



# **Financial Condition Report 2025**

Local GAAP (Swiss Code of Obligation, Art. 111a and  
Art. 203a of the Insurance Supervision Ordinance (ISO) and FINMA Circular 2016/2  
Disclosure – insurers (Circular)

of

**Peak Reinsurance AG**

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Switzerland

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# I. Introduction



Peak Reinsurance AG, domiciled in Zurich, Switzerland (“Peak Re Switzerland”, “we”, “us”, or the “Company”) is a wholly owned subsidiary of Hong Kong-based Peak Reinsurance Company Ltd. (“Peak Re Hong Kong”, the “Group” or “Parent Company”).

This Financial Condition Report (“FCR”) as of December 31, 2025, focusses on the period from January 1 until December 31, 2025. It covers Peak Re Switzerland on a stand-alone basis.

This FCR presents information following the structure prescribed by Art. 111a and Art. 203a of the Insurance Supervision Ordinance (ISO) and FINMA’s circular 2016/2 ‘Disclosure-insurers’.

It is available on Peak Re’s website (<https://www.peak-re.com/en/company/global-reach/>).

The annual financial statements have been prepared in accordance with Swiss law. Peak Re Switzerland’s external Auditor is Ernst & Young AG, Zurich. Peak Re Switzerland’s functional currency is USD, albeit for local statutory reporting the figures are translated and presented in CHF.

## II. Management Summary

Peak Re Switzerland was founded in 2016 and authorised by the Swiss Financial Market Supervisory Authority (“FINMA”) to conduct all reinsurance business worldwide on January 1, 2017. The Company writes Non-Life treaties ceded by companies mainly headquartered in Europe and to a lesser extent from Latin America, Asia and Africa. From 2024 the company has started writing a limited amount of Life business.

Key figures as per Swiss Statutory Financial Statement

| In CHF 000                                | FY 2025  | FY 2024  | Δ        | Δ in % |
|---|----------|----------|----------|--------|
| Gross Written Premium                     | 146'055  | 124'739  | 21'316   | 17%    |
| Net Earned Premiums                       | 37'069   | 21'595   | 15'475   | 72%    |
| Net Acquisition Costs                     | (3'116)  | 605      | (3'721)  | -615%  |
| Net Claims Incurred                       | (26'073) | (11'778) | (14'295) | 121%   |
| Net Underwriting Margin                   | 7'881    | 10'423   | (2'542)  | -24%   |
| Net Administrative Expenses               | (6'743)  | (6'685)  | (58)     | 1%     |
| Net Investment Income                     | 7'538    | 1'359    | 6'179    | 455%   |
| Net Profit (Loss) before Taxes            | 1'498    | 6'301    | (4'803)  | -76%   |
| Net Profit (Loss) after Taxes             | 1'498    | 6'301    | (4'803)  | -76%   |
| Total Net Technical Combined Ratio        | 78.7%    | 51.7%    | 27%      | 52%    |
| Total Combined Ratio incl. Admin expenses | 96.9%    | 82.7%    | 14%      | 17%    |
| Total Assets                              | 477'417  | 462'843  | 14'574   | 3%     |
| Equity                                    | 84'018   | 89'993   | (5'974)  | -7%    |



The Company closed the financial year ("FY") with a positive result. Net Profit after taxes amounted to CHF 1.5m (2024: CHF 6.3m).

During FY2025, the Company increased the Gross Written Premium ("GWP") to CHF 146.1m (CHF 135.8m P&C and CHF 10.3m L&H) up from CHF 124.7m (CHF 122.8m P&C and CHF 1.9m L&H) in 2024. The growth resulted in a positive Operating Result (Net Underwriting Margin minus Net Administrative Expenses) of CHF 1.1m below that of prior year (CHF 2.7m). A positive Net Investment income for the year which amounted to CHF 7.5m and compares to CHF 1.4m in 2024 contributed to achieve the Net Profit after taxes of CHF 1.5m that includes negative CHF 2.6m of Net other financial income and expenses and negative CHF 4.5m of Foreign exchange on currency translation to national currency or the conversion of the reporting currency USD in local presentation currency CHF.

Peak Re Switzerland maintained a whole account quota share Retrocession Agreement of 80% (same as in 2024) with the Parent Company which is widely recognised in the industry with a strong credit rating from A.M. Best (A-). The net retention was protected by an annual aggregate XL cover.

As at December 31, 2025, the Company has a risk-based capital ("RBC") of USD 113.8 m (2024: USD 108.8m), a statutory equity capital of CHF 84.0m (2024: CHF 90.0m) and a solvency ratio of 195.8% based on Swiss Solvency Test ("SST") Report 2026. Peak Re Switzerland is rated A- by A.M. Best.

The annual financial statements have been prepared in accordance with Swiss law. Peak Re Switzerland's external Auditor is Ernst & Young AG, Zurich.



## A. Business Activities

Peak Re Switzerland plays an important role in the Group’s strategy to establish a leading position as a global reinsurer with a strong Asia foothold. The strategy is based on maintaining a client-centric approach, being agile and creating value through innovation and leveraging technology.

Our business focus is on underwriting a diversified portfolio of mainly non-life risks. Peak Re Switzerland continues to target a portfolio of business across Europe and selected areas outside Europe as part of the Group strategy. From 2024 we started writing Life business.

Peak Re Switzerland is a wholly owned subsidiary of Peak Reinsurance Company Ltd., a Hong Kong-based reinsurer. At the date of this report the largest shareholder of Peak Re Hong Kong is Fosun Group. Fosun Group has a majority stake of 86.71%, followed by KKR and Quadrantis Capital with approximately 11.27% and approximately 1.80% of Peak Re’s issued share capital and executives of Peak Re Hong Kong (0.22%).

Peak Re Switzerland does not have any subsidiaries or branch offices.

In 2025, there were no significant nor unusual events to report separately, as well no extraordinary events, or material transactions directly impacting our Company’s financial position have been observed after December 31, 2025.

## B. Financial Performance

### 1. Financial Statements

#### Balance Sheet

##### Assets

| <i>(in CHF '000)</i>                      | Note * | 2025<br>Total  | 2024<br>Total  |
|---|--------|----------------|----------------|
| Investments                               |        | 135'039        | 119'909        |
| Fixed-interest securities                 |        | 90'929         | 73'726         |
| Other investments                         |        | 44'110         | 46'184         |
| Cash and cash equivalents                 |        | 24'184         | 15'849         |
| Reinsurers' share of technical provisions | 5      | 191'028        | 174'675        |
| Property and equipment                    |        | 411            | 28             |
| Deferred acquisition costs, Net           | 2      | 6'442          | 4'031          |
| Insurance receivables                     | 3      | 119'084        | 104'532        |
| Other receivables                         | 7      | 3              | 43'193         |
| Other assets                              | 4      | 1'128          | 611            |
| Prepaid expenses                          | 4      | 98             | 15             |
| <b>TOTAL ASSETS</b>                       |        | <b>477'417</b> | <b>462'843</b> |

##### Liabilities and equity

| <i>(in CHF '000)</i>                | Note *   | 2025<br>Total  | 2024<br>Total  |
|-------------------------------------|----------|----------------|----------------|
| Technical provisions                | 5        | 274'165        | 236'177        |
| Insurance payables                  | 6        | 76'123         | 73'276         |
| Other liabilities                   | 7        | 43'111         | 63'397         |
| <b>TOTAL LIABILITIES</b>            |          | <b>393'399</b> | <b>372'850</b> |
| Share capital                       |          | 10'000         | 10'000         |
| <b>Legal capital reserves</b>       |          | <b>97'280</b>  | <b>97'280</b>  |
| Reserves from capital contributions |          | 88'280         | 88'280         |
| Organisation fund                   |          | 9'000          | 9'000          |
| Currency Translation Adjustment     |          | 0              | 7'473          |
| Voluntary retained earnings         |          | (23'262)       | (24'760)       |
| Profit / loss carried forward       |          | (24'760)       | (31'061)       |
| Profit / loss                       |          | 1'498          | 6'301          |
| <b>TOTAL EQUITY</b>                 | <b>8</b> | <b>84'018</b>  | <b>89'993</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b> |          | <b>477'417</b> | <b>462'843</b> |

\*See accompanying notes to financial statements

## Income Statement



| <i>(in CHF '000)</i>   | Note * | 2025<br>Total   | 2024<br>Total   |
|--|--------|-----------------|-----------------|
| Gross premium written  |        | 146'055         | 124'739         |
| Premiums ceded to reinsurers                                       |        | (96'297)        | (97'553)        |
| <b>Net premiums written</b>  |        | <b>49'758</b>   | <b>27'186</b>   |
| Change in unearned premium reserves                                | 10     | (21'466)        | (19'262)        |
| Change in reinsurers' share of unearned premium reserves           | 10     | 8'777           | 13'671          |
| <b>Net premiums earned</b>   |        | <b>37'069</b>   | <b>21'595</b>   |
| <b>Total technical income</b>                                      |        | <b>37'069</b>   | <b>21'595</b>   |
| Gross claims and claim expenses paid                               |        | (43'756)        | (60'336)        |
| Reinsurer's share of claims and claim expenses                     |        | 30'684          | 46'858          |
| Change in technical provisions                                     | 10     | (31'485)        | 10'789          |
| Change in reinsurers' share of technical provisions                | 10     | 18'484          | (9'089)         |
| <b>Net claims and claim expenses incurred</b>                      |        | <b>(26'073)</b> | <b>(11'779)</b> |
| Acquisition costs and administrative expenses                      |        | (32'315)        | (24'478)        |
| Change in deferred acquisition costs, assumed reinsurance          | 9      | 5'525           | 2'580           |
| Reinsurers' share of acquisition costs and administrative expenses |        | 19'123          | 17'446          |
| Change in deferred acquisition costs, Reinsurers' share            | 9      | (2'473)         | (1'245)         |
| <b>Net acquisition costs and administrative expenses</b>           |        | <b>(10'141)</b> | <b>(5'697)</b>  |
| Other technical expenses own business                              |        | 282             | (382)           |
| <b>Total technical expenses</b>                                    |        | <b>(35'932)</b> | <b>(17'858)</b> |
| Income from investments  | 12     | 10'147          | 4'476           |
| Expenses from investments  | 13     | (2'608)         | (3'117)         |
| <b>Net income from investments</b>                                 |        | <b>7'538</b>    | <b>1'359</b>    |
| Other financial income   |        | 20'288          | 47'951          |
| Other financial expenses   |        | (22'840)        | (44'748)        |
| <b>Operating result</b>  |        | <b>6'124</b>    | <b>8'300</b>    |
| Foreign exchange on currency translation to national currency      |        | (4'528)         | 0               |
| Other expenses   | 18     | (98)            | (168)           |
| Extraordinary income/ (expenses)                                   | 19     | -               | (1'831)         |
| <b>Profit/(loss) before tax</b>                                    |        | <b>1'498</b>    | <b>6'301</b>    |
| Income tax expense   |        | -               | -               |
| <b>PROFIT/(LOSS) after taxes</b>                                   |        | <b>1'498</b>    | <b>6'301</b>    |

\*See accompanying notes to financial statements



## Cash Flow Statement

| <i>(in CHF '000)</i>   | Note<br>* | 2025<br>Total | 2024<br>Total   |
|--|-----------|---------------|-----------------|
| <b>Profit/loss</b>   |           | 1'498         | 6'301           |
| <b>Depreciation, amortisation and write-downs on</b>                   |           |               |                 |
| Property and equipment   |           | 53            | 17              |
| <b>Investments</b>   |           |               |                 |
| Net realised (gains)/losses on investments fixed-interest securities   | 12        | (1'843)       | 1'103           |
| Net realised (gains)/losses on investments other investments           | 12,13     | 601           | 1'145           |
| Net unrealized (gains)/losses on investments fixed-interest securities | 12        | (480)         | 38              |
| Net unrealized (gains)/losses on investments other investments         | 13        | (1'733)       | 549             |
| <b>Increase/decrease in</b>  |           |               |                 |
| Unearned premium reserves  |           | 13'375        | 22'438          |
| Technical provisions   |           | 24'770        | 5'631           |
| <b>Increase/decrease in assets and liabilities</b>                     |           |               |                 |
| Purchase/Proceeds from sale of fixed-interest securities               |           | (17'203)      | (20'934)        |
| Purchase/Proceeds from sale of shares                                  |           | 2'074         | (21'196)        |
| Reinsurance share of technical provisions                              |           | (16'353)      | (19'017)        |
| Deferred acquisition costs   |           | (2'411)       | (1'562)         |
| Insurance receivables  |           | (14'552)      | (12'757)        |
| Other receivables  |           | 43'191        | (36'064)        |
| Other assets   |           | (517)         | (248)           |
| Foreign exchange gains and losses Reinsurance activities               |           | (2'069)       | 250             |
| Prepaid expenses   |           | (83)          | (7)             |
| Insurance payables   |           | 2'847         | 16'289          |
| Other liabilities  |           | (20'286)      | 45'762          |
| <b>Cash flow from operating activities</b>                             |           | <b>10'878</b> | <b>(12'263)</b> |
| Purchase of property and equipment                                     |           | (549)         | (116)           |
| <b>Cash flow from investing activities</b>                             |           | <b>(549)</b>  | <b>(116)</b>    |
| <b>Change in cash and cash equivalents</b>                             |           | <b>10'329</b> | <b>(12'379)</b> |
| <b>Statement:</b>  |           |               |                 |
| Cash and cash equivalents as of 1 January                              |           | 15'849        | 26'215          |
| Effects of exchange rate changes on cash and cash equivalents          |           | (1'994)       | 2'013           |
| Cash and cash equivalents as of 31 December                            |           | 24'184        | 15'849          |
| <b>Change in cash and cash equivalents</b>                             |           | <b>10'329</b> | <b>(12'379)</b> |

\*See accompanying notes to financial statements



## 1. Basis of preparation

The annual financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b CO, applicable as of 1 January 2013). Apart from the CO, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 85 para 1-3, AVO FINMA, applicable as of 26 June 2024) have been applied.

## 2. Accounting principles

The Company's accounting and valuation principles applied for the balance sheet items are as follows:

### (a) *Investments*

Fixed-income securities are valued using the lower between linear cost amortisation method and market value, in line with provision of CO art. 960b and of art. 110.1 ISO.

Shares, ETF shares and all other investments are valued at lower of cost or market value.

### (b) *Cash and cash equivalents*

Cash and cash equivalents and other highly liquid investments with maturity of less than three months are carried in the balance sheet at nominal value.

### (c) *Deferred acquisition costs*

Deferred acquisition costs (DAC) are costs that vary with and are directly related to the acquisition of new and renewal business, these are acquisition costs that are directly attributable to reinsurance contracts that are capitalised and amortised over the lifetime of the contract in proportion to the premium income earned. These costs are regularly tested for impairment using a liability adequacy test.

### (d) *Reinsurance receivables*

Reinsurance receivables are booked at nominal value (i.e. net of commissions, brokerage, premium taxes and other levies on premium, unless the contract specifies otherwise) and can be adjusted if there is a risk of impairment.

### (e) *Technical provisions*

Technical provisions comprise unearned premium reserves, outstanding losses and loss expense reserves, provisions for unexpired risk reserve, equalisation reserves.

Unearned premium reserves are earned respectively amortised over the period of exposure to risk of the underlying contract.

Outstanding losses comprise estimates of the amount of reported losses and loss expenses received from the ceding insurance companies plus a provision for losses incurred but not reported ("IBNR"). The IBNR provision is estimated by management based on reports from industry sources, including initial estimates of aggregate industry losses, individual loss estimates received from ceding companies and brokers, output from commercially available catastrophe loss models and actuarial analysis using historical data available to the Company on the business assumed together with industry data.

As from the year ended 31.12.2024 we started to underwrite Life business mostly in the form of Mass Lapse products. These are reserved using a short-term approach to calculate future policy reserve based on a loss ratio for the product plus a provision for adverse deviation.



Equalisation reserves are set in accordance with art. 69.1.c ISO and the Company's approved business plan. These reserves are booked in addition to the best estimate for claims reserves.

**(f) Foreign Currencies re-measurement and translation**

The Company maintains its accounts in its functional currency: USD. The annual financial statements are prepared in USD and presented in CHF, the national reporting currency. Expenses and income in foreign currencies are translated at the prevailing rate at the date when the transactions were carried out. At period end, monetary assets and liabilities in foreign currencies are revalued at year-end exchange rates. The resulting exchange-rates differences are included in the income statement. The aggregate unrealised exchange loss remains in the income statement while the aggregate unrealised exchange gain is deferred.

For the statutory closing, the financial statements are presented in CHF. For this purpose, the USD accounts are translated in CHF using the year end rate for balance sheet, average rate for income statement and historical rates for the equity. A resulting foreign currency translation loss is shown in the income statement while a gain is deferred.

The exchange rates used for year-end 2025, respectively 2024, are presented below:

| Currency | Balance Sheet |        | Income Statement |        |
|----------|---------------|--------|------------------|--------|
|          | 2025          | 2024   | 2025             | 2024   |
| USD      | 0.7923        | 0.9063 | 0.8286           | 0.8818 |

Equity was translated using average historical rates at the dates of capital injection of 0.9920

The tables presented in the following notes show rounded figures and the sum of the table's items could differ slightly from the total row or column of the corresponding table.

**Notes to the Financial Statements**

**1. Participations: none**

**2. Deferred acquisition costs, Net**

*(in CHF '000)*

|   | 2025         | 2024         |
|---|--------------|--------------|
| Deferred acquisition costs, assumed reinsurance | 14'927       | 11'033       |
| Deferred acquisition costs, ceded reinsurance   | (8'485)      | (7'002)      |
| <b>Total</b>                                    | <b>6'442</b> | <b>4'031</b> |

**3. Insurance receivables**

*(in CHF '000)*

|                                      | Third-party    | Intragroup    | Total          | Third-party   | Intragrou     | Total          |
|--------------------------------------|----------------|---------------|----------------|---------------|---------------|----------------|
|                                      | 2025           | 2025          | 2025           | 2024          | p             | 2024           |
|                                      |                |               |                |               | 2024          |                |
| Receivables from insurance companies | 101'290        | 17'794        | 119'084        | 81'634        | 22'898        | 104'532        |
| <b>Total</b>                         | <b>101'290</b> | <b>17'794</b> | <b>119'084</b> | <b>81'634</b> | <b>22'898</b> | <b>104'532</b> |



#### 4. Other Assets and Prepaid expenses

| <i>(in CHF '000)</i>                         | 2025         | 2024       |
|--|--------------|------------|
| Accrued interest on investments and Deposits | 1'128        | 611        |
| Other deferrals                              | 98           | 15         |
| <b>Total</b>                                 | <b>1'226</b> | <b>626</b> |

#### 5. Technical provisions

| <i>(in CHF '000)</i>       | Technical provisions (gross) 2025 | Reinsurers' share 2025 | Technical provisions (net) 2025 | Technical provisions (gross) 2024 | Reinsurers' share 2024 | Technical provisions (net) 2024 |
|----------------------------|-----------------------------------|------------------------|---------------------------------|-----------------------------------|------------------------|---------------------------------|
| Unearned premium reserve   | 70'205                            | 43'368                 | 26'837                          | 56'830                            | 40'009                 | 16'821                          |
| Outstanding loss reserve   | 202'532                           | 147'660                | 54'872                          | 177'569                           | 134'666                | 42'903                          |
| Equalisation reserve (SER) | 1'347                             | 0                      | 1'347                           | 1'541                             | 0                      | 1'541                           |
| Mathematical Reserves      | 81                                | 0                      | 81                              | 238                               | 0                      | 238                             |
| <b>Total</b>               | <b>274'165</b>                    | <b>191'028</b>         | <b>83'137</b>                   | <b>236'177</b>                    | <b>174'675</b>         | <b>61'502</b>                   |

#### 6. Insurance payables

| <i>(in CHF '000)</i>                 | Third-party 2025 | Intragroup 2025 | Total 2025    | Third-party 2024 | Intragroup 2024 | Total 2024    |
|--------------------------------------|------------------|-----------------|---------------|------------------|-----------------|---------------|
| Liabilities to policyholders         | -                | -               | -             | -                | -               | -             |
| Liabilities to insurance companies * | 17'512           | 58'611          | 76'123        | 10'304           | 62'972          | 73'276        |
| <b>Total</b>                         | <b>17'512</b>    | <b>58'611</b>   | <b>76'123</b> | <b>10'304</b>    | <b>62'972</b>   | <b>73'276</b> |

\* The intragroup dues refer to the intercompany quota share retro agreement premiums less commissions with parent company, Peak Reinsurance Company Ltd Hong Kong. Dues to insurance companies third party are claims due to ceding companies.

#### 7. Receivables from and liabilities to related parties

| <i>(in CHF '000)</i> | Third-party 2025 | Intragroup 2025 | Total 2025 | Third-party 2024 | Intragroup 2024 | Total 2024 |
|----------------------|------------------|-----------------|------------|------------------|-----------------|------------|
| Other receivables    | 3                | -               | 3          | 43'193           | -               | 43'193     |
| Other liabilities    | 39'188           | 3'923           | 43'111     | 59'047           | 4'350           | 63'397     |

- Other receivables represent the amounts due to us in relation to a contract with no risk transfer for Life business, which is in run-off hence the large reduction year on year.

Third-party other liabilities are primarily the liabilities in respect of the Life business without risk transfer, the contract is in run off payables are still outstanding as of 2025 after first payments made as compared to last year (see also comment here above on receivables).

- Intercompany of other liabilities includes intercompany recharges which were settled but not yet cleared in our system of CHF 3m plus ca. CHF 1m of interest matured on the collateral which not yet transferred to the parent company, both will be cleared in first half of 2026.

## 8. Statement of changes in equity

| <i>(in CHF '000)</i>                    | Share capital | Statutory capital reserves | Voluntary retained earnings | Currency Translation reserve | Profit for the year | Total equity   |
|---|---------------|----------------------------|-----------------------------|------------------------------|---------------------|----------------|
| <b>2024</b>                             | <b>10'000</b> | <b>97'280</b>              | <b>(31'061)</b>             | <b>7'473</b>                 | <b>6'301</b>        | <b>89'993</b>  |
| Transfer to voluntary retained earnings |               |                            | 6'301                       |                              | (6'301)             | -              |
| Effect of foreign exchange              |               |                            |                             | (7'473)                      |                     | <b>(7'473)</b> |
| Profit/(Loss) for the period            |               |                            |                             |                              | 1'498               | <b>1'498</b>   |
| <b>2025</b>                             | <b>10'000</b> | <b>97'280</b>              | <b>(24'760)</b>             | <b>-</b>                     | <b>1'498</b>        | <b>84'018</b>  |

## Disclosures, breakdowns and explanations on income statement items

### 9. Change in Deferred acquisition costs, Net

| <i>(in CHF '000)</i>                                 | 2025         | 2024         |
|--|--------------|--------------|
| Change in deferred acquisition costs, assumed reins. | 5'525        | 2'580        |
| Change in deferred acquisition costs, ceded reins.   | (2'473)      | (1'245)      |
| <b>Total</b>   | <b>3'052</b> | <b>1'335</b> |

### 10. Change in technical provisions (gross) and in Reinsurers' share of technical provisions

| <i>(in CHF '000)</i>                          | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) |
|---|------------------------------|-------------------|----------------------------|------------------------------|-------------------|----------------------------|
|   | 2025                         | 2025              | 2025                       | 2024                         | 2024              | 2024                       |
| Change in Unearned premium reserve            | (21'466)                     | 8'777             | <b>(12'689)</b>            | (19'262)                     | 13'671            | <b>(5'591)</b>             |
| Change in loss reserves                       | (31'625)                     | 18'484            | <b>(13'141)</b>            | 11'022                       | (9'089)           | <b>1'933</b>               |
| Change in SER (Security Equalization Reserve) | -                            | -                 | -                          | -                            | -                 | -                          |
| Change in mathematical reserves               | 140                          | -                 | <b>140</b>                 | (233)                        | -                 | <b>(233)</b>               |
| <b>Total</b>                                  | <b>(52'951)</b>              | <b>27'261</b>     | <b>(25'690)</b>            | <b>(8'473)</b>               | <b>4'582</b>      | <b>(3'891)</b>             |

## 11. Audit fees



| <i>(in CHF '000)</i> | 2025         | 2024         |
|----------------------|--------------|--------------|
| Audit services       | (148)        | (140)        |
| Other services       | -            | (11)         |
| <b>Total</b>         | <b>(148)</b> | <b>(151)</b> |

The audit fees include fees for engagements with a direct or indirect connection to external audit engagement. The fees exclude outlays and include VAT.

## 12. Income from investments

| <i>(in CHF '000)</i>      | Income *     | Net unrealised gains | Net realised gains | Total         | Income       | Net unrealised gains | Net realised gains | Total        |
|---------------------------|--------------|----------------------|--------------------|---------------|--------------|----------------------|--------------------|--------------|
|                           | 2025         | 2025                 | 2025               | 2025          | 2024         | 2024                 | 2024               | 2024         |
| Fixed-interest securities | 2'835        | 480                  | 2'416              | 5'731         | 2'441        | -                    | 74                 | 2'515        |
| Other investments **      | 972          | 1'732                | 1'374              | 4'078         | 1'117        | -                    | 165                | 1'281        |
| Cash and cash equivalents | 338          | -                    | -                  | 338           | 680          | -                    | -                  | 680          |
| <b>Total</b>              | <b>4'145</b> | <b>2'212</b>         | <b>3'790</b>       | <b>10'147</b> | <b>4'238</b> | <b>-</b>             | <b>238</b>         | <b>4'476</b> |

\* Income relates interest coupons on fixed interest securities, interest on cash and cash equivalents and dividend on other investments.

\*\* Other investments represent holdings in ETF and real estate funds

## 13. Expenses from investments

| <i>(in CHF '000)</i>      | Current expenses * | Net unrealised losses | Net realised losses | Total          | Current expenses | Net unrealised losses | Net realised losses | Total          |
|---------------------------|--------------------|-----------------------|---------------------|----------------|------------------|-----------------------|---------------------|----------------|
|                           | 2025               | 2025                  | 2025                | 2025           | 2024             | 2024                  | 2024                | 2024           |
| Fixed-interest securities | -                  | -                     | (573)               | (573)          | -                | (38)                  | (1'177)             | (1'215)        |
| Other investments **      | (2)                | -                     | (1'974)             | (1'976)        | -                | (549)                 | (1'310)             | (1'859)        |
| Cash and cash equivalents | (59)               | -                     | -                   | (59)           | (43)             | -                     | -                   | (43)           |
| <b>Total</b>              | <b>(61)</b>        | <b>-</b>              | <b>(2'547)</b>      | <b>(2'608)</b> | <b>(43)</b>      | <b>(587)</b>          | <b>(2'487)</b>      | <b>(3'117)</b> |

\* Expenses on various types of investments are related to withholding taxes on interest on fixed term deposit under other investments

## 14. Personnel expenses

The annual average number of full-time equivalents for the reporting year was 14.9 which compares to 13.2 a year ago.

Personnel expenses for fiscal year 2025 amounted to CHF 4'715k as compared to 2024 amount of CHF 4'736k and are included in the line-item acquisition costs and administrative expenses.



## 15. Depreciation of office equipment and hardware

| <i>(in CHF '000)</i>          | 2025        | 2024        |
|-------------------------------|-------------|-------------|
| Hardware and office equipment | (63)        | (17)        |
| <b>Total</b>                  | <b>(63)</b> | <b>(17)</b> |

## Other notes to the financial statements

### 16. Total amount of assets pledged to secure own liabilities, as well as assets with retention of title

| <i>(in CHF '000)</i>                  | 2025         | 2024          |
|---------------------------------------|--------------|---------------|
| Pledged assets *                      | 8'033        | 13'689        |
| Assets under reservation of ownership | 182          | 41            |
| <b>Total</b>                          | <b>8'215</b> | <b>13'730</b> |

\* Pledged assets are securities contractually pledged in favour of cedents to cover the amount of claims reserves due to the cedents who have this clause in their treaties.

### 17. Contingent Liabilities: none

### 18. Other Expenses

| <i>(in CHF '000)</i> | 2025        | 2024         |
|----------------------|-------------|--------------|
| Capital Tax expenses | (98)        | (168)        |
| <b>Total</b>         | <b>(98)</b> | <b>(168)</b> |

### 19. Extraordinary income/ (expenses)

| <i>(in CHF'000)</i>    | 2025     | 2024           |
|------------------------|----------|----------------|
| Extraordinary income   | -        | -              |
| Extraordinary expenses | -        | (1'831)        |
| <b>Total</b>           | <b>-</b> | <b>(1'831)</b> |

\* The item shows a correction of prior period (in 2020) error recorded in 2024, the conversion of a transaction in a different currency (USD) than company currency (CHF) was computed using wrong foreign exchange rate.

### 20. Restricted assets

To secure the rental of the office premises a deposit of CHF 182'198 is held with Zurich Kantonal Bank.

### 21. Commitments

As of 31 December 2025, there were no letters of credit in favor of ceding companies nor any letters of credit facility with banks in place.

### 22. Lease obligation not terminating within 12 months

Remaining amount of liabilities from other lease obligations that do not expire or can be terminated within 12 months of the balance sheet date, as of 31 December 2025, refers to remaining lease (office space rental agreement) obligation not terminating within 12 months, its amount is CHF 1.6m



### 23. Subsequent events

No significant subsequent event affecting the amounts reported in the balance sheet occurred after the balance sheet date. Ongoing geopolitical developments, including the conflict in the Middle East, have not had a direct impact on the company's financial position as of 31 December 2025.

#### Proposed appropriation of retained earnings

| <i>(in CHF'000)</i>                   | <b>2025</b>     |
|---------------------------------------|-----------------|
| Retained earnings carried forward     | (24'760)        |
| Profit / (Loss) for the year          | 1'498           |
| Profit / (Loss) to be carried forward | <u>(23'262)</u> |

The Board of Directors proposes to appropriate the retained earnings as follows:

|                                  |                 |
|----------------------------------|-----------------|
| Distributable Earnings (deficit) | (23'262)        |
| Transfer to Organisation Fund    | -               |
| Amount carried forward           | <u>(23'262)</u> |

No dividend is proposed due to amount of prior years' losses carried forward.

Further allocations have been waived.

#### External auditor's report

The external auditors approved the financial statements without qualifications or reservations.

See Appendix 3

## B.2 - Additional information Quantitative template "Performance Solo Reinsurance"

Financial situation report: quantitative template  
"Performance Solo Reinsurance"

Currency: CHF  
Amounts stated in thousands

|   | Total            |          | Personal accident |         | Health |      | Motor    |          |
|---|------------------|----------|-------------------|---------|--------|------|----------|----------|
|   | 2024             | 2025     | 2024              | 2025    | 2024   | 2025 | 2024     | 2025     |
|   | 1 Gross premiums | 124'739  | 146'055           | 2'825   | 5'017  | 0    | 0        | 39'686   |
| 2 Reinsurers' share of gross premiums   | (97'553)         | (96'297) | (1'879)           | (3'909) | 0      | 0    | (27'762) | (25'149) |
| 3 Premiums for own account (1 + 2)  | 27'186           | 49'758   | 946               | 1'107   | 0      | 0    | 11'924   | 24'613   |
| 4 Change in unearned premium reserves   | (19'250)         | (21'466) | 4'384             | (622)   | 0      | 0    | (13'357) | (12'597) |
| 5 Reinsurers' share of change in unearned premium reserves                            | 13'671           | 8'777    | (2'870)           | 643     | 0      | 0    | 9'036    | 3'724    |
| 6 Premiums earned for own account (3 + 4 + 5)   | 21'595           | 37'069   | 2'482             | 1'129   | 0      | 0    | 7'603    | 15'740   |
| 7 Other income from insurance business  | 0                | 0        | 0                 | 0       | 0      | 0    | 0        | 0        |
| 8 Total income from underwriting business (6 + 7)                                     | 21'595           | 37'069   | 2'482             | 1'129   | 0      | 0    | 7'603    | 15'740   |
| 9 Payments for insurance claims (gross)   | (60'336)         | (43'756) | (6'391)           | (4'189) | 0      | 0    | (6'362)  | (9'165)  |
| 10 Reinsurers' share of payments for insurance claims                                 | 46'858           | 30'684   | 3'754             | 2'815   | 0      | 0    | 4'387    | 4'292    |
| 11 Change in technical provisions   | 10'788           | (31'485) | 3'061             | 788     | 0      | 0    | (27'346) | (18'576) |
| 12 Reinsurers' share of change in technical provisions                                | (9'089)          | 18'484   | 78                | (495)   | 0      | 0    | 7'912    | 12'983   |
| 13 Change in technical provisions for unit-linked life insurance                      | 0                | 0        | 0                 | 0       | 0      | 0    | 0        | 0        |
| 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)              | (11'778)         | (26'073) | (1'959)           | (1'081) | 0      | 0    | (2'206)  | (10'465) |
| 15 Acquisition and administration expenses  | (21'898)         | (28'791) | (2'523)           | (2'555) | 0      | 0    | (6'766)  | (8'557)  |
| 16 Reinsurers' share of acquisition and administration expenses                       | 16'201           | 16'650   | 1'906             | 1'932   | 0      | 0    | 4'274    | 3'212    |
| 17 Acquisition and administration expenses for own account (15 + 16)                  | (5'698)          | (10'141) | (618)             | (623)   | 0      | 0    | (2'492)  | (5'345)  |
| 18 Other underwriting expenses for own account  | (382)            | 282      | 0                 | (9)     | 0      | 0    | 21       | 22       |
| 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) | (17'858)         | (35'931) | (2'576)           | (1'713) | 0      | 0    | (4'677)  | (15'788) |
| 20 Investment income  | 4'476            | 10'147   |                   |         |        |      |          |          |
| 21 Investment expenses  | (3'117)          | (2'608)  |                   |         |        |      |          |          |
| 22 Net investment income (20 + 21)  | 1'359            | 7'538    |                   |         |        |      |          |          |
| 23 Capital and interest income from unit-linked life insurance                        | 0                | 0        |                   |         |        |      |          |          |
| 24 Other financial income   | 47'951           | 20'288   |                   |         |        |      |          |          |
| 25 Other financial expenses   | (44'748)         | (22'840) |                   |         |        |      |          |          |
| 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)                            | 8'300            | 6'124    |                   |         |        |      |          |          |
| 27 Foreign exchange on currency translation to national currency                      | 0                | (4'528)  |                   |         |        |      |          |          |
| 28 Other income   | 0                | 0        |                   |         |        |      |          |          |
| 29 Other expenses   | (168)            | (98)     |                   |         |        |      |          |          |
| 30 Extraordinary income/expenses  | (1'831)          | 0        |                   |         |        |      |          |          |
| 31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)                                | 6'301            | 1'498    |                   |         |        |      |          |          |
| 32 Direct taxes   | 0                | 0        |                   |         |        |      |          |          |
| 33 Profit / loss (31 + 32)  | 6'301            | 1'498    |                   |         |        |      |          |          |

## Continued Quantitative Template "Performance Solo Reinsurance"

Financial situation report: quantitative template  
"Performance Solo Reinsurance"

Currency: CHF  
Amounts stated in thousands

|   | Total            |          | Marine, aviation, transport |       | Property |          | Casualty |         | Miscellaneous |         |
|---|------------------|----------|-----------------------------|-------|----------|----------|----------|---------|---------------|---------|
|   | 2024             | 2025     | 2024                        | 2025  | 2024     | 2025     | 2024     | 2025    | 2024          | 2025    |
|   | 1 Gross premiums | 124'739  | 146'055                     | 1'652 | 942      | 67'231   | 67'344   | 8'681   | 10'798        | 4'664   |
| 2 Reinsurers' share of gross premiums   | (97'553)         | (96'297) | (1'309)                     | (762) | (56'152) | (55'065) | (7'138)  | (8'728) | (3'312)       | (2'683) |
| 3 Premiums for own account (1 + 2)  | 27'186           | 49'758   | 343                         | 180   | 11'079   | 12'279   | 1'543    | 2'070   | 1'352         | 9'509   |
| 4 Change in unearned premium reserves   | (19'250)         | (21'466) | (232)                       | (266) | (7'660)  | (3'308)  | (1'509)  | (3'397) | (877)         | (1'808) |
| 5 Reinsurers' share of change in unearned premium reserves                            | 13'671           | 8'777    | 178                         | (212) | 5'169    | 2'000    | 1'406    | 2'758   | 753           | (137)   |
| 6 Premiums earned for own account (3 + 4 + 5)   | 21'595           | 37'069   | 288                         | 235   | 8'579    | 10'971   | 1'419    | 1'431   | 1'224         | 7'565   |
| 7 Other income from insurance business  | 0                | 0        | 0                           | 0     | 0        | 0        | 0        | 0       | 0             | 0       |
| 8 Total income from underwriting business (6 + 7)                                     | 21'595           | 37'069   | 288                         | 235   | 8'579    | 10'971   | 1'419    | 1'431   | 1'224         | 7'565   |
| 9 Payments for insurance claims (gross)   | (60'336)         | (43'756) | (1'237)                     | (490) | (40'778) | (26'437) | (2'826)  | (3'144) | (2'741)       | (331)   |
| 10 Reinsurers' share of payments for insurance claims                                 | 46'858           | 30'684   | 971                         | 377   | 32'519   | 20'865   | 2'608    | 2'202   | 2'620         | 134     |
| 11 Change in technical provisions   | 10'788           | (31'485) | (2'026)                     | (804) | 4'166    | (3'239)  | (5'669)  | (4'840) | 1'102         | (4'715) |
| 12 Reinsurers' share of change in technical provisions                                | (9'089)          | 18'484   | 606                         | (65)  | (16'266) | 2'372    | 200      | 3'784   | (1'619)       | (655)   |
| 13 Change in technical provisions for unit-linked life insurance                      | 0                | 0        | 0                           | 0     | 0        | 0        | 0        | 0       | 0             | 0       |
| 14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)              | (11'778)         | (26'073) | (264)                       | (223) | (7'288)  | (6'439)  | 1'182    | (2'098) | (1'243)       | (5'766) |
| 15 Acquisition and administration expenses  | (21'898)         | (28'791) | (357)                       | (248) | (9'456)  | (10'593) | (1'547)  | (2'195) | (1'249)       | (2'653) |
| 16 Reinsurers' share of acquisition and administration expenses                       | 16'201           | 16'650   | 255                         | 203   | 7'460    | 8'800    | 1'465    | 1'621   | 841           | 882     |
| 17 Acquisition and administration expenses for own account (15 + 16)                  | (5'698)          | (10'141) | (102)                       | (45)  | (1'997)  | (1'783)  | (88)     | (674)   | (408)         | (1'771) |
| 18 Other underwriting expenses for own account  | (382)            | 282      | 12                          | 8     | 5        | (89)     | (419)    | 350     | 0             | 0       |
| 19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only) | (17'858)         | (35'931) | (354)                       | (260) | (9'281)  | (8'311)  | 681      | (2'322) | (1'650)       | (7'537) |
| 20 Investment income  | 4'476            | 10'147   |                             |       |          |          |          |         |               |         |
| 21 Investment expenses  | (3'117)          | (2'608)  |                             |       |          |          |          |         |               |         |
| 22 Net investment income (20 + 21)  | 1'359            | 7'538    |                             |       |          |          |          |         |               |         |
| 23 Capital and interest income from unit-linked life insurance                        | 0                | 0        |                             |       |          |          |          |         |               |         |
| 24 Other financial income   | 47'951           | 20'288   |                             |       |          |          |          |         |               |         |
| 25 Other financial expenses   | (44'748)         | (22'840) |                             |       |          |          |          |         |               |         |
| 26 Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)                            | 8'300            | 6'124    |                             |       |          |          |          |         |               |         |
| 27 Foreign exchange on currency translation to national currency                      | 0                | (4'528)  |                             |       |          |          |          |         |               |         |
| 28 Other income   | 0                | 0        |                             |       |          |          |          |         |               |         |
| 29 Other expenses   | (168)            | (98)     |                             |       |          |          |          |         |               |         |
| 30 Extraordinary income/expenses  | (1'831)          | 0        |                             |       |          |          |          |         |               |         |
| 31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)                                | 6'301            | 1'498    |                             |       |          |          |          |         |               |         |
| 32 Direct taxes   | 0                | 0        |                             |       |          |          |          |         |               |         |
| 33 Profit / loss (31 + 32)  | 6'301            | 1'498    |                             |       |          |          |          |         |               |         |



- Line of Business Miscellaneous includes Agriculture, Credit & Bonds, Miscellaneous P&C and Life reinsurance. Life represents circa 84% of business in the “Miscellaneous” of the Gross Written Premium category, with remaining business being 15% Credit and Bonds and 1% Agriculture and Miscellaneous being minor in comparison.
- “Investment income” and “Investment expenses” are reported with the same granularity as reported in the income statement and the notes to the Financial Statements.
- “Investment expenses” includes the “Investment expenses” and “Net realised losses”.
- Line “Other financial income” and line “Other financial expenses” reports foreign exchange realized losses on balance sheet accounts and receivables and payable on a Life deposit accounted transaction.
- Line Extraordinary income /(expenses) reports a correction of prior period (in 2020) error recorded in 2024

### **B.3 Comments on quantitative template “Performance Solo Reinsurance”**

Peak Reinsurance Switzerland reported a Net Profit after taxes of CHF 1.5m for the FY 2025 (FY2024: CHF 6.3m). The result was driven by an operating profit including General and Admin Expenses of CHF 1.1m to which was added a positive Net Investment Income for CHF 7.5m. Other financial income net of other financial expenses from a deposit accounted contract contributed negatively with CHF 2.6m, Other expenses (Capital Tax) contributed with negative CHF 0.1m. Additionally negative contribution to the Net Profit after taxes was due to Foreign exchange on currency translation to national currency for the conversion of the reporting currency USD in local presentation currency CHF.

The Company registered a positive net underwriting result of CHF 7.9m in 2025, the year was marked by handful of large events adding CHF 14.6m of losses on a gross basis (net CHF 2.9m) The organic business growth, particularly of structured solution business and the reduced amount of recoveries from our retrocession (due to benign prior years losses burden and the exclusion of structured solution from Quota Share retro treaty with our parent company) resulted in a significant increase in net losses incurred both on nominal and on constant conversion exchange rate compared to 2024.

A more regular performance of invested assets for CHF 7.5m allowed to cover the Administrative Expenses which remained flat at CHF 6.7m although at constant exchange rates increased by CHF 0.5m. Main drivers were Personnel costs due to the increased amount of FTE (1.5) (CHF 0.3m at constant rates) and increased office costs following move into a larger office (CHF 0.2m at constant rates). We continued to maintain a substantial amount of our portfolio invested in individual government bonds and to benefit from healthy rates on government bonds and ETF on corporate bonds and positive returns on equities (owned in the form of ETF on equities).

The investment income following our strategy grew to CHF 10.1m in 2025 (from CHF 4.5m in 2024). We adjusted the proportion in the composition of our portfolio from investments between ETFs (decreased by CHF 2.0m to CHF 44m from CHF 46m in 2024) and Fixed income securities (increased by CHF 17m from CHF 74m in 2024) allowed to reap the investment income as just stated for CHF 10.1m. This was offset by admin expenses of holding our assets for CHF 0.06m and by realised and unrealised losses on out ETF held at year end for CHF 2.5m.

The Company increased the Gross Written Premium (“GWP”) to CHF 146.1m (of which CHF 10.3m Life business) up from CHF 124.8m in 2024 (CHF 1.9m Life).

The Net Earned Premium after applying the whole account quota share retrocession treaty increased to CHF 37.1m from CHF 21.6m in prior year. Main driver of the increase is the growth of structured solution business that is not ceded into our QS reinsurance treaty.



In 2025, the Net Technical Combined ratio (i.e., without General and Admin Expenses) increased to 78.7% from 51.7%. When including General and Admin Expenses, the total combined ratio for 2025 was 96.9% (2024: 82.7%).

In 2025 Peak Re Switzerland continued to maintain its portfolio in the main European markets with increased presence in Latin America and Asia, while Africa remained marginal, as visible in the table below:

| By Cedents' Region | FY 2025 | FY 2024 |
|--------------------|---------|---------|
| Europe             | 87.5%   | 95.3%   |
| Americas           | 5.9%    | 3.5%    |
| Asia               | 6.1%    | 0.9%    |
| Africa             | 0.5%    | 0.3%    |

The L&H business accounts for CHF 10.9m were with a handful of cedents mostly in Asia and one in Latam.

The countries where the Company underwrote most of its P&C business during 2025 accounted for 87.6% of the GWP (81.6% in 2024).

| By Country     | FY 2025 | FY 2024 |
|----------------|---------|---------|
| United Kingdom | 34.5%   | 21.3%   |
| Germany        | 19.7%   | 27.4%   |
| Belgium        | 8.6%    | 5.4%    |
| Portugal       | 6.4%    | 3.8%    |
| Thailand       | 5.9%    | 1.2%    |
| Mexico         | 3.3%    | 0.7%    |
| Spain          | 2.9%    | 5.8%    |
| Italy          | 2.3%    | 5.4%    |
| Sweden         | 2.0%    | 1.6%    |
| Ireland        | 1.8%    | 1.5%    |
| France         | 0.3%    | 7.6%    |
| Other          | 12.4%   | 18.4%   |

Changes in the distribution among top countries were driven by an increase of our presence in the United Kingdom (incl. Gibraltar) due to the growing relevance of structured solution business. The German business reduced as a proportion of the overall book but the decrease in nominal terms was less significant from CHF 38.1m to CHF 32.3m. Reduction in France is driven by a reduction in proportional Motor, where premiums from prior years estimated by cedent at the time of renewal were not achieved.

Overall, we continued to pursue a portfolio geared more towards non-proportional business in search of a more favorable balance between margins and exposures, reflecting the prevailing market conditions. The growth in the share of proportional is largely linked to the increase of proportional structured solution business in our portfolio:

| by Treaty type   | FY 2025 | FY 2024 |
|------------------|---------|---------|
| Proportional     | 34.9%   | 25.7%   |
| Non-Proportional | 65.1%   | 74.3%   |

The split by Lines of Business is as follows



| By Line of Business | FY 2025 | FY 2024 |
|---------------------|---------|---------|
| Property            | 45.7%   | 49.0%   |
| Motor               | 36.6%   | 32.3%   |
| Casualty            | 8.0%    | 7.1%    |
| Engineering         | 3.9%    | 5.8%    |
| Miscellaneous       |         |         |
| Accident            | 3.9%    | 2.3%    |
| Marine              | 0.7%    | 1.3%    |
| Credit and Bonds    | 1.3%    | 1.2%    |
| Agriculture         | -0.1%   | 1.0%    |

Growth in Motor is driven by the increase in Gibraltar and United Kingdom business. The Property share was reduced due to our approach to control exposures.

Net claims expenses incurred were at CHF 26.1m (CHF 20m for P&C and CHF 6m for Life) compared to CHF 11.8m in 2024 (CHF 11.5m P&C and CHF 0.3m Life).

The increase in net claims incurred for Property and Engineering lines of business is driven by non-recurring effect on recoveries booked in 2024 following payments of large losses for UY 2022 and 2021. Additionally, a significant contribution to Net Claims is driven by attritional losses in connection with structured solution business that is retained on our books.

Below the split across all lines of business for P&C year on year.

| By Line of Business | FY 2025 | FY 2024 |
|---------------------|---------|---------|
| Motor               | 51.9%   | 55.2%   |
| Property            | 24.5%   | -6.9%   |
| Engineering         | 7.6%    | -7.3%   |
| Casualty            | 10.6%   | 10.3%   |
| Accident & Health   | 5.2%    | 28.9%   |
| Marine              | 1.2%    | 5.4%    |
| Credit and Bonds    | 0.8%    | 2.2%    |
| Miscellaneous       |         |         |
| Accident            | 0.1%    | -0.1%   |
| Agriculture         | -1.9%   | 12.3%   |

The L&H business net claims expenses incurred increased from CHF 0.3m in 2024 to CHF 6.0m in 2025 following strategic growth initiatives in this segment, which is not ceded into retrocession programs.

Safety and Equalisation Reserve remained unchanged at USD 1.7m, which translated to CHF 1.3m (2024: CHF 1.5m).

#### Net investment result

Investments were held mainly in a well-diversified portfolio of fixed income instruments, shares of Exchange Traded Fund (ETFs) in bonds and, to a smaller extent, shares (CHF 1.7m) and in real estate fund (CHF 4.2m). The cash and cash equivalents portfolio was 15.2% (compared to 11.6% in prior year) of the Assets under Management.

| <i>in CHF million</i>     | FY 2025      | FY 2024      |
|---------------------------|--------------|--------------|
| Fixed-interest securities | 95.1         | 78.0         |
| Other investments         | 40.0         | 41.9         |
| <i>ETF Bonds</i>          | 33.4         | 35.1         |
| <i>ETF Equity</i>         | 6.5          | 6.9          |
| Cash and cash equivalents | 24.2         | 15.8         |
| <b>Total</b>              | <b>159.2</b> | <b>135.8</b> |



The split of Income from investments and expenses from investments and comparison to prior year is presented in the two tables below.

### Income from investments

|                           | Income *     | Net unrealised gains | Net realised gains | Total         | Income       | Net unrealised gains | Net realised gains | Total        |
|---------------------------|--------------|----------------------|--------------------|---------------|--------------|----------------------|--------------------|--------------|
| <i>(in CHF '000)</i>      | 2025         | 2025                 | 2025               | 2025          | 2024         | 2024                 | 2024               | 2024         |
| Fixed-interest securities | 2'835        | 480                  | 2'416              | 5'731         | 2'441        | -                    | 74                 | 2'515        |
| Other investments **      | 972          | 1'732                | 1'374              | 4'078         | 1'117        | -                    | 165                | 1'281        |
| Cash and cash equivalents | 338          | -                    | -                  | 338           | 680          | -                    | -                  | 680          |
| <b>Total</b>              | <b>4'145</b> | <b>2'212</b>         | <b>3'790</b>       | <b>10'147</b> | <b>4'238</b> | <b>-</b>             | <b>238</b>         | <b>4'476</b> |

\* Income relates interest coupons on fixed interest securities, interest on cash and cash equivalents and dividend on other investments.

\*\* Other investments represent holdings in ETF and real estate funds

### Expenses from investments

|                           | Current expenses * | Net unrealised losses | Net realised losses | Total          | Current expenses | Net unrealised losses | Net realised losses | Total          |
|---------------------------|--------------------|-----------------------|---------------------|----------------|------------------|-----------------------|---------------------|----------------|
| <i>(in CHF '000)</i>      | 2025               | 2025                  | 2025                | 2025           | 2024             | 2024                  | 2024                | 2024           |
| Fixed-interest securities | -                  | -                     | (573)               | (573)          | -                | (38)                  | (1'177)             | (1'215)        |
| Other investments **      | (2)                | -                     | (1'974)             | (1'976)        | -                | (549)                 | (1'310)             | (1'859)        |
| Cash and cash equivalents | (59)               | -                     | -                   | (59)           | (43)             | -                     | -                   | (43)           |
| <b>Total</b>              | <b>(61)</b>        | <b>-</b>              | <b>(2'547)</b>      | <b>(2'608)</b> | <b>(43)</b>      | <b>(587)</b>          | <b>(2'487)</b>      | <b>(3'117)</b> |

\* Expenses on various types of investments are related to withholding taxes on interest on fixed term deposit under other investments

The net investment result in 2025 was positive CHF 7.5m comparing to positive CHF 1.4m in 2024 and includes realised gains on ETF Corporate bonds shares which were sold during the year and replaced with government bonds. The investment income following our strategy grew to CHF 10.1m in 2025 (from CHF 4.5m in 2024) but the pursued balance in the composition of our portfolio from investments between ETFs and Fixed income securities allowed to continue to reap from the healthy interest rates and of financial markets conditions.

## Other income and expenses

Other income and expenses relate to revenues and expenses linked to a deposit accounted transaction whose development generated an expense of CHF 2.6m compared to a gain of CHF 3.2m in 2024.

## General and Admin Expenses

General and Admin Expenses are presented as part of Acquisition costs and Admin expenses in the Local Statutory Income statement. They remained unchanged at CHF 6.7m as in prior year mostly although at constant exchange rates increased by CHF 0.5m. Main drivers were Personnel costs due to the increased amount of FTE (1.5) (CHF 0.3m at constant rates) and increased office costs following move into a larger office (CHF 0.2m at constant rates).

At the end of 2025 Peak Re Switzerland had 19 employees, up by 3 from a year ago, including 16 full-time and 3 part-time staff, with average during 2025 of 14.9 FTE (full-time equivalent) employees up from 13.2 in 2024.

No profits and losses have been recognised directly in equity in FY2025.

# C. Corporate Governance and Risk Management

## **C.1 - Corporate Governance**

The composition of the Board of Directors and the Executive Management as of December 31, 2025:

### *Board of Directors*

Mr. Franz Josef Hahn, Chairman

Mrs. Cathy Chen, member

Mr. Ulrich Fricker, member and Independent Non-Executive Director

Mr. William Schiller, member and Independent Non-Executive Director as from 01.09.2025

### *Executive management*

Matteo Cussigh, Chief Executive Officer

Gareth Christopher, Chief Underwriting Officer - P&C

Chenwei Li, Chief Underwriting Officer - Life

Gianluca Mereu, Chief Financial Officer

## **C.2 - Risk Management**

Peak Re Switzerland's Risk Management Framework is governed by a strong risk culture, a robust compliance infrastructure, a clearly defined risk ownership at the operational level, and the structured coordination of the Risk Management, Compliance, and Internal Audit functions. The Compliance, Risk Management and Internal Audit functions report independently and directly to the Board of Directors and also provide information to the Executive Management Team on a regular basis, including through ad-hoc risk assessments where required.

The Company maintains a formally documented Risk Management Framework, which is approved by the Board of Directors and subject to regular review. The framework defines the Company's risk appetite and tolerance, outlines responsibilities and processes for identifying, monitoring, and managing key risks, and specifies risk limits at Company level in alignment with Peak Re Group policies.



### C 2.1 Risk Management Function

The Risk Management function operates independently from the business and forms part of the Company's second line of defence, in with the "Three Lines of Defence" model:

- **1st Line:** Operational business units, responsible for risk-taking and day-to-day risk management;
- **2nd Line:** Risk Management function, responsible for risk oversight, policy development, and challenge;
- **3rd Line:** Internal Audit, performed by PwC AG, Zurich, responsible for independent assurance.

The Head of Legal, Risk & Compliance leads the Risk Management function and possesses the required technical expertise and business acumen to act as an advisor to the business and promote a risk-aware culture across the Company.

During the reporting period, there were no material changes to the Risk Management system. The engagement of PwC Switzerland as Internal Auditor was renewed for the reporting year.

Operational risk exposures, including those relating to legal, regulatory, and banking relationships, remained within appetite.

Certain functions and processes are supported by the Group under a documented outsourcing agreement, allowing the Company to benefit from the Group's operational scale and specialised expertise.

The Board of Directors is ultimately responsible for oversight of the Risk Management Framework. It reviews the Risk Management Framework and reports regularly and ensures ongoing effectiveness and alignment with the Peak Re Switzerland's strategic objectives and risk profile.

### C 2.2 Actuarial Function

In accordance with FINMA regulations, Peak Re Switzerland has appointed an external actuarial advisor with necessary credentials and deep familiarity with the Swiss regulatory environment as the Responsible Actuary.

Although externally appointed, the Responsible Actuary is fully integrated into the Company's risk governance structure. Core responsibilities include:

- Validation of the adequacy of technical provisions;
- Participation in the Swiss Solvency Test (SST), including confirmation of the SST ratio and determination of Target Capital (TC) and Risk Bearing Capital (RBC);
- Oversight and periodic review of pricing processes and assumptions.

If the Responsible Actuary identifies any deficiencies, they immediately notify the Executive Management. In addition, the Responsible Actuary prepares an annual report for the Board of Directors and Executive Management. This report details the identified deficiencies, proposed remedial actions, and the measures implemented.

The Responsible Actuary reports directly to the Board of Directors.

### C 2.3 Compliance Function

The Compliance Function ensures the Company identifies and assesses its legal and regulatory obligations. It further evaluates the adequacy of internal guidelines, processes, and controls to prevent compliance breaches.



The function's primary goals include protecting the Company and its employees from:

- Legal and regulatory risks,
- Conflicts of interest between the Company, its employees, and clients,
- Reputational risks.

While the Board of Directors holds ultimate responsibility for compliance, operational responsibility is delegated to the Head of Legal, Risk & Compliance. The Compliance Management System includes annual reports and ad-hoc updates as necessary and serves as the basis for regular reporting to both the Board of Directors and Executive Management

#### C 2.4 Internal Audit Function

The Internal Audit function is an independent, outsourced function designed to add value and enhance the Company's operations. It supports the Board of Directors by applying a structured and disciplined approach to assess and improve governance, risk management, and internal controls.

The Internal Audit function reports directly to the Board of Directors and prepares an annual report that:

- Reviews compliance with the audit plan as approved by the Board;
- Assesses the implementation status of recommendations and agreed-upon actions resulting from audit findings.

### **C.3 Internal Control System**

The Internal Control System (ICS) defines key risks, the associated control mechanisms, and roles and responsibilities, in accordance with FINMA Circular 2017/2 on Corporate Governance.

The ICS encompasses both automated and manual controls—preventive and detective—integrated throughout the Company's operational landscape. It applies to controls at entity level, controls within and across all functional areas as well as to outsourced functions.

## D. Risk Profile



Peak Re Switzerland assumes risk from reinsurance underwriting and investment activities. The Company targets a diversified portfolio in terms of lines of business and geography covering primarily Property and Casualty lines of business to add value and provide diversification at the Group level.

We aim for the combination of a diverse inwards portfolio (i.e., by line and country) and a comprehensive retrocession program to reduce the concentration of risks and earnings volatility.

### D.1 – Risk Profile

Peak Re Switzerland's risk landscape can be categorised by its sources as:

- o insurance risk (premium and reserve risk),
- o investment risk (market, credit, liquidity risk) and risks associated with the Company as such (operational, legal and compliance risk).

Peak Re Switzerland has defined limits for the amount of risk the Company is willing to assume in any one of its risk-taking activities.

Peak Re Switzerland applies state of the art techniques to identify, quantify and manage risks. Risks from reinsurance underwriting and investment activities are identified and managed by using:

- a. A detailed limits system,
- b. ORSA (Own Risk and Solvency Assessment).

Peak Re Switzerland uses the Own Risk and Solvency Assessment (ORSA) applying the SST modelling framework. Underwriting and Investment Policies drive the culture of risk management of the Company and define the risk-taking appetite. The Board approves major decisions affecting the Company's risk profile or exposure.

- Insurance Risk (premium and reserve risk)

Premiums should be set at a level that corresponds with the level of risks underwritten. Premium risk is monitored prospectively and retrospectively. Prospective premium risk monitoring shall be implemented at the time contracts are written. This is achieved using proprietary tools which compare Peak Re Switzerland's view on premiums following the technical rating exercise (i.e., the "technical rate") with the prevailing price available in the market (i.e., the "market rate"). Over time, the market rate will fluctuate and may be above or below the Peak Re Switzerland's technical rate due to the market cycle.

Following the decision to bind a treaty, there is a risk that a higher level of claims will materialise than originally expected. This is monitored in the quarterly reserving reports, which include a review of treaty level loss ratios.

Specifically, reserving risk arises due to unfavourable development in claims costs relative to Peak Re Switzerland's opening reserve level. This may be due to adverse claims experience on policies written in the current financial year or due to deterioration in the ultimate claims forecast against prior financial years. Peak Re Switzerland employs suitable methodologies and assumptions to compute and make provision for its insurance liabilities. Such methodologies and assumptions take into account the business volume, claims experience, industry practice, types of reinsurance product, etc. Any reserving assumptions made are reviewed on a quarterly basis (and twice a year by the Responsible Actuary in Switzerland) together with the Reserving Actuary of Peak Re Hong Kong to ensure that due recognition is given to relevant changes in the composition of the business portfolio, market conditions and legal developments, etc.



Any claims reported are promptly recorded so that the relevant reserves will be provided accordingly. The amounts of estimated and actual claims are compared from time to time to ensure adequate provisions are made for outstanding claims.

The Company's retrocession policy provides for guidance such that the exposures of Peak Re Switzerland's business portfolio to major losses owing to individual large risks and accumulations of losses are properly managed. Peak Re Switzerland also regularly assesses the counter-party risk of retrocessionaires and on a quarterly base the collectability of the amounts due.

- Market Risk

Peak Re Switzerland's investments are exposed to market risk, arising because of changes in interest rates, currency exchange rates, geopolitical events, or general macro-economic market conditions.

Peak Re Switzerland's investment risk monitoring process includes diversification and exposure limits, traditional asset/liability management practices, assessing the minimum weighted average credit quality of the bond portfolio and regularly monitoring currency mismatch risk and duration/interest rate risks. Peak Re Switzerland also uses a traffic light system (by mean of monthly report to the CFO and CEO) to facilitate the monitoring and communication of investment risk levels at country, currency, and industry sector levels.

As of the end of 2025, the Company has not invested directly in equity securities. We held shares in ETFs on stocks for CHF 6.5m.

The Company's fixed income portfolio (including fixed income ETFs) is mainly exposed to interest rate movements and changes in spreads reflecting counterparty risk. Peak Re Switzerland tracks risks on a name, country and industry basis and considers cross balance sheet exposures from its credit and bond portfolios. If the Company becomes overexposed to any one country, rating level, name or industry, the portfolio will be rebalanced or hedged.

The Company's Investment Policy also ensures that cash inflows from invested assets are regularly reviewed so that it is adequate to meet the cash outflows due for settling liabilities under different economic conditions. Timely actions will be taken to identify any significant investment losses so that provisions will be made for them.

- Credit Risk

Credit risk represents the loss that Peak Re Switzerland would incur if a counterparty (including a loan borrower, an issuer of securities or other instruments Peak Re Switzerland holds) fails to perform its contractual obligations or the loss in value of securities and/or other financial instruments due to deterioration in the credit quality of the issuer. Peak Re Switzerland's exposure to credit risk principally arises from its investment, as well as our reinsurance activities.

Peak Re Switzerland's credit risk management aims to maintain high investment asset quality and minimise its concentration risk through a diversified, balanced and risk-weighted investment and product portfolio. The Company continually monitors and updates its credit risk-related policies and guidelines to reflect changing market and business conditions. To measure and manage its credit exposures, Peak Re Switzerland uses a variety of tools, including a credit management system monitoring credit exposure to individual counterparties. In the ordinary course of business, the Company may be subject to a concentration of credit risk to a particular counterparty, in which case Peak Re Switzerland will manage by setting exposure limits. The Company's only intra-group retrocessionaire is Peak Re Hong Kong, which itself employs retrocession and other risk mitigating measures.

- Operational Risk

Peak Re Switzerland defines operational risk as the risk of loss arising from people, processes, systems, and external events. The Company tracks these risks using risk registers, which identify the risk owner, describe the risk, define mitigating actions, and quantify the residual risk.



Peak Re Switzerland adopted proper delegated authorities for underwriting and for managing its portfolio of invested assets.

The Company has defined and uses policy/procedures to identify, prevent, detect, and mitigate cyber security threats arising from network, e-mail and/or devices and robust measures to deal with cyber security threats timely and effectively. In addition, the Company runs a “Disaster Recovery Process” at least once a year to test the resilience of its information technology systems and access to critical business information in case of a network disruption, loss of data or security breach.

Peak Re Switzerland has a business continuity plan (BCP) in place to identify viable measures and actions that the Company can take to continue and restore its position or business activities under different stressed conditions or in advance as precautionary measures.

The Company provides training to staff on how to respond to unforeseen external events such as a fire in the office or inaccessibility of office premises (in accordance with the BCP).

- Other material risks
  - Liquidity Risk

Liquidity risk refers to the risk of loss that may arise because of insufficient funds due to an unexpected sudden change in cash flow. In case of a major loss, the Company needs to have sufficient liquidity to pay claims in a timely manner to retain its main value proposition to ceding insurance companies. Peak Re Switzerland monitors its liquidity position and as a precautionary measure keeps a portion of at least 2% of its shareholder and policyholder funds in cash. Peak Re Switzerland’s equity and fixed income instruments are mostly traded in public exchanges. The Company also works to ensure the portfolio of fixed income securities is comprised of liquid instruments.

- Reputational Risk

Reputational risk refers to the potential financial loss or loss of market position arising from damage to Peak Re Switzerland’s reputation or, indirectly, to the reputation of the Group. It is an integral aspect of operational risk and is managed through the Company’s internal control system. Proactive monitoring and mitigation of reputational risk are key priorities.

There was no exposure to off-balance-sheet positions nor risks transferred to special purpose vehicles (SPVs).

The Company maintained the process for assessing the risks to which is exposed as described above.

## **D.2 - Risk Concentration and Accumulation**

### **a. Assets**

#### **Relevant Concentrations**

Peak Re Switzerland’s key retrocessionaire is the Parent Company (with AM Best rating of A-) through an intragroup quota share and additional non-proportional retrocession protections.

#### **Default Probabilities of the Relevant Exposures**

There are no extraordinary exposures.

## b. Liabilities

Peak Re Switzerland writes a diverse portfolio of business and has limited risk accumulations on the liability side. With regards to the quantitative aspects, the SST Report 2026 as of 1 January 2026 showed the following risk posture:

Insurance risk comprised 80% of the Target Capital of USD 58.1m (as calculated in April 2026). This compares to 66% of the Target Capital of USD 56.5m as of April 2025 (before the additional capital contribution). The increase in relative terms is driven by the increase in business volume in 2025.

Market risk made up to 23.7% of Target Capital, which compares to 29% of the Target Capital of USD 56.5m as of April 2025. The decrease is driven by lower currency and spread risk compared to prior year .

Credit risk made up 45% of Target Capital which compares to 38% of the Target Capital of USD 56.5m as of April 2025. The absolute risk charge for credit risk increased from USD 21.5m a year ago to USD 26.1m in SST 2026, driven primarily by the growth of the business written with and of the relevant, higher, counterparty exposure.

The credit risk model is based on cash-flow projections at counterparty level.

### **D.3. - Reinsurance and Risk Mitigation Techniques**

Peak Re Switzerland uses retrocession to manage its overall underwriting risk, and Asset-Liability matching to control foreign exchange or asset volatility risk.

The intragroup and outward retrocession programs are deemed adequate to protect the capital base of the Company against large per risk and per event losses.

## E. Valuation



All values are presented in the Company's reporting currency in USD which is also the currency we calculate and present our solvency ratio.

To derive the CHF amounts the following exchange rates as reported in our Financial Statements are used.

| Currency | Balance Sheet |         | Income Statement |          | Equity (avg. historical rate) |        |
|----------|---------------|---------|------------------|----------|-------------------------------|--------|
|          | 2025          | 2024    | 2024             | 2024     | 2025                          | 2024   |
| USD      | 0.79225       | 0.90625 | 0.82861          | 0.881766 | 0.9920                        | 0.9920 |

Additionally, the tables that show comparison between Statutory Balance Sheet and Market Consistent Balance Sheet - MCBS have been adjusted to refer to the year-end date (i.e., 31 December) although for solvency calculation purposes the reference date is the opening date of the following reporting period (i.e., 1 January).

The Market Consistent Balance Sheet (MCBS) contains all business written or "bound" as of 31 December 2024.

The SST balance sheet comparison with the audited financial statements provides insights into the main valuations and differences between treatment under local GAAP (as reported in the Notes to the Financial Statements in point B.1 Financial Statements point 2 lit. a) to f)) and SST.

We comment below on items that are valued differently under these regimes.

The difference between the Statutory Balance Sheet and MCBS is due to:  
on the Asset side:

- adjustment to market value for investments,
- adjustment of ceded Unearned Premium Reserve to reflect the Market Consistent ceded Premium Liability,
- exclusion of the deferred acquisition cost, and
- exclusion of the deferred tax asset if any.

and on the Liabilities side:

- exclusion of Equalisation Reserves. discounting of Best Estimate ceded Loss Reserves,
- addition of liabilities for bound-but-not-incepted business as of January 1, 2025,
- discounting of Best Estimate Loss Reserves,
- adjustment of Unearned Premium Reserve to Market Consistent Premium Liability,
- Adjustment of Deposit Liabilities due to different interest rate curves;
- exclusion of the deferred tax liabilities if any.

## E.1 - Assets



The following table shows the breakdown of the Statutory and MCBS assets as of December 31, 2025, and as of December 31, 2024, respectively (in USD million).

| Component  | SST 2026                                 |   | SST 2025                                 |   |
|--|--|---|--|---|
|  | Statutory<br>Balance Sheet<br>01.01.2026 | Market Value<br>Balance Sheet<br>01.01.2026 | Statutory<br>Balance Sheet<br>01.01.2025 | Market Value<br>Balance Sheet<br>01.01.2025 |
| Retrocessionaires share of UPR                   | 54.7                                     | 30.8  | 44.1                                     | 25.8  |
| Retrocessionaire outstanding loss reserves       | 186.4                                    | 183.4                                       | 148.6                                    | 149.3                                       |
| Due from ceding companies                        | 127.9                                    | 127.9                                       | 92.5                                     | 92.5  |
| Due from retrocessionaires                       | 22.5                                     | 22.5  | 25.3                                     | 25.3  |
| Deferred acquisition costs - insurance contracts | 18.8                                     | 0.0   | 12.2                                     | 0.0   |
| Cash and cash equivalents                        | 30.5                                     | 30.5  | 17.0                                     | 17.0  |
| Governments bonds                                | 95.5                                     | 95.5  | 81.4                                     | 80.9  |
| Corporate bonds                                  | 68.1                                     | 68.1  | 51.0                                     | 52.7  |
| Equities   | 8.3                                      | 8.3   | 0.0                                      | 0.0   |
| Other assets                                     | 0.5                                      | 4.16  | 48.9                                     | 47.7  |
| <b>Total assets</b>                              | <b>613.3</b>                             | <b>571.1</b>                                | <b>520.9</b>                             | <b>491.3</b>                                |

### Investments:

Under SST, their valuation is “mark to market”, based on quoted prices in active markets or observable fair values. Under local GAAP, fixed interest securities are valued at lower market value or amortised cost less required impairments. The annual amortisation amount is recognised within the investment result; the difference is presented in the table above, no difference is to be noted since Market values were below amortised costs less impairment in both current and prior year.

Shares and ETF shares and other investments are valued at the lower of cost or market.

### Deferred acquisition costs:

Under local GAAP, acquisition costs that are directly attributable to reinsurance contracts are capitalised and amortised over the lifetime of the contract in proportion to the premium income earned. These costs are regularly tested for impairment using a liability adequacy test.

Under SST, this position is fully depreciated.

For all other assets the statutory value has been taken and valued at the market value.

## E.2 - Liabilities

The following table shows the breakdown of the statutory and MCBS liabilities as of December 31, 2025, and as of December 31, 2024, respectively (in USD million).

| Component                                     | SST 2026                           |                                       | SST 2025                           |                                       |
|---|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
|   | Statutory Balance Sheet 01.01.2026 | Market Value Balance Sheet 01.01.2026 | Statutory Balance Sheet 01.01.2025 | Market Value Balance Sheet 01.01.2025 |
| Unearned premium reserves                     | 88.6                               | 49.8                                  | 62.7                               | 36.7                                  |
| Outstanding claims reserves                   | 257.2                              | 252.6                                 | 197.6                              | 197.3                                 |
| Due to ceding companies                       | 20.3                               | 20.3                                  | 12.3                               | 12.3                                  |
| Due to retrocessionaires                      | 82.7                               | 80.4                                  | 70.2                               | 76.4                                  |
| Retrocessionaires' Deferred acquisition costs | 10.7                               | 0.0                                   | 7.7                                | 0.0                                   |
| Premium Deficiency Reserve                    | 0.1                                | 0.0                                   | 0.0                                | 0.0                                   |
| Deposit liability Life                        | 42.2                               | 36.4                                  | 64.9                               | 54.2                                  |
| Other liabilities                             | 5.4                                | 1.9                                   | 5.7                                | 0.7                                   |
| <b>Total liabilities</b>                      | <b>507.3</b>                       | <b>441.4</b>                          | <b>421.1</b>                       | <b>377.5</b>                          |

Under local GAAP, liabilities from non-life business are valued on an undiscounted basis and contain equalisation reserves SER, which are presented on an individual line item.

#### Provisions for insurance obligations

Following two tables shows provisions for insurance obligations under the Statutory Balance sheet and Market Consistent Balance Sheet (i.e. market value):

##### Statutory Balance Sheet

| Gross and Net value of provisions for insurance obligations | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) |
|---|------------------------------|-------------------|----------------------------|------------------------------|-------------------|----------------------------|
|   | 2025                         | 2025              | 2025                       | 2024                         | 2024              | 2024                       |
| USD 000   |                              |                   |                            |                              |                   |                            |
| Unearned premium reserve                                    | 88.6                         | 54.7              | 33.9                       | 62.7                         | 44.1              | 18.6                       |
| Loss reserves   | 255.6                        | 186.4             | 69.3                       | 195.9                        | 148.6             | 47.3                       |
| Equalisation Reserve  | 1.7                          | -                 | 1.7                        | 1.7                          | -                 | 1.7                        |
| Mathematical Reserves                                       | 0.1                          | -                 | 0.1                        | 0.3                          | -                 | 0.3                        |
| <b>Total</b>  | <b>346.1</b>                 | <b>241.1</b>      | <b>104.9</b>               | <b>260.6</b>                 | <b>192.7</b>      | <b>67.9</b>                |

## Market Consistent Balance Sheet



| Gross and Net value of provisions for insurance obligations | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) | Technical provisions (gross) | Reinsurers' share | Technical provisions (net) |
|---|------------------------------|-------------------|----------------------------|------------------------------|-------------------|----------------------------|
| USD 000   | 2025                         | 2025              | 2025                       | 2024                         | 2024              | 2024                       |
| Unearned premium reserve                                    | 88.6                         | 54.7              | 33.9                       | 62.7                         | 44.1              | 18.6                       |
| Loss reserves   | 264.0                        | 192.7             | 71.3                       | 195.9                        | 148.6             | 47.3                       |
| Equalisation Reserve  | -                            | -                 | -                          | -                            | -                 | -                          |
| Mathematical Reserves                                       | 0.1                          | -                 | 0.1                        | 0.3                          | -                 | 0.3                        |
| <b>Total</b>  | <b>352.7</b>                 | <b>247.4</b>      | <b>105.3</b>               | <b>258.9</b>                 | <b>192.7</b>      | <b>66.2</b>                |

### Outstanding claims reserves

The outstanding claims reserves value in the MCBS has been estimated by adding a risk margin and discounting the statutory values. The limited number of large losses and the increase in attritional losses following growth of business resulted in the increase in the gross reinsurance reserves from USD 196.2m to USD 264.1m, spread across all lines of business predominantly in Property incl. Engineering, USD 109.3m, and Motor, USD 91.9m.

At the end of 2025 Europe represents 87% (93.2% in 2024) of gross claim reserves of the portfolio. Asia represents 10% (compares to 2.1% at the end of 2024) of the gross claim reserves, the remaining amount is for gross reserves from Latin America clients

### Unearned premium reserves ("UPR")

Several adjustments are needed to move from the UPR position in the statutory balance sheet to the market consistent basis. In particular a best estimate view is needed. As such the premium deficiency reserve is removed.

For Underwriting Years 2024 and Prior

The total gross market consistent UPR for policies incepted in 2024 and prior years is calculated as the difference between the expected gross discounted claim and the gross future premiums. The gross future premiums are the difference between the gross ultimate unearned premiums and the gross UPR. The maintenance expense ratio assumptions are based on assumptions from Peak Re Switzerland.

Underwriting Year 2025

The total gross market consistent UPR arising from bound-but-not-incepted business (i.e. treaties with inception date 1 January 2025) is calculated as the difference between the gross expected discounted claims and the gross signed premiums for 1 January 2025. Bound but not incepted exposures need to be included in the calculation in order to align with the contract boundary requirements of the SST calculation. For the avoidance of doubt, we note that the 1 January 2025 bound-but-not-incepted exposure arises only from European treaties.

### **Retrocessionaire’s Outstanding Loss Reserves**

The market value of the retrocessionaire’s outstanding loss reserves has been calculated as the difference between the market value of gross outstanding claims reserves and the market value of the net outstanding claims reserves. The market value of the net outstanding claims reserves has been estimated using the same approach as for the market value of the gross claims reserves. The same discount factors have been used for gross and net claims reserves.

### **Retrocessionaire Share of Unearned Premiums Reserve (UPR)**

For SST calculation purposes two adjustments are needed from Statutory Balance sheet position.

First, companies need to allow for their best estimate view in respect of unexpired risks. For this reason, treaty level pricing loss ratios, expense load and commission assumptions are used to generate a view of the unexpired risk reserve. As there is embedded profit within the UPR this is a downward driver when comparing market consistent views with Statutory Balance Sheet views. Second, and in line with SST guidelines, an allowance for bound-but-not incepted exposures as of 1 January 2026 is needed. This is an upward-driver when comparing market consistent and statutory bases.

When applied together, the first of these factors is more significant than the second, and this is why the UPR is lower on a market consistent basis.

## **E.3 - Market Value Margin**

The Market Value Margin (“MVM”) has been calculated as defined in the Standard Model approach suggested in the FINMA Technical Document on the Swiss Solvency Test as published in October 2024.

The table below presents the evolution of the MVM:

|     | SST 2026 | SST 2025 | SST 2024 |
|-----|----------|----------|----------|
| MVM | 16.3     | 5.0      | 2.6      |

The MVM increases from USD 5.0m in SST 2025 to USD 16.3m in SST 2026 mainly driven by the structured solution business.

The Market Value Margin covers the cost of capital of outstanding risks beyond the one-year horizon. All types of risks are considered in the MVM: Insurance, Market and Credit. In particular, the credit risk of retrocessionaires is captured until full run-off of ceded liabilities. The Cost of Capital is fixed by FINMA at 6%.

## **E.4 - Provisions for Other liabilities**

The other liabilities position includes amounts due to parent company, to various suppliers at year end (e.g., other payables and payables to parent company for rendered services ) and to a cedent for a Life treaty that does not transfer risk and is deposit accounted (USD 12.2m). Please note these have no different valuation under Statutory and Market Values, they simply are gathered together in the MVBS.

Difference between Swiss Statutory accounting principles and MCBS are due for the amount of USD 3.5m to the treatment of office space, which under Statutory balance sheet does not account for the future obligations from the lease agreement for the office.

| Provision for other liabilities | Statutory Balance Sheet | Adjustment | Market Consistent Balance Sheet |
|---------------------------------|-------------------------|------------|---------------------------------|
| USD million                     | 2025                    |            | 2024                            |
| Other liabilities               | 5.4                     | 3.5        | 1.9                             |

## F. Capital Management

Peak Re aims at year-on-year capital growth through retained earnings. Capital management is at the core of our strategy of being client-centric in that we cooperate with clients and intermediaries to develop risk and capital solutions to assist their profitable growth, and we look at long term positive outcomes for both our cedents and ourselves.

We have a capital planning process based on the Own Risk and Solvency Assessment (ORSA) exercise within the SST modelling framework. The capital planning process targets:

- to identify, assess, monitor, manage and report the short- and long-term risks that Peak Re AG faces or may face; and
- to determine the level of funds necessary to meet solvency needs at all time.

The ORSA requires Peak Re Switzerland to assess its own risks and associated economic and regulatory capital needs.

In the process we consider the following factors:

- Strategic objectives
- Current and future risk profile
- Any capital buffers required

The ORSA at Peak Re Switzerland is forward-looking across the business planning horizon, i.e., 3 years. It encompasses all material risks, including those which are not captured in the SCR of the SST, such as operational and reputational risks.

We hold a simple capital structure that comprises solely of Tier 1 capital. This includes common stock or equity capital which was composed of a fully paid-in share capital of USD 9.8m (or CHF 10.0m), and reserves which included: a capital surplus reserves ("Kapitaleinlagereserven") of USD 89.4m (CHF 88.3m) and an Organisation Fund of USD 8.8m (CHF 9.0m). Equity and solvency capital are managed with the ORSA process with a time horizon of three years.

Shareholders' equity on MCBS increased in 2025 by USD 7.3m because of the profit of the year and inclusion of future profit on life transactions as well as other L&H business.

No hybrid, conditional or mezzanine capital instruments were used.



| <b>8. Statement of changes in equity</b> |               |                            |                             |                              |                     |                |
|--|---------------|----------------------------|-----------------------------|------------------------------|---------------------|----------------|
| <i>(in CHF '000)</i>                     | Share capital | Statutory capital reserves | Voluntary retained earnings | Currency Translation reserve | Profit for the year | Total equity   |
| <b>2024</b>                              | <b>10'000</b> | <b>97'280</b>              | <b>(31'061)</b>             | <b>7'473</b>                 | <b>6'301</b>        | <b>89'993</b>  |
| Transfer to voluntary retained earnings  |               |                            | 6'301                       |                              | (6'301)             | -              |
| Effect of foreign exchange               |               |                            |                             | (7'473)                      |                     | <b>(7'473)</b> |
| Profit/(Loss) for the period             |               |                            |                             |                              | 1'498               | <b>1'498</b>   |
| <b>2025</b>                              | <b>10'000</b> | <b>97'280</b>              | <b>(24'760)</b>             | -                            | <b>1'498</b>        | <b>84'018</b>  |

The difference in valuation between the shareholders' equity as per statutory annual report of CHF 84.0m (USD 106.0m) and as per MCBS of USD 113.8m or CHF 90.2m is due to reasons explained in detail above in Section E Valuation and to the adjustment for foreign exchange on currency translation to national currency.

## G.Solvency



The company uses the official version of the Standard Model of the Swiss Solvency Test SST for reinsurers published by FINMA (StandRe) for all risks excluding defined Natural Catastrophe exposures (CAT), and an internal model for defined CAT risk which was approved by FINMA in October 2020 and confirmed in 2024. The Company's capital and retrocession posture was managed by means of the ORSA process and based on the Swiss Solvency Test methodology.

The results of the SST 2026 report and a comparison with the previous SST report as submitted to FINMA are as follows:

| in million USD                               | SST 2026      | SST 2025      | 2026 vs      |
|--|---------------|---------------|--------------|
|  | Final         | reported      | 2025         |
| Premium Risk - Attritional (AEP) net         | 9.6           | 6.8           | 2.8          |
| Premium Risk - Individual (IE1) net          | 7.5           | 14.0          | (6.5)        |
| Premium Risk - Nat Cat (NE) net              | 13.3          | 14.6          | (1.3)        |
| <i>Diversification</i>                       | <i>(14.2)</i> | <i>(10.3)</i> | <i>(3.9)</i> |
| Premium Risk - Total - net                   | 16.3          | 25.1          | (8.8)        |
| Reserve Risk - Attritional (AER) net         | 37.4          | 24.1          | 13.3         |
| Reserve Risk - Individual (IE2) net          | 15.8          | 12.1          | 3.7          |
| <i>Diversification</i>                       | <i>(14.7)</i> | <i>(11.0)</i> | <i>(3.7)</i> |
| Reserve Risk - Total net                     | 38.5          | 25.2          | 13.3         |
| <i>Diversification</i>                       | <i>(10.2)</i> | <i>(13.3)</i> | <i>3.1</i>   |
| Insurance Risk - Total net discounted        | 46.6          | 37.1          | 9.5          |
| <i>Market Risk</i>                           | <i>13.2</i>   | <i>16.6</i>   | <i>(3.4)</i> |
| Credit Risk                                  | 26.1          | 21.5          | 4.5          |
| Scenarios                                    | 7.7           | 6.9           | 0.8          |
| <i>Diversification</i>                       | <i>34.2</i>   | <i>(17.3)</i> | <i>51.5</i>  |
| Insurance & Credit & Market Risk & Scenarios | 70.9          | 64.7          | 6.2          |
| Expected Insurance Result                    | (9.0)         | (7.1)         | (1.8)        |
| Expected Financial Performance               | (0.7)         | (0.3)         | (0.4)        |
| Additional effects                           | 0.0           | (0.8)         | 0.8          |
| Target Capital                               | 58.1          | 56.5          | 1.7          |
| Risk Bearing Capital (RBC)                   | 113.8         | 108.8         | 5.0          |
| <b>SST Ratio - Forecast</b>                  | <b>195.8%</b> | <b>192.7%</b> | <b>3.1%</b>  |

The SST ratio increases to 195.8% from 192.7% in 2025. Combined effect of increase of RBC and increased expected insurance result are the driver of such variance compared to last year. The RBC increase is due to

- Capital uplift of USD 6m due to profits of the year;
- Retained 2025 profit of USD 9.0m (CHF 7.1m).

The Target Capital change is driven by increased Insurance Risk, due to the growth in the business volume. The largest component of the Target Capital remained the Insurance Risk at USD 85.7m (undiversified basis, USD 46.6m on a diversified basis).

Further details on components of Risk Bearing Capital are detailed here below.



## Breakdown of risk-bearing capital into its main components

The table below presents the evolution and the breakdown of our RBC and changes over the previous year:

|  | SST 2026        |                       |          |                       |                           |                       | SST 2025        |          |                           |
|--|-----------------|-----------------------|----------|-----------------------|---------------------------|-----------------------|-----------------|----------|---------------------------|
|  | In USD millions | Rel. diff. prev. year | Share TC | Rel. diff. prev. year | Share total assets SST BS | Rel. diff. prev. year | In USD millions | Share TC | Share total assets SST BS |
| Sign convention:<br>RBC = assets - liabilities + (deductions and RAK) ;<br>TC = sum of components; |                 |                       |          |                       |                           |                       |                 |          |                           |
| Risk-bearing capital (RBC)   | 113.8           | 5%                    | 196%     | 2%                    | 20%                       | -10%                  | 108.8           | 193%     | 22%                       |
| Market conform value of assets   | 571.1           | 16%                   | 983%     | 13%                   | 100%                      | 0%                    | 491.3           | 870%     | 100%                      |
| Total liabilities  | 457.3           | 20%                   | 787%     | 16%                   | 80%                       | 3%                    | 382.5           | 677%     | 78%                       |
| of which Market Value Margin (MVM)   | 16.3            |                       | 28%      | 216%                  | 3%                        | 180%                  | 5.0             | 9%       | 1%                        |
| Deductions and risk-absorbing capital instruments (RAK)  | 0.0             |                       | 0%       |                       | 0%                        |                       | 0.0             | 0%       | 0%                        |
| Target capital (TC)  | 58.1            | 3%                    | 100%     | 0%                    | 10%                       | -11%                  | 56.5            | 100%     | 11%                       |
| Market risk  | 13.2            | -20%                  | 23%      | -23%                  | 2%                        | -31%                  | 16.6            | 29%      | 3%                        |
| Credit risk  | 26.0            | 21%                   | 45%      | 18%                   | 5%                        | 4%                    | 21.5            | 38%      | 4%                        |
| Insurance risk   | 46.6            | 26%                   | 80%      | 22%                   | 8%                        | 8%                    | 37.1            | 66%      | 8%                        |
| Diversification effect   | -22.5           | 30%                   | -39%     | 27%                   | -4%                       | 12%                   | -17.3           | -31%     | -4%                       |
| Negative of expected financial result  | -0.7            | 105%                  | -1%      | 99%                   | 0%                        | 76%                   | -0.3            | -1%      | 0%                        |
| Negative of expected insurance result  | -8.9            | 26%                   | -15%     | 22%                   | -2%                       | 8%                    | -7.1            | -13%     | -1%                       |
| Scenarios effect   | 7.7             | 11%                   | 13%      | 8%                    | 1%                        | -4%                   | 6.9             | 12%      | 1%                        |
| Additional effects   | -3.2            | 281%                  | -5%      | 270%                  | -1%                       | 227%                  | -0.8            | -1%      | 0%                        |
| Surplus (RBC minus TC)   | 55.7            | 6%                    | 96%      | 3%                    | 10%                       | -8%                   | 52.3            | 93%      | 11%                       |

The RBC increases by USD 5.0m from USD 108.8m in 2025 to USD 113.8m in 2026.

This increase is due the profit of the year which will be retained.

There are no RBC deductions in the SST balance sheet. There is no additional capital.

## Breakdown of market risk and insurance risk into its main components

The table below presents the evolution and the breakdown of the market risk between 2025 and 2024 (in USD millions):

| Note                                | Risk factors                   | SST 2026 | SST 2025 | Variance |
|-------------------------------------|--------------------------------|----------|----------|----------|
| 1                                   | Standalone interest rate risk  | 2.7      | 4.2      | -1.5     |
| 2                                   | standalone EUR rate risk       | 2.9      | 1.0      | 1.9      |
| 3                                   | standalone USD rate risk       | 2.1      | 4.9      | -2.8     |
| 4                                   | standalone JPY rate risk       | 3.1      | 0.5      | 2.6      |
| (5) = (2) + (3) + (4)               | non diversified interest rate  | 8.1      | 6.4      | 1.7      |
| (6) = (1) - (5)                     | Diversification interest rate  | -5.4     | -2.2     | -3.2     |
| 7                                   | Standalone spread risk         | 0.5      | 2.9      | -2.4     |
| 8                                   | Standalone currency risk       | 13.0     | 18.5     | -5.5     |
| 9                                   | Equity                         | 3.6      | 0.0      | 3.6      |
| (10) = (11) - (1) - (7) - (8) - (9) | Diversification of market risk | -6.5     | -9.0     | 2.5      |
| 11                                  | Total market risk              | 13.2     | 16.6     | -3.4     |



The market risk decreases from USD 16.6 million to USD 13.2 million, lower standalone currency risk (from USD 18.5 million to USD 13.0 million) and lower spread risk, partially offset by a higher equity exposure and a higher non-diversified interest rate risk.

### (Re)Insurance risk

The table below presents the evolution of the reinsurance risk in USD million net of retrocession calculated under StandRe:

| SST Model Component                                   | SST 2026    | SST 2025    |
|---|-------------|-------------|
| Premium Risk - Attritional (AEP) net                  | 9.6         | 6.8         |
| Premium Risk - Individual (IE1) net                   | 7.5         | 14.0        |
| Premium Risk - Nat Cat (NE) net                       | 13.3        | 17.6        |
| Diversification                                       | (14.2)      | -11.4       |
| <b>Premium Risk - Total - net discounted</b>          | <b>16.3</b> | <b>27.2</b> |
| Reserve Risk - Attritional (AER) net discounted       | 37.4        | 24.1        |
| Reserve Risk - Individual (IE2) net discounted        | 15.8        | 12.1        |
| Diversification                                       | (14.7)      | (11.0)      |
| <b>Reserve Risk - Total net discounted</b>            | <b>38.5</b> | <b>25.2</b> |
| Diversification                                       | (10.2)      | (13.3)      |
| <b>Non-Life Insurance Risk - Total net discounted</b> | <b>44.6</b> | <b>36.9</b> |

The increase in reserve risk is due to an increase in the volatility of reserves, mainly coming from Motor non proportional and General Liability segments.

The premium risk decreases from USD 27.2 million in 2025 to USD 16.3 million in 2026, mainly driven by lower Individual Events (IE1) and Nat Cat (NE) net of retrocession, partially offset by a higher AEP (attritional) component reflecting expected business growth.

The standalone Nat Cat (NE) risk net decreases compared to last year, mainly reflecting the rebalancing of the European Windstorm portfolio and the recalibration of the Aggregate XL retrocession.

On a net basis, the NE risk decreases due to the higher capacity of the Aggregate XL treaty in 2026 (EUR 50.0 million xs of EUR 10.0 million vs EUR 40.0 million xs of EUR 6.0 million in 2025). The Agg XL contract contains a feature to increase the capacity of the treaty during the year that Peak Re Switzerland could eventually use to limit NE risk further.

Peak Re Switzerland confirms that in this report the current information on solvency (risk-bearing capital, target capital) is the same as that which it has submitted to FINMA.



### III. Sign-off by the Executive Body

The Board of Directors acknowledges its responsibility that this Financial Condition Report has been properly prepared in all material respects in accordance with all applicable rules and regulations.

The Board of Directors of Peak Re Switzerland approved this 2025 Financial Condition Report and signs off its disclosure by decision dated April 27, 2026.

# IV. Appendixes



- 1 Quantitative Template "Market Consistent Balance Sheet - Peak Reinsurance AG"
- 2 Quantitative Template "Solvency Solo – Peak Reinsurance AG"
- 3 External auditor's report

## Appendix 1



### Quantitative template "Market-consistent Balance Sheet Solo"

Financial situation report: quantitative template  
"Market Consistent SST Balance Sheet Solo"  
Peak Reinsurance AG

Currency: USD  
currency for  
SST reporting  
in  
millions

|   |  | 31.12.2024   | Adjustments<br>previous period | 31.12.2025   |
|---|--|--------------|--------------------------------|--------------|
| Market conform value of<br>investments  | Real estate  |              |                                |              |
|   | Participations   |              |                                |              |
|   | Fixed-income securities  | 74.7         | 21                             | 95.5         |
|   | Loans  |              |                                |              |
|   | Mortgages  |              |                                |              |
|   | Equities   | 8.3          | -                              | 8.3          |
|   | Other investments  |              |                                |              |
|   | Collective investment schemes  | 50.0         | 18                             | 68.1         |
|   | Alternative investments  |              |                                |              |
|   | Structured products  |              |                                |              |
| Other investments   |  |              |                                |              |
|   | <b>Total investments</b>   | <b>133</b>   |                                | <b>171.9</b> |
| Market conform value of other<br>assets   | Financial investments from unit-linked life insurance                            |              |                                |              |
|   | Receivables from derivative financial instruments                                |              |                                |              |
|   | Deposits made under assumed reinsurance contracts                                |              |                                |              |
|   | Cash and cash equivalents  | 17           | 14                             | 30.5         |
|   | Share of technical provisions from reinsurance                                   |              |                                |              |
|   | Direct insurance: life insurance business (excluding unit linked life insurance) |              |                                |              |
|   | Reinsurance: life insurance business (excluding unit linked life insurance)      |              |                                |              |
|   | Direct insurance: non-life insurance business                                    |              |                                |              |
|   | Reinsurance: non-life insurance business   | 175.1        | 39                             | 214.1        |
|   | Direct insurance: health insurance business                                      |              |                                |              |
|   | Reinsurance: health insurance business   |              |                                |              |
|   | Direct insurance: other business   |              |                                |              |
|   | Reinsurance: other business  |              |                                |              |
|   | Direct insurance: unit-linked life insurance business                            |              |                                |              |
|   | Reinsurance: unit-linked life insurance business                                 |              |                                |              |
|   | Fixed assets   | 0            | -                              |              |
|   | Deferred acquisition costs   |              |                                |              |
| Intangible assets   |  |              |                                |              |
| Receivables from insurance business   | 117.8  | 33           | 150.3                          |              |
| Other receivables   | 47.7   | -44          | 4.2                            |              |
| Other assets  | 0.1  | -            | 0.1                            |              |
| Unpaid share capital  |  |              |                                |              |
| Accrued assets  | 0.6  | -1           |                                |              |
|   | <b>Total other assets</b>  | <b>358.3</b> | <b>41</b>                      | <b>399.2</b> |
| <b>Total market conform value of<br/>assets</b>                                     | <b>Total market conform value of assets</b>                                      | <b>491.3</b> | <b>80</b>                      | <b>571.1</b> |
| Market conform value of<br>liabilities<br>(including unit linked life<br>insurance) | Best estimate of insurance liabilities   |              |                                |              |
|   | Direct insurance: life insurance business (excluding unit linked life insurance) |              |                                |              |
|   | Reinsurance: life insurance business (excluding unit linked life insurance)      |              |                                |              |
|   | Direct insurance: non-life insurance business                                    |              |                                |              |
|   | Reinsurance: non-life insurance business   | 233.7        | 68.7                           | 302.4        |
|   | Direct insurance: health insurance business                                      |              |                                |              |
|   | Reinsurance: health insurance business   |              |                                |              |
|   | Direct insurance: other business   |              |                                |              |
|   | Reinsurance: other business  | 138.8        | -16.1                          | 122.7        |
|   | Best estimate of unit-linked life insurance liabilities                          |              |                                |              |
| Direct insurance: unit-linked life insurance business                               |  |              |                                |              |
| Reinsurance: unit-linked life insurance business                                    |  |              |                                |              |
| Market value margin   | 5.0  | 11.3         | 16.3                           |              |
| Market conform value of other<br>liabilities  | Non-technical provisions   | -            | -                              |              |
|   | Interest-bearing liabilities   |              |                                |              |
|   | Liabilities from derivative financial instruments                                |              |                                |              |
|   | Deposits retained on ceded reinsurance   |              |                                |              |
|   | Liabilities from insurance business  |              |                                |              |
|   | Other liabilities  |              |                                |              |
|   | Accrued liabilities  |              |                                |              |
| Subordinated debts  |  |              |                                |              |
| <b>Total market conform value of<br/>liabilities</b>                                | <b>Total market conform value of liabilities</b>                                 | <b>377.5</b> | <b>63.9</b>                    | <b>441.4</b> |
|   | <b>Market conform value of assets minus market conform value of liabilities</b>  | <b>113.8</b> | <b>15.9</b>                    | <b>129.7</b> |

## Appendix 2

31.12.2025



31.12.2024

### Financial situation report: quantitative template "Solvency Solo" Peak Reinsurance AG

Currency: USD  
currency for SST  
reporting  
Amounts stated in  
millions

|                      |  | 31.12.2024      | Adjustments<br>previous period | 31.12.2025      |
|----------------------|--|-----------------|--------------------------------|-----------------|
|                      |  | in USD millions | in USD millions                | in USD millions |
| Derivation of<br>RBC | Market conform value of assets minus market conform value of liabilities     | 108.8           |                                | 113.8           |
|                      | Deductions   |                 |                                |                 |
|                      | Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital | 108.8           |                                | 113.8           |
|                      | <b>Core capital</b>  | <b>108.8</b>    |                                | <b>113.8</b>    |
|                      | Supplementary capital  |                 |                                |                 |
|                      | <b>RBC</b>   | <b>108.8</b>    | <b>5.0</b>                     | <b>113.8</b>    |

|                                 |                                 | 31.12.2024            | Adjustments<br>previous period | 31.12.2025      |
|---------------------------------|---------------------------------|-----------------------|--------------------------------|-----------------|
|                                 |                                 | in CHF millions       | in CHF millions                | in CHF millions |
| Derivation of<br>target capital | Insurance risk                  | 37.1                  |                                | 46.6            |
|                                 | Market risk                     | 16.6                  |                                | 13.2            |
|                                 | Credit risk                     | 21.5                  |                                | 26.0            |
|                                 | Diversification effects         | -23.7                 |                                | -44.0           |
|                                 | Other effects on target capital | 5.0                   |                                | 16.3            |
|                                 |                                 | <b>Target capital</b> | <b>56.5</b>                    | <b>1.6</b>      |

|  |                  | 31.12.2024   | Adjustments<br>previous period | 31.12.2025   |
|--|------------------|--------------|--------------------------------|--------------|
|  |                  | in %         | in %                           | in %         |
|  | <b>SST ratio</b> | <b>192.7</b> | <b>3.1</b>                     | <b>195.8</b> |

## Appendix 3

### External auditor's report



To the General Meeting of  
Peak Reinsurance AG, Zurich

Zurich, 27 April 2026

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Peak Reinsurance AG (the Company), which comprise the balance sheet as at 31 December 2025, the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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



#### Other information

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

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

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

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



#### **Board of Directors' responsibilities for the financial statements**

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

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



#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

## Report on other legal and regulatory requirements




In accordance with Art. 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 the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



**Blaise Wägli**  
(Qualified Signature)  
Licensed audit expert  
(Auditor in charge)



**Julie Cabáková**  
(Qualified Signature)  
ACCA

### Enclosures

- Financial statements (balance sheet, income statement, cash flow statement, notes)
- Proposal of the Board of Directors