

Deutsche Rückversicherung
Switzerland Ltd

2024

ANNUAL REPORT

Deutsche Rückversicherung Switzerland Ltd

REPORT ON THE 24TH 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. With tailor-made solutions and a high level of flexibility, DR Swiss meets clients' specific needs through its highly experienced team and its profound, long-standing knowledge of the market.

DR Swiss Key Figures

in CHF thousand	2024	2023	Change in %
Gross premiums written	367,647	317,412	+15.8
Net premiums earned	347,308	311,186	+11.6
Net investment income	18,611	21,380	-13.0
Acquisition and operating expenses for own account	9,149	8,591	+6.5
Profit (+) / loss (-) after tax	7,665	-110	n/a
Financial investments incl. cash deposits	1,020,832	943,219	+8.2
Gross technical provisions	777,645	658,246	+18.1
Net technical provisions	770,622	652,874	+18.0
Shareholders' equity incl. subordinated liabilities	258,410	249,833	+3.4
Loss ratio			
in % of net premiums earned	77.7	80.8	
Administrative expense ratio incl. amortisation			
in % of net premiums earned	2.6	2.8	
Employee headcount	39	36	

Contents

Our Philosophy	7	Notes to the Financial Statements	29
DR Swiss Organisation	8	Principles applied in the Annual Financial Statements.....	29
Management Report.....	9	Information, breakdowns and notes on items in the balance sheet and income statement.....	30
General business performance	9	Income and expenditure on investments	32
Assets	11	Proposal for the Appropriation of Profit	35
Annual average number of full-time equivalents	11	Report of the Statutory Auditor	36
Rating: A+.....	12	Company details	40
Sustainable investment.....	12		
Events after the balance sheet date	12		
Risk assessment	12		
Opportunities report	16		
Outlook for 2025.....	17		
Multi-Year Financial Summary	19		
Annual Financial Statements.....	23		
Balance sheet as at 31 December 2024	24		
Income statement.....	26		
Cash flow statement	28		

Our Philosophy

CONTINUITY

- Reliable and long-lasting partnership approach
- Close cooperation leading to sustainable success for both parties

COMPETENCE

- Credible team with a high level of technical expertise and many years of professional experience
- Profound market knowledge

CONSISTENCY

- Reinsurance arrangements according to specific customer needs
- Strong financial security ("A+" rating from Standard & Poor's; stable group of shareholders)

CLIENT FOCUS

- Tailor-made solutions with great flexibility
- Excellent administration, fast service and prompt claims payment
- Direct negotiations with the decision-makers

DR Swiss Organisation

BOARD OF DIRECTORS

Prof. Frank Walthes, Chairman
 Peter Rainer, Deputy Chairman
 Dr Chérif Chentir
 Dr Andreas Jahn
 Dr Alena Kouba (until 8 April 2024)
 Dr Kathrin Anne Meier (since 8 April 2024)
 Ulrich-Bernd Wolff von der Sahl

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

Frank Schaar (Managing Director)
 Achim Bosch

SENIOR MANAGEMENT

Andreas Aemisegger (until 31 May 2024)
 Sonja Hoffmann (since 1 July 2024)
 Pietro Lodigiani
 Peter Lusti (until 31 January 2024)
 Dr Mirjam Meyer
 Dr Stefan Ostermeier
 Frank Versluis (until 9 October 2024)
 Dr Edward Vliegen (until 31 October 2024)

RATING

A+, Standard & Poor's

Management Report

GENERAL BUSINESS PERFORMANCE

Gross premiums written grew by 15.8 % to CHF 367.6 million in the 2024 financial year, compared with CHF 317.4 million in the previous year. This growth in premiums was primarily due to new motor liability business in the UK and to improvements in conditions in other business segments.

In original currency, i.e. at constant exchange rates, premiums would have risen by 18.4 %. The mean exchange rate of the euro against the Swiss franc, which is authoritative in determining liquid items, fell by 1.9 % compared with the previous year to EUR 1/CHF 0.9531. The euro exchange rate at the end of the year, which is used to calculate provisions, was up 1.6 % at EUR 1/CHF 0.9412.

In market business, premiums grew by 14.8 % to CHF 269.4 million (previous year CHF 234.7 million). In continuity reinsurance, premiums increased by 18.8 % to CHF 98.2 million (previous year CHF 82.7 million).

Premiums earned for own account grew by 11.6 % to CHF 347.3 million (previous year CHF 311.2 million). Retrocession premiums rose by 126.8 % to CHF 15.9 million (previous year CHF 7.0 million).

Original claims expenditure fell by 19.9 % year on year in gross terms to CHF 194.4 million (previous year CHF 242.6 million) and by 20.3 % in net terms to CHF 192.3 million (previous year CHF 241.3 million). The loss ratio improved significantly to 55.4 % (previous year 77.5 %). Claims paid came to CHF 179.6 million and were thus down 8.6 % compared with the previous year's figure of CHF 196.5 million.

The European insurance market showed a mixed picture in the year under review. While some lines of business such as liability insurance remained stable, other segments such as property insurance were affected by large claims.

Total costs (excluding own administrative expenses) increased by 8.6 % in both gross and net terms to CHF 79.9 million (previous year CHF 73.6 million). The expense ratio was 23.0 % of premiums earned for own account and thus remained stable compared with the previous year (23.6 %). External costs paid (i.e. without any change in provisions for profit shares) rose to CHF 77.6 million (previous year CHF 72.1 million).

Administrative expenses rose from CHF 8.6 million to CHF 9.1 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.

In total, the net technical loss came to CHF 2.6 million or 0.8 % of premiums earned for own account. The previous year's technical loss had amounted to CHF 13.8 million or 4.4 %.

As inflationary pressure eased, the world's leading central banks began to cut key interest rates in 2024. Having raised its base rate to 5.5 % by the end of 2023, the US Federal Reserve Bank lowered it in three stages in the course of 2024 by a total of 100 basis points to 4.5 %. The European Central Bank also cut its deposit rate by 100 basis points to 3.0 % at the end of 2024. The Swiss National Bank (SNB) responded to low inflation by cutting interest rates by 125 basis points and reduced its base rate from 1.8 % to 0.5 % in four stages over the course of the year.

Global stock markets recorded significant year-on-year price gains as key interest rates fell. Despite unresolved geopolitical tensions, waning economic optimism, problems with earnings in specific sectors and concerns about future global trade barriers due to tariffs, market participants remained confident. Germany's DAX index gained 18.9 % in net terms over the year as a whole to 19,909 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 23.3 % year on year, ending the year at 5,881 points, while the Dow Jones EuroStoxx 50 gained 8.3 % to 4,896 points. The Swiss stock market also performed well, albeit at a lower level, with the SMI gaining 4.2 % in 2024.

The yield on ten-year US Treasuries initially dropped to 3.6 % in the wake of cuts to key interest rates, before rising again to 4.6 % by the end of the year. Market participants thus appeared sceptical about the assumption that the change of US presidency in January 2025 would enable high debt levels to be contained and that the risk of inflation has actually been averted, in view of a strong labour market and positive economic development. The yield on ten-year German government bonds also increased in net terms, although not as strongly as in the USA. At the end of the year the return stood at 2.4 %, 0.4 percentage points above its level at the start of the year.

The yield on ten-year Swiss government bonds moved in the opposite direction, falling from 0.7 % to 0.3 % during the year.

The external value of the euro declined against the US dollar. Having begun the year at around USD 1.10, the euro stood at around USD 1.04 at the end of the year following significant fluctuations. The exchange rate reflects both changes in interest rates and variations in the economic situation. The Swiss franc remained stable against the euro, with a net gain of 1.6 % year on year.

Developments in commodities varied. The price of crude oil, which had stood at around USD 77 per barrel of Brent at the beginning of the year, initially climbed to over USD 91 per barrel but closed the year at around USD 75 per barrel – a drop of about 3.0 % over the year as a whole. By contrast, the gold price remained very strong overall, rising continuously over the course of the year to USD 2,625 per fine ounce, a net increase of around 27.0 %. It reached a new all-time high of USD 2,863 per fine ounce at the end of October 2024.

DR Swiss' investments performed positively in the 2024 financial year.

The procedure used for valuation of the asset class of real estate funds in CHF was switched to the lower of cost or market value. That means that all asset classes are now recognised in the balance sheet at the lower of cost or market value, with the exception of direct investments in bonds (measured at the balance sheet date using the effective interest method).

In addition to investment income of CHF 18.6 million, interest income of CHF 2.2 million was generated from cash held as call money and time deposits. This result includes a charge of CHF 5.2 million due to the switch to the lower of cost or market value for the asset class of real estate funds in CHF. The net result from investment activity came to CHF 20.8 million, below the previous year's figure of CHF 22.2 million.

Net profit for the year after tax totalled CHF 7.7 million in 2024, following a loss of CHF –0.1 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 51.8 million to CHF 958.3 million over the course of the year (previous year CHF 906.5 million). The majority of funds were invested directly in bonds and in bond funds. Our private equity fund portfolio grew as planned due to further capital calls for the agreed commitments. In equity funds, we shifted funds from active mandates to passive mandates.

In line with our investment strategy, DR Swiss' investment portfolio remains 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 2024 was 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 at "AAA" level, 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 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 controlled 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 emerges when the provision for outstanding claims is not adequate, as losses incurred are not yet known or insufficient reserves 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 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 a mismatch 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 value-at-risk analyses based on an economic scenario generator.

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. If no external rating information is available, the company calculates its own internal rating based on suitable documents.

The minimum limit for new direct investments is generally a rating of “BBB–”. 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. The average rating for all interest-bearing investments we hold directly, weighted in accordance with the Moody’s default rate method, is at least “A–”. The lowest rating principle is applied here, whereby the lowest of all the available credit ratings from recognised rating agencies is regularly used.

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 and an independent company within the Deutsche Rück Group, we are an invaluable 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 2025", 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

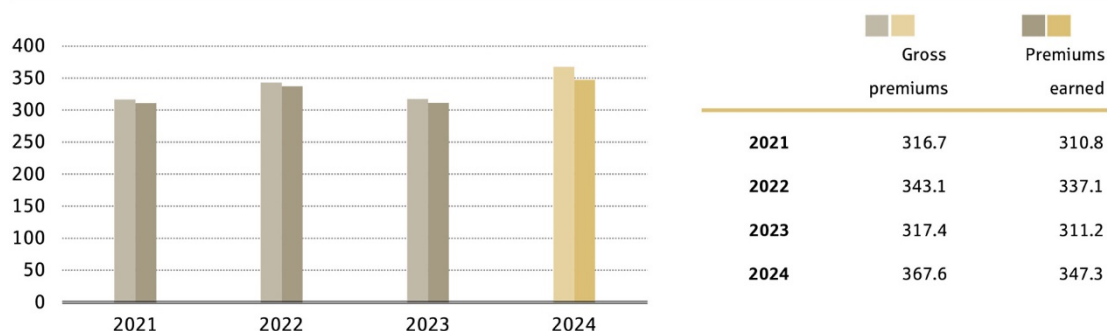
The global economy, especially the development of financial markets, is likely to be shaped by ongoing geopolitical risks in 2025. In particular, these include a protracted or escalating war in Ukraine and increasing tensions in South-East Asia. The conflict in the Middle East also remains unresolved. Economically, the focus is shifting to emerging trade barriers and tariffs.

Under these conditions, we expect to see muted growth of 3.3 % in global gross domestic product, which is below the historical average. However, this estimate is subject to divergent risks, which means that a risk of lower growth prevails.

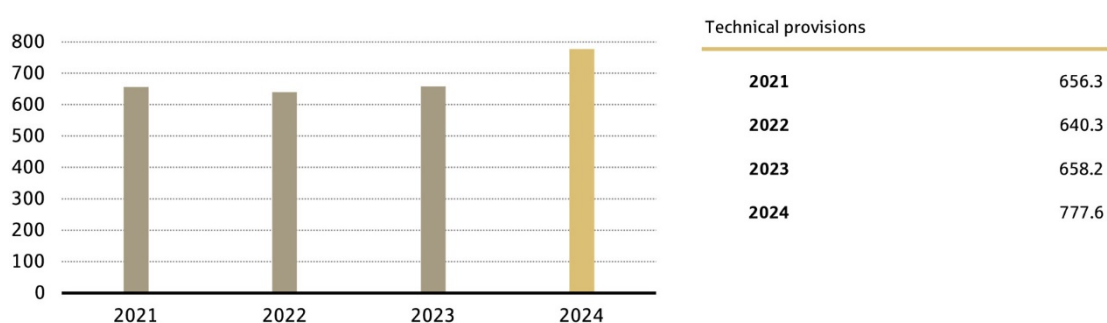
During renewals for 1 January 2025, it was noted that after several years of intensive price hikes, particularly due to natural catastrophes and other large losses, the market has reached a point where reinsurance prices have not risen any further. However, in countries that have only recently been affected by extreme weather events, reinsurance premiums have continued to rise in 2025 or have at least remained stable.

Multi-Year Financial Summary

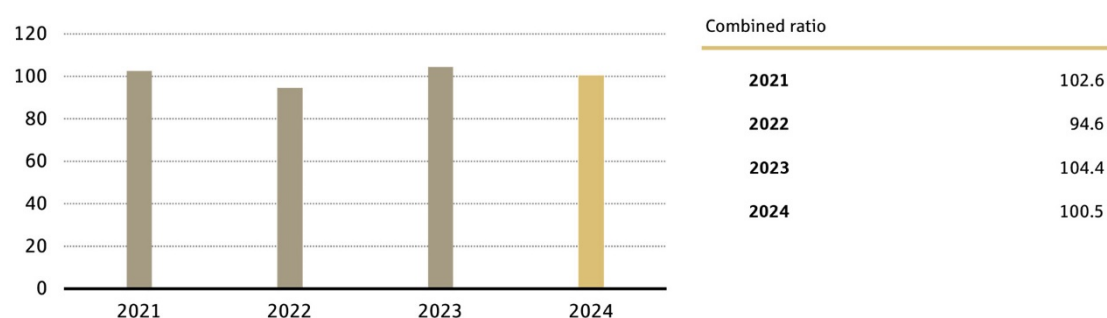
PREMIUMS in CHF million



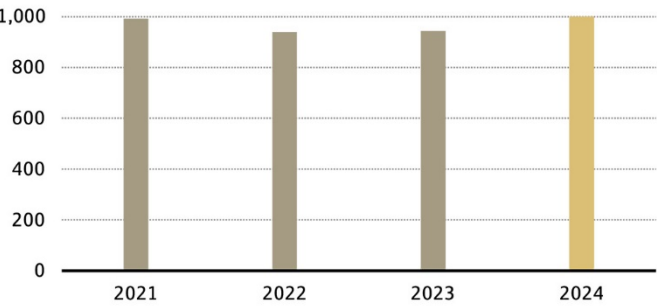
GROSS TECHNICAL PROVISIONS in CHF million



COMBINED RATIO (ON EARNED PREMIUMS) in %, excl. own administrative expenses

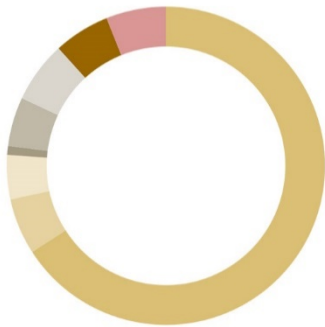


FINANCIAL INVESTMENTS INCL. CASH DEPOSITS
in CHF million



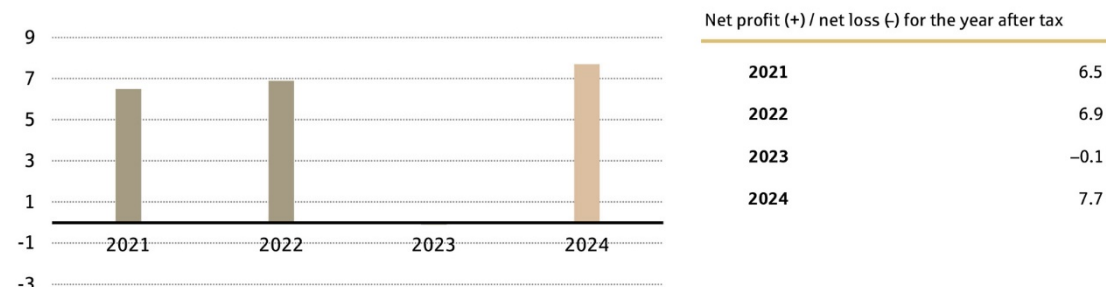
Financial investments	
2021	991.8
2022	940.0
2023	943.2
2024	1,020.8

ASSET ALLOCATION AS AT 31 DECEMBER 2024
in %

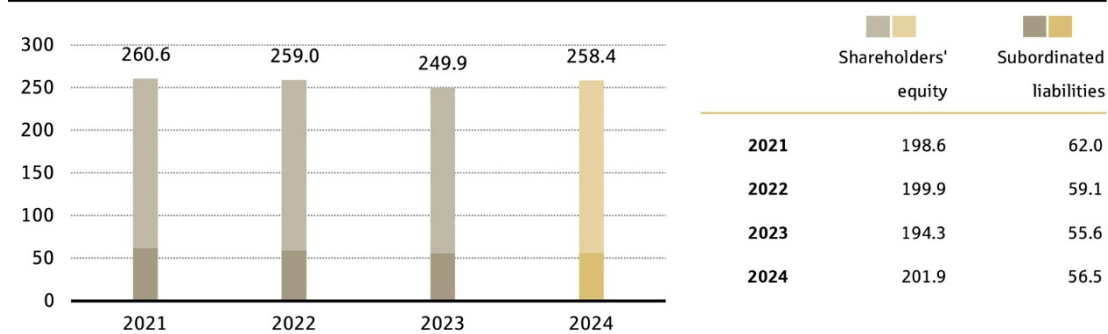


Asset allocation	
65.9 %	Fixed-income securities
5.7 %	Real estate funds
4.5 %	Equity funds
0.9 %	Commodities funds
5.0 %	Infrastructure energy funds
6.2 %	Private equity funds
5.7 %	Sundry investments
6.1 %	Cash and cash equivalents

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



SHAREHOLDERS' EQUITY INCL. SUBORDINATED LIABILITIES
in CHF million



Annual Financial Statements

24	Balance Sheet as at 31 December 2024
26	Income Statement for the period 1 January to 31 December 2024
28	Cash Flow Statement
29	Notes to the Financial Statements
35	Proposal for the Appropriation of Profit
36	Report of the Statutory Auditor

Annual Financial Statements

BALANCE SHEET AS AT 31 DECEMBER 2024

ASSETS		
in CHF thousand	2024	2023
Investments	958,258	906,476
Fixed-income securities	673,169	619,708
Other investments	285,089	286,768
Real estate funds	58,139	64,152
Equity funds	45,660	44,439
Commodities funds	8,814	11,033
Infrastructure energy funds	50,831	51,276
Private equity funds	63,218	55,308
Sundry investments	58,427	60,560
Deposits from reinsurance assumed	60,711	47,698
Cash and cash equivalents	62,574	36,743
Share in technical provisions from reinsurance	7,023	5,372
Retroceded reserves for outstanding claims	7,023	5,372
Other assets	267	343
Intangible assets	125	47
Reinsurance receivables	24,350	17,253
Receivables from third parties	24,350	17,253
Other receivables	22,214	259
Accrued income and prepaid expenses	5,268	6,215
Total ASSETS	1,140,790	1,020,406

LIABILITIES AND SHAREHOLDERS' EQUITY		
in CHF thousand	2024	2023
Gross technical provisions	777,645	658,246
Gross unearned premiums	16,753	11,865
Gross reserves for outstanding claims	712,165	602,120
Gross provisions for profit commissions	48,727	44,261
Non-technical provisions	250	1,154
Fluctuation reserves for financial investments	250	250
Provisions for currency fluctuations	-	904
Payables to insurance and reinsurance companies	102,509	109,971
Payables to shareholders	16,233	10,343
Payables to third parties	86,276	99,628
Other liabilities	1,037	494
Accrued expenses and deferred income	939	708
Subordinated liabilities	56,472	55,560
Total liabilities	938,852	826,133
Share capital	157,900	157,900
Legal capital reserves	11,203	11,203
Legal retained earnings	24,038	24,038
Voluntary profit reserves	1,223	1,223
Profit (+) / loss (-) carried forward from previous year	-91	19
Net profit (+) / net loss (-) for the year	7,665	-110
Total shareholders' equity	201,938	194,273
Total LIABILITIES AND SHAREHOLDERS' EQUITY	1,140,790	1,020,406

INCOME STATEMENT
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2024

TECHNICAL ACCOUNT		
in CHF thousand	2024	2023
Gross premiums written	367,647	317,412
Reinsurers' share of gross premiums written	-15,894	-7,008
Premiums for own account	351,753	310,404
Change in unearned premiums	-4,445	782
Premiums earned for own account	347,308	311,186
Other income from insurance business	831	115
Total income from underwriting business	348,139	311,301
Gross payments for insurance claims	-180,167	-197,469
Reinsurers' share of payments for insurance claims	612	970
Change in technical provisions	-92,018	-55,301
Reinsurers' share of change in technical provisions	1,563	387
Claims incurred for own account	-270,010	-251,413
Acquisition and operating expenses	-8,955	-8,398
Depreciation of tangible assets	-194	-193
Acquisition and operating expenses for own account	-9,149	-8,591
Commissions and profit shares paid	-77,597	-72,064
Change in provisions for contractual surplus participations	-2,316	-1,519
Other technical expenses for own account	-79,913	-73,583
Total expenses from underwriting business	-359,072	-333,587
Underwriting result	-10,933	-22,286

NON-TECHNICAL ACCOUNT		
in CHF thousand	2024	2023
Underwriting result (carried forward)	-10,933	-22,286
Current income	23,385	16,757
Price gains on investments	5,514	8,880
Realised gains on investments	3,419	2,084
Unrealised gains on investments	2,095	6,796
Reversals of impairments on fixed-income securities	515	404
Investment income	29,414	26,041
Investment administration	-1,491	-983
Price losses on investments	-9,148	-3,538
Realised losses on investments	-767	-163
Unrealised losses on investments	-8,381	-3,375
Impairments on fixed-income securities	-164	-140
Expenses for investments	-10,803	-4,661
Investment income	18,611	21,380
Other interest receivable	2,240	802
Income from differences in exchange rates	1,131	1,559
Other financial income	3,371	2,361
Interest expense on subordinated liabilities	-1,448	-1,453
Other financial expenses	-1,448	-1,453
Profit (+) / loss (-) before taxes	9,601	2
Direct taxes	-1,936	-112
Profit (+) / loss (-)	7,665	-110

CASH FLOW STATEMENT

CASH FLOW STATEMENT		
in CHF thousand	2024	2023
Cash flow from operating activities		
Net profit (+) / net loss (–) for the year	7,665	–110
Change in reserves for unearned premiums	4,445	–782
Change in gross reserves for outstanding claims	92,018	55,301
Change in retroceded reserves for outstanding claims	–1,563	–387
Change in provisions for profit commissions	2,317	1,519
Change in provisions for currency fluctuations	–904	–2,505
Realised gains/losses on sale of investments	–4,001	–902
Depreciation and amortisation	194	193
Change in funds held with reinsured companies/reinsurance liabilities	–11,477	–18,871
Change in other assets and liabilities	–36,684	17,511
Other non-cash expenses and income	–8,488	–12,240
Total cash flow from operating activities	43,522	38,727
Cash flow from investing activities (net change)		
Fixed-income securities	–37,703	–41,162
Real estate funds	15,035	2,952
Equity funds	1,967	2,317
Commodities funds	3,178	-
Infrastructure energy funds	2,453	–879
Private equity funds	–6,086	–7,365
Sundry investments	3,661	–9,249
Increase/decrease in tangible and intangible assets	–196	–156
Total cash flow from investing activities	–17,691	–53,542
Cash flow from financing activities		
Payments of dividends	-	–5,527
Total cash flow from financing activities	-	–5,527
Total cash inflow/outflow	25,831	–20,342
Cash and cash equivalents at start of period	36,743	57,085
Cash and cash equivalents at end of period	62,574	36,743
Cash inflow/outflow	25,831	–20,342

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 2024 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

Fixed-income securities are valued at acquisition 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. In the previous year, real estate funds in CHF were recognised at market value. The switch to the lower of cost or market value for the asset class of real estate funds in CHF reduced investment income by CHF 5.2 million.

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. 2024	31 Dec. 2023
EUR/CHF	0.94120	0.92600
USD/CHF	0.90911	0.83907
GBP/CHF	1.13878	1.06854

AVERAGE EXCHANGE RATES	31 Dec. 2024	31 Dec. 2023
EUR/CHF	0.95310	0.97122
USD/CHF	0.88308	0.89845
GBP/CHF	1.12770	1.11970

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

NET RELEASE OF HIDDEN RESERVES IN ACCORDANCE WITH SWISS COMPANY LAW		
in CHF thousand	2024	2023
Net release of hidden reserves	306	0

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 56.5 million at the end of the year (previous year CHF 55.6 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. 2022	157,900	11,203	22,658	1,223	6,926	199,910
Dividends					-5,527	-5,527
Allocation to legal reserves			1,380		-1,380	0
Net income for the year					-110	-110
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

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 2024 and 2023 financial years as follows:

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

ITEMS 2023

in CHF thousand			
	Disclosed	Estimated	Total recognised
Premiums for own account	351,703	-41,299	310,404
Claim payments	182,341	14,158	196,499
Commissions/profit shares	80,458	-8,394	72,064
Change in provisions for profit shares	1,508	11	1,519
Commissions and profit shares	81,966	-8,383	73,583

ACQUISITION AND OPERATING EXPENSES FOR OWN ACCOUNT

in CHF thousand	2024	2023
Personnel expenses	7,663	7,186
Material expenses	1,292	1,212
Depreciation of tangible assets	194	193
Total acquisition and operating expenses for own account	9,149	8,591

Reclassification of own asset management costs

Own asset management costs are recognised under the item Investment administration. Acquisition and operating expenses for own account fell by CHF 1,072K in the year under review (reduction of CHF 632K in the previous year).

INCOME AND EXPENDITURE ON INVESTMENTS**INCOME**

in CHF thousand	2024	2023
Fixed-income securities	10,614	7,503
Real estate funds	1,669	1,450
Equity funds	386	-
Commodities funds	-	-
Infrastructure energy funds	1,908	1,309
Private equity funds	5,153	2,673
Sundry investments	3,100	3,094
Other current income	555	728
Total income	23,385	16,757

APPRECIATION AND WRITE-BACKS

in CHF thousand	2024	2023
Fixed-income securities	618	879
Real estate funds	134	1,239
Equity funds	1,160	3,850
Commodities funds	-	275
Infrastructure energy funds	36	24
Private equity funds	330	177
Sundry investments	332	756
Total appreciation	2,610	7,200

REALISED GAINS		
in CHF thousand	2024	2023
Fixed-income securities	11	1,277
Real estate funds	-	-
Equity funds	818	185
Commodities funds	868	-
Infrastructure energy funds	713	47
Private equity funds	954	466
Sundry investments	55	109
Total realised gains	3,419	2,084

DEPRECIATION, AMORTISATION AND WRITE-DOWNS		
in CHF thousand	2024	2023
Fixed-income securities	-180	-157
Real estate funds	-7,875	-1,861
Equity funds	-	-414
Commodities funds	-	-
Infrastructure energy funds	-376	-514
Private equity funds	-	-382
Sundry investments	-114	-187
Total depreciation, amortisation and write-downs	-8,545	-3,515

REALISED LOSSES		
in CHF thousand	2024	2023
Fixed-income securities	-2	0
Real estate funds	0	-
Equity funds	-360	-
Commodities funds	-	-
Infrastructure energy funds	-9	-67
Private equity funds	-396	-96
Sundry investments	-	-
Total realised losses	-767	-163

Security for commitments

A rent deposit in the amount of CHF 195,469 (previous year CHF 195,200) 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 2024, these amounted to CHF 887,064 (EUR 942,482, previous year CHF 865,497/EUR 934,662).

CONTINGENT LIABILITIES

in CHF thousand

	2024	2023
Commitments entered into for the future acquisition of real estate funds	2,112	3,001
Commitments entered into for the future acquisition of infrastructure energy funds	1,103	2,359
Commitments entered into for the future acquisition of fixed-income securities	7,095	6,380
Commitments entered into for the future acquisition of private equity funds	33,723	34,315

Rental and leasing commitments

Rental commitments amount to CHF 1,471,482 as at 31 December 2024 (previous year CHF 2,125,474). There are no leasing commitments.

Total auditor's fees

FEE ITEM

in CHF

	2024	2023
Audit services	119,500	132,900
Total fees	119,500	132,900

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 3 April 2025:

PROPOSAL FOR THE APPROPRIATION OF PROFIT AS AT 31 DECEMBER 2024		
in CHF thousand	2024	2023
Profit (+) / loss (–) carried forward from previous year	–91	19
Net profit (+) / net loss (–) for the year	7,665	–110
Balance sheet profit (+) / balance sheet loss (–)	7,574	–91
The Board of Directors proposes to the General Meeting that the disposable profit be distributed as follows:		
Dividends	5,527	0
Allocation to legal reserves	1,540	0
Balance carried forward	507	–91

Report of the Statutory Auditor

To the General Meeting of Deutsche Rückversicherung Switzerland Ltd, Zurich

Report of the statutory auditor on the annual financial statements

Opinion

We have audited the annual financial statements of Deutsche Rückversicherung Switzerland Ltd (the company), comprising the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year ending on that date as well as the notes to the financial statements, including a summary of key accounting methods.

In our opinion, the financial statements (pages 24 to 34) comply with Swiss law and the company's articles of incorporation.

Basis for our audit opinion

We have conducted our audit in accordance with Swiss law and Swiss standards for the auditing of financial statements (SA-CH). Our responsibilities in accordance with these regulations and standards are described in more detail in the section "Auditor's responsibilities for auditing the annual financial statements" of our report. We are independent of the company in accordance with the provisions of Swiss law and the requirements of our profession and have fulfilled the rest of our duties with regard to professional conduct in accordance with these requirements.

We believe that the audit evidence we have obtained provides an adequate and appropriate basis for our audit opinion.

Other information

The Board of Directors is responsible for other information. Other information comprises the information contained in the annual report, apart from the annual financial statements and our related report.

Our audit opinion on the annual financial statements does not extend to other information, and we shall not provide any form of audit conclusion on this information.

As part of our audit, we have a responsibility to read the other information and to determine whether the other information reveals significant discrepancies in relation to the annual financial statements or the findings of our audit or appears to be presented in any other way that is significantly incorrect.

If we conclude on the basis of the work we have carried out that this other information is presented in a way that is significantly incorrect, we have a duty to report this fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the annual financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation, as well as for the internal controls that it has deemed necessary in order to enable the preparation of financial statements that are free from material misstatement due to either fraud or error.

When preparing the financial statements, the Board of Directors has a responsibility to assess the company's ability to continue as a going concern, to report any facts in connection with the continuation of business operations – where relevant – and to apply the going concern principle, unless the Board of Directors intends to either liquidate the company or cease business activities, or has no realistic alternative.

Auditor's responsibilities for auditing the annual financial statements

Our objectives are to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement due to either fraud or error and to provide a report containing our audit opinion. Reasonable assurance means a high degree of assurance, but does not guarantee that an audit conducted in accordance with Swiss law and Swiss standards for the auditing of financial statements will always reveal any material misstatement, if such a misstatement exists. Misstatements can result from fraud or error and are considered material if they could reasonably be expected, either individually or collectively, to influence economic decisions made on the basis of these financial statements by the users.

As part of an audit conducted in accordance with Swiss law and Swiss standards for the auditing of financial statements, we exercise discretion throughout the entire audit and maintain a basic critical stance. We also:

- identify and assess the risks of material misstatements in the financial statements due to fraud or error, plan and implement audit procedures in response to these risks and obtain adequate and appropriate audit evidence to serve as the basis for our audit opinion. The risk that material misstatements will not be discovered is higher in the case of those resulting from fraud than in the case of those resulting from error, as fraud can include collusion, forgery, intentional omissions, misleading representations and the invalidation of internal checks.
- gain an understanding of the internal control system that is relevant to the audit of the financial statements, in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of issuing an audit opinion on the effectiveness of the company's internal control system.

- assess the appropriateness of the accounting methods applied and the validity of the estimates presented in the accounts and the associated disclosures.
- draw conclusions about the appropriateness of the going concern principle applied by the Board of Directors and, on the basis of the audit evidence obtained, about whether there is any significant uncertainty in connection with events or circumstances that could raise significant doubts about the company's ability to continue its activities. If we conclude that there is significant uncertainty, we have an obligation to draw attention in our report to the associated disclosures in the financial statements or, if these disclosures are inadequate, to amend our audit opinion. We draw our conclusions on the basis of the audit evidence we have obtained up to the date of our report. However, future events or circumstances may mean that the company is no longer able to continue its activities.

We communicate with the Board of Directors and/or its responsible committee on matters such as the planned scope and schedule of the audit and the main findings of the audit, including any significant deficiencies in the internal control system that we discover during our audit.

Report on other statutory and legal requirements

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

On the basis of our audit in accordance with section 728a(1) item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the company's articles of incorporation and recommend that the financial statements be approved as submitted.

PricewaterhouseCoopers AG

Christian Konopka
Audit expert
Auditor in charge

Magali Zimmermann
Audit expert

Zurich, 3 April 2025

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