



Annual Report 2024

31 December 2024

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 growing and resilient 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.

In 2024, our rating has been upgraded to “A” (outlook: stable) by both S&P 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 stable)

Fitch “A” (outlook: stable)

Auditors

KPMG

Badenerstrasse 172

P.O. Box

CH-8036 Zurich

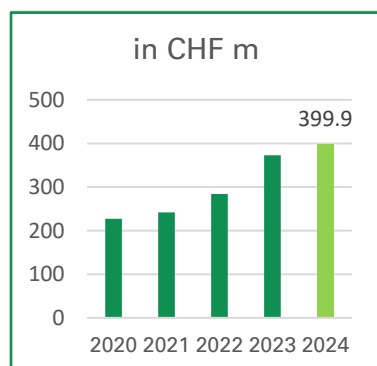
Tel. +41 58 249 31 31

www.kpmg.ch

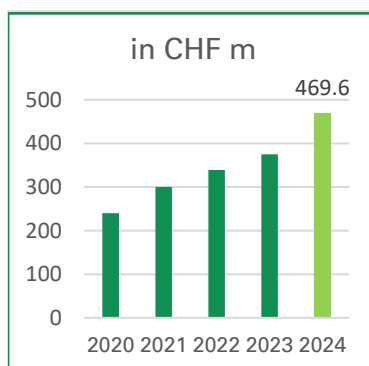
Table of Contents

Echo Re at a glance	2
Portfolio Composition 2024.....	4
Management Statement	5
Management Report 2024	7
Summary of Balance Sheet – as of December 31, 2024	11
Income Statement – as of December 31, 2024	12
Cash Flow Statement – as of December 31, 2024.....	13
Notes to the Financial Statements 2024.....	14
Statutory Auditor’s report to the General Meeting of Shareholders of Echo Reinsurance Ltd. ..	19
Imprint.....	22

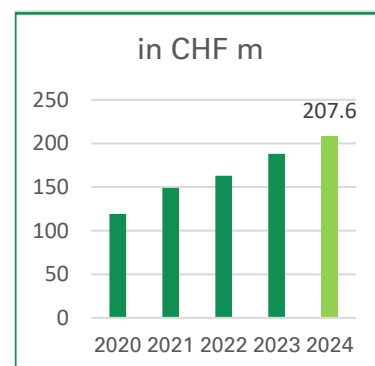
Gross Written Premium (GWP)



Investments including Cash



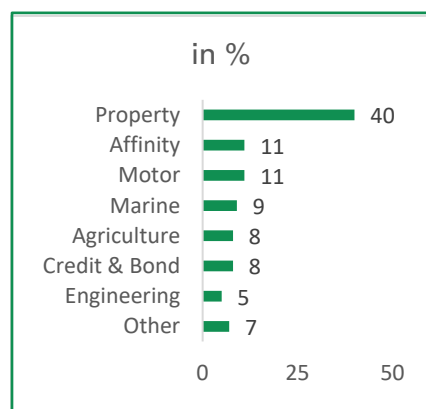
Shareholders' Equity



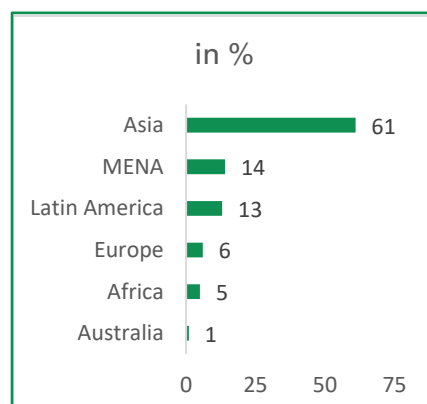
	2024 (in CHF m)	2023 (in CHF m)
Gross Written Premium	399.9	372.7
Premiums earned for own account	272.7	257.9
Technical result	15.5	18.6
Result of the year	20.1	25.1
Technical provisions net	547.1	365.3
Investments including Cash	469.6	374.9
Shareholders' equity	207.6	187.6

Portfolio Composition 2024

Lines of Business (GWP)



Geographical split (GWP)



Management Statement



Gregor Schulte (Chief Financial & Operating Officer), Bernd Zens (Chairman of the Board of Directors), Fabian Pütz (Chief Executive Officer) and Paul Hertelendy (Chief Underwriting Officer)

Valued business partners, stakeholders and colleagues,
Dear readers,

continuing the significant shifts in risk appetite introduced in 2023, the global retrocession and reinsurance market has experienced a year of transition throughout 2024.

While renewals remained challenging at the start of the year, available capacity and risk appetite for property catastrophe reinsurance and other lines of business increased as the year progressed. As a result, the retrocession and reinsurance market has reached a plateau which is reflected in a stabilization of pricing and attachment levels, with some greater flexibility and consistency in the coverage offered.

Despite another year of insured losses from natural catastrophes exceeding USD 140 billion, the significant restructuring of reinsurance programs in recent years has resulted in a comparatively lower share of these losses being borne by the reinsurance and retrocession market. Given the reinsurance industry's continued risk awareness and pricing discipline, the increased cost of reinsurance to cover losses from natural catastrophes has remained a challenge for direct insurance markets, which have not been able to pass these costs on to their underlying clients.

While the more favorable reinsurance underwriting results of the last two financial years could be used to argue that current market conditions are overly comforting to providers of reinsurance capacity, one should be mindful of the volatile and changing risk landscape in which the entire industry operates. In this respect, all participants in the (re)insurance supply chain need to transition market conditions to an equilibrium which shows higher resistance against the increasing frequency of NatCat losses. To increase the resilience of the value chain in the future, discussions on the market cycle need to be embedded in a broader discussion on appropriate price levels, the better alignment of interests of existing risk transfer mechanisms, complemented by better incentives for economies to invest in risk awareness and loss prevention strategies.

At Echo Re, we are proud to have continued to use the market cycle to position ourselves as a reliable long-term business partner. The increased and consistent support we have provided throughout a challenging market cycle, together with the trust of our valued business partners, has enabled us to further develop and strengthen our relationships with both new and existing clients.

As a result, we have successfully scaled and developed our inwards reinsurance portfolio, with a strong focus on maintaining a favorable diversification across regions and lines of business. Combined with a relatively moderate impact from large individual and catastrophe losses, we are proud to conclude Echo Re's 16th year of operation with further improved technical and non-technical results.

We are also delighted that this positive trend has been recognized by the upgrade of our financial strength rating from "A-" to "A" (outlook: stable) by both S&P and Fitch. We see this as a great reward and recognition of the progress Echo Re has made in recent years in implementing its long-term strategic plan. It is truly rewarding to see the organization thrive and grow and we would like to thank all our employees for their dedication and contribution over the past few years.

Finally, we sincerely thank our valued business partners for their support in building and expanding trusted, long-standing and mutually beneficial relationships over the past few years. We are looking forward to further develop our partnerships, our reinsurance portfolio and our whole organization in the coming years.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'JP' with a stylized flourish.

Fabian Pütz
Chief Executive Officer

A handwritten signature in blue ink, appearing to be 'G. Schulte'.

Gregor Schulte
Chief Financial & Operating Officer

Management Report 2024

1. Business activities

Echo Reinsurance Ltd. (Echo Re) operates in non-life reinsurance, offering both proportional and non-proportional treaty reinsurance solutions. Since its foundation in 2008, Echo Re's strategy has remained consistent: operating on a global scale, with the exclusion of European and USA/Canada markets, which are underwritten by our sister company, DEVK Re. In 2022, the scope of Echo Re's underwriting expanded to include business from Australia and New Zealand, further diversifying its portfolio.

Historically, Echo Re wrote a portfolio of the DEVK Group's business; however, this portfolio was discontinued in 2024 due to the significant growth of Echo Re's third-party business. Currently, the company only participates in limited open-market retrocession placements for DEVK Re to enhance portfolio diversification.

In 2024, Echo Re's portfolio showed strong geographical diversification:

- 60.7% of business originated from Asia, with a strong diversification within this region,
- 14.1% from MENA,
- 13.3% from the Americas, primarily Latin America and the Caribbean,
- 5.6% from Europe,
- 5.1% from Africa, driven by a growing presence outside South Africa, and
- 1.2% from Australia.

From a macroeconomic and geopolitical perspective, 2024 posed challenges. The ongoing war in Ukraine and escalating conflict in the Middle East added uncertainty. Inflationary pressures persisted, albeit at a slower pace compared to previous years. Despite this volatile environment, Echo Re remained resilient, unaffected by reinsurance losses stemming from war, credit events, or inflationary shocks. Additionally, the company's investment portfolio benefitted from increased interest rates, contributing positively to overall performance.

Catastrophe Losses in 2024

Throughout 2024, Echo Re experienced a series of small to mid-sized catastrophe losses, resulting in a manageable total loss burden. Key events included:

- January: The year started with the strong 7.5 magnitude Noto Peninsula Earthquake in Japan on January 1. Due to its location the impact was relatively small, and we suffer a claim of significantly less than CHF 1.0m.
- February and April: The most severe events for Echo Re in 2024 were the floods in the UAE. Two events, one in February and one in April, caused an accumulated loss slightly above CHF 10.0m for Echo Re.
- April: A 7.4 magnitude earthquake occurred near Hualien City, Taiwan, resulted in a mid-single-digit CHF million claim.
- September: Typhoon Yagi was formed east of the Philippines crossed the country travelled westwards and affected the southern Chinese Coast and the province Hainan and ultimately made land-fall in northern Vietnam causing catastrophic damage in the region. The claim for Echo Re from this event is around CHF 7.0m.

In total, catastrophe losses for 2024 amounted to CHF 38.5m, representing less than 9.6% of the total premium volume.

After a series of difficult years for the global reinsurance industry, 2023 and 2024 marked a return to profitability for most reinsurance and retrocession providers. Consequently, the sharp price increases witnessed globally in 2023 moderated in 2024, both in reinsurance and retrocession markets.

In this more adequate market environment, Echo Re continued to strengthen its position, focusing on enhancing regional diversification and expanding other lines of business. Asia remains the core region while notable growth in Latin America and Africa underscores the company's strategic push into these regions. Additionally, Echo Re has made significant progress in developing its position in the Middle East. This diversified growth has significantly enhanced Echo Re's portfolio, ensuring a balanced and sustainable trajectory for the company's future.

2. Number of full-time positions on annual average

On an annual average, the number of full-time equivalents (FTE) of Echo Re in 2024 was 47.5. The increase compared to the prior year (39.2 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 portfolio 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, including an internal model for the NatCat risks. Its SST ratio amounts to 228.8%, 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 2024, Echo Re increased the number of active cedant relationships from 346 to 414. This growth was primarily resulting from newly established business relationships in Latin America/Caribbean, in Asia and in Africa.

The three major lines of business are Property with 40.2%, followed by Affinity with 11.5% due to the strong growth in this Line of Business and Motor with 10.9% of the overall gross written premium. In addition, Echo Re continued to expand its business in several Specialty lines like Marine now representing 9.1% of our overall portfolio, Agriculture with 8.2% and Credit & Bond contributing to 7.9% of the portfolio. This strategy together with a strong focus on regional diversification of our Cat-exposed portfolio will be continued to maintain a high resilience and profitability of the overall portfolio when further scaling the portfolio size if the market conditions allow.

5. Research and development

With usual share participations between 2.5% and 7.5%, Echo Re is a reinsurer that usually provides following capacity to its cedants in its standard Lines of Business. While we do not develop reinsurance products as such continuous market observation is an essential part of the activities of the underwriters, actuaries, and the management team of the company. Predominately in the Specialty Lines, Echo Re does structure tailor-made reinsurance solutions as a leading reinsurer, but we do not consider the affiliated costs as expenses for Research and Development.

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

6. Extraordinary events

The year 2024 has witnessed around US\$ 140 billion insured losses from natural catastrophes globally. Only two years since 1980 have been more expensive so far. Weather-related catastrophes like strong hurricanes, severe thunderstorms and floods have been driving this loss burden with a contribution of 93%. The two hurricanes Helene and Milton affecting the USA in September/October caused the most damage with combined US\$ 41 billion insured losses.

Besides the floods in UAE, the Hualien Earthquake in Taiwan and Typhoon "Yagi", Echo Re has not been affected by other significant natural catastrophes in 2024. Especially due to the improved regional diversification of our portfolio, these losses did not lead to material negative impacts to our profitability, given that the overall frequency and severity of major risk losses was comfortably staying within our annual large loss budget.

7. Outlook

Despite the global political and economic instability, the year 2024 proved to be profitable for the global reinsurance industry, primarily due to the absence of significant catastrophe losses in key insurance markets in combination with material restructuring of reinsurance placements since 2023. As we enter into the year 2025, it is evident that the shortage of catastrophe capacity observed in 2023 has been further 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 worsened pricing environment.

Echo Re's strategic plan for 2025 revolves around further developing its portfolio in a profitable manner. The focus will be on the meticulous execution of our strategy, emphasizing the 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, 2024

Echo Reinsurance Limited

Balance sheet in CHF as of 31 December

2024

2023

		(in CHF)	(in CHF)
ASSETS			
Investments			
Fixed income securities	366'043'060	281'544'518	
Equities	11'844'163	12'678'021	
Investment funds	2'351'663	0	
Other investments	25'579'535	23'401'212	
Fixed deposits	1'882'400	24'745'900	
		407'700'820	342'369'650
Deposits retained on assumed reinsurance business		34'849'131	26'863'806
Cash and cash equivalents		61'871'915	32'542'813
Reinsurers' share of technical provisions		38'519'022	42'290'894
Property, plant and equipment		211'797	73'133
Accrued acquisition costs		49'170'580	31'961'170
Accounts receivable from reinsurance business		31'822'178	20'237'171
Other accounts receivable		627'570	469'537
Accrued income and prepaid expenses		266'642'300	173'507'334
Total ASSETS		891'415'313	670'315'509
LIABILITIES			
Technical provisions			
Unearned premium reserves (UPR)	217'240'238	133'094'482	
Claims reserves	345'414'420	264'518'895	
Equalization reserves	23'000'000	10'000'000	
Technical provisions		585'654'657	407'613'377
Non-technical provisions		5'732'896	0
Deposits retained on ceded reinsurance business		5'136'027	6'371'472
Accounts payable on reinsurance business		9'501'099	4'074'001
Other liabilities		1'061'157	856'095
Accrued expenses and deferred income		76'709'445	63'833'093
Total liabilities		683'795'281	482'748'038
Share capital		120'000'000	120'000'000
Legal capital reserves			
Reserves (unrecognized capital contribution reserves)	498'399	498'399	
Capital contribution reserves (recognized capital contribution reserves)	73'370'182	73'370'182	
		73'868'581	73'868'581
Retained earnings			
Loss brought forward	-6'301'110	-31'381'331	
Result for the year	20'052'561	25'080'221	
		13'751'451	-6'301'110
Total shareholders' equity		207'620'032	187'567'471
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		891'415'313	670'315'509

Income Statement – as of December 31, 2024

Echo Reinsurance Limited

Income statement in CHF for the year

2024
2023

		(in CHF)	(in CHF)
TECHNICAL RESULT			
Technical income			
Gross written premium	399'963'587	372'667'209	
Reinsurance premiums ceded	-48'805'599	-73'963'668	
Premiums written for own account	351'157'988	298'703'541	
Change in unearned premiums, gross	-78'045'441	-41'218'266	
Change in unearned premiums ceded	-418'021	386'506	
Premiums earned for own account	272'694'526	257'871'782	
Technical interest income	295'844	273'026	
Other technical income for own account	7'104'167	8'680'693	
Total technical income		280'094'537	266'825'501
Technical expenses			
Claims payments, gross	-119'696'415	-162'473'852	
Claims payments ceded	23'971'002	43'455'083	
Change in claims reserves, gross	-68'274'785	-24'794'729	
Change in claims reserves ceded	-4'176'668	-20'039'119	
Change in equilization reserves	-13'000'000	-2'500'000	
Expenditures for claims incurred for own account	-181'176'866	-166'352'618	
Acquisition costs, gross	-73'575'895	-76'044'550	
General administrative expenses	-18'699'155	-14'787'401	
Acquisition costs ceded	10'195'915	10'741'408	
Acquisition and administration costs for own account	-82'079'135	-80'090'543	
Other technical expenses for own account	-1'360'025	-1'807'067	
Total technical expenses		-264'616'026	-248'250'227
Technical result		15'478'511	18'575'274
NON-TECHNICAL RESULT			
Investment income	10'505'533	9'307'087	
Investment expense	-1'712'114	-1'460'188	
Investment result	8'793'420	7'846'899	
Operating result		24'271'931	26'422'173
Other income		871'124	436'944
Other expenses		-25'642	-631'126
Foreign currency exchange gains		31'408'294	24'638'441
Foreign currency exchange losses		-31'315'068	-25'461'245
Result before taxes		25'210'638	25'405'188
Taxes		-5'158'077	-324'967
Result for the year		20'052'561	25'080'221

Cash Flow Statement – as of December 31, 2024

Echo Reinsurance Limited

Cash flow statement in CHF for the year

	2024	2023
	(in CHF)	(in CHF)
Cash flows from operating activities		
Profit for the year after taxes	20'052'561	25'080'221
Change in reserves for unearned premiums	84'145'756	24'472'750
Change in accrued acquisition costs	-17'209'410	-3'599'638
Change in loss reserves	80'895'525	-5'174'509
Change in equalization reserves	13'000'000	2'500'000
Change in reserves for currency fluctuations	5'732'896	-3'452'524
Change in reinsurers' share of technical provisions	3'771'873	24'560'462
Depreciation	34'396	47'651
Change in accounts receivable, accrued income and prepaid expenses	-112'863'330	-16'850'457
Change in accounts payable, deferred income and accrued expenses	17'273'067	-11'611'714
Total cash flows from operating activities	94'833'332	35'972'243
Cash flows from investing activities		
Net change in investment funds	-2'351'663	0
Net change in fixed income securities	-84'498'542	-24'731'336
Net change in equities	833'858	1'008'857
Net change in fixed deposits	22'863'500	-13'993'750
Net change in other investments	-2'178'323	-3'303'826
Acquisitions in fixed assets	-173'060	-72'500
Total cash flows from investing activities	-65'504'230	-41'092'555
Cash flows from financing activities		
Increase in capital contribution reserves	0	0
Total cash flows from financing activities	0	0
Total cash inflows / outflows	29'329'103	-5'120'312
Cash at the beginning of the financial year	32'542'813	37'663'124
Total cash flows	29'329'103	-5'120'312
Cash at the end of the financial year	61'871'915	32'542'813

Notes to the Financial Statements 2024

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:

	2024	2023
Euro/CHF	0.94120	0.92600
USD/CHF	0.90730	0.84140
JPY/CHF	0.00577	0.00596

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 and investment funds 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 current 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 the Underwriter's best estimate amounts 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 49,305,812, thereof equities amounting to CHF 2,757,793 and fixed income securities amounting to CHF 46,548,019.

The "Other investments" include equity participations amounting to 1.29% in Infrastructure Access Portfolio-L 3 SCSp, 1.44% in Infrastructure Access Portfolio-L 4 SCSp, 3.50 % in Infrastructure Access Portfolio-L 5 SCSp - Balanced and 1.31 % in Infrastructure Access Portfolio-L 5 SCSp - Impact, all four 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. In addition, Echo Re is invested with 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 1,72% in DRED SICAV-FIS, a regular limited partnership under Luxembourg law domiciled in Luxembourg.

	2024 (in CHF)	2023 (in CHF)
Security provided		
Rental deposit with ZKB for the property at Brandschenkestr. 18-20	360'341	234'629
Accounts receivable from direct shareholders or affiliated parties	4'252'444	2'649'606
of which		
Accounts receivable from direct shareholders	0	0
Accounts receivable from affiliated parties	4'252'444	2'649'606
Accounts receivable from the insurance business	31'822'178	20'237'171
of which		
Agents and brokers	23'439'571	15'665'002
Insurance companies	8'382'607	4'572'169
Accrued income and prepaid expenses	266'642'300	173'507'334
of which		
Accrued premiums	257'246'452	166'254'382
Accrued commissions and other costs	6'210'607	4'886'784
Accrued interest	3'050'908	2'160'521
Accrued income and prepaid expenses	134'334	205'648
Technical provisions	585'654'657	407'613'377
of which		
Unearned premium reserves (UPR)	217'240'238	133'094'482
Claims reserves	343'837'024	263'359'359
Equalization reserves	23'000'000	10'000'000
ULAE	1'577'395	1'159'536
Technical reserves ceded	38'519'022	42'290'894
of which		
Unearned premium reserves (UPR)	6'759'636	7'377'642
Claims reserves	31'759'386	34'913'252
Accounts payable to direct shareholders or affiliated parties	0	3'058'647
of which		
Accounts payable to direct shareholders	0	0
Accounts payable to affiliated parties	0	3'058'647
Accounts payable on insurance business	9'501'099	4'074'001
of which		
Agents and brokers	4'352'305	935'982
Insurance companies	5'148'795	3'138'019
Accrued expenses and deferred income	76'709'445	63'833'093
Accrued premium and accrued acquisition costs ceded	19'727'402	24'863'291
Accrued commissions and other costs	52'362'432	35'299'993
Other accrued expenses	4'566'158	3'554'795
Accrued taxes	53'454	115'014
Contingent liabilities and guarantees	3'168'745	3'054'340
Contingent liabilities	3'168'745	2'938'590
Guarantees	0	115'750

Statement of changes in equity

	Share capital	Legal capital reserves	Retained earnings	Total equity
As at 31.12.2019	120'000'000	48'868'581	-50'625'676	118'242'905
Profit for the year			550'650	550'650
As at 31.12.2020	120'000'000	48'868'581	-50'075'027	118'793'554
Capital increase		25'000'000		25'000'000
Profit for the year			5'375'866	5'375'866
As at 31.12.2021	120'000'000	73'868'581	-44'699'161	149'169'421
Profit for the year			13'317'829	13'317'829
As at 31.12.2022	120'000'000	73'868'581	-31'381'331	162'487'250
Profit for the year			25'080'221	25'080'221
As at 31.12.2023	120'000'000	73'868'581	-6'301'110	187'567'471
Profit for the year			20'052'561	20'052'561
As at 31.12.2024	120'000'000	73'868'581	13'751'451	207'620'032

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

	2024 (in CHF)	2023 (in CHF)
Notes on the income statement		
Change in technical provisions	97'049'391	21'378'824
of which		
Change in claims reserves, gross	80'477'666	-5'279'853
Change in claims reserves ceded	3'153'866	24'053'333
Change in equalization reserves	13'000'000	2'500'000
Change in ULAE	417'859	105'344
Breakdown of administrative costs	18'699'155	14'787'401
of which		
Personnel expenses	12'673'244	10'928'468
General administrative expenses	6'025'911	3'858'933

Staff development

The year-end number of employees as at 31 December 2024 was 49.8 full time equivalents (previous year: 41.0 FTE).

Audit fees

The audit fees amount to CHF 127,633 plus out-of-pocket expenses and VAT (8.1%).

	2024 (in CHF)	2023 (in CHF)
Investment income	10'505'533	9'307'087
of which		
Income from fixed income securities	8'815'123	5'913'802
Income from equities	444'828	521'791
Income from investment funds	17'092	0
Income from participations	359'977	470'879
Income of Fixed Deposit	301'983	388'242
Other investment income	129	0
Write-ups on fixed income securities	0	0
Write-ups on equities	478'522	1'738'553
Write-ups on investment funds	47'616	0
Write-ups on participations	0	0
Realized gains on fixed income securities	0	5'369
Realized gains on equities	40'264	268'450
Realized gains on investment funds	0	0
Realized gains on participations	0	0
Investment expense	1'712'114	1'460'188
of which		
Bank und Asset Management	591'662	474'341
Expenses on fixed income securities	358'844	298'704
Expenses on equities	10'957	8'433
Expenses on funds	0	0
Expenses on participations	0	0
Amortization and impairment of fixed income securities	0	0
Amortization and impairment of equities	619'535	424'703
Amortization and impairment of funds	48'665	0
Amortization and impairment of participations	0	0
Realized losses on fixed income securities	0	0
Realized losses on equities	82'451	254'006
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 2024

	2024 (in CHF)	2023 (in CHF)
Loss brought forward	-6'301'110	-31'381'331
Result for the year	20'052'561	25'080'221
Total available to the General Meeting	13'751'451	-6'301'110

The Board of Directors proposes to the General Meeting to allocate 20% of the available earnings, i.e. CHF 2'750'290.13 to the legal retained earnings, in line with the company's statutes and to carry the remaining available earnings for the year of CHF 11'001'160.50 forward.



Statutory Auditor's report to the General Meeting of Shareholders of Echo Reinsurance Ltd.

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 31.12.2024, 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.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors 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, 25 April 2025

Imprint

Published by

Echo Reinsurance Limited, Zurich

Concept and Text

Gregor Schulte

April 2025

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 16

www.echore.com