

To the General Meeting of
Korean Reinsurance Switzerland AG, Zurich

Zurich, 5th March 2026

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

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

In our opinion, the financial statements (pages 5 to 17) 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 stand-alone financial statements and our auditor's reports 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.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Christian Fleig
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Pascal Nikles
(Qualified Signature)

Licensed audit expert

Korean Reinsurance Switzerland AG

Annual Report

1 January 2025 – 31 December 2025

Details	
Issued by	Executive Management
Approval by	Board of Directors
Language	English
Report date	30 April 2026
Scope of application	Korean Reinsurance Switzerland AG

Contents

Management Report.....	1
Board of Directors, Management and Auditors	4
Financial Statements.....	5
Profit and Loss Statement.....	5
Balance Sheet	6
Cash Flow Statement.....	7
Notes to the Financial Statement	8
Appropriation of available earnings as proposed by the Board of Directors	18

Management Report

Introduction

Korean Reinsurance Switzerland AG ("KRSA") is a 100% owned subsidiary of Korean Reinsurance Company ("Korean Re"), Seoul, and was established in 2018 with the goal to strengthen Korean Re's European presence. KRSA is a reinsurance company domiciled in Zurich, focusing on Continental European property, casualty (P&C) and specialty lines treaty business.

KRSA's functional currency is in EUR. For the statutory closing, the financial statements are presented in CHF. For this purpose, the EUR accounts are translated into CHF using the closing rate for the balance sheet and income statement (as of 31 December 2025), and historical rates for equity (see pages 9/10).

Financial review

Gross written premiums amounted to CHF 119.4m (EUR 128.3m), lower than the previous year, reflecting intensified competition and pricing pressure in the property catastrophe market, as well as targeted adjustments led by a consistent risk appetite and systematic portfolio management strategy. Despite these headwinds, KRSA achieved its target of a more diversified business mix, supported by growth in engineering and marine lines of business and steady development across casualty lines.

Claims experience in 2025 was generally moderate. However, the year was influenced by a small number of individual events, including the floods in Thailand, a widely reported natural catastrophe resulting in significant market losses and affected KRSA's results, albeit on a limited scale. At portfolio level, natural perils-related events remained well within expected ranges. Favorable performance across most lines of business and positive prior-year developments contributed to a gross result that exceeded expectations. Overall, KRSA successfully maintained underwriting discipline and client focus and continued to benefit from a more balanced portfolio structure.

Investment income contributed positively, amounting to CHF 3.1m (EUR 3.4m). Although unexpected USD devaluation reduced the result, underlying investment performance remained sound, supported by gradually stabilizing interest-rate expectations and a more diversified investment portfolio through a measured first allocation to private debt and pledged securities.

Net acquisition costs stood at CHF 9.7m (EUR 10.4m). Administrative expenses were well controlled at CHF 8.9m (EUR 9.6m), remaining within planned levels. KRSA continued to operate with a lean and efficient team structure, enabling stable delivery of services, underwriting and claims handling activities. Personnel expenses for the average of 23 FTE represent CHF 6.8m (EUR 7.3m) the largest component of KRSA's administrative expenses.

Overall, 2025 was characterized by steady operational fundamentals despite a challenging environment. Through disciplined underwriting, prudent capital and risk management, and a resilient investment portfolio, KRSA remains well positioned to support its clients and pursue sustainable long-term growth across its core European markets.

The economic environment in 2025 remained difficult, influenced by ongoing geopolitical tensions, lingering inflation, and differing monetary policy paths across major regions. The war in Ukraine continued to weigh on global trade, energy markets, and supply-chain reliability, while renewed instability in the Middle East added further uncertainty.

In Europe, economic growth stayed subdued as business confidence and consumer sentiment weakened, with Germany continuing to see pressure from reduced industrial output and export demand. Inflation moderated but remained above the European Central Bank's target for most of the year, and following the rate cuts in 2024, the ECB maintained a cautious wait-and-see approach throughout 2025.

Bond markets responded positively to earlier monetary easing, supporting a partial recovery in valuations despite renewed volatility. For KRSA, this environment reinforced the benefits of its early-year bond purchases. Corporate bond market values improved somewhat but still ended the year around 15% below book value, mainly due to the sensitivity of long-dated zero-coupon positions.

KRSA continues to invest primarily in high-quality corporate bonds carried at amortized cost, and as in prior years, no impairments were required. Net income from investments amounted to CHF 3.1m (EUR 3.4m) in 2025, compared with CHF 4.7m (EUR 5.0m) in 2024, with the decline largely driven by foreign-exchange losses on USD positions.

The investment base was further diversified through additional cash and fixed-income instruments and a gradually growing allocation into a private debt fund. By year-end, EUR 5.5m of the EUR 10m commitment had been drawn by the fund, contributing positively to portfolio diversification.

The overall investment return excluding FX effects remained stable at around 2.1%, supported by solid bond yields, strong private-debt performance, and moderate returns from money-market placements. Although the market values of the bond portfolio remained below book value, this primarily reflected the long-duration structure of certain holdings purchased in 2021 rather than concerns regarding credit quality.

Other financial income / expenses included the interest expense for the right of lease of KRSA's office. Other income/expenses comprised the stamp duty for the capital increase.

The Board of Directors will propose to KRSA's shareholder to carry forward the balance of CHF -44.2m (EUR -44.9m) to the next year, reflecting the current-year net loss of CHF -4.2m (EUR -4.5m) and prior-years' losses of CHF -40.0m (EUR -40.5m).

Business overview (2025)

The January 2025 renewals took place in a reinsurance market that had largely stabilized after two years of significant hardening. While early market signals pointed to continued discipline, competition gradually increased through the renewal season as reinsurers benefited from improved retrocession conditions and returning alternative capital. Against this backdrop, KRSA approached the renewal with a clear strategic objective to reduce its exposure to high-severity natural catastrophe risks, particularly in peak-peril zones in Western Europe.

This repositioning led to a meaningful reshaping of the portfolio, with a notable reduction in Property and NatCat exposure, including materially lower limits in Italy and other peak-peril markets. Although this resulted in lower premium volume, it also contributed to a more balanced and less volatile risk profile. Importantly, attachment points across most programs remained stable, and structural terms in the market continued to hold firm, supporting long-term underwriting stability.

Beyond Property, several growth initiatives stood out. KRSA secured new profitable participations in Motor, Cyber and Casualty programs, including a structured Motor quota share in France, proportional Cyber and diversifying Casualty excess-of-loss business. These additions broadened the portfolio mix and underscore KRSA's relevance beyond NatCat-driven business, demonstrating the ability to access new profitable and diversifying opportunities. Engineering and Marine remained stable contributors, supported by healthy underlying market conditions.

Risk management

Risk management remains an integral part of KRSA's governance framework and ensures that the company can identify, assess, and monitor the risks it faces. The function is overseen by the Head of Risk Management & Compliance together with the Risk Management Committee and follows the well-established "three lines of defense" structure. This approach ensures that risk awareness and controls are embedded across all business areas and supported by clear responsibilities.

Since 2025, the Internal Audit function has been carried out by Acons Governance & Audit AG, having previously been provided by the parent company Korean Re.

KRSA maintains an Internal Control System (ICS) under the responsibility of the Board of Directors. The Head of Risk Management & Compliance is responsible for keeping the company-wide risk and control documentation current and for ensuring that these controls are applied in day-to-day operations.

The Risk Management Committee meets quarterly and reviews KRSA's risk landscape, including emerging risks, changes in exposure, and the effectiveness of existing controls. Its members include Executive Management, the Head of Risk Management & Compliance, and the Responsible Actuary. The Committee oversees the preparation and follow-up of risk-mitigating measures and provides regular updates to the Board of Directors through a consolidated risk profile.

This risk profile also forms the basis of KRSA's annual ORSA process, which assesses the company's forward-looking risk and solvency position. KRSA's risk appetite continues to be defined by a target SST ratio of 120-150%. As of 1 January 2026, the SST ratio stood at 138%, compared with 164% a year earlier, remaining comfortably within the targeted range.

Extraordinary events (during reporting period)

There were no extraordinary events during the reporting period which were not already mentioned in previous sections.

Outlook 2026

The January 2026 renewal season unfolded in a more competitive but generally still solid market environment. Despite increased capacity and heightened activity across the sector, KRSA maintained a disciplined underwriting approach and continued to systematically strengthen the resilience and balance of its portfolio.

Motor remained a key area of positive momentum, supported by expanded participation in structured and selective proportional arrangements that enhanced diversification and less-volatile sources of profit, without increasing exposure to higher-severity segments. In Property, competitive pressure was most pronounced in catastrophe-exposed business, yet overall structures remained stable and technical refinements to underwriting assumptions helped preserve the risk-adjusted quality of the book.

Specialty lines delivered mixed outcomes. Most notably KRSA agreed a broader mandate and deepened collaboration with Group Head Office, leveraging the combined capabilities of several teams. Regionally, selective growth was achieved in Western Europe through new opportunities in targeted non-Property segments, while results in other regions were shaped by broader competitive market dynamics.

Looking ahead, KRSA will concentrate on mid-year opportunities in Europe and South Africa where regulatory requirements position us as the preferred risk carrier within Korean Re Group. In parallel, we are placing great emphasis on further strengthening long-term partnerships and ensuring consistency in our market presence to remain a dependable counterparty in competitive conditions. Our continued efforts to broaden internal expertise and enhance cross-regional knowledge sharing will support more agile and coordinated underwriting responses. KRSA is also investing in enhanced analytical capabilities to further refine risk selection frameworks and better navigate evolving market conditions. Together with strengthened strategic collaboration within the group, these initiatives position KRSA to pursue sustainable long-term growth, maintain underwriting discipline and continue contributing positively to our clients needs and the wider portfolio of the Korean Re Group.

Board of Directors, Management and Auditors

Board of Directors as of 31 December 2025	Residence
Jae Moon Lee (Chairman)	Seoul, Korea
Se Koan Oh (Director)	Seoul, Korea
Markus Eugster (Independent Director)	St. Gallen, Switzerland
Sven Siegin (Secretary of the Board of Directors)	

Management as of 31 December 2025

Michael Hinz (Chief Executive Officer, CEO)
Jazmin Seijas Nogareda (Chief Financial Officer, CFO)
Jae Gyun Kim (Chief Strategy Officer, CSO)
Beatrix Dodgson (Chief Underwriting Officer, CUO)

Auditors

Ernst & Young AG

The mandatory governance functions of KRSA include Internal Audit, Risk Management, Compliance and the Responsible Actuary. Since 2025, the Internal Audit function has been carried out by Acons Governance & Audit AG, following its previous provision by Korean Re.

At the Annual General Meeting on 30 April 2025, the shareholders elected Markus A. Eugster as the new independent member of the Board of Directors with effect from 1 July 2025, succeeding Mr. Reinhard Thoennissen.

At the Extraordinary General Meeting on 1 July 2025, Mr. Jae Moon Lee was appointed as the new Chairman of the Board, effective 18 June 2025, replacing Mr. David Song.

During 2025, KRSA's Executive Management structure remained stable following the changes introduced in the prior year.

KRSA's statutory auditor remained Ernst & Young AG.

Financial Statements

Profit and Loss Statement

For period 1 January 2025 to 31 December 2025

(Expressed in thousands of CHF and EUR)

		01.01.2025- 31.12.2025	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024	01.01.2024- 31.12.2024
	Note	CHF k	EUR k	CHF k	EUR k
Gross written premium	4	119'420	128'339	164'333	175'111
Retroceded premiums	5	-73'489	-78'978	-115'320	-122'883
Net premiums written		45'931	49'362	49'013	52'228
Change in unearned premium reserves (gross)	7	3'000	3'224	2'265	2'414
Change in unearned premium reserves (ceded)	7	-2'653	-2'852	2'305	2'457
Net premiums earned		46'277	49'734	53'584	57'098
Other insurance income		2'231	2'398	1'159	1'235
Technical income		48'508	52'131	54'743	58'333
Gross claims and claim expenses paid		-94'942	-102'033	-96'211	-102'521
Reinsurer's share of claims and claim expenses		71'491	76'831	70'187	74'791
Change in technical provisions	10	23'819	25'598	-33'602	-35'806
Change in reinsurers' share of technical provisions	10	-35'405	-38'049	15'096	16'086
Net claims and claim expenses incurred		-35'037	-37'654	-44'530	-47'451
Acquisition costs and administrative expenses	11, 14, 15	-36'459	-39'182	-44'044	-46'933
Reinsurers' share of operating expenses (acquisition & admin)		17'876	19'211	25'706	27'392
Net acquisition costs and administrative expenses		-18'583	-19'971	-18'339	-19'541
Other technical expenses own business		-1'922	-2'065	-1'299	-1'384
Technical expenses		-55'542	-59'690	-64'168	-68'376
Income from investment activities	12	4'866	5'230	5'678	6'050
Expenses from investment activities	13	-1'745	-1'875	-1'006	-1'072
Net income from investments		3'121	3'354	4'671	4'978
Other financial expenses		-76	-82	-48	-51
Operating result		-3'988	-4'286	-4'801	-5'116
Non-operating income		-	-	-	-
Non-operating expenses		-	-	-3	-3
Extraordinary expenses		-	-	-	-
Loss before tax		-3'988	-4'286	-4'804	-5'119
Income tax expense		-164	-177	-164	-175
Loss		-4'153	-4'463	-4'968	-5'294
Total Loss account		-4'153	-4'463	-4'968	-5'294

Balance Sheet

As of 31 December 2025

(Expressed in thousands of CHF and EUR)

Assets	Note	31.12.2025	31.12.2025	31.12.2024	31.12.2024
		CHF k	EUR k	CHF k	EUR k
Investments	3	170'634	183'378	142'499	151'845
Deposits on assumed reinsurance business		14'922	16'037	21'344	22'744
Cash and cash equivalents		18'726	20'125	43'475	46'327
Reinsurers' share of technical provisions	7	178'874	192'234	219'756	234'169
Property and equipment		37	39	54	58
Right of use asset		509	547	683	728
Deferred acquisition costs		8'161	8'771	8'915	9'500
Intangible assets		403	433	261	278
Reinsurance receivables	8	70'180	75'422	81'119	86'440
Other receivables	8	338	364	481	513
Other assets		91	98	90	96
Accrued assets	6	1'603	1'722	1'557	1'659
Total Assets		464'478	499'170	520'235	554'356
Liabilities					
Technical provisions	7	307'830	330'822	338'922	361'150
Lease liabilities	16	562	604	745	794
Liabilities from deposits retained on ceded business		22'137	23'791	28'147	29'993
Reinsurance payables	8	42'820	46'018	57'186	60'936
Other liabilities	8	256	275	361	385
Accrued expenses and deferred income		2'796	3'005	1'857	1'978
Total Liabilities		376'401	404'514	427'217	455'237
Shareholder's equity (before appropriation of available earnings)					
Share capital	9	10'000	8'761	10'000	8'761
Legal capital reserves		136'471	130'817	136'471	130'817
Reserves from capital contributions		136'471	130'817	136'471	130'817
Restructuring fund		-	-	-	-
Legal retained earnings		-14'200	-	-13'412	-
Revaluation reserve		-14'200	-	-13'412	-
Voluntary retained earnings		-44'194	-44'923	-40'041	-40'460
Loss carried forward		-40'041	-40'460	-35'073	-35'166
Loss		-4'153	-4'463	-4'968	-5'294
Total Equity		88'077	94'656	93'018	99'119
Total Liabilities and Equity		464'478	499'170	520'235	554'356

Cash Flow Statement

As of 31 December 2025

(Expressed in thousands of CHF and EUR)

	31.12.2025	31.12.2025	31.12.2024	31.12.2024
	CHF	CHF k	CHF k	EUR k
Loss before tax		-3'988	-4'286	-5'119
Depreciation and amortization		145	168	288
Loss (gain) on investments fixed-interest securities		634	682	2'066
Increase (decrease) in technical provisions		-31'092	-30'329	34'753
Increase (decrease) reinsurance share of technical provisions		40'882	41'935	-19'775
Increase (decrease) in deposits ceded business		6'421	6'707	3'564
Increase (decrease) in deposits assumed business		-6'009	-6'202	-3'183
Increase (decrease) in deferred acquisition cost		754	729	860
Increase (decrease) right of use asset		174	181	156
Increase (decrease) insurance receivables		10'939	11'018	70'811
Increase (decrease) other assets		97	85	8
Increase (decrease) lease liabilities		-183	-190	-156
Increase (decrease) insurance payables		-14'366	-14'918	-68'604
Increase (decrease) other liabilities		-105	-110	-113
Increase (decrease) other deferred income		939	1'027	144
Tax provisions		-164	-177	-15
Tax settled		-	-	-149
Cash flow from operating activities		5'077	6'318	15'843
Investment in financial assets		-28'769	-32'215	-36'110
Purchase of property and equipment		1	-2	-65
Purchase of intangible assets		-271	-303	-94
Cash flow from investing activities		-29'039	-32'520	-36'269
Increase in capital reserves		-	-	-
Revaluation reserve		-788	-	914
Cash flow from financing activities		-788	-	914
Cash flows for the financial year		-24'749	-26'202	-19'512
Statement:				
Cash and cash equivalents as of 31 December 2024		43'475	46'327	62'988
Cash and cash equivalents as of 31 December 2025		18'726	20'125	43'475
Change in cash and cash equivalents		-24'749	-26'202	-19'512

Notes to the Financial Statement

Korean Reinsurance Switzerland AG ("KRSA" or "the Company") is a reinsurance company domiciled in Zurich, Switzerland. KRSA received its reinsurance license on 1 June 2019 from FINMA. The Company is a 100% owned subsidiary of Korean Reinsurance Company ("Korean Re"), Seoul, South Korea.

1. Basis of presentation

KRSA's financial statements are presented in accordance with the Swiss Code of Obligations and relevant insurance supervisory law, including the FINMA Insurance Supervision Ordinance (ISO-FINMA), as of 1 September 2025.

All amounts in the financial statements, unless otherwise stated, are shown in Thousand Swiss Francs (CHF k) and Thousand Euros (EUR k), rounded to the nearest Thousand, with the consequence that the rounded amounts may not add up to the rounded total in all cases. All variances are calculated using the actual figures rather than the rounded amounts.

KRSA's business year lasted from 1 January 2025 to 31 December 2025.

2. Summary of significant accounting policies

a. Investments

The company holds corporate bonds, which are carried at amortized cost. Money market and fixed income funds are measured at market value, reflecting their liquid nature and short-term maturity profile. Private Debt Funds (PDF), being non-trading investments, are valued at the lower of acquisition cost or market value (net asset value, NAV).

An annual impairment test is conducted on individual bonds and private debt investments, with quarterly monitoring for significant changes. A bond or PDF is impaired if there is significant doubt that the counterparty will fully or partially meet its obligations.

b. Right of use asset

KRSA recognizes its right to use the office space as an asset and also recognizes the respective lease obligation in its balance sheet. The right of use asset is amortized over a period of ten years using the effective interest rate method.

c. Deferred acquisition costs

Acquisition costs related to reinsurance business are deferred. The deferred costs are subsequently amortized over the period in which the related assumed premiums are earned.

d. Tangible assets

Property and equipment are valued at acquisition or production cost less accumulated depreciation and value adjustments. Tangible assets are depreciated on a straight-line basis over four years. If there are signs of overvaluation, the book values are reviewed and, if necessary, value adjustments are made.

e. Intangible assets

Expenditure on software is capitalized and amortized on a straight-line basis over its useful life, not exceeding four years. If it is determined at the end of the year that the value in use of the software is less than the carrying amount, the value in use is used for the valuation (impairment).

f. Accrued assets

This amount relates mainly to accrued interest from investments and prepaid expenses.

g. Reserves for unearned premiums (UPR)

UPR represents the portion of the premiums written relating to the unexpired term of insurance coverage as of the balance sheet date. In many insurance contracts, the insurance period for which the insurance company assumes a risk against a premium paid does not correspond to the Company's financial year. Thus, an amount equivalent to the unearned portion of the premium is set up as a reserve at the end of the financial year.

h. Reserves for losses and loss adjustment expenses

Case reserves are established for reported claims and reserves for losses incurred but not yet reported (IBNR). KRSA also builds up premium deficiency reserves (PDR) and unallocated loss adjustment reserves (ULAE).

Equalization reserves are not required by the Swiss regulator FINMA for reinsurance companies. KRSA can establish equalization reserves if an underwriting profit is made and Executive Management can determine the amount to be added. In the reporting year no equalization reserves were added.

The measurement of technical provisions is based on actuarial calculations, which by their very nature involve a certain degree of uncertainty and are subject to significant management judgment.

i. Investment income and expense

Realized capital gains/losses on investments occur when the sales price or redemption value is higher or lower than the carrying value at the time of sale. The gain/loss is the difference between carrying value and the sales price.

j. Exchange rates

KRSA maintains its accounts in EUR (functional currency). Income statement transactions in currencies other than EUR are recorded at a monthly average rate. In general, at period end, monetary assets and liabilities in foreign currencies are revalued at the closing rate of the balance sheet date. Resulting exchange differences are included in the income statement.

For the statutory closing, the financial statements are presented in CHF. For this purpose, the EUR accounts are translated into CHF using the closing rate for the balance sheet and income statement (as of 31 December 2025), and historical rates for equity. A resulting currency translation difference is shown as a revaluation reserve in the equity.

The exchange rates used are presented below:

Exchange rates	
Foreign currency per EUR	
	31.12.2025
CHF	0.931
AUD	1.761
CAD	1.610
CZK	24.173
DKK	7.469
GBP	0.873
HRK	7.535
KRW	1'694.915
NOK	11.847
PLN	4.222
RON	5.094
USD	1.175
ZAR	19.459
Historical rates Equity	
Foreign currency per EUR	
	CHF
16.08.2018	1.153
15.05.2019	1.027

Other Comments

Other financial expenses

This position includes negative interest under various financial expenses, and the interest expense of the office lease.

Non-operating expenses

Non-operating expenses include stamp duty paid related to capital increases. There was no stamp duty paid in 2025, as no capital increase took place.

Direct tax expenses

Direct tax expenses include Swiss income and capital tax expenses. In this financial year, only capital tax is due.

3. Investments

	CHF k		EUR k	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Fixed-interest securities	142'458	134'427	153'098	143'244
Money market funds	20'275	4'506	21'789	4'801
Fixed income funds	2'783	-	2'991	-
Alternative investments	5'118	3'566	5'500	3'800
Total	170'634	142'499	183'378	151'845

4. Gross written premium (GWP)

GWP Treaty type	CHF k		%	EUR k	
	31.12.2025	31.12.2024		31.12.2025	31.12.2024
Proportional	74'789	104'288	63%	80'375	111'128
Non-Proportional	44'631	60'044	37%	47'964	63'983
Total	119'420	164'333	100%	128'339	175'111

GWP Line of Business	CHF k		%	EUR k	
	31.12.2025	31.12.2024		31.12.2025	31.12.2024
Property	46'078	85'973	39%	49'519	91'612
Motor	18'465	5'648	15%	19'844	6'019
Engineering	14'198	27'607	12%	15'258	29'418
Marine	14'574	21'775	12%	15'662	23'203
Other	26'106	23'328	22%	28'056	24'858
Total	119'420	164'333	100%	128'339	175'111

5. Premiums ceded to reinsurers

In 2025, KRSA adjusted its retrocession structure to reflect the strategic reduction of NatCat exposure. The cession rate for property-catastrophe business decreased from 95% to 90%, while the cession rate for other property and engineering business decreased from 75% to 70%. The cession rate for all other lines of business remained unchanged at 45%.

Furthermore, KRSA benefits from Korean Re's external XoL protections which cover Property and Marine.

On average, the ceded premium (excluding XoL premium) was 60% of gross written premiums (2024: 69%).

6. Accrued assets

	CHF k	CHF k	EUR k	EUR k
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Accrued interest on investments	1'242	1'399	1'335	1'490
Prepay expenses	360	158	387	169
	1'603	1'557	1'722	1'659

7. Technical provisions

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	CHF k 31.12.2025	CHF k 31.12.2024	CHF k 31.12.2025	CHF k 31.12.2024	CHF k 31.12.2025	CHF k 31.12.2024
Insurance reserves (OSLR)	116'215	152'976	75'867	112'866	40'348	40'110
Unearned premium reserves (UPR)	61'710	65'862	34'290	37'693	27'420	28'169
Premium deficiency reserves (PDR)	48	2'160	33	794	15	1'366
Technical reserves (IBNR)	128'532	116'630	68'684	68'403	59'848	48'227
ULAE reserves	1'325	1'294	-	-	1'325	1'294
Total	307'830	338'922	178'874	219'756	128'956	119'166

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k 31.12.2025	EUR k 31.12.2024	EUR k 31.12.2025	EUR k 31.12.2024	EUR k 31.12.2025	EUR k 31.12.2024
Insurance reserves (OSLR)	124'895	163'009	81'534	120'268	43'361	42'740
Unearned premium reserves (UPR)	66'319	70'181	36'851	40'165	29'468	30'017
Premium deficiency reserves (PDR)	51	2'302	35	846	16	1'456
Technical reserves (IBNR)	138'132	124'279	73'814	72'890	64'318	51'390
ULAE reserves	1'424	1'379	-	-	1'424	1'379
Total	330'822	361'150	192'234	234'169	138'588	126'981

8. Receivables from and liabilities to third and related parties

CHF k	2025			2024		
	Third-party	Related-party	Total 31.12.2025	Third-party	Related-party	Total 31.12.2024
Reinsurance receivables	70'623	-443	70'180	81'398	-279	81'119
Receivables on assumed business	70'623	-	70'623	81'398	-	81'398
Receivables on ceded	-	-443	-443	-	-279	-279
Other receivables	333	6	338	469	12	481
Reinsurance payables	678	42'142	42'820	880	56'306	57'186
Payables on assumed business	678	-	678	880	-	880
Payables on ceded business	-	42'142	42'142	-	56'306	56'306
Other payables	256	-	256	361	-	361
EUR k						
Reinsurance receivables	75'898	-476	75'422	86'737	-297	86'440
Receivables on assumed business	75'898	-	75'898	86'737	-	86'737
Receivables on ceded	-	-476	-476	-	-297	-297
Other receivables	358	6	364	500	13	513
Reinsurance payables	728	45'290	46'018	937	59'999	60'936
Payables on assumed business	728	-	728	937	-	937
Payables on ceded business	-	45'290	45'290	-	59'999	59'999
Other payables	275	-	275	385	-	385

9. Statement of changes in equity

CHF k	Share capital	Capital reserves	Organization fund	Restructuring fund	Retained earnings	Voluntary retained earnings	Total equity
As of 31 December 2022	10'000	126'035	-	-	-8'366	-29'432	98'237
Offset of prior period loss with funds	-	-	-	-	-	-	-
Capital Increase (30.11.2023)	-	10'436	-	-	-	-	10'436
Loss for the period	-	-	-	-	-	-5'641	-5'641
Revaluation reserve	-	-	-	-	-5'960	-	-5'960
As of 31 December 2023	10'000	136'471	-	-	-14'326	-35'073	97'073
Offset of prior period loss with funds	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-4'968	-4'968
Revaluation reserve	-	-	-	-	914	-	914
As of 31 December 2024	10'000	136'471	-	-	-13'412	-40'041	93'018
Offset of prior period loss with funds	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-4'153	-4'153
Revaluation reserve	-	-	-	-	-788	-	-788
As of 31 December 2025	10'000	136'471	-	-	-14'200	-44'194	88'078

EUR k	Share capital	Capital reserves	Organization fund	Restructuring fund	Retained earnings	Voluntary retained earnings	Total equity
As of 31 December 2022	8'761	119'817	-	-	-	-29'098	99'480
Offset of prior period loss with funds	-	-	-	-	-	-	-
Capital Increase (30.11.2023)	-	11'000	-	-	-	-	11'000
Loss for the period	-	-	-	-	-	-6'067	-6'067
As of 31 December 2023	8'761	130'817	-	-	-	-35'166	104'413
Offset of prior period loss with funds	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-5'294	-5'294
As of 31 December 2024	8'761	130'817	-	-	-	-40'460	99'119
Offset of prior period loss with funds	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-4'463	-4'463
As of 31 December 2025	8'761	130'817	-	-	-	-44'923	94'656

10. Change in technical provisions

CHF k	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k
	2025	2024	2025	2024	2025	2024
Change in Insurance reserves (OSLR)	-34'657	-3'755	-35'510	-7'190	854	3'435
Change in PDR	-2'094	1'695	-754	824	-1'340	872
Change in Technical reserves (IBNR)	12'890	35'436	860	21'462	12'030	13'974
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	42	225	-	-	42	225
Total	-23'819	33'602	-35'405	15'096	11'586	18'507

EUR k	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2025	2024	2025	2024	2025	2024
Change in Insurance reserves (OSLR)	-37'245	-4'001	-38'163	-7'662	918	3'661
Change in PDR	-2'251	1'807	-811	878	-1'440	929
Change in Technical reserves (IBNR)	13'853	37'760	924	22'870	12'928	14'891
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	45	240	-	-	45	240
Total	-25'598	35'806	-38'049	16'086	12'451	19'720

11. Audit fees

	CHF k		EUR k	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
External audit fees	113	96	122	103
Internal audit fees	31	11	33	12
Total	144	107	155	115

12. Income from investments

	Income*		Unrealized gain**		Net realized gain		Total	
	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	2'470	1'821	1'243	1'745	-	-	3'713	3'566
Money market funds	-	-	377	161	-	-	377	161
Fixed inform funds	-	-	-	-	-	-	-	-
From time deposits	323	1'257	-	-	-	-	323	1'257
From alternative investm.	453	694	-	-	-	-	453	694
Total	3'246	3'772	1'620	1'906	-	-	4'866	5'678

	Income*		Unrealized gain**		Net realized gain		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	2'655	1'940	1'336	1'859	-	-	3'991	3'799
Money market funds	-	-	405	172	-	-	405	172
Fixed inform funds	-	-	-	-	-	-	-	-
From time deposits	347	1'339	-	-	-	-	347	1'339
From alternative investm.	486	740	-	-	-	-	486	740
Total	3'488	4'019	1'741	2'031	-	-	5'230	6'050

*Income includes interest coupons.

** Unrealized gain includes appreciation related to amortized cost method.

13. Expenses from investments

	Current expenses*		Unrealized loss**		Net realized loss		Total	
	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	291	240	1'437	534	-	-	1'728	774
Money market funds	-	-	-	-	-	-	-	-
Fixed inform funds	7	-	1	-	-	-	8	-
Alternative investments	9	233	-	-	-	-	9	233
Total	306	473	1'439	534	-	-	1'745	1'006

	Current expenses*		Unrealized loss**		Net realized loss		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	312	255	1'545	569	-	-	1'857	824
Money market	-	-	-	-	-	-	-	-
Fixed inform funds	7	-	2	-	-	-	9	-
Alternative investments	9	248	-	-	-	-	9	248
Total	329	504	1'546	569	-	-	1'875	1'072

*Current expenses relate to external asset management fees.

** Unrealized loss includes depreciation related to the amortized cost method.

14. Personnel expenses

Personnel expenses for 2025 amounted to CHF 6.8m (EUR 7.3m) and are included in the line item

"Acquisition costs and administrative expenses". Prior year personnel expenses were CHF 6.4m (EUR 6.8m).

15. Change in depreciation of equipment and amortization of intangible assets

	CHF k		EUR k	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Property and equipment	19	16	21	18
Intangible assets	137	225	147	240
Total	156	241	168	257

16. Residual amount of lease obligations

	CHF k		EUR k	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
1 to 4 years	19	19	21	21
From 5th year	543	726	584	774
Total	562	745	604	794

17. Full-time equivalents

The annual average number of full-time equivalents for the year 2025 including trainees but excluding temporary employees was 24.6 (prior year 2024: 21.7).

18. Further points subject to mandatory disclosure (Art. 959c OR)

- KRSA holds no participations, or other investments.
- No hidden reserves have been released.
- No significant events have occurred since the balance sheet date.
- As of 31.12.2025, KRSA has a remaining contractual capital commitment of EUR 4.5m out of a total EUR 10m commitment to a PDF. This obligation is not yet reflected in the balance sheet and will be called upon over time, subject to investment terms.
- Contingent liabilities: One bank Letter of Credit facility (USD 1.1m) used to secure reinsurance obligations was outstanding at 2025 year-end.
- Restricted assets: KRSA holds CHF 23.1m (EUR 24.8m) investment funds pledged to cedents as collateral for reinsurance liabilities.
- KRSA has no liabilities to pension schemes.
- KRSA cedes 60% (prior year 69%) of its gross written premiums and claims to Korean Re, and is thus subject to considerable credit risk. Since December 2022 Korean Re provides collateral in the form of pledged assets, in order to mitigate KRSA's net credit risk exposure. The collateral has been established according to principles outlined in FINMA's Circular 2017/7, Sections X and XI.

Appropriation of available earnings as proposed by the Board of Directors

The Board of Directors will propose to its shareholder at the Annual General Meeting to carry forward the balance of CHF -44.2m.

in CHF k and EUR k , as of 31 December 2025

	CHF	EUR
Result brought forward	-40'041	-40'460
Net loss after taxes	-4'153	-4'463
Available earnings	-44'194	-44'923
Organization fund amount to be released	-	-
Dividend payment	-	-
Balance carried forward	-44'194	-44'923

No dividend was proposed due to the year-end loss.