



---

# Annual Report 2023

31 December 2023

---

Echo Reinsurance Limited

Reinsurance with a Swiss Quality Seal

---

## Echo Re at a glance

Echo Reinsurance Ltd. (Echo Re) was established in November 2008 in Zurich as a public limited company and received its reinsurance license from the Swiss Financial Market Supervisory Authority (FINMA). The company is a wholly owned subsidiary of DEVK Deutsche Eisenbahn Versicherung Sach- u. HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn with its headquarter in Cologne, Germany.

Since its foundation, Echo Re has successively and consistently built a portfolio of international treaty reinsurance. Its reinsurance portfolio mainly covers business from P&C as well as a broad range of specialty lines of business from cedants in Asia-Pacific, the Middle East, Africa, Latin America and the Caribbean.

Our rating of A- has been reconfirmed in 2023 by both S&P (with a positive outlook) and Fitch.

### Board of Directors

Bernd Zens (Chairman, Board Member DEVK, Cologne)

Gottfried Rüssmann (Vice-Chairman, Chief Executive Officer of DEVK, Cologne)

Michael Bloch

Dr. Peter K. Neuenschwander

### Management

Fabian Pütz                      Chief Executive Officer

Gregor Schulte                Chief Financial & Operating Officer

### Shareholder

DEVK Deutsche Eisenbahn Versicherung Sach- u. HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn: 100%

### Rating

S&P A- "Outlook Positive"

Fitch A- "Outlook Stable"

### Auditors

KPMG

Badenerstrasse 172

P.O. Box

CH-8036 Zurich

Tel. +41 58 249 31 31

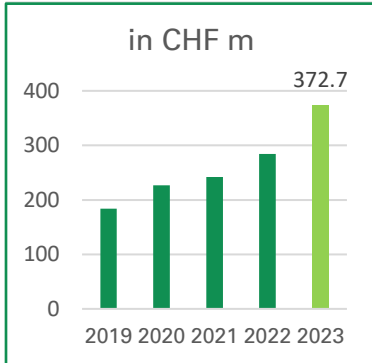
[www.kpmg.ch](http://www.kpmg.ch)

---

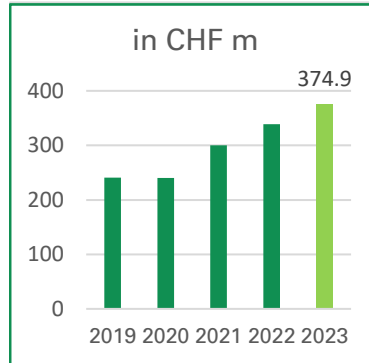
<b>Table of Contents</b>	
Echo Re at a glance.....	2
Our Key Figures 2023.....	4
Portfolio Composition 2023.....	4
Management Statement.....	5
Management Report 2023.....	7
Summary of Balance Sheet – as of December 31, 2023.....	10
Income Statement – as of December 31, 2023.....	11
Cash Flow Statement – as of December 31, 2023.....	12
Notes to the Financial Statements 2023.....	13
Report of the Statutory Auditor to the General Meeting of Shareholders of Echo Reinsurance Limited, Zurich.....	18
Imprint.....	21

## Our Key Figures 2023

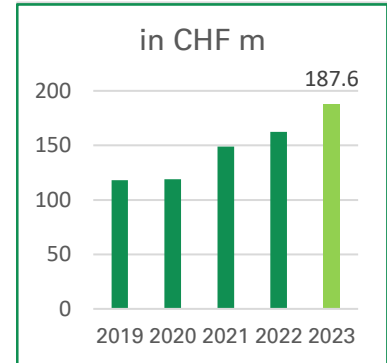
Gross Written Premium (GWP)



Investments including Cash



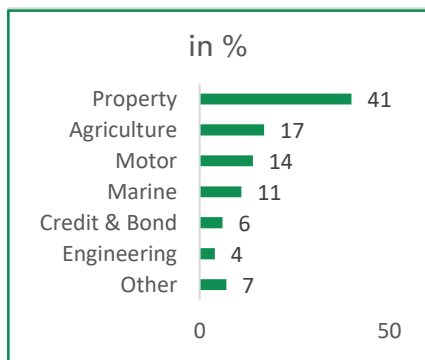
Shareholders' Equity



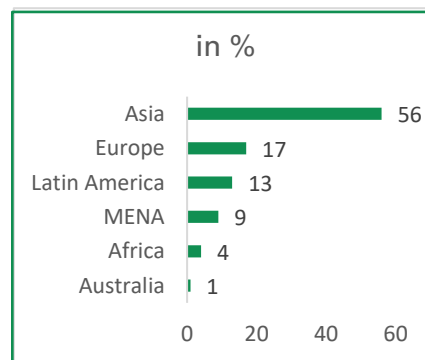
	2023 (in CHF m)	2022 (in CHF m)
Gross Written Premium	372.7	283.6
Premiums earned for own account	257.9	215.6
Technical result	18.6	13.3
Result of the year	25.1	13.3
Technical provisions net	365.3	319.0
Investments including Cash	374.9	339.0
Shareholders' equity	187.6	162.5

## Portfolio Composition 2023

Lines of Business (GWP)



Geographical split (GWP)



---

## Management Statement



Gregor Schulte (Chief Financial & Operating Officer), Fabian Pütz (Chief Executive Officer) and Paul Hertelendy (Chief Underwriting Officer)

Dear Readers,

as a continuation of the significant shifts in terms of risk appetite, the global retrocession and reinsurance market has kept its momentum throughout the year 2023. Consequently, the retrocession and reinsurance market has encountered one of its most challenging renewal periods in recent memory. Significant adjustments in terms and conditions became prevalent for property catastrophe reinsurance and other lines of business across global markets with improvements seen in pricing adequacy, attachment levels and the scope of coverage being provided.

Despite seeing another year of insured losses from Natural Catastrophes exceeding USD 100bn, the significant re-structuring of reinsurance programs to reduce exposure from frequency and secondary perils has led to the result that a comparatively lower share of those claims has been born by the international reinsurance market. As a result of the sustained risk awareness and pricing discipline of the reinsurance sector, it could be observed that direct insurance markets have been incentivized to factor in increased costs to cover for losses from natural perils. While this transition can be challenging especially in an environment of elevated inflation, pricing and underwriting discipline remains an essential part along the whole value-chain of the insurance and reinsurance markets to ensure resilience and sustainability of the market and to increase transparency of (social) costs arising from volatile and changing risk landscapes.

---

At Echo Re, we are proud that we could use the market cycle to position ourselves as a reliable long-term business partner. This allowed us to build and strengthen our relationships with both new and existing clients. Building on a strong basis, we successfully scaled and developed our inward portfolio with a strong focus on enhancing the diversification across regions and lines of business.

In combination with a relatively moderate large loss activity staying within our internal budgets, we are proud to close Echo Re's 15<sup>th</sup> year of operation with further improved technical and operating results. This is the outcome of the strategic measures which have been taken to successively leverage the positive value contribution and to build the organization in recent years. We are delighted that this positive trend has also been acknowledged with a positive outlook to our Financial Strength Rating from S&P and we see this as a great motivation to further build on Echo Re's consistent and long-term strategy in the coming years.

Seeing the organization thrive and grow is truly rewarding, and we would like to thank all employees for their contribution over the last fifteen years and especially for the remarkable endurance and commitment during a challenging market phase in 2023.

Finally, we sincerely thank our business partners for the trustful, long-standing and mutually beneficial relationships being built over the last years.

Building on the great achievements during the year 2023 and the strong basis which has been built during the first fifteen years of Echo Re's operation, we look forward to continuously building our business partnerships, organization and reinsurance portfolio in the future.

Yours sincerely,



**Fabian Pütz**  
Chief Executive Officer



**Gregor Schulte**  
Chief Financial & Operating Officer

---

## Management Report 2023

### 1. Business activities

Echo Reinsurance Ltd. (Echo Re) operates mainly in the non-life reinsurance market in the form of proportional and non-proportional treaty reinsurance. The strategy of Echo Re is unchanged since its foundation in 2008 with the objective of operating on a worldwide basis excluding territories in Europe and USA/Canada as these markets are underwritten by our sister-company DEVK Re. Since 2022, the scope of Echo Re's underwriting activities has been broadened by writing business from Australia/New Zealand with a limited risk-appetite and capacity.

In addition to the third-party portfolio, Echo Re assumes business from its parent group DEVK. In 2023, the share of this segment has decreased to 12.4% (previous year: 15.8%) due to the strong and consistent growth of the external business. The group-internal business will not be renewed for Underwriting Year 2024, so that Echo Re will exclusively focus on the expansion of the external portfolio in the future. Overall, 56.2% of the business originates from Asia, 16.5% from Europe, 12.8% from Latin America/Caribbean, 9.0% from MENA, 4.3% from Africa, the latter in particular still from South Africa but with a growing footprint also in other countries, and 1.2% from Australia.

2023 was still a challenging year for global economies and supply-chains due to the war in the Ukraine, the escalating conflict in the Middle East and on-going inflationary trends. While the political and economic environment remains volatile, Echo Re has not been directly affected by reinsurance losses arising from war and credit events or inflationary shocks. By contrast, the company's investment performance benefited from increased interest rates.

Echo Re has only experienced three large losses in 2023, namely hurricane "Otis" (Mexico) with a claims burden of CHF 10.5m, the Morocco-EQ with a claim of CHF 5.4m and typhoon "Doksuri" with a claim amount of CHF 3.0m. Besides this, no other major Cat-event or single large loss in 2023 represents more than 1% of our total premium volume. The total amount of claims from all major loss events (claims burden  $\geq$  CHF 250,000 for our share) amounted to approx. CHF 26.7m, which means that losses from Cat-events or single large losses represent just under 7.2% of our total premium volume.

The period from 2017 to 2022 presented significant challenges for the global reinsurance industry. A series of catastrophes in key insurance markets, coupled with the uncertainties arising from the pandemic and global political instability, placed considerable strain on the reinsurance sector. Capital market players faced substantial outflows in their assets under management. All this led to a shortage of capacities in retrocession, Property NatCat reinsurance, and general reinsurance.

As a result, in 2023 the retrocession and reinsurance market encountered one of its hardest markets in recent memory. Improved terms and conditions became prevalent for property catastrophe reinsurance and other lines of business across various markets, irrespective of whether the business had been loss free or had suffered losses. Echo Re successfully developed the business in this favorable environment, focusing on enhancing the regional diversification of its catastrophe-exposed portfolio and growing in the other lines of business.

Asia retains its importance for Echo Re's business operations. Notably, our portfolio has experienced substantial growth in Latin America and Africa, indicating a strategic expansion into these regions. Additionally, efforts have been made to develop and strengthen our position in the Middle East. The positive growth trends observed in these diverse regions have contributed significantly to enhancing the overall diversification of our portfolio.

---

## 2. Number of full-time positions on annual average

On an annual average, the number of full-time equivalents (FTE) of Echo Re in 2023 was 39.2. The increase compared to the prior year (32.5 FTE) was mainly driven by the strengthening of the Underwriting and Actuarial teams which is in line with Echo Re's strategy to further strengthen and grow the company's market presence.

## 3. Performance of a risk assessment

The risk assessment of our reinsurance business is subject to a standard underwriting process, which results in the acceptance or rejection of a risk/contract. The governance of the Company's risk management function is ensured by the Risk Committee, the Audit and Risk Committee as well as by the Board of Directors. Furthermore, in accordance with Article 9 paragraphs 2, 22, 46 and 51 ISA, a detailed risk assessment of the Company is performed annually as part of the Swiss Solvency Test (SST).

Echo Re determines its SST ratio with the standard model, StandRe. Its SST ratio amounts to 193.2%, which represents sufficient excess capital.

In addition, Echo Re's risk management operates according to a clearly defined risk management framework, which consists of the following central elements:

- The individual risk strategy of Echo Re, which is derived from the risk strategy of the DEVK Group. It describes and defines the organizational structure of risk management, the categorization as well as monitoring, management and reporting of relevant risks.
- The Risk Appetite Framework, which defines the overarching approach by which Echo Re is prepared to assume risks and by which the risk types are described that Echo Re either seeks or avoids. This framework presents an adequate balance between risk assumed, the necessary risk capital as well as the return expected on the risk assumed. It is an integral part of the strategic planning process, containing statements on the risk appetite for all material risks, a limit system and an escalation process in case limits are exceeded.
- The internal control system (ICS), consisting of the ICS guidelines as well as the ICS reporting. The ICS report is an instrument to communicate relevant operational risks according to a risk matrix.

## 4. Business situation

In 2023, Echo Re increased the number of active cedant relationships from 280 to 347. This growth was primarily resulting from newly established business relationships in Asia and Latin America/Caribbean.

Our three major lines of business remain to be Property with 40.8%, followed by Agriculture with 17.3% and Motor with 14.0% of the overall gross written premium. In addition, Echo Re continued to expand its business in several Specialty lines like Marine now representing 11.0% of our overall portfolio and Credit & Bond contributing to 6.1% of the portfolio. This strategy together with a strong focus on regional diversification of our property portfolio and the increase of the capacity we provide will be continued to further increase the resilience of the overall portfolio.



---

## 5. Research and development

With usual share participations between 2.5% and 7.5%, Echo Re is a reinsurance company that provides capacity and services to its cedants, but to date does not develop reinsurance products as such.

However, continuous market observation is an essential part of the activities of the underwriters, actuaries, and the management of the company. While Echo Re does also structure tailor-made reinsurance coverage as a leading reinsurer predominately in the Specialty Lines, we do not consider the affiliated costs as expenses for Research and Development.

As an integral part of the business strategy, Echo Re invest into its internal IT and applications landscape to allow for further automation and integration of internal operative business and reporting processes.

## 6. Extraordinary events

Besides the Hurricane Otis, the Earthquake in Morocco and Typhoon "Doksuri", 2023 was not significantly affected by major natural catastrophes in our core markets. Especially due to the improved regional diversification of our reinsurance portfolio, these losses did not lead to material negative impacts on our profitability, given that the overall frequency and severity of major risk losses was staying within our annual large loss budget.

Also, the global reinsurance market has not faced major losses similar to hurricane "Ian" in 2022 so that the Turkey-EQ (which was not affecting Echo Re) was the most significant claim in 2023. What could be observed was a growing number of midsize claims due to severe convective storms (i.e. USA and Europe) which were seen as secondary perils in the past but in total they accumulated to a claims burden comparable with a major Cat-event. Due to increased retentions of non-proportional reinsurance treaties, however, these losses remained largely within the retention of ceding companies.

## 7. Outlook

Despite the global political and economic instability, the year 2023 proved to be profitable for the global reinsurance industry, primarily due to the absence of significant catastrophe losses in key insurance markets. As we enter 2024, it is evident that the shortage of catastrophe capacity observed in 2023 has somewhat reduced. This improved the balance in the supply and demand for reinsurance capacity. In addition, more proactive renewal discussions have reduced the pressure on reinsurance placements while not eroding pricing discipline of the reinsurance and retrocession markets. However, upward pricing trend has been flattened during the January renewals with a stable to only slightly improved pricing environment.

Echo Re's strategic plan for 2024 revolves around further developing its portfolio in a profitable manner. The focus will be on the meticulous execution of our strategy, emphasizing the maximization of diversification in terms of both geography and product lines. This strategic approach aims to optimize the utilization of our capital, enhance the technical margin of our portfolio, and bolster our ability to absorb losses effectively.

## Summary of Balance Sheet – as of December 31, 2023

Balance sheet in CHF as of 31 December	2023	2022
	(in CHF)	(in CHF)
<b>ASSETS</b>		
<b>Investments</b>		
Fixed income securities	281,544,518	256,813,182
Equities	12,678,021	13,686,877
Other investments	23,401,212	20,097,386
Fixed deposits	24,745,900	10,752,150
	<b>342,369,650</b>	<b>301,349,595</b>
<b>Deposits retained on assumed reinsurance business</b>	<b>26,863,806</b>	<b>25,322,564</b>
<b>Cash and cash equivalents</b>	<b>32,542,813</b>	<b>37,663,124</b>
<b>Reinsurers' share of technical provisions</b>	<b>42,290,894</b>	<b>66,851,356</b>
<b>Property, plant and equipment</b>	<b>73,133</b>	<b>48,285</b>
<b>Accrued acquisition costs</b>	<b>31,961,170</b>	<b>28,361,533</b>
<b>Accounts receivable from reinsurance business</b>	<b>20,237,171</b>	<b>24,814,897</b>
<b>Other accounts receivable</b>	<b>469,537</b>	<b>264,094</b>
<b>Accrued income and prepaid expenses</b>	<b>173,507,334</b>	<b>153,825,836</b>
<b>Total ASSETS</b>	<b>670,315,509</b>	<b>638,501,284</b>
<b>LIABILITIES</b>		
<b>Technical provisions</b>		
Unearned premium reserves (UPR)	133,094,482	108,621,732
Claims reserves	264,518,895	269,693,404
Equalization reserves	10,000,000	7,500,000
<b>Technical provisions</b>	<b>407,613,377</b>	<b>385,815,136</b>
<b>Non-technical provisions</b>	<b>0</b>	<b>3,452,524</b>
<b>Deposits retained on ceded reinsurance business</b>	<b>6,371,472</b>	<b>12,393,115</b>
<b>Accounts payable on reinsurance business</b>	<b>4,074,001</b>	<b>10,240,145</b>
<b>Other liabilities</b>	<b>856,095</b>	<b>929,616</b>
<b>Accrued expenses and deferred income</b>	<b>63,833,093</b>	<b>63,183,498</b>
<b>Total liabilities</b>	<b>482,748,038</b>	<b>476,014,034</b>
<b>Share capital</b>	<b>120,000,000</b>	<b>120,000,000</b>
<b>Legal capital reserves</b>		
Reserves (unrecognized capital contribution reserves)	498,399	498,399
Capital contribution reserves (recognized capital contribution reserves)	73,370,182	73,370,182
	<b>73,868,581</b>	<b>73,868,581</b>
<b>Retained earnings</b>		
Loss brought forward	-31,381,331	-44,699,161
Result for the year	25,080,221	13,317,829
	<b>-6,301,110</b>	<b>-31,381,331</b>
<b>Total shareholders' equity</b>	<b>187,567,471</b>	<b>162,487,250</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>670,315,509</b>	<b>638,501,284</b>

## Income Statement – as of December 31, 2023

Income statement in CHF for the year	2023	2022
	(in CHF)	(in CHF)
<b>TECHNICAL RESULT</b>		
<b>Technical income</b>		
Gross written premium	372.667.209	283.562.866
Reinsurance premiums ceded	-73.963.668	-52.806.591
<b>Premiums written for own account</b>	<b>298.703.541</b>	<b>230.756.275</b>
Change in unearned premiums, gross	-41.218.266	-17.337.329
Change in unearned premiums ceded	386.506	2.212.224
<b>Premiums earned for own account</b>	<b>257.871.782</b>	<b>215.631.170</b>
Technical interest income	273.026	258.699
Other technical income for own account	8.680.693	6.220.895
<b>Total technical income</b>	<b>266.825.501</b>	<b>222.110.765</b>
<b>Technical expenses</b>		
Claims payments, gross	-162.473.852	-127.883.672
Claims payments ceded	43.455.083	26.806.667
Change in claims reserves, gross	-24.794.729	-54.888.548
Change in claims reserves ceded	-20.039.119	18.840.492
Change in equilization reserves	-2.500.000	0
<b>Expenditures for claims incurred for own account</b>	<b>-166.352.618</b>	<b>-137.125.061</b>
Acquisition costs, gross	-76.044.550	-66.131.680
General administrative expenses	-14.787.401	-10.829.855
Acquisition costs ceded	10.741.408	6.646.834
<b>Acquisition and administration costs for own account</b>	<b>-80.090.543</b>	<b>-70.314.700</b>
Other technical expenses for own account	-1.807.067	-1.409.055
<b>Total technical expenses</b>	<b>-248.250.227</b>	<b>-208.848.816</b>
<b>Technical result</b>	<b>18.575.274</b>	<b>13.261.948</b>
<b>NON-TECHNICAL RESULT</b>		
Investment income	9.307.087	6.235.431
Investment expense	-1.460.188	-4.468.057
<b>Investment result</b>	<b>7.846.899</b>	<b>1.767.374</b>
<b>Operating result</b>	<b>26.422.173</b>	<b>15.029.322</b>
Other income	436.944	219.106
Other expenses	-631.126	-78.871
Foreign currency exchange gains	24.638.441	8.910.249
Foreign currency exchange losses	-25.461.245	-10.490.085
<b>Result before taxes</b>	<b>25.405.188</b>	<b>13.589.721</b>
Taxes	-324.967	-271.892
<b>Result for the year</b>	<b>25.080.221</b>	<b>13.317.829</b>

## Cash Flow Statement – as of December 31, 2023

<b>Cash flow statement in CHF for the year</b>	<b>2023</b>	<b>2022</b>
	(in CHF)	(in CHF)
<b>Cash flows from operating activities</b>		
Profit for the year after taxes	25.080.221	13.317.829
Change in reserves for unearned premiums	24.472.750	13.002.674
Change in accrued acquisition costs	-3.599.638	-2.060.511
Change in loss reserves	-5.174.509	38.063.036
Change in equalization reserves	2.500.000	0
Change in reserves for currency fluctuations	-3.452.524	2.716.123
Change in reinsurers' share of technical provisions	24.560.462	-16.346.827
Depreciation	47.651	57.397
Change in accounts receivable, accrued income and prepaid expenses	-16.850.457	-31.658.958
Change in accounts payable, deferred income and accrued expenses	-11.611.714	24.101.374
<b>Total cash flows from operating activities</b>	<b>35.972.243</b>	<b>41.192.138</b>
<b>Cash flows from investing activities</b>		
Net change in bonds	-24.731.336	-43.457.004
Net change in equities	1.008.857	-1.929.758
Net change in investment funds	-13.993.750	-421.150
Net change in participations	-3.303.826	-13.007.546
Acquisitions in fixed assets	-72.500	370
<b>Total cash flows from investing activities</b>	<b>-41.092.555</b>	<b>-58.815.088</b>
<b>Cash flows from financing activities</b>		
Increase in capital contribution reserves	0	0
<b>Total cash flows from financing activities</b>	<b>0</b>	<b>0</b>
<b>Total cash inflows / outflows</b>	<b>-5.120.312</b>	<b>-17.622.950</b>
Cash at the beginning of the financial year	37.663.124	55.286.074
<b>Total cash flows</b>	<b>-5.120.312</b>	<b>-17.622.950</b>
Cash at the end of the financial year	32.542.813	37.663.124

---

## Notes to the Financial Statements 2023

Echo Reinsurance Ltd. is a limited liability company according to Swiss law. The company's registered office is domiciled at Brandschenkestrasse 18-20, 8001 Zurich.

### Accounting and valuation principles

#### General principles

The accounting and valuation principles are based on the requirements of the Swiss Code of Obligations and the articles of incorporation, as well as the directives of the Ordinance on the Supervision of Private Insurance Companies (ISO).

The financial statements of the Company are prepared in accordance with the requirements of the Swiss Code of Obligations and the accounting rules set out in the ISO and the Insurance Supervision Ordinance of the Swiss Financial Market Supervisory Authority (ISO-FINMA).

#### Recording and recognition

All business transactions are recorded as of their transaction date and measured as of this date in accordance with the principles described below.

#### Foreign currencies

Receivables, investments and liabilities in foreign currencies along with holdings of foreign cash are converted using the exchange rate as at year-end. Foreign currency exchange gains and losses are recognized in the result of the period. Compliance with the principle of lower of cost or market value is ensured through accruals.

Year-end exchange rates:

	<b>2023</b>	<b>2022</b>
Euro/CHF	0.92600	0.98470
USD/CHF	0.84140	0.92450
JPY/CHF	0.00596	0.00705

#### Investments

Fixed-interest securities are recognized using the amortized cost method, less necessary impairments on investments with permanent value decrease; the maximum value in such cases complies with Article 110, paragraph 1 ISO.

Equities are valued at the lower of cost or market value. Any impairment is recorded in the position "Investment income/expense"; a reversal of an impairment may not lead to an evaluation of the asset exceeding the acquisition cost amount. Other investments are valued at their historical acquisition cost at historical exchange rates, less necessary impairments.

In general, fixed deposits are valued at their historical acquisition cost at historical exchange rates. As an exception locally administrated fixed deposits are revaluated at year-end.

All investments are valued individually.

#### Tangible fixed assets

Tangible fixed assets are recorded at historical cost less economically necessary depreciation and impairments.

---

### Cash and cash equivalents

Recognition is at nominal value. Interest is recognized in position "Investment income".

### Accounts receivable

Receivables from insurance activities are recorded at nominal value.

### Accrued acquisition costs

Accrued acquisition costs are calculated on a pro-rata temporis basis and reduced by the amount of a premium deficiency reserve.

### Unearned premiums reserves (UPR)

Unearned premiums are calculated on a pro-rata temporis basis based on actuarial, peer-reviewed premium earning patterns.

### Loss reserves / equalization reserves

Loss reserves are booked for occurred claims that have been reported but not yet settled as of year-end. These provisions are determined considering the information available at the end of the financial year. The calculation is based on the claim advices and statements provided by the cedants. Additionally, there are reserves for incurred but not yet reported claims (IBNR), which are calculated based on actuarial standard methods as defined in the reserving guidelines approved by FINMA. In addition, IBNR for single large loss events are considered for the calculation of the overall IBNR amount. Their calculation is in line with the business plan as approved by FINMA. In addition, equalization reserves are built based on a defined methodology to smoothen the volatility of the claims development over time.

### Accounts payable

Accounts payable are recorded at nominal value.

### Accrued income and prepaid expenses and Accrued expenses and deferred income

These positions mainly contain premium and commission estimates both for inward and outward business. The estimates are calculated based on a Underwriter's best estimate amount considering most current available original data being provided by our cedants.

### Taxes

Accruals are made for outstanding tax liabilities as well as for future taxes on the result of the current period and the taxable capital.

## Notes to the balance sheet

### Investments

As at the balance sheet date, the Company was lending securities at a book value of CHF 43,232,930, thereof shares amounting to CHF 2,838,517 and bonds amounting to CHF 40,394,413.

The "Other investments" include equity participations amounting to 1.29% in Infrastructure Access Portfolio-L 3 SCSp and 1.44% in Infrastructure Access Portfolio-L 4 SCSp, both special limited partnerships under Luxembourg law domiciled in Luxembourg, as well as investments amounting of 1.54% in Swiss Life Health Care III SICAV-FIS, a regular limited partnership under Luxembourg law, also domiciled in Luxembourg and of 6.25% in the group-internal investment fund DIIV SCSp, a special limited partnership under Luxembourg law domiciled in Luxembourg. Finally, the company holds a share of 1,76% in DRED SICAV-FIS, a regular limited partnership under Luxembourg law domiciled in Luxembourg.

	2023 (in CHF)	2022 (in CHF)
<b>Security provided</b>		
Rental deposit with ZKB for the property at Brandschenkestr. 18-20	234.629	234.431
<b>Accounts receivable from direct shareholders or affiliated parties</b>	5.423.969	5.423.969
of which		
Accounts receivable from direct shareholders	0	0
Accounts receivable from affiliated parties	2.649.606	5.423.969
<b>Accounts receivable from the insurance business</b>	20.237.171	24.814.897
of which		
Agents and brokers	15.665.002	15.187.873
Insurance companies	4.572.169	9.627.024
<b>Accrued income and prepaid expenses</b>	153.825.836	153.825.836
of which		
Accrued premiums	166.254.382	147.005.299
Accrued commissions and other costs	4.886.784	5.051.844
Accrued interest	2.066.681	1.540.129
Accrued income and prepaid expenses	205.648	228.563
<b>Technical provisions</b>	407.613.377	385.815.136
of which		
Unearned premium reserves (UPR)	133.094.482	108.621.732
Claims reserves	263.359.359	268.639.211
Equalization reserves	10.000.000	7.500.000
ULAE	1.159.536	1.054.192
<b>Technical reserves ceded</b>	49.668.537	66.851.356
of which		
Unearned premium reserves (UPR)	7.377.642	7.884.771
Claims reserves	42.290.894	58.966.585
<b>Accounts payable to direct shareholders or affiliated parties</b>	3.058.647	0
of which		
Accounts payable to direct shareholders	0	0
Accounts payable to affiliated parties	3.058.647	0
<b>Accounts payable on insurance business</b>	4.074.001	10.240.145
of which		
Agents and brokers	935.982	3.986.392
Insurance companies	3.138.019	6.253.753
<b>Accrued expenses and deferred income</b>	63.833.093	63.183.498
Accrued premium and accrued acquisition costs ceded	24.863.291	27.972.691
Accrued commissions and other costs	35.299.993	33.135.464
Other accrued expenses	3.554.795	1.967.984
Accrued taxes	115.014	107.358
<b>Contingent liabilities and guarantees</b>	3.054.340	3.563.614
Contingent liabilities	2.938.590	3.228.816
Guarantees	115.750	334.798

## Statement of changes in equity

	Share capital	Legal capital reserves	Retained earnings	Total equity
<b>As at 31.12.2018</b>	<b>120.000.000</b>	<b>23.868.581</b>	<b>-51.792.238</b>	<b>92.076.343</b>
Capital increase		25.000.000		25.000.000
Profit for the year			1.166.562	1.166.562
<b>As at 31.12.2019</b>	<b>120.000.000</b>	<b>48.868.581</b>	<b>-50.625.676</b>	<b>118.242.905</b>
Profit for the year			550.650	550.650
<b>As at 31.12.2020</b>	<b>120.000.000</b>	<b>48.868.581</b>	<b>-50.075.027</b>	<b>118.793.554</b>
Capital increase		25.000.000		25.000.000
Profit for the year			5.375.866	5.375.866
<b>As at 31.12.2021</b>	<b>120.000.000</b>	<b>73.868.581</b>	<b>-44.699.161</b>	<b>149.169.421</b>
Profit for the year			13.317.829	13.317.829
<b>As at 31.12.2022</b>	<b>120.000.000</b>	<b>73.868.581</b>	<b>-31.381.331</b>	<b>162.487.250</b>
Profit for the year			25.080.221	25.080.221
<b>As at 31.12.2023</b>	<b>120.000.000</b>	<b>73.868.581</b>	<b>-6.301.110</b>	<b>187.567.471</b>

The share capital of CHF 120,000,000 is fully paid in and split into 120,000 registered shares at a par value of CHF 1,000 per share. The company is 100% owned by DEVK Deutsche Eisenbahn Versicherung Sach- u. HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn.

## Notes on income statement

	2023 (in CHF)	2022 (in CHF)
<b>Notes on the income statement</b>		
<b>Change in technical provisions</b>	<b>21.378.824</b>	<b>23.645.385</b>
of which		
Change in claims reserves, gross	-5.279.853	37.944.820
Change in claims reserves ceded	24.053.333	-14.417.651
Change in equalization reserves	2.500.000	0
Change in ULAE	105.344	118.216
<b>Breakdown of administrative costs</b>	<b>14.787.401</b>	<b>10.829.855</b>
of which		
Personnel expenses	10.928.468	7.749.216
General administrative expenses	3.858.933	3.080.639

## Staff development

The year-end number of employees as at 31 December 2023 was 41.0 full time equivalents (previous year: 33.5 FTE).

## Audit fees

The audit fees amount to CHF 105,500 plus out-of-pocket expenses and VAT (8.1%).



	<b>2023</b> (in CHF)	<b>2022</b> (in CHF)
<b>Investment income</b>	<b>9.307.087</b>	<b>6.235.431</b>
of which		
Income from fixed income securities	5.913.802	4.043.447
Income from equities	521.791	483.244
Income from funds	0	0
Income from participations	470.879	523.859
Income of Fixed Deposit	388.242	21.785
Other investment income	0	37.177
Write-ups on fixed income securities	0	0
Write-ups on shares	1.738.553	19.861
Write-ups on funds	0	0
Write-ups on participations	0	0
Realized gains on fixed income securities	5.369	10.305
Realized gains on equities	268.450	1.095.753
Realized gains on funds	0	0
Realized gains on participations	0	0
<b>Investment expense</b>	<b>1.460.188</b>	<b>4.468.057</b>
of which		
Bank und Asset Management	474.341	456.071
Expenses on fixed income securities	298.704	307.410
Expenses on equities	8.433	36.928
Expenses on funds	0	0
Expenses on participations	0	0
Amortization and impairment of fixed income securities	0	0
Amortization and impairment of equities	424.703	3.529.068
Amortization and impairment of funds	0	0
Amortization and impairment of participations	0	0
Realized losses on fixed income securities	0	95.660
Realized losses on equities	254.006	42.920
Realized losses on funds	0	0
Realized losses on participations	0	0

### Events occurring after balance sheet date

No events occurred after the balance sheet date.

### Appropriation of available earnings 2023

	<b>2023</b> (in CHF)	<b>2022</b> (in CHF)
Loss brought forward	-31.381.331	-44.699.160
Result for the year	25.080.221	13.317.829
<b>Accumulated loss</b>	<b>-6.301.110</b>	<b>-31.381.331</b>

The Board of Directors proposes to the General Meeting to carry the result for the year forward.



## Report of the Statutory Auditor to the General Meeting of Shareholders of Echo Reinsurance Limited, Zurich

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Echo Reinsurance Ltd (the Company), which comprise the balance sheet as at 31.12.2023, and the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and

---

using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

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

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

---

KPMG AG



Rainer Pfaffenzeller  
Licensed Audit Expert  
Auditor in Charge



Nicolas Baumann  
Licensed Audit Expert

Zurich, 29 April 2024

---

## Imprint

### Published by

Echo Reinsurance Limited, Zurich

### Concept and Text

Gregor Schulte

**April 2024**

The annual report is published in English and will be provided in Spanish upon request of stakeholders.

### **Echo Reinsurance Limited**

A company of the DEVK Group

Brandschenkestrasse 18-20

8001 Zurich/Switzerland

Telephone: +41 44 283 16 17

[www.echore.com](http://www.echore.com)