical accounts	7'875'758	-6'367'144
Changes in other assets	-18'985	141'845
Change in accrued income	-169'685	349'783
Change in other liabilities	85'275	-318'238
Change in accrued expenses	22'999	138'040
<b>Cash flow from operating activities</b>	<b>33'160'586</b>	<b>42'485'236</b>
Fixed-income securities	-70'040'054	-3'069'586
Other investments	7'908'227	-25'824'690
Tangible and intangible assets	-284'986	-142'189
<b>Cash flow from investment activities</b>	<b>-62'416'813</b>	<b>-29'036'464</b>
Dividend distribution	-7'621'578	-7'262'640
Capital contribution	24'587'500	-
<b>Cash flow from financing activities</b>	<b>16'965'922</b>	<b>-7'262'640</b>
<b>Net cash flow</b>	<b>-12'290'304</b>	<b>6'186'131</b>
Cash on 1 January	40'049'047	35'288'557
Exchange rate difference on cash and cash equivalents	1'005'134	1'425'642
Cash on 31 December	26'753'609	40'049'047
<b>Change in cash</b>	<b>-12'290'304</b>	<b>6'186'131</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 (EUR). Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in Swiss Francs.

## 2. Accounting and valuation principles

### Foreign currencies

For the purposes of the balance sheet, translations are made into EUR 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. Unrealised exchange gains are reserved. The main foreign currencies and rates are:

<i>Currency</i>	<i>31. 12. 2022</i>	<i>31. 12. 2021</i>
EUR/USD	1.06725	1.13700
EUR/GBP	0.88534	0.84113
EUR/CHF	0.98956	1.03752

### Receivables and liabilities

Deposits/liabilities, cash and cash equivalents, receivables/liabilities from insurance operations, other receivables, accrued income and prepaid expenses/accrued expenses and deferred income as well as other liabilities are recorded at nominal value. In the event of indications of a (partial) default on a receivable, its value is adjusted accordingly.

### Tangible and intangible assets

Tangible and intangible assets are valued at acquisition cost minus accumulated valuation adjustments and accumulated depreciation. The write-downs are linear and based on the estimated useful economic life.

### 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. Shares in bond, equity and real estate funds are carried at fair value. Infrastructure funds and fixed-term deposits are recorded at acquisition cost or at the net investment value, if lower.



### **Share of technical provisions from reinsurance**

The shares of the technical provisions for the reinsurer arising from reinsured risks are recorded at nominal value. Value adjustments are made if necessary.

### **Deferred acquisition costs**

Deferred acquisition costs are calculated from paid commissions and are written down over the contract terms or, if applicable, over the shorter premium duration.

### **Technical provisions**

The technical provisions are non-discounted nominal values and comprise:

- Unearned premiums: The premiums are recorded on inception of the contract term. The unearned part of the premium is separated. In addition, any impending losses from unearned premiums are reserved, i.e. if the expectation is that the unearned premiums will not cover the future expenses on insurance claims for own account.
- Provisions for outstanding claims: Provisions are established for all incurred and reported losses up to preparation of the financial statements. Provisions are also formed for incurred but not yet reported losses. They are determined on the basis of actuarial calculations and factor in uncertainties.
- Other technical provisions: Attributable and non-attributable costs are reserved for settling reinsurance contracts. Equalisation provisions are established for uncertainties in the form of major claims fluctuations per financial year.
- Provision for future life benefits: The provision for future life benefits is established on the basis of the local calculation method, i.e. the value generated and reported in the country where the cedant's policy was signed.
- Contractual profit participation: This includes the no-claims bonus arising from a claims experience. In addition, shares of commissions and profit commissions are estimated and reserved on the basis of outstanding settlements. Actuarial profit participation can also be formed based on past experience and actuarial methods.

### **Non-technical provisions**

Equalisation reserves are established for investments in the spirit of prudent risk management – and in order to ensure the long-term health of the company. They are moderate in volume and based on a relatively long time horizon. They are for years in which investment volatility has a negative impact. 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. There are also provisions for unrealised foreign exchange gains as well as for employee benefits, such as separation of holiday and overtime entitlement as well as social insurance contributions. All non-technical provisions are set at nominal value.

### **Change in the presentation of technical provisions**

The technical provision items are now reported at gross value in the balance sheet. The prior-year values have been adjusted correspondingly in the balance sheet 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 31.12.2020	100'000'000	80'915'458	6'010'000	21'772'892	-17'039'245	191'659'105
Movements during 2021						
- Appropriation of profits from prior year - dividend	-	-	-	-7'716'840	-	-7'716'840
- Result for 2021	-	-	-	8'748'173	-	8'748'173
Conversion difference					-7'288'742	-7'288'742
<b>As at 31.12.2021</b>	<b>100'000'000</b>	<b>80'915'458</b>	<b>6'010'000</b>	<b>22'804'224</b>	<b>-24'327'988</b>	<b>185'401'695</b>
Movements during 2022						
- Appropriation of profits from prior year - dividend	-	-	-	-7'621'578	-	-7'621'578
- Capital contribution	-	24'587'500	-	-	-	24'587'500
- Result for 2022	-	-	-	8'374'818	-	8'374'818
Conversion difference					-7'724'150	-7'724'150
<b>As at 31.12.2022</b>	<b>100'000'000</b>	<b>105'502'958</b>	<b>6'010'000</b>	<b>23'557'465</b>	<b>-32'052'137</b>	<b>203'018'286</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>31.12.2022 CHF</i>	<i>31.12.2021 CHF</i>
Securities	270'092'368	224'187'849
Current account	224'781	146'550
<b>Total book value of pledged assets</b>	<b>270'317'150</b>	<b>224'334'399</b>

The Zürcher Kantonalbank, Zurich, has granted SIGNAL IDUNA Reinsurance Ltd a credit facility of up to 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. As at 31 December 2022, CHF 45.8 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 174.2 million on 31 December 2022.

## 5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2028: CHF 2'055'826 (previous year: CHF 556'607)

## 6. Receivables from insurance operations

	31. 12. 2022 CHF	31. 12. 2021 CHF
Receivables from agents and intermediaries	31'220'702	26'736'103
Receivables from insurance companies (third parties)	18'163'829	25'230'630
Receivables from Group companies	181'028	3'364'081
<b>Total receivables from insurance operations</b>	<b>49'565'559</b>	<b>55'330'814</b>

## 7. Liabilities from insurance operations

	31. 12. 2022 CHF	31. 12. 2021 CHF
Liabilities to agents and intermediaries	-220'846	-381'032
Liabilities to insurance companies (third parties)	-4'773'498	-3'325'665
Liabilities to Group companies	-3'541'904	-504'652
<b>Total liabilities from insurance operations</b>	<b>-8'536'249</b>	<b>-4'211'349</b>

## 8. Other liabilities

	31. 12. 2022 CHF	31. 12. 2021 CHF
Other liabilities to third parties	-164'400	-223'248
Other liabilities to Group companies	-133'803	-
<b>Total other liabilities</b>	<b>-298'203</b>	<b>-223'248</b>

## 9. Fixed-income securities

	31. 12. 2022 CHF	31. 12. 2021 CHF
Bonds	510'329'137	506'413'557
Covered bonds	15'993'295	22'578'182
Fixed-term deposits	38'829'107	430'187
Insurance Linked Securities (ILS)	61'534'363	52'930'162
<b>Total fixed-income securities</b>	<b>626'685'903</b>	<b>582'352'088</b>

## NOTES TO THE FINANCIAL STATEMENTS (CHF)

### 10. Other investment assets

	31. 12. 2022 CHF	31. 12. 2021 CHF
Other investments – recorded at fair values	137'601'468	178'081'341
Bond funds	51'818'755	94'978'527
Equity funds	62'406'928	58'981'350
Real estate funds	23'375'785	24'121'463
Other investments – valued at the lower of cost or market	10'563'843	8'210'654
Infrastructure funds	10'563'843	8'210'654
<b>Total other investments</b>	<b>148'165'311</b>	<b>186'291'994</b>

As of 31 December 2022, there were capital commitments not yet called for real estate and infrastructure funds to the amount of CHF 19'304'988.

### 11. Technical provisions

31. 12. 2022	CHF Gross	CHF Retro	CHF Net
Unearned premiums	-17'708'904	755'055	-16'953'849
Provision for outstanding claims	-534'169'527	7'893'243	-526'276'284
Other technical provisions	-78'684'400	-	-78'684'400
Provision for future life benefits	-15'506'706	-	-15'506'706
Contractual profit participation	-11'050'512	-	-11'050'512
<b>Total technical provisions</b>	<b>-657'120'048</b>	<b>8'648'298</b>	<b>-648'471'751</b>
31. 12. 2021	CHF Gross	CHF Retro	CHF Net
Unearned premiums	-18'111'173	745'718	-17'365'455
Provision for outstanding claims	-534'347'014	6'711'396	-527'635'618
Other technical provisions	-85'130'862	-	-85'130'862
Provision for future life benefits	-16'039'005	-	-16'039'005
Contractual profit participation	-11'623'493	-	-11'623'493
<b>Total technical provisions</b>	<b>-665'251'546</b>	<b>7'457'114</b>	<b>-657'794'432</b>

## 12. Non-technical provisions

	31. 12. 2022 CHF	31. 12. 2021 CHF
Equalisation provision on investments	-14'113'922	-38'017'614
Unrealised foreign exchange gains	-1'207'075	-3'677'693
Tax	-1'001'867	-1'030'221
Miscellaneous	-1'035'700	-981'749
<b>Total non-technical provisions</b>	<b>-17'358'564</b>	<b>-43'707'276</b>

In the 2022 financial year, net hidden reserves amounting to CHF 22'355'438 were released in accordance with Art. 960a, para. 4 CO.

## 13. Changes to technical provisions

2022	CHF Gross	CHF Retro	CHF Net
Provision for outstanding claims	-24'866'020	1'492'085	-23'373'935
Other technical provisions	3'857'980	-	3'857'980
Provision for future life benefits	-209'114	-	-209'114
<b>Total changes to technical provisions</b>	<b>-21'217'153</b>	<b>1'492'085</b>	<b>-19'725'068</b>
2021	CHF Gross	CHF Retro	CHF Net
Provision for outstanding claims	-50'243'747	6'711'396	-43'532'351
Other technical provisions	2'059'648	-	2'059'648
Provision for future life benefits	-171'772	-	-171'772
<b>Total changes to technical provisions</b>	<b>-48'355'871</b>	<b>6'711'396</b>	<b>-41'644'475</b>

## 14. Acquisition costs and administration expenses

	2022 CHF	2021 CHF
Acquisition cost	-59'192'421	-57'210'437
Personnel expenses	-5'795'835	-5'362'510
Depreciation	-152'136	-622'013
Other administrative expenses	-2'537'562	-2'449'224
<b>Total acquisition costs and administration expenses</b>	<b>-67'677'954</b>	<b>-65'644'185</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CHF)

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

2022	<i>Current income</i>	<i>Write-ups</i>	<i>Realised gains</i>	<i>Total income from investments</i>
<i>CHF</i>				
Bonds	6'700'631	-	200'295	6'900'926
Covered bonds	280'625	-	-	280'625
Insurance Linked Securities	3'328'433	-	1'576	3'330'009
Bond funds	1'244'771	-	-	1'244'771
Equity funds	835'742	-	-	835'742
Real estate funds	507'598	412'286	-	919'884
Infrastructure funds	172'848	-	2'434	175'282
Fixed-term deposits	85'458	-	-	85'458
<b>Total</b>	<b>13'156'106</b>	<b>412'286</b>	<b>204'306</b>	<b>13'772'698</b>
2021				
<i>CHF</i>				
Bonds	7'095'560	-	1'348'852	8'444'412
Covered bonds	686'819	-	-	686'819
Insurance Linked Securities	2'278'698	-	5'144	2'283'842
Bond funds	1'418'951	-	-	1'418'951
Equity funds	1'186'265	3'774'922	870'106	5'831'293
Real estate funds	578'324	178'267	-	756'591
Infrastructure funds	197'892	-	-	197'892
Fixed-term deposits	8'255	-	-	8'255
<b>Total</b>	<b>13'450'765</b>	<b>3'953'189</b>	<b>2'224'101</b>	<b>19'628'054</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>2022</b>						
<i>CHF</i>						
Bonds	-	-	-240'506	-	-	-240'506
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'031'041	-	-21'237	-	-	-1'052'278
Bond funds	-6'816'337	-	-2'485'250	-	-	-9'301'586
Equity funds	-11'574'077	-	-	-	-	-11'574'077
Real estate funds	-42'935	-	-	-	-	-42'935
Infrastructure funds	-2'191'803	-	-	-	-	-2'191'803
Fixed-term deposits	-	-	-	-	-	-
	-	22'355'438	-	-806'261	-792'079	20'757'098
<b>Total</b>	<b>-21'656'193</b>	<b>22'355'438</b>	<b>-2'746'993</b>	<b>-806'261</b>	<b>-792'079</b>	<b>-3'646'088</b>
<b>2021</b>						
<i>CHF</i>						
Bonds	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-3'102'392	-	-8'845	-	-	-2'282'991
Bond funds	-861'512	-	-	-	-	-861'512
Equity funds	-54'387	-	-	-	-	-3'623'456
Real estate funds	-152'234	-	-	-	-	-178'266
Infrastructure funds	-30'536	-	-	-	-	-30'536
Fixed-term deposits	-	-	-	-	-	-
	-	-2'766'856	-	-997'335	-935'757	-1'933'091
<b>Total</b>	<b>-4'201'061</b>	<b>-2'766'856</b>	<b>-8'845</b>	<b>-997'335</b>	<b>-935'757</b>	<b>-8'909'853</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CHF)

17. Information on the auditor's fee

	2022 CHF	2021 CHF
Audit services	97'788	86'634
Other services	-	-

18. Information on gross premiums

	2022 %	2021 %
Property	27.5	25.9
Motor	18.2	19.3
Accident & Health	14.9	15.9
Life	13.9	13.7
Engineering	10.9	9.3
Liability	9.4	10.9
Marine	3.7	3.4
Agriculture	1.4	1.5
Cyber	0.1	0.1
Total	100.0	100.0
Group business accounts for percentage of total gross premiums	25.5	26.5



## 19. Information on the technical result

	2022 CHF	2021 CHF
Net earned premiums	189'967'312	187'666'062
Other income from insurance operations – technical interest	1'328'087	1'541'134
Acquisition cost	-59'192'421	-57'210'437
Expenses on insurance claims for own account	-123'127'740	-123'422'169
Other technical expenses for own account	-938'329	-911'223
<b>Total technical result</b>	<b>8'036'908</b>	<b>7'663'368</b>
Combined Ratio	96.5 %	96.7 %

## 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 2021	14'341'522
Net income for 2022	8'463'173
<b>Free reserves available to the General Meeting</b>	<b>22'804'695</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>15'804'695</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 23'557'465.



# Proposal for the appropriation of profits

(CHF)

CHF

Voluntary profit reserves after appropriation of profits for 2021	15'182'647
Net income for 2022	8'374'818
<b>Free reserves available to the General Meeting</b>	<b>23'557'465</b>

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

Dividend distribution	7'410'547
<b>Free reserves carried forward to new account</b>	<b>16'146'917</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 23'557'465.

# Auditor's report

Report of the Statutory Auditor  
to the General Meeting of  
SIGNAL IDUNA Reinsurance Ltd  
Zug

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of SIGNAL IDUNA Reinsurance Ltd (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 15–45) comply with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the «Auditor's Responsibilities for the Audit of the Financial Statements» section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other Information

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

Our opinion on the financial statements (pages 15 to 45) comply does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of Directors' Responsibilities for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 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

Sabina-Ioana Nitescu  
Licensed Audit Expert

Zurich, 21 April 2023





## Publisher's imprint

Publisher:  
SIGNAL IDUNA Reinsurance Ltd, Zug

Concept and text:  
Faber Consulting AG, Zurich

Design and typesetting:  
Screenlounge AG, Zurich

Translation:  
John Knox, Langnau am Albis

April 2023

The Annual Report is published in German, English and French.  
In the case of inconsistencies in the English and French translations,  
the German original version shall prevail.

Picture credits:  
© Rolf Kröger

Rolf Kröger (1944–2021) lived and worked in Brissago (CH). He trained as a sculptor with Alex Naef at the Sculpture School in Peccia (CH).

Rolf Kröger's work centred around stone. He combined it almost exclusively with metals, especially stainless steel. His biggest work was an almost six-metre high sculpture for the Concorde Mémorial in Paris, in memory of the 113 victims of the Concorde plane crash in 2000.

As a painter, he also transferred his love of surfaces to canvas and painted with his own distinct mixed technique comprising several layers of the most varied materials. That was how he brought the magic of the stone crusts to the seemingly only two-dimensional canvas.

Rolf Kröger exhibited in different European countries and attended many art exhibitions. Several of his big sculptures are exhibited on the shores of Lake Maggiore in Brissago.



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