Financial Report

SERV closed its 18th financial year with a positive net income of CHF 98.9 million thanks to below-average loss expenditure.

Net Income
in CHF million

98.9

Premium Income
in CHF million

78.9

Legal basis

The essential accounting requirements for SERV are formulated in the SERV Act (SERVG) and the SERV Ordinance (SERV-V). SERV must keep its own accounts, be economically viable as an insurance company and manage risks for public and private debtors separately. To meet these requirements, SERV prepares financial statements as at the closing date (cf. PDF Financial Statements, p. 54), consisting of the income statement, balance sheet, cash flow statement, proof of economic viability, segment accounting and notes.

Individual income statement, balance sheet and segment accounting items are explained in more detail in the notes. Items shown net in the financial statements are broken down in the notes, which renders the calculation of net results transparent. This is significant particularly in the case of claims from losses, claims from restructuring, credit balances from debt rescheduling agreements and loss provisions, as these are valued in accordance with the accounting principles (AP) and reported on a net basis.

Income Statement

SERV closed its 18th financial year with a positive net income (NI) of CHF 98.9 million. This is the fourth-best result in the history of SERV.

The bleak overall economic situation is reflected in premium income, which fell from CHF 88.1 million in the previous year to CHF 78.9 million. The issuance of insurance policies was delayed, especially for large projects, leading to lower premiums. On the other hand, the release of unearned premium reserves, which is defined by the expiry profile of the multi-year insurance policies, made a positive contribution to earned premiums. The outcome was a result of CHF 90.3 million, which is slightly higher than the average for SERV since its inception.

Interest income of CHF 4.4 million from debt rescheduling agreements is at a normal level. The last payments from Serbia and Montenegro were made in 2024, enabling these debt rescheduling agreements to be concluded. Furthermore, smaller interest payments were received from various other countries.

There were no major material losses in 2024.

Following the extraordinarily high loss expenses in the previous year, there were no major material losses in 2024. This resulted in very low loss expenses of CHF 15.5 million, which include provisions for reported claims, as well as income from successful recoveries.

The debt rescheduling results of CHF 26.0 million resulted from the reversal of value adjustments due to payments made.

Personnel expenses were slightly down from the previous year (CHF 17.3 million), as the extra IT jobs and the filling of vacant positions scheduled for 2024 were postponed.

Financial income mainly comprises foreign currency differences and was positive in 2024 at CHF 1.8 million thanks to the strong Swiss franc. Interest income from financial investments, particularly with the Swiss Federal Treasury, totalled CHF 19.6 million for the reporting year, a drop of CHF 13.9 million as against the previous year, owing to the repeated reductions in the key interest rate by the Swiss National Bank.

“SERV posted the fourth-best annual results in its 18-year history – primarily thanks to below-average loss expenses.”

Yvonne Pusch
Chief Financial Officer

Overall, SERV has a solid capital base to manage any crises.

Balance Sheet

On the assets side, cash in hand & at bank increased by CHF 78.5 million over 2023 and is at a significantly higher level than in previous years. The inflow is founded mainly on larger repayments from the very successful recovery efforts.

Credit balances from debt rescheduling agreements decreased by CHF 19.8 million in the year under review due to repayments. On the liabilities side, the reduction in loss provisions of CHF –58.5 million, particularly due to indemnity payments and the resulting conversions into claims, and unearned premiums of CHF –11.4 million were the main drivers.

As of 31 December 2024, capital totalled CHF 2.991 billion. It was CHF 98.9 million higher than the previous year. Due to the adjusted calculation parameters for RBC and core capital (CCap), these figures were substantially lower at CHF 1.399 billion (–28.0 per cent) in 2024. The compensation reserve (CR) increased accordingly by CHF 556.2 million to CHF 1.493 billion. The CR allows SERV to manage the major volatility to which it is exposed through country and debtor downgrades and elevated losses as a result of political and economic crises.

All in all, SERV has a solid capital base for fulfilling its legal mission of promoting the Swiss export industry by providing effective insurance solutions, even in periods with an uncertain economic outlook. At the same time, SERV is able to soften the impact of any deterioration in risk ratings for countries and enterprises.

SERV continues to have excellent liquidity.

Cash Flow Statement

SERV's 2024 cash flow statement (cf. Cash Flow Statement, p. 56) posted a net increase of CHF 96.8 million in 2024 (2023: CHF 64.6 million), which is within the average range. SERV continues to have excellent liquidity with CHF 3.349 billion, consisting of cash in hand & at bank and time deposits.

The cash flow from business operations was positive in the year under review at CHF 23.0 million. The very high premium payments (CHF 108.0 million) were partly based on transactions from 2023. They almost entirely offset the high indemnity payments of CHF 109.6 million. Loss repayments increased by CHF 16.5 million to CHF 47.1 million, which had an extremely positive impact on the cash flow statement. The payments for personnel and operating costs remained stable compared to the previous year at CHF 22.5 million.

Cash flow from investment activities includes both repayments of credit balances from debt rescheduling agreements plus the corresponding interest, investments in intangible assets for IT project costs and interest income from investments. At CHF 67.0 million, this value was CHF –12.6 million down on the previous year, which is mainly due to the lower interest income from cash investments (CHF –14.0 million).

Earned premiums exceed the actuarial risk in all segments.

Proof of Economic Viability

In 2024, SERV showed positive loading in all segments. This means that earned premiums exceeded the actuarial risk, i.e. the average expected annual loss, which is the theoretical probability-weighted average potential loss calculated for an annual reporting period. The calculation is based on the loss probabilities and assumed recovery ratios.

In 2024, the segments “public debtors” and “private debtors with del credere” plus “private debtors without del credere” posted a combined surplus cover of CHF 19.6 million on an operational level (economic viability 1). Due to the interest income from cash investments, SERV posted significant surplus cover of CHF 39.2 million for economic viability 2 for all segments.

Since SERV was founded, the average surplus cover for economic viability 1 for the primary segment “public debtors” has been CHF 10.4 million and CHF 13.1 million for the primary segment “private debtors”. This means that economic viability 1 has so far been fulfilled for the primary segments. If economic viability on an operational level (economic viability 1) is positive, so is economic viability 2, unless SERV's capital is burdened with negative interest rates.

Segment Accounting

In the income statement by segment, items that are not directly related to an insurance transaction in a segment are distributed across the three segments using an allocation formula (cf. Notes regarding the income statement, Comments 12–18, p. 66). Items are not broken down into segments on the balance sheet where doing so has only limited indicative value.

All segments in the income statement closed in positive territory. Experience shows that the annual results for segment accounting are influenced to a large extent by the loss expenses incurred and are thus very volatile.

Income Statement

Income Statement

01.01.2024–31.12.2024, in KCHF

	Notes *	2024	2023	Change
Premium income	1	78 913	88 120	–9 207
Creation of unearned premium reserves		–60 323	–72 627	12 304
Release of unearned premium reserves		71 673	155 108	–83 435
Earned premiums		**90 263**	**170 601**	**–80 338**
Interest income from debt rescheduling agreements		4 399	17 608	–13 209
Total income from insurance		**94 662**	**188 209**	**–93 547**
Loss expenses	2	–15 463	–222 286	206 823
Reinsurance commissions		–158	–	–158
Debt rescheduling results	3	26 005	26 563	–558
Total expenses from insurance		**10 384**	**–195 723**	**206 107**
Profit / loss on insurance		**105 046**	**–7 514**	**112 560**
Personnel expenses		–17 254	–17 429	175
Non-personnel expenses incl. depreciation		–13 653	–13 420	–233
Financial income		1 806	11 289	–9 483
Other income	4	3 389	6 925	–3 536
Operating profit / loss		**79 334**	**–20 149**	**99 483**
Interest income from cash investments		19 576	33 521	–13 945
Net income (NI)		**98 910**	**13 372**	**85 538**

* cf. comments starting from page 64 of the Notes on the Financial Statements

Balance Sheet

Balance Sheet
31.12.2024, in KCHF

	Notes *	31.12.2024	31.12.2023	Change
Assets				
Cash in hand & at bank		187 577	109 120	78 457
Premiums receivables		24 038	66 801	−42 763
Other receivables		585	171	414
Financial investments maturing in 1 year or less	5	3 161 153	3 142 820	18 333
Accruals and deferrals		659	1 729	−1 070
Total current assets		**3 374 012**	**3 320 641**	**53 371**
Property, plant and equipment		281	406	−125
Intangible assets	6	11 505	12 112	−607
Total fixed assets		**11 786**	**12 517**	**−731**
Claims from losses and restructuring	7	131 214	148 714	−17 500
Credit balances from debt rescheduling agreements	8	66 837	86 599	−19 762
Total claims and credit balances from debt rescheduling agreements		**198 051**	**235 313**	**−37 262**
Total assets		**3 583 849**	**3 568 471**	**15 378**
Liabilities				
Current liabilities		1 864	11 474	−9 610
Short-term financial liabilities		968	925	43
Accruals and deferrals		2 736	9 675	−6 939
Unearned premiums		322 699	334 049	−11 350
Loss provisions	9	261 543	320 039	−58 496
Other non-current liabilities	10	2 820	–	2 820
Subtotal		**592 630**	**676 162**	**−83 532**
Risk-bearing capital (RBC)		691 266	1 124 406	−433 140
Core capital (CCap)		707 667	817 322	−109 655
Compensation reserve (CR)		1 493 376	937 209	556 167
Net income (NI)		98 910	13 372	85 538
Total capital		**2 991 219**	**2 892 309**	**98 910**
Total liabilities		**3 583 849**	**3 568 471**	**15 378**

* cf. comments starting from page 64 of the Notes on the Financial Statements

Cash Flow Statement

Cash Flow Statement

01.01.2024–31.12.2024, in KCHF

	Notes *	31.12.2024	31.12.2023
Business operations			
Premium payments	11	108 037	37 685
Loss payments		−109 563	−53 607
Loss repayments		47 094	30 614
Payments relating to personnel and operations *		−22 528	−22 423
Cash flow from business operations *		**23 040**	**−7 731**
Investing activities			
Investments in intangible assets		−2 667	−6 600
Repayments of credit balances from debt rescheduling agreements		46 003	47 492
Payments of interest from debt rescheduling agreements		4 164	5 211
Payments from financial and interest income		19 512	33 488
Cash flow from investing activities		**67 012**	**79 591**
Financing activities			
Payments from financing activities		2 819	−1 171
Cash flow from financing activities		**2 819**	**−1 171**
Foreign currency effects *		**3 919**	**−6 118**
Net change in funds		**96 790**	**64 570**
Funds on 31.12.2023 (cash in hand & at bank and time deposits with the Confederation)		–	3 251 940
Funds on 31.12.2024 (cash in hand & at bank and time deposits with the Confederation)		3 348 730	

* cf. comments starting from page 64 of the Notes on the Financial Statements

Proof of Economic Viability

Proof of Economic Viability

01.01.2024–31.12.2024, in KCHF

	Segments (by debtor)			SERV
	Public	Private without del credere	Private with del credere	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Earned premiums	30 240	2 159	57 864	90 263
Average expected annual loss	−16 834	−1 049	−23 702	−41 585
Loading	**13 406**	**1 110**	**34 162**	**48 678**
Personnel expenses	−1 910	−209	−15 135	−17 254
Non-personnel expenses incl. depreciation	−1 512	−165	−11 976	−13 653
Financial income	522	36	1 248	1 806
Economic viability 1	**10 506**	**772**	**8 299**	**19 577**
Interest income from cash investments	5 657	386	13 533	19 576
Economic viability 2	**16 163**	**1 158**	**21 832**	**39 153**

Segment Accounting

Segment Accounting
01.01.2024–31.12.2024, in KCHF

	Notes *	Segments (by debtor)			SERV
		Public	Private without del credere	Private with del credere	
		(1)	(2)	(3)	(4)=(1)+(2)+(3)
Premium income	12	22 803	1 557	54 553	78 913
Creation of unearned premium reserves		–15 219	–1 216	–43 888	–60 323
Release of unearned premium reserves		22 656	1 818	47 199	71 673
Earned premiums		**30 240**	**2 159**	**57 864**	**90 263**
Interest income from debt rescheduling agreements	13	2 938	1 319	142	4 399
Total income from insurance		**33 178**	**3 478**	**58 006**	**94 662**
Loss expenses	14	4 196	–7 793	–11 866	–15 463
Reinsurance commissions		–	–	–158	–158
Debt rescheduling results	15	10 490	7 216	8 299	26 005
Total expenses from insurance		**14 686**	**–577**	**–3 725**	**10 384**
Profit / loss on insurance		**47 864**	**2 901**	**54 281**	**105 046**
Personnel expenses	16	–1 910	–209	–15 135	–17 254
Non-personnel expenses incl. depreciation	17	–1 512	–165	–11 976	–13 653
Financial income	18	522	36	1 248	1 806
Other income		375	41	2 973	3 389
Operating profit / loss		**45 339**	**2 604**	**31 391**	**79 334**
Interest income from cash investments		5 657	386	13 533	19 576
Net income (NI)		**50 996**	**2 990**	**44 924**	**98 910**

* cf. comments starting from page 64 of the Notes on the Financial Statements

Balance Sheet by Segment

31.12.2024, in KCHF

	Notes *	Segments (by debtor)				SERV
		Public	Private without del credere	Private with del credere	Not assignable	
		(1)	(2)	(3)	(4)	(5)= (1)+(2)+(3)+(4)
Assets						
Cash in hand & at bank		–	–	–	187 577	187 577
Premiums receivables		–	–	24 038	–	24 038
Other receivables		–	–	–	585	585
Financial investments maturing in 1 year or less		–	–	–	3 161 153	3 161 153
Accruals and deferrals		–	–	–	659	659
Total current assets		**–**	**–**	**24 038**	**3 349 974**	**3 374 012**
Property, plant and equipment		–	–	–	281	281
Intangible assets		–	–	–	11 505	11 505
Total fixed assets		**–**	**–**	**–**	**11 786**	**11 786**
Claims from losses and restructuring		51 831	24 487	54 896	–	131 214
Credit balances from debt rescheduling agreements		24 055	40 525	2 257	–	66 837
Total claims and credit balances from debt rescheduling agreements		**75 886**	**65 012**	**57 153**	**–**	**198 051**
Total assets		75 886	65 012	81 191	3 361 760	3 583 849
Liabilities						
Current liabilities		106	–	–	1 758	1 864
Short-term financial liabilities		831	–	137	–	968
Accruals and deferrals		–	–	–	2 736	2 736
Unearned premiums		117 807	6 630	198 262	–	322 699
Loss provisions	19	176 360	39 762	45 421	–	261 543
Other non-current liabilities		–	–	2 820	–	2 820
Subtotal		**295 104**	**46 392**	**246 640**	**4 494**	**592 630**
Risk-bearing capital (RBC)		–	–	–	691 266	691 266
Core capital (CCap)		–	–	–	707 667	707 667
Compensation reserve (CR)		490 503	92 662	280 909	629 302	1 493 376
Net income (NI)		50 996	2 989	44 925	–	98 910
Total capital		**541 499**	**95 651**	**325 834**	**2 028 235**	**2 991 219**
Total liabilities		836 603	142 043	572 474	2 032 729	3 583 849

* cf. comments starting from page 64 of the Notes on the Financial Statements

Accounting Principles

Introduction

The accounting and valuation principles (AP) define the accounting principles for SERV and are determined by the Board of Directors (BoD). In the year under review, the version approved by the BoD on 23 August 2021 plus the amended notes approved by the BoD on 15 December 2023 were used. The amendments refer in particular to capital, which is explained in the corresponding chapter.

The APs follow national accounting standards and follow the practices of the Swiss private insurance industry. SERV's balance sheet reflects the actual financial and asset situation as accurately as possible. The principle of individual valuation applies: overvaluations and undervaluations are not set off against each other. All items have been reviewed to verify their accounting eligibility and value. The economic perspective takes priority over other possible points of view.

The APs discussed in this section are outlined in condensed form. The full text of the APs and their annexes may be viewed at SERV upon request.

Any differences in totals in the tables and notes are due to rounding. Balance sheet items are measured at face value with the exception of the items listed below:

Claims from losses and restructuring

Accounting: claims from the insurance business are recorded if a policyholder is indemnified for a loss by SERV and that policyholder's claim against third parties passes to SERV.

Valuation of claims against public debtors: value adjustments are calculated on the basis of the official OECD provision rates for expected and incurred losses. These rates take into account:

- the country risk at the time of valuation,
- a country's income levels (World Bank classification),
- the classification of a country as a "heavily indebted poor country".

In addition, a collateral surcharge is applied to the value adjustments.

Valuation of claims against private debtors: individual valuations are carried out on a case-by-case basis for claims against private debtors. Depending on the transaction, arrangements of the export agreement and court rulings, even transactions with identical features (same country, same industry) can lead to different recovery expectations. The following criteria are taken into consideration in the valuation as decisive factors that reduce or increase recoveries in the case of claims against private debtors:

- type of collateral,
- World Bank Rule of Law Index,
- OECD country risk category (CRC),
- debtor rating prior to incurrence of loss.

Based on these valuation criteria, the value adjustment percentages for claims against private debtors are determined by means of a decision tree.

Intangible assets

Accounting: intangible assets are identifiable non-monetary assets without physical substance that are used, inter alia, for the delivery of services. Examples include internally produced or purchased software and patents. The following criteria must be met for intangible assets to be capitalised: identifiability, power of disposal and control by SERV, evidence of future economic benefits, and evidence of acquisition or production costs. The capitalisation and inventory limit is CHF 100 000 per asset.

Valuation: purchased or internally produced intangible assets are initially recognised at cost. Intangible assets are recognised on the basis of a conservative estimate of their future useful life and amortised systematically (normally on a straight-line basis) over that useful life. Where it is not possible to clearly determine the useful life, the amortisation is generally carried out over a period of five years, in justified cases over a maximum of 20 years.

For software assets, the amortisation period is between 5 and 20 years, depending on their anticipated useful life.

Credit balances from debt rescheduling agreements

Accounting: credit balances from debt rescheduling are bundled, which means that multiple claims of SERV against particular individual countries are consolidated. These credit balances arise after a debtor country has readjusted open items in the Paris Club with a debt rescheduling agreement. Claims from debt rescheduling agreements are always denominated in CHF.

Valuation and value adjustments: value adjustments are calculated on the basis of the official OECD provision rates for expected and actual losses.

Unearned premiums

Accounting: unearned premiums are accruals and deferrals; they are premiums that were received in the year under review and in previous years, but that are only earned during the risk period.

Valuation: 20 per cent of premiums are recorded immediately as earned premiums for the administrative share in the current financial year. The remaining 80 per cent of premiums are recorded as income according to the extent of commitment in accordance with risk distribution over the contract term of the individual transactions.

In the event of a loss or early cancellation of the insurance policies, the portion of the premium that has not yet been charged is realised immediately. Consequently, the unearned premium is reversed.

Loss provisions according to IBNR

Accounting: IBNR provisions (IBNR = incurred but not reported) are provisions for losses that have already occurred but have not yet been reported.

Valuation of flat-rate IBNR provisions: a premium-based model is used for the calculation of the flat-rate IBNR provisions. The flat-rate IBNR provisions are recognised as a proportion of the released unearned premiums. Valuation of case-by-case IBNR provisions: Formation on a case-by-case basis. This is done in cases where a loss has not yet been reported but payment is in arrears past the waiting period. Similar but simplified rules are applied for the valuation of reported losses.

Provisions for reported losses

Accounting: on receipt of the loss form, SERV immediately recognises a provision in the amount of the probable loss.

Valuation for public debtors: provisions are calculated on the basis of the official OECD provision rates for expected and actual losses. Since it is almost impossible to precisely assess the probability of occurrence, a probability of 50 per cent is calculated. As in the case of claims from losses and restructuring, an additional collateral surcharge is also applied here.

Valuation for private debtors: the same method is used as for valuing claims against private debtors.

Capital

The calculation method for risk capital was adjusted with effect from 1 January 2024. Exposure from insurance commitments in principle is no longer included in the calculation of risk-bearing capital (RBC), as it cannot lead to any claims for SERV. The model is also calculated with two sectors (public and private). The calculation of the core capital (CCap) with the same actuarial model based on stressed input data was discontinued. Instead, it was established that the RBC must be covered by 200 per cent (through 100 per cent CCap).

Accounting: in terms of SERV's rendering of accounts, the capital is the residual factor after the accounting and valuation of the other items. It is subdivided into:

- Risk-bearing capital (RBC): balance sheet item corresponding to the "technical provisions" typically used in the insurance industry. The RBC is determined using an actuarial model, taking into account all assets at risk of loss. The RBC is also held back for insurance losses that may be payable by SERV. In accordance with the SERV Ordinance (SERV-V), provisions for losses not yet incurred must be shown as net equity items,

- Core capital (CCap): an extended risk buffer used to achieve a higher level of security,
- Compensation reserve (CR): balance sheet item that, together with the RBC, CCap and net income (NI), constitutes SERV's capital,
- Net income.

Valuation: the RBC is determined using an actuarial model. This involves calculating the loss function with regard to the portfolio credit default risk and determining the loss function quantile. The value gives the losses over the entire year that are not exceeded in the corresponding percentage of all cases. SERV uses the average of the values over the 99 per cent quantile in increments of 0.1 as a risk measure. An RBC target cover ratio of 200 per cent is used to establish the CCap. The difference between the target cover ratio and the RBC is the core capital. The amount to cover operational risks is added to the core capital. The CR is determined arithmetically and is not subject to any valuation.

Economic viability

Calculation: the average expected annual loss is the theoretical average potential loss, weighted for one year with the probabilities of default. This calculation is based on ratings, default probabilities and assumed recovery rates. The other items in proof of economic viability are obtained from the income statement.

Notes on the Financial Statements

Individual items of the income statement, the balance sheet and segment accounting are explained in more detail in this chapter. Firstly, items shown net in the financial statements are broken down to render the calculation of net results transparently. This is significant particularly in the case of claims from losses, claims from restructuring, credit balances from debt rescheduling agreements and loss provisions, as these are valued in accordance with the accounting principles (AP) and reported on a net basis. Additionally, the allocation formula used in the segment accounting for those items that are not directly assignable to one of the three segments is made transparent. In the balance sheet by segment, there is no breakdown by the three segments for cash in hand and at bank, cash investments, current liabilities, short-term liabilities and capital. Doing so would not yield meaningful information. The notes are numbered according to the numbers in the financial statements.

Regarding the income statement

[1] On “Premium income”: the item “Premium income” amounting to CHF 78.9 million is comprised of income from insurance premiums in the sum of CHF 92.7 million minus premium payments from reinsurance totalling CHF 13.8 million.

[2] On “Loss expenses”: loss expenses of CHF 15.5 million comprise the reversal of provisions for incurred but not reported (IBNR) cases amounting to CHF 54.4 million, the reversal of provisions for reported losses totalling CHF 12.7 million, and the change in or formation of value adjustments on losses of CHF 65.8 million (cf. Loss expenses by segment, p. 70). Losses amounting to CHF 16.2 million were definitively written off in 2024. The losses written off largely related to risks in Switzerland, Egypt, the United Arab Emirates and Algeria. The CHF 0.6 million under other loss expenses includes costs for recovery measures.

[3] On “Debt rescheduling income”: debt rescheduling results amounting to CHF 26.0 million are reported net. This item consists of reversals of value adjustments on debt rescheduling balances amounting to CHF 26.1 million and write-offs of credit balances against debtor countries totalling CHF –0.1 million (cf. Debt rescheduling results by segment, p. 70).

[4] On “Other income”: the CHF 3.4 million in other income largely originates from the capitalisation of the project costs (non-personnel expenses) for the Phoenix IT project, i.e. development of the Core Insurance Platform (CIP).

Regarding the balance sheet

[5] On “Short-term cash investments”: all cash investments on the reporting date were held with the Swiss Confederation in the form of an investment account.

[6] On “Intangible assets”: the CHF 11.5 million under intangible assets originates from the capitalisation of the project costs (non-personnel expenses) of SERV’s Phoenix IT project, i.e. development of the Core Insurance Platform (CIP), which is being amortised over a five-year period.

[7] On “Claims from losses and restructuring”: SERV’s claims from losses and claims from restructuring with public debtors (cf. Claims from losses and restructuring [with value adjustment], p. 67) were valued in accordance with the APs (cf. Accounting Principles, p. 60) and were then reported as net claims. In the year under review, claims from losses decreased by CHF 17.5 million. Claims paid of CHF 109.6 million mainly related to Zambia, Ethiopia, the United Arab Emirates, Russia, Tanzania, Ghana, Ukraine, Egypt and Bangladesh.

[8] On “Credit balances from debt rescheduling agreements”: the credit balances from debt rescheduling agreements (cf. Credit balances from debt rescheduling agreements, p. 69) were reported as net credit balances. The largest movements occurred in Argentina (reduction of CHF 16.6 million).

[9] On “Loss provisions”: SERV recognised IBNR provisions for losses amounting to CHF 58.2 million and provisions for reported losses of CHF 203.3 million (cf. Accounting Principles, p. 60). Loss provisions totalled CHF 261.5 million.

[10] On “Other non-current liabilities”: this relates to a security guarantee payment on deposit related to a recovery case from the United Arab Emirates, which is scheduled for repayment within three years.

Regarding the cash flow statement

The cash flow statement was adjusted in the year under review. Until now, foreign currency effects from the money accounts have been reported via “Payments for personnel and operations”. These effects will now be reported separately as foreign currency effects, so that the actual money flow from business operations can be seen. The prior-year figures were also adjusted for comparability.

[11] On “Premium payments”: net premium payments (less payments to reinsurers) totalled CHF 108.0 million. It should be noted that a large proportion of the premiums invoiced in the last financial year have been paid.

Regarding income statement by segment

[12] On “Premium income”: premium income was directly allocated to segments. Premium income per segment is shown in the table on page 70.

[13] On “Interest income from debt rescheduling agreements” – allocation formula: interest income from debt rescheduling agreements was distributed to the individual segments in proportion to debt servicing (agreed principal and interest repayments) for each country.

[14] On “Loss expenses”: loss expenses were allocated directly to the segments. The table on page 70 shows loss expenses incurred per segment.

[15] On “debt rescheduling results”: debt rescheduling results were allocated directly to the segments. The table on page 70 shows debt rescheduling results incurred per segment.

[16] On “Personnel expenses” – allocation formula: personnel expenses were allocated to individual segments according to the number of new contracts per debtor category, minus contracts with a duration of less than one year but including cover for secondary risks and the adjusted number of new contracts in multi-buyer insurance on the basis of the actual expenses incurred.

[17] On “Non-personnel expenses incl. depreciation”: non-personnel expenses incl. depreciation were allocated to individual segments analogously to the allocation of personnel expenses.

[18] On “Financial income” – allocation formula: financial income was allocated to individual segments as a proportion of the income generated per segment from insurance and expense premiums in the year under review (cf. Note 12).

Regarding the balance sheet by segment

[19] On “Loss provisions”: the loss provisions per segment are shown in the table “Loss Provisions by Segment” on page 70.

Development of Property, Plant and Equipment & Intangible Assets
in KCHF

	Property, plant and equipment		Intangible assets	
	2024	2023	2024	2023
Acquisition costs				
Value as at 1 January	2 572	2 446	17 194	10 570
Additions	137	269	2 667	6 624
Disposals	−44	−143	–	–
Other changes, transfers	–	–	–	–
Value as at 31 December	**2 665**	**2 572**	**19 860**	**17 194**
Cumulative depreciation				
Value as at 1 January	2 167	2 020	5 082	2 826
Additions	261	289	3 273	2 256
Disposals	−44	−143	–	–
Impairment	–	–	–	–
Value as at 31 December	**2 384**	**2 167**	**8 355**	**5 082**
Book value as at 31 December	**281**	**405**	**11 505**	**12 112**

Claims from Losses and Restructuring (with value adjustment)
in CHF million

	31.12.2024			31.12.2023			
	SERV claims	Value adjustment	Net claims	SERV claims	Value adjustment	Net claims	Change
	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)=(3)−(6)
Value adjustment on claims from losses *							
Saudi Arabia	128.4	−102.7	25.7	128.4	−89.9	38.5	−12.8
Zambia	86.7	−67.2	19.5	33.6	−26.0	7.6	11.9
Switzerland	82.3	−73.0	9.3	89.1	−79.5	9.6	−0.4
Cuba	43.5	−30.7	12.7	42.3	−29.9	12.4	0.3
Türkiye	43.0	−26.3	16.7	43.2	−22.7	20.5	−3.8
Greece	38.7	−38.7	0.0	38.2	−38.2	0.0	0.0
Zimbabwe	37.2	−28.8	8.3	37.2	−28.8	8.3	−0.0
Ethiopia	19.5	−18.0	1.5	–	–	–	1.5
United Arab Emirates	16.9	−16.7	0.2	28.4	−16.4	12.0	−11.8
Indonesia	13.0	−11.6	1.4	13.0	−11.6	1.4	−0.0
Other countries	74.6	−57.6	17.0	71.9	−52.4	19.5	−2.5
	583.8	**−471.5**	**112.3**	**525.3**	**−395.4**	**129.8**	**−17.5**
Value adjustment on claims from restructuring with public debtors							
North Korea	188.9	−170.0	18.9	188.9	−170.0	18.9	–
	188.9	**−170.0**	**18.9**	**188.9**	**−170.0**	**18.9**	**–**
Total claim from losses and restructuring			**131.2**			**148.7**	**−17.5**

* The Claims from Losses are now reported currency-adjusteds. The previous year’s figures have also been adjusted for comparability.

Claims from restructuring with public debtors (with value adjustment)

in CHF million

	31.12.2024					31.12.2023					Change
			SERV					SERV			
	Total claims	Share 3rd parties*	Share	Value adjustment	Net claims	Total claims	Share 3rd parties*	Share	Value adjustment	Net claims	Net claims
	(1)	(2)	(3)=(1)−(2)	(4)	(5)=(3)+(4)	(6)	(7)	(8)=(6)−(7)	(9)	(10)=(8)+(9)	(11)=(5)−(10)
North Korea	216.3	27.4	188.9	−170.0	18.9	216.3	27.4	188.9	−170.0	18.9	–
Total	**216.3**	**27.4**	**188.9**	**−170.0**	**18.9**	**216.3**	**27.4**	**188.9**	**−170.0**	**18.9**	**–**

* policyholders or assignees

Credit Balances from Debt Rescheduling Agreements (with value adjustment)

in CHF million

	31.12.2024						31.12.2023						Change
				SERV						SERV			
	Total credit balance	Share Confederation	Share 3rd parties	Share	Value adjustment	Net credit balance	Total credit balance	Share Confederation	Share 3rd parties	Share	Value adjustment	Net credit balance	Net credit balance
	(1)	(2)	(3)	(4)= (1)−(2)−(3)	(5)	(6)=(4)+(5)	(7)	(8)	(9)	(10)= (7)−(8)−(9)	(11)	(12)= (10)+(11)	(13)=(6)−(12)
Sudan	144.9	91.7	–	53.3	−47.9	5.3	144.9	91.7	–	53.3	−47.9	5.3	–
Cuba	118.0	–	30.7	87.4	−64.4	23.0	117.5	–	30.6	87.0	−64.4	22.6	0.4
Argentina	70.3	–	13.5	56.8	−28.4	28.4	90.7	–	17.3	73.4	−28.4	45.0	−16.6
Pakistan	21.3	2.6	0.9	17.9	−17.9	–	40.5	3.0	1.9	35.6	−35.6	–	–
Bosnia and Herzegovina	17.0	–	4.2	12.8	−3.0	9.8	18.5	–	4.6	13.9	−3.0	10.9	−1.1
Iraq	14.1	–	5.2	8.9	−8.6	0.3	18.7	–	6.6	12.1	−12.1	–	0.3
Honduras	1.4	–	0.1	1.3	−1.3	0.0	1.5	–	0.1	1.4	−1.3	0.1	−0.1
Cameroon	0.3	–	0.1	0.3	−0.3	–	0.7	–	0.1	0.6	−0.6	–	–
Serbia	–	–	–	–	–	–	9.7	–	2.6	7.1	−4.5	2.6	−2.6
Montenegro	–	–	–	–	–	–	0.2	–	0.0	0.1	−0.1	0.0	–
Total credit balances from debt rescheduling agreements	**387.4**	**94.3**	**54.6**	**238.6**	**−171.8**	**66.8**	**443.0**	**94.7**	**63.8**	**284.5**	**−197.9**	**86.6**	**−19.7**

Premium Income by Segment

01.01.2024–31.12.2024, in KCHF

	Segments (by debtor)			SERV
	Public	Private without del credere	Private with del credere	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Premium income from insurance premiums	39 811	1 508	37 103	78 422
Premium income from expense premiums (e.g. review premiums)	891	49	13 332	14 272
Premiums from reinsurance	–	–	–	–
Premiums for reinsurance	−17 900	–	4 118	−13 781
Total premium income	**22 802**	**1 557**	**54 553**	**78 913**

Loss Expenses by Segment

01.01.2024–31.12.2024, in KCHF

	Segments (by debtor)			SERV
	Public	Private without del credere	Private with del credere	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Provision for losses IBNR	59 594	−5 151	−53	54 390
Provision for reported losses	13 632	–	−917	12 715
Change in value adjustments	−64 536	−2 639	1 367	−65 808
Definitive loss write-offs	−4 494	–	−11 711	−16 205
Other loss expenses	–	−3	−552	−555
Total loss expenses	**4 196**	**−7 793**	**−11 866**	**−15 463**

Debt Rescheduling Results by Segment

01.01.2024–31.12.2024, in KCHF

	Segments (by debtor)			SERV
	Public	Private without del credere	Private with del credere	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Transfers of capital or interest to new or different agreements	–	–	–	–
Change in value adjustments	10 595	7 217	8 299	26 112
Write-offs of credit balances against debtor countries	−105	−1	–	−107
Total debt rescheduling results	**10 490**	**7 216**	**8 299**	**26 005**

Loss Provisions by Segment

31.12.2024, in KCHF

	Segments (by debtor)			SERV
	Public	Private without del credere	Private with del credere	
	(1)	(2)	(3)	(4)=(1)+(2)+(3)
IBNR	3 676	39 763	14 739	58 178
Reported losses	172 684	−1	30 682	203 365
Loss provisions	**176 360**	**39 762**	**45 421**	**261 543**

Proof of Capital

As of 31 December 2024, SERV held capital of CHF 2.991 billion, CHF 98.9 million more than the previous year.

Risk-bearing capital (RBC) and core capital (CCap) together totalled CHF 1.399 billion at the end of 2024, CHF 542.8 million less than the previous year. This change arose mainly through adjustments to the calculation model. The compensation reserve (CR) is a net balance sheet item and amounted to CHF 1.493 billion at the end of 2024. This represents an increase of CHF 556.2 million compared with the previous year (including CHF 13.4 million in allocated net income [NI] from the 2023 financial year). The CR provides SERV with leeway for additional cover and allows it to manage the major volatility to which it is exposed through country downgrades due to political and economic crises (increased demand for RBC or CCap or value adjustments on debt rescheduling balances) and through elevated losses. This allows SERV to provide the Swiss export industry with effective support even in difficult times.

Proof of Capital
31.12.2024, in KCHF

	31.12.2023	Allocation net income previous year	Net income in 2024	Shifts	31.12.2024
	(1)	(2)	(3)	(4)	(5)= (1)+(2)+(3)+(4)
Risk-bearing capital (RBC)	1 124 406			–433 140	691 266
Core capital (CCap)	817 322			–109 655	707 667
Compensation reserve (CR)	937 209	13 372		542 795	1 493 376
Net income (NI)	13 372	–13 372	98 910		98 910
Capital	**2 892 309**	**–**	**98 910**	**–**	**2 991 219**

Other Notes

Legal form and registered office

SERV is an institution under public law with the status of an independent legal entity under the Swiss Confederation. Its tasks and services as well as the basic features of its organisation are laid down in the Swiss Export Risk Insurance Act of 16 December 2005 (SERVG) SR 946.10 (as of 1 January 2016). SERV is independent in its organisation and management and maintains its own accounts (Art. 3 SERVG).

SERV's registered office is at Genferstrasse 6 in Zurich. It has an office at Avenue d'Ouchy 47 in Lausanne. An employee based at that location provides support for clients in French-speaking Switzerland.

Significant events after the balance sheet date

From 31 December 2024 to 26 February 2025, no events occurred that would have to be disclosed here.

Auditors

In 2024, the auditors received a fee (excl. VAT) of KCHF 66.6 (previous year: KCHF 66.6) for auditing the 2024 financial statements. In the previous year, the auditors received KCHF 2.8 (excluding VAT) for additional services. There were no additional services in the year under review.

Reporting to the Confederation

SERV is subject to the supervision of the Federal Council and, ultimately, of Parliament (cf. Art. 32 SERVG). The Federal Council defines SERV's strategic goals for four years at a time and reviews them periodically. SERV regularly updates the Federal Council on the achievement of its objectives and on its business results. In addition, it provides information on its business results to the sub-committees of the Finance Committees each year and to the sub-committees of the Control Committees of the National Council and the Council of States every four years.

The electronic version of the current annual report can be found at report.serv-ch.com/2024/en/.

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Report of the Statutory Auditor of the Swiss Export Risk Insurance to the Federal Council

Report on the Audit of the Financial Statements 2024

Opinion
We have audited the financial statements of Swiss Export Risk Insurance (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement, the cash flow statement, proof of economic viability, segment accounting and notes to the financial statements, including a summary of significant accounting policies for the year then ended as presented on pages 54 to 72.

In our opinion, the financial statements comply with the accounting principles set out in the notes.

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

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

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

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

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

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

Board of Directors’ Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the accounting principles outlined in the annex, and for such internal control as the Board

Swiss Export Risk Insurance,
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Report of the Statutory Auditor
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Statements 2024

of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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Report of the Statutory Auditor to the Federal Council on the Financial Statements 2024

Report on Other Legal and Regulatory Requirements

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

We recommend that the financial statements including the proof of economic viability submitted to you be approved.

KPMG AG

Oliver Windhör
Licensed Audit Expert
Auditor in Charge

Lukas Kündig
Licensed Audit Expert

Zurich, 26 February 2025