

To the General Meeting of
RenaissanceRe Europe AG, Zurich

Zurich, 21 April 2021

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of RenaissanceRe Europe AG, which comprise the income statement, balance sheet and notes, for the year ended 31 December 2020.



Board of Directors' responsibility

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



Auditor's responsibility

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

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



Opinion

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



Report on other legal requirements

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

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

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

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

US Certified Public Accountant (CPA)

Enclosures

- ▶ Financial statements (income statement, balance sheet and notes)
- ▶ Proposed appropriation of available earnings

RENAISSANCERE EUROPE AG

Income statement

31 December 2020 and 2019

(Expressed in thousands of Swiss Francs and US Dollars)

	Notes	2020	2020	2019	2019
		CHF	USD ⁽¹⁾	CHF	USD ⁽¹⁾
Gross premiums written		947,283	1,013,410	969,214	975,261
Premium ceded to reinsurers		(349,912)	(374,338)	(150,299)	(151,236)
Net premiums written		597,371	639,072	818,915	824,025
Change in unearned premiums – gross		(89,665)	(95,925)	315,014	316,980
Change in unearned premiums – ceded		155,894	166,777	(133,348)	(134,180)
Change in unearned premiums		66,229	70,852	181,666	182,800
Net premiums earned		663,600	709,924	1,000,581	1,006,825
Other technical income		5,175	5,536	34,436	34,651
Total technical income		668,775	715,460	1,035,017	1,041,476
Gross claims and claim expenses paid		(953,499)	(1,020,060)	(815,056)	(820,141)
Reinsurer's share of claims and claim expenses paid		379,131	405,597	249,978	251,537
Change in technical provisions		121,071	129,522	(576,310)	(579,905)
Change in reinsurer's share of technical provisions		(25,017)	(26,763)	431,951	434,646
Net claims and claim expenses incurred		(478,314)	(511,704)	(709,437)	(713,863)
Gross acquisition costs		(230,604)	(246,701)	(334,483)	(336,570)
Reinsurer's share of acquisition costs		45,613	48,797	34,114	34,326
General and administrative expenses		(66,829)	(71,494)	(120,294)	(121,045)
Net acquisition cost and administrative expenses		(251,820)	(269,398)	(420,663)	(423,289)
Other technical expense		(25,173)	(26,930)	(15,323)	(15,418)
Total technical expense		(755,307)	(808,032)	(1,145,423)	(1,152,570)
Technical result		(86,532)	(92,572)	(110,406)	(111,094)
Investment income	12	249,259	266,659	102,722	103,363
Investment expenses	12	(44,748)	(47,872)	(99,694)	(100,316)
Net investment income		204,511	218,787	3,028	3,047
Other financial income		9,652	10,326	2,164	2,177
Operating result		127,631	136,541	(105,214)	(105,870)
Other income		10,763	11,515	58,161	58,524
Other expense		(61,418)	(65,706)	-	-
(Loss) profit before tax		76,976	82,350	(47,053)	(47,346)
Tax expense		(9,834)	(10,521)	(5,319)	(5,353)
(Loss) profit after tax		67,142	71,829	(52,372)	(52,699)

⁽¹⁾ USD balances shown above are solely for presentational purposes

See accompanying notes to financial statements

RENAISSANCERE EUROPE AG

Balance sheet

31 December 2020 and 2019

(Expressed in thousands of Swiss Francs and US Dollars)

	Notes	2020	2020	2019	2019
		CHF	USD ⁽¹⁾	CHF	USD ⁽¹⁾
Assets					
Investments					
Participations	3	117	132	128	132
Fixed interest securities		1,449,275	1,637,963	1,589,148	1,639,310
Loans		177,900	201,062	121,175	125,000
Shares		-	-	-	-
Other Investments	4	209,379	236,639	73,947	76,281
Deposits retained on assumed reinsurance business		60,695	68,597	107,653	111,051
Deposit assets		106,263	120,098	112,713	116,270
Cash and cash equivalents		161,388	182,400	70,835	73,071
Reinsurers' share of technical provisions	6	1,172,365	1,325,001	1,308,500	1,349,805
Property and equipment		1,035	1,169	1,314	1,356
Deferred acquisition costs		129,871	146,780	136,418	140,724
Reinsurance receivable	5	514,496	581,481	462,022	476,606
Derivative assets		4,534	5,125	45,707	47,149
Other receivable		7,628	8,621	9,996	10,312
Other assets		1,073	1,213	5,219	5,381
Prepaid expenses		125	141	271	282
Total assets		<u>3,996,145</u>	<u>4,516,422</u>	<u>4,045,046</u>	<u>4,172,730</u>
Liabilities and equity					
Technical provisions	6	2,764,636	3,124,577	2,972,890	3,066,732
Non-technical provisions	7	131	4,202	136,403	139,382
Payables from derivative financial instruments		8,728	9,865	34,489	35,577
Deposits retained on ceded reinsurance business		14,965	16,913	11,742	12,113
Deposit liabilities		106,263	120,098	112,713	116,270
Reinsurance payable	8	283,887	320,847	182,696	188,463
Derivative liabilities		2,353	2,659	13,568	13,996
Other liabilities		30,445	34,411	46,506	47,974
Deferred income		60,179	68,013	9,343	9,639
Total liabilities		<u>3,271,587</u>	<u>3,701,585</u>	<u>3,520,350</u>	<u>3,630,146</u>
Shareholders' equity					
Share capital	10	227,675	257,317	227,675	234,862
Statutory capital reserves	10				
Legal reserves		113,837	128,658	113,837	117,430
Reserves from capital contributions		298,542	337,411	165,822	171,056
Retained earnings	10				
Profit carried forward		17,362	19,622	69,734	71,935
(Loss) profit for the year		67,142	71,829	(52,372)	(52,699)
Total equity		<u>724,558</u>	<u>814,837</u>	<u>524,696</u>	<u>542,584</u>
Total liabilities and equity		<u>3,996,145</u>	<u>4,516,422</u>	<u>4,045,046</u>	<u>4,172,730</u>

⁽¹⁾ USD balances shown above are solely for presentational purposes

1. General and basis of preparation

RREAG, formerly known as Tokio Millennium Re AG, is a Swiss-based reinsurance company and is licensed and regulated by the Swiss Financial Market Supervisory Authority ("FINMA"). RREAG's registered office is located at Beethovenstrasse 33, 8002 Zurich, Switzerland. The Company is a wholly-owned subsidiary of RenaissanceRe Specialty Holdings (UK) Limited ("RRSHUKL"). The ultimate parent company is RenaissanceRe Holdings Ltd. ("RRHL"), a company incorporated in Bermuda.

The Company was formed in Bermuda on 15 March 2000 and redomesticated to Switzerland on 15 October 2013, becoming subject to Swiss law without liquidation and re-establishment. The Company has branches in Australia, Bermuda, the United Kingdom and the United States and has three subsidiaries, as detailed in Note 3.

On 22 March 2019, RRHL and RRSUKL acquired Tokio Millennium Re AG, its subsidiaries and affiliate, Tokio Millennium Re (UK) Limited, pursuant to the Stock Purchase Agreement ("SPA"), dated 30 October 2018, by and among RRHL, Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF"), and (solely with respect to certain provisions thereof) Tokio Marine Holdings, Inc., a Japanese joint stock company and parent of TMNF, (the "Acquisition"). Following the Acquisition, Tokio Millennium Re AG changed its name to RenaissanceRe Europe AG.

The annual financial statements have been prepared in accordance with the provisions on commercial accounting of the OR (Art. 957-963b OR, applicable as of 1 January 2013). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5-6a AVO-FINMA, applicable as of 15 December 2015) have been applied.

2. Accounting principles

The Company's accounting principles are in line with those prescribed by the OR and AVO-FINMA. They are consistent with those applied in the previous year. The accounting and valuation principles applied for the main balance sheet items are as follows:

(a) Investments

Fixed interest securities are valued at amortised cost less required impairments.

Shares and other investments (short-term investments, absolute return fund) are valued at fair value.

All other investments (limited partnerships and limited liability companies) are valued at the lower of cost and market value.

Participations are valued at cost.

(b) Receivables and payables from derivative financial instruments

Receivables and payables from derivative financial instruments are booked at nominal value.

(c) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at amortised cost. Carrying amounts approximate nominal value due to the short-term nature and high liquidity of the instruments.

(d) Deferred acquisition costs

Acquisition costs, mainly commission and brokerage, related to unearned premiums are deferred and amortised to income over the periods in which the premiums are earned. The method followed in determining the deferred acquisition costs limits the amount of the deferral to its realisable value, by giving consideration to losses and expenses expected to be incurred as premiums are earned.

(e) Reinsurance receivable

Reinsurance receivable are recorded net of commissions, brokerage, premium taxes and other levies on premium, unless the contract specifies otherwise, and are booked at nominal value. These balances are reviewed for impairment, with any impairment losses recognised as an expense in the period in which it is determined. The position mainly consists of receivables from insurance companies and brokers.

(f) Derivative assets and liabilities

Assets and liabilities in derivative financial instruments comprise reinsurance contracts or features embedded in reinsurance contracts that fulfil the characteristics of derivative financial instruments and are accounted based on the lower of cost or market value principle. However, for back-to-back deals where the company enters into two identical, but opposite directed derivatives, both derivatives were recorded at market value.

(g) Deposit assets and liabilities

Certain contracts do not transfer sufficient insurance risk and are accounted for using the deposit method of accounting. Management exercises judgment in determining whether contracts contain sufficient risk to be accounted for as reinsurance contracts. Under the deposit method of accounting, the deposit asset or liability is initially measured based on the consideration paid or received. In subsequent periods, the deposit asset or liability is adjusted by calculating the effective yield on the deposit to reflect actual receipts or payments to date and future expected receipts or payments.

Notes to Financial Statements

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(h) *Technical provisions*

Technical provisions comprise unearned premium reserves, outstanding losses and loss expense reserves and equalisation reserves

Outstanding losses and loss expenses comprise estimates of the amount of reported losses and loss expenses received from the ceding insurance companies plus a provision for losses incurred but not reported ("IBNR"). The IBNR provision is estimated by management based on reports from industry sources, including initial estimates of aggregate industry losses, individual loss estimates received from ceding companies and brokers, output from commercially available catastrophe loss models and actuarial analysis using historical data available to the Company on the business assumed together with industry data.

Unearned premium reserves are earned over the period of exposure to risk of the underlying contract.

Equalisation reserves are set in accordance with Article 54b of the ISO and FINMA Circular 2011/3. These reserves are booked in addition to the best estimate for claims reserves.

(i) *Non-technical provisions*

In future years, this general provision is released to the extent that it offsets any net unrealised losses.

(j) *Foreign currency translation*

The functional currency of the Bermuda and U.S. operations is the U.S. dollar. The functional currencies of the Company's Swiss, Australian and U.K. operations are the Euro, Australian dollar and Pound Sterling, respectively. The Company's reporting currency is the U.S. dollar under the accounting principles generally accepted in the United States of America ("US GAAP") For the Swiss OR annual financial statements, assets and liabilities are converted into Swiss francs at year-end exchange rates. Income and expenses are converted into Swiss francs at average exchange rates for the reporting year.

The following table shows the main foreign exchange rates used:

Exchange rates in USD per 1 of foreign currency		2020		2019	
		Closing Rate	Average Rate	Closing Rate	Average Rate
Australian dollar	AUD	0.77	0.69	0.70	0.69
British pound	GBP	1.37	1.29	1.31	1.28
Euro	EUR	1.22	1.15	1.12	1.12
Swiss Franc	CHF	1.13	1.07	1.03	1.01

3. **Participations**

Name of Subsidiary	Domicile	Description	Share Capital		Percentage Ownership
			CHF	USD	
RenaissanceRe Solution Management Ltd	Bermuda	Management Services Company	10.7	12.0	100%
Shima Reinsurance Ltd	Bermuda	Class 3 Segregated Accounts Company	106.5	120.0	100%
RenaissanceRe Management, Inc.	United States	Management Services Company			100%

The total book value of participations as at 31 December 2020 was CHF 0.1 million/USD 0.1 million (2019 – CHF 0.1 million/USD 0.1 million). The voting rights are 100% held by RREAG.

4. **Other investments**

Other investments comprise of the following:

	2020	2020	2019	2019
	CHF	USD	CHF	USD
Short-term investments (i)	42,895	48,480	73,947	76,281
Investment in limited partnerships	166,483	188,158	-	-
	209,379	236,639	73,947	76,281

(i) Short-term investments comprise of money market funds and short-term fixed deposits.

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5. Reinsurance receivable

Reinsurance receivable comprise the following:

	2020	2020	2019	2019
	CHF	USD	CHF	USD
Receivable from insurance companies	553,222	625,248	496,798	512,480
Bad debt reserve	<u>(38,726)</u>	<u>(43,767)</u>	<u>(34,776)</u>	<u>(35,874)</u>
	<u>514,496</u>	<u>581,481</u>	<u>462,022</u>	<u>476,606</u>

6. Technical provisions

Technical provisions comprise the following:

	2020			2019		
	CHF			CHF		
	<u>Gross</u>	<u>Ceded</u>	<u>Net</u>	<u>Gross</u>	<u>Ceded</u>	<u>Net</u>
Unearned premiums ⁽¹⁾	485,992	(182,887)	303,105	398,679	(22,111)	376,568
Outstanding losses and loss expenses	2,210,400	(989,478)	1,220,922	2,499,441	(1,286,389)	1,213,052
Equalisation reserves	<u>68,244</u>	<u>-</u>	<u>68,244</u>	<u>74,770</u>	<u>-</u>	<u>74,770</u>
	<u>2,764,636</u>	<u>(1,172,365)</u>	<u>1,592,271</u>	<u>2,972,890</u>	<u>(1,308,500)</u>	<u>1,664,390</u>

	2020			2019		
	USD			USD		
	<u>Gross</u>	<u>Ceded</u>	<u>Net</u>	<u>Gross</u>	<u>Ceded</u>	<u>Net</u>
Unearned premiums ⁽¹⁾	549,265	(206,698)	342,567	411,264	(22,809)	388,455
Outstanding losses and loss expenses	2,498,181	(1,118,303)	1,379,879	2,578,337	(1,326,996)	1,251,341
Equalisation reserves	<u>77,131</u>	<u>-</u>	<u>77,131</u>	<u>77,131</u>	<u>-</u>	<u>77,131</u>
	<u>3,124,577</u>	<u>(1,325,001)</u>	<u>1,799,576</u>	<u>3,066,732</u>	<u>(1,349,805)</u>	<u>1,716,927</u>

Changes in technical provisions, included as part of net claims and claim expenses incurred in the income statement for the years 2020 and 2019, were related to changes in outstanding losses and loss expense reserves and equalisation reserves.

⁽¹⁾ 2019 Unearned premium contains (CHF 147.7 million/USD 152.3 million) of accounting policy alignment adjustments following the adoption of the RenRe's Group methodology for the recognition of premium on proportional and non proportional business.

7. Non-technical provisions

Non-technical provisions comprise the following:

	2020	2020	2019	2019
	CHF	USD	CHF	USD
Translation gains on shareholders' equity	-	-	26,348	27,179
Unrealised gains on investment assets	-	-	114,370	117,980
Other non-technical adjustments	<u>131</u>	<u>4,202</u>	<u>(4,315)</u>	<u>(5,777)</u>
	<u>131</u>	<u>4,202</u>	<u>136,403</u>	<u>139,382</u>

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(Expressed in thousands of Swiss Francs and US Dollars)

8. Reinsurance payable

Reinsurance payable as at 31 December 2020 and 2019 comprise of liabilities to insurance/reinsurance companies.

9. Receivables from and payables to related parties

Transactions were conducted with related parties during the year and were based on arms' length arrangements.

At the balance sheet date, there were receivables from and payables to related parties, as follows:

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	CHF	USD	CHF	USD
Reinsurance receivable	85,835	97,010	573,720	591,830
Loans	177,900	201,062	122,119	125,974
Other investments	166,483	188,158	-	-
Reinsurance payable	114,569	129,486	575,123	593,278
Other liabilities	13,317	15,051	20,702	21,356

10. Statement of changes in equity

	<u>Share capital</u>	<u>Statutory capital reserves</u>	<u>Voluntary profit reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	CHF	CHF	CHF	CHF	CHF
Balance 1 January 2019	227,675	279,659	-	69,734	577,068
Loss	-	-	-	(52,372)	(52,372)
Balance 31 December 2019	227,675	279,659	-	17,362	524,696
Capital contribution	-	132,720	-	-	132,720
Profit	-	-	-	67,142	67,142
Balance 31 December 2020	<u>227,675</u>	<u>412,379</u>	<u>-</u>	<u>84,504</u>	<u>724,558</u>

	<u>Share capital</u>	<u>Statutory capital reserves</u>	<u>Voluntary profit reserves</u>	<u>Retained earnings</u>	<u>Total</u>
	USD	USD	USD	USD	USD
Balance 1 January 2019	231,260	284,062	-	71,401	586,723
Loss	-	-	-	(52,699)	(52,699)
FX translation adjustment	3,602	4,424	-	534	8,560
Balance 31 December 2019	234,862	288,486	-	19,236	542,584
Capital contribution	-	150,000	-	-	150,000
Loss	-	-	-	71,829	71,829
FX translation adjustment	22,455	27,583	-	386	50,424
Balance 31 December 2020	<u>257,317</u>	<u>466,069</u>	<u>-</u>	<u>91,451</u>	<u>814,837</u>

11. Audit fees

The audit fees for the year amounted to CHF 0.6 million/USD 0.7 million (2019 – CHF 1.2 million/USD 1.2 million). The fees exclude outlays and VAT.

The audit fees included fees for engagements with a direct or indirect connection to a current or future audit engagement and fees for audit-related activities.

Notes to Financial Statements

31 December 2020 and 2019

(Expressed in thousands of Swiss Francs and US Dollars)

12. Investment income and expense

	CHF						
	Income	Realised gains	Total income	Expense	Realised losses	Unrealised losses ⁽¹⁾	Total expense
31 December 2020							
Fixed interest securities	31,946	199,218	231,163	-	4,575	38,151	42,726
Shares	-	-	-	-	-	-	-
Other investments	18,096	-	18,096	-	-	136	136
Investment management fees	-	-	-	1,886	-	-	1,886
Dividend income from participation	-	-	-	-	-	-	-
	50,041	199,218	249,259	1,886	4,575	38,287	44,748

	USD						
	Income	Realised gains	Total income	Expense	Realised losses	Unrealised losses ⁽¹⁾	Total expense
31 December 2020							
Fixed interest securities	34,176	213,124	247,300	-	4,895	40,814	45,709
Shares	-	-	-	-	-	-	-
Other investments	19,359	-	19,359	-	-	146	146
Investment management fees	-	-	-	2,017	-	-	2,017
Dividend income from participation	-	-	-	-	-	-	-
	53,534	213,124	266,659	2,017	4,895	40,960	47,872

(1) Unrealised losses include impairment losses of CHF 13.9 million (Fixed interest securities - CHF 13.9 million)

	CHF						
	Income	Realised gains	Total income	Expense	Realised losses ⁽¹⁾	Unrealised losses ⁽¹⁾	Total expense
31 December 2019							
Fixed interest securities	52,052	34,579	86,631	-	14,310	82,692	97,002
Shares	-	3,570	3,570	-	613	-	613
Other investments	6,697	2,883	9,580	-	-	367	367
Investment management fees	-	-	-	1,712	-	-	1,712
Dividend income from participation	2,941	-	2,941	-	-	-	-
	61,690	41,032	102,722	1,712	14,923	83,059	99,694

	USD						
	Income	Realised gains	Total income	Expense	Realised losses ⁽¹⁾	Unrealised losses ⁽¹⁾	Total expense
31 December 2019							
Fixed interest securities	52,377	34,795	87,172	-	14,399	83,208	97,607
Shares	-	3,593	3,593	-	617	-	617
Other investments	6,739	2,900	9,639	-	-	370	370
Investment management fees	-	-	-	1,722	-	-	1,722
Dividend income from participation	2,959	-	2,959	-	-	-	-
	62,075	41,288	103,363	1,722	15,016	83,578	100,316

(1) Unrealised losses include impairment losses of CHF 1.8 million (Fixed interest securities - CHF 1.8 million)

13. Depreciation of property and equipment and amortisation of intangible assets

The depreciation expense on property and equipment and amortisation expense on intangible assets, as included in general and administrative expenses in the income statement, were as follows:

	2020	2020	2019	2019
	CHF	USD	CHF	USD
Depreciation of property and equipment	380	407	1,441	1,450
Amortisation of intangible assets	37	40	1,067	1,074
	417	447	2,508	2,524

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(Expressed in thousands of Swiss Francs and US Dollars)

14. Restricted assets and commitments

Restricted assets

In the normal course of business, fixed interest securities and cash and cash equivalents with fair value of CHF 478.5 million/USD 540.8 million as at 31 December 2020 (2019 – CHF 491.5 million/USD 507.1 million), were deposited in trust for the benefit of ceding companies and credit institutions.

Commitments

Effective 27 March 2018, the Company entered into a letter of credit facility agreement ('Credit Suisse Facility') with Credit Suisse (Switzerland) Ltd. ('Credit Suisse'). Effective 26 June 2020 the facility increased to USD 200 million. At 31 December 2020, Credit Suisse has issued letters of credit of CHF 170.9 million/USD 193.1 million (2019 – CHF 107.7 million/USD 111.1 million).

Effective January 2020, the Mizuho Bank letter of credit facility was cancelled. At 31 December 2019, Mizuho Bank had issued letters of credit of CHF 71.7 million/USD 73.9 million in favour of ceding companies used to support the Company's reinsurance obligations.

Effective January 2020, the Mitsubishi Bank letter of credit facility was cancelled. At 31 December 2019, Mitsubishi Bank had issued letters of credit of CHF 64.9 million/USD 67.0 million in favour of ceding companies used to support the Company's reinsurance obligations.

Effective 22 March 2019, the Company entered into a letter of credit facility agreement with Citibank Europe. At 31 December 2020, Citibank had issued letters of credit of CHF 232.2 million/USD 262.4 million (2019 – CHF 259.9 million/USD 268.1 million) in favour of ceding companies.

15. Lease obligations

The Company leases office space under operating leases which expire at various dates. The Company renews and enters into new leases in the ordinary course of business as required.

Future minimum lease payments under the leases are expected to be as follows:

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	CHF	USD	CHF	USD
1 to 5 years	3,986	4,505	4,986	5,144
More than 5 years	-	-	233	240
	<u>3,986</u>	<u>4,505</u>	<u>5,219</u>	<u>5,384</u>

The above lease agreements also include a maintenance commitment. Maintenance expense for the current year amounts to CHF 0.0 million/USD 0.0 million (2019 – CHF 0.2 million/USD 0.2 million) which has been included in general and administrative expenses.

Some lease agreements for office space provide an option to extend the lease beyond the expiration date.

16. Full-time equivalents and personnel expenses

The average number of full-time equivalents for the year ended 31 December 2020 was 35.0 (2019 – 41.8).

Personnel expenses for the year ended 31 December 2020 amounted to CHF 17.9 million/USD 19.2 million (2019 – CHF 61.7 million/USD 62.1 million).

17. Subsequent events

The Company has completed its subsequent events evaluation for the period subsequent to the balance sheet date of 31 December 2020, through to the date the financial statements were authorised for issue. There were no subsequent events that would warrant an adjustment to the financial statements.

RENAISSANCERE EUROPE AG**Proposed appropriation of retained earnings****31 December 2020 and 2019**

(Expressed in thousands of Swiss Francs and US Dollars)

Appropriation of retained earnings

	<u>2020</u> CHF	<u>2020</u> USD	<u>2019</u> CHF	<u>2019</u> USD
Retained earnings or profit carried forward	17,362	19,622	69,734	71,935
Profit (loss) for the year	<u>67,142</u>	<u>71,829</u>	<u>(52,372)</u>	<u>(52,699)</u>
Retained earnings at the end of the year	<u><u>84,504</u></u>	<u><u>91,451</u></u>	<u><u>17,362</u></u>	<u><u>19,236</u></u>

The Board of Directors proposes to carry forward the retained earnings.

Allocation of statutory capital reserves

	<u>2020</u> CHF	<u>2020</u> USD	<u>2019</u> CHF	<u>2019</u> USD
Legal reserve ⁽²⁾	113,837	128,658	113,837	117,430
Reserves from capital contributions	<u>298,542</u>	<u>337,411</u>	<u>165,822</u>	<u>171,056</u>
Statutory capital reserves at the end of the year	<u><u>412,379</u></u>	<u><u>466,069</u></u>	<u><u>279,659</u></u>	<u><u>288,486</u></u>

The Board of Directors proposes to carry forward the statutory capital reserves.

⁽¹⁾ No dividend will be declared for the 2020 financial year.⁽²⁾ In accordance with the Swiss Code of Obligations, RREAG's legal reserves are equivalent to 50% of its share capital.