

Euler Hermes Reinsurance AG

Financial Condition Report

Based on figures at 31/12/2024

Contents

Contents.....	1
Executive Summary	4
Business activities (A).....	4
Company success (B)	5
Governance and risk management (C)	5
Risk profile (D)	6
Valuation (E)	6
A. Business activities.....	7
A.1. Business overview.....	7
A.1.1. Business overview	7
A.1.2. Business outlook.....	7
A.2. Legal Entity & Group Structure and Related Party Transactions	8
A.2.1. Legal Entity & Group structure	8
A.2.2. Related Party Transactions.....	9
A.3. External auditor	9
A.4. Supervisory authority.....	10
A.5. Significant events in 2024 and subsequent events	10
B. Company success	10
B.1. Underwriting performance	10
B.2. Financial performance.....	11
B.2.1. Analysis per nature of income and expenses	11
B.2.2. Analysis per Asset Classes	12
B.3. Performance of other activities	13
C. Governance and risk management.....	13
C.1. Governance framework.....	13
C.1.1. Overview	13
C.1.2. Board of Directors (BoD)	14
C.1.3. Board of Management (BoM)	16
C.1.4. Key functions	16
C.1.5. Fit & Proper policy	18
C.2. Risk management system	20
C.2.1. Risk management framework	20
C.2.2. Risk strategy and risk appetite	22
C.3. Internal control system	22
C.3.1. Internal Control Framework principles	22
C.3.2. General elements of the internal control system framework	23

C.3.3.	Specific control areas	23
D.	Risk profile	24
D.1.	Risk profile overview	24
D.2.	Current risk profile	25
D.2.1.	Top risks.....	25
D.2.2.	Target Capital	26
D.2.3.	Stress tests.....	31
D.2.4.	Liquidity ratios	31
D.2.5.	Quantitative limits	33
D.2.6.	Risk Policy Framework.....	34
D.3.	Other risk management processes	36
D.3.1.	Operational Risk Management	36
D.3.2.	Reputational Risk Management	37
D.3.3.	Concentration	39
D.4.	Future risk profile.....	39
D.4.1.	General description	39
D.5.	Off-balance sheet items	40
E.	Valuation	41
E.1.	Assets	41
E.1.1.	Real estate	41
E.1.2.	Participations.....	41
E.1.3.	Fixed-income securities	42
E.1.4.	Loans	42
E.1.5.	Equities	42
E.1.6.	Collective investment schemes	42
E.1.7.	Alternative investments	42
E.1.8.	Deposits made under assumed reinsurance	42
E.1.9.	Cash and cash equivalents.....	43
E.1.10.	Ceding of Best Estimate provisions for insurance liabilities	43
E.1.11.	Intangible Assets	43
E.1.12.	Receivables from insurance business	43
E.1.13.	Other Receivables.....	43
E.1.14.	Accrued Assets	43
E.2.	Liabilities	43
E.2.1.	Best Estimate of provisions for insurance liabilities	44
E.2.2.	Market Value Margin.....	44
E.2.3.	Non-technical provisions	44
E.2.4.	Liabilities from insurance business.....	44
E.2.5.	Other liabilities	45
E.2.6.	Accrued liabilities	45
E.3.	Description of the risk-bearing capital.....	45
E.4.	Capital reconciliation.....	45
F.	Capital management	46

F.1. Capital management strategy – SST Standard	46
G. Solvency	47
G.1. Solvency overview	47
G.2. Capital planning	47
G.3. Capital management governance.....	48
Appendix.....	49
Appendix 1 : Financial Statements as of 31.12.2024	49
Appendix 2: Operational Risk – scenarios analysis.....	59
Appendix 3 : Quantitative templates	60
Appendix 5 : Glossary.....	63

Executive Summary

Reporting and disclosure of its financial situation is a fundamental part of the relationship between an insurance company and its stakeholders, including supervisors and other third parties.

Among these reporting and disclosure requirements, the Financial Condition Report (FCR¹) production is set out in the circular 'Public Disclosure 2016/2' of the Swiss Financial Market Supervisory Authority (FINMA). It contains information that is required for the purposes of supervision.

The qualitative and quantitative information disclosed in this report is based on the situation at 31.12.2024. This includes the change in scope resulting from the sale of the subsidiary based in Luxembourg (Euler Hermes Reinsurance SA).

Following the change in statutory reporting currency from CHF to EUR as approved by FINMA on 22.11.2024, the reporting currency of the Financial Condition Report is now the EURO. The EUR/CHF rate used in this report to convert prior year CHF figures for comparison purposes only is the 31.12.2024 rate applied by Euler Hermes Reinsurance AG (EH Re AG) in its financial statements 2024 for the balance sheet positions: 1 CHF = 1.0635 EUR (unless specified otherwise under p53, section 2.6).

In order to fulfil the reporting and disclosure requirements according to FINMA Circular '2016/2 Public Disclosure', the report describes the following areas:

- business activities;
- performance (underwriting, financial, others);
- system of governance and risk management;
- risk profile per each category of risk;
- balance sheet valuation (assets, liabilities, risk margin);
- capital management; and
- solvency requirements.

Business activities (A)

EH Re AG is the Euler Hermes Group² reinsurance company providing reinsurance solutions and capacity for commercial Trade Credit, Surety & Guarantee, and Fidelity business to all EH Group

¹Published on https://www.allianz-trade.com/en_GL/regulation.html

² Since March 28th 2022, Euler Hermes Group has been rebranded into Allianz Trade and for some activities or departments e.g. communication, both names can be used throughout this report.

companies as well as to some AZ companies. EH Re AG reinsure also the business of some joint ventures with external companies as well as the worldwide Surety & Guarantee business of Allianz entities since 2014.

Since a capital restructuring in 2020 in the context of the project REACH, EH Re AG is fully owned by Allianz Re Dublin dac which is held by Euler Hermes Group SAS (45%) and Allianz Europe BV (55%). The shareholder structure is presented in chapter A.2.1.

On 20th June 2024, EH Re sold the Luxembourg subsidiary Euler Hermes Ré SA to a 3rd party, after receiving the necessary regulatory approvals. This resulted in a realized gain on sale of shares in affiliated enterprises of 124.8m. All remaining reinsurance agreements previously executed by EH Ré SA were novated to EH Re AG with effect from 1st January 2024.

Finally, besides some parameters' adjustment to existing reinsurance treaties, there are no major changes in the 2024 reinsurance structure compared to 2023.

Company success (B)

In 2024, EH Re AG overall profitability increased compared to 2023. Earned premiums have increased by EUR 41mn (3%) from EUR 1'222mn to EUR 1'263mn mainly driven by a good performance from TCI (EUR 27mn) and Surety (EUR 13mn) LoBs.

The net financial result has moved from a loss of EUR 20.2 million in 2023 to a gain of EUR 213.2 million in 2024. The improved result is mainly driven by the exceptional realized gains on investments for EUR 124.8mn on the sale of Euler Hermes Ré SA in Luxembourg. Unrealized losses have reduced by EUR 30mn (92%) and investment expenses by EUR 28mn (68%).

The net result of EH Re AG in 2024 is EUR 413.4mn, up by EUR 238.1mn (136%) compared to 2023.

Governance and risk management (C)

EH Re AG management is organized around two management bodies, the Board of Directors (BoD) granted with the executive decision-making power, and the Board of Management (BoM) which takes all fundamental business decisions unless reserved to the BoD.

Governance structures have been implemented to keep EH Re AG within the operational and risk environment of EH Group.

EH Re AG has also implemented four independent key functions (Risk Management which is partly outsourced to EH SA for Solvency 2 related activities, Compliance, Actuarial which is outsourced to EH SA, and Internal Audit which is outsourced to EH Services SAS), constituting the 2nd and 3rd level of its "three lines of defense" organization.

To ensure the effectiveness of these functions, EH Re AG has set up a Policy Framework which is a set of Corporate Rules aiming to establish binding regulations or guidelines on relevant topics. It includes but is not limited to high Fit & Proper standards for its BoD, BoM, and key function holders, as well as other policies that oversee principles and governance of key functions.

The Risk Management function assesses, measures and monitors EH Re AG's risks through processes among which are the Swiss Solvency Test (SST), the Own Risk and Solvency Assessment (ORSA), and the Top Risk Assessment (TRA). The latter covers strategic risks which cannot be modelled and BoM members are defined as owners, responsible for the assessment as well as the definition and set up of appropriate risk mitigation plans.

Risk profile (D)

EH Re AG considers the following main risks in its risk profile: insurance, market, credit, liquidity, operational, reputational, and concentration.

The Insurance, Market, and Credit Risk are considered and monitored through the Target Capital (TC) of the SST as well as other quantitative limits. EH Re AG's TC was at EUR 385mn at the end of December 2024, down by EUR 40mn (-9%) compared to 2023. This is mainly explained by an increase in expected insurance results (EUR 66mn) partly offset by an increase (before diversification) in insurance risk (EUR 11mn) and credit risk (EUR 72mn).

EH Re AG diversifies its risk by using different diversification approaches: a Strategic Asset Allocation (SAA) for Market Risk and across investment types, asset managers, geography and industry for Credit Risk. There is no foreseeable specific risk concentration over the business planning period.

Moreover, the forecast and stress simulations performed on liquidity demonstrate that EH Re AG is able to keep its liquidity risk within its Risk Appetite.

Valuation (E)

The EH Re AG's assets and liabilities are presented and reconciled in the Market Consistent Balance Sheet (MCBS) and local Swiss GAAP.

Overall, EH Re AG's Risk Bearing Capital (RBC) amounts to EUR 1'188mn, up by EUR 123mn (11.5%) compared to 2023, after deduction of a planned dividend of EUR 240mn. It is exclusively composed of basic own funds, with no particular restrictions on it.

Capital management & Solvency requirements (F&G)

EH Re AG complies with FINMA regulatory requirements and strictly applies its Capital Management strategy in terms of solvency.

The 2025 SST ratio is at 229.6% and decreased compared to the 250.6% ratio of 2024. This mainly reflects on one hand a deterioration in Target Capital (TC) driven by changes in modelling assumptions and on the other hand a strong improvement in Risk Bearing Capital (RBC) driven by a higher asset basis combined with slightly lower foreseen dividend. The 2025 SST stands well above the target management ratio of 187% defined in EH Re AG's Risk Appetite policy.

A. Business activities

A.1. Business overview

A.1.1. Business overview

EH Re AG is the EH Group/Allianz Trade Group reinsurance company providing reinsurance solutions and capacity for commercial Trade Credit, Surety & Guarantee, and Fidelity business to all EH Group companies. Also, it covers the related non-consolidated companies in Austria, Portugal, Israel and Solunion, the Euler Hermes' Joint Ventures with Mapfre for the Spanish and Latin American countries.

Since the beginning of 2014, EH Re AG has started to assume not only TCI, but also Surety & Guarantee and Fidelity business from EH Group companies as well as from Allianz companies and part of the Mapfre Surety & Guarantee business.

EH Re AG is the center of excellence of EH Group Reinsurance by centralizing the reinsurance needs of the EH Group companies and retroceding partially the risks to the worldwide reinsurance market.

EH Re AG partly reinsures its business to Allianz as well as to other external reinsurers.

A.1.2. Business outlook

2024 saw continued geopolitical turmoil, coupled with significant elections in many of the world's key economies, including U.S.A. and Germany. The wars in the Middle East and Ukraine continued unabated. We estimate that global real GDP grew by +2.8% in 2024, though vulnerabilities have emerged in France, Germany, and South America in particular.

The threat of new tariff's imposed by President Trump in the U.S.A. signal increasing levels of protectionism, which may contribute to a decline in global trade and associated economic activity. These policies are expected to place upwards pressure on inflation in the U.S.A., with a consequent effect on Monetary policy expected.

According to the Allianz Global Insolvency report, the Allianz Global Insolvency index is set to rise by +6% in 2025 (after surging by +10% in 2024) and +3% in 2026 as the delayed easing of interest rates and increased uncertainties keep companies under pressure. This will leave companies in wait-and-see mode, reducing activity and threatening already fragile firms. North America and Asia are expected to drive the rise in business insolvencies (US: +11% to 25,580 cases in 2025). Western Europe will also face another rise in 2025 (+3%) for the fourth consecutive year, before seeing a modest improvement in 2026 (-3%), a trend mirrored by Central and Eastern Europe. In Germany and Italy, business insolvencies would continue to increase in 2025 (+10% and 17% respectively, to 24,300 and 14,000 cases) and 2026 (+2% and +2%), but the fiscal stimulus announced in Germany could limit this outlook. In France, insolvencies would reach a new historical high in 2025 with 67,500 cases (+2%), before falling by -4% in 2026. In the UK, where insolvencies reached a 10-year high in 2023, the number of insolvencies will decrease moderately again in 2025 (-3%), before a larger improvement in 2026 (-7%).

Meanwhile, regulatory changes could also shape long-term insolvency trends in Europe, with the European Commission announcing a new 28th legal regime, which would exist alongside the national

legal systems of the 27 EU member states. The idea behind this concept is to create an optional legal framework that businesses and individuals across the EU could choose to operate under, simplifying cross-border transactions and reducing legal fragmentation. This should intensify competition within the internal market in the longer term and structurally increase insolvencies in less competitive regions. Additionally, far reaching changes in the regulatory framework on insolvencies should be announced in the Commission's upcoming communication on completing the "Saving and Investment Union" and could lead to higher insolvencies in less stringent jurisdictions, who will be pressured to comply with the new EU rules. Meanwhile, limiting payment terms to 30 days remains under discussion in Brussels. Movement on this front could accentuate insolvencies in an already fragile region through an increase in the liquidity gap.

In that context EH Re pursues a "safety-oriented" and diversified investment strategy in line with the Allianz Group's Investments Rules, with a focus on Fixed Income and Cash.

A.2. Legal Entity & Group Structure and Related Party Transactions

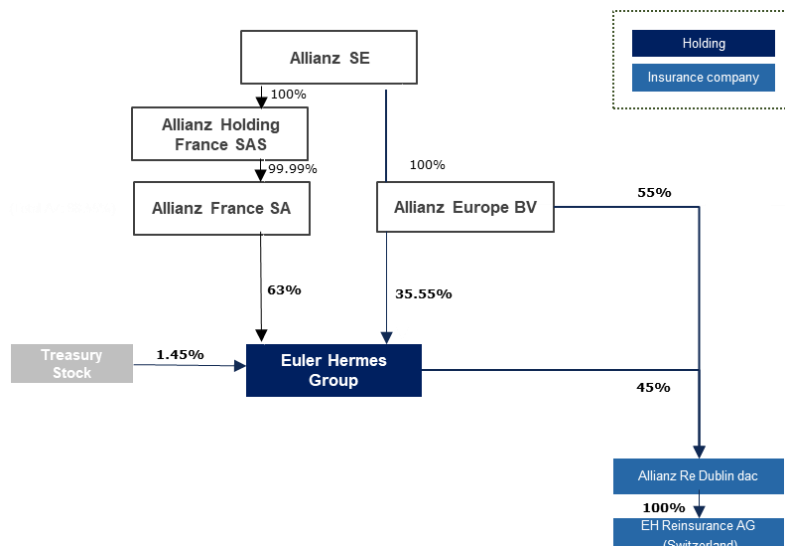
A.2.1. Legal Entity & Group structure

EH Re AG has its registered office in Wallisellen, Switzerland:

Euler Hermes Reinsurance AG
 Richtiplatz 1
 CH-8304 Wallisellen
 Switzerland

The chart below shows a simplified structure of the shareholders and subsidiaries of EH Re AG:

Figure 1: EH Re AG simplified group structure



A.2.2.Related Party Transactions

A.2.2.1. Insurance relationships

As a EH/Allianz Group reinsurance company, EH Re AG has reinsurance relationships with several other Legal Entities (LEs) of EH Group and Allianz Group, by means of reinsurance treaties.

A.2.2.2. Financial relationships

EH Re AG has granted the following inter-company loans:

- with Allianz Europe BV, amounting to EUR 100mn; and
- With EH Group SAS, amounting to EUR 71mn.

A.2.2.3. Operational relationships

EH Re AG has set up several contracts and Service Level Agreements (SLA) to outsource some activities to other LEs within the EH Group, in line with its Outsourcing Policy.

Amongst these outsourcing agreements, some are significant either because of the nature of the outsourced activity or because of the amount of the charged services:

- The actuarial function is outsourced to Euler Hermes SA (EH SA);
- The Internal Audit function is outsourced to Euler Hermes Services SAS;
- EH SA risk function provides support regarding risk management activities e.g. risk policies, operational risk framework, liquidity risk framework, etc.;
- EH Services SAS provides advice and services to support activities, notably in fields of risk underwriting, information and claims management, commercial and marketing, financial services, investment management, and other support (except IT);
- EH Group SAS and EH SA provide support regarding the IT-related activity: applications development, maintenance, and run; and
- Investment accounting is outsourced to EH SA.

A.2.2.4. Participations

EH Re AG has investments in affiliated enterprises for a total of CHF 15mn, as follows:

- EH Patrimonia SA: EUR 0.5mn, corresponding to 35% in the capital; and
- EH South Express SA: EUR 14.13mn, corresponding to 49% share in the capital.

A.3. External auditor

The 2024 Financial Statements were audited by:

PricewaterhouseCoopers AG (represented by Christian Konopka)
Birchstrasse 160
CH-8050 Zurich

<https://pwc.ch/de.html>

PwC's opinion on the 2024 statutory accounts is that EH Re AG complies with Swiss law and the company's articles of incorporation.

Also, PwC confirmed that during their audit they have not encountered any misstatements, corrected or uncorrected, in performing the audit that could have a significant impact on the closing process or the annual financial statements.

PwC was approved as statutory auditors during the Annual General Meeting on 02.05.2024 for the financial year 2024.

A.4. Supervisory authority

The supervisory authority of EH Re AG is FINMA:

Swiss Financial Market Supervisory Authority (FINMA)
Laupenstrasse 27
CH-3003 Bern
<https://www.finma.ch/en/>

A.5. Significant events in 2024 and subsequent events

Significant economic events in 2024 are summarized in the business outlook section and pertain mainly to the consequences of the ongoing geopolitical crisis across the world.

Significant company events can be summarized into (1) the sale of the fully owned subsidiary EH Ré SA which was concluded on 20.06.2024 with retroactive effect as of 01.01.2024 and (2) the change in the statutory currency from CHF to EUR also with retroactive effect as of 01.01.2024. As a result of the sale, EH Ré SA is not consolidated anymore into EH Re AG figures.

B. Company success

B.1. Underwriting performance

The following table summarizes EH Re AG's underwriting performance:

Figure 2: EH Re AG underwriting performance

In EUR mn	EoY 2024	EoY 2023	Var	Var %
Earned premiums for own account	1263	1222	41	3%
Other income from insurance business	0.5	1	-0.5	50%
Total income from the insurance business	1264	1223	41	3%
Claims expenses for own account	-490	-545	54	-10%
Acquisition and administration costs for own account	-504	-450	-54	12%
Total expenses from the insurance business	-994	-994	0	0%
Underwriting result	270	229	40	18%

Earned premiums have increased by EUR 41mn (3%), from EUR 1'222mn to EUR 1'263mn, driven by a good performance on Lob TCI (EUR 27mn) and Surety (EUR 13mn). There are no Major changes in 2024 regarding the scope of the business.

The cost of claims has decreased by EUR 54mn (10%), from EUR 545mn to EUR 490mn and the loss ratio is at 39%. The Loss ratio in Trade Credit has slightly decreased (39% in 2024 vs 45% in 2023), Surety has decreased (37% in 2024 vs 40% in 2023) and Fidelity is stable (53% in 2024 vs 53% in 2023).

The Acquisition and Administration Cost increased by EUR 54mn (12%) in 2024 at EUR 504mn (EUR 450mn in 2023). The Net reinsurance commission rate for Trade Credit is at 40% (+4%); for Surety at 35% (-7%) and Fidelity at 39% (+1%).

The total expenses from the Insurance business are stable at EUR 994mn.

The underwriting result shows a profit of EUR 274mn increasing by EUR 40mn compared to 2023. The net combined ratio has decreased from 81% to 79%.

B.2. Financial performance

The following table summarizes EH Re AG's financial performance:

Figure 3: EH Re AG financial performance

in EUR mn	EoY 2024	EoY 2023	Var	Var %
Interests and dividends	18.2	29.2	-11	-38%
Realized gains on investments	126.5	0.2	126.3	63150%
Write ups of investments	0.5	2.1	-1.6	-76%
Investment income from Sántis Umbrella Fund	89.9	96.0	-6.1	-6%
Investment income	235.1	127.5	107.6	84%
Investment management expenses	-2.7	-1.1	-1.6	145%
Realized losses on investments	0.0	0.0	0	
Unrealized losses on investments	-2.6	-32.5	29.9	-92%
Investment expense from Sántis Umbrella Fund	-7.6	-6.3	-1.3	21%
Investment expenses	-12.9	-39.8	26.9	-68%
Investment result	222.2	87.7	134.5	153%
Realized & unreal. currency gains	92.0	54.0	38	70%
Other financial income	92.0	54.0	38	70%
Realized & unreal. currency losses	-100.4	-55.4	-45	81%
Inc. & exp. From currency translation	0.0	-106.0	106	-100%
Interests expenses	-0.6	-0.5	-0.1	20%
Other financial expenses	-101.0	-161.9	60.9	-38%
Financial results	213.2	20.2	193	955%

B.2.1. Analysis per nature of income and expenses

The net financial result has increased from a loss of EUR 20.2mn to a gain of EUR 213.2mn in 2024.

Investment income from interests and dividends has decreased by 38% due to less dividend from EH Patrimonia in 2024 (-92%). The realized gains on investments for EUR 126.5mn are primarily due to the sale of Euler Hermes Ré SA in Luxembourg.

The unrealized losses on investments decreased by 92% due to reversal of impairment on the bonds portfolio. The realized and unrealized currency gains but also the realized and unrealized currency losses have increased respectively by 70% and 81%.

Finally, there is no more currency translation following the change in statutory currency from CHF to EUR. Subsequently and this year only, there is an extraordinary currency translation for a loss of EUR 29.4mn.

B.2.2. Analysis per Asset Classes

B.2.2.1. Investment income

Figure 4: EH Re AG Investment Income

In EUR mn		EoY 2024	EoY 2023	Var	Var %
Investments in affiliated enterprises		126.0	16.6	109.4	659%
Bonds		0.4	0.4	0.0	-5%
Intercompany loans		2.2	2.1	0.2	7%
Sântis Umbrella fund		89.9	96.0	-6.1	-6%
Bond funds		4.4	4.7	-0.3	-6%
Private equity fund of funds		2.3	0.2	2.1	1050%
Property funds		2.8	3.8	-1.0	-25%
Deposits retained on assumed business		0.4	0.2	0.2	106%
Cash and cash equivalents		6.8	3.6	3.1	86%
Investment income		235.1	127.5	107.6	84%

Investment income stands at EUR 235.1mn and has increased significantly by EUR 107.6mn compared to 2023 due to the realized gain on the sale of Euler Hermes Ré SA in Luxembourg.

In 2024 EH Re AG shows the following main investment income per asset classes:

- EUR 126mn from Investments in affiliated enterprises; this is due to the realized gain on the sale of Euler Hermes Ré SA in Luxembourg for EUR 124.8mn;
- EUR 89.9mn from Sântis Umbrella Fund; this is a decrease of EUR 6.1mn from 2023 due to less write-ups of EUR 37mn, increase of income interest for EUR 13mn and increase of Net FX gain for EUR 21mn;
- EUR 6.8mn from cash; this is resulting from a higher cash volume and interest from banks following the sale of EH Ré SA;
- EUR 4.4mn from Bond Funds;
- EUR 2.8mn from Property funds;
- EUR 2.2mn from Intercompany loans;
- EUR 2.3mn from Private equity funds of funds; this is a EUR 2.1mn increase vs 2023.

There is no income from Shares from 2024 or 2023.

B.2.2.2. Investment expenses

Figure 5: EH Re AG Investment expenses

In EUR mn	EoY 2024	EoY 2023	Var	Var %
Investments in affiliated enterprises	2.2	28.8	-26.6	-92%
Bonds	0.1	0.0	0.0	14%
Santis Umbrella fund	7.6	6.3	1.3	21%
Bond funds	1.5	0.7	0.8	121%
Equity funds	0.0	0.0	0.0	0%
Private equity fund of funds	0.0	0.2	-0.1	-69%
Property funds	1.6	3.9	-2.4	-60%
Investment Expenses	12.9	39.8	-26.9	-68%

Total Investment Expenses decreased by EUR 26.9mn, down to EUR 12.9mn; this is mainly caused by the decrease of the write downs on investment in affiliated enterprises (EH Patrimonia) in 2023 (EUR -26.6mn).

In 2024 EH Re AG shows the following main investment expenses per asset classes :

- EUR 7.6mn from Santis Umbrella fund; this is an increase of EUR 1.3mn due to an increase in the bonds' portfolio;
- EUR 1.6mn from Property funds; this is a decrease of EUR 2.4mn due to less write downs in 2024;
- EUR 1.44mn on Investments in affiliated enterprises; this is for the sale of EH Ré SA;
- EUR 1.5mn from Bond Funds; this is a EUR 0.8mn increase due mainly to the write downs in 2024.

B.3. Performance of other activities

EH Re AG does not have any other source of income and expenses over the reporting period.

C. Governance and risk management

C.1. Governance framework

C.1.1. Overview

EH Re AG has a Board of Directors (BoD) and a Board of Management (BoM).

EH Re AG has also implemented the following Key Functions:

- Risk function (historically partly outsourced to EH SA);
- Compliance function;
- Actuarial function (outsourced to EH SA); and
- Internal Audit function (outsourced to EH Services SAS).

To ensure the effectiveness of these functions, EH Re AG targets a high Fit and Proper standard for Senior Management and Key Function holders across the company.

Core principles and processes are defined to ensure sufficient knowledge, experience and professional qualifications as well as the necessary integrity and soundness of judgment.

C.1.2. Board of Directors (BoD)

C.1.2.1. Role and responsibilities of the BoD

The BoD has executive decision-making power for EH Re AG. It defines the strategic targets and supervises the BoM. The BoD defines the BoM's priorities and objectives on an annual basis. It regularly gathers information on the business through the BoD meetings, the BoD Committees as well as from the BoM, other specific reports and regular exchanges with the Chief Executive Officer (CEO) and other BoM members.

In particular, the BoD has the following tasks:

- Executive management and supervision of the company and issuance of relevant instructions;
- Determination of the basic organizational structures of the company (financial, legal, and operational organization);
- Organization of the accounting, financial controls, and financial planning;
- Appointment and revocation of BoM members and representatives of the company and the determination of signature authorities;
- Supervision of the BoM and the whole management of the company regarding the compliance with laws, articles of association, regulations, and directives;
- Preparation of the annual Management Report and the General Assembly including the resolutions passed within the General Assembly;
- Resolutions about capital increases and resulting changes of the Articles of Association;
- Official information to the ad-hoc authorities in case of insolvency; and
- Check of the qualification of the External Auditors in case of specific missions required by law.

The BoD decides about all business matters and legal transactions with fundamental scope for EH Re AG which are not limited to the general assembly or another body of the company via law or articles of association or via this Governance Structure.

Unless the law, the Articles of Association or the Governance Structure do not specify anything else, the management of the company is delegated to the CEO.

In order to prepare, execute or supervise the business, the BoD may set up specific committees and allocate tasks to the individual members of the BoD or the other committees.

C.1.2.2. Composition of the BoD

At the end of 2024, the BoD is composed of the following members:

1. Mr. Thorsten Fromhold, Chairman of the Board;
2. Mr. Colm Costello;
3. Mrs. Aylin Somersan Coqui;
4. Mr. Fabrice Desnos (newly appointed member approved by FINMA);

5. Mrs. Marita Kraemer;
6. Mr. Stephan Knipper.

C.1.2.3. BoD committees

With the new governance structure after REACH, the BoD established the following permanent committees:

- The Audit & Compliance Committee supervising finance and compliance;
- The Risk Committee supervising the risk management;
- The Financial Committee (FiCo) supervising the investment strategy and asset management; and
- The Nomination & Remuneration Committee supervising the appointment and remuneration of BoD and BoM members.

The Audit & Compliance Committee and the Risk Committee are composed of the following members:

1. Mr. Stephan Knipper (Chairman);
2. Mrs. Aylin Somersan Coqui;
3. Mr. Fabrice Desnos;
4. Mr. Colm Costello;
5. Mrs. Marita Kraemer.

The FiCo is composed of the following members:

1. Mr. Colm Costello (Chairman);
2. Mr. Thorsten Fromhold;
3. Mr. Fabrice Desnos;
4. Mrs. Aylin Somersan Coqui;
5. Mrs. Marita Kraemer;
6. Mr. Stephan Knipper.

The Nomination & Remuneration Committee is composed of the following members:

1. Mrs. Marita Kraemer (Chairperson);
2. Mr. Thorsten Fromhold

The BoD can establish other specific committees according to the management/supervision needs and in the interest of EH Re AG. Other committees are set up and put under the responsibility of the BoM according to management specific requirements

The constitution, organization, roles, and responsibilities of the Committees are defined in the Rules of Procedures of the Board committees and approved by the BoD.

C.1.3. Board of Management (BoM)

C.1.3.1. Role and responsibilities of the BoM

The BoM takes all fundamental business decisions unless reserved to the BoD according to the law or the Articles of Association.

The BoM meetings are called regularly by the CEO and have the purpose of information, consulting and decision-making regarding all important and cross-functional business topics, the determination of a consistent business strategy as well as the coordination with EH Group functions, activities, and entities.

Furthermore, each BoM member leads his/her assigned areas within the scope of the ordinary business activity independently.

C.1.3.2. Composition of the BoM

The composition of the BoM of EH Re AG at the end of 2024 is the following:

1. Mr. Benoît des Cressonnières, CEO;
2. Mr. Matthew Arnet, CFAO;
3. Mr. Nigel Pryor, CUO; and
4. Mr. Florim Amidi, CRO.

C.1.4. Key functions

C.1.4.1. Key functions in the organization

To ensure an appropriate and rigorous system of governance, EH Re AG has defined Key Functions that address all areas of the company.

The key function holders at the end of 2024 are:

1. Internal Audit function: EH Group Chief Audit Executive;
2. Compliance function: EH Re AG Compliance Officer;
3. Risk function: EH Re AG Chief Risk Officer (CRO); and
4. Actuarial function: Head of Group Loss Reserving (EH Re AG Responsible Actuary).

C.1.4.2. Internal Audit function

The Internal Audit function is outsourced to EH Group Internal Audit (specifically to EH Services SAS). The function is managed by the Chief Audit Executive (CAE). The CAE reports to the EH Group CEO, to the EH Group Audit, Risk and Compliance Committee and to the EH Re AG Audit and Compliance Committee.

C.1.4.2.1. Roles and responsibilities

The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

The main task of Internal Audit is to support the organization in achieving its objectives by using a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This is achieved by independent, objective assurance and consulting activities designed to add value and improve the organization's operations.

Therefore, Internal Audit activities are geared towards helping the company mitigate risks as well as further assist in strengthening the organization's governance processes and structures.

In accordance with the definition of Internal Audit as outlined in the EH Group Audit Policy, Internal Audit must support the company's management to reduce and mitigate risks, as well as to assist in strengthening the organization's governance processes and structures by reviewing activities and procedures in all areas, without scope limitation, with the following objectives of:

- Safeguarding the company's assets;
- Assessing alignment with the company's strategies, objectives, and risks of the organization;
- Strengthening effective Internal Control and Risk Management/Controlling Systems by assessing and evaluating their design and operational adequacy and effectiveness;
- Strengthening compliance with legal and supervisory regulations, as well as corporate principles and guidelines; and
- Assessing effective and efficient organizational performance management and accountability.

In the Three Lines of Defense Model, the Internal Audit function acts as a "Third and Last Line of Defense". See also section C.2.1.2.

C.1.4.2.2. Independence

The Internal Audit function has a standing within the EH Re AG organizational structure that ensures the necessary independence. Necessary independence means that no undue influence is exercised over the Internal Audit function. Compliance with the above principles is ensured through adequate reporting lines and information rights.

In order to ensure the objectivity and the independence of the Internal Audit Function, the following specific requirements have been set:

- No auditor holds an operational position;
- Any bonus received by Internal Audit function representatives is based exclusively on achieving qualitative individual targets rather than on the financial results;
- Internal auditors and the Internal Audit Function have the authority to express assessment and recommendations;
- The Chief Audit Executive (CA) reports directly to the EH Group CEO, as well as to the EH Group Audit, Risk and Compliance Committee and to the EH Ré AG Audit and Compliance Committee;
- EH Group Internal Audit has the right to communicate with any employee and obtain information, records, or data necessary to carry out its responsibilities, to the extent legally permitted. It has the responsibility and the right to review activities, procedures, and processes in all areas of EH Group, without limitation;

- Internal auditors are to perform their duties in an unbiased manner; audit findings are to be based upon facts and supported by sufficient documented evidence;
- To ensure the independence and objectivity of internal auditors during audit assignments, the “Allianz Standard Audit Manual” states rules regarding the assignment of auditors. These include besides other to avoid the assignment of internal auditors on audits within the business area in which the respective auditor has been working in the last 12 months, in order to avoid a potential conflict of interests;

Finally, the representative of EH Group Audit confirms annually the independence of the internal audit activity.

C.1.5. Fit & Proper policy

EH Re AG Fit and Proper Policy facilitates the implementation of regulatory requirements and safeguards a high Fit and Proper standard across Senior Management.

For these positions, the Policy describes core principles and processes to ensure sufficient knowledge, experience, and professional qualifications as well as the necessary integrity and soundness of judgment.

C.1.5.1. Definition of Fitness & Propriety

A person is considered Fit if his/her professional qualifications, knowledge, and experience are sufficiently adequate to enable sound and prudent fulfilment of his/her role. Fitness includes leadership experience and management skills, the relevant qualifications, other technical skills, qualifications, knowledge, and experience for the specific role as well as common behaviours and values. A person is considered “Proper” if he/she is of good repute and integrity, considering his/her character, personal behaviour, and business conduct, including criminal, financial and supervisory aspects. Propriety includes honesty and financial soundness required for him/her to fulfil his/her position in a sound and prudent manner.

C.1.5.2. Processes for ensuring Fitness and Propriety

Sound processes during recruiting and regular and ad hoc reviews, as well as appropriate training, are necessary to ensure Fitness and Propriety.

C.1.5.2.1. Members of the BoD

Members of the BoD are appointed by the General Assembly every 3 years unless specific rules provide otherwise. All members must fulfil the applicable Fit and Proper requirements and must be approved by FINMA.

C.1.5.2.2. Senior Management and/or Key Function members

EH Re AG ensures that, during the recruiting process of any member of Senior Management or a Key Function, whether internal or external to EH Re AG, their Fitness and Propriety are assessed. An employment or service contract may only be entered into after the successful completion of the defined recruiting process.

C.1.5.2.3. Ad hoc reviews

Ad hoc reviews are required in certain extraordinary situations which give rise to questions regarding a person's Fitness or Propriety.

In this context, not only the particular circumstance which gave rise to the ad hoc review, but the Fitness and Propriety of the person concerned as a whole are reassessed.

C.1.5.2.4. Outsourcing of a Key Function

In cases where a Key Function is outsourced in accordance with the EH Re AG Outsourcing Policy, a due diligence of the Provider by the Business Owner is performed. It includes a description of the Fit & Proper Test procedures used by the Provider to ensure the Fitness and Propriety of its personnel and a written confirmation that the Provider's personnel working within the outsourced Key Function is Fit and Proper.

C.1.5.2.5. Assessment results

Based on the information gathered at the time of recruiting, regular or ad hoc review, or outsourcing due diligence, each case is assessed individually either at EH Re AG or at EH Group level.

In case the person/body responsible for the assessment concludes that the Senior Management or Key Function holder subject to the assessment is not or no longer fit or proper, the person is removed from the position without delay, in accordance with applicable employment law.

C.1.5.2.6. Documentation

The Human Resources function retains all documents collected or established as part of recruiting performance reviews and Career Development Conferences.

C.1.5.3. Training

EH Re AG ensures that, on an ongoing basis, relevant professional training is available to Senior Management and Key Function members, to enable them to continuously meet the Fitness requirements of their roles.

Learning and development training programs offered internally ensure a deep understanding of the strategic priorities of EH Re AG and EH Group as well as the building of executive skills and abilities. All Senior Management and Key Function members take part in courses relevant to their Fitness at least once within a three-year period.

In support of Propriety, the Compliance function provides regular training on ethical business behavior such as conflicts of interest, anti-fraud and anti-corruption, and other topics, providing employees with clear rules for proper behavior, both for themselves and their teams.

C.2. Risk management system

C.2.1. Risk management framework

C.2.1.1. Risk governance structure

The **Audit & Compliance Committee** is responsible for:

- Monitoring the financial reporting process, including the preparation of the financial statements as well as any investment/divestment, financing, and cash management plans and their implementation;
- Monitoring the financial policy, including the appropriation of income and payment of dividends;
- Monitoring the statutory audit of the annual financial statements and the independence of the statutory auditor;
- Monitoring the functioning of the Actuarial function; and
- Monitoring the activities, adequacy, and effectiveness of the Company's internal control including Internal Audit and compliance management systems.

The **Risk Committee** is responsible for:

- Preparing and proposing the Risk Strategy, Risk Appetite, and Limits;
- Operational execution of the Limits framework and overseeing the Risk Management system;
- Preparing and proposing the Solvency Assessment; and
- Defining and operationalizing group-wide Risk Standards (including the corporate rules of the risk policy framework).

The **FiCo** shall assist the BoD with respect to the implementation and control of the investment strategy as approved by the BoD. The Financial Committee reviews the investment strategy of the Company and provides advices to the CEO and CFAO according to the guidelines defined by the Group Financial Committee and the strategy approved by the BoD. Key activities of the Financial Committee are:

- oversight of planning and development of the Company's investment income;
- management of the asset allocation process and recommendation to the BoD on the annual Strategic Asset Allocation;
- approval of derivatives strategies;
- monitoring of asset management mandates and their performance.

The **Nomination and Remuneration Committee** is responsible for:

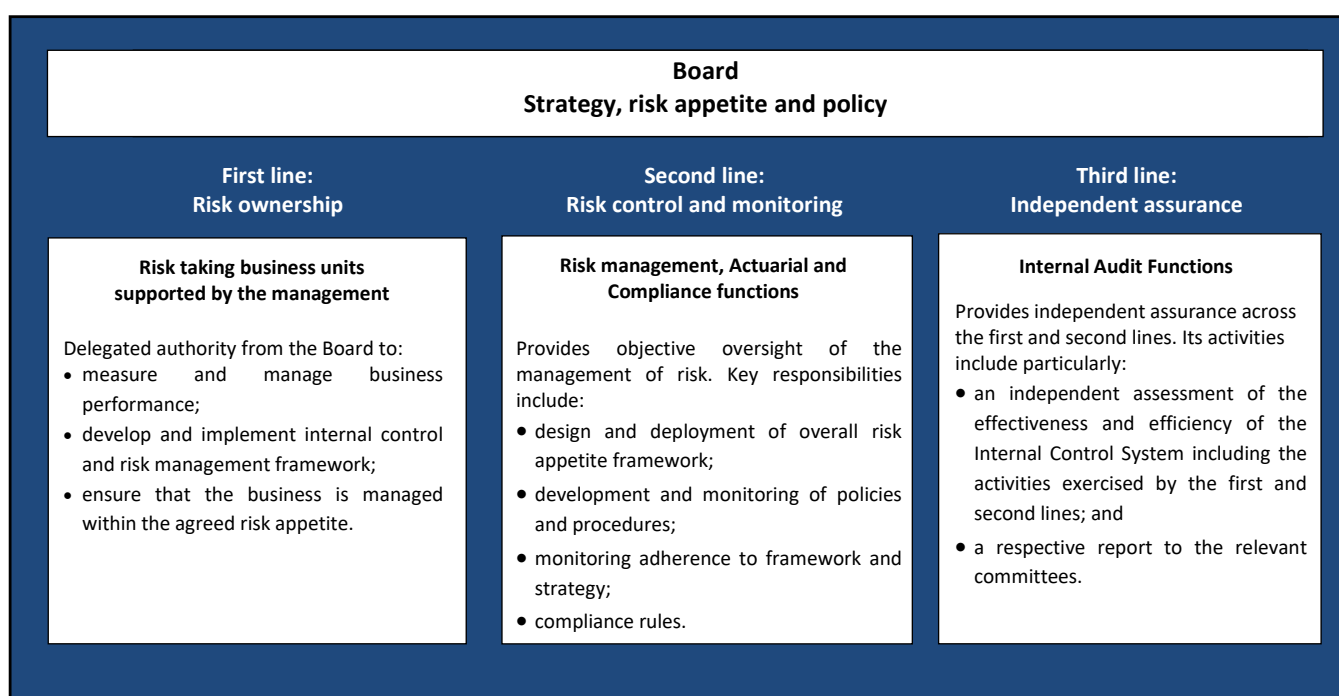
- Providing recommendations to the Board of Directors on the appointment of members of the Board of Directors, the Board Committees, and the Management. The Committee will thereby consider its provisions on the composition of the Board of Directors. It will also verify the integrity, competence, experience, and independence of each candidate;

- Monitoring the remuneration policy and its consistent implementation, especially with a view to its impact on risk management, business strategy, and the long-term interests of the Company; and
- Providing recommendations to the Board of Directors on the remuneration policy and the individual remuneration of the members of the Board of Directors, the Board Committees, and the Management.

C.2.1.2. Three-lines-of-defence organization

EH Re AG has adopted the “Three lines of defense” model for risk governance, with clear responsibilities between the different organizational functions. It defines as the first line of defense the Operating Business, as second-line control functions the Actuarial, Compliance, Legal³, Accounting & Reporting, and Risk functions, and as third-line the Internal audit. This model is described hereafter:

Figure 6: “Three lines of defence” model



³ In addition to the Independent Control Functions determined by the Solvency II Law (Actuarial, Internal Audit, Compliance and Risk), Legal and Accounting & Reporting have been designated as key functions.

C.2.2. Risk strategy and risk appetite

The Risk Strategy reflects the general approach towards the management of all material risks arising from the conduct of business and the pursuit of business objectives.

The Risk Appetite elaborates on the Risk Strategy through the establishment of the specific level of risk tolerance for all material quantified and non-quantified risks, and thereby the desired level of confidence, in relation to clearly defined risk and performance criteria, considering shareholders' expectations and requirements imposed by regulators and rating agencies.

The Risk Strategy and Risk Appetite are reviewed at least once a year by the BoD, along with the Planning Dialogue process during which the business strategy and projections are set. This ensures that the business strategy and Risk Strategy are aligned. The Risk Appetite is then adjusted accordingly.

The whole process of setting/revising the business strategy, Risk Strategy and Risk Appetite is a top-down process, cascaded from the EH Group to the LEs and to EH Re AG. The cascading process is performed through dedicated meetings between the Group and EH Re AG top management, aiming at aligning the Group expectations and EH Re AG forecasts.

EH Re AG Risk Appetite is monitored quarterly by the risk committee; in case of breaches, action plans are set up and monitored quarterly. Its components are described in more detail in section D.1.

C.3. Internal control system

C.3.1. Internal Control Framework principles

The internal control framework is laid out in EH Re AG Governance and Control Policy, as approved by the BoM and BoD.

The internal control system has the following objectives:

- To create a solid control environment, by ensuring that every member of personnel is aware of the importance of internal control and the role that they must play in the internal control system;
- To perform control procedures that are commensurate with the risks carried by EH Re AG activities and processes;
- To provide relevant information to the management bodies as part of their decision-making processes; and
- To ensure compliance with the applicable laws and regulations.

With respect to the areas of control, activities, and reporting aspects, the controls are performed within EH Re AG in accordance with requirements regarding independence.

The internal controls describe all the activities undertaken by and within EH Re AG specific control objectives, such that the controls are put in place and applied across all segments and sectors of activity. These controls ensure a permanent assessment of the effectiveness of relevant processes and procedures, their coherence, and their proportional nature within EH Re AG, as well as the potential actions that may be taken to rapidly address any deficiencies.

The internal control system encompasses different control concepts. In addition to general aspects related to control activities, specific controls are also performed. Alongside these controls, reports are submitted to management.

The centralization of the internal control-related information within the EH Group is assumed by the EH Group Risk based on the “Governance and Control Policy”.

The EH Re AG Risk function fulfils both a support role and an oversight role within the internal control system.

C.3.2. General elements of the internal control system framework

C.3.2.1. Key functions and three-lines-of-defence model

EH Re AG has implemented Key Functions and a three-lines-of-defense model; each Key Function has a proper policy to define its major principles and processes.

Further details are also provided in sections C.1.4 and C.2.1.2.

C.3.2.2. Committee and Policy framework

The EH Group Legal department is in charge of defining, updating the Committee, and coordinating the update of the Policies.

Committees are dedicated decision-making bodies put in place to facilitate business steering and to safeguard the Group’s oversight. The Committee framework defines the set of committees in place and their functional rules: mandates, authority, and appropriate independence.

The Policy Framework is a set of Corporate Rules aiming to establish binding regulations or guidelines of group-wide relevant topics. It includes four levels (from top to bottom): Code of Conduct, Policies, Standards, and Functional Rules.

The Corporate Rules include the Risk Policy Framework (RPF) under the responsibility of the Risk function within EH Re AG.

C.3.3. Specific control areas

The following table presents a brief description of the main control areas set by EH Re AG:

Figure 7: Control areas set by EH Re AG

Area	Scope	Control Owner	Main Documentation
Risk Appetite	- Exposure limits - Financial limits - Reinsurance limits - Capital Ratio framework	- EH Re AG CUO - EH Re AG CRO	- S24. EH_Re AG Treaty Rules - P02. EH Re AG Capital Management Policy - FR01. EH Re AG Guidelines for Management Ratio and Financial Limits - P01. EH Re AG Risk Strategy inc Risk Appetite

Area	Scope	Control Owner	Main Documentation
Risk Capital Requirements	• SST balance sheet • SST computations and projections	• EH Re AG CRO	• P02. EH Re AG Capital Management Policy • S10. EH Re AG- Standards for ORSA
Investment Management	• Strategy and asset allocation • Execution • Performance monitoring	• Allianz Trade Investment & Treasury • EH Re AG CFAO • EH Re AG CRO	• S04. EH Re AG-Investment Management Framework
Operational Risk	• Operational risk appetite • Operational risk capital • Internal control assessment	• EH Re AG CRO	• S09. EH Re AG-Operational Risk Management Standards

D. Risk profile

D.1. Risk profile overview

EH Re AG Risk Appetite is defined according to its available capital, its reinsurance structure (for the retrocession), and the quality of the assumed business from the different LoBs as well as the assumed exposure. EH Re AG follows the EH Group's Risk Appetite.

The EH Group Risk Appetite defines the quantity of risk that EH Group and EH Re AG agree to take, in accordance with the Group strategy / Risk Strategy, to reach a desired level of profitability and, accordingly, the adequate Return on Risk Capital (RoRC).

Thereby, EH Re AG is expected:

- To keep the applicable risk indicators within the targeted zone and not to fall below the respective minimum values;
- Not to exceed the applicable limits; and
- To adhere to the applicable policies, standards, and guidelines.

EH Re AG adheres to the EH group Risk Appetite definition based on the following five core elements:

- Setting target ratings for top risks;
- Managing concentration risk by defining quantitative financial limits;
- Allocating capital and defining minimum and target capital ratios;
- Managing liquidity; and
- Defining policies, standards, and guidelines, in line with the EH Group activities.

Although the quantitative assessment of the own solvency needs does not include additional risks except those covered by the SST model, EH Re AG has identified risks which complement the risk

profile: liquidity risk, operational risk⁴, reputational risk, outsourcing risk, and strategic risk. They are managed through appropriate risk procedures implemented by EH Re AG and assessed in the scope of the TRA process. These risks are monitored and mitigated through the EH Re AG internal control system.

D.2. Current risk profile

D.2.1. Top risks

The EH Re AG most recent annual top risks assessment was carried out in 1Q 2025. It was approved by the BoM on April 15th 2025.

The following table summarizes the outcome. The actual scores (A) result from the assessment of the frequency (P) and impact (I) for each Top Risk, the impact being the highest score between the economic impact and the reputational impact.

Figure 8: Top Risk Assessment summary

#	Risk	Retained	Probability	Reputational Impact	Economic Impact	Severity	Control Effectiv.	Actual Score	Target Score
R1	Default of a reinsurer	Y	1	2	2	2	2	1	1
R2	Non-compliance with international and local regulations	Y	2	2	1	2	2	1	1
R3	Incorrect data input within FSRI	Y	3	2	1	2	2	1	1
R4	Disputed claim	Y	1	3	2	3	2	2	2
R5	Target Operating Model	Y	3	2	2	2	2	2	2
R6	Talent retention	New	2	2	1	2	3	2	1
R7	Global Economic Crisis	Y	2	2	5	5	2	4	4
R8	Inadequate Reinsurance Capacity	Y	1	2	5	5	2	4	4
R9	Geopolitical Risk	New	3	2	4	4	2	4	4
R10	IT Service Continuity	New	3	2	2	2	3	2	1

⁴ Since 2022, EH Re AG accounts for capital requirements for operational risk into its ORSA

Compared to 2024, the following evolutions can be highlighted:

- Out of scope risks

The former top risk on key people's risk has been removed following the implementation the action plan.

- New risks

The following new risks have been identified:

- Talent retention: this is to address the challenges resulting from a competitive Swiss market for reinsurance skills;
- Geopolitical risk: this is in response to the ongoing geopolitical crisis and the additional impact of US protectionist measures on the global economy;
- IT service continuity: this is to address the gaps in terms of service delivery.

D.2.2.Target Capital

EH Re AG uses the FINMA SST model. EH Re AG calculates the SST figures in EUR.

This methodology was used to calculate the TC. The comparison between the TC and the AC (available capital, which corresponds to Risk Bearing Capital) using the SST ratio is presented in section F.1.

The table hereunder shows the quantified risks and other elements resulting in the SST TC.

Figure 9: Breakdown of the Target Capital

In EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Underwriting Risk	268	328	-60	-18%
Reserving Risk	619	452	168	37%
Diversification	-350	-257	-93	36%
Expected Shortfall Insurance	536	522	14	3%
Market Risk	143	210	-67	-32%
Credit Risk	180	108	72	66%
Diversification	-43	-184	142	-77%
Expected Shortfall Insurance, Market and Credit Risk	817	657	160	24%
Expected Shortfall Insurance, Market and Credit Risk incl. Scenarios	817	657	160	24%
Expected Insurance Result	-284	-218	-66	30%
Expected Financial performance over 1 year risk free	-15	-14	-1	6%
Insurance & Market & Credit Risks = Target Capital	518	425	93	22%
Target Capital	518	425	93	22%
Risk Bearing Capital	1188	1065	124	12%

NB: Totals and/or variations might appear different from "SST 2025 minus SST 2024" due to rounding

The following sections provide explanations about the evolutions of the quantified risks considered in the SST TC calculation: premium, individual events, reserve, market, credit and expected performances.

D.2.2.1. Current Year (CY) Risk

Figure 10: EH Re AG Premium Risk

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Attritional Events Premium Risk (AEP)	481	298	183	62%
Individual Events 1 (IE1)	256	230	27	12%
Natural Catastrophe Events (NE)	0	0	0	
Diversification (Premium Risk)	-194	-169	-25	14%
Underwriting Risk (netgross)	544	358	186	52%
Stop Loss Effect	-276	-30	-246	823%
Underwriting Risk	268	328	-60	-18%

The CY Risk is calculated using FINMA Stand Re module AEP and IE1.

The CY Attritional Events Premium Risk (AEP) increased by EUR 183mn (62%) to EUR 481mn. The increase in AEP is driven by an increase in premiums, as well as an increase in volatility.

EH Re AG has considered the following prescribed IE1 events:

- Experience scenarios: These scenarios are derived from as-if adjusted large historical event losses of the reinsurer by applying as-if adjustments to make them representative of the situation of the current year;
- Portfolio structure scenarios: Portfolio structure scenarios are defined in terms of the inward reinsurance portfolio;
- Political Risk: For this non-experience scenario, it is assumed that a significant political incident takes place; and
- Implications of a financial market turndown: For this non-experience scenario, it is assumed that a significant financial market incident takes place.

Additionally, two own scenarios were modelled to estimate the theoretical impact of the default of EH's major insurance buyers.

Based on these scenarios, a frequency-severity model is fitted for IE1 events, with Poisson frequency and Generalized Pareto severity. The IE1 risk increased by EUR 27mn, this is mainly driven by the re-parametrization of the scenarios.

The net CY Risk however decreased by EUR 60mn. This decrease is driven by effects of the Stop Loss cover, where the mean of simulated AEP losses increases more than the expected shortfall, leading to a lower CY Risk.

D.2.2.1. Previous Year (PY) Risk

Figure 11: EH Re AG Reserve Risk

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Attritional Events Reserve Risk (AER)	553	423	130	31%
Individual Events 2 (IE2)	409	393	16	4%
Diversification	-343	-364	22	-6%
Reserving Risk	619	452	168	37%

The PY Risk is calculated using the FINMA Stand Re modules AER and IE2. EH Re AG has considered the following IE2 events:

- Global shock to expected claims inflation: The scenario assumes an excess of the expected inflation path;
- PY loss increase: This scenario assumes that in the current year a reported loss event from a prior accident year develops worse than expected;
- Retrocession default on reserve: For this scenario, it is assumed that the two retrocessionaires with the highest technical reserves default in the current year, with 100% loss given default;
- Underpricing: This scenario assumes that the underwriting/pricing has underestimated the loss ratios for reserving for the previous two underwriting years; and
- Own scenario – China invades Taiwan: The scenario assumes that China faces extensive trade and financial sanctions akin to those on Russia and Belarus, forcing the Asia-Pacific region to choose sides between China and the US. It assumes shortages of key intermediate goods, a significant supply chain bottleneck with an inflation shock, and a drop in consumer spending and investments, potentially triggering a recession despite substantial monetary/fiscal intervention.

Based on these scenarios a frequency-severity model is fitted for IE2 events, with Poisson frequency and Generalized Pareto severity. The IE2 centered Expected Shortfall amount to EUR 409mn, which represents a slight increase compared to EUR 393mn from SST 2024.

The increase in AER is driven by a deterioration in AER volatility. While the reserves have increased resulting from the portfolio growth, the coefficient of variation have increased more significantly than the increase in reserves.

D.2.2.2. Insurance Risk

The Insurance Risk is the result after aggregation of the Reserve and Premium Risks. EH Re AG aggregates insurance risk using FINMA Stand Re model's methodology.

Figure 12: EH Re AG Insurance Risk

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Underwriting Risk (netgross)	544	358	186	52%
Stop Loss Effect	-276	-30	-246	823%
<i>Underwriting Risk</i>	268	328	-60	-18%
Reserving Risk	619	452	168	37%
Diversification	-100	-195	94	-48%
Stop Loss Effect	-250	-63	-187	299%
Insurance Risk	536	522	14	3%

The model output of the aggregation component is the distribution of the one-year change in the risk-bearing capital (discounted, net of outward retrocession) related to the one-year non-life Insurance Risk.

The Stop Loss on a Financial Year basis which has been introduced in 2024 is still in place and impacts both previous years and current year risks. The Stop Loss has a positive impact and has effectively reduced the insurance risk by EUR 250mn.

Insurance Risk increased by EUR 14mn (3%) compared to SST 2024. The small increase is fully explained by changes in both CY risk and PY risk described in the sections above, as well as the impact of the Stop Loss cover.

D.2.2.3. Market Risk

The EH Re AG's Market Risk is estimated by using FINMA's standard model "SST Tool". The interest rate risk is estimated based on both reserve liability and fixed income investment cash flows.

The table below shows the details of the Market Risk evolution between 2024 and 2025:

Figure 13: Market Risk evolution

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Diversification effects risk	-121	-123	2	-1%
Standalone interest rate risk	109	89	20	22%
Standalone CHF rate risk	1	1	0	-35%
Standalone EUR rate risk	94	76	18	23%
Standalone USD rate risk	10	9	0	3%
Standalone GBP rate risk	9	6	3	49%
Standalone spread risk	79	78	1	1%
Standalone currency risk	50	62	-12	-20%
Equity risk	2	2	0	-2%
Real estate risk	17	18	-1	-8%
Private Equity risk	7	7	1	13%
Participation risk	0	77	-77	-100%
Total market risk	143	210	-67	-32%

NB: Totals and/or variations might appear different from "SST 2025 minus SST 2024" due to rounding

The decrease in market risk is driven by a decrease of 100% (EUR 77mn) in participation risk, which is due to the sale of EH Ré SA in June 2024. Moreover, less concentration on the EUR currency in the insurance cashflows has reduced the currency risk compared to last year. This decrease is dampened by increases in other risk drivers such as an increase of 23% resp. 49% (EUR 18mn and EUR 3mn resp.) in EUR and GBP rate risk, which is driven by the increase in the market value of the fixed-income investments. Fixed income remains the largest investment class, predominantly denominated in EUR.

The investments are still dominated by EUR, similar to last year.

D.2.2.4. Credit Risk

The Credit Risk is computed using the standard approach, that is based on the Merton model. The Basel III approach is therefore only applicable in case of assets where the Merton model cannot be applied.

The rating sources for reinsurance (i.e. retrocession exposures) and investments exposures are defined by Allianz risk rating waterfall approach, based on ratings provided by rating agencies (S&P, Moody's and Fitch).

The exposure split per counterparty class is shown below, the Credit Risk on EH Re AG's portfolio increased by EUR 72mn (66%) compared to SST 2024.

Figure 14: Credit Risk split per class

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Central governments, central banks and supranational organisations	329	205	123	60%
Public-sector entities	210	180	30	17%
Bank and security dealers	720	726	-6	-1%

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Corporate positions	2139	1376	763	55%
Multilateral development banks	80	63	17	27%
Stock exchanges, clearing houses and central counterparties	0	2	-2	-100%
Swiss covered bonds	1	7	-5	-82%
Total	3'479	2'559	920	36%
Credit Risk	180	108	72	66%

The increase in the credit risk is driven by the increase in the amount of exposed assets to credit risk, as well as a correction in modelling assumptions compared to the SST 2024, including on exposure to corporate positions. Following the technical guidelines on credit risk issued by FINMA, concentration risk was considered by grouping Allianz entities to one singular counterparty-Id.

D.2.2.5. Insurance, Market & Credit Risks

The correlation assumed between Insurance and Credit Risk as well as between Insurance and Market Risk is 80% as prescribed by FINMA for monoliner credit insurers.

The diversification between market, credit and insurance risks amounts to EUR 43mn compared to EUR 184mn in the SST 2024 due to a correction in the correlation assumption.

Other changes and movements to overall insurance, market & credit risks are explained in the sections above.

D.2.2.6. Expected Underwriting Performance

For the financial year 2025, the following figures are budgeted for written premium, claims volume, and expenses.

These figures are based on the historical experience and the expected premium volume from the EH Group LEs and its Operating Units. The expected insurance result for the current underwriting year is EUR 284mn after discounting and net of retrocession. This amount is made up of the following components:

Figure 15: EH Re AG expected underwriting performance

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Net expected written Premium	1'468	1'167	301	26%
Net expected losses	-581	-497	-84	17%
Net expected costs	-603	-452	-151	33%
Expected Insurance Result	284	218	66	30%

D.2.2.7. Expected Financial Performance

An expected investment return of EUR 15mn is estimated based on the SST Standard Model. The table below shows investment returns per asset type as per FINMA's Standard Model.

Figure 16: Investment returns per asset type

in EUR mn	Expected return 2024	Exposure 2024
Mortgages	1.5%	-
Corporates	0.7%	1'988

in EUR mn	Expected return 2024	Exposure 2024
Equity	4.0%	6
Hedge funds	2.0%	-
Private equity	5.0%	16
Real estate	3.0%	86
Delta Remainder	0.0%	-
Expected financial performance		15

D.2.3. Stress tests

The four stress tests defined by FINMA for the purpose of SST 2025 are linked to Market Risk. These are consistent with the stress tests performed for SST 2024. The results are not included in the target capital calculation.

The table below shows the impact on the risk-bearing capital of the different stress tests performed over the last two years:

Figure 17: Impact of the stress tests on the risk-bearing capital

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Global recession	16	-14	30	-214%
Global depression	2	-86	88	-102%
Real estate crisis in Switzerland	-65	-180	115	-64%
Stagflation	-238	-260	22	-8%

It has to be noted that the Real Estate scenario integrates the Global Depression scenario as well which serves as trigger for the real estate crisis.

The impact of the global recession and global depression scenarios has continuously decreased in the past years. This year a positive impact on the risk bearing capital can be observed. This is due to an increase of certain assets or investment classes that are expected to perform well or at least remain stable during the recession / depression scenarios. The impact of the other scenarios has decreased as well due to changes in the scenario parametrization and the de-risking of the investment portfolio.

D.2.4. Liquidity ratios

D.2.4.1. General principles

In accordance with EH Re AG's Liquidity Risk Management Standard, an analysis has been performed to identify liquidity resources and liquidity needs and to project the evolution of EH Re AG's liquidity ratio over different time horizons and in different conditions.

The liquidity ratio is defined as the fraction of liquidity needs over liquidity resources:

- Liquidity resources mainly come from premiums, reinsurance receivables, and investment inflow; and
- Liquidity needs mainly include claims and related expenses, reinsurance payables, operating expenses, dividends and the planned purchase of assets.

EH Re AG's Risk Appetite defines the following thresholds for the liquidity ratio management:

- Ratio > 100%: Red (action level);

- 100% > Ratio > 80%: Amber (alert level); and
- Ratio < 80%: Green.

In case of breach, depending on materiality, different escalation procedures are in place :

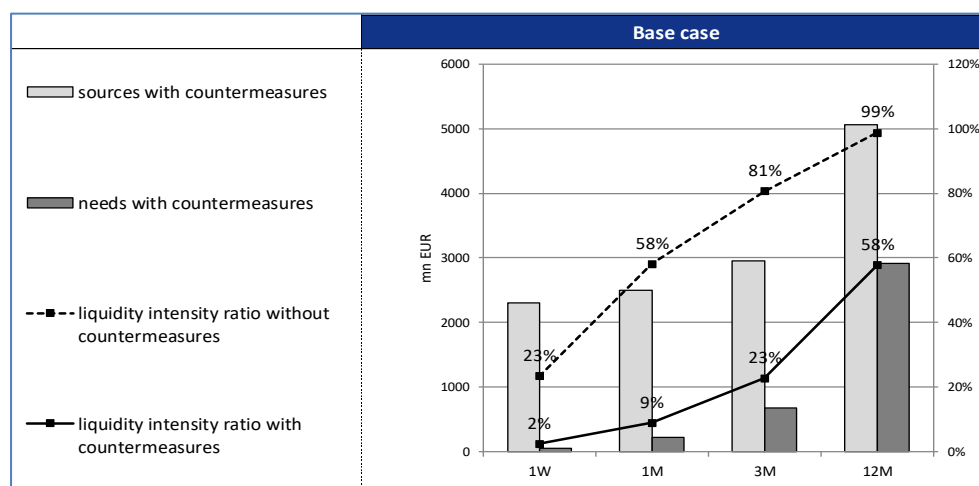
Condition	Consequence
No warning level (<80%)	No further actions required by the Risk function.
Warning level (80%-100%)	Explanation of status in liquidity risk report by the Risk function.
Limit breach (>100%)	EH Re AG prepares a remediation plan to bring back the liquidity ratio in the green zone. The remediation plan is proposed to the RiCo for approval and further notified to the BoD.

D.2.4.2. Base case scenario analysis

The base case scenario analysis corresponds to the projection of the liquidity resources and needs under current market conditions.

The following graph shows the base case scenario liquidity analysis performed in 4Q 2024, over different time horizons (1 week, 1 month, 3 months, 12 months):

Figure 18: Base case scenario liquidity analysis

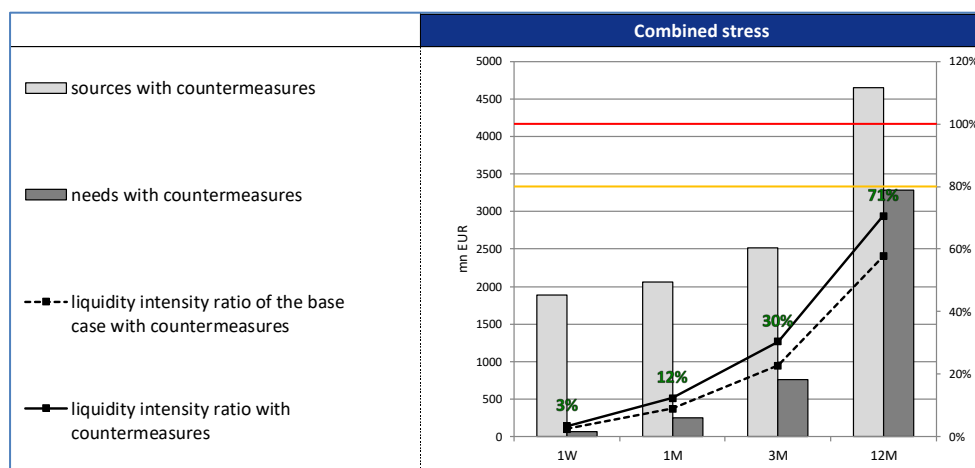


EH Re AG's liquidity ratio would be marginally higher than the alert level (80%) in the 3 months horizon and border line in the 12 months horizon without considering countermeasures. However, considering countermeasures (such as the sale of invested assets), the ratio would significantly drop and remain well in the green zone.

D.2.4.3. Stress scenario analysis

EH Re AG identified several liquidity stress scenarios and chose to perform the one which appeared to be the most relevant in 2024: a deterioration of the market conditions leading to an economic crisis, a recession event which implies an increase of the claim frequency for credit insurers.

Thus, a combination of a market stress scenario and a recession scenario (reserve risk and credit risk) was simulated. The following graph shows the combined liquidity analysis stress scenario:

Figure 19: Stress scenario liquidity analysis

In this combined stress scenario, the liquidity ratio calculated at 4Q 2024 remains well below the 80% alert level for the different time horizons, both excluding and including countermeasures.

EH Re AG is therefore able to maintain its liquidity within its Risk Appetite in a base case situation as well as in an extreme stress situation thanks to the adequate liquidity of its assets.

D.2.5. Quantitative limits

D.2.5.1. Financial Risk and Sensitivity Limits

The following table summarizes the level of the sensitivity limits in place. All the sensitivities are within the limits defined. Following the sharp interest increase, the Financial VaR limit and especially the leeway has been adjusted to the upper range to avoid minor breaches. It must also be noted that the Financial VaR excludes the insurance risk and only covers investment risk.

Figure 20: Financial limits applied at EH Re AG level in EUR mn

Limit type	2024		2023	
	Actual value	Limit	Actual value	Limit
Credit VaR (CVaR)	462	640	444	545
Financial VaR	187	485	160	516
Duration gap	2.5	3.7	2.5	4.2
EQ -30% sensitivity	-6	-58	-4	-56

D.2.5.2. Asset allocation limits

The table below shows the usage of the limit allocation per asset:

Figure 21: Investment limit allocation usage

Fixed Income	Equity	Alternatives/Other	Real Estate
94%	0%	1,6%	4,5%

No breach through excess exposure is observed at 4Q 2024 for the different asset categories.

D.2.5.3. Credit exposure limits (CRisP)

The Allianz Credit Risk Platform (CRisP) is used for limit management at EH Group for identification, assessment, and management of exposure concentration risk arising from the Investment, Reinsurance receivables and Credit insurance exposures.

EH Group and EH Re AG Risk functions monitor on a quarterly basis the limit consumption situation and reports any breach and proposed action to the EH Re AG RiCo.

There is no recorded breach of Credit exposure limits as of 4Q2024.

D.2.6. Risk Policy Framework

As indicated in section C.3.2.2, EH Re AG has put in place a Risk Policy Framework (RPF). This framework is a set of policies, standards, and guidelines overarching the Risk Management System of EH Re AG. It describes the core risk management principles, processes, and key definitions to ensure all material risks are managed within the Risk Appetite and it is monitored by the Risk function.

EH Re AG continues to fully implement the EH Group Risk Policy Framework which remains under the responsibility of EH Group with respect to implementation and oversight.

Based on EH Group RPF, EH Re AG reviews and updates its RPF on a yearly basis, adapting the Group requirements to its reinsurance company specificities.

The Risk Policy Framework is composed of several documents in which the Risk Policy (incl. Risk Strategy & Risk Appetite Policy) represents the core document. The Risk Policy is reviewed on an annual basis and is approved by the BoD.

The following table lists all the documentation included in the RPF of EH Re AG with a short description of each document.

Figure 22: Policies, Standards & Guidelines within the Risk Policy Framework of EH Re AG

Title	Description
Code of Conduct	The Code of Conduct reflects our values and principles and thus gives our employees guidance in their actions and decisions.
Risk Policy (incl Risk Strategy & Appetite)	The policy establishes a set of guiding principles and a common framework for risk management. It also defines the overall risk appetite with respect to all material quantified and non-quantified risks.
Capital Management Policy	The Capital Management Policy (CMP or Policy) establishes the core principles and processes for the capitalization of the Allianz Group including its subsidiaries. Its main objective is to ensure adequate capitalization in line with regulatory requirements and the Group's risk appetite.
Actuarial Policy	The Actuarial Policy ('Policy') sets the framework for actuarial work within the Allianz Group in general and facilitates the implementation of regulatory requirements with respect to the Actuarial Function.
Audit Policy	The purpose of the Audit Policy (the "Policy") is to ensure that the organization and work of the Allianz Group's (the "Group") Internal Audit functions worldwide adhere to a consistent set of minimum rules and operating procedures such that the effectiveness of the controls necessary to achieve the Group's goals is ensured.

Title	Description
Compliance Policy	The Compliance Policy (Policy) establishes the core principles and tasks of a Compliance Function within Allianz Group. It ensures that the organization and work of the Allianz Group's Compliance functions worldwide adheres to a consistent set of minimum rules.
Fit and Proper Policy	The Fit and Proper Policy (Policy) facilitates the implementation of regulatory requirements and safeguards a high Fit and Proper standard across the Allianz Group for Supervisory Board members, Senior Management and Key Function Members.
Governance and Control Policy	The Governance and Control Policy (Policy) outlines general aspects of the Group's system of governance and shall, thus, facilitate the implementation of regulatory requirements. It describes core principles and processes to ensure an effective management and oversight of the Allianz Group's business.
Outsourcing Policy	Outsourcing of Functions or Services that are essential to the operation of the Outsourcing OE directly affect customer interests. In order to appropriately safeguard these interests, certain principles and processes have to be observed in order to adequately assess, mitigate and control the risks associated with the Outsourcing and ensure business continuity in case of adverse events or termination.
Accounting and Reporting Policy	This Accounting and Reporting Policy ('Policy') defines the framework for the provision of reliable and high quality financial and non-financial information by Allianz Group, and shall, thus, facilitate the implementation of regulatory and accounting requirements as well as non-financial reporting guidelines and standards. It aims to minimize any Accounting and Reporting risk to protect the Group's financial stability and reputation.
Legal Policy	The Legal Policy (Policy) establishes core principles of the Legal Function within Allianz Group, its key responsibilities and tasks as well as its organizational framework.
Information Technology and Information Security Policy	This policy provides minimum requirements with respect to the core principles, the responsibilities and tasks as well as the organizational framework for Information Technology (IT) and Information Security (IS).
Standard for Compliance with Economic Sanctions	This Standard for Compliance with Economic Sanctions ('Standard') shall ensure that all relevant functions within Allianz' business segments (in particular investments, financial services, underwriting, operations, claims, payments and related functions) consider the requirements of economic sanctions in the markets in which Allianz operates.
Privacy Standard	This standard provides minimum requirements with respect to the processing and transfer of personal data.
Standard for Credit Risk Management	This standard provides minimum requirements with respect to the management of credit risks.
Standard for Investment Management Organization	This standard provides minimum requirements with respect to organizational setup and procedural elements concerning the management of investments of own financial assets of insurance and reinsurance legal entities.
Standard for P&C Underwriting	This standard provides minimum requirements with respect to all P&C underwriting activities and management of the corresponding risks
Standard for Operational Risk Management	This standard provides minimum requirements with respect to the management of operational risks.
Standard for Own Risk and Solvency Assessment	This standard provides minimum requirements with respect to the implementation, conduct and documentation of a solvency assessment.
Standard for Top Risk Assessment	This standard provides minimum requirements with respect to the performance of an overarching qualitative risk management assessment, covering all risk categories, in order to identify and remediate significant

Title	Description
	threats to financial results, operational viability or the delivery of key strategic objectives.
Standard for Outgoing Reinsurance	This standard provides minimum requirements with respect to the all transfers of insurance risks either within the Allianz Group or to non-Allianz Group companies.
Standard for Reputational Risk and Issues Management	This standard provides minimum requirements with respect to protection of the company's reputation and the management of reputational Risks that arise in the course of business.
Standard for Tax Management	This standard provides minimum requirements with respect to tax-relevant processes, methods and structures to adhere when conducting tax activities, including tax risk management.
Standard for Information and Document Management	This standard provides minimum requirements, including rules and principles, for managing the Documents.

D.3. Other risk management processes

D.3.1. Operational Risk Management

The operational risk management framework establishes the core approach by which operational risks are managed. Specifically, the management framework aims to:

- Generate awareness of the operational risks;
- Learn from past operational failures and events that either did or could have resulted in operational losses;
- Reduce operational losses and other subsequent consequences, including reputational damage and missed opportunities, resulting from the occurrence of operational risk events; and
- Enable management to conclude on the effectiveness of the internal control system (i.e. the portion related to operational risk management).

A Solvency 2 internal model component is used to estimate the potential loss at the 99.5% quantile of the operational loss distribution. Legal and compliance risk are included, while strategic and reputational risk events are excluded.

Figure 23: Operational Risk management overview



In accordance with EH Risk Policy Framework, EH Re AG has implemented an ORM framework aiming at keeping the Operational Risks under control.

- **The Operational Risk Event Capture (OREC):** This process is designed to collect operational risk-related information (e.g. losses, gains, and near-misses) that have occurred. This

information is used to support and corroborate the identification and assessment of risks during the RCA and NFRM process, as well as the assessment of control effectiveness;

- **Scenario Analysis (ScA):** This process is designed to identify and quantify operational risk scenario that could lead to material financial impact and for which risk capital need to be accounted for;
- **The Risk and Control Assessment (RCA):** This process is designed to review risks and controls to ensure that all operational risks are identified and mitigated by effective controls;
- **Top Risk Assessment (TRA):** The TRA process is defined in section D.2.1;
- **Non-Financial Risk Management (NFRM):** This framework is designed to consolidate all granular underlying assessment (e.g. OREC, RCA, etc) at an aggregated level with a risk rating assignment for driving the controls' testing strategy.

D.3.2. Reputational Risk Management

Reputational risk is defined as an unexpected drop in the value of in-force business or value of future business caused by a decline in the reputation of Allianz Trade from the perspective of its stakeholders. A reputational risk becomes a reputational issue once it becomes known to the public and begins to trigger the realization of adverse reputational impacts.

EH Re AG has established a core set of principles and processes for the management of Reputational Risk. A management process depending on whether the root cause of the reputational risk is considered direct or indirect in nature has been set up.

D.3.2.1. Direct reputational risk

Direct reputational risks are consciously and actively taken on during the course of specific business transactions.

- Assessment of direct reputational risk

Direct reputational risks are consciously and actively taken-on during the course of specific business transactions. The management of direct reputational risk requires balancing the benefits of a given business decision against the potential reputational impacts, considering Allianz Trade reputational risk strategy defined.

- a. Assessment of direct reputational risk

The potential for direct reputational risk must be always considered throughout the course of all business activities. The first line of defense needs to be vigilant about potential reputational risks they might encounter during their day-to-day business. If a reputational risk is recognized for a proposed or ongoing business transaction, it is required to perform a reputational risk assessment. The reputational risk assessment is performed through the reputational risk matrix that provides a reputational risk score on a scale of 1-5 based on an assessment of (potential) stakeholder perception:

- If a risk is assessed as having a reputational risk score of 3 or higher the escalation process defined must be applied;

- If a risk is assessed as having a reputational risk score of 2 or lower, no escalation process is required. Hence, it is at the discretion of the first line of defense to decide whether the risk shall be accepted or only accepted under conditions.

The Allianz Trade Communication function is responsible for the review of the reputational risk assessment performed by the first line of defense.

b. Referral of reputational risk

All direct reputational risks identified and assessed as having a reputational risk score of 3 or higher trigger a mandatory referral. In addition to these mandatory referrals, the Allianz Trade Communication or the Allianz Trade Risk function may also at their discretion request the submission of a referral for any proposed or ongoing business transaction.

The escalation of referral process decisions is as follows:

- If any Allianz Trade function does not wish to accept the referral decision they may request Allianz Trade Risk to initiate a further escalation to the Allianz Trade BoM;
- Allianz Trade Risk will coordinate submission of the referral to the Group BoM.

If decided by Allianz Trade BoM, Allianz Trade Risk will coordinate submission of the referral to Allianz Group Finance Risk Committee (GFRC) and communicate AZ GFRC's decision back to all parties involved within the best effort period of time.

D.3.2.2. Indirect reputational risk

Indirect reputational risks are inherent in the operations of EH Re AG and not related to specific business transactions. These risks normally result from the occurrence of non-reputational risk events (e.g. operational risk), whereby the non-reputational risk event triggers incidental reputational damage. Indirect reputational risks are managed through the Top Risk Assessment (TRA) and ICS processes, which apply the same reputational risk assessment methodology used for direct reputational risk. Thus, the top risks identified and assessed as having a reputational risk score of 3 or higher are designated as indirect reputational risks for EH Re AG (see section D.2.1 for top risk assessment).

D.3.2.3. Reputational Risk monitoring

To monitor the direct reputational risk management activities, EH Group has implemented several methods that allow EH Re AG to benefit from:

- Media coverage analysis regarding EH Group; and
- Reporting to the EH Group RiCo on a quarterly basis of all direct reputational risks identified and assessed as exceeding EH Group's Risk Appetite.

In case of breaches, a referral process has been defined and implies the involvement of the following stakeholders: EH Group Communication department, EH Group Risk function, Commercial underwriter's function, EH Group BoM and Allianz Group Finance Risk Committee (GFRC).

D.3.2.4. ESG Risk

EH Re AG relies on the EH Group framework for Environmental, Social and Governance (ESG) due diligence which is applied to both the insured client and their clients (the buyers). The ESG assessment of the insured clients is managed by the commercial underwriting team, whereas the buyers' ESG assessment process is managed by the credit underwriting team. The ESG Office supports the ESG integration for both parties.

D.3.3. Concentration

D.3.3.1. Concentration Risk Exposure

As mentioned in section D.2.5.3, at EH Group level the CRisP tool is used to identify, assess and manage exposure Concentration Risk across its three different portfolios: Investment, Reinsurance, and Credit insurance.

D.3.3.2. Assets

The assets are well-diversified and mainly invested in bonds with a high rating.

EH Re AG's largest investments are either safe bond investments or investments in other EH Group entities (loans and participations) as well as Real Estate funds. The accumulation risk is therefore small, given that the largest investments have high-quality rating. Apart from the capital investments, the other assets like receivables and reinsurance recoverable are also distributed to a large number of counterparties and therefore well diversified.

D.3.3.3. Liabilities

EH Re AG is only exposed to 3 lines of business, of which Trade Credit is the dominant line. Therefore, diversification possibilities within the insurance portfolio are limited. Considering that the business is credit insurance there is a clear link to the economic environment.

D.4. Future risk profile

D.4.1. General description

In 2025, EH Re AG will directly benefit from the EH Group growth strategy with a 5% target growth in premium. Accordingly, and as we anticipate an acceleration of insolvencies in 2025 (+6%), we expect our insurance risk target capital to increase mainly through premium risk while reserves volatility should stabilize at current level. With our new Financial Stop Loss providing additional protection against adverse events, we do not expect any major impact on our insurance risk target capital. According to the actual profitability trend of the inward business, the expected annual results achieved by EH Re AG should enable the financing of additional risk capital requirements over 2025.

As we continue to grow our investment portfolio with financial markets expected to continue improving, we expect some compensation effect from our investment risk on our total target capital through diversification. Consequently, we expect our assets basis to moderately grow and therefore our risk bearing capital as well. This would further limit any negative impact from the target capital on EH Re AG SST ratio which stands at 308.6% and significantly well above its 187% target ratio.

D.5. Off-balance sheet items

The following table discloses off-balance sheet items within EH Re AG. They are mainly made of:

- Letters of Credit provided by EH Re AG, e.g. in context of reinsurance agreements;
- Investment Commitment provided by EH Re AG that will result in investments in different class of assets at a future date; and
- Bank guarantee or cash positions pledged.

The most material off-balance sheet items are the commitments made through letters of credit and investment commitments.

Figure 24: Off-Balance sheet items

Type of item	Beneficiary	Issue date (signature date)	Expected maturity (expiration date)	Actual corrected amount for current closing in transaction currency	Actual corrected transaction currency
Commitment to invest in private equity funds or similar financial instruments	Allianz Global Diversified Private Debt Feeder Fund SA, SICAV-RAIF	03/12/2021	03/12/2031	3,042,310	EUR
Commitment to invest in private equity funds or similar financial instruments	APEF	23/11/2021	23/11/2035	15,043,844	EUR
Commitment to invest in private equity funds or similar financial instruments	APEH	23/12/2009	Unlimited	-	-
Commitment to invest in private equity funds or similar financial instruments	C/O Cordiant Capital Inc.	22/12/2014	31/12/2025	14,677,512	USD
Commitment to invest in private equity funds or similar financial instruments	C/O Cordiant Capital Inc.	25/10/2019	31/12/2025	2,852,231	USD
Commitment to invest in private equity funds or similar financial instruments	Five Arrows Secondary Opportunities	12/08/2016	31/12/2025	4,380,000	EUR
Commitment to invest in private equity funds or similar financial instruments	Five Arrows Secondary Opportunities	12/12/2019	12/12/2029	2,275,000	EUR
Commitment to invest in private equity funds or similar financial instruments	IDINVEST SECONDARY FUND II	05/09/2012	Unlimited	133,419	EUR
Commitment to invest in private equity funds or similar financial instruments	IPUT	28/06/2016	31/12/2025	1,370,344	EUR
Commitment to IC loan to EH Group	Euler Hermes Group SAS	01/12/2022	30/11/2032	45,397,442	EUR
Commitment to invest in private equity funds or similar financial instruments	Logistis	14/12/2014	31/12/2025	1,440,000	EUR
Guarantee	Allianz Global Risks US Insurance Company	30/06/2018	31/12/2025	16,000,000	USD
Guarantee	Euler Hermes North America Insurance Company	31/03/2017	31/12/2025	10,000,000	CAD
Guarantee	Internal Revenue Service, Washington DC, USA	15/12/2011	31/12/2025	75,000	USD
Guarantee	Partner Reinsurance Company of the US-Canadian branch Ontario	01/01/2018	31/12/2025	16,500,000	CAD

Type of item	Beneficiary	Issue date (signature date)	Expected maturity (expiration date)	Actual corrected amount for current closing in transaction currency	Actual corrected transaction currency
Guarantee	Partner Re USA, Stamford, Connecticut	01/01/2018	31/12/2025	101,000,000	USD
Guarantee	Euler Hermes North America Insurance Company	30/06/2018	31/12/2025	65,000,000	USD

E. Valuation

E.1. Assets

The following table shows the valuation of the different classes of assets in the SST report and in the Annual Report (Swiss GAAP) and their evolution between SST 2024 (EoY 2023) and SST 2025 (EoY 2024):

Figure 25: Asset (SST vs Swiss GAAP)

in EUR mn	SST BS 2025	Statutory BS 2024	Var 2024	SST BS 2024	Statutory BS 2023	Var 2023
Real estate	14	0	14	15	0	15
Participations	0	15	-15	153	100	53
Fixed-income securities	9	8	1	8	8	0
Loans	167	171	-4	172	178	-7
Equities	6	6	0	6	6	0
Collective investment schemes	2'188	2'229	-40	1931	1993	-61
Alternative investments	10	9	0	11	3	8
Deposits made under assumed reinsurance contracts	23	23	0	10	10	0
Cash and cash equivalents	217	166	50	174	97	78
Share of technical provisions from reinsurance	1'041	1'124	-83	961	1061	-100
Fixed assets	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0
Receivables from insurance and reinsurance companies	491	291	200	228	223	4
Other receivables	17	14	3	81	78	3
Accrued assets	0	0	0	0	0	0
Total Assets	4'184	4'057	127	3'750	3'758	-8

The main evolutions and differences of valuation are explained in the following paragraphs. Minor differences in figures may exist compared to previous sections due to rounding on more granular level.

E.1.1. Real estate

The real estate is valued at EUR 14mn in the SST balance sheet whereas no real estate is presented in the Annual Report. This is due to the “look-through” approach on EH South Express SA where the real estate is valued with a market-based approach.

E.1.2. Participations

The following table shows the detail of the valuation in the SST report and the Annual Report:

Figure 26: Participations valuation

in EUR mn	SST BS 2025	Statutory BS 2024	Var
EH Patrimonia SA		0.5	-0.50
EH South Express SA		14	-14
Participations	-	15	-15

The SST value of the participation in EH Patrimonia SA and EH South Express SA is established through a “look-through” approach and therefore not considered under the participation balance sheet position.

E.1.3. Fixed-income securities

The SST balance sheet value of the fixed-income securities is evaluated at the market value. Similar to the previous year, EH Re AG holds most of the fixed-income securities through the Sântis Umbrella Fund as well as some separate investments into bond funds, which are shown under Collective investment schemes.

E.1.4. Loans

The SST balance sheet value of the intercompany loans is evaluated at the market value and the difference compared to the Annual report is stable compared to last year.

E.1.5. Equities

There is no difference in valuation between the SST balance sheet and the Annual report. They amount to EUR 6mn.

E.1.6. Collective investment schemes

The collective investment schemes consist of property funds, private equity funds, and bond funds. The increase compared to last year is mainly due to an increase in the market value of the investment into the Sântis Umbrella Fund, which holds most of the fixed-income securities of EH Re AG. The difference compared to the Annual report is due to the “look-through” approach on Sântis Umbrella Fund where the bond funds are valued with a market-based approach, and the valuation at market price in the SST BS for the property funds and bond funds that EH Re AG holds directly.

E.1.7. Alternative investments

The alternative investment schemes consist of private equity and private debt. The private equity and private debt is valued at EUR 9mn in the Annual Report. In the SST balance sheet, the market value of the private equity is shown and amounts to EUR 10mn.

E.1.8. Deposits made under assumed reinsurance

There is no difference in valuation between the SST balance sheet and the Annual report. They amount to EUR 23mn.

E.1.9. Cash and cash equivalents

Cash and cash equivalents amount to EUR 217mn in the SST balance sheet, EUR 50mn higher than in the Annual Report. This is due to the “look-through” approach on EH Patrimonia SA, EH South Express SA and Sântis Umbrella Fund.

E.1.10. Ceding of Best Estimate provisions for insurance liabilities

The reserves were discounted for the time value of money using the risk-free rates provided in the SST StandRe template and the expected run-off of the claims. Additionally, the unearned premium reserves are adjusted with the expected Loss ratio to attain a market consistent value. In combination with the decrease in UPR due to the application of the expected Loss ratio below 100%, this leads to a difference of EUR 83mn between the SST balance sheet and the Annual Report.

E.1.11. Intangible Assets

There is no difference in valuation between the SST balance sheet and the Annual report. Intangible assets are deducted in order to derive the risk-bearing capital.

E.1.12. Receivables from insurance business

In the SST balance sheet, the receivables from insurance and reinsurance business include the accrued RI commission on EBNR for ceded business (analogously to the IFRS BS, whereas in the Annual report this is considered on the liability side). Moreover, a cash-pooling position with Allianz was allocated to cash in the Annual report, but is a receivable under IFRS BS. The different allocations result in a valuation difference of EUR 200mn compared to the Annual report.

E.1.13. Other Receivables

Other receivables are valued at EUR 17mn in the SST balance sheet vs EUR 14mn in the Annual Report. This is mainly due to the “look-through” approach on EH Patrimonia SA, EH South Express and Sântis Umbrella Fund offset by corporate tax items which are valued at 0 in the SST balance sheet.

E.1.14. Accrued Assets

There is no difference in valuation between the SST balance sheet and the Annual report.

E.2. Liabilities

The following table shows the valuation of the different classes of liabilities in the SST report and the Annual Report (Swiss GAAP) and their evolution between SST 2024 (EoY 2023) and SST 2025 (EoY 2024):

Figure 27: Liabilities (SST vs Swiss GAAP)

in EUR mn			SST BS 2025	Statutory BS 2024	Var 2024	SST BS 2024	Statutory BS 2023	Var 2023
Best Estimate of provisions for insurance liabilities			2'563	2'729	-166	2'305	2'514	-208

in EUR mn	SST BS 2025	Statutory BS 2024	Var 2024	SST BS 2024	Statutory BS 2023	Var 2023
Market Value Margin	26	0	26	17	0	17
Non-technical provisions	0.6	0.6	0	0.5	10.4	-10
Deposits retained on ceded reinsurance	0.04	0.04	0	-0.03	-0.03	0
Liabilities from insurance business	161	61	100	77	72	4
Other liabilities	2	2	0	2	47	-45
Accrued liabilities	3	47	-44	4	34	-30
Total	2'756	2'840	-84	2'406	2'677	-271

The main evolutions and differences of valuation are explained in the following paragraphs.

E.2.1. Best Estimate of provisions for insurance liabilities

The reserves were discounted for the time value of money using the risk-free rates provided in the SST standard template and the expected run-off of the claims. Additionally, the unearned premium reserves are adjusted with the expected combined ratio to obtain a market consistent value. In combination with the decrease in UPR due to the application of the expected combined ratio below 100%, this leads to a difference of EUR 166mn between the SST balance sheet and the Annual Report.

E.2.2. Market Value Margin

As of 1st January 2024, the market value margin is considered into the risk bearing capital (RBC) calculations.

EH Re AG calculates the market value margin using FINMA's standard method. The market value margin is estimated at EUR 26mn, which represents an increase of EUR 9mn compared to last year.

The 2025 market value margin corresponds to the expected discounted capital costs at the end of 2025 required by the insurance company to fulfil its insurance liabilities. It is estimated based on the FINMA Standard Model. The main driver for the increase in market value margin is the increase in underwriting and reserve risk.

The credit risk within the SST model is based on the asset portfolio. Hence it is reasonable to develop credit risk in line with the development of the best estimate liabilities because of the assets backing the liabilities. The market value margin of the credit risk is estimated by running off the credit risk using the same pattern as for PY risk.

E.2.3. Non-technical provisions

The non-technical provisions in the SST balance sheet are provisions for stock-based compensation. There is no difference in valuation between the SST balance sheet and the Annual report.

E.2.4. Liabilities from insurance business

As mentioned in Section E.1.12, in the SST balance sheet, the accrued RI commission on EBNR for ceded business is considered on the asset side, resulting in a difference of EUR 100mn compared to the Annual report.

E.2.5. Other liabilities

The other liabilities consist of other short-term liabilities and there is no difference in valuation between the SST balance sheet and the Annual report. The difference in valuation in SST 2024 was driven by the treatment of unpaid capital. This was not recognized in the SST balance sheet as it was considered in the valuation of the now sold EH Ré SA participation.

E.2.6. Accrued liabilities

The accrued liabilities are EUR 44mn higher in the local GAAP compared to the SST report. This is driven by corporate tax items which are valued at 0 in the SST balance sheet.

E.3. Description of the risk-bearing capital

Overall, the risk-bearing capital increased by EUR 123mn between 2025 and 2024.

Figure 28: Breakdown of the risk-bearing capital

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Total Assets	4'184	3'750	434	12%
Total Liabilities	2'756	2'406	350	15%
Assets minus liabilities	1'428	1'345	83	6%
Deductions	240	280	-40	-14%
RBC	1'188	1'065	123	12%

The assets have increased by EUR 434mn which is mainly due to the increase in collective investment schemes by EUR 246mn, in the receivables from insurance and reinsurance companies by EUR 263mn, in cash and cash equivalents by EUR 42mn and in the share of technical provisions from reinsurance by EUR 80mn. This is partially offset by a decrease in participations by EUR 153mn and in other receivables by EUR 64mn.

The liabilities increased by EUR 351mn which is explained by an increase in the gross Best Estimate of provisions for insurance liabilities by EUR 258mn, in the liabilities from insurance business by EUR 84mn and in the market value margin by EUR 9mn.

The planned dividends and intangible assets are deducted from the assets over liabilities to calculate the risk-bearing capital. The planned dividend is EUR 40mn lower compared to last year.

There is no supplementary capital. No particular restrictions exist on EH Re AG's available capital.

E.4. Capital reconciliation

The following table shows the reconciliation between the Annual Report equity and the SST available capital.

Figure 29: Reconciliation between the Annual Report equity and the SST bearing capital

in EUR mn	Reconciliation	Section
Annual report Equity	1'218	
Assets - Real estate	14	E.1.1
Assets - Participations	-15	E.1.2

in EUR mn	Reconciliation	Section
Assets - Fixed-income securities	1	E.1.3
Assets - Loans	-4	E.1.4
Assets - Equities	0	E.1.5
Assets - Collective investments schemes	-51	E.1.6
Assets - Alternative investments	11	E.1.7
Assets - Deposits made under assumed reinsurance contracts	0	E.1.8
Assets - Cash and cash equivalents	50	E.1.9
Assets - Ceding of BE provisions for insurance liabilities	-83	E.1.10
Assets - Intangible assets	0	E.1.11
Assets - Receivables from insurance business	200	E.1.12
Assets - Other receivables	3	E.1.13
Assets - Accrued assets	0	E.1.14
Liabilities - BE of provisions for insurance liabilities	166	E.2.1
Liabilities - Market Value Margin	-26	E.2.2
Liabilities - Non-technical provisions	0	E.2.3
Liabilities - Liabilities from insurance business	-100	E.2.4
Liabilities - Other liabilities	0	E.2.4
Liabilities - Accrued liabilities	44	E.2.5
Assets minus liabilities	210	
Deductions (Dividends)	240	
Risk bearing capital	1'188	

Further details and explanations on the reconciliation are provided in sections E.1 and E.2.

The statutory equity of EH Re AG increased by EUR 138mn from EUR 1'079mn to EUR 1'218mn in the financial year 2024. As of 31st December 2024, it is composed of share capital amounting to EUR 430mn, statutory capital reserves amounting to EUR 148mn, statutory retained earnings amounting to EUR 215mn, voluntary retained earnings (balance brought forward) amounting to EUR 10mn, and the annual profit for the financial year 2024 of EUR 413mn.

The equity is fully paid in. The 100% direct shareholder is Allianz Re Dublin DaC, and the ultimate shareholder is Allianz SE, Munich.

The equity does not include any guarantee towards any other external company or Group company. The statutory equity as reported in the annual report is fully available and bears no restriction of any kind. There is no hybrid capital.

The difference of EUR 210mn between the statutory equity and the difference between market consistent assets and liabilities mainly result from different valuation approaches. The valuation rules according to Swiss Code of Obligations and regulatory rules for the preparation of the annual financial statements of a reinsurance company can differ substantially from the regulations according to the SST.

F. Capital management

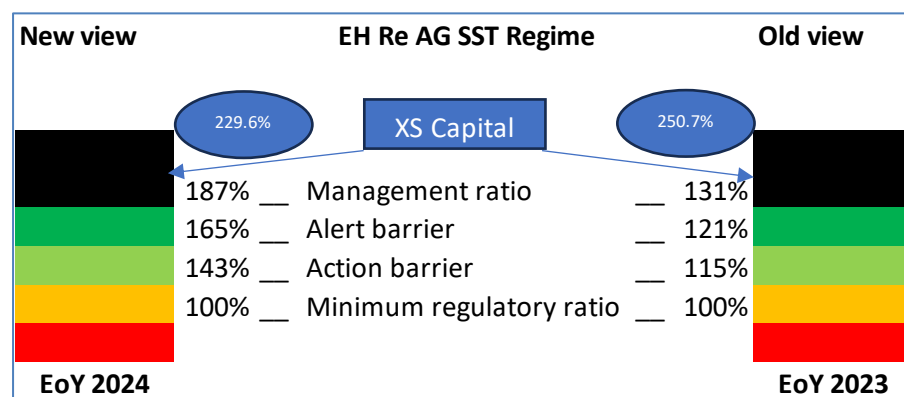
F.1. Capital management strategy – SST Standard

EH Re AG steers primarily its solvency through the SST standard model. In that respect, EH Re AG has set a target management ratio of 187% and an action barrier ratio of 143%. Deviations against these thresholds are regularly monitored by the Risk Committee and the BoD. If EH Re AG falls below the action barrier ratio, the BoD takes the necessary measures to re-establish its SST ratio above.

Figure 30: Equity overview

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var %
Total Assets	4'184	3'750	434	12%
Total Liabilities	2'756	2'406	350	15%
Assets minus liabilities	1'428	1'345	83	6%
Deductions	240	280	-40	-14%
Core capital	1'188	1'065	123	12%

The Risk Bearing Capital has significantly increased compared to SST 2024 (EoY 2023) as explained under E.3. The following graph shows the SST ratio and capital ratios regime evolution between 31.12.2024 and 31.12.2023.

Figure 31: SST capital ratio regime

The 2024 SST ratio has decreased from 250.7% to 229.6% but is well above the target management ratio of 187%. This is mainly due to an increase in target capital, as well as corrections to modelling assumptions. The impact of future significant events on the risk profile is presented in section D.4.

G. Solvency

G.1. Solvency overview

The current information about solvency (risk-bearing capital and TC) is identical to the information which EH Re AG has submitted to FINMA in the SST Report. The following table shows the SST ratio as of 31.12.2024 compared to 31.12.2023:

Figure 32: SST ratio overview

in EUR mn	SST 2025 (EoY 2024)	SST 2024 (EoY 2023)	Var	Var%
Target Capital (TC)	518	425	93	22%
Risk Bearing Capital (RBC)	1'188	1'065	123	12%
SST Ratio	229.6%	250.7%	-21	-8.4%

The SST ratio stands at 229.6%, well above the 187% target ratio.

G.2. Capital planning

EH Re AG capital planning is defined as part of EH Group capital planning process.

In the yearly planning process, EH Group, together with its Legal Entities, reviews its risk strategy and capital requirements over a three-year planning horizon. Based on the projections, the BoM of EH Group approves the capital plan and the capital ratio regime of all its Legal Entities before this can be used for capital management purposes, including dividend policy. The resulting capital plan is also presented to the Supervisory Board of EH Group.

EH Re AG dividend level is defined as the excess capital over its target management ratio.

G.3. Capital management governance

EH Re AG BoM is responsible for sound organizational and operational structures and procedures to ensure compliance with the Capital Management strategy. More specifically, the responsibilities are:

- Ensuring an adequate capitalization of EH Re AG operations, under its regulatory requirements;
- Optimizing the return on the shareholder's invested capital through EH Re AG processes and procedures; and
- Ensuring that the necessary information of EH Re AG's risk profile is provided to EH Group and to the BoD, at least on a quarterly basis.

EH Re AG Risk function has the following responsibilities with regards to capital management:

- Reviewing this Capital Management framework in compliance with local regulatory requirements;
- Management and controlling of local capital target levels;
- Enactment of capital measures such as capital increases, dividends;
- Regular reporting of capital levels and stress tests;
- Providing the capital and dividend plan figures in the annual planning process.

Appendix

Appendix 1 : Financial Statements as of 31.12.2024

The below financial statements are planned for approval by the BoD on April 30th 2025.

Balance sheet as at 31 December	Notes	2024	2023
		EUR	EUR
ASSETS			Comparative translation for information only
Investments			
Investments in affiliated enterprises	3.1	14,632,009	100,219,295
Bonds		8,361,750	8,053,526
Intercompany loans	3.2	171,006,255	178,261,795
Shares		901,902	787,463
Santis Umbrella fund	3.3	2,036,802,547	1,804,033,509
Bond funds		132,022,963	120,941,665
Private equity fund of funds		7,716,590	5,739,039
Property funds		66,912,902	67,490,307
		<u>2,438,356,917</u>	<u>2,285,526,599</u>
Deposits retained on assumed business		22,881,884	9,568,490
Cash and cash equivalents	2.7	166,264,610	96,734,884
Unearned premium reserve ceded	3.6	108,433,161	96,342,672
Rebates reserve ceded	3.6	52,526,113	54,735,995
Outstanding claims reserve ceded	3.6	963,350,606	908,914,278
Reinsurer's share of technical reserves		<u>1,124,309,881</u>	<u>1,059,992,946</u>
Intangible Assets		12,288	21,261
Reinsurance receivables	3.4 & 3.5	189,839,687	111,327,199
Assumed accruals	3.4 & 3.5	101,426,781	111,735,210
Receivables from insurance and reinsurance		<u>291,266,468</u>	<u>223,062,409</u>
Other receivables		13,615,303	78,075,081
Accrued interest	3.4 & 3.5	483,876	313,623
-			
TOTAL ASSETS		4,057,191,226	3,753,295,293

Balance sheet as at 31 December	Notes	2024	2023
		EUR	EUR
LIABILITIES AND SHAREHOLDERS' EQUITY			Comparative translation for information only
Unearned premium reserve assumed	3.6	220,316,467	190,632,262
Rebates reserve assumed	3.6	165,185,573	166,633,788
Outstanding claims reserve assumed	3.6	2,343,592,617	2,152,950,924
Technical reserves		2,729,094,657	2,510,216,974
Provision for unrealized currency gains		0	9,856,698
Provisions for stock based compensation		600,446	514,596
Non-technical provisions		600,446	10,371,294
Deposits retained ceded		41,270	-26,541
Reinsurance payables	3.4 & 3.5	27,382,749	34,485,311
Ceded accruals	3.4 & 3.5	33,239,971	37,711,421
Liabilities from insurance and reinsurance		60,622,720	72,196,732
Other short-term liabilities		1,803,273	1,782,822
Unpaid capital to subsidiary		0	44,773,506
Other liabilities		1,803,273	46,556,328
Accrued payables	3.4 & 3.5	3,079,656	3,886,695
Tax payables		44,271,016	30,832,847
TOTAL LIABILITIES		2,839,513,038	2,674,034,327
Share capital		430,485,650	430,485,650
Statutory capital reserves			
General capital reserves		18,261,400	18,261,400
Capital contribution reserves		129,914,478	184,493,850
Statutory retained earnings		215,353,044	215,353,044
Profit carried forward		10,246,393	55,555,913
Annual profit		413,417,222	175,111,108
TOTAL SHAREHOLDERS' EQUITY	3.7	1,217,678,188	1,079,260,965
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,057,191,226	3,753,295,293

Income statement for the year	Notes	2024	2023
		EUR	EUR
			Comparative translation for information only
Written premium assumed		2,156,567,482	2,099,226,847
Written premium ceded		-878,955,580	-863,461,475
Written premium for own account		1,277,611,902	1,235,765,372
Change in unearned premium reserve assumed	4.1	-25,013,032	-27,113,897
Change in unearned premium reserve ceded	4.1	10,506,091	13,844,372
Earned premiums for own account		1,263,104,961	1,222,495,848
Other income from the insurance business		467,277	976,033
Total income from the insurance business		1,263,572,238	1,223,471,880
Claims paid assumed		-626,658,721	-561,504,160
Claims paid ceded		247,314,691	184,426,745
Change in claims reserve assumed	4.1	-151,619,009	-330,746,029
Change in claims reserve ceded	4.1	40,627,582	163,187,043
Claims expenses for own account		-490,335,456	-544,636,401
Commissions paid		-846,334,524	-804,978,506
Administration expenses	4.2 & 4.3	-12,213,285	-14,918,898
Acquisition and administration costs		-858,547,809	-819,897,404
Reinsurers' share of the acquisition and administration costs		354,856,590	370,346,023
Acquisition and administration costs for own account		-503,691,219	-449,551,381
Total expenses from the insurance business		-994,026,676	-994,187,782
Underwriting result		269,545,563	229,284,098
Interest and dividends	4.4	18,195,362	29,161,564
Realized gains on investments	4.4	126,487,229	206,684
Write ups of investments	4.4	530,651	2,138,070
Investment income from general investments		145,213,242	31,506,318
Investment result from Sántis Umbrella Fund	4.6	82,241,223	89,691,291
Investment income		227,454,464	121,197,608
Investment management expenses	4.5	-2,719,722	-1,112,737
Realized losses on investments	4.5	13,228	29,726
Unrealized losses on investments	4.5	-2,585,344	-32,464,855
Investment expenses from general investments		-5,291,838	-33,547,867
Investment expenses		-5,291,838	-33,547,867
Investment result		222,162,626	87,649,742
Realised & unreal. currency gains		91,978,169	54,026,205
Other financial income		91,978,169	54,026,205
Realised & unreal. currency losses		-100,380,225	-55,378,287
Inc. & exp. from currency translation		0	-105,979,412
Interests expenses		-610,738	-536,667
Other financial expenses		-100,990,963	-161,894,365
Operating result		482,695,395	209,065,680
Extraordinary currency translation	2.6	-29,540,742	0
Profit before taxes		453,154,653	209,065,680
Direct taxes		-39,737,430	-33,723,090
Annual profit		413,417,222	175,342,590

Statement of cash flows	2024	2023
	EUR	EUR
	Comparative translation for information only	
Annual profit	413,417,222	175,342,590
Adjustments to reconcile net income to net cash flow provided by operating activities		
Depreciation and amortization	8,615	27,690
Inc. & exp. from currency translation	29,463,431	105,979,411
Unrealized currency gains & Losses	10,182,833	-2,572,038
Provisions for stock based compensation	85,170	56,571
Net unrealized investment gains/losses	-80,186,530	-65,642,098
Net realized investment gains/losses	-126,500,457	28,528,342
Net change in:		
Technical reserves	175,548,752	237,754,873
Reinsurer's share of technical reserves	-48,895,932	-125,181,483
Accruals and provisions	31,444,086	-63,362,372
Receivables from insurance and reinsurance	-64,039,224	16,896,518
Reinsurance payables	-7,148,149	-42,736,806
Deposits retained on assumed business	-13,232,898	8,504,843
Taxes payable	-22,963,585	-17,917,509
Other assets and liabilities, net	65,897,123	-66,398,215
Cash flow from operating activities	363,080,458	189,280,318
Disposals of investments (without affiliated enterprises)	0	3,118,090
Acquisitions of investments (without affiliated enterprises)	-13,583,996	-23,091,412
Investment in affiliated enterprises	180,518,326	61,650,781
Santis Umbrella fund	-148,143,557	-39,834,600
Loans to consolidated affiliated enterprises	7,491,187	-6,220,523
Cashflow for unpaid capital to subsidiary	-44,832,692	-2,785,027
Cash flow from investing activities	-18,550,732	-7,162,691
Dividend paid to shareholders	-275,000,000	-250,000,000
Cash flow from financing activities	-275,000,000	-250,000,000
Effect of foreign currency translation	0	133,744,090
CHANGE IN CASH AND CASH EQUIVALENTS	69,529,726	65,861,717
Cash and cash equivalents as of 31st December / 1st January	96,862,757	31,001,040
Currency translation as per 1st January	-127,873	0
CASH AND CASH EQUIV. AS OF 31st DECEMBER	166,264,610	96,862,757

Notes to the financial statements

1. Information on the company and basis of presentation

Euler Hermes Reinsurance AG (EH Reinsurance AG) is headquartered in Wallisellen, Switzerland. The accompanying financial statements have been prepared in accordance with accounting principles defined in the Swiss Code of Obligations (CO), in the Insurance Supervision Act (ISA) and its related ordinances and the ISO-FINMA ordinance.

EH Reinsurance AG employs like in the prior year more than 10 but less than 50 employees (fulltime equivalent).

2. Accounting principles

2.1 Investments

Loans and investments in affiliates are initially recognized at their acquisition costs. Loans are subsequently valued at nominal value less necessary bad debt provisions. Investments in affiliates are subsequently valued at lower of acquisition costs or closing net asset value.

Bonds are valued at lower of amortized cost or market value.

Shares are valued at fair value.

The other investments are valued at the lower of acquisition cost or market value.

Santis Umbrella Fund is valued at Net Asset Value. EHRE AG recognizes the SIF shares at their NAV which is defined by the application of the amortized-cost valuation and lower-cost-or-market principles with respect to the bonds in the SIF.

2.2 Reinsurer's share of technical reserves

Reinsurers' share of technical reserve is in accordance to the signed agreements.

2.3 Receivables

Receivables are valued at nominal value less necessary bad debt provisions.

2.4 Claims reserves

Claims reserves assumed including IBNR are recorded with the respective values when reported by the ceding group insurance companies.

2.5 Translation of foreign currencies

The functional currency of the company is EUR. For statutory reporting purposes, since 2024, the financial statements are presented in EUR, no longer in CHF and the translation from EUR into CHF is no longer performed.

2.6 Information on the company and basis of presentation / Functional and presentation currency OR 2.5 Translation of foreign currencies

On 2nd December 2024, the Extraordinary General Meeting resolved to adopt the new provisions of Art. 621 para. 2 and 3 of the Swiss Code of Obligations and to change the currency in which the share capital is determined from CHF to EUR, effective as of January 1, 2024. The exchange rate applied for the conversion of share capital corresponds to the rate published by SXT as of January 1, 2024, i.e., EUR 0.9309 for CHF 1.

In accordance with Art. 621 para. 2 of the Swiss Code of Obligations (CO), when the share capital is determined in a foreign currency, the same currency must be used for commercial accounting and the presentation of the financial statements. As shown in the equity movement schedule, the change in the currency of the share capital as of January 1, 2024, affected various equity positions in the functional currency EUR but had no impact on the total shareholders' equity in EUR.

In accordance with Art. 958d para. 3 of the Swiss Code of Obligations, a company whose financial statements are kept in a currency other than the local currency must also disclose the equivalent values in the local currency. However, these are purely informative, as the currency in which the share capital is determined remains relevant for commercial and company law purposes.

Effective January 1, 2024, CHF equivalents are determined annually by translating all financial statements at the closing rate, with the exception of individual equity positions. The conversion differences shown in the equity movement schedule in CHF result from exchange rate movements at the respective balance sheet dates. As the CHF counter-values are for information purposes only, these translation differences are not recorded in the CHF income statement. For comparative purposes, the 2023 income statement in CHF has been restated in accordance with the new presentation method.

Exchange rates used:

31.12.2023: 1 CHF = 1.0756 EUR

01.01.2024: 1 CHF = 1.0742 EUR

31.12.2024: 1 CHF = 1.0635 EUR

The audited balance sheet as at 31.12.2023 in CHF was translated into EUR to determine the 2024 opening balance sheet. Asset and liabilities were converted from CHF into EUR using the SIX Group exchange rate (CHF/EUR 1.0742). This rate will represent the new historic rate that will be applied in future years for equity positions.

The 2023 comparative income statement positions as well as the Cash Flows in EUR were translated from the audited financial statements 2023 from CHF into EUR using the year end 2023 exchange rate (CHF/EUR 1.07562). Due to the translation method applied, the value of the Annual profit 2023 according to the income statement is not matching with the corresponding balance sheet position. The comparative values of the Statement of cash flows for 2023 cannot be reconciled with the corresponding balance sheet position for the same reason.

As the exchange rate applied for the conversion of the share capital derived from the exchange rate used for translation of the financial statements 2023 from the functional currency EUR into CHF and from the historical exchange rate applied for investments in affiliated enterprises, Euler Hermes Reinsurance AG has adjusted the converted book values of the balance sheet positions (except the equity positions) as per 1.1.2024 in order to keep the statutory book values in the functional currency as they were presented in the financial statements 2023. This resulted in the following extraordinary effects as per 1.1.2024 with an impact on the 2024 income statement of Euler Hermes Reinsurance AG:

- EUR 1.4m extraordinary gain from currency translation due to the different exchange rate applied for restatements as per 1.1.2024 compared to the financial statements 2023 for all balance sheet positions (except equity);
- EUR 30.9m extraordinary loss from currency translation due to the difference between the historical exchange rate applied for Investment in affiliated enterprises and the exchange rate applied for translation of the financial statements 2023.

2.7. Cash and Cash equivalents

For the year 2024, the Allianz Cash Pooling is included under cash equivalents, amounting to EUR 99,107,210. In contrast, for the year 2023, it was classified under Other receivables, totaling EUR 64,022,604.

The Allianz Cash Pooling arrangement is considered a notional pooling. This pooling is conducted with Allianz SE, which holds an AA rating from S&P.

3. Balance sheet positions

3.1 Investment in affiliated enterprises

	EUR 2024	EUR 2023
<i>Equity investments</i>	Share capital	Share capital
0% shares (2023: 100%) of Euler Hermes Ré SA, Luxembourg (*)	0	61,055,000
35% shares (2023: 35%) of Euler Hermes Patrimonia SA, Bruxelles	500,000	500,000
49% shares (2023: 49%) of Euler Hermes South Express SA, Bruxelles	28,986,452	28,986,452

(*) Euler Hermes Reinsurance AG sold 100% shares of Euler Hermes Ré SA, Luxembourg on June 20, 2024 to a buyer, external to Allianz Group

3.2 Intercompany loans

	EUR 2024	EUR 2023
Loan to Euler Hermes Ré SA	0	33,100,000
Loan to Allianz Europe BV	100,000,000	100,000,000
Loan to Euler Hermes Group SAS	71,006,255	45,397,442
Total intercompany loans	171,006,255	178,497,442

3.3 Sántis Umbrella fund

	EUR 2024	EUR 2023
Single Investor Fund, NAV in EUR	2,036,802,547	1,804,033,509

3.4 Receivables and liabilities from the insurance business

All receivables and liabilities from the insurance business come from insurance companies.

3.5 Receivables due from and liabilities due to group companies

	EUR	2024	2023
Reinsurance receivables due from group companies		174,308,222	92,807,059
Other receivables due from group companies		99,439,687	64,694,545
Assumed accruals due from group companies		99,316,911	105,789,714
Accrued interests due from group companies		476,865	306,962
Reinsurance payables due to group companies		-11,013,487	-13,855,475
Ceded accruals due to group companies		-22,186,481	-22,320,337
Accrued payables due to group companies		-888,876	-608,888

3.6 Technical provision

2024 EUR	Unearned premium reserve	Rebates reserve	Outstanding claims reserve	Total
Assumed	220,316,467	165,185,573	2,343,592,617	2,729,094,657
Ceded	-108,433,161	-52,526,113	-963,350,606	-1,124,309,881
Technical provision net 2024	111,883,305	112,659,459	1,380,242,011	1,604,784,776
2023 EUR	Unearned premium reserve	Rebates reserve	Outstanding claims reserve	Total
Assumed	190,632,262	166,633,788	2,152,950,924	2,510,216,974
Ceded	-96,342,672	-54,735,995	-908,914,278	-1,059,992,946
Technical provision net 2023	94,289,589	111,897,793	1,244,036,646	1,450,224,028

3.7 Equity roll forward

EUR	Share capital	Statutory capital reserves	Statutory retained earnings	Profit carried forward	Total equity
as per 01.01.2023	224,076,212	163,137,126	179,944,864	477,142,727	1,044,300,929
Dividend				-250,000,000	-250,000,000
Annual profit				284,960,036	284,960,036
as per 31.12.2023	224,076,212	163,137,126	179,944,864	512,102,764	1,079,260,965
Impact of the change of share capital currency from CHF to EUR	206,409,438	39,618,124	35,408,180	-281,435,743	0
as per 01.01.2024	430,485,650	202,755,250	215,353,044	230,667,021	1,079,260,965
Dividend		-54,579,372		-220,420,628	-275,000,000
Annual profit				413,417,222	413,417,222
as per 31.12.2024	430,485,650	148,175,878	215,353,044	423,663,616	1,217,678,188

4. Income statement positions

4.1 Changes in technical provision

2024 EUR	Unearned premium reserve	Rebates reserve	Outstanding claims reserve	Total
Assumed	-25,013,032	1,448,216	-151,619,009	-175,183,824
Ceded	10,506,091	-2,209,882	40,627,582	48,923,791
Changes in technical provision net 2024	-14,506,941	-761,666	-110,991,427	-126,260,034
2023 EUR	Unearned premium reserve	Rebates reserve	Outstanding claims reserve	Total
Assumed	-27,113,897	-31,306,321	-330,746,029	-389,166,247
Ceded	13,844,372	10,336,183	163,187,043	187,367,598
Changes in technical provision net 2023	-13,269,525	-20,970,138	-167,558,986	-201,798,649

4.2 Positions to be disclosed from the administration expenses		2024	2023
Personnel expenses	EUR	6,671,752	6,188,134
Amortization and depreciation on non-current assets	EUR	8,615	26,497

4.3 Auditor fees		2024	2023
Audit fees	EUR	115,330	59,221
Other fees	EUR	0	20,908
Total auditor fees		115,330	80,129

4.4 Investment income					
2024 EUR		Curr. income	Write-ups	realized gains	Total income
Investments in affiliated enterprises	(1)	1,213,250	-	124,787,022	126,000,272
Bonds		21,746	376,510	-	398,256
Intercompany loans		2,198,556	-	-	2,198,556
Shares		-	-	-	0
Bond funds		4,390,188	-	-	4,390,188
Equity funds		-	-	-	0
Private equity fund of funds		440,954	154,141	1,700,207	2,295,302
Property funds		2,811,678	-	-	2,811,678
Other securities		-	-	-	0
Deposits retained on assumed business		374,802	-	-	374,802
Cash and cash equivalents		2,478,224	-	-	2,478,224
Cash equivalents		4,265,965	-	-	4,265,965

(1) Realized gains: thereof 14'008'577 EUR release of hidden reserves due to the sale of EH Ré Sa.

Investment income from general investments	18,195,362	530,651	126,487,229	145,213,242
---	-------------------	----------------	--------------------	--------------------

2023 EUR		Curr. income	Write-ups	realized gains	Total income
Investments in affiliated enterprises		16,604,631	-	5,683	16,610,313
Bonds		22,569	399,352	-	421,921
Intercompany loans		2,046,586	-	-	2,046,586
Shares		-	-	-	0
Bond funds		2,925,473	1,738,718	-	4,664,191
Equity funds		-	-	-	0
Private equity fund of funds		2,207	-	201,001	203,208
Property funds		3,757,805	-	-	3,757,805
Other securities		-	-	-	0
Deposits retained on assumed business		180,751	-	-	180,751
Cash and cash equivalents		1,075,130	-	-	1,075,130
Cash equivalents		2,546,411	-	-	2,546,411

Investment income from general investments	29,161,564	2,138,070	206,684	31,506,318
---	-------------------	------------------	----------------	-------------------

4.5 Investment expenses

2024 EUR		Investment expenses	Write downs	realized losses	Total expense
Investments in affiliated enterprises		1,436,133	734,986	-	2,171,119
Bonds		50,978	-	-	50,978
Intercompany loans		-	-	-	0
Shares		-	-	13,228	-13,228
Bond funds		777,629	703,739	-	1,481,368
Equity funds		-	-	-	0
Private equity fund of funds		47,045	-	-	47,045
Property funds		407,937	1,146,619	-	1,554,556
Other securities		-	-	-	0
Deposits retained on assumed business		-	-	-	0
Cash and cash equivalents		-	-	-	0
Investment expenses from general investments		2,719,722	2,585,344	-13,228	5,291,838

2023 EUR	Investment expenses	Write downs	realized losses	Total expense
Investments in affiliated enterprises	-	28,764,751	-	28,764,751
Bonds	44,314	-	-	44,314
Intercompany loans	-	-	-	0
Shares	-	-	29,726	-29,726
Bond funds	665,480	-	-	665,480
Equity funds	-	-	-	0
Private equity fund of funds	31,579	118,386	-	149,965
Property funds	371,364	3,581,718	-	3,953,082
Other securities	-	-	-	0
Deposits retained on assumed business	-	-	-	0
Cash and cash equivalents	-	-	-	0
Investment expenses from general investments	1,112,737	32,464,855	-29,726	33,547,867

4.6 Investment from Sántis Umbrella Fund

2024 EUR	Curr. income	Write-ups	realized gains /realized Gains	FX Unrealized /realized Gains	Total income
	41,785,965	23,061,268	4,356,626	20,645,385	89,849,244
2024 EUR	Investment expenses	Write downs	realized losses /realized Losses	FX Unrealized /realized Losses	Total expense
	2,500,456	3,461,781	453,681	1,192,104	7,608,021
Sántis Umbrella Fund result FY2024 gain/(loss)					82,241,223
2023 EUR	Curr. income	Write-ups	realized gains /realized Gains	FX Unrealized /realized Gains	Total income
	30,160,983	60,133,436	3,955,638	1,718,826	95,968,883
2023 EUR	Investment expenses	Write downs	realized losses /realized Losses	FX Unrealized /realized Losses	Total expense
	2,212,719	542,304	38,105	3,484,465	6,277,592
Sántis Umbrella Fund result FY2023 gain/(loss)					89,691,291

5. Additional information

5.1 Guarantees and commitments given

EH Reinsurance AG has lease commitments amounting to CHF 11'296 (2023: CHF 56'845).

EH Reinsurance AG has entered a commitment with CORDIANT regarding future drawdowns limited by the unfunded amount as per December 31 2024 of USD 17'529'743 (2023: USD 17'529'743).

EH Reinsurance AG has entered a commitment with FASO V regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 2'275'000 (2023: EUR 2'275'000).

EH Reinsurance AG has entered a commitment with FASO IV regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 4'380'000 (2023: EUR 4'380'000).

EH Reinsurance AG has entered a commitment with AEW Logistis regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 1'440'000 (2023: EUR 1'919'998).

EH Reinsurance AG has entered a commitment with IPUT regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 1'370'344 (2023: EUR 1'370'344).

EH Reinsurance AG has entered a commitment with APEF regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 15'043'844 (2023: EUR 17'378'474).

EH Reinsurance AG has entered a commitment with AGDPDFP regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 3'042'309 (2023: EUR 4'245'419).

EH Reinsurance AG has entered a loan commitment with Euler Hermes Group SAS regarding future drawdowns limited by the unfunded amount as per December 31 2024 of EUR 45'397'442 (2023: EUR 71'006'255).

EH Reinsurance AG has entered into commitments with a bank to provide letter of credits to Group companies in amount of USD 81'000'000 and CAD 10'000'000 to meet any valid claims, in case of EH Reinsurance AG would face bankruptcy (2023: USD 65'000'000 and CAD 10'000'000).

EH Reinsurance AG has entered into commitments with a bank to provide letter of credits to external parties in amount of USD 101'075'000 and CAD 16'500'000 to meet any valid claims, in case of EH Reinsurance AG would face bankruptcy (2023: USD 72'275'000 and CAD 13'500'000).

Appropriation of available earnings and distribution of a dividend

As at 31 December	2024
	EUR
Balance brought forward	10,246,393
Annual profit	413,417,222
Profit carried forward	423,663,616
Balance carried forward	423,663,616
Proposed Dividend	-240,000,000
Profit carried forward	183,663,616

Appendix 2: Operational Risk – scenarios analysis

Given its specific activity and organization, EH Re AG does not bear many material operational risk categories. The following table shows the significant risk scenarios defined in the course of the scenarios analysis process (ScA) and used to calibrate Operational Risk Capital in the Solvency II Internal Model.

Risk Category	Evaluation - Scenario		
	Storyline	1-in-20 Years loss amount (in EUR)	Frequency in years
Improper Business or Market Practices	The risk in scope for the reinsurance business of EH Re AG would materialize through the relationship with external reinsurers and could be exacerbated by the current economic sanctions if an undue payment is made to the wrong counterparty. As a result, the major current risk and scenario to be considered here is linked to the undue payment to a sanctioned beneficiary while the risk surrounding the external reinsurers is deemed as immaterial.	500,000	0.2
Suitability, Information Disclosure and Fiduciary Duty	The 1-in-20year storyline would be a breach of confidentiality related to buyer confidential information disclosed in reinsurance treaties. The ceding company's shareholders could sue EH, resulting in a settlement or in contractual penalties.	100,000	0.2
Human Resources Management	EH Re AG's day to day activities are disrupted due to the departure of a key people or a significant part of a team, further exacerbated by the absence of back-up solution and executable succession plan. Given the technical expertise required across most of the areas and teams, it is assumed that the leaving staff cannot be replaced within a reasonable timeframe (3 months) leading to a loss incurred by the need to hire on urgent mode external consultants to fill the gap.	220,000	0.2
Trade Counterparties	The storyline would be a rejection of claim by an external reinsurer due to an incomplete or inaccurate reinsurance contract. Failure of reinsurance coverage could be because of errors, omissions or other inadequacies in relation to the company's documentation and contracts, resulting in reinsurance related losses or legal costs. This risk includes changes in the interpretation of reinsurance contracts that impact the collectability of existing reinsurance contracts, disputes with reinsurance brokers and/or reinsurers regarding terms of specific reinsurance contracts, or general errors, omissions, or unenforceable or misleading terms in reinsurance policies that generally result in reinsurance coverage not aligned with risk appetite.	225,000	0.2

Appendix 3 : Quantitative templates

Financial situation report: quantitative template
"Simplified SST Balance Sheet Solo"

Currency: CHF or
currency for SST
reporting
Amounts stated in
millions

		EUR		
		Ref. date previous period	Adjustments previous period	Ref. date reporting year
Market conform value of investments	Real estate	15	-	14
	Participations	153	-	-
	Fixed-income securities	8	-	9
	Loans	172	-	167
	Mortgages	-	-	-
	Equities	6	-	6
	Other investments	1'942	-	2'198
	Collective investment schemes	1'931	-	2'188
	Alternative investments	11	-	10
	Structured products	-	-	-
	Other investments	-	-	-
	Total investments	2'296	-	2'395
Market conform value of other assets	Financial investments from unit-linked life insurance	-	-	-
	Receivables from derivative financial instruments	-	-	-
	Deposits made under assumed reinsurance contracts	10	-	23
	Cash and cash equivalents	174	-	217
	Share of technical provisions from reinsurance	961	-	1'041
	Direct insurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Reinsurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Direct insurance: non-life insurance business	-	-	-
	Reinsurance: non-life insurance business	961	-	1'041
	Direct insurance: health insurance business	-	-	-
	Reinsurance: health insurance business	-	-	-
	Direct insurance: other business	-	-	-
	Reinsurance: other business	-	-	-
	Direct insurance: unit-linked life insurance business	-	-	-
	Reinsurance: unit-linked life insurance business	-	-	-
	Fixed assets	0	-	0
	Deferred acquisition costs	-	-	-
	Intangible assets	0	-	0
	Receivables from insurance business	228	-	491
	Other receivables	81	-	17
	Other assets	-	-	-
	Unpaid share capital	-	-	-
	Accrued assets	0	-	0
	Total other assets	1'454	-	1'789
Total market conform value of assets	Total market conform value of assets	3'750	-	4'184
Market conform value of liabilities (including unit linked life insurance)	Best estimate of insurance liabilities	2'305	-	2'563
	Direct insurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Reinsurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Direct insurance: non-life insurance business	-	-	-
	Reinsurance: non-life insurance business	2'305	-	2'563
	Direct insurance: health insurance business	-	-	-
	Reinsurance: health insurance business	-	-	-
	Direct insurance: other business	-	-	-
	Reinsurance: other business	-	-	-
	Best estimate of unit-linked life insurance liabilities	-	-	-
	Direct insurance: unit-linked life insurance business	-	-	-
	Reinsurance: unit-linked life insurance business	-	-	-
	Market value margin	17	-	26
Market conform value of other liabilities	Non-technical provisions	1	-	1
	Interest-bearing liabilities	-	-	-
	Liabilities from derivative financial instruments	-	-	-
	Deposits retained on ceded reinsurance	-0	-	0
	Liabilities from insurance business	77	-	161
	Other liabilities	2	-	2
	Accrued liabilities	4	-	3
Total market conform value of liabilities	Subordinated debts	-	-	-
	Total market conform value of liabilities	2'406	-	2'756
Market conform value of assets minus market conform value of liabilities		1'345	-	1'428

Financial situation report: quantitative template "Solvency Solo"

Currency: CHF or
currency for SST
reporting
Amounts stated in
millions

		Ref. date previous period	Adjustments previous period	Ref. date reporting year
		in EUR millions	in EUR millions	in EUR millions
Derivation of RBC	Market conform value of assets minus market conform value of liabilities	1'345		1'428
	Deductions	-280		-240
	Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital	-		-
	Core capital	1'065		1'188
	Supplementary capital	-		-
	RBC	1'065		1'188

		Ref. date previous period	Adjustments previous period	Ref. date reporting year
		in EUR millions	in EUR millions	in EUR millions
Derivation of target capital	Insurance risk	522		536
	Market risk	210		143
	Credit risk	108		180
	Diversification effects	-184		-43
	Other effects on target capital	-232		-299
	Target capital	425		518

		Ref. date previous period	Adjustments previous period	Ref. date reporting year
		in %	in %	in %
SST ratio		251%	0	230%

Financial situation report: quantitative template
"Performance Solo Reinsurance"

Currency: CHF or annual report currency

Amounts stated in millions

	EUR			
	Total		Miscellaneous	
	Previous year	Reporting year	Previous year	Reporting year
Gross premiums	2'099	2'157	2'099	2'157
Reinsurers' share of gross premiums	-863	-879	-863	-879
Premiums for own account (1 + 2)	1'236	1'278	1'236	1'278
Change in unearned premium reserves	-27	-25	-27	-25
Reinsurers' share of change in unearned premium reserves	14	11	14	11
Premiums earned for own account (3 + 4 + 5)	1'222	1'263	1'222	1'263
Other income from insurance business	1	0	1	0
Total income from underwriting business (6 + 7)	1'223	1'264	1'223	1'264
Payments for insurance claims (gross)	-562	-627	-562	-627
Reinsurers' share of payments for insurance claims	184	247	184	247
Change in technical provisions	-331	-152	-331	-152
Reinsurers' share of change in technical provisions	163	41	163	41
Change in technical provisions for unit-linked life insurance	-	-	-	-
Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	-545	-490	-545	-490
Acquisition and administration expenses	-820	-859	-820	-859
Reinsurers' share of acquisition and administration expenses	370	355	370	355
Acquisition and administration expenses for own account (15 + 16)	-450	-504	-450	-504
Other underwriting expenses for own account	-	-	-	-
Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	-994	-994	-994	-994
Investment income	121	227		
Investment expenses	-34	-5		
Net investment income (20 + 21)	88	222		
Capital and interest income from unit-linked life insurance	-	-		
Other financial income	54	92		
Other financial expenses	-162	-101		
Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	209	483		
Interest expenses for interest-bearing liabilities	-	-		
Other income	-	-		
Other expenses	-	-		
Extraordinary income/expenses	-	-30		
Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	209	453		
Direct taxes	-34	-40		
Profit / loss (31 + 32)	175	413		

Appendix 5 : Glossary

Terms of abbreviations	Description
AC	Available Capital
AEP/AER	Attritional Events Premium/Reserve Risk
ARC	Audit, Risk & Compliance Committee
AZT	Allianz Trade
BE	Best Estimate
BoD	Board of Directors
BoM	Board of Management
CAE	Chief Audit Executive
CEO	Chief Executive Officer
CFAO	Chief Financial and Administrative Officer
CHF	Swiss franc
CRiSP	Credit Risk Platform
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
CUW	Commercial Underwriting
CY	Current Year
EBNR	Earned But Not Reported
EH	Euler Hermes
EH Group	Euler Hermes Group
EH Re AG	Euler Hermes Reinsurance AG
EH Ré SA	Euler Hermes Reinsurance SA
EH SA	Euler Hermes SA
EoY	End of Year
ESG	Environmental, Social and Governance
EUR	Euro
FCR	Financial Condition Report
FiCo	Financial Committee
FINMA	Swiss Financial Market Supervisory Authority
FRSI	Reinsurance Tool
FX	Foreign Exchange
GAAP	Generally Accepted Accounting Principles
GBP	British Pound sterling
GovCC	Governance and Control Committee
IE1/IE2	Individual Events 1/2
IT	Information Technology
LE	Legal Entity
LoB	Line of Business
MCBS	Market Consistent Balance Sheet
MVM	Market Value Margin
NFRM	Non-Financial Risk Management
OREC	Operational Risk Event Capture
ORM	Operational Risk Management
ORSA	Own Risk and Solvency Assessment
P&C	Property & Casualty
PY	Prior Year
QS	Quota Share
RBC	Risk Bearing Capital
RCA	Risk & Control Assessment
RiCo	Risk Committee
RM	Risk Margin
RoRc	Return on Risk Capital
RPF	Risk Policy Framework
S2	Solvency 2
S&P	Standard & Poor's
SCR	Solvency Capital Requirement
SAA	Strategic Asset Allocation
ScA	Scenario Analysis
SLA	Service Level Agreement
SST	Swiss Solvency Test
Stand Re	Standard formula to calculate insurance risk for reinsurance companies
TC	Target Capital
TCI&S	Trade Credit Insurance & Surety
ToM	Target Operating Model
TRA	Top Risk Assessment

Terms of abbreviations	Description
USD	United States Dollar
UW	Underwriting
VaR	Value at Risk
XoL	Excess of Loss