



ANNUAL REPORT 2023

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

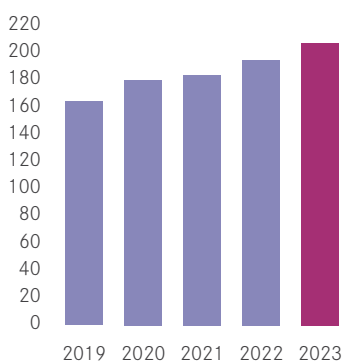
Fitch: A- «Outlook stable»

Auditors

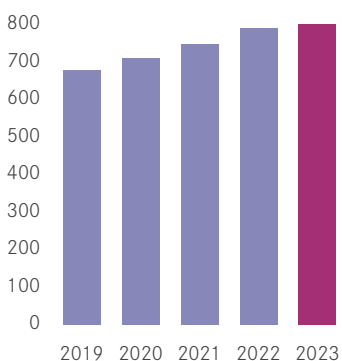
KPMG AG, Zurich

Key figures

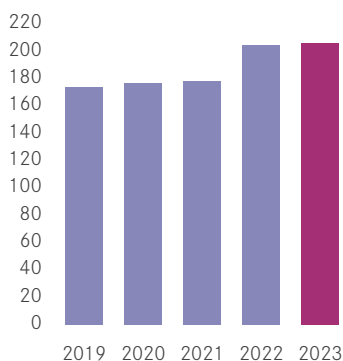
Gross written premiums
(in mio. EUR)



Investments
(in mio. EUR)



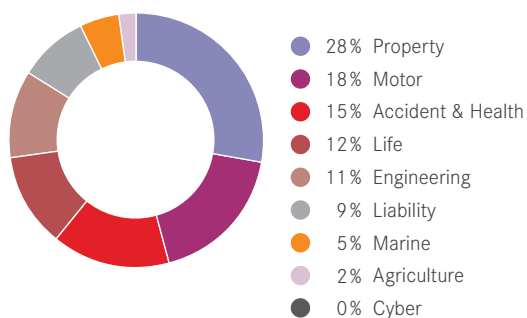
Shareholders' equity
before dividend distribution
(in mio. EUR)



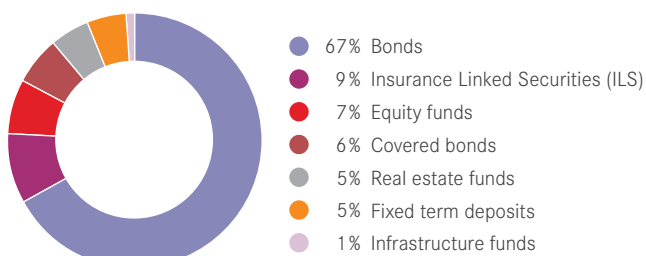
	2023 (in Mio. EUR)	2022 (in Mio. EUR)
Gross written premiums	206.7	194.2
Net earned premiums	203.2	192.0
Technical result	9.5	7.1
Net investment income, before deduction of technical interest	15.1	11.0
Net income	8.8	8.5
Technical provisions	676.6	664.1
Investments	795.3	783.0
Shareholders' equity (before dividend distribution)	207.0	205.2

Portfolio composition 2023

Lines of business



Investments





Dr. Klaus Sticker

Bertrand R. Wollner

Report of the Board of Directors and the Executive Board

Despite numerous natural phenomena, SI Re achieved higher net income in 2023 than in the previous year. We used the massive market hardening at the start of the year to again improve the profitability of our company, drive diversification and expand our client base. This also enabled us to further improve the resilience of our portfolio.

Net income increased to EUR 8.8 million in the 2023 financial year. That corresponds to an increase of 4.2% over the prior-year result of EUR 8.5 million. Reported shareholder equity of EUR 207.0 million remains at the high level of 22.2% of the balance sheet total of EUR 933.2 million.

The 2023 renewals represented a paradigm shift for the entire insurance industry. The convergence of economic, geopolitical and climate-related uncertainties and almost complete absence of the retrocession markets reduced the available reinsurance capital, while cedants had higher insured sums due to inflation. Following a long and turbulent negotiation phase there were significant price increases, especially in property. Insurance conditions and clauses also tightened, insurers' retentions rose markedly while reinsurers focused on higher layers.

Our client base expanded by a further 6.0%. We grew the business in regions and markets in a targeted manner, whereby market conditions developed in line with our forecasts. Net earned premiums increased by 5.9% to EUR 203.2 million.

We used this market development to qualitatively enhance our portfolio. At renewal, over 50% of the property business and over 66% of non-proportional contracts in this line were terminated and restructured at improved conditions or replaced by new business. Overall, our technical result improved by 34.4% through these measures to EUR 9.5 million. That corresponds to 4.7% of net earned premiums, compared with 3.7% in the previous year.

Europe experienced a high number of convective storms during the reporting year, which exceeded the USD 1 billion claims threshold. After the earthquake in Turkey at the start of the year, there was a series of severe weather events during the summer months in Italy, France and Scandinavia, which are complicating and raising the cost of insuring these frequency losses. Nonetheless, we succeeded in maintaining our net combined ratio at the prior-year level of 96.5%.

The composition of our insurance book of business remained broadly unchanged. The share of Group business fell again from 25.5% in the previous year to 24.4% in 2023.

We maintained our prudent reserving practice during the year. The coverage ratio, which is the ratio of net technical provisions to net earned premiums, remained at a high level of 331.2%.

The investment holding on 31 December 2023 was 1.6% up on the previous year at EUR 795.3 million. At A+, the quality of fixed-income securities – excluding our holding of Insurance Linked Securities (ILS) – and cash and cash equivalents remained high. Fixed-income investments accounted for the largest share at 86.9%. Our ILS investments amounted to 9.2% of our portfolio.

Despite the highly volatile financial and capital markets during the year, the equalisation provisions for investments at year-end were significantly strengthened and now amount to 2.9% of recognised investments, following 1.8% in the previous year.

During the reporting year, we generated current income of EUR 20.7 million from investments, compared to EUR 13.3 million in the previous year. That corresponds to a return of 2.6% in terms of average investment levels. The total return on investment after asset management expenses and prior to allocation to the equalisation provisions was 3.1%, compared to -1.5% in the previous year.

Acquisition costs of EUR 61.6 million (prior year EUR 59.8 million) remained at a similar level to the previous year at 30.3% measured by net earned premiums.

Due to the growth in business volume and increased requirements in all areas, our headcount rose from 24 to 28 persons. Administrative costs increased from EUR 8.6 million to EUR 10.3 million due, in particular, because the Euro continued to weaken against the Swiss franc. As a result, the ratio of administrative costs to net earned premiums increased from 4.5% to 5.1%.

SI Re has been rated «A-» by Fitch for years, as confirmed again in 2023. Our solvency ratio is still significantly higher than what is required by the Swiss Financial Market Supervisory Authority FINMA. The Board of Directors proposes to the General Meeting a higher dividend of EUR 8.0 million. After adjustment for this sum, our shareholder equity will come to EUR 199.0 million.

We would again like to thank our cedants and brokers most sincerely this year for their confidence in us. We also owe a debt of gratitude to our employees without whose sustained strong and reliable commitment we would not have been able to achieve this success.



Dr. Klaus Sticker
Chairman of the Board of Directors



Bertrand R. Wollner
Chief Executive Officer

Review of the 2023 financial year

Business performance

In 2023, SIRe also used the significant market hardening to increase the profitability of its portfolio during the renewal. In doing so, the company focused in equal measure on a qualitative revaluation of the book of business through improved conditions, and broader diversification through the ongoing expansion of our client relationships. These measures already made a difference in the 2023 financial year and we are convinced that we have successfully structured the portfolio to be resilient against market fluctuations over the long term.

Our balance sheet total increased by 4.1% to EUR 933.2 million, thus mirroring the consistent growth of our business activity. Our shareholders' capital rose slightly to EUR 207.0 million. That corresponds to 22.2% of the balance sheet total, which is consistent with the stable high level of previous years. Profit increased by 4.2% over the previous year from EUR 8.5 million to EUR 8.8 million.

Notwithstanding a hectic renewals round, our client base grew by a further 6.0%, demonstrating cedants' high demand for SIRe's reliable capacity and expertise. The share of Group business was down again at 24.4%, from 25.5% in the previous year.

2023 renewals lead to significant market hardening

The high number of natural catastrophes combined with the ongoing economic and political uncertainties in 2022 triggered the first reduction in reinsurance capacity since the major financial crisis in 2008. Global reinsurance capital fell from a record USD 571 billion at the end of 2021 to USD 530 billion. At the same time, the retrocession market hardly featured as investors lost confidence in the reinsurance sector and its ability to manage growing natural catastrophe losses. This prompted the insurance industry to restrict cover more than had been anticipated in 2023.

The 2023 renewals in Europe saw price increases exceeding 30% for property-catastrophe reinsurance contracts. The European market also saw a 23% rise in the 2022 renewals with the impact of storm «Bernd», cumulating in an increase totalling 67% from 2017 to 2023. Negotiations focused not only on price corrections, as they also resulted in higher retentions, lower sums insured and a restriction of capacity for certain contract structures, especially aggregate covers.

Gross written premiums (in mio. EUR)



Improved profitability over the long term

SIRe used the improved market conditions to further strengthen its own profitability and the resilience of its portfolio. Over 50% of the property business up for renewal was terminated or restructured. This figure was 66% for the non-proportional book of business. Excess of loss priorities in the working layer for property rose by an average of 47%. Prices increased by over 40%. In catastrophe covers, the average increase in priorities was as high as 70%, while prices rose by over 20%. We also saw double-digit price increases in non-proportional business, with a good 17% in engineering. In the other P&C lines, price increases were between 5% and 7%.

Despite massive restructuring and the growing focus on non-proportional business – that normally entails lower premium volume with simultaneous higher margins plus improved control of covered risks – our earned premiums increased by 5.9% to EUR 203.2 million, compared to EUR 192.0 million in 2022.

The technical result improved by 34.4% to EUR 9.5 million, following EUR 7.1 million in 2022, equating to 4.7% of net earned premiums compared to 3.7% in the previous year.

Technical result (in mio. EUR)



The line-mix remained largely stable. While property and motor insurance were up slightly at 28.2% and 18.4%, respectively, the share of life reinsurance and accident and health was a bit lower at 12.1% and 14.5%, respectively. Moreover, we were successful in writing new business in the marine, engineering and liability lines. There were also minor shifts in the country mix.

High natural catastrophe losses

With insured losses in excess of USD 100 billion, 2023 was again above the 10-year average. There was no extreme individual event in 2023, in contrast to the previous year with Hurricane «Ian». On the other hand, there were many smaller and medium-sized natural catastrophes, amounting to insured losses of almost USD 80 billion. In excess of 20 severe convective storms (SCS) each incurring insured losses of over USD 1 billion, caused total losses of USD 46.5 billion. There were 69 major SCS events worldwide in 2023, triggering losses of more than USD 60 billion. A common feature of these loss events is that their severity and frequency are increasing through climate change and they are almost impossible to model.

Europe – and therefore also parts of our portfolio – was also impacted by major natural catastrophe losses in 2023. The earthquake in Turkey at the start of the year set the tone. Then Italy experienced heavy flooding in early summer and then two hailstorms in midsummer. The severity of these events was a stark reminder of the Mediterranean region's higher exposure to climate change. In August, Storm «Hans» hit Scandinavia, bringing with it heavy rainfall, flooding and landslides. There were also losses ensuing from the social unrest in France.

Besides the high natural catastrophe claims burden, inflation also continued to have an impact on Europe's insurance business. In 2023, SIRe thus opted to maintain its prudent reserving practice. The coverage ratio: the ratio of net technical provisions to net earned premiums, remained at a similar level to the previous year at 331.2%.

More financial market turbulence

In 2023, the capital markets calmed somewhat relative to the turbulent prior year. Nonetheless, the uncertainties in the first quarter related to the US and Swiss banking sectors, culminating in the acquisition of Credit Suisse by UBS, again posed challenges to the capital markets. In the second quarter, economic and recessionary concerns weighed on sentiment in Europe, while third-quarter inflationary fears due to major oil price increases as well as weak corporate results, problems in the Chinese financial sector and the latest flare-up in the Middle East conflict dampened the outlook. In the fourth quarter, however, equities and bonds staged a year-end rally, bolstered by lower inflation figures and indications from the central banks that the interest rate tightening cycle had come to an end. The bond markets also remained volatile. Falling prices and rising yields were in evidence until October. 10-year German federal bonds appreciated for a time to over 3%, before receding to just below 2% as inflationary concerns subsided.

For reinsurers, however, this development heralded the return of attractive earnings on fixed-income investments for the first time in years. SIRe realised current income from investments of EUR 20.7 million during the year under review, following EUR 13.3 million in the previous year. That represents an increase of over 55% and corresponds to a return of 2.6% in terms of average investment levels. New and repeat investments in bonds and covered bonds contributed in particular to the promising result as they again posted attractive interest income in 2023. Returns on our ILS investments also contributed, as did unrealised equity fund earnings.

The good investment year enabled the accumulation of fluctuation reserves. In 2022, we had to release EUR 22.6 million from the fluctuation reserves to balance interest rate-induced write-downs of equity and bond funds. The 2023 investment result allowed us to allocate EUR 9.2 million to the fluctuation reserves. After asset management costs and prior to the allocation to the fluctuation reserves, the total return on investment was 3.1%, against -1.5% in the previous year.

The share of investments rose by 1.6% to EUR 795.3 million by year-end, compared to EUR 783.0 million in 2022. The quality of fixed-income securities – excluding our Insurance Linked Securities (ILS) holding – and of cash and cash equivalents remained high at A+. Fixed-income investments account for the biggest share at 86.9%. The entire bond fund holding was sold in 2023 to reduce balance sheet volatility.

The share of our ILS investments increased again relative to 2022 by over EUR 10 million to EUR 73.1 million or 9.2% of our portfolio. Rising interest rates enhanced the appeal of this asset class for SIRe in addition to its strategic significance as a CAT market diversifier. The risk-free interest on the collateralisation of ILS rose from 0.76% in 2022 to 4.6% on average in 2023. In addition, there is a 17% higher coupon average relative to the prior year, while the risk exposure of our assets fell by 5.3% at the same time. As a result, the ILS portfolio achieved its best result to date in 2023.

Investments

(in mio. EUR)



Technical provisions

(in mio. EUR)



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



Strengthening of systems and processes

Acquisition costs of EUR 61.6 million – previous year EUR 59.8 million – were at a similar level to the prior year, measured by net earned premiums, at 30.3% and reflect the consistency in the composition of our portfolio.

The number of employees increased by the end of 2023 to 28 persons (average of 26). The growth of the business entails more administration, increased regulatory requirements and the need for more sophisticated in-house data processing systems. That means we require more staff. Moreover, as the Swiss franc also appreciated against the Euro, our administration costs rose from EUR 8.6 million to EUR 10.3 million. The ratio of costs to net earned premiums is now 5.1% against 4.5% in the prior year.

Higher dividend

In 2023, SIRe used the market environment to further expand its business and profitability while also further diversifying. SIRe put the EUR 25 million capital increase from the end of 2022 to positive use in 2023 by growing its business. In view of this situation, the Board of Directors decided to propose an increased dividend to the General Meeting of EUR 8.0 million for the 2023 financial year. Following payment of the dividend, our shareholder equity will be EUR 199.0 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 sustained market hardening

In 2023, reinsurance capacity rebounded and almost emulated the peak of 2021 with a volume of USD 561 billion. That provided enough capital to write property risks. Market discipline was observed against the backdrop of a sustained high natural catastrophe claims burden. Reinsurers focused mainly on layers with higher entry points and notably offered their cedants capital protection. In the 2024 renewals, reinsurers again insisted on strict underwriting limits and conditions, rejected aggregate covers and purged the soft conditions that cedants had been granted in the past.

We used the disciplined market environment to expand our market position, sustainably grow the quality and profitability of our portfolio and increase diversification through the acquisition of new clients and business. As in the prior year, we focused on cover levels with higher attachment points and reduced our exposure to frequency risks in the natural catastrophe area.

In addition, we increased the non-proportional share in our book of business. Although that means assuming lower volumes, it allows us to gain greater transparency and control over the individual risks that we write and to improve our prospective underwriting result. We also increased our holdings in many smaller programmes as a means of orienting our portfolio towards economically sustainable volumes and margins over the long term. Generally, these adjustments tended towards deeper client relationships.

Premium volume for renewal grew by 1% to EUR 204.4 million. As in the previous year, 20% of the business was discontinued in the latest renewal round. This rose to 30% for non-proportional business. We again achieved significant price adjustments through restructuring and improved contract conditions. In addition, we offset the loss of non-renewed business by concluding new business.

There were hardly any shifts in the lines of business. However, we decided to start writing non-proportional motor business in the UK for the first time as it is attractively priced in the current cycle. We also achieved broader diversification by acquiring new clients (8.5%), who contributed to a further qualitative improvement in our portfolio.





Balance sheet

(EUR)

Assets

	Notes	31. 12. 2023 EUR	31. 12. 2022 EUR
Fixed-income securities	9	690'771'270	633'297'529
Other investments	10	104'512'109	149'728'476
Total investments		795'283'379	783'026'005
Receivables from derivative financial instruments	11	1'209'018	-
Deposits on ceded reinsurance business		17'571'244	17'872'760
Cash and cash equivalents		52'364'505	27'035'863
Reinsurer's share of technical provisions	12	3'495'014	8'739'539
Tangible assets		752'533	814'025
Deferred acquisition costs		3'939'859	3'694'578
Intangible assets		143'627	211'405
Receivables from insurance operations	6	51'280'355	50'088'483
Other receivables		402'780	28'260
Accrued income and prepaid expenses		6'730'741	4'654'160
Total assets		933'173'054	896'165'077

Liabilities and shareholders' equity

Technical provisions	12	676'598'335	664'052'759
Non-technical provisions	13	25'272'196	17'541'699
Liabilities from insurance operations	7	22'866'172	8'626'307
Other liabilities	8	951'806	301'350
Accrued expenses and deferred income		504'718	482'804
Total liabilities		726'193'226	691'004'919
Share capital		83'166'999	83'166'999
Legal capital reserves		94'190'126	94'190'126
General legal reserves		4'998'337	4'998'337
Free reserves		24'624'366	22'804'695
Total shareholders' equity	3	206'979'828	205'160'158
Total liabilities and shareholders' equity		933'173'054	896'165'077

Income statement

(EUR)

	Notes	2023 EUR	2022 EUR
Gross written premiums		206'666'132	194'165'972
Reinsurer's share of gross written premiums		-3'423'765	-1'831'250
Net written premiums		203'242'367	192'334'722
Net changes in reserves for unearned premiums		-402'230	-407'498
Reinsurer's share of net changes in reserves for unearned premiums		378'646	44'271
Net earned premiums		203'218'784	191'971'494
Other income from insurance operations – technical interest		2'394'437	300'949
Total income from technical insurance operations		205'613'221	192'272'443
Payments for insurance claims, gross		-124'132'913	-104'493'585
Reinsurer's share of payments for insurance claims		5'945'780	-
Net change in technical provisions	14	-9'602'558	-21'440'997
Reinsurer's share of change in technical provisions	14	-5'623'170	1'507'827
Total expenses on insurance claims for own account		-133'412'861	-124'426'755
Acquisition costs and administration expenses	15	-71'888'900	-68'391'966
Reinsurer's share of acquisition costs and administration expenses		-	-
Acquisition costs and administration expenses for own account		-71'888'900	-68'391'966
Other technical expenses for own account		-1'056'060	-948'229
Total expenses due to technical insurance operations		-206'357'822	-193'766'950
Income from investments	16	27'490'351	13'918'002
Expenses on investments	17	-14'234'587	-2'643'405
Investment result		13'255'764	11'274'597
Other financial income		933'257	185'430
Other financial expenses		-3'521'778	-440'106
Operating result		9'922'641	9'525'414
Other income		32'373	3'605
Other expenses		-91'214	-85'270
Net income before tax		9'863'800	9'443'749
Direct tax		-1'044'130	-980'575
Net income		8'819'670	8'463'173

Cash flow statement

(EUR)

	2023 EUR	2022 EUR
Net income	8'819'670	8'463'173
Valuation adjustments on tangible and intangible assets	217'007	153'742
Realised gains and losses on fixed-income securities	47'064	60'503
Realised gains and losses on other investments	-80'717	2'509'010
Write-ups and write-downs on fixed income securities	1'841'776	-1'286'649
Write-ups and write-downs on other investments	-4'785'393	19'325'942
Change in technical provisions	12'545'576	22'858'810
Change in reinsurer's share of technical provisions	5'244'524	-1'552'098
Change in deferred acquisition costs	-245'282	-314'620
Change in equalisation provisions on investments	8'777'864	-22'379'951
Change in non-technical provisions	-1'047'367	-2'205'033
Change in receivables from derivative financial instruments	-1'209'018	-
Change in deposits from assumed reinsurance	301'516	150'200
Change in balances resulting from technical accounts	13'047'993	7'808'648
Changes in other assets	-374'521	-19'185
Change in accrued income	-2'076'581	-171'475
Change in other liabilities	650'456	86'175
Change in accrued expenses	21'914	23'242
Cash flow from operating activities	41'696'482	33'510'435
Fixed-income securities	-59'362'581	-70'778'986
Other investments	50'082'477	7'991'660
Tangible and intangible assets	-87'737	-287'992
Cash flow from investment activities	-9'367'841	-63'075'319
Dividend distribution	-7'000'000	-7'000'000
Capital contribution	-	25'000'000
Cash flow from financing activities	-7'000'000	18'000'000
Net cash flow	25'328'641	-11'564'884
Cash on 1 January	27'035'863	38'600'747
Cash on 31 December	52'364'505	27'035'863
Change in cash	25'328'641	-11'564'884

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>31.12.2023</i>	<i>31.12.2022</i>
EUR/USD	1.10390	1.06725
EUR/GBP	0.86691	0.88534
EUR/CHF	0.92877	0.98956

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.

Derivative financial instruments

Forward exchange transactions may be concluded to hedge against residual foreign currency exposure. These are reported at market value.

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.

NOTES TO THE FINANCIAL STATEMENTS (EUR)

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.

Adjustment of individual figures from the previous year

A formula error was discovered during the review of the calculation of the technical interest income for accident/indemnity insurance. The correct sum for the previous year is EUR –226'383 instead of EUR 814'767. This error has no impact on the operating result, as it relates to an internal rebooking between the underwriting business and the investment result. In the interests of comparability, the items Other income from insurance operations – technical interest and Expenses on investments were amended in the income statement, as were notes 17 and 20 in the notes to the financial statements.

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. 2021	83'166'999	69'190'126	4'998'337	21'341'522	178'696'984
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
As at 31.12. 2022	83'166'999	94'190'126	4'998'337	22'804'695	205'160'158
Movements during 2023					
- Appropriation of profits from prior year - dividend	-	-	-	-7'000'000	-7'000'000
- Result for 2023	-	-	-	8'819'670	8'819'670
As at 31.12. 2023	83'166'999	94'190'126	4'998'337	24'624'366	206'979'828

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:

	31. 12. 2023 EUR	31. 12. 2022 EUR
Securities	281'755'045	272'941'882
Current account	91'741	227'153
Total book value of pledged assets	281'846'786	273'169'034

The Zürcher Kantonalbank, Zurich, has granted SIGNAL IDUNA Reinsurance Ltd a credit facility of up to EUR 134.6 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. As at 31 December 2023, EUR 39.6 million (CHF 36.8 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 182.0 million on 31 December 2023.

5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2028: EUR 1'867'524 (CHF 1'734'500) (previous year: EUR 2'077'516 and CHF 2'055'826 respectively).

6. Receivables from insurance operations

	31. 12. 2023 EUR	31. 12. 2022 EUR
Receivables from agents and intermediaries	30'666'151	31'550'085
Receivables from insurance companies (third parties)	20'066'648	18'355'460
Receivables from Group companies	547'557	182'938
Total receivables from insurance operations	51'280'355	50'088'483

7. Liabilities from insurance operations

	31. 12. 2023 EUR	31. 12. 2022 EUR
Liabilities to agents and intermediaries	-940'689	-223'176
Liabilities to insurance companies (third parties)	-8'982'938	-4'823'859
Liabilities to Group companies	-12'942'545	-3'579'272
Total liabilities from insurance operations	-22'866'172	-8'626'307

NOTES TO THE FINANCIAL STATEMENTS (EUR)

8. Other liabilities

	31. 12. 2023 EUR	31. 12. 2022 EUR
Other liabilities to third parties	-255'610	-166'135
Other liabilities to Group companies	-696'195	-135'215
Total other liabilities	-951'806	-301'350

9. Fixed-income securities

	31. 12. 2023 EUR	31. 12. 2022 EUR
Bonds	533'941'427	515'713'182
Covered bonds	43'812'404	16'162'027
Fixed-term deposits	39'867'614	39'238'760
Insurance Linked Securities (ILS)	73'149'825	62'183'560
Total fixed-income securities	690'771'270	633'297'529

10. Other investment assets

	31. 12. 2023 EUR	31. 12. 2022 EUR
Other investments – recorded at fair values	92'903'037	139'053'183
Bond funds	-	52'365'450
Equity funds	52'120'368	63'065'330
Real estate funds	40'782'670	23'622'403
Other investments – valued at the lower of cost or market	11'609'072	10'675'293
Infrastructure funds	11'609'072	10'675'293
Total other investments	104'512'109	149'728'476

As of 31 December 2023, there were capital commitments not yet called for real estate and infrastructure funds to the amount of EUR 1'443'606.

11. Payables and receivables from derivative financial instruments

Currency	Nominal	Hedged rate	Current market value in EUR
USD	50'000'000	EUR/USD 1.07520	1'209'018

As at 31 December of the previous year there were no payables or receivables from derivative financial instruments.

12. Technical provisions

31. 12. 2023	<i>EUR Gross</i>	<i>EUR Retro</i>	<i>EUR Net</i>
Unearned premiums	-18'628'281	1'141'667	-17'486'615
Provision for outstanding claims	-561'482'768	2'353'348	-559'129'420
Other technical provisions	-70'708'194	-	-70'708'194
Provision for future life benefits	-15'712'457	-	-15'712'457
Contractual profit participation	-10'066'635	-	-10'066'635
Total technical provisions	-676'598'335	3'495'014	-673'103'321
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
Total technical provisions	-664'052'759	8'739'539	-655'313'221

NOTES TO THE FINANCIAL STATEMENTS
(EUR)

13. Non-technical provisions

	31. 12. 2023 EUR	31. 12. 2022 EUR
Equalisation provision on investments	-23'040'689	-14'262'826
Unrealised foreign exchange gains	-	-1'219'810
Tax	-1'073'236	-1'012'437
Miscellaneous	-1'158'270	-1'046'627
Total non-technical provisions	-25'272'196	-17'541'699

14. Changes to technical provisions

2023	<i>EUR</i> <i>Gross</i>	<i>EUR</i> <i>Retro</i>	<i>EUR</i> <i>Net</i>
Provision for outstanding claims	-20'407'105	-5'623'170	-26'030'275
Other technical provisions	10'846'700	-	10'846'700
Provision for future life benefits	-42'153	-	-42'153
Total changes to technical provisions	-9'602'558	-5'623'170	-15'225'728
	<i>EUR</i> <i>Gross</i>	<i>EUR</i> <i>Retro</i>	<i>EUR</i> <i>Net</i>
2022			
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
Total changes to technical provisions	-21'440'997	1'507'827	-19'933'171

15. Acquisition costs and administration expenses

	2023 EUR	2022 EUR
Acquisition cost	-61'625'039	-59'816'910
Personnel expenses	-6'770'424	-5'856'981
Depreciation	-217'007	-153'742
Other administrative expenses	-3'276'430	-2'564'334
Total acquisition costs and administration expenses	-71'888'900	-68'391'966

16. 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>
2023				
<i>EUR</i>				
Bonds	8'614'854	-	-	8'614'854
Covered bonds	574'139	-	-	574'139
Insurance Linked Securities	7'079'065	-	45'331	7'124'396
Bond funds	1'354'007	-	-	1'354'007
Equity funds	989'260	4'861'658	367'721	6'218'638
Real estate funds	973'423	849'568	4'934	1'827'925
Infrastructure funds	305'772	641'175	32'544	979'491
Fixed-term deposits	796'901	-	-	796'901
Total	20'687'421	6'352'401	450'530	27'490'351
2022				
<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
Total	13'294'905	416'636	206'461	13'918'002

NOTES TO THE FINANCIAL STATEMENTS
(EUR)

17. 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>
2023						
<i>EUR</i>						
Bonds	-	-	-92'394	-	-	-92'394
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'146'756	-	-	-	-	-1'146'756
Bond funds	-	-	-324'390	-	-	-324'390
Equity funds	-	-	-	-	-	-
Real estate funds	-697'849	-	-93	-	-	-697'942
Infrastructure funds	-128'221	-	-	-	-	-128'221
Fixed-term deposits	-	-	-	-	-	-
	-	-9'240'068	-	-1'862'421	-742'395	-11'844'885
Total	-1'972'826	-9'240'068	-416'877	-1'862'421	-742'395	-14'234'587
2022						
<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	-	226'383	-800'436	22'017'238
Total	-21'884'669	22'591'291	-2'775'974	226'383	-800'436	-2'643'405

18. Information on the auditor's fee

	2023 EUR	2022 EUR
Audit services	116'293	98'820
Other services	-	-

19. Information on gross premiums

	2023 %	2022 %
Property	28.2	27.5
Motor	18.4	18.2
Accident & Health	14.5	14.9
Life	12.1	13.9
Engineering	11.0	10.9
Liability	8.5	9.4
Marine	4.7	3.7
Agriculture	2.1	1.4
Cyber	0.5	0.1
Total	100.0	100.0
Group business accounts for percentage of total gross premiums	24.4	25.5

20. Information on the technical result

	2023 EUR	2022 EUR
Net earned premiums	203'218'784	191'971'494
Other income from insurance operations – technical interest	2'394'437	300'949
Acquisition cost	-61'625'039	-59'816'910
Expenses on insurance claims for own account	-133'412'861	-124'426'755
Other technical expenses for own account	-1'056'060	-948'229
Total technical result	9'519'260	7'080'549
Combined Ratio	96.5%	96.5%

21. 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. 2023 CHF	31. 12. 2022 CHF
Fixed-income securities	9	641'567'632	626'685'903
Other investments	10	97'067'712	148'165'311
Total investments		738'635'344	774'851'213
Receivables from derivative financial instruments	11	1'122'900	-
Deposits on ceded reinsurance business		16'319'644	17'686'168
Cash and cash equivalents		48'634'581	26'753'609
Reinsurer's share of technical provisions	12	3'246'064	8'648'298
Tangible assets		698'930	805'527
Deferred acquisition costs		3'659'223	3'656'006
Intangible assets		133'397	209'198
Receivables from insurance operations	6	47'627'655	49'565'559
Other receivables		374'090	27'964
Accrued income and prepaid expenses		6'251'310	4'605'570
Total assets		866'703'138	886'809'113

Liabilities and shareholders' equity

Technical provisions	12	628'404'235	657'120'048
Non-technical provisions	13	23'472'057	17'358'564
Liabilities from insurance operations	7	21'237'415	8'536'249
Other liabilities	8	884'009	298'203
Accrued expenses and deferred income		468'767	477'763
Total liabilities		674'466'483	683'790'828
Share capital		100'000'000	100'000'000
Legal capital reserves		105'502'958	105'502'958
General legal reserves		6'010'000	6'010'000
Free reserves		24'338'362	24'310'705
Conversion difference		-43'614'666	-32'805'377
Total shareholders' equity	3	192'236'655	203'018'286
Total liabilities and shareholders' equity		866'703'138	886'809'113

Income statement

(CHF)

	Notes	2023 CHF	2022 CHF
Gross written premiums		191'945'303	192'138'879
Reinsurer's share of gross written premiums		-3'179'890	-1'812'132
Net written premiums		188'765'413	190'326'747
Net changes in reserves for unearned premiums		-373'579	-403'244
Reinsurer's share of net changes in reserves for unearned premiums		351'675	43'809
Net earned premiums		188'743'510	189'967'312
Other income from insurance operations – technical interest		2'223'881	297'807
Total income from technical insurance operations		190'967'391	190'265'119
Payments for insurance claims, gross		-115'290'926	-103'402'672
Reinsurer's share of payments for insurance claims		5'522'262	-
Net change in technical provisions	14	-8'918'568	-21'217'153
Reinsurer's share of change in technical provisions	14	-5'222'632	1'492'085
Total expenses on insurance claims for own account		-123'909'863	-123'127'740
Acquisition costs and administration expenses	15	-66'768'254	-67'677'954
Reinsurer's share of acquisition costs and administration expenses		-	-
Acquisition costs and administration expenses for own account		-66'768'254	-67'677'954
Other technical expenses for own account		-980'837	-938'329
Total expenses due to technical insurance operations		-191'658'954	-191'744'023
Income from investments	16	25'532'214	13'772'698
Expenses on investments	17	-13'220'658	-2'615'807
Investment result		12'311'556	11'156'891
Other financial income		866'781	183'494
Other financial expenses		-3'270'922	-435'511
Operating result		9'215'852	9'425'968
Other income		30'067	3'567
Other expenses		-84'717	-84'380
Net income before tax		9'161'202	9'345'156
Direct tax		-969'757	-970'338
Net income		8'191'445	8'374'818

Cash flow statement

(CHF)

	2023 CHF	2022 CHF
Net income	8'191'445	8'374'818
Valuation adjustments on tangible and intangible assets	201'550	152'136
Realised gains and losses on fixed-income securities	43'711	59'872
Realised gains and losses on other investments	-74'967	2'482'816
Write-ups and write-downs on fixed income securities	1'710'587	-1'273'216
Write-ups and write-downs on other investments	-4'444'530	19'124'179
Change in technical provisions	11'651'954	22'620'164
Change in reinsurer's share of technical provisions	4'870'957	-1'535'894
Change in deferred acquisition costs	-227'810	-311'335
Change in equalisation provisions on investments	8'152'616	-22'146'304
Change in non-technical provisions	-972'763	-2'182'013
Change in receivables from derivative financial instruments	-1'122'900	-
Change in deposits from assumed reinsurance	280'039	148'632
Change in balances resulting from technical accounts	12'118'584	7'727'126
Changes in other assets	-347'843	-18'985
Change in accrued income	-1'928'666	-169'685
Change in other liabilities	604'124	85'275
Change in accrued expenses	20'353	22'999
Cash flow from operating activities	38'726'442	33'160'586
Fixed-income securities	-55'134'185	-70'040'054
Other investments	46'515'102	7'908'227
Tangible and intangible assets	-81'487	-284'986
Cash flow from investment activities	-8'700'570	-62'416'813
Dividend distribution	-7'410'547	-7'621'578
Capital contribution	-	24'587'500
Cash flow from financing activities	-7'410'547	16'965'922
Net cash flow	22'615'325	-12'290'304
Cash on 1 January	26'753'609	40'049'047
Exchange rate difference on cash and cash equivalents	734'352	1'005'134
Cash on 31 December	48'634'581	26'753'609
Change in cash	22'615'325	-12'290'304

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. 2023</i>	<i>31. 12. 2022</i>
EUR/USD	1.10390	1.06725
EUR/GBP	0.86691	0.88534
EUR/CHF	0.92877	0.98956

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.

Derivative financial instruments

Forward exchange transactions may be concluded to hedge against residual foreign currency exposure. These are reported at market value.

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.

NOTES TO THE FINANCIAL STATEMENTS (CHF)

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.

Adjustment of individual figures from the previous year

A formula error was discovered during the review of the calculation of the technical interest income for accident/indemnity insurance. The correct sum for the previous year is CHF -224'020 (EUR -226'383) instead of CHF 806'261 (EUR 814'767). This error has no impact on the operating result, as it relates to an internal rebooking between the underwriting business and the investment result. In the interests of comparability, the items Other income from insurance operations – technical interest and Expenses on investments were amended in the income statement, as were notes 17 and 20 in the notes to the financial statements.

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 31.12.2021	100'000'000	80'915'458	6'010'000	22'804'224	-24'327'988	185'401'695
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
As at 31.12.2022	100'000'000	105'502'958	6'010'000	23'557'465	-32'052'137	203'018'286
Movements during 2023						
- Appropriation of profits from prior year – dividend	-	-	-	-7'410'547	-	-7'410'547
- Result for 2023	-	-	-	8'191'445	-	8'191'445
Conversion difference					-11'562'529	-11'562'529
As at 31.12.2023	100'000'000	105'502'958	6'010'000	24'338'362	-43'614'666	192'236'655

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:

	31. 12. 2023 CHF	31. 12. 2022 CHF
Securities	261'685'633	270'092'368
Current account	85'206	224'781
Total book value of pledged assets	261'770'839	270'317'150

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 2023, CHF 36.8 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 169.0 million on 31 December 2023.

5. Off-balance-sheet leasing commitments

Rental contract for office space with a set term until 30 September 2028: CHF 1'734'500 (previous year: CHF 2'055'826)

6. Receivables from insurance operations

	31. 12. 2023 CHF	31. 12. 2022 CHF
Receivables from agents and intermediaries	28'481'801	31'220'702
Receivables from insurance companies (third parties)	18'637'300	18'163'829
Receivables from Group companies	508'554	181'028
Total receivables from insurance operations	47'627'655	49'565'559

7. Liabilities from insurance operations

	31. 12. 2023 CHF	31. 12. 2022 CHF
Liabilities to agents and intermediaries	-873'683	-220'846
Liabilities to insurance companies (third parties)	-8'343'084	-4'773'498
Liabilities to Group companies	-12'020'648	-3'541'904
Total liabilities from insurance operations	-21'237'415	-8'536'249

NOTES TO THE FINANCIAL STATEMENTS (CHF)

8. Other liabilities

	<i>31. 12. 2023</i>	<i>31. 12. 2022</i>
	<i>CHF</i>	<i>CHF</i>
Other liabilities to third parties	-237'403	-164'400
Other liabilities to Group companies	-646'605	-133'803
Total other liabilities	-884'009	-298'203

9. Fixed-income securities

	<i>31. 12. 2023</i>	<i>31. 12. 2022</i>
	<i>CHF</i>	<i>CHF</i>
Bonds	495'908'779	510'329'137
Covered bonds	40'691'646	15'993'295
Fixed-term deposits	37'027'844	38'829'107
Insurance Linked Securities (ILS)	67'939'363	61'534'363
Total fixed-income securities	641'567'632	626'685'903

10. Other investment assets

	<i>31. 12. 2023</i>	<i>31. 12. 2022</i>
	<i>CHF</i>	<i>CHF</i>
Other investments – recorded at fair values	86'285'554	137'601'468
Bond funds	-	51'818'755
Equity funds	48'407'834	62'406'928
Real estate funds	37'877'720	23'375'785
Other investments – valued at the lower of cost or market	10'782'158	10'563'843
Infrastructure funds	10'782'158	10'563'843
Total other investments	97'067'712	148'165'311

As of 31 December 2023, there were capital commitments not yet called for real estate and infrastructure funds to the amount of CHF 1'340'778.

11. Payables and receivables from derivative financial instruments

Currency	Nominal	Hedged rate	Current market value in CHF
USD	50'000'000	EUR/USD 1.07520	1'122'900

As at 31 December of the previous year there were no payables or receivables from derivative financial instruments.

12. Technical provisions

31.12.2023	<i>CHF Gross</i>	<i>CHF Retro</i>	<i>CHF Net</i>
Unearned premiums	-17'301'389	1'060'346	-16'241'043
Provision for outstanding claims	-521'488'350	2'185'719	-519'302'631
Other technical provisions	-65'671'649	-	-65'671'649
Provision for future life benefits	-14'593'259	-	-14'593'259
Contractual profit participation	-9'349'589	-	-9'349'589
Total technical provisions	-628'404'235	3'246'064	-625'158'171
31.12.2022	<i>CHF Gross</i>	<i>CHF Retro</i>	<i>CHF Net</i>
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
Total technical provisions	-657'120'048	8'648'298	-648'471'751

NOTES TO THE FINANCIAL STATEMENTS (CHF)

13. Non-technical provisions

	31. 12. 2023 CHF	31. 12. 2022 CHF
Equalisation provision on investments	-21'399'501	-14'113'922
Unrealised foreign exchange gains	-	-1'207'075
Tax	-996'790	-1'001'867
Miscellaneous	-1'075'766	-1'035'700
Total non-technical provisions	-23'472'057	-17'358'564

14. Changes to technical provisions

2023	<i>CHF</i> <i>Gross</i>	<i>CHF</i> <i>Retro</i>	<i>CHF</i> <i>Net</i>
Provision for outstanding claims	-18'953'507	-5'222'632	-24'176'138
Other technical provisions	10'074'090	-	10'074'090
Provision for future life benefits	-39'150	-	-39'150
Total changes to technical provisions	-8'918'568	-5'222'632	-14'141'199
	<i>CHF</i> <i>Gross</i>	<i>CHF</i> <i>Retro</i>	<i>CHF</i> <i>Net</i>
2022			
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
Total changes to technical provisions	-21'217'153	1'492'085	-19'725'068

15. Acquisition costs and administration expenses

	2023 CHF	2022 CHF
Acquisition cost	-57'235'487	-59'192'421
Personnel expenses	-6'288'167	-5'795'835
Depreciation	-201'550	-152'136
Other administrative expenses	-3'043'050	-2'537'562
Total acquisition costs and administration expenses	-66'768'254	-67'677'954

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

2023	<i>Current income</i>	<i>Write-ups</i>	<i>Realised gains</i>	<i>Total income from investments</i>
<i>CHF</i>				
Bonds	8'001'218	-	-	8'001'218
Covered bonds	533'243	-	-	533'243
Insurance Linked Securities	6'574'823	-	42'102	6'616'925
Bond funds	1'257'561	-	-	1'257'561
Equity funds	918'795	4'515'362	341'528	5'775'685
Real estate funds	904'086	789'053	4'583	1'697'722
Infrastructure funds	283'991	595'504	30'226	909'722
Fixed-term deposits	740'138	-	-	740'138
Total	19'213'856	5'899'919	418'439	25'532'214
2022				
<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
Total	13'156'106	412'286	204'306	13'772'698

NOTES TO THE FINANCIAL STATEMENTS
(CHF)

17. 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>
2023						
<i>CHF</i>						
Bonds	-	-	-85'813	-	-	-85'813
Covered bonds	-	-	-	-	-	-
Insurance						
Linked Securities	-1'065'072	-	-	-	-	-1'065'072
Bond funds	-	-	-301'284	-	-	-301'284
Equity funds	-	-	-	-	-	-
Real estate funds	-648'141	-	-86	-	-	-648'227
Infrastructure funds	-119'088	-	-	-	-	-119'088
Fixed-term deposits	-	-	-	-	-	-
	-	-8'581'898	-	-1'729'761	-689'515	-11'001'174
Total	-1'832'301	-8'581'898	-387'183	-1'729'761	-689'515	-13'220'658
2022						
<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	-	224'020	-792'079	21'787'379
Total	-21'656'193	22'355'438	-2'746'993	224'020	-792'079	-2'615'807

18. Information on the auditor's fee

	2023 CHF	2022 CHF
Audit services	108'010	97'788
Other services	-	-

19. Information on gross premiums

	2023 %	2022 %
Property	28.2	27.5
Motor	18.4	18.2
Accident & Health	14.5	14.9
Life	12.1	13.9
Engineering	11.0	10.9
Liability	8.5	9.4
Marine	4.7	3.7
Agriculture	2.1	1.4
Cyber	0.5	0.1
Total	100.0	100.0
Group business accounts for percentage of total gross premiums	24.4	25.5

20. Information on the technical result

	2023 CHF	2022 CHF
Net earned premiums	188'743'510	189'967'312
Other income from insurance operations – technical interest	2'223'881	297'807
Acquisition cost	-57'235'487	-59'192'421
Expenses on insurance claims for own account	-123'909'863	-123'127'740
Other technical expenses for own account	-980'837	-938'329
Total technical result	8'841'203	7'006'628
Combined Ratio	96.5%	96.5%

21. 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 2022	15'804'695
Net income for 2023	8'819'670
Free reserves available to the General Meeting	24'624'366

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

Dividend distribution	8'000'000
Free reserves carried forward to new account	16'624'366

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 24'338'362.



Proposal for the appropriation of profits

(CHF)

CHF

Voluntary profit reserves after appropriation of profits for 2022	16'146'917
Net income for 2023	8'191'445
Free reserves available to the General Meeting	24'338'362

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

Dividend distribution	8'173'200
Free reserves carried forward to new account	16'165'162

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 24'338'362.

Auditor's report

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 31.12.2023, 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 to 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 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

Christoph Hörl
Licensed Audit Expert
Auditor in Charge

Sara Gerber
Licensed Audit Expert

Zurich, 19 April 2024



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© 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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