

Deutsche Rückversicherung
Switzerland Ltd

2025

ANNUAL REPORT



Deutsche Rückversicherung Switzerland Ltd

REPORT ON THE 25TH FINANCIAL YEAR

The valuable alternative. Based in Zurich, Deutsche Rückversicherung Switzerland Ltd (DR Swiss) is a company within the Deutsche Rück Group. Deutsche Rückversicherung AG in Düsseldorf is the main shareholder in DR Swiss, with a holding of 71.25 %. VHV Holding AG in Hanover owns 23.75 % and Oberösterreichische Versicherung AG in Linz holds 5 % of the share capital. A valuable alternative on the market, DR Swiss offers its client partners stable and lasting reinsurance cover. DR Swiss meets clients' specific needs through its highly experienced team of experts and its profound, long-standing knowledge of the market, which allows it to offer clients tailor-made solutions and a high level of flexibility.

DR Swiss Key Figures

in CHF thousand	2025	2024	Change in %
Gross premiums written	396,254	367,647	+7.8
Net premiums earned	380,950	347,308	+9.7
Net investment income	19,419	18,611	+4.3
Acquisition and operating expenses for own account	10,346	9,149	+13.1
Profit (+) / loss (-) after tax	7,139	7,665	-6.9
Financial investments incl. cash deposits	1,113,334	1,020,832	+9.1
Gross technical provisions	866,836	777,645	+11.5
Net technical provisions	862,791	770,622	+12.0
Shareholders' equity incl. subordinated liabilities	259,435	258,410	+0.4
Loss ratio in % of net premiums earned	73.4	77.7	
Administrative expense ratio incl. amortisation in % of net premiums earned	2.7	2.6	
Employee headcount	40	39	

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DR Swiss Organisation

BOARD OF DIRECTORS

Prof. Frank Walthes, Chairman
 Peter Rainer, Deputy Chairman
 Dr Andreas Jahn
 Dr Chérif Chentir (until 3 April 2025)
 Dr Kathrin Anne Meier
 Ulrich-Bernd Wolff von der Sahl
 Frank Schaar (since 1 July 2025)

SHAREHOLDERS

71.25 % Deutsche Rückversicherung AG, Düsseldorf
 23.75 % VHV Holding AG, Hanover
 5.00 % Oberösterreichische Versicherung AG, Linz

STATUTORY AUDITOR

PricewaterhouseCoopers AG, Zurich

EXECUTIVE MANAGEMENT

Since 1 July 2025

Achim Bosch, Managing Director
 Caren Büning
 Dr Stefan Ostermeier

Until 30 June 2025

Frank Schaar, Managing Director
 Achim Bosch

SENIOR MANAGEMENT

Sonja Hoffmann
 Pietro Lodigiani
 Dr Mirjam Meyer
 Dr Stefan Ostermeier (until 30 June 2025)
 Nina Wingate (since 1 July 2025)

RATING

A+, Standard & Poor's



The Executive Management of DR Swiss (from left):
Dr Stefan Ostermeier, Achim Bosch (Managing Director), Caren Büning.

Management Report

GENERAL BUSINESS PERFORMANCE

Gross premiums written grew by 7.8 % to CHF 396.3 million in the 2025 financial year, compared with CHF 367.6 million in the previous year. This increase in premiums was primarily due to growth in France and Spain.

In original currency, i.e. at constant exchange rates, premiums would have risen by 9.6 %. The mean exchange rate of the euro against the Swiss franc, which is authoritative in determining liquid items, fell by 1.7 % compared with the previous year to EUR 1/CHF 0.9370. The euro exchange rate at the end of the year, which is used to calculate provisions, was down 1.0 % at EUR 1/CHF 0.9314.

In market business, premiums grew by 1.4 % to CHF 273.2 million (previous year CHF 269.4 million). In continuity reinsurance, premiums rose by 25.2 % to CHF 123.0 million (previous year CHF 98.2 million).

Premiums earned for own account increased by 9.7 % to CHF 380.9 million (previous year CHF 347.3 million). Retrocession premiums fell by 29.7 % to CHF 11.2 million (previous year CHF 15.9 million).

Original claims expenditure fell by 8.2 % year on year in gross terms to CHF 178.5 million (previous year CHF 194.4 million) and by 7.8 % in net terms to CHF 177.2 million (previous year CHF 192.3 million). The loss ratio improved to 46.5 % (previous year 55.4 %). Claims paid came to CHF 174.0 million and were thus down 3.1 % compared with the previous year's figure of CHF 179.6 million.

The European insurance market developed positively in the year under review. Loss events were lower than expected in both liability and property insurance business.

Total costs (excluding own administrative expenses) increased by 24.3 % in both gross and net terms to CHF 99.3 million (previous year CHF 79.9 million). The expense ratio was 26.1 % of premiums earned for own account and thus increased compared with the previous year (23.0 %). External costs paid (i.e. without any change in provisions for profit shares) rose to CHF 94.0 million (previous year CHF 77.6 million).

Administrative expenses rose from CHF 9.1 million to CHF 10.3 million in the year under review owing to an increase in the employee headcount that was necessary due to growth in the volume of business and the resulting assignment to a higher supervisory category.

In total, the net technical profit came to CHF 2.0 million or 0.5 % of premiums earned for own account. The company had recorded a technical loss of CHF 2.6 million or 0.8 % for the previous year.

In a highly uncertain environment, the world's leading central banks continued the cycle of interest rate cuts that they began in 2024. The US Federal Reserve Bank lowered its base rate in three stages over the course of the year by a total of 75 basis points to 3.75 %. The European Central Bank cut its deposit rate by 100 basis points in four stages to 2.0 % at the end of 2025. The Swiss National Bank (SNB) also reduced its base rate further in two stages from 0.5 % to 0.0 % at the end of 2025.

Global stock markets initially showed cautious optimism in the first quarter, but prices fell by more than 12 % within a few trading days in April due to the announcement of trade barriers and resulting economic concerns. The relativisation and in some cases abandonment of US tariffs, combined with good business prospects in the technology sector, led to a very rapid recovery on stock markets, which closed the year with price gains. Germany's DAX index climbed 23.0 % in net terms over the year as a whole to 24,490 points. Other market-leading stock market indices such as the US S&P 500 index and the European Dow Jones EuroStoxx 50 performed similarly. The S&P 500 climbed 16.4 % year on year, ending the year at 6,845 points, while the Dow Jones EuroStoxx 50 gained 18.3 % to 5,791 points. The Swiss stock market also performed well, albeit at a lower level, with the SMI gaining 14.4 % to 13,267 points in 2025.

The yield on ten-year US Treasuries, which had been around 4.8 % in mid-January, was down at 4.17 % at the end of the year following significant fluctuations. In contrast, the return on ten-year German government bonds increased in net terms and stood at 2.86 % at the end of the year, 0.49 percentage points above its level at the start of the year. The yield on ten-year Swiss government bonds did not follow a consistent trend in 2025. It initially rose, climbing 53 basis points to 0.78 % at the end of the first quarter, then dropped to around 0.09 % by November before picking up again slightly at the end of the year and closing the year at 0.28 %.

The Swiss franc regained strength in the context of geopolitical uncertainties, with a significant increase in the external value against the US dollar. Having begun the year at around USD 1.10, the Swiss franc stood at around USD 1.26 at the end of the year, representing a rise of about 15 %. The weakness of the US dollar, which was also apparent in relation to other currencies, reflects investors' dwindling confidence in the predictability of US policy. The euro remained stable against the Swiss franc in the year under review, falling by only about 0.9 % year on year from CHF 1/EUR 1.06 to CHF 1/EUR 1.07.

Developments in commodities varied. The price of crude oil, which had stood at around USD 75 per barrel of Brent at the beginning of the year, initially fell to about USD 60 in early May due to expectations of an economic slowdown and a resulting drop in demand. It was up significantly by mid-year, before closing the year at approximately USD 61 per barrel. This represents a drop of about 18.5 % over the year as a whole. Gold once again benefited from increasing uncertainty, with prices remaining very strong. The gold price rose continuously in net terms from USD 2,625 to USD 4,319 per fine ounce, a net increase of around 64.6 %.

RESULT

DR Swiss' investments performed positively in the 2025 financial year despite the difficult market conditions outlined above.

After an addition to fluctuation reserves for financial investments, which went from CHF 2.5 million to CHF 2.75 million, investment income totalled CHF 19.4 million. In addition, interest income of CHF 2.2 million was generated from cash held as call money and time deposits. The net result from investment activity thus came to CHF 21.6 million, above the previous year's figure of CHF 20.8 million and higher than the forecast of CHF 21.0 million, despite the non-recurring effect from the addition to fluctuation reserves for financial investments. In particular, private equity funds and interest income from liquidity holdings surpassed forecasts.

Net income for the 2025 financial year amounted to CHF 7.1 million after tax, compared with CHF 7.7 million in the previous year.

ASSETS

With a net inflow of liquidity from underwriting, the volume of investments at their carrying amounts grew by CHF 84.1 million to CHF 1,042.4 million over the course of the year (previous year CHF 958.3 million). The majority of funds were invested directly in bonds with an excellent credit rating. Our private equity portfolio grew due to capital calls for the agreed commitments. We also entered into further commitments to ensure that the share of the portfolio remains stable even in the event of future repayments and to enable diversification across future years. The real estate financing portfolio declined due to repayments. In equity funds, we took advantage of positive market developments to optimise our portfolio by reducing individual positions. We continue to hold adequate liquid funds.

In line with our investment strategy, DR Swiss' investment portfolio is broadly diversified across various asset classes, regions and currencies.

ANNUAL AVERAGE NUMBER OF FULL-TIME EQUIVALENTS

The average number of full-time equivalents at DR Swiss in 2025 was 32.4 (previous year 30.3).

RATING: A+

The rating agency Standard & Poor's once again confirmed its rating of "A+" and maintained its outlook of "stable" for the Deutsche Rück Group and thus for DR Swiss as well. Standard & Poor's reports that the Deutsche Rück Group has a sustainable, solid capital base, a strong competitive position and a secure earnings position. This is supported by risk-commensurate underwriting and an effective retrocession structure.

SUSTAINABLE INVESTMENT

At DR Swiss, we are aware of our responsibility to the environment and society and have therefore integrated sustainability criteria into our investment process. These are set out in the Group-wide sustainability strategy. As part of the Deutsche Rück Group, we signed up to the investors' initiative PRI (Principles for Responsible Investment) as far back as 2019. PRI is a globally recognised financial initiative for responsible investment created as a spin-off from the UN partner organisations Global Compact and UNEPFI. The objective of the principles is to facilitate a better understanding of the impact that investment decisions have on environmental and social issues and factors relating to good corporate governance.

EVENTS AFTER THE BALANCE SHEET DATE

At the present time and taking into account current business performance, there are no discernible developments that could have a significant and lasting negative impact on DR Swiss' assets, financial position or earnings.

RISK ASSESSMENT

Risk management: Strategic framework

The risk strategy, which is derived from the business strategy, defines the risks that must be accepted in the course of normal business activities and documents the level of risk tolerance stipulated by the Board of Directors and reviewed annually. This is based on the company's risk-bearing resources and on basic strategic considerations.

The Board of Directors, executive management and first-tier management are included on an ongoing basis in regular discussions of strategic risks.

Identification of risks and risk management organisation

All risks affecting DR Swiss are categorised in a risk map. Responsibility for each identified risk is clearly defined. Identified risks are evaluated once a year in a defined process with regard to currentness, completeness and relevance.

Measurement and evaluation of risks

The annual assessment is recorded in a report and the results are presented to the Board of Directors. As well as key risk indicators at the level of the company as a whole, material risks relating to underwriting and investment are managed through additional processes. Investment risk monitoring is essentially based on regular meetings of the investment committee and related reporting. Ad hoc reporting is carried out for extraordinary developments relating to major and accumulated losses in the property insurance divisions. In addition, per-risk losses above the reporting threshold of EUR 500,000 are consolidated and reported to the Board of Directors.

Investment strategy

The strategic asset allocation is determined each year in a standardised process involving the investment committee and the Board of Directors.

Risk control functions within the risk management process

The Board of Directors' responsibility for the organisation of the company, strategic management, supervision of the executive management and the organisation of accounting and financial control as established in section 716a of the Swiss Code of Obligations (*Obligationenrecht*, CO) means that the Board of Directors bears overall responsibility for dealing with risks affecting the company. The Board of Directors receives regular updates regarding developments in the risk strategy, which is to be defined annually.

Significant risks

Risks can in principle arise in all areas, functions and processes. We structure risks in accordance with three different risk categories:

1. Reinsurance risks
2. Investment and credit risks
3. Operational risks

1. Reinsurance risks

The premium/claims risk is the risk that costs or benefits due could turn out to be higher than was assumed when the premiums were calculated.

The reserve risk describes the risk that the provision for outstanding claims may not be adequate, as losses incurred may not yet be known or insufficient reserves may have been set up to cover known losses. Reserves may have been calculated with insufficient allowance or no allowance at all for extraordinary events resulting in exceptionally high loss frequencies or amounts.

Natural hazard/accumulation risks, such as windstorms, floods, earthquakes or hail, pose the biggest risks to DR Swiss. Risk exposure in this area is therefore actively managed as part of the underwriting process.

Tools for limiting risks

DR Swiss uses various tools to control and limit risks in reinsurance. The most important tools are outlined below.

Underwriting guidelines and limits: Underwriting guidelines set out detailed rules on which reinsurance treaties can be underwritten and up to what amount. The underwriting guidelines also stipulate that the double-checking principle must be applied throughout. Limits of indemnity are also specified and monitored regularly. Moreover, ongoing profitability measurements and accumulation checks ensure that risks remain manageable.

Retrocession cover: DR Swiss has protected itself since 2020 with cover for market business that is exposed to NatCat risks.

Monitoring technical provisions: Provisions for uncertain liabilities stemming from obligations assumed are regularly checked by the office of the responsible actuary using recognised and established actuarial methods. The run-off is monitored on an ongoing basis.

2. Investment and credit risks

Investment and retrocession give rise to the following investment and credit risks:

Market price risks: These describe potential losses due to unfavourable changes in market prices, particularly on the equity, real estate and interest rate markets. In economic terms, changes in interest rates affect not only the assets side but also the liabilities side of the balance sheet. Any mismatch between the maturity structures of assets and liabilities gives rise to an economic risk.

Credit and creditworthiness risks: The value of existing receivables may go down as a result of changes in the assessment of the creditworthiness of issuers or contractual partners.

Liquidity risks: Untimely inflows and outflows of liquidity may make unscheduled disposals of investments necessary. Depending on how tradable the various investments are and depending on the market phase, this can lead to opportunity costs of varying magnitude and/or to losses, due to reductions in price.

Currency risks: Changes in exchange rates may lead to losses due to mismatches between investments and technical obligations with respect to underwriting. Even if an investment strategy based on matching maturities is followed, risks may still exist as a result of misjudgements with regard to the level of claims provisions.

Tools for controlling and monitoring investment and credit risks

Our investment management is based on the principles of adequate profitability combined with a high level of security. Along with the necessary distribution of risk, adequate liquidity of investments must be maintained at all times. These principles are monitored by means of ongoing reporting. In addition, portfolios are valued regularly. Our portfolio management works in accordance with investment guidelines that are regularly reviewed and adjusted to the changing environment.

Stress tests and value-at-risk analyses for assessing market risks

We measure market price risks for portfolios of fixed-income securities and equities using stress tests that simulate the effects of unexpected fluctuations in the market. As well as stress tests that are prescribed by the regulator, DR Swiss analyses historic events and maps their development on its current investment portfolio. In addition, market risks for all assets and all liabilities that are subject to market risks are assessed and managed by means of expected shortfall analyses.

Minimum rating for the containment of credit risks

For fixed-income investments, the company carries out a credit assessment of the issuers/issues based on ratings from recognised rating agencies and its own additional assessment of their creditworthiness.

The lowest rating principle is applied here, whereby the lowest of all the available credit ratings from recognised rating agencies is regularly used.

Issuer risks are also widely spread. At the same time, we take into account upper limits for each issuer, which we monitor and adjust on an ongoing basis.

Liquidity planning

We counter risks arising from unforeseeable liquidity requirements through comprehensive liquidity management and by ensuring a balanced maturity structure for our investments with a large proportion of highly fungible assets. Liquidity planning covers various planning horizons and, as well as cash flows from the investment portfolio, also includes planning of liquidity flows on the liabilities side. Anticipated inflows and outflows of liquidity are reflected in ongoing investment planning.

Investment policy

Falling interest rates lead to increases in the market value of fixed-income securities, while rising interest rates lead to a decline in their market value. The high proportion of fixed-income securities in its portfolio means that DR Swiss is in principle exposed to this risk. By adjusting the management of investment maturities to liabilities, we can hold securities until they mature and thereby avoid balance sheet losses.

Foreign currency items on the liabilities side are matched on the assets side of the balance sheet where possible.

3. Operational risks

Operational risks are risks in business systems or processes that are caused by human conduct or technical failure or that are due to external influences. Compliance risks are risks resulting from non-compliance with contractual agreements or general legal conditions.

Instruments for controlling operational risks

Operational risks are controlled and managed using an internal control system and through specific reports that form part of the overall risk report. Internal Auditing carries out independent investigations to supplement internal risk analyses of the organisation and processes.

IT security concepts and emergency plans

Employees responsible for security in data processing ensure that a comprehensive security concept is in place. Modern hardware and software helps to ensure the availability and integrity of all systems and programs. Regular checks on network security, constant refinement of the security concept and emergency plans ensure data security and make sure that the systems used are available at all times. A BCM emergency concept ensures efficient communication in an emergency.

OPPORTUNITIES REPORT

As a subsidiary of Deutsche Rückversicherung AG, Düsseldorf, and an independent company within the Deutsche Rück Group, we are an established, reliable alternative on the market and offer our client partners stable and lasting reinsurance cover. This means that opportunities and risks for our business are correspondingly diverse. In the section “Outlook for 2026”, we provide an assessment of opportunities and a forecast for the development of our business, based on realistic assumptions about general conditions.

Developments on financial markets and hedge transactions in conjunction with natural catastrophes remain fraught with uncertainty.

OUTLOOK FOR 2025

Major geopolitical conflicts remain unresolved in 2026, including those in Ukraine and the Middle East and tensions in South-East Asia. Moreover, shifts in trade policy and heightened political instability could dampen economic prospects. Although trade tensions have recently subsided, they are still liable to escalate.

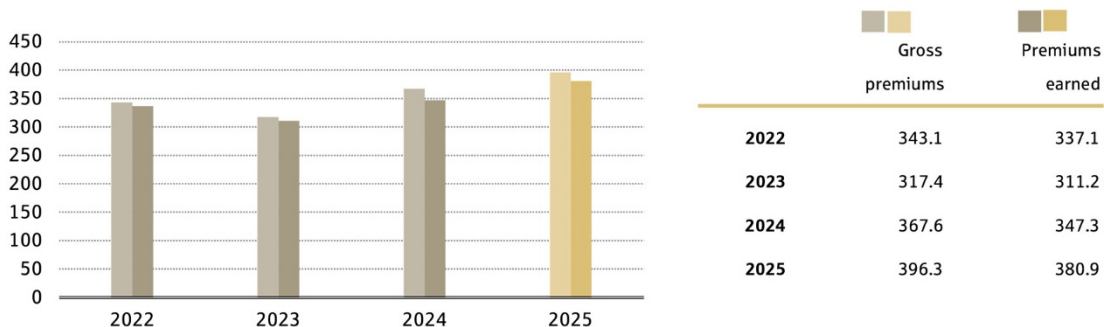
In this context, we anticipate global economic growth of 3.3 % for 2026, in line with the growth of 3.3 % recorded in 2025. However, the trend will not be consistent across all regions. Advanced economies are expected to grow by an average of 1.8 % in 2026, while emerging and developing countries will remain much more dynamic, with average growth rates of just over 4.0 %.

Renewals for 1 January 2026 proved to be consistently more favourable to buyers than in previous years. This was due to high levels of reinsurance capital and the resulting increase in competitive pressure to utilise this capital. Demand for reinsurance is not growing at the same rate as the available capital, leading to excess supply. We will continue the disciplined approach to underwriting that we have established in the last three years.

Multi-Year Financial Summary

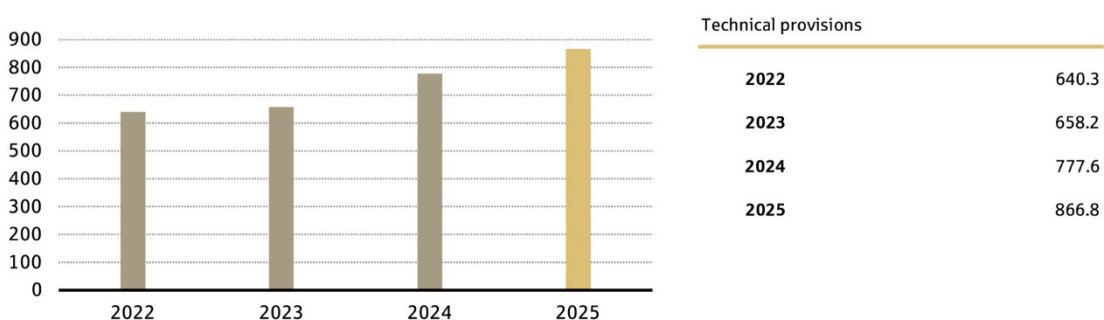
PREMIUMS

in CHF million



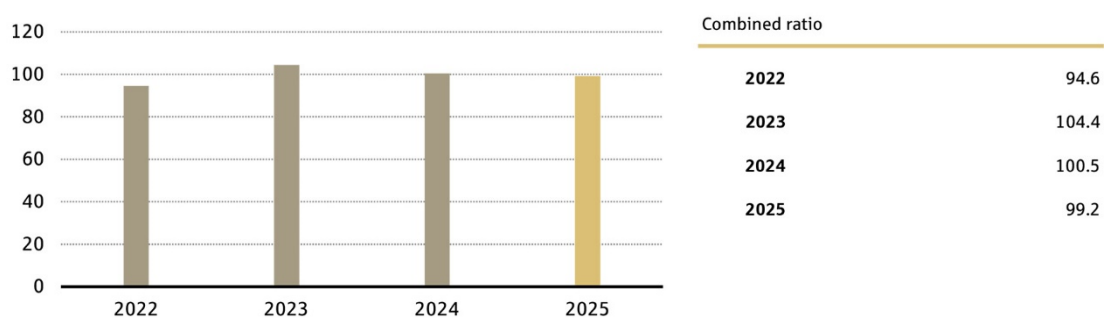
GROSS TECHNICAL PROVISIONS

in CHF million

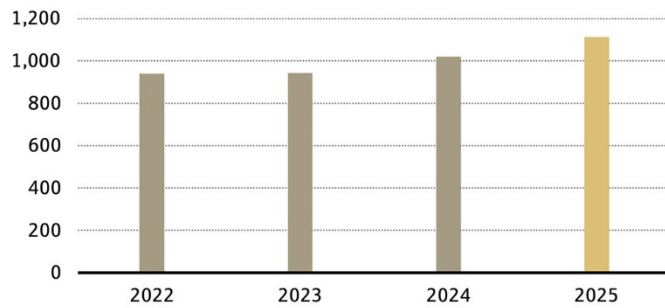


COMBINED RATIO (ON EARNED PREMIUMS)

in %, excl. own administrative expenses



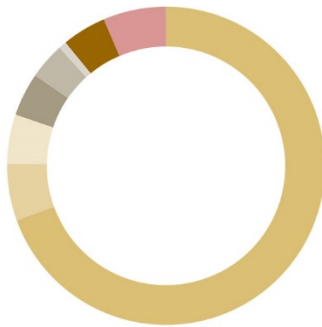
FINANCIAL INVESTMENTS INCL. CASH DEPOSITS in CHF million



Financial investments

2022	940.0
2023	943.2
2024	1,020.8
2025	1,113.3

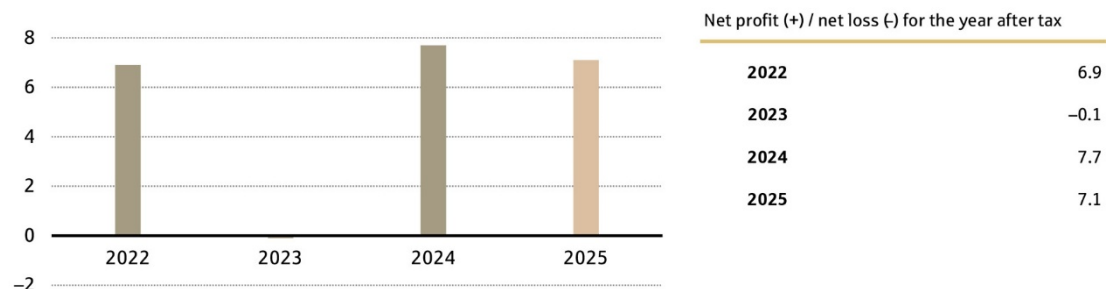
ASSET ALLOCATION AS AT 31 DECEMBER 2025 in %



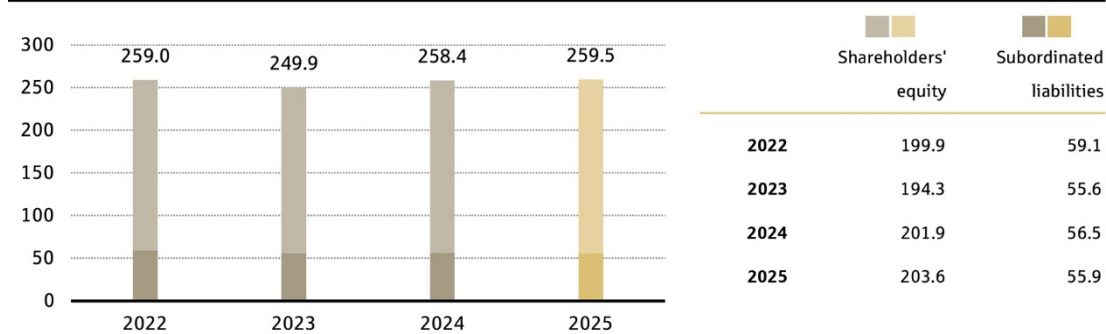
Asset allocation

69.5 %	Fixed-income securities
5.8 %	Private equity funds
5.0 %	Real estate funds
4.4 %	Infrastructure energy funds
3.7 %	Equity funds
0.8 %	Commodities funds
4.5 %	Sundry investments
6.4 %	Cash and cash equivalents

NET PROFIT (+) / NET LOSS (-) AFTER TAX
in CHF million



SHAREHOLDERS' EQUITY INCL. SUBORDINATED LIABILITIES
in CHF million



Annual Financial Statements

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Annual Financial Statements

BALANCE SHEET AS AT 31 DECEMBER 2025

ASSETS		
in CHF thousand	2025	2024
Investments	1,042,388	958,258
Fixed-income securities	773,705	673,169
Other investments	268,683	285,089
Real estate funds	55,617	58,139
Equity funds	41,000	45,660
Commodities funds	8,765	8,814
Infrastructure energy funds	48,521	50,831
Private equity funds	64,849	63,218
Sundry investments	49,930	58,427
Deposits from reinsurance assumed	72,464	60,711
Cash and cash equivalents	70,947	62,574
Share in technical provisions from reinsurance	4,044	7,023
Retroceded reserves for outstanding claims	4,044	7,023
Other assets	157	267
Intangible assets	145	125
Reinsurance receivables	25,110	24,350
Receivables from third parties	25,110	24,350
Other receivables	209	22,214
Accrued income and prepaid expenses	7,125	5,268
Total ASSETS	1,222,588	1,140,790

LIABILITIES AND SHAREHOLDERS' EQUITY		
in CHF thousand	2025	2024
Gross technical provisions	866,836	777,645
Gross unearned premiums	20,136	16,753
Gross reserves for outstanding claims	795,911	712,165
Gross provisions for profit commissions	50,789	48,727
Non-technical provisions	2,750	250
Fluctuation reserves for financial investments	2,750	250
Provisions for currency fluctuations	–	–
Payables to insurance and reinsurance companies	89,831	102,509
Payables to shareholders	9,294	16,233
Payables to third parties	80,537	86,276
Other liabilities	1,262	1,037
Accrued expenses and deferred income	2,474	939
Subordinated liabilities	55,884	56,472
Total liabilities	1,019,037	938,852
Share capital	157,900	157,900
Legal capital reserves	11,203	11,203
Legal retained earnings	25,578	24,038
Voluntary profit reserves	1,223	1,223
Profit (+) / loss (-) carried forward from previous year	507	-91
Net profit (+) / net loss (-) for the year	7,139	7,665
Total shareholders' equity	203,551	201,938
Total LIABILITIES AND SHAREHOLDERS' EQUITY	1,222,588	1,140,790

INCOME STATEMENT
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2025

TECHNICAL ACCOUNT		
in CHF thousand	2025	2024
Gross premiums written	396,254	367,647
Reinsurers' share of gross premiums written	-11,177	-15,894
Premiums for own account	385,077	351,753
Change in unearned premiums	-4,127	-4,445
Premiums earned for own account	380,950	347,308
Other income from insurance business	974	831
Total income from underwriting business	381,924	348,139
Gross payments for insurance claims	-178,223	-180,167
Reinsurers' share of payments for insurance claims	4,177	612
Change in technical provisions	-102,724	-92,018
Reinsurers' share of change in technical provisions	-2,906	1,563
Claims incurred for own account	-279,675	-270,010
Acquisition and operating expenses	-10,192	-8,955
Depreciation of tangible assets	-154	-194
Acquisition and operating expenses for own account	-10,346	-9,149
Commissions and profit shares paid	-93,990	-77,597
Change in provisions for contractual surplus participations	-5,325	-2,316
Other technical expenses for own account	-99,315	-79,913
Total expenses from underwriting business	-389,336	-359,072
Underwriting result	-7,412	-10,933

NON-TECHNICAL ACCOUNT		
in CHF thousand	2025	2024
Underwriting result (carried forward)	-7,412	-10,933
Current income	23,400	23,385
Price gains on investments	3,630	5,514
Realised gains on investments	2,979	3,419
Unrealised gains on investments	651	2,095
Reversals of impairments on fixed-income securities	842	515
Investment income	27,873	29,414
Investment administration	-1,510	-1,491
Price losses on investments	-3,935	-9,148
Realised losses on investments	-156	-767
Unrealised losses on investments	-3,779	-8,381
Impairments on fixed-income securities	-205	-164
Impairment of interest receivables	-303	-
Fluctuation reserves for financial investments	-2,500	-
Expenses for investments	-8,453	-10,803
Investment income	19,419	18,611
Other interest receivable	2,191	2,240
Income from differences in exchange rates	-	1,131
Other financial income	2,191	3,371
Interest expense on subordinated liabilities	-1,413	-1,448
Expense from differences in exchange rates	-2,899	-
Other financial expenses	-4,312	-1,448
Profit (+) / loss (-) before taxes	9,887	9,601
Direct taxes	-2,748	-1,936
Profit (+) / loss (-)	7,139	7,665

CASH FLOW STATEMENT

CASH FLOW STATEMENT		
in CHF thousand	2025	2024
Cash flow from operating activities		
Net profit (+) / net loss (-) for the year	7,139	7,665
Change in reserves for unearned premiums	4,127	4,445
Change in gross reserves for outstanding claims	102,724	92,018
Change in retroceded reserves for outstanding claims	2,906	-1,563
Change in provisions for profit commissions	5,325	2,317
Change in fluctuation reserves for financial investments	2,500	0
Change in provisions for currency fluctuations	0	-904
Realised gains/losses on sale of investments	-1,755	-4,001
Depreciation and amortisation	457	194
Change in funds held with reinsured companies/reinsurance liabilities	-13,319	-11,477
Change in other assets and liabilities	8,513	-36,684
Other non-cash expenses and income	-4,754	-8,488
Total cash flow from operating activities	113,864	43,522
Cash flow from investing activities (net change)		
Fixed-income securities	-117,280	-37,703
Real estate funds	3,070	15,035
Equity funds	3,781	1,967
Commodities funds	0	3,178
Infrastructure energy funds	3,142	2,453
Private equity funds	-533	-6,086
Sundry investments	7,918	3,661
Increase/decrease in tangible and intangible assets	-63	-196
Total cash flow from investing activities	-99,965	-17,691
Cash flow from financing activities		
Payments of dividends	-5,527	-
Total cash flow from financing activities	-5,527	-
Total cash inflow/outflow	8,373	25,831
Cash and cash equivalents at start of period	62,574	36,743
Cash and cash equivalents at end of period	70,947	62,574
Cash inflow/outflow	8,373	25,831

Notes to the Financial Statements

PRINCIPLES APPLIED IN THE ANNUAL FINANCIAL STATEMENTS

General

Deutsche Rückversicherung Switzerland Ltd (DR Swiss) is a public limited company established in accordance with the Swiss Code of Obligations, with its registered office in Zurich, Switzerland.

On average, during the year the number of full-time equivalent employees at DR Swiss did not exceed 50.

The 2025 annual financial statements have been prepared in accordance with the provisions of Swiss accounting law (Title 32 of the Swiss Code of Obligations). The balance sheet and income statement comply with the classification rules prescribed by the FINMA (Swiss Financial Market Supervisory Authority) Insurance Supervision Ordinance (*Versicherungsaufsichtsverordnung-FINMA*, AVO-FINMA).

The accounting requires the Board of Directors to make estimates and assessments that could affect the value of the reported assets and liabilities as well as contingent liabilities at the time of preparing the accounts, and which may also have an effect on expenses and earnings for the reporting period. The Board of Directors is free to decide at its own discretion the extent to which it will make use of existing options permitted by law in its accounting and valuation policies. Within the scope permitted by the principle of prudence, depreciation, amortisation, write-downs and provisions may be recognised above and beyond the extent required for financial and accounting purposes, if this serves the well-being of the company.

Accounting and valuation policies

Bonds are valued at purchase cost on the balance sheet date, using the effective interest method.

All other investments are recognised in the balance sheet at the lower of cost or market value.

Intangible and tangible assets are valued at purchase cost less scheduled amortisation and depreciation.

Receivables are recognised in the balance sheet at their nominal amount. If necessary, the risk of payment default is accounted for by means of specific provisions.

Original unearned premiums and original reserves for outstanding claims are recognised in the balance sheet in accordance with the disclosures of the ceding companies. Actuarial estimates are made for the statements of account not yet received from ceding companies as at the balance sheet date.

Liabilities are included in the balance sheet at their settlement value.

Foreign currency items in the balance sheet are translated at the exchange rate on the balance sheet date. Transactions in the non-technical account are translated at current rates; transactions in the technical account are translated at annual average rates. Unrealised gains and losses on foreign exchange are recognised in income. Any surplus will be deferred. The relevant exchange rates are shown in the table below.

EXCHANGE RATES ON THE BALANCE SHEET DATE	31 Dec. 2025	31 Dec. 2024
EUR/CHF	0.93140	0.94120
USD/CHF	0.79302	0.90911
GBP/CHF	1.06677	1.13878

AVERAGE EXCHANGE RATES	31 Dec. 2025	31 Dec. 2024
EUR/CHF	0.93700	0.95310
USD/CHF	0.82847	0.88308
GBP/CHF	1.09372	1.12770

INFORMATION, BREAKDOWNS AND NOTES ON ITEMS IN THE BALANCE SHEET AND INCOME STATEMENT

Net release of hidden reserves in accordance with Swiss company law

No net release of hidden reserves in accordance with Swiss company law took place in the 2025 financial year (previous year CHF 306,000).

Subordinated liabilities

Subordinated liabilities (due to mature on 30 November 2040) in the amount of EUR 60.0 million were recognised in the balance sheet at CHF 55.9 million at the end of the year (previous year CHF 56.5 million).

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Share capital	Legal capital reserves	Legal retained earnings	Voluntary reserves	Disposable profit	Total
in CHF thousand						
As at 31 Dec. 2023	157,900	11,203	24,038	1,223	-91	194,273
Dividends					0	0
Allocation to legal reserves			0		0	0
Net income for the year					7,665	7,665
As at 31 Dec. 2024	157,900	11,203	24,038	1,223	7,574	201,938
Dividends					-5,527	-5,527
Allocation to legal reserves			1,540		-1,540	0
Net income for the year					7,139	7,139
As at 31 Dec. 2025	157,900	11,203	25,578	1,223	7,647	203,551

Estimates of technical account items with an effect on liquidity

Technical account items with an effect on liquidity are recorded on the basis of the amounts disclosed in statements of account from ceding companies as well as estimates. The estimated figures are reported net, i.e. the opening values are offset against the closing values. These estimates affected the income statement items in the 2025 and 2024 financial years as follows:

ITEMS 2025

in CHF thousand			
	Disclosed	Estimated	Total recognised
Premiums for own account	366,076	19,002	385,077
Claim payments	181,235	-7,189	174,045
Commissions/profit shares	80,270	13,720	93,990
Change in provisions for profit shares	5,325	0	5,325
Commissions and profit shares	85,595	13,720	99,315

ITEMS 2024

in CHF thousand			
	Disclosed	Estimated	Total recognised
Premiums for own account	342,270	9,483	351,753
Claim payments	192,088	-12,533	179,555
Commissions/profit shares	69,824	7,773	77,597
Change in provisions for profit shares	2,327	-10	2,317
Commissions and profit shares	72,151	7,763	79,914

ACQUISITION AND OPERATING EXPENSES FOR OWN ACCOUNT

in CHF thousand	2025	2024
Personnel expenses	8,882	7,663
Material expenses	1,310	1,292
Depreciation of tangible assets	154	194
Total acquisition and operating expenses for own account	10,346	9,149

INCOME AND EXPENDITURE ON INVESTMENTS**INCOME**

in CHF thousand	2025	2024
Fixed-income securities	12,968	10,614
Real estate funds	1,687	1,669
Equity funds	–	386
Commodities funds	–	–
Infrastructure energy funds	1,207	1,908
Private equity funds	3,942	5,153
Sundry investments	3,329	3,100
Other current income	267	555
Total income	23,400	23,385

APPRECIATION AND WRITE-BACKS

in CHF thousand	2025	2024
Fixed-income securities	880	618
Real estate funds	6	134
Equity funds	526	1,160
Commodities funds	–	–
Infrastructure energy funds	–	36
Private equity funds	–	330
Sundry investments	81	332
Total appreciation	1,494	2,610

REALISED GAINS		
in CHF thousand	2025	2024
Fixed-income securities	3	11
Real estate funds	126	–
Equity funds	865	818
Commodities funds	–	868
Infrastructure energy funds	406	713
Private equity funds	1,571	954
Sundry investments	7	55
Total realised gains	2,979	3,419

DEPRECIATION, AMORTISATION AND WRITE-DOWNS		
in CHF thousand	2025	2024
Fixed-income securities	–569	–180
Real estate funds	–1,497	–7,875
Equity funds	–10	–
Commodities funds	–	–
Infrastructure energy funds	–1,334	–376
Private equity funds	–541	–
Sundry investments	–336	–114
Total depreciation, amortisation and write-downs	–4,288	–8,545

REALISED LOSSES		
in CHF thousand	2025	2024
Fixed-income securities	–151	–2
Real estate funds	–	0
Equity funds	–	–360
Commodities funds	–	–
Infrastructure energy funds	–4	–9
Private equity funds	–1	–396
Sundry investments	–	–
Total realised losses	–156	–767

Security for commitments

A rent deposit in the amount of CHF 195,486 (previous year CHF 195,469) was lodged with our bankers as security for our rental commitments for business premises.

BNP Paribas holds securities that serve as cover for our technical provisions. As at the balance sheet date of 31 December 2025, these amounted to CHF 992,450 (EUR 1,065,546, previous year CHF 887,064/EUR 942,482).

CONTINGENT LIABILITIES		
in CHF thousand	2025	2024
Commitments entered into for the future acquisition of real estate funds	5,684	2,112
Commitments entered into for the future acquisition of infrastructure energy funds	14,626	1,103
Commitments entered into for the future acquisition of fixed-income securities	8,179	7,095
Commitments entered into for the future acquisition of private equity funds	26,400	33,723
Total commitments entered into	54,888	44,033

Rental and leasing commitments

Rental commitments amount to CHF 6,667,410 as at 31 December 2025 (previous year CHF 1,471,482). There are no leasing commitments.

Total auditor's fees

FEE ITEM		
in CHF	2025	2024
Audit services	119,200	119,500
Total fees	119,200	119,500

Significant events after the balance sheet date

No significant events are known to have occurred after the balance sheet date.

Proposal for the Appropriation of Profit

The following net result for the year will be available to the General Meeting on 24 April 2026:

PROPOSAL FOR THE APPROPRIATION OF PROFIT AS AT 31 DECEMBER 2025		
in CHF thousand	2025	2024
Profit (+) / loss (-) carried forward from previous year	507	-91
Net profit (+) / net loss (-) for the year	7,139	7,665
Balance sheet profit (+) / balance sheet loss (-)	7,647	7,574
The Board of Directors proposes to the General Meeting that the disposable profit be distributed as follows:		
Dividends	5,527	5,527
Allocation to legal reserves	1,430	1,540
Balance carried forward	690	507

COMPANY DETAILS

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