# ACCOUNTING PRINCIPLES

The AP discussed in this section are outlined in abbreviated form. The full text of the AP and their annexes may be viewed at SERV upon request.

### Introduction

The accounting and valuation principles (AP) define the accounting principles for SERV and are determined by the Board of Directors (BoD). In 2020, the BoD established the preconditions to capitalise intangible assets by amending the accounting principles.

The AP follow national and international standards for rendering accounts and are based on the practices of the Swiss private insurance industry. The balance sheet of SERV reflects the actual financial and asset situation as accurately as possible. The principle of individual valuation applies: over- and under-valuations are not set off against each other. All items have been reviewed to verify their accounting suitability and accuracy. The economic perspective takes priority over other possible points of view.

Balance sheet items are measured at face value with the exception of the items listed below:

### Claims from Losses and Restructuring

Accounting: Claims from the insurance business are recorded if a policyholder is indemnified for a loss by SERV and its claim against third parties passes to SERV.

Valuation of claims against public debtors: Value adjustments are calculated on the basis of the official OECD provision rates for expected and actual losses. These rates take into account:

- the country risk at the time of valuation,
- a country’s income levels (World Bank classification),
- the classification of a country as a “heavily indebted poor country”.

In addition, a collateral surcharge is applied to the value adjustments.

Valuation of claims against private debtors: Individual valuations are carried out on a case-by-case basis for claims against private debtors. Depending on the transaction, arrangements of the export agreement and court rulings, even transactions with identical features (same country, same industry) can lead to different expectations of recoveries. The following criteria are taken into consideration in the valuation as decisive factors that reduce or increase the recoveries in the case of claims against private debtors:

- type of collateral,
- World Bank Rule of Law Index,
- type of security,
- OECD country risk category (CRC),
- number of missed payments,
- probability of restructuring,
- trend in local currency valuation,
- debtor rating prior to incurrence of loss,
- payment transferability and convertibility,
- societal stability in the respective location.

Based on these valuation criteria the value adjustment percentages for claims against private debtors are determined by means of a decision tree.

### Credit Balances from Debt Rescheduling Agreements

Accounting: Credit balances from debt rescheduling are bundled, meaning several claims of SERV against particular individual countries are consolidated. These credit balances arise after a debtor country has readjusted open items in the Paris Club with a debt rescheduling agreement. Claims from debt rescheduling agreements are denominated in CHF.

Valuation and value adjustments: Value adjustments are calculated on the basis of the official OECD provision rates for expected and actual losses.

### Unearned Insurance Premiums

Accounting: Unearned premiums are accruals and deferrals; they are premiums that were received in the year under review and in previous years, but which are only earned during the cover period.

Valuation: 20 per cent of premiums are recorded immediately as earned premiums for the administrative share in the current financial year. The remaining 80 per cent of premiums are recorded as income according to the amount of commitment in accordance with risk distribution over the contract term of the individual transactions. In the event of a loss, the portion of the premium that has not yet been charged is realised immediately. Consequently, the unearned premium is reversed.

### Short-Term Loss Provisions according to IBNR

Accounting: IBNR provisions (IBNR = incurred but not reported) are provisions for losses that have already occurred but have not yet been reported.

Valuation: A premium-based model is used for the calculation of the flat-rate IBNR provisions. The IBNR provisions are recognised as a proportion of the released unearned premiums. IBNR provisions are established on a case by-case basis. This is done in cases where a loss has not yet been reported but payment is in arrears past the waiting period. Similar but simplified rules are applied however as for the valuation of reported losses.

### Provisions for Reported Losses

Accounting: On receipt of the loss form, SERV immediately recognises a provision in the amount of the probable loss.

Valuation for public debtors: Provisions are calculated on the basis of the official OECD provision rates for expected and actual losses. Because precise assessment of the occurrence probability is hardly possible, a probability of 50 per cent is calculated. As in the case of claims from losses and restructuring, an additional collateral surcharge is also applied here.

Valuation for private debtors: The same method is used as for valuing claims against private debtors.

### Capital

Accounting: In terms of SERV's rendering of accounts, the capital is the residual factor after the accounting and valuation of the other items. It is subdivided into:

- Risk-bearing capital (RBC): The RBC is held back for insurance losses that may be payable by SERV. In accordance with the SERV Ordinance (SERV-V), provisions for losses not yet incurred must be shown as net equity items.
- Core capital (CCap): An extended risk buffer calculated on the basis of the assumption that the elements to be valued of all concluded and new insurance contracts expected as per growth projections, as well as the balance sheet items “claims from losses and restructuring” and “credit balances from debt rescheduling agreements”, will deteriorate by one grade on the internal rating scale.
- Compensation reserve (CR): Balance sheet item that, together with the RBC, CCap and net income (NI), yields SERV capital.
- Net income (NI).

Valuation: The RBC is determined using an actuarial model, taking into account all assets at risk of loss, as the so-called 99.9 per cent quantile of the annual loss distribution. The particular value at risk is calculated with a confidence factor of 99.9 per cent. The CCap is calculated on the basis of the assumption that the elements to be valued of all concluded and new insurance contracts expected as per growth projections, as well as other relevant balance sheet items, will deteriorate by one grade on the internal rating scale. The calculations are made using the same actuarial model as for the calculation of the RBC. The CR is determined arithmetically and is not subject to any valuation.

## Economic Viability

Calculation: The average expected annual loss is the theoretical average potential loss, weighted for one year with the probabilities of default. This calculation is based on ratings, default probabilities and assumed recovery rates. The other items in the proof of economic viability are obtained from the income statement.

# NOTES ON THE FINANCIAL STATEMENTS

Individual items of the income statement, the balance sheet and segment accounting are explained in more detail in this chapter. Firstly, items shown net in the financial statements are broken down to rend the calculation of net results transparently. This is significant particularly in the case of claims from losses, claims from restructuring, credit balances from debt rescheduling agreements and loss provisions, as these are valued in accordance with the accounting principles (AP) and reported on a net basis. Additionally, the allocation formula used in the segment accounting for those items that are not directly assignable to one of the three segments is made transparent. In the balance sheet by segment, there is no breakdown by the three segments of cash in hand & at bank, cash investments, current liabilities, short-term liabilities and capital. Doing so would not yield meaningful information. The comments are numbered according to the numbers in the Financial Statements.

**Regarding the Income Statement**

[1] On “premium income”: The item “Premium income” amounting to CHF 71.6 million is comprised of income from insurance premiums amounting to CHF 62.7 million, premium income from reinsurance amounting to CHF 11.7 million and premium income for reinsurance of CHF –2.8 million.

[2] On “loss expenses”: The loss expenses amounting to CHF 167.9 million comprise the reversal of provisions for incurred but not reported (IBNR) cases amounting to CHF –4.6 million, the formation of provisions for reported losses amounting to CHF 112.0 million, and the change in value adjustments on claims of CHF 47.5 million (cf. p. 61). Losses amounting to CHF 11.8 million were definitively written off in 2020. The written-off losses related to risks in France, Italy, Oman, Paraguay, Spain, Switzerland and Turkey. The CHF 1.2 million under other loss expenses includes costs for recovery measures.

[3] On “debt rescheduling results”: Debt rescheduling results amounting to CHF 11.9 million are reported net. This item consists of the reversal of value adjustments on debt rescheduling balances amounting to CHF 12.0 million and the writing-off of credit balances against debtor countries amounting to CHF –0.1 million (cf. p. 63).

[4] On “other income”: The CHF 3.3 million in other income originates from the capitalisation of the project costs (personnel and non-personnel expenses) for the TRS transformation project.

## Regarding the Balance Sheet

[5] On “short-term cash investments”: All cash investments are held with the Swiss Confederation in the form of an investment account.

[6] On “Intangible assets”: The CHF 3.3 million under intangible assets originates from the capitalisation of the project costs (personnel and non-personnel expenses) of the TRS transformation project.

[7] On “claims from losses and restructuring”: The claims from losses (cf. p. 61) and the claims from restructuring with public debtors (cf. p. 62) of SERV were valued in accordance with the AP (cf. Accounting Principles, p. 54) and were then reported as net claims. In the year under review, claims from losses increased by CHF 8.4 million. The claims paid related to Argentina, Bangladesh, Brazil, Cuba, the Dominican Republic, Ecuador, Egypt, France, India, Italy, Mexico, Nigeria, Pakistan, Peru, Russia, Slovenia, Switzerland, the United Arab Emirates, Turkey and Zambia.

[8] On “credit balances from debt rescheduling agreements”: The credit balances from debt rescheduling agreements (cf. p. 63) were reported as net credit balances. The largest movements occurred in Indonesia (reduction of CHF 11.4 million) and Serbia (reduction of CHF 3.8 million).

[9] On “loss provisions”: SERV recognised IBNR provisions for losses amounting to CHF 73.5 million and provisions for reported losses amounting to CHF 160.1 million (cf. Accounting Principles, p. 54). Loss provisions totalled CHF 233.6 million.

[10] On “other long-term liabilities”: This involves a cash deposit made by an exporter that was paid due to a changed risk situation in connection with ongoing counter guarantees. This cash deposit is reduced by the same ratio as SERV’s risk decreased by means of a reduction of the counter guarantee.

## Regarding the Cash Flow Statement

[11] On “premium payments”: Premium payments totalling CHF 76.0 million were made. This corresponds to the average premium payments of the previous years (CHF 75.3 million). The majority of the premium payments were invoiced in the 2020 financial year.

## Regarding Income Statement by Segment

[12] On “premium income”: Premium income was directly allocated to segments. Premium income per segment is shown in the table on page 64.

[13] On “Interest income from debt rescheduling agreements” – allocation formula: Interest income from debt rescheduling agreements was distributed to the individual segments in proportion to debt servicing (agreed principal and interest repayments) for each country.

[14] On “loss expenses”: Loss expenses were allocated directly to the segments. The table on page 64 shows loss expenses incurred per segment.

[15] On “debt rescheduling results”: Debt rescheduling results were allocated directly to the segments. The table on page 64 shows debt rescheduling results incurred per segment.

[16] On “personnel expenses” – allocation formula: Personnel expenses were allocated to individual segments according to the number of new contracts per debtor category, less contracts with a duration of less than one year but including cover for secondary risks and the adjusted number of new contracts in multi-buyer insurance on the basis of the actual expenses incurred.

[17] On “non-personnel expenses” – allocation formula: Non-personnel expenses were allocated to individual segments analogously to the allocation of personnel expenses.

[18] On “financial income” – allocation formula: Financial income was allocated to individual segments as a proportion of the income generated per segment from insurance and expense premiums in the year under review (cf. comment 12, p. 60).

## Regarding the Balance Sheet by Segment

[19] On “loss provisions”: The loss provisions per segment are shown in the table “balance sheet by segment” on page 64.

## Value Adjustment on Claims from Losses and Restructuring

in CHF million

| | 31.12.2020 | | | 31.12.2019 | | | |
|---|---|---|---|---|---|---|---|
| | SERV claims | Value adjustment | Net claims | SERV claims | Value adjustment | Net claims | Change |
| | (1) | (2) | (3)=(1)+(2) | (4) | (5) | (6)=(4)+(5) | (7)=(3)–(6) |
| **Value adjustment on claims from losses** | | | | | | | |
| Saudi Arabia | 128.4 | – 64.2 | 64.2 | 128.4 | – 64.2 | 64.2 | – |
| Switzerland | 82.0 | – 54.6 | 27.4 | 83.7 | – 54.0 | 29.7 | – 2.3 |
| Greece | 44.6 | – 40.1 | 4.5 | 50.7 | – 40.2 | 10.5 | – 6.0 |
| Cuba | 43.0 | – 29.4 | 13.6 | 17.6 | – 12.1 | 5.5 | 8.2 |
| India | 42.6 | – 21.9 | 20.7 | 22.9 | – 23.8 | – 0.9 | 21.6 |
| Zimbabwe | 37.4 | – 23.4 | 14.0 | 37.4 | – 23.4 | 14.0 | – |
| Brazil | 20.5 | – 12.3 | 8.2 | 19.7 | – 9.7 | 10.0 | – 1.8 |
| Russia | 15.4 | – 13.9 | 1.5 | 15.5 | – 9.6 | 5.9 | – 4.4 |
| Indonesia | 11.9 | – 5.9 | 6.0 | 12.4 | – 6.2 | 6.2 | – 0.2 |
| Georgia | 11.7 | – 11.7 | – | 11.7 | – 11.7 | – | – |
| Other countries | 63.8 | – 46.5 | 17.3 | 51.1 | – 27.3 | 23.8 | – 6.5 |
| | **501.3** | **– 323.9** | **177.4** | **451.2** | **– 282.3** | **168.9** | **8.5** |
| **Value adjustment on claims from restructuring** | | | | | | | |
| North Korea | 188.9 | – 170.0 | 18.9 | 188.9 | – 170.0 | 18.9 | – |
| | **188.9** | **– 170.0** | **18.9** | **188.9** | **– 170.0** | **18.9** | **–** |
| **Total claim from losses and restructuring** | | | **196.3** | | | **187.8** | **8.5** |

## Value Adjustment on Claims from Losses and Restructuring

in CHF million

| | 31.12.2020 | | | | | 31.12.2019 | | | | | Change |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | SERV | | | | | SERV | | | |
| | Total claims | Share 3rd parties* | Share | Value adjustment | Net claims | Total claims | Share 3rd parties* | Share | Value adjustment | Net claims | Net claims |
| | (1) | (2) | (3)=(1)-(2) | (4) | (5)=(3)+(4) | (6) | (7) | (8)=(6)-(7) | (9) | (10)=(8)+(9) | (11)=(5)-(10) |
| North Korea | 216.3 | 27.4 | 188.9 | – 170.0 | 18.9 | 216.3 | 27.4 | 188.9 | – 170.0 | 18.9 | – |
| **Total** | **216.3** | **27.4** | **188.9** | **– 170.0** | **18.9** | **216.3** | **27.4** | **188.9** | **– 170.0** | **18.9** | **–** |

* policyholders or assignees

## Credit Balances from Debt Rescheduling Agreements (with value adjustment)

in CHF million

| | 31.12.2020 | | | | | | 31.12.2019 | | | | | | Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | SERV | | | | | | SERV | | | |
| | Total credit balance | Share Confederation | Share 3rd parties | Share | Value adjustment | Net credit balance | Total credit balance | Share Confederation | Share 3rd parties | Share | Value adjustment | Net credit balance | Net credit balance |
| | (1) | (2) | (3) | (4)= (1)-(2)-(3) | (5) | (6)=(4)+(5) | (7) | (8) | (9) | (10)= (7)-(8)-(9) | (11) | (12)= (10)+(11) | (13)=(6)-(12) |
| Sudan | 144.9 | 91.7 | – | 53.2 | – 47.9 | 5.3 | 144.9 | 91.7 | – | 53.2 | – 47.9 | 5.3 | – |
| Cuba | 115.8 | – | 30.1 | 85.7 | – 64.4 | 21.3 | 115.8 | – | 30.1 | 85.7 | – 64.4 | 21.3 | – |
| Argentina | 102.7 | – | 19.9 | 82.8 | – 24.8 | 58.0 | 102.7 | – | 19.9 | 82.8 | – 24.8 | 58.0 | – |
| Pakistan | 71.5 | 3.2 | 3.7 | 64.6 | – 63.9 | 0.7 | 70.7 | 3.1 | 3.7 | 63.9 | – 63.9 | – | 0.7 |
| Serbia | 55.7 | – | 14.8 | 40.9 | – 4.5 | 36.4 | 67.4 | – | 17.9 | 49.5 | – 9.3 | 40.2 | – 3.8 |
| Iraq | 32.7 | – | 11.1 | 21.6 | – 21.5 | 0.1 | 37.3 | – | 12.6 | 24.7 | – 24.7 | – | 0.1 |
| Bosnia and Herzegovina | 22.1 | – | 5.5 | 16.6 | – 11.2 | 5.4 | 23.1 | – | 5.7 | 17.4 | – 11.2 | 6.2 | – 0.8 |
| Indonesia | 10.4 | 1.4 | 0.9 | 8.1 | – 8.1 | – | 27.6 | 2.0 | 2.4 | 23.2 | – 11.8 | 11.4 | – 11.4 |
| Egypt | 1.9 | – | 0.3 | 1.6 | – 1.2 | 0.4 | 5.5 | – | 1.1 | 4.4 | – 1.2 | 3.2 | – 2.8 |
| Honduras | 1.8 | – | 0.1 | 1.7 | – 1.3 | 0.4 | 1.9 | – | 0.2 | 1.7 | – 1.3 | 0.4 | – |
| Cameroon | 1.5 | – | 0.2 | 1.3 | – 1.3 | 0.0 | 1.6 | – | 0.2 | 1.4 | – 1.4 | – | – |
| Montenegro | 1.0 | – | 0.2 | 0.8 | – 0.4 | 0.4 | 1.2 | – | 0.3 | 0.9 | – 0.4 | 0.5 | – 0.1 |
| Bangladesh | 0.7 | 0.1 | – | 0.6 | – 0.6 | 0.0 | 1.0 | 0.1 | – | 0.9 | – 0.9 | – | – |
| **Total credit balances from debt rescheduling agreements** | **562.7** | **96.4** | **86.8** | **379.5** | **– 251.1** | **128.4** | **600.7** | **96.9** | **94.1** | **409.7** | **– 263.2** | **146.5** | **– 18.1** |

## Premium Income by Segment

01.01.2020–31.12.2020, in KCHF

| | Segments (by debtor) | | | SERV |
|---|---|---|---|---|
| | Public | Private without del credere | Private with del credere | |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) |
| Premium income from insurance premiums | 10 610 | 510 | 51 596 | 62 716 |
| Premium income from expense premiums (e.g. review premiums) | 2 | 10 | 26 | 38 |
| Premiums from reinsurance | 11 537 | – | 121 | 11 658 |
| Premiums for reinsurance | – | – | – 2 833 | – 2 833 |
| **Total premium income** | **22 149** | **520** | **48 910** | **71 579** |

## Loss Expenses by Segment

01.01.2020–31.12.2020, in KCHF

| | Segments (by debtor) | | | SERV |
|---|---|---|---|---|
| | Public | Private without del credere | Private with del credere | |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) |
| Provision for losses IBNR | 2 544 | – 1 139 | 3 188 | 4 593 |
| Provision for reported losses | – 78 554 | – | – 33 394 | – 111 948 |
| Change in value adjustments | – 5 340 | – | – 42 210 | – 47 550 |
| Definitive loss write-offs | – | – | – 11 840 | – 11 840 |
| Other loss expenses | – | – | – 1 160 | – 1 160 |
| **Total loss expenses** | **– 81 350** | **– 1 139** | **– 85 416** | **– 167 905** |

## Debt Rescheduling Results by Segment

01.01.2020–31.12.2020, in KCHF

| | Segments (by debtor) | | | SERV |
|---|---|---|---|---|
| | Public | Private without del credere | Private with del credere | |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) |
| Transfers of capital or interest to new or different agreements | – | – | – | – |
| Change in value adjustments | 4 651 | 6 867 | 509 | 12 027 |
| Write-offs of credit balances against debtor countries | – 92 | – | – | – 92 |
| **Total debt rescheduling results** | **4 559** | **6 867** | **509** | **11 935** |

## Loss Provisions by Segment

31.12.2020, in KCHF

| | Segments (by debtor) | | | SERV |
|---|---|---|---|---|
| | Public | Private without del credere | Private with del credere | |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) |
| IBNR | 6 032 | 1 247 | 66 215 | 73 494 |
| Reported losses | 71 989 | – | 88 137 | 160 126 |
| **Loss provisions** | **78 021** | **1 247** | **154 352** | **233 620** |

# PROOF OF CAPITAL

## As of 31 December 2020, SERV held capital of CHF 2.744 billion, CHF 81.5 million less than the previous year.

Risk-bearing capital (RBC) and core capital (CCap) together totalled CHF 1.519 billion at the end of 2020, CHF 128.4 million lower than the previous year. This change lies within the usual range of fluctuations arising from changes in exposure, OECD country risk categories (CRCs) and default probabilities and foreign currency effects. The compensation reserve (CR) is a net balance sheet item and amounted to CHF 1.307 billion at the end of 2020. This represents an increase of CHF 183.8 million over the previous year (including CHF 55.4 million in allocated net income [NI] from financial year 2019). The CR provides SERV with leeway for additional cover and allows it to manage the major volatility it is exposed to through country downgrades due to political and economic crises (increased demand for RBC, CCap or value adjustments on debt rescheduling balances) and through elevated losses. This allows SERV to provide the Swiss export industry with effective support even in difficult times.

**Proof of Capital**

31.12.2020, in KCHF

| | 31.12.2019 | Allocation net income previous year | Net income in 2020 | Shifts | 31.12.2020 |
|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5)= (1)+(2)+(3)+(4) |
| Risk-bearing capital (RBC) | 1 149 988 | | | – 150 965 | 999 023 |
| Core capital (CCap) | 497 217 | | | 22 565 | 519 782 |
| Compensation reserve (CR) | 1 123 127 | 55 413 | | 128 400 | 1 306 940 |
| Net income (NI) | 55 413 | – 55 413 | – 81 528 | | – 81 528 |
| **Capital** | **2 825 745** | – | **– 81 528** | – | **2 744 217** |

# OTHER NOTES

### Legal Form and Registered Office

SERV is an institution under public law with the status of an independent legal entity under the Swiss Confederation. Its tasks and services as well as the basic features of its organisation are laid down in the Swiss Export Risk Insurance Act of 16 December 2005 (SERVG) SR 946.10 (as of 1 January 2016). SERV is independent in its organisation and management and conducts its own accounts (Art. 3 SERVG).

SERV's registered office is at Genferstrasse 6 in Zurich. It has an office at Avenue d'Ouchy 47 in Lausanne. An employee based at that location provides support for customers in French-speaking Switzerland.

### Significant Events after the Balance Sheet Date

From 31 December 2020 to 16 February 2021, no events occurred that would have resulted in an adjustment of the book values of assets and liabilities or that would have to be disclosed here.

### Auditors

In 2020, the auditors received a fee (excl. VAT) of KCHF 66.6 (previous year: KCHF 77.8) for auditing the 2020 financial statements. Apart from this, the auditors received no other remuneration.

### Reporting to the Confederation

SERV is subject to the supervision of the Federal Council and, ultimately, of Parliament (cf. Art. 32 SERVG). The Federal Council defines SERV's strategic goals for four years at a time and reviews them periodically. SERV regularly updates the Federal Council on the achievement of its objectives and on its business results. In addition, it provides information on its business results to the sub-committees of the Finance Committees each year and to the sub-committees of the Control Committees of the National Council and Council of States every four years.

The electronic version of the current annual report can be found at report.serv-ch.com.

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## Report of the Statutory Auditor to the Federal Council

## Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the financial statements on pages 48 to 66 of Swiss Export Risk Insurance, which comprise the income statement, balance sheet, cash flow, proof of economic viability, statement, income statement by segment, balance sheet by segment and notes for the year ended 31 December 2020.

**Board of Directors' Responsibility**
The board of directors is responsible for the preparation of the financial statements and the proof of economic viability in accordance with the requirements of Swiss law and the accounting principles set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

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

**Swiss Export Risk Insurance, Zurich**
Report of the Statutory Auditor
on the Financial Statements
to the Federal Council

**Opinion**
In our opinion, the financial statements and the proof of economic viability for the year ended 31 December 2020 comply with the accounting principles set out in the notes.

## Report on Other Legal Requirements

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

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

We recommend that the financial statements and the proof of economic viability submitted to you be approved.

KPMG AG

Oliver Windhör
Licensed Audit Expert
Auditor in Charge

Elina Monsch
Licensed Audit Expert

Zurich, 11 March 2021