Schweizerische Exportrisikoversicherung
Assurance suisse contre les risques à l'exportation
Assicurazione svizzera contro i rischi delle esportazioni
Swiss Export Risk Insurance

serv

2024

Annual Report

Minimise risks. Maximise exports.

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Financial Highlights

New Commitment

1 765 CHF million

Income from Insurance

95 CHF million

Proportion of customers that are SMEs

82%

Loss Expenses

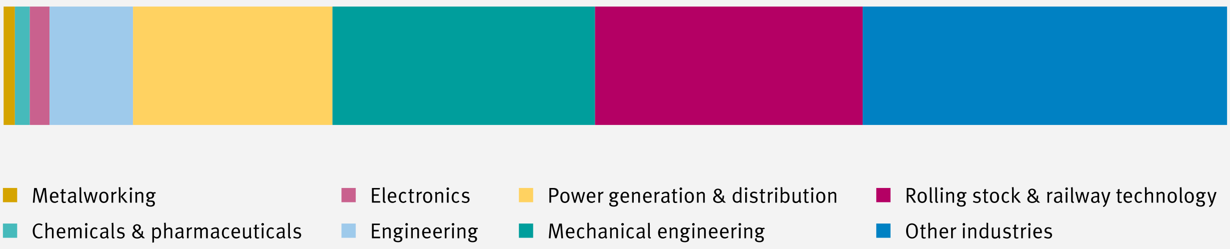
15 CHF million

Economic Viability

20 CHF million

The surplus cover in the economic viability calculation amounted to CHF 20 million.

Commitment by Industry
As at 31 December



Commitment by OECD Country risk Category
As at 31 December

Commitment

8210

CHF million

Obligation in CHF million	31.12.2024	31.12.2023
Framework of obligation	14 000	14 000
Insurance obligations	9 865	9 674

Current exposure in CHF million	31.12.2024	31.12.2023
Commitment: insurance policies (IP)	8 210	7 892
Insurance commitments in principle (ICP)	1 655	1 782
Exposure	**9 865**	**9 674**

New exposure in CHF million	2024	2023
New commitment: insurance policies (IP)	1 765	2 641
Insurance commitments in principle (ICP)	969	1 791

Balance sheet in CHF million	31.12.2024	31.12.2023
Cash in hand & at bank and cash investments	3 349	3 252
Claims from losses and restructuring	131	149
Credit balances from debt rescheduling agreements	67	86
Unearned premiums and provisions	584	654
Capital	2 991	2 892

Income statement in CHF million	2024	2023
Earned premiums	90	171
Interest income from debt rescheduling agreements	4	18
Loss expenses	–15	–222
Debt rescheduling results	26	27
Profit / loss on insurance	**105**	**–8**
Personnel expenses	–17	–17
Non-personnel expenses incl. depreciation	–14	–13
Financial income	2	11
Other income	3	7
Operating profit / loss	**79**	**–20**
Interest income from cash investments	20	34
Net income (NI)	**99**	**13**

Number of employees		
Number	88	86
Full-time equivalents	82.0	79.8
Average number of full-time equivalents by year	80.9	79.4

Foreword

"We look forward to continuing to support Swiss companies actively with their export business."

Barbara Hayoz (Chairwoman of the Board) and Peter Gisler (Chief Executive Officer)

The economic outlook for 2025 remains bleak.

Global economic growth stabilised at a modest level in 2024 and the economic outlook for 2025 remains bleak. There were no sovereign defaults in 2024; nonetheless, the financial situation is strained in many emerging and developing countries, in view of an increased debt burden, global upheaval and uncertain access to the international financial markets.

Impact of geopolitics

Geopolitical risks remain to the fore, with the ongoing Ukraine war and conflicts in the Middle East leading to heightened uncertainty with regard to supply chains, commodity prices, sanctions etc. 2024 was a challenging year – shaped by political and economic upheaval. It is impressive to see how flexible and solution-oriented companies in Switzerland were in response to this disruption.

Geopolitical risks remain the key issue and source of heightened uncertainty.

Growing uncertainty and heightened risks continue to pose concrete challenges to the Swiss export economy: the availability and costs of raw materials, potential for supply chain disruption, the strategic orientation on certain sales markets and a generally higher payment risk in emerging and developing countries.

However, opportunities keep arising for innovative and adaptable companies. SERV helps Swiss exporters to cover themselves against increased risks and uncertainties in their export markets. For SERV, increased uncertainty means potentially increased demand for its insurance policies, but also potentially higher losses.

SERV reported unusually low loss expenses for the year under review.

Developments in 2024

SERV closed the 2024 financial year with a positive net income of CHF 98.9 million (2023: CHF 13.4 million). New exposure fell slightly from the previous year to CHF 2.733 billion (2023: CHF 4.432 billion), as SERV insured fewer large projects. The number of the latest Insurance commitments in principle (ICP) increased from 129 in the previous year to 145; exposure, on the other hand, fell from CHF 1.791 billion to CHF 968.6 million. SERV incurred unusually low loss expenses of CHF 15.5 million in the year under review (2023: CHF 222.3 million).

Net income is thus only partly from earned premiums; the other part is from items that cannot be influenced directly, such as loss expenses or successful recoveries. Falling interest rates influenced interest income from financial investments with the Swiss Federal Treasury. Interest income in 2024 thus came to CHF 19.6 million (2023: CHF 33.5 million).

"It’s impressive to see how flexible and solution-oriented Swiss companies were in response to the challenges and upheavals of 2024."

Barbara Hayoz
Chairwoman of the Board

The Federal Council elected new members to the Board of Directors, in the form of Luca Albertoni (effective 1 July 2024) and Ruedi Noser (effective 1 January 2024). Their specific knowledge will strengthen the highest governing body.

International Affairs 2024

In 2024, SERV continued to expand the dialogue with political decision-makers, associations, representatives of civil society, companies and international organisations in 2024. Cooperation with the partners of “Team Switzerland Infrastructure” was continued. In addition, SERV was represented in various trade delegations of the Federal Department of Economic Affairs, Education and Research (EAER) and Swiss State Secretariat for Economic Affairs (SECO) to important export markets.

SERV continued its transformation to trade facilitator, thereby providing companies with access to infrastructure projects.

Access to international infrastructure projects

In 2024, the transformation to trade facilitator advanced further. To this end, SERV is strengthening the Swiss export economy in particular and providing companies with access to infrastructure projects. There are now 13 foreign general contractors, known as EPC companies, which have opened a subsidiary in Switzerland due to being able to take out SERV insurance and are in contact with Swiss companies to purchase their goods or services. In the year under review, for example, 13 exporters were able, thanks to their SERV insurance, to work as sub-contractors on an EPC road construction project in Angola with order values of CHF 41 million.

The 2025 strategic priorities are the optimisation of SME support and an improved customer experience through a new customer portal.

Strategic priorities for 2025

We at SERV play a central role in further strengthening our export-oriented companies and preparing them for the future. The approximately 90 SERV employees work daily to create optimal framework conditions for a strong, competitive export economy – something that also benefits society. It is therefore crucial that we react promptly and appropriately to changes in concert with politics, business, associations and authorities. That is how we will drive the urgently needed reform of the underlying legal principles.

To ensure targeted use of limited resources, the Board of Directors has set the strategic priorities for 2025: optimise SME support, launch a new customer portal and increase efficiency and productivity further. These focus areas will define the scope of our everyday work this year.

SERV will implement a sustainable business strategy within the scope of its influence.

The world is reacting to climate change and many countries including Switzerland have undertaken to adopt measures to significantly reduce greenhouse gas emissions. With regard to environmental and climate issues, the Federal Council expects SERV to implement a sustainable business strategy within the scope of its influence for the 2024 to 2027 strategy period and to support decarbonisation as well as the transition to a green economy.

As an institution under the public law of the Swiss Confederation, SERV follows the foreign and climate policy standards of Switzerland and observes, inter alia, the relevant OECD Guidelines. The associated political decisions, as well as climate change itself, affect the business operation of SERV. SERV knows how important this topic is and takes every opportunity to increase its support for green projects, which are in the interests of and are in demand from Swiss export companies.

"SERV works daily to create optimal framework conditions for a strong, competitive export economy – something that also benefits society."

Peter Gisler
Chief Executive Officer (CEO)

We would like to thank our customers for their trust in SERV and its employees and for the many constructive discussions, which have provided us with valuable input for developing SERV. We look forward to continuing to actively support you in your export business.

Barbara Hayoz
Chairwoman of the Board

Peter Gisler
Chief Executive Officer

Financial Year 2024

The number of SERV policies issued remained stable while volume was significantly down. The biggest export transactions covered by SERV were in Vietnam, Turkmenistan and Saudi Arabia.

Premium Income
in CHF million

78.9

New Commitment
in CHF billion

1.8

SERV issued new insurance policies worth CHF 1.765 billion for Swiss exporters in the 2024 financial year. The proportion of SMEs among SERV customers rose to 82 per cent.

The new commitment was again lower than the previous year's CHF 2.641 billion at CHF 1.765 billion. The Eastern Europe & Central Asia region accounted for the largest proportion, followed by the Middle East & North Africa as well as East Asia & Pacific. SERV's largest new commitment was for an energy sector project in Vietnam. Other countries with new commitments exceeding CHF 100 million were Turkmenistan (energy sector), Saudi Arabia (rail sector), United Arab Emirates, Lithuania, Germany and Angola.

As usual, the commitment figures were heavily influenced by individual large projects. The ten biggest transactions accounted for almost 70 per cent of the new commitment. As in the previous year, SERV supported various infrastructure projects in the railway and energy sectors during the 2024 financial year. SERV frequently supports the financing of major projects through buyer credit insurance.

Premium income is in line with the long-term average at CHF 78.9 million, despite the bleak economic climate. Insurance income of CHF 94.7 million for the 2024 financial year includes interest income from debt rescheduling agreements of a mere CHF 4.4 million, which amounted to CHF 17.6 million in the previous year. Loss expenses were unusually low at CHF 15.5 million.

"We were able to train corporate client advisors from various banks through our regional banking initiative and thereby support new SME customers with our insurance solutions."

Lars Ponterlitschek
Chief Insurance Officer

The focus topics for acquisition were the Pathfinding Strategy and the regional banking initiative.

Main acquisition focus areas
SERV focused its acquisition efforts on two topics in 2024: the continuation of the Pathfinding Strategy, and the implementation of the regional banking initiative, whereby SERV works consistently to raise awareness of its offering among regional banks.

The aim of the Pathfinding Strategy is to improve access to international large projects for Swiss SMEs – particularly in the infrastructure sector. Through actively cultivating buyers' markets, we bring Swiss exporters and international general contractors together.

In collaboration with SECO, Switzerland Global Enterprise (S-GE), Swissmem, Swissrail and suisse.ing, SERV forms part of "Team Switzerland Infrastructure", which markets Swiss industry's expertise for international infrastructure projects in buyers' markets and the attractive financing opportunities enabled by SERV cover.

SERV took part in the following community activities of "Team Switzerland Infrastructure": various trade delegations of the Federal Department of Economic Affairs, Education and Research (EAER) and Swiss State Secretariat for Economic Affairs (SECO) to Saudi Arabia, China and the US, a fact-finding mission in India and an infrastructure forum in Brazil.

The implementation of the "regional banking initiative" was advanced further in 2024. It is well known that banks are important multipliers in the export financing ecosystem and are able to put exporters in touch with SERV. SERV succeeded in raising awareness of its products and solutions among SMEs through targeted training for corporate client advisors at Swiss banks.

Approved applications are at a stable albeit below-average level.

Development of applications and new exposure

SERV approved 578 new applications in 2024, of which 433 were insurance policies (IP) and 145 Insurance commitments in principle (ICP). The number of 578 applications is at the level of the previous year, but remains, but remains below figures achieved before then.

The reduction is to be seen in the context of the persistently strained conditions in the Swiss technology industry (machine, electrical and metal industry as well as associated technology sectors). In the first nine months of 2024, Swissmem reported lower revenue, accompanied by a fall in exports and incoming orders.

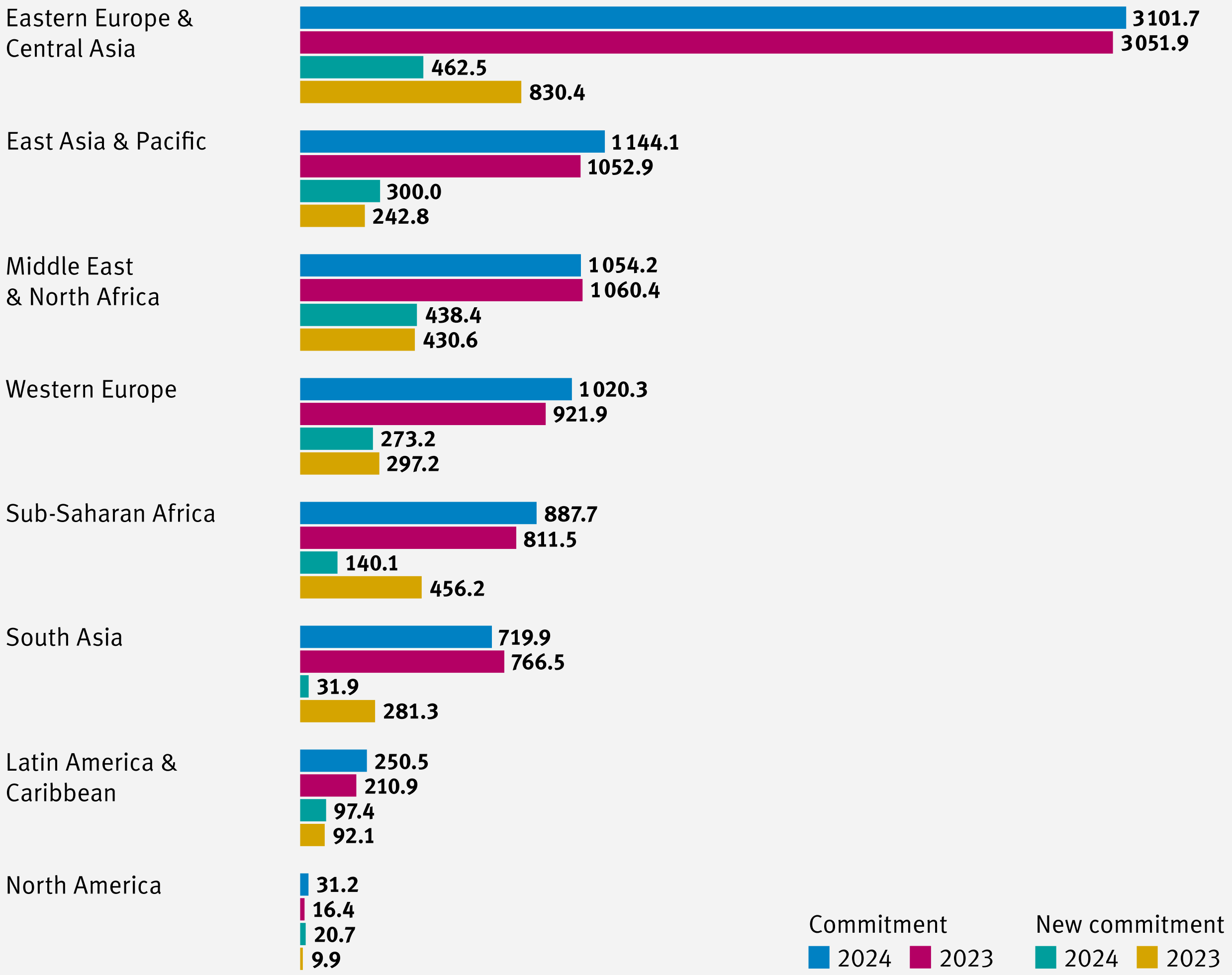
The new exposure fell markedly from CHF 4.432 billion to CHF 2.733 billion, as SERV was able to insure fewer large projects. As ever, the volumes of insured transactions ranged widely. The amounts were between CHF 41 000 for a counter guarantee and CHF 269.0 million as part of buyer credit insurance. As usual, SERV mainly insured transactions for Swiss SMEs.

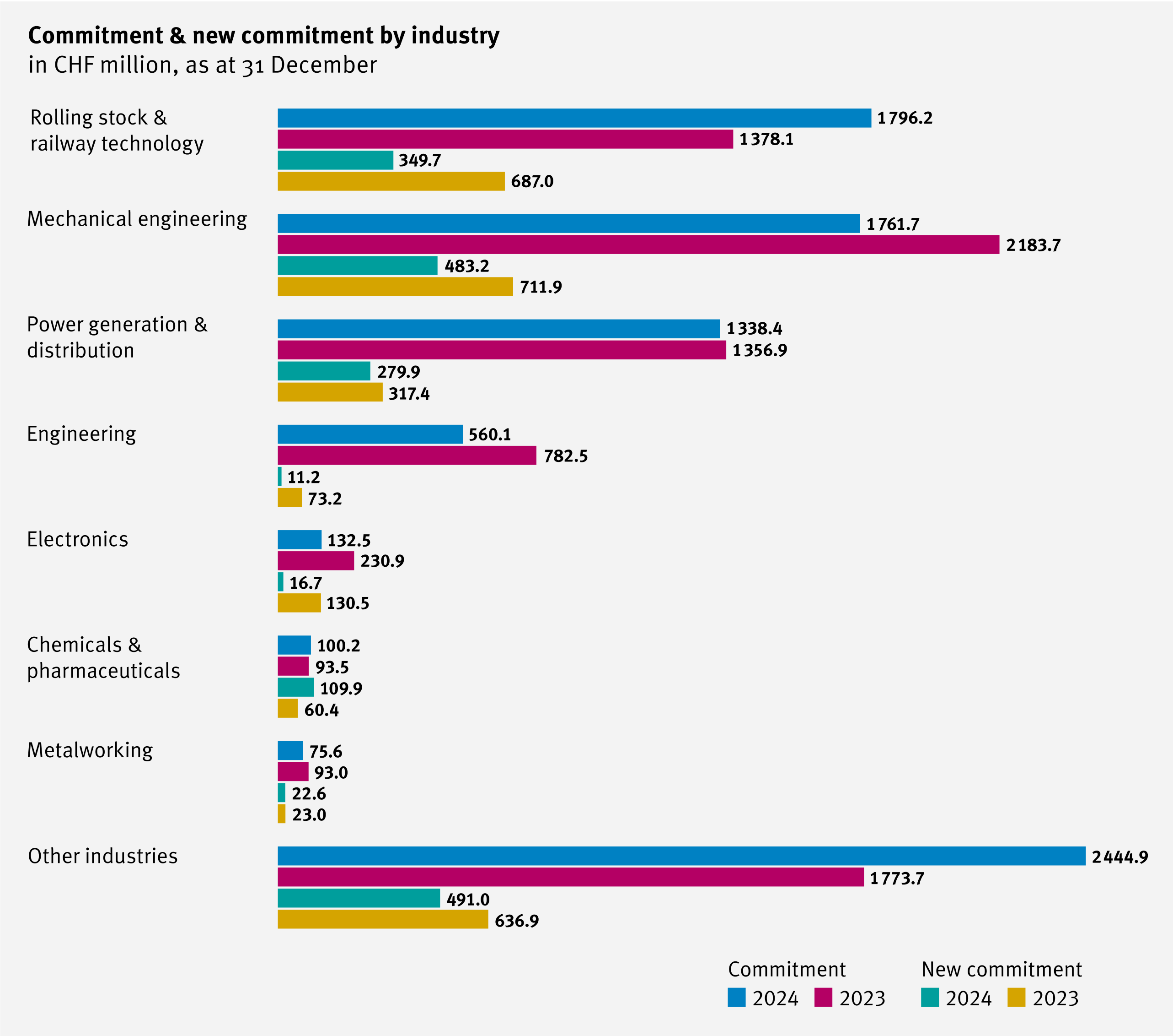
The most popular products are supplier credit insurance and counter guarantees.

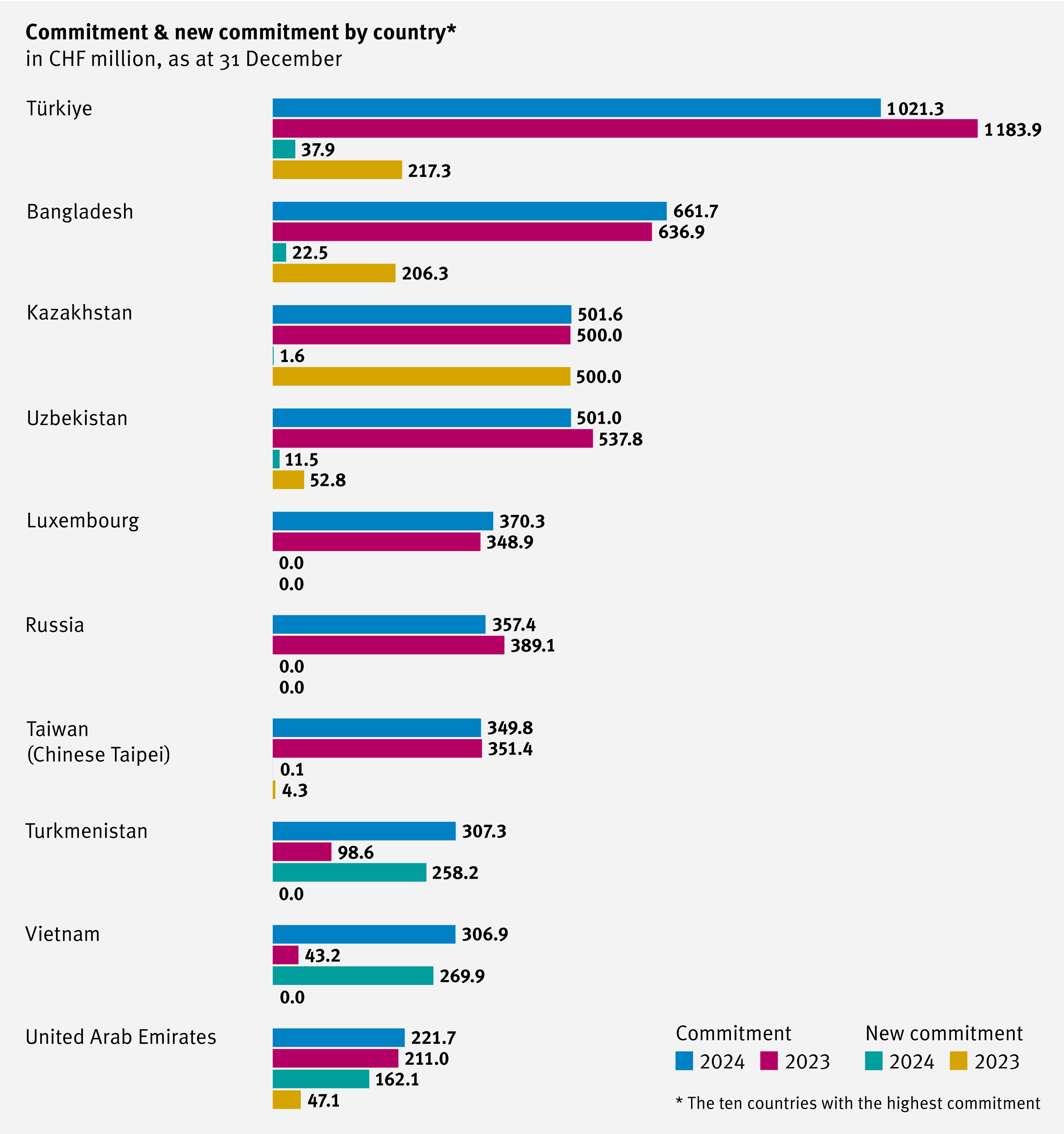
The volume of newly issued ICPs fell significantly. The trend towards increased demand for buyer credit insurance with long credit periods, which was evident in preceding years, did not continue as only 39 new policies were issued. The most popular products are traditionally supplier credit insurance and counter guarantees. 80 per cent of the new exposure was for credit transactions with terms of more than two years.

Liquidity products are particularly important for SMEs. That includes working capital insurance and counter guarantees. The number of working capital insurance policies issued fell from 56 to 42 in 2024. The number of counter guarantees issued rose from 159 to 174.

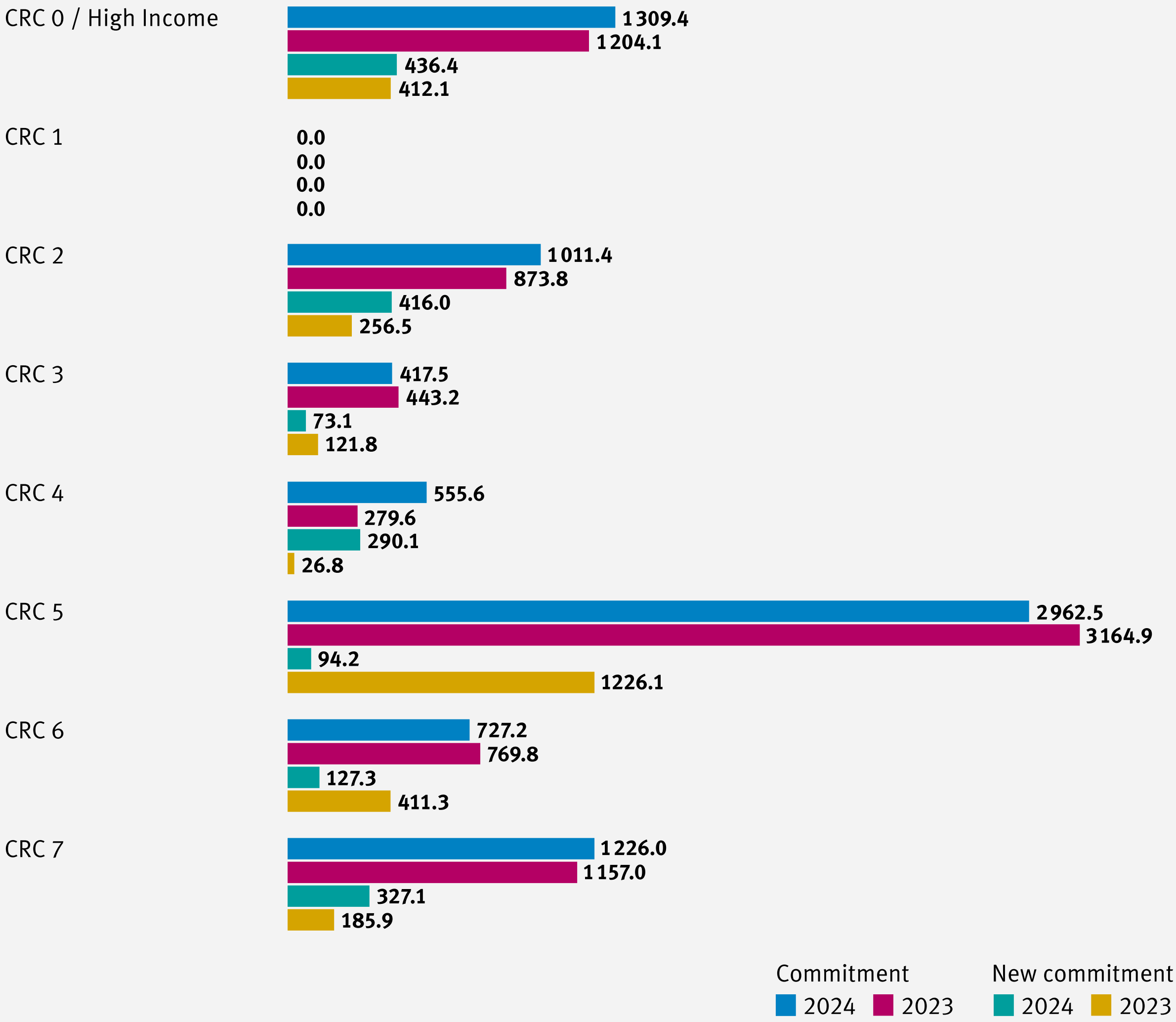
Commitment & new commitment by region
in CHF million, as at 31 December



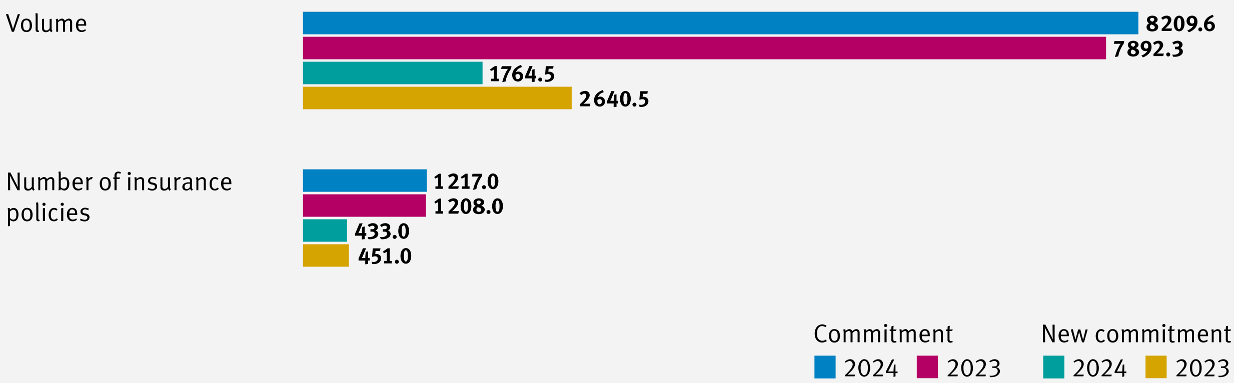

Commitment & new commitment by industry
in CHF million, as at 31 December
Rolling stock & railway technology
1 796.2
1 378.1
349.7
687.0
Mechanical engineering
1 761.7
2 183.7
483.2
711.9
Power generation & distribution
1 338.4
1 356.9
279.9
317.4
Engineering
560.1
782.5
11.2
73.2
Electronics
132.5
230.9
16.7
130.5
Chemicals & pharmaceuticals
100.2
93.5
109.9
60.4
Metalworking
75.6
93.0
22.6
23.0
Other industries
2 444.9
1 773.7
491.0
636.9
Commitment
2024
2023
New commitment
2024
2023


Commitment & new commitment by country*
in CHF million, as at 31 December
Türkiye
1 021.3
1 183.9
37.9
217.3
Bangladesh
661.7
636.9
22.5
206.3
Kazakhstan
501.6
500.0
1.6
500.0
Uzbekistan
501.0
537.8
11.5
52.8
Luxembourg
370.3
348.9
0.0
0.0
Russia
357.4
389.1
0.0
0.0
Taiwan (Chinese Taipei)
349.8
351.4
0.1
4.3
Turkmenistan
307.3
98.6
258.2
0.0
Vietnam
306.9
43.2
269.9
0.0
United Arab Emirates
221.7
211.0
162.1
47.1
Commitment
2024
2023
New commitment
2024
2023
* The ten countries with the highest commitment

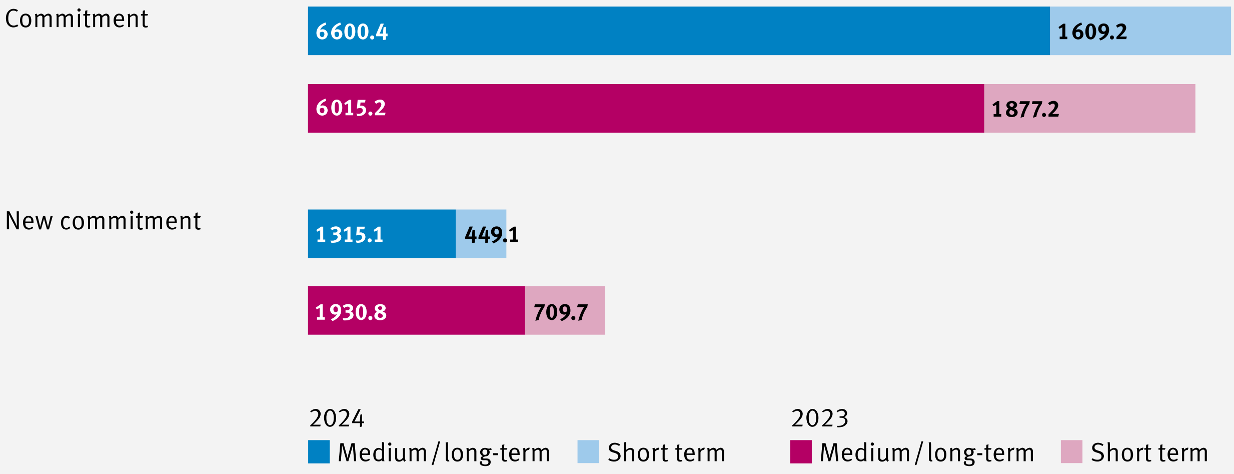
Commitment & new commitment by OECD country risk category (CRC)
in CHF million, as at 31 December



Commitment & new commitment by size
in CHF million, as at 31 December



Commitment & new commitment by duration of credit period
in CHF million, as at 31 December



Exposure & commitment portfolio

SERV's exposure was CHF 9.865 billion as at 31 December 2024, which was CHF 190.8 million higher than on the previous year's balance sheet date. The commitment on the balance sheet date was CHF 8.210 billion, which was CHF 317.3 million more than on the same date the previous year. The ICP portfolio decreased by CHF 126.5 million compared to the previous year to CHF 1.655 billion.

Exposure and commitment were up slightly.

As in previous years, SERV's highest exposure by country was to Türkiye, at CHF 1.292 billion. Moreover, Angola moved up to second place in the country list by exposure. Exposure in Russia fell further through risk reductions in existing transactions. Since the introduction of the sanctions adopted in 2022, SERV has not been allowed to insure any new projects in the country. The remaining commitment amounts to CHF 357.0 million, a reduction of CHF 31.7 million compared to the previous year.

Losses

+ 16

Indemnity payments
in CHF million

109.6

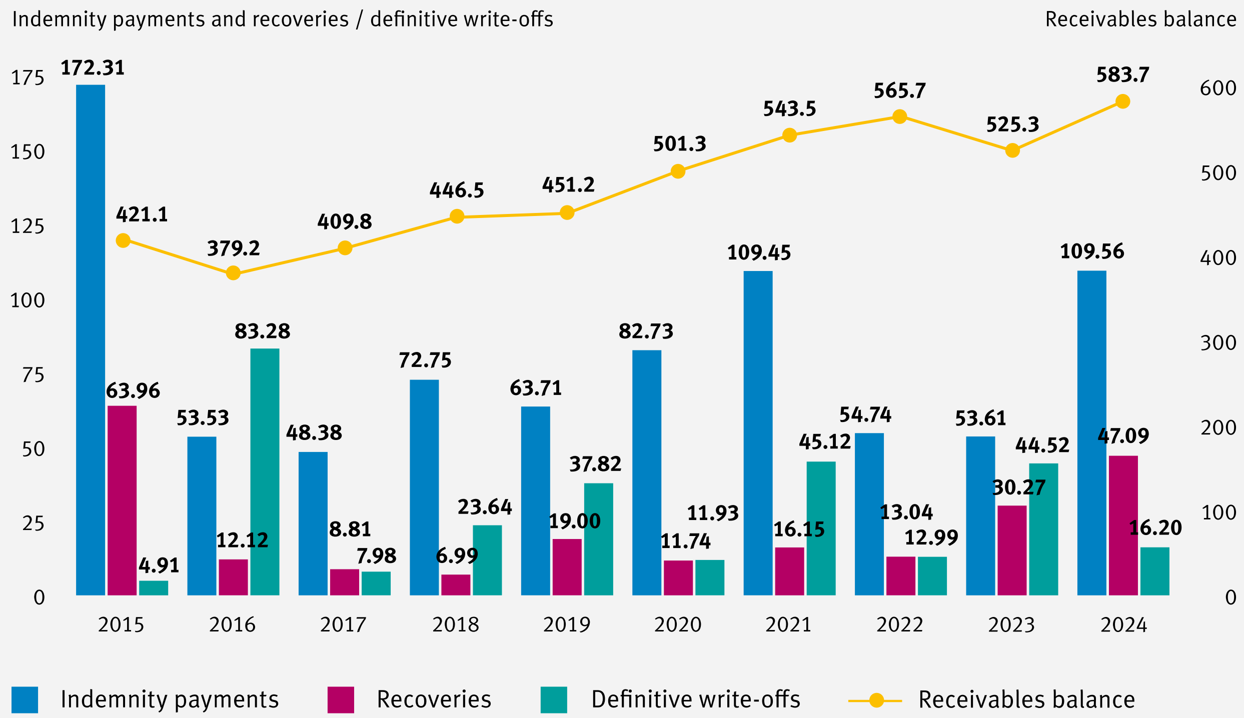
Losses and claims

SERV recorded 16 new losses in the year under review, for which it made indemnity payments totalling CHF 47.0 million. Most of these losses were small. There was also a medium-sized loss in Russia and two larger ones in Ethiopia. Total indemnity payments in 2024 came to CHF 109.6 million.

Some losses were averted through prompt, active pre-loss management using measures such as restructuring due dates and extending cover. Following the COVID-19 pandemic, crises have emerged such as the conflicts in Ukraine and the Middle East.

In recovery, 245 losses in a total of 41 countries were processed. Recovery is often a challenging, protracted process that depends to a great extent on the country and on the debtor's willingness or ability to pay. SERV is achieving some success, however, by initiating legal action in the debtor country concerned. Support from political actors such as embassies can also have a very positive effect on recovery in individual cases. The largest recoveries in the year under review came from the United Arab Emirates (CHF 16.1 million), El Salvador (CHF 5.7 million) and India (CHF 5.3 million).

Overview of losses and claims
in CHF million



The coronavirus crisis led to an international agreement that provides for a suspension of payments for the poorest countries.

Restructuring & debt rescheduling

The international agreement on the Debt Service Suspension Initiative (DSSI) for the poorest countries, concluded in 2020 in response to the COVID-19 crisis, has impacted all subsequent financial years. Of the countries that have active debt rescheduling agreements with Switzerland, agreements under the DSSI were agreed with Pakistan and Cameroon to defer the 2020 maturities until the end of 2021. Repayments restarted in mid-2022.

At the end of October 2022, the Paris Club creditors, including Switzerland, successfully reached a new arrangement with Argentina on the current debt rescheduling. The bilateral agreement with Argentina was signed on 16 March 2023. Argentina is now making regular repayments.

The Paris Club is an international negotiating platform for the debt restructure of debtor countries.

The G20, the countries of the Paris Club and other creditor countries agreed on a “Common Framework for Debt Treatments beyond the DSSI” (Common Framework) in November 2020. The objective of this framework is to find a solution for countries that require support beyond that of the DSSI to overcome their liquidity problems or whose national debt is unsustainable. Debt treatments under the Common Framework for Chad, Ethiopia, Ghana and Zambia have either already been implemented or are at various stages of negotiations.

The debt situations in Ethiopia, Ghana and Zambia have implications for SERV and Switzerland. In the case of Zambia, the multilateral Memorandum of Understanding was signed in October 2023, and negotiations over the bilateral agreement are in progress. In the case of Ghana, the multilateral Memorandum of Understanding has been signed by most of the official bilateral creditors. This means that bilateral negotiations over the debt rescheduling can now take place. A concrete debt rescheduling solution has not yet been agreed for Ethiopia, but negotiations have begun.

The other countries listed in the table “Credit Balances from Debt Rescheduling Agreements” with which debt rescheduling agreements were concluded in the Paris Club were able to meet their payment obligations in the year under review.

Risk Management and Cover Policy

SERV operates an effective and systematic risk management system that forms an integral part of its business and management processes.

One objective of SERV's risk management activities is to ensure its long-term economic viability.

Risk Policy and Management

The risk policy issued by the Board of Directors (BoD) sets out the framework for effective and forward-looking risk management that is in line with SERV's legal mandate and seeks to ensure its long-term economic viability. The organisation-wide risk management system helps SERV achieve its business goals and protects its assets and reputation. It comprises processes and measures for assessing, managing and communicating risks. The risk management system is refined on an ongoing basis in the interests of continuous improvement.

The organisation-wide risk management system is refined on an ongoing basis.

A variety of risk, scenario and sensitivity analyses were carried out during the year, including the annual process for assessing the top risks. The aim of this assessment is to identify and manage the main threats to net income, operational functionality, the achievement of strategic objectives or SERV's reputation from the risk catalogue as a whole. The risk catalogue comprises strategic, financial, actuarial and operational risks, which are constantly monitored. SERV also takes into account concentration and horizontal risks, such as reputational and ESG risk, and also addresses emerging risks.

SERV's risk appetite is defined in the risk strategy.

SERV's risk appetite is defined in the risk strategy. Continuous monitoring of the defined indicators ensures that potential overshoots in risk appetite can be identified and managed at an early stage. The BoD and the Executive Board receive regular updates on the risk situation.

The top risks for SERV are assessed annually.

The internal control system (ICS) focuses on the identification of operational risks in key processes and on the description and implementation of suitable risk-mitigating control activities. The risks covered by the ICS are reviewed annually and supplemented or adapted to changes in work processes as necessary. SERV also operates a compliance management system (CMS) to ensure that it adheres to all relevant legal, regulatory, ethical and internal standards.

On the basis of current market developments and, in particular, the business forecasts of its major clients, SERV regularly reviews its free capacity in terms of risk-bearing capital (RBC) and utilisation of the framework of obligation.

The framework of obligations set out by the Federal Council amounts to CHF 14 billion, of which 70.5 per cent had been utilised as at 31 December 2024.

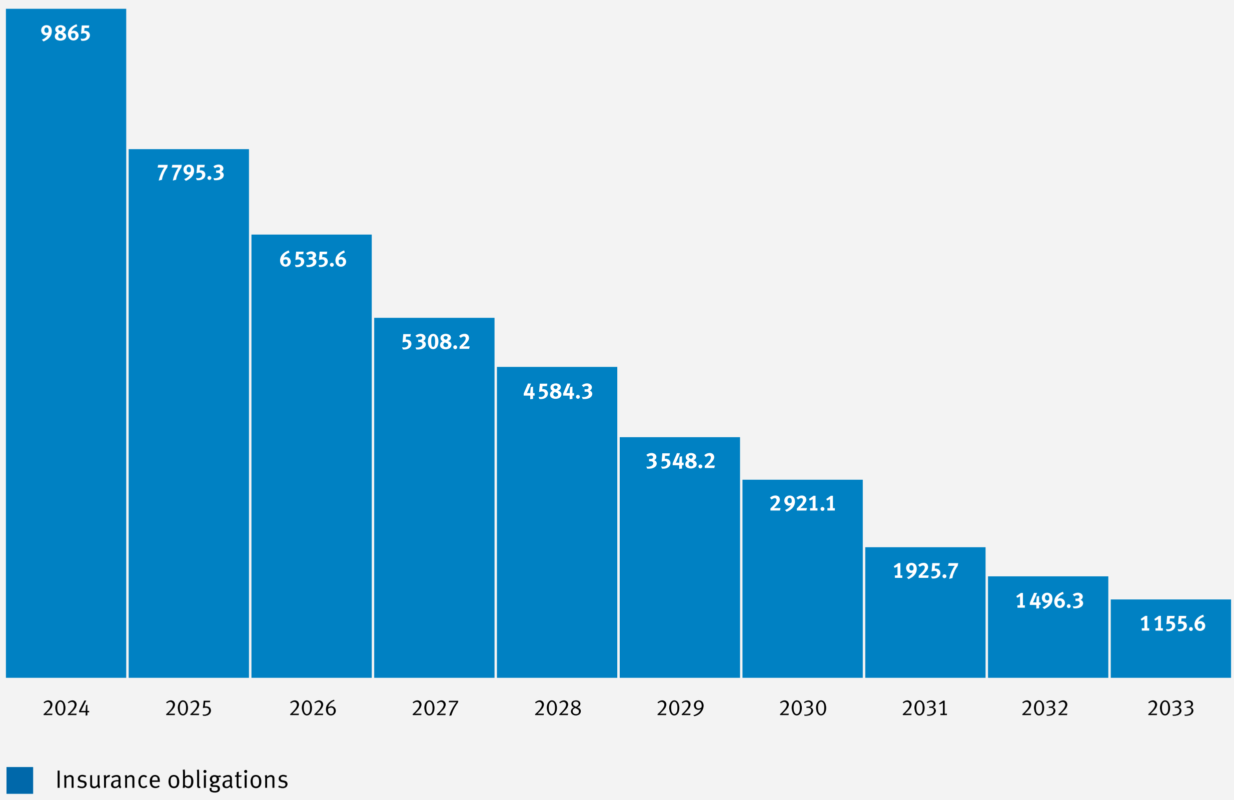
Insurance obligation

The Federal Council sets out a framework of obligation that defines the maximum scope of SERV's insurance obligations. This currently amounts to CHF 14 billion, of which 70.5 per cent had been utilised at the end of 2024.

Risks from SERV's insurance business are assessed and handled in accordance with standardised principles. They can be hedged or minimised through reinsurance. SERV makes use of this option, for example, when country or counterparty limits are heavily utilised or concentration risks are to be reduced.

The BoD is also obliged to ensure, by informing SECO at an early stage, that the Federal Council is able to issue instructions in the case of transactions of particular significance. In 2024, one transaction underwent the process of identifying politically sensitive transactions that may be of particular significance.

Expiry of SERV insurance obligations
in CHF million



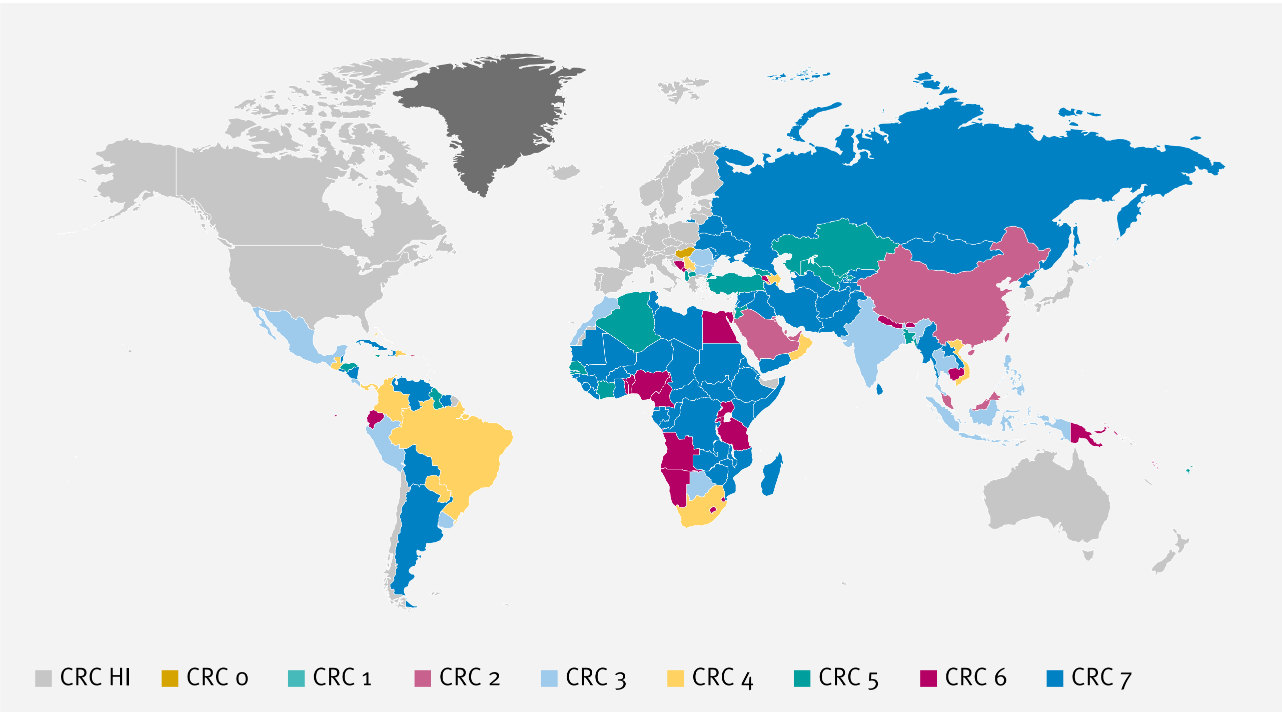
The cover policy provides information about the different SERV insurance options by country, risk subject category and term.

Cover policy

SERV's cover policy sets out the general cover principles per risk subject category (state, banks or private companies) for each country. It serves as the most important tool for risk management in the insurance business. To determine the cover policy, a country's economic, financial and political conditions are analysed. The provisions of the OECD and changes to the requirements contained in the legal mandate are also taken into account. In addition to its own analyses, SERV also relies on external sources such as the assessments of recognised rating agencies and the OECD's country risk categorisation (CRC). The CRC classifications are regularly reviewed by the OECD Country Risk Experts Group. SERV is part of this group.

OECD country risk categories

As at 31 December 2024



International environment

SERV cultivated and further strengthened its bilateral relations in the year under review. In addition to the annual, close exchange with the DACH countries of Germany, Austria and Switzerland, SERV also initiated new collaborations.

SERV hosted a Berne Union conference for SME specialists for the first time.

The Berne Union (BU) permits regular dialogue with export risk insurers (export credit agencies, ECAs) worldwide and with private export credit agencies. In the year under review, SERV hosted a two-day Berne Union conference in Zurich for the first time. The participants were SME specialists from ECAs and private insurers worldwide, who discussed challenges and various solutions relating to how ECAs can provide even better support to SMEs in the future.

SERV fosters bilateral relations to create further chances for Swiss exporters.

A further two General Meetings of the BU also took place in 2024. The title themes were innovation and collaboration, with a view to meeting the challenges of a fast-changing global environment. Attendees discussed the measures and innovations adopted by export credit insurers with regard to their mandates and product ranges, along with the efforts being made to step up cooperation between ECAs, private insurers and multilateral institutions.

The OECD negotiations on the revision of the OECD Common Approaches (Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence) were completed in 2024. There was also intensive debate on possible restrictions relating to fossil fuels. The discussions pertaining thereto will be continued under the auspices of the Swiss State Secretariat for Economic Affairs (SECO).

National environment and public affairs

SERV engages in regular dialogue with interested business and industry associations and with NGOs.

Since its foundation, SERV has engaged in regular dialogue with interested business and industry associations and with civil society organisations (NGOs). The Federal Council also expects SERV to maintain this commitment in line with its strategic objectives. Based on this mandate and the additional strategic decision to increase SERV’s public visibility, SERV continued its dialogue with stakeholders. These include associations and partner organisations, banks and insurance companies, NGOs and trade unions, parliament and the federal administration, including Swiss representations abroad.

The existing public affairs activities are to be continued in the coming year.

The main objective of the meetings was to inform the dialogue partners about SERV’s mandate and working methods. Other frequent topics of discussion in the year under review included the ongoing development of SERV and climate issues. As the dialogue partners showed high interest in SERV and in the concerns of the export industry, the public affairs activities will be continued in the coming year.

SERV's strategy and development

SERV reviews its business strategy every year so that it can be adapted where necessary in line with changing circumstances and new strategic objectives of the Federal Council. For the current 2024 to 2027 strategy period, the Federal Council has again instructed SERV to propose solutions for its ongoing development. Another area of focus is expanding support for SMEs, combined with boosting efficiency and productivity.

SERV is in regular contact with SECO and the FFA regarding a partial revision of the legal framework.

A targeted partial revision of the legal framework is required to enable SERV to fulfil its mandate and continue to provide the best possible support for the competitiveness of the Swiss export industry. Following the corresponding resolution by the Board of Directors, SERV submitted a proposal paper to the Swiss State Secretariat for Economic Affairs (SECO) and has been in regular contact with SECO and the Federal Finance Administration (FFA) ever since. SECO has not yet reached a decision.

The SERV Board of Directors (BoD) adopted SERV's climate strategy in June 2021. This strategy remains the foundation for SERV's efforts to support Switzerland's net-zero target. SERV constantly monitors the strategy and reserves the right to amend it as necessary.

"The digitisation of SERV is a continuous process. We are constantly learning more about the needs of our clients and employees."

Heribert Knittlmayer
Chief Operating Officer

Digitisation

SERV's digital strategy has an impact on different specialist areas. The core application was modernised and expanded in 2023 to create a core insurance platform, with front-end and back-end applications integrated into one overall system. This now includes, for example, digitalised indemnification processes and an automated OECD notification process.

With regard to the digitisation of dossier management, the focus was on the pending transfer of archived SERV files to the Federal Archives (SFA) in Berne. The newly developed classification system was accepted by the SFA. A digital document management system and an output management system were integrated into the core insurance platform, creating the technical basis for digitalised dossier management.

SERV is consistently pursuing its digital strategy.

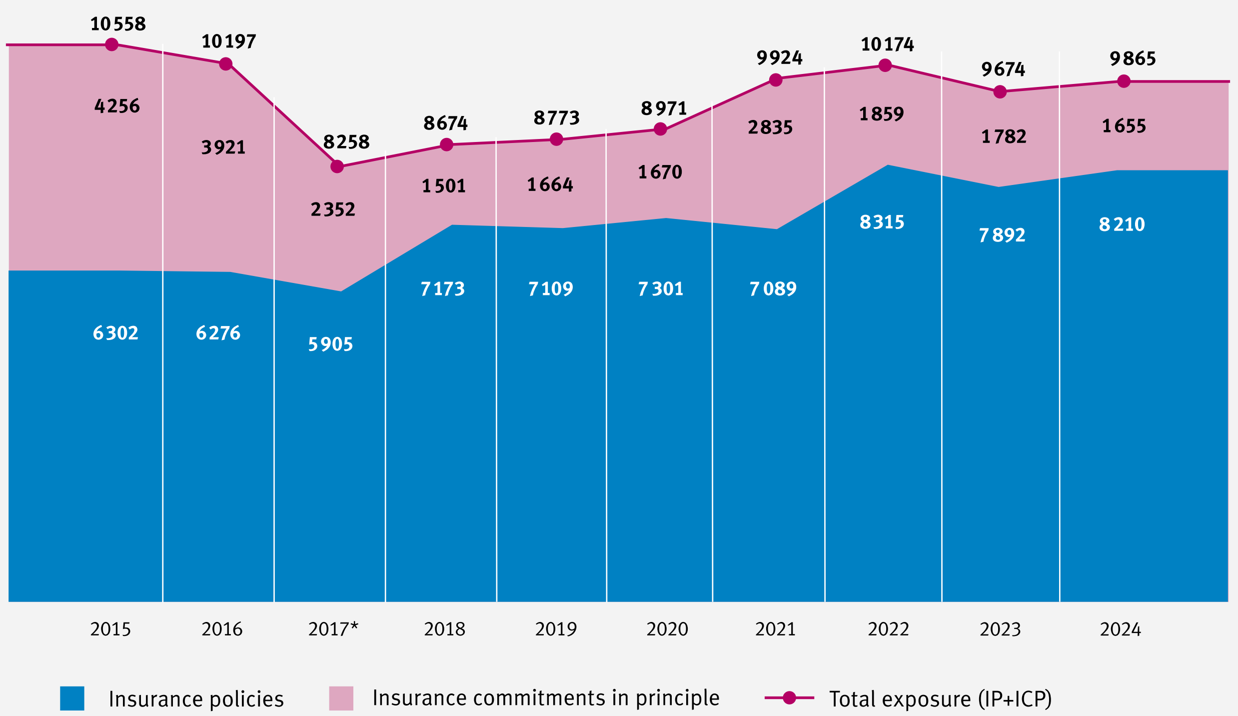
In summer 2024, SERV launched a project to overhaul the online client portal. Interviews and workshops were conducted with our clients to ensure the portal is consistently aligned with their needs. The aim is to improve transparency, clarity and user experience.

Alongside technical and organisational security measures, the correct handling of digital resources is important for data protection and information security at SERV. SERV employees therefore received regular training on the topics of cybercrime and data protection.

Multi-year Comparison

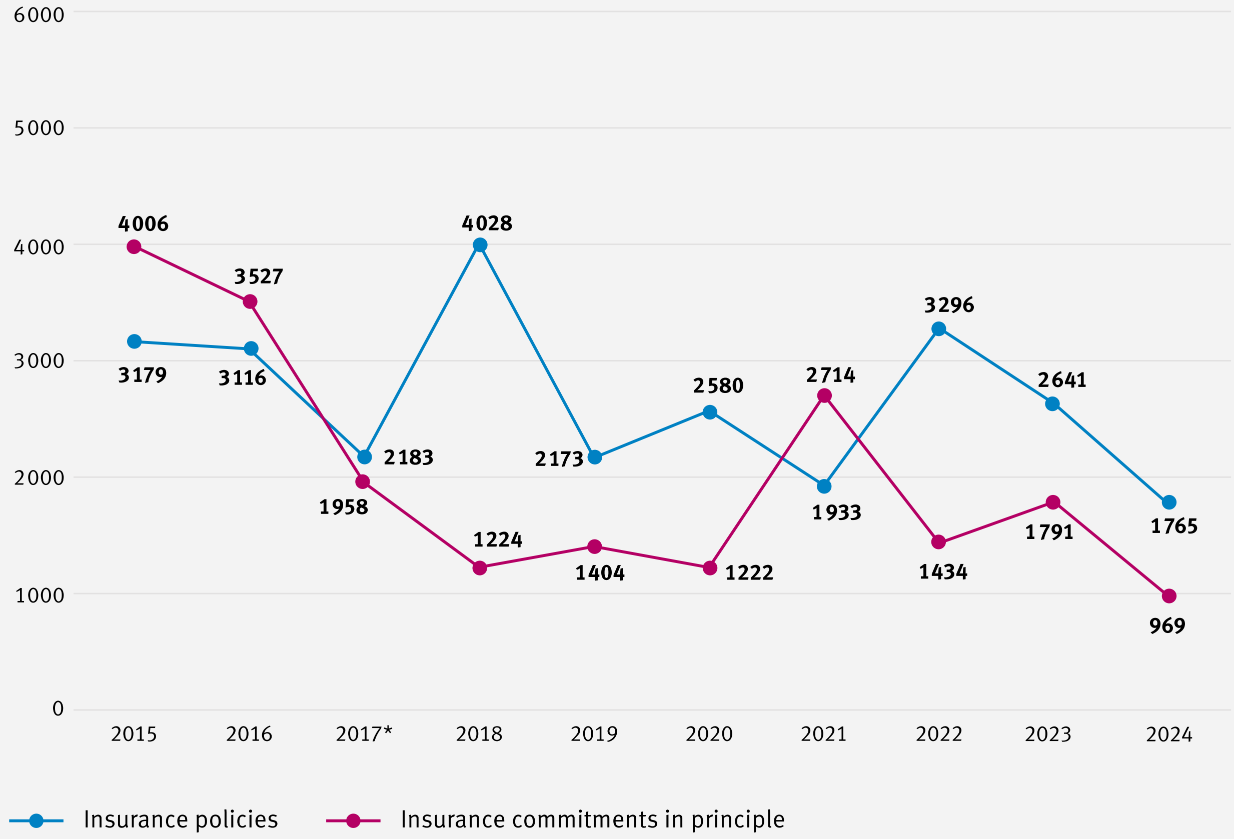
SERV's business operations are closely linked to the economic situation of the Swiss export industry, which is why the business volume and cash flow from SERV's business operations are subject to fluctuations.

Development of exposure portfolio
in CHF million



* Adjustment to calculation method for exposure portfolio

Development of new business
in CHF million



* Adjustment to calculation method for exposure portfolio

> The exposure portfolio shows the total of all risks insured by SERV from IPs and ICPs.

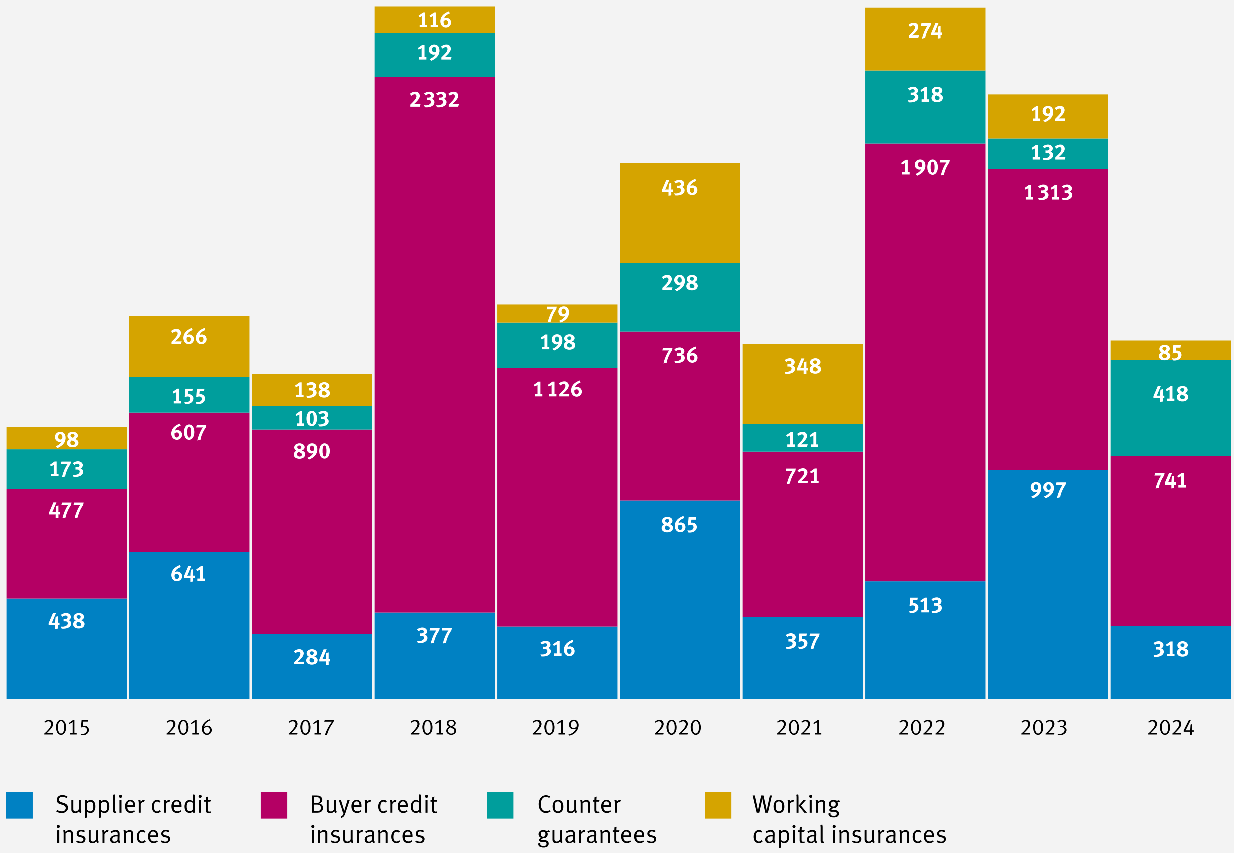
As a public export credit agency that supplements private insurance products by insuring non-marketable risks, SERV's business volume and cash flow from operations are subject to strong fluctuations. Demand for SERV insurance depends on the economic situation of the Swiss export industry, as well as on the countries in which these export transactions take place and what payment and credit terms the contracting parties agree on.

The exposure portfolio shows the total of all risks insured by SERV from insurance policies (IP) and insurance commitments in principle (ICP).

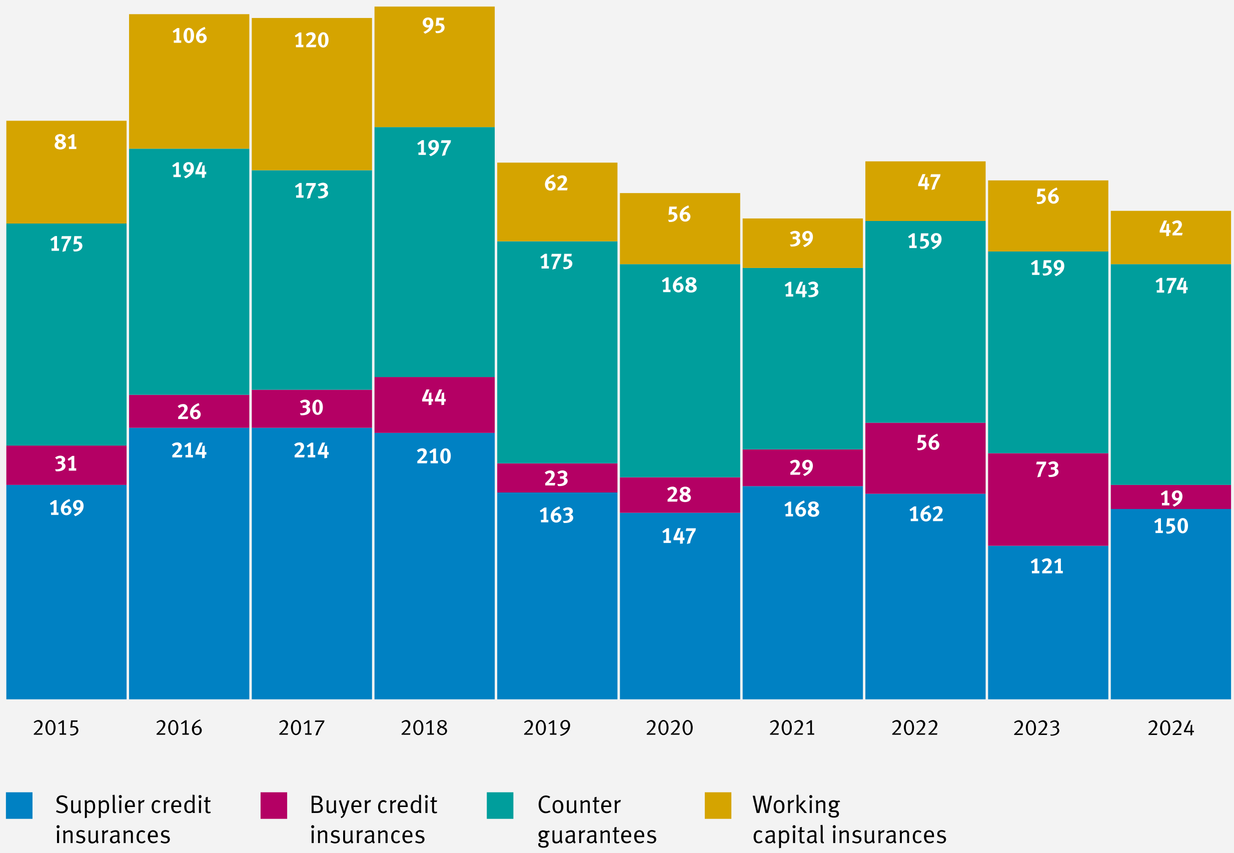
The development of new business is a calculation of the sum of all newly insured risks within one year, divided up into IPs and ICPs. Both figures are highly volatile. Years with a high volume of new business for ICPs typically alternate with years in which the volume of new business for IPs (new commitment) is high.

If new commitments are differentiated by main products, we see that the number and volume of new commitments per product tend to be inversely proportional. For example, only a few buyer credit insurances account for a high volume of the insurances that SERV provides within a year, whereas the volume of working capital insurance and counter guarantees is spread over many different export transactions.

Development of main products – new commitment
in CHF million

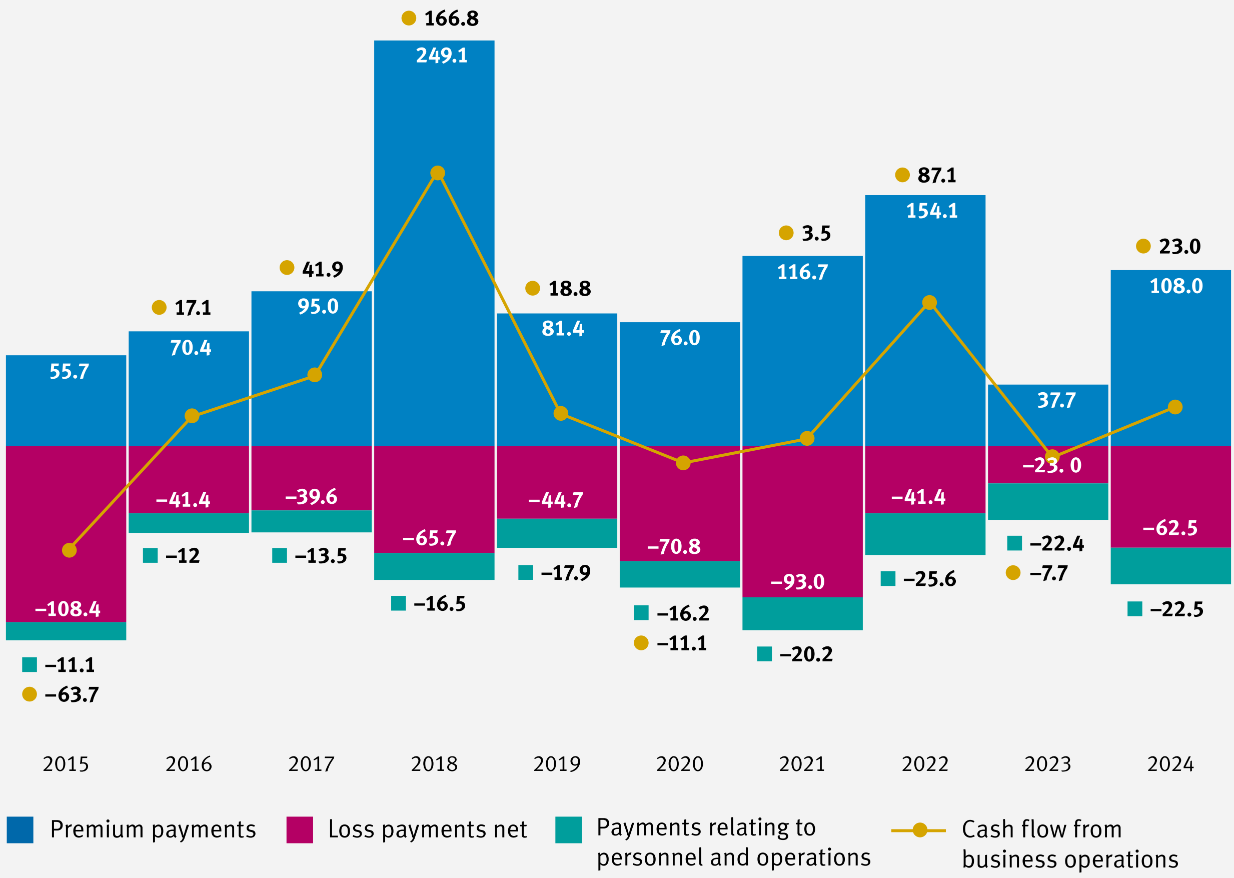


Development of main products
Number of policies and guarantees



The cash flow from business operations shows whether premium payments are sufficient to finance indemnity payments and personnel and operating costs. The highly volatile nature of SERV's business is reflected in the fact that years in which premium payments are high and indemnity payments are low alternate with years in which premium payments are low and indemnity payments are high. Total cash flow over the last ten years has been clearly positive, i.e. payment receipts from premiums are adequate to finance payments for losses and operations.

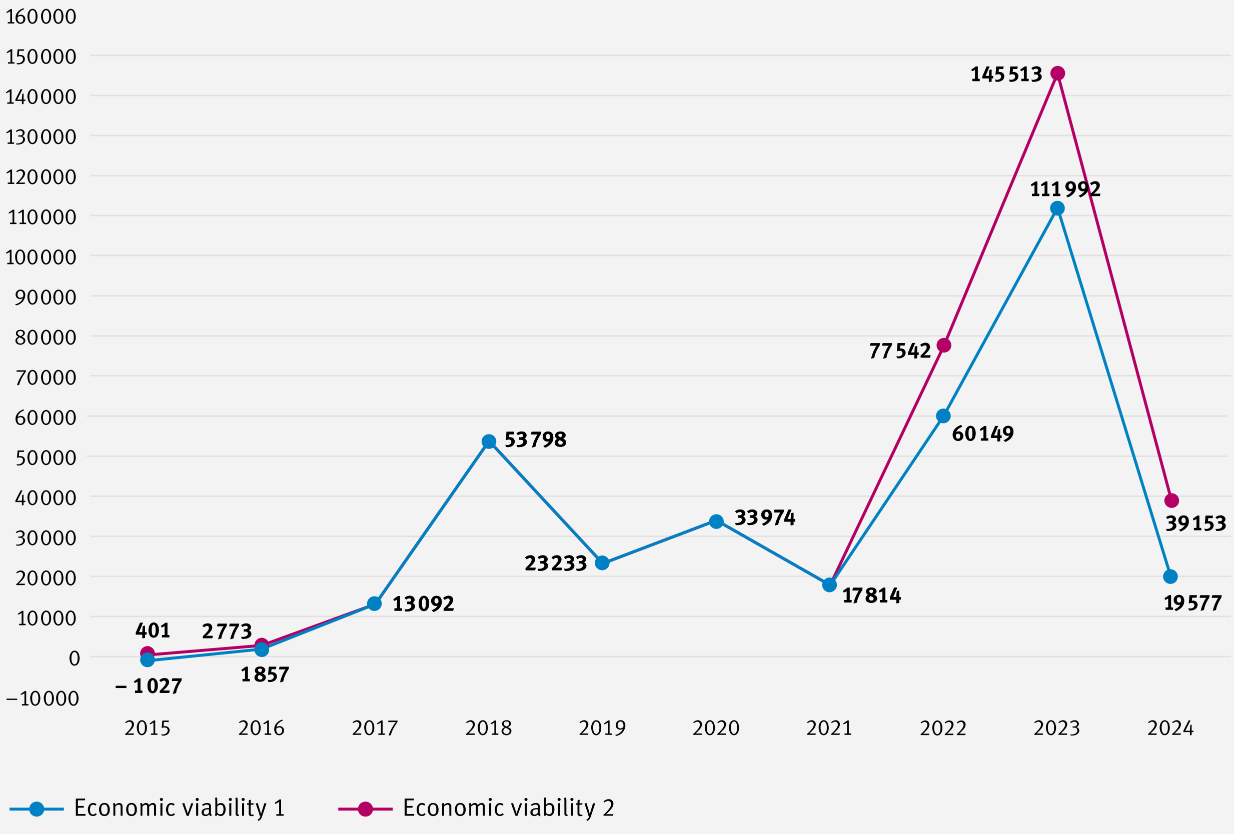
Cash flow from business operations
in CHF million



SERV is required by law to operate in an economically viable manner.

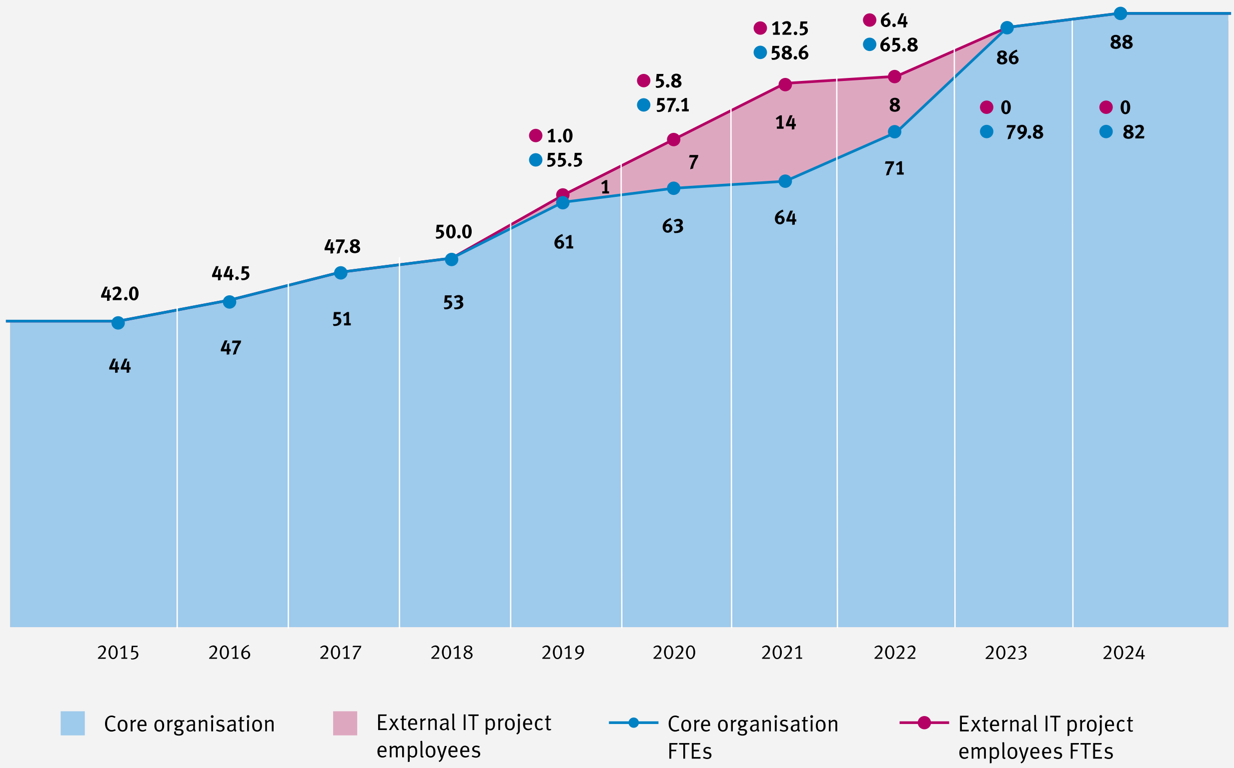
SERV is required by law to operate in an economically viable manner, i.e. to offer its insurance services unsubsidised. The SERV accounts relating to economic viability show definitively whether the premiums earned during the accounting year cover insurance, i.e. the anticipated average annual loss and operating costs (economic viability 1). Adding in investment income, which amounted to zero in the years up to and including 2021, gives the figure for economic viability 2. Economic viability 2 has been positive at all times since SERV was founded. As was the case last year, economic viability 2 was greater than economic viability 1 as a result of the interest income on SERV's capital.

Economic viability
in KCHF

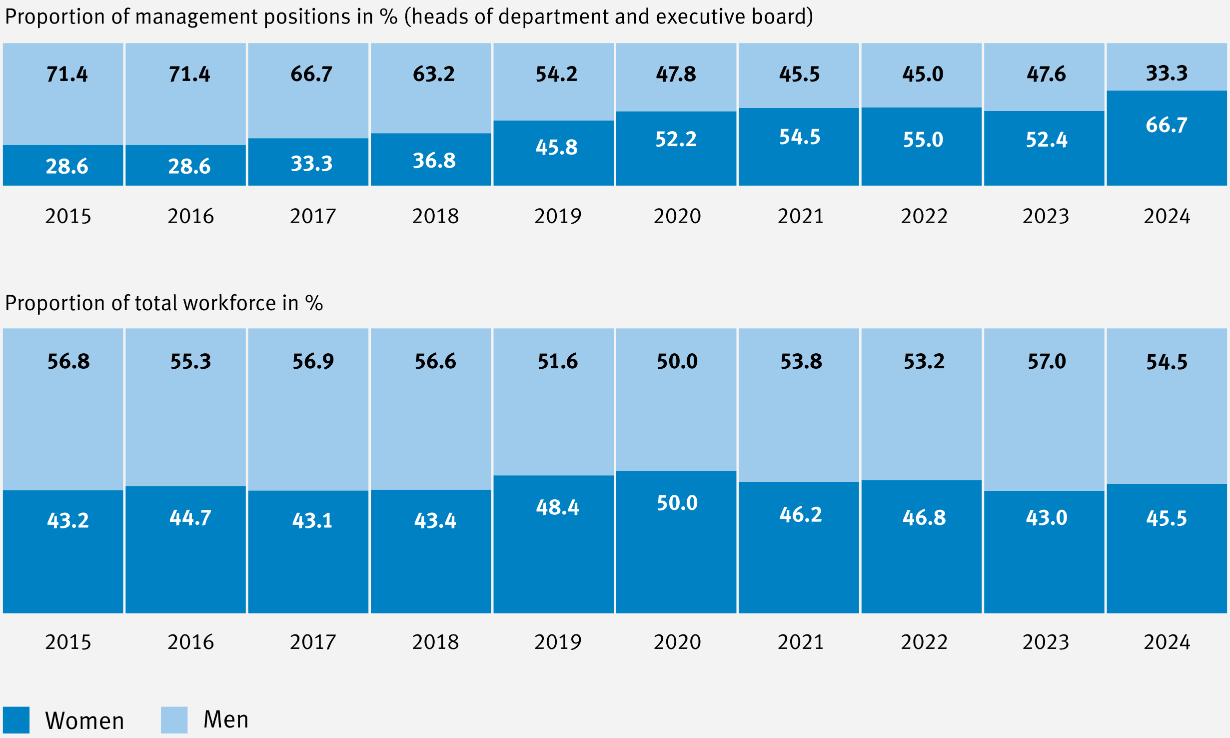


The strategic objective of being a “trade facilitator” remains an important cornerstone for SERV’s further development. In the insurance business, the focus is on large infrastructure projects (LIP) and the implementation of the SME acquisition strategy. The only new positions created in the financial year were in the COO area, to drive forward the development of IT systems and the digitalisation strategy.

Employees
Number



Employees – gender distribution
in %



In the Field

SERV supports and assists Swiss enterprises with everything from strategic direction to the final payment for the export transaction.

Swiss start-up neustark AG

Facility stores CO_2 permanently in demolished concrete

Neustark AG removes CO_2 from the atmosphere by capturing the CO_2 produced by biogas plants and storing it in mineral waste materials such as demolished concrete. The company sold a plant for injecting carbon dioxide into concrete granules to Germany. SERV supported this transaction by providing contract bond insurance and a counter guarantee.

To enable Switzerland to achieve its net-zero target by 2050, emissions need to be reduced and a considerable volume of CO_2 also needs to be removed from our atmosphere. This innovative start-up has developed and deployed a solution that permits the permanent removal of CO_2. Neustark is ambitious. It is already generating negative emissions, and its goal is to permanently remove one million tonnes of CO_2 in 2030.

"Knowing that SERV has our back when we export a plant helps us maintain this high tempo."

Jakob Wrulich
CFO, neustark AG

An innovative start-up
Neustark AG, a start-up founded in 2019, offers solutions for permanent CO_2 removal. The first fully commercial plant was delivered and successfully put into operation at the end of 2022. The company employs 95 people and has its head office in Berne. It currently operates 29 capture and storage sites in Switzerland and Europe.

CO_2 storage facility in Biberist (CH).

A vision for a better future

The SERV policyholder neustark has a clear vision: to provide a better future for current and subsequent generations by enabling CO_2 to be stored permanently. We are particularly pleased to support this visionary company with the export of a plant to Germany by providing contract bond insurance and a counter guarantee.

“If we are to hit our net-zero targets, climate technology solutions such as neustark’s must be scaled up as quickly as possible. To do this, we need to rapidly develop and deploy our technology, which is also an enormous financial undertaking. Knowing that SERV has our back when we export a plant helps us maintain this high tempo,” says Jakob Wrulich, CFO of neustark AG.

For more information, visit www.serv-ch.com/startup-neustark-en

An opulent historical drama

SERV supports the first co-production between RTS and Netflix

With the eight-part period drama series “Winter Palace”, Geneva-based production company Point Productions SA has surpassed anything previously filmed in Switzerland. SERV supported the project by providing working capital insurance and supplier credit insurance.

On the set of “Winter Palace” – the film shoot in Switzerland took 18 weeks.

Point Productions was founded in 1996 and specialises in audiovisual production and cinema. The creators of “Winter Palace” came up with the original idea back in 2016. SRG/RTS and Point Productions then began developing the Swiss production more than seven years ago. To finance the production, the company teamed up with Netflix for the first time. The eight-part series was co-produced with the French studio Oble.

Filming began in October 2023 and ran until March 2024. It was an enormous undertaking, involving 18 weeks of filming in Switzerland, including in the Alps, 950 extras, 6 000 costume parts, a dozen horse-drawn carriages and sleds, and a technical crew of around 60.

"As entrepreneurs, we really appreciate the importance to our sector – in which the challenges are so uncertain – of having a financial player like SERV here in Switzerland."

Point Productions SA

The export good in this extraordinary export transaction was the audiovisual production service. SERV supported the project by insuring the working capital loan and providing supplier credit insurance to cover the payment default risk.

“We would like to pay tribute to the professionalism, collaborative approach and responsiveness of SERV’s team, who enabled us to put an effective plan in place at short notice. Guaranteeing cash flow was critical, and SERV’s support allowed us to honour the contracts with our crew and suppliers, who were able to commit to investments on the spot without waiting for payment from the end customer. As entrepreneurs, we really appreciate the importance to our sector – in which the challenges are so uncertain – of having this type of financial player here in Switzerland,” said a spokesperson at Point Productions.

For more information, visit www.serv-ch.com/winter-palace-en

The first urban ropeway in India

SERV is supporting Swiss exporter Bartholet's project

Major cities all over the world are confronted daily by traffic chaos. Ropeways offer a broad range of benefits in local transport and are gaining relevance as a result. India is no exception. SERV is supporting the Swiss producer of the ropeway, which will become operational in 2025, with pre-shipment risk insurance and buyer credit insurance.

Production of the new gondolas for the urban ropeway in Varanasi, India.

Bartholet Maschinenbau AG has been planning and building ropeways in mountain regions for more than 60 years. Innovative ideas involving ropeways are also increasingly being implemented in urban areas. New projects also present new risks, which is where SERV comes in for the Swiss exporter.

The urban location of this extraordinary and forward-looking project involved a number of challenges for the exporter. The evaluation of environmental and social risks in particular raised a fundamental issue. When planning a ropeway in a major city, the consequences for the natural environment and the affected communities are totally different to the repercussions of a similar project in a mountainous area. For SERV, it was vital to be involved in the process from the outset, as early as the first discussions about financing. This enabled the thorough review and consideration of all relevant factors.

"SERV not only offered us financial security but also placed their trust in us in a complex international environment."

Mathias Meier
Co-CEO, Bartholet Maschinenbau AG

This extraordinary export transaction with Swiss added value representing about three-quarters of the order value is covered by SERV. We are supporting the project with pre-shipment risk insurance and buyer credit insurance with a financing term of ten years.

“Thanks to SERV, we have successfully realised our ropeway project in India. SERV offered us not only financial security but also placed their trust in us in a complex international environment. SERV offers Swiss exporters a key advantage in international competition,” states Mathias Meier, Co-CEO of Bartholet.

For more information, visit www.serv-ch.com/varanasi-bartholet-en

Sustainability

SERV checks insurance applications for their environmental, social, climate and human rights compatibility.

Framework conditions

When assessing insurance applications, SERV takes into account the international guidelines of the Organisation for Economic Co-operation and Development (OECD) and the principles of Swiss foreign policy according to Art. 6 para. 2 SERV Act (SERVG). These relate in particular to the peaceful co-existence of peoples, respect for human rights and promotion of democracy, conservation of natural resources, alleviation of poverty and destitution in the world, but also to preserving Switzerland's independence and protecting its national welfare.

Further requirements may arise as a result of Switzerland's obligations under international law. The extensive sustainability checks conducted include environmental, social and human rights reviews, anti-corruption audits and, in certain cases, audits of the debt sustainability of public-sector buyers when financing supported projects. SERV also conducts climate audits for fossil fuel energy products in accordance with the provisions of the SERV guidelines on aligning its support for the clean energy transition.

When assessing larger projects with potentially high environmental, social and/or human rights impacts (category A and B projects), on-site visits are also carried out where necessary.

Transparency

SERV publishes all projects with a contract value of CHF 10.0 million or more on its website, subject to the policyholder's approval, as well as Category A projects.

SERV is committed to maximum transparency.

SERV also maintains a regular exchange of information with interested non-governmental organisations (NGOs). This also includes the annual NGO dialogue, through which SERV provides information about current projects and developments in the OECD export credit group.

Organisation and Personnel

Legal basis

The Federal Council appoints the SERV Board of Directors (BoD) for a term of four years; a new term of office commenced in 2024. The BoD is composed of seven to nine members, taking appropriate consideration of social partners (Art. 24 SERV Act [SERVG]). It is the supreme management and control body of SERV. Its tasks are outlined in Art. 24 SERVG and explained in more detail in SERV's internal rules of procedure (RP).

The CEO is elected by the BoD. He manages and organises SERV and represents it externally. His tasks are defined in Art. 25 SERVG and further outlined in the SERV RP.

Board of Directors

The Board of Directors (BoD) appoints from among its members an Insurance Committee (IC; Chair: Barbara Hayoz) and a Finance and Organisation Committee (FOC; Chair: Christoph Meier-Meier). The BoD held six meetings in 2024 and also met in camera. The IC met 13 times and the FOC four times.

Members of the Board of Directors

* Members of the Insurance Committee
** Members of the Finance and Organisation Committee

Barbara Hayoz*, business economist, EMBA,
(Chairwoman)

is a self-employed management consultant as well as a chair and board member of various institutions. She served as full-time finance director and deputy mayor of the city of Berne.
Download CV

Christoph Meier-Meier, business economist HWV,**
(Vice Chairman)

is CEO and partner at NEWTAG Communication AG. Prior to this, he worked in various positions at Bühler AG in Uzwil (St. Gallen), including ten years as Head of Financial Services.
Download CV

Luca Albertoni*, lawyer,
is director of the Chamber of Commerce and Industry of the Canton of Ticino. He is also a member of the board of the Swiss Employers' Association, as well as Chairman of the Ticino section of "ICT-Berufsbildung Schweiz".
Download CV

Claudine Amstein, lawyer,**
is an independent consultant. She was director of the Chamber of Commerce and Industry of the Canton of Vaud (CVCI) for 17 years, and has many years' experience in trade associations at the cantonal and inter-cantonal level. She has held a number of political offices in her home canton and is also a board member of various institutions.
Download CV

Claire-Anne Dysli Wermeille, lawyer,**
is head of the legal department at Chiquita and the Group's Corporate Secretary. She began her career at ABB and Alstom in Baden. After holding various positions in the legal department at Logitech, she worked as head of legal affairs for several watchmaking companies within the Swatch Group.
Download CV

Burkhard Huber*, business economist, KSZ Zug,
worked in the banking business for four decades, including 30 years spent with UBS. He held various management positions in corporate banking for Swiss and foreign companies, including in the area of trade finance.
Download CV

Peter Jenelten*, Dipl. El.-Ing., ETH Zurich,
was a member of the Group Executive Board of Stadler Rail AG from 2000 to 2019, and was responsible for sales and marketing. He previously held various managerial positions at ABB and Adtranz. He now holds several board mandates for SMEs in Switzerland and abroad.
Download CV

Ruedi Noser*, business economist,
has been a member of the National Council, the Council of States and the Economic Affairs and Taxation Committee (EATC). He has served as Foundation Board President of Switzerland Innovation, and was for many years the President of Young Enterprise Switzerland. In addition, he has held the role of President at both Swiss Engineering and ICT Switzerland.
Download CV

Reto Wyss, MSc Economics,**
is Central Secretary of the Swiss Federation of Trade Unions (SGB), which he also represents in the EFTA Consultative Committee, the Reka BoD and the board of Solidar Suisse.
Download CV

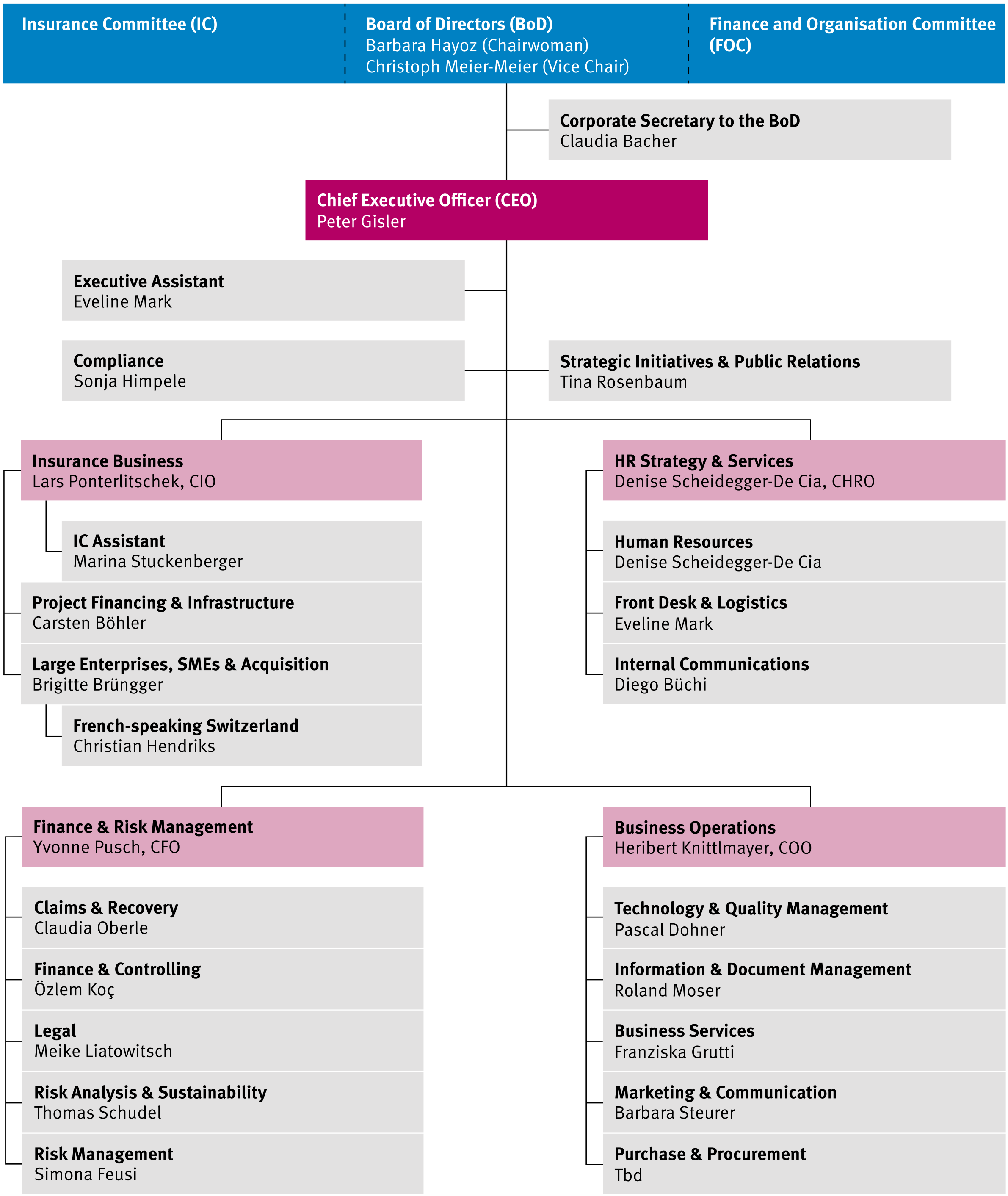
Chief Executive Officer

Peter Gisler, Swiss-certified banking expert,
has been Chief Executive Officer at SERV since 1 January 2017. Prior to that, he held senior positions at Aargauische Kantonalbank, at ABB Switzerland and at ABB Group Holding.

Auditors

KPMG AG
Badenerstrasse 172
8036 Zurich

Organisation



Member of the Management Board

As of 31 December 2024

Denise Scheidegger-De Cia was elected to the BoD by the Executive Board with effect from 1 January 2024. She thereby completes the previously four-member Executive Board as Chief Human Resources Officer (CHRO).

The Executive Board: Lars Ponterlitschek (CIO), Denise Scheidegger-De Cia (CHRO), Heribert Knittlmayer (COO), Peter Gisler (CEO) and Yvonne Pusch (CFO), from left to right.

Vested interests and conflicts of interest

SERV's Board of Directors is guided in its activities by the goal of sustainable corporate management. Its decisions take into account the interests of the Swiss Confederation, clients, employees and other stakeholders. To this end, the Board of Directors ensures effective and transparent corporate governance, characterised by clearly assigned responsibilities and based on recognised standards. In particular, SERV complies with the recommendations of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse, the umbrella organisation of the Swiss economy.

SERV's principles and rules on corporate governance are set out primarily in the SERV Act (SERVG), the SERV Ordinance (SERV-V), the SERV Rules of Procedure and the competence diagram. Particular attention is given to the Code of Conduct adopted by the Board of Directors. The Code expressly commits SERV to comprehensive integrity and compliance with the law and all other external and internal regulations. SERV expects its employees to take responsibility for their actions, to show consideration for people, society and the environment, to comply with applicable rules, to act with integrity and to report violations of the Code of Conduct.

SERV and its employees are required to comply at all times with the legal provisions on official secrecy (Art. 320 of the Swiss Criminal Code) and data protection to ensure the confidentiality of all information received from clients and business partners as well as of internal data. This is supported where necessary by additional measures such as employee training.

Members of the Board of Directors are obliged to report their vested interests when they are elected and to report any relevant changes during their term of office without delay.

Directors are required to manage their personal and business affairs in such a way that conflicts of interest are avoided wherever possible and to undertake the necessary measures to do so. Should a conflict of interest nevertheless arise, the member concerned shall immediately inform the Chairwoman or the Vice Chairman of the Board of Directors so that they can notify the Board of Directors. The members of the Board of Directors and the Chairwoman are obliged to recuse themselves from any business that may conflict with their own interests or the interests of natural or legal persons close to them.

In line with best practice regarding the conduct of directors under the compliance requirements and in particular the Code of Conduct, directors are required to make an annual declaration of integrity and loyalty.

The Board of Directors receives regular internal training on topics relevant to the company and is kept abreast of how to deal with vested interests.

Auditors

The auditors of SERV are appointed by the Federal Council at the request of the BoD. The auditors review the income statement, balance sheet, cash flow statement, income statement by segment, balance sheet by segment, notes to the financial statements, proof of economic viability and the existence of an internal control system (ICS). The auditors report their audit findings to the BoD and the Federal Council. Following a tender procedure pursuant to the Ordinance on Public Procurement (OPP), the Federal Council awarded the audit mandate for 2019 to 2021 to KPMG AG, Zurich. This mandate was extended until 2024 based on an award option.

The focus in 2024 was on our corporate culture and employer branding.

Human Resources

SERV made targeted improvements to its corporate culture in the year under review. The organisation's clear positioning as an attractive employer strengthens its employer branding both internally and externally over the long term. According to the employee survey, our initiatives to promote an open, respectful and appreciative culture have resulted in a high level of satisfaction. These measures help us to boost SERV's competitiveness in the labour market and counter the skills shortage.

We are securing expertise in the export risk business through bespoke specialist training.

Promotion of young talent: developing specialist training for the export risk business

SERV is investing today in the experts of tomorrow, providing dedicated specialist training to prepare SERV employees for the complex demands of the export risk business. This enables us to promote talented individuals at an early stage and offer them prospects for a long-term career with SERV. Our training modules combine theoretical knowledge with practical experience. Through this optimal training programme, we are creating a stable basis for future leaders while at the same time ensuring the transfer of specific specialist knowledge in an essential business area.

60 per cent of managers are female

SERV has a high proportion of women in leadership roles. 60 per cent of management positions are occupied by women, and women make up 40 per cent of the Executive Board. SERV is committed to equal opportunities and the promotion of talented individuals irrespective of gender or background. Our diverse teams enrich the corporate culture and strengthen our competitive position as an innovative and forward-looking employer.

"Our employees apply their diverse range of experiences, perspectives and strengths every single day. That is what makes SERV such a strong employer."

Denise Scheidegger-De Cia
Chief Human Resources Officer

Remuneration

Board of Directors

The Board of Directors (BoD) has regulated the remuneration and fringe benefits of the Chairwoman and its members in the Regulations Governing the Remuneration of the Board of Directors (Remuneration Regulations). These are based on the SERVG and, by analogy, the corresponding provisions of the Swiss Federal Personnel Act (FPA). The remuneration of the Chairwoman and the members of the Board of Directors consists of compensation for preparing for and attending meetings of the Board of Directors and its committees, actual travel expenses and compensation for special tasks. The Chairwoman and the members also receive a Half Fare Travelcard. The total remuneration is based on the responsibility assigned to the member, the complexity of the task, the professional and personal requirements and the time required to fulfil the responsibilities.

No remuneration was paid to former members of governing bodies.

Board of Directors, Chief Executive Officer and members of the Executive Board

SERV does not grant members of the Board of Directors, members of the Executive Board or the CEO any loans or credits, any other compensation for additional services or any pension benefits beyond the occupational benefits provided for in the regulations. No remuneration is paid in advance.

Executive Salary Reporting – Senior Management (Board of Directors)

in CHF (previous year in grey)

	Chairwoman	Board (8 members*, excluding chairwoman) Total	Average
Level of activity			
(percentage of time spent on function)	55%		BoD 15%
			IC 20%
			FOC 10%
Remuneration			
Meeting attendance fee	65 200	213 500	26 688
	77 500	245 875	35 125
Cash payments for compensation of special tasks	70 200	40 083	5 010
	79 700	47 897	6 842
Other contractual terms			
Post-employment benefits	–	–	–
Severance compensation	–	–	–

* Expansion from 7 to 8 members as of 1 July 2024

Executive Salary Reporting – Executive Board (CEO and Department Heads)

in CHF (previous year in grey)

	CEO	Members of the Executive Board (4 members* without CEO) Total	Average
Remuneration			
Fixed part (salary)	307 385	1 031 400	257 850
	305 229	747 945	249 315
Cash payments for compensation of special tasks	–	–	–
	–	–	–
Cash payments (justified by function or labour market)	–	–	–
	–	–	–
Bonuses	68 676	161 821	40 455
	89 625	161 188	53 729
Other expenses	1 928	3 980	995
	600	1 800	600
Other contractual terms			
Post-employment benefits	Management plan	Management plan	–
Severance compensation	–	–	–

* Expansion from 3 to 4 members as of 1 January 2024

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

Balance Sheet

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

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.

Cash Flow Statement

SERV continues to have excellent liquidity.

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).

Proof of Economic Viability

Earned premiums exceed the actuarial risk in all segments.

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 re-structuring 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/.

KPMG AG
Badenerstrasse 172
PO Box
CH-8036 Zurich

+41 58 249 31 31
kpmg.ch

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

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EXPERTsuisse Certified Company

Swiss Export Risk Insurance, Zurich
Report of the Statutory Auditor to the Federal Council on the Financial 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.

Swiss Export Risk Insurance, Zurich
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

Contact

Swiss Export Risk Insurance SERV
Genferstrasse 6
8002 Zurich
info@serv-ch.com
Telephone +41 58 551 55 55
www.serv-ch.com/en

Assurance suisse contre les risques à l'exportation SERV
Avenue d'Ouchy 47
1001 Lausanne
lausanne@serv-ch.com
Telephone +41 21 613 35 84
www.serv-ch.com/fr

Editing
Swiss Export Risk Insurance SERV, Zurich

Concept / Design / Coding
NeidhartSchön AG, Zurich

Photography
Markus Bertschi, Zurich

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Bartholet Maschinenbau AG, neustark AG
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The 2024 SERV Annual Report is available
in English, German and French and can be
downloaded at www.report.serv-ch.com.
The German PDF version is authoritative.

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