



Report of the Statutory Auditor

To the General Meeting of
Korean Reinsurance Switzerland AG, Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Korean Reinsurance Switzerland AG, which comprise the profit and loss statement and the balance sheet as at 31 December 2021, cash flow statement and notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.



Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

Deloitte AG

A handwritten signature in blue ink, appearing to read "S. Göbler".

Sandy Göbler
Licensed Audit Expert
Auditor in Charge

A handwritten signature in blue ink, appearing to read "G. Schwab".

Gabriel Schwab
Licensed Audit Expert

Zurich, 28 February 2022
SG/GS

Enclosures

- Financial statements (profit and loss statement, balance sheet, cash flow statement and notes)

Korean Reinsurance Switzerland AG

Annual Report

1 January 2021 – 31 December 2021

Details	
Issued by	Executive Management
Approval by	Board of Directors
Language	English
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Scope of application	Korean Reinsurance Switzerland AG

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Management Report

Introduction

Korean Reinsurance Switzerland AG ("KRSA") is a 100% owned subsidiary of Korean Reinsurance Company ("Korean Re") in Seoul and was established on 12 July 2018 with the goal to strengthen the Group's European presence. KRSA is a reinsurance company domiciled in Zurich, focusing on Continental European property and casualty (P&C) treaty business.

KRSA's functional currency is 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 (all 31 December 2021), and historical rates for equity (see pages 9/10).

Financial review

KRSA reported a net loss after taxes of CHF 21.3m (EUR 20.6m) and its assets amounted to CHF 380.6m (EUR 367.3m).

The main drivers of KRSA's financial result are the premium income, the loss result (including increase in technical reserves), administrative expenses and the investment result. KRSA reduces its risk by purchasing retrocession. KRSA participates in Korean Re's XoL program and has Quota Share contracts with its parent company in place, ceding 70% of all property and 50% of all non-property business.

As of 31 December 2021, the Gross Written Premium (GWP) amounted to CHF 110.9m (EUR 107.0m). In its second year in business KRSA was able to further increase participations on existing treaties and to acquire a considerable amount of new business. In 2021, proportional business accounted for 58% (2020: 64%) of the premium income. Property accounted for 71%, motor for 12%, engineering lines for 9% and marine for 5% of the business portfolio.

The year 2021 saw extreme natural catastrophe events in KRSA's business area: In June, a series of severe hailstorms ("Volker", "Xero") affected Austria, Italy, Germany and Switzerland. In July the low-pressure system "Bernd" produced exceptional floods. It caused an economic loss of over EUR 46bn mainly affecting Germany, Belgium and Luxembourg. KRSA suffered losses in line with its market share in the affected countries. The net impact of both events amounts to CHF 10.0m (EUR 9.7m).

2021 saw a further deterioration of the ultimate net loss of COVID-19 related claims of CHF 3.0m (EUR 2.9m) since last year.

Acquisition costs and administrative expenses of CHF 24.7m (EUR 23.8m) consisted of CHF 18.7m (EUR 18.1m) acquisition costs on assumed business and of CHF 6.0m (EUR 5.8m) administrative expenses. The latter are largely driven by personnel expenses of total CHF 4.1m (EUR 4.0m) for the average 16.3 full-time employees.

KRSA is solely invested in high investment grade corporate bonds, which are carried at amortized cost. Annually an impairment test is performed, which until last year compared market with book value of the bonds. Since 2021 impairment will only be recognized if there is reasonable doubt the bond can be repaid. Net investment income in 2021 was CHF 1.0m (EUR 1.0m), stemming from bond's income and unrealized net gains from our USD positions.

Other financial income / expenses included negative interest rates as well as the interest expense for the right of lease of our office. Other income/expenses comprised the stamp duty for the capital increase.

KRSA received a capital injection of CHF 43.3m (EUR 41.5m) from its parent company Korean Re in November 2021, which increased its legal capital reserves. On the asset side, the corporate bonds amounted to CHF 86.0m (EUR 83.0m). KRSA's strategic asset allocation is currently under review and

the proceeds from the capital injection have not been invested per balance sheet date, resulting in a significant cash position of CHF 59.9m (EUR 57.8m).

The Board of Directors will propose to KRSA's shareholder to offset CHF 4.7m (EUR 4.5m) of the total loss of CHF 21.3m (EUR 20.6m) against KRSA's remaining restructuring fund.

Business overview

At 1 January 2022 renewals, KRSA was able to retain the business previously underwritten by its parent company Korean Re and added a relevant portion of new treaties. Despite the ongoing challenges (Covid-19 restrictions, 2021 European Nat Cat events), KRSA was able to expand its client reach and is on track with the implementation of its long-term business strategy. During the year, KRSA complemented its team with new colleagues and kept strengthening its business capabilities.

Risk management

Risk management as a component of the governance system serves to identify, assess, report and monitor risks to which KRSA is exposed. The operational organization of the Risk Management system comprises the Head of Risk Management & Compliance and the Risk Management Committee. Furthermore, the organizational structure of the Risk Management system follows the concept of "Three lines of defense".

With the three lines of defense approach, KRSA pursues the goal to identify and manage the risks at all levels throughout its entire business process. All departments, processes and systems are involved and different procedures have been implemented to achieve complete risk identification. The Internal Audit function has been outsourced to Korean Re.

KRSA has established an Internal Control System (ICS) under the responsibility of the Board of Directors. The Head of Risk Management & Compliance ensures that the KRSA-wide process and risk and control documentations are up to date and reviews whether these are implemented in the business routines.

KRSA's Risk Management Committee is responsible for the regular analysis of risk identification, risk assessment and the preparation and implementation of risk-mitigating measures. The Risk Management Committee consists of the Executive Management, the Head of Risk Management & Compliance and the Responsible Actuary. The Committee focuses on Risk Governance and Risk Management topics in the broadest sense and takes place four times a year. Annually, an in-depth risk assessment is performed resulting in an overall risk profile, which was presented to the Board of Directors at the meeting on 3 March 2022.

The overall risk profile is an essential component of the ORSA process, in which KRSA carries out a forward-looking self-assessment of the risk and solvency situation each year. KRSA's risk appetite is defined by its target SST ratio between 120% to 150%. KRSA's SST report as of 1 January 2022 shows an SST ratio of 163%.

Extraordinary events (during reporting period)

Covid-19 continued to affect everyday life, impeding business travel and limiting social contacts. In the second year of the pandemic, remote working and virtual meetings became routine and most client meetings could be held quite efficiently online. Pandemic exposure was excluded at 1.1.2021 renewal and the claims deterioration on 2020 treaties has stabilized by Q4 2021 with a potential positive development in 2022.

The June-hail and particularly July-flood events caused record losses in affected countries and also left their mark on KRSA's 2021 financial result. On a more positive note these events allowed KRSA to prove its strong support towards its cedants by providing timely claims payments.

Outlook

In the aftermath of a record European Nat Cat year 2021, the 2022 renewal started late. KRSA followed a disciplined pricing approach and was able to achieve rate increases in the affected markets. Also, the significant efforts in the last years to position Korean Re as a more relevant P&C partner to its target clients paid off. KRSA could increase the number of client relationships and access more business on a direct basis. The number of cedants has increased from 90 to 104 and a total of EUR 35m of new business was underwritten, resulting in a positive outlook for 2022.

Financial markets have started the year 2022 with some turbulences. Expectations that Central Banks will start tightening monetary policy and fighting economic overheating and high inflation rates with the increase of interest rates, have led to corrections on the stock markets. KRSA is currently solely invested in corporate bonds but is reviewing its strategic asset allocation and is planning to diversify into other asset classes in the coming years.

Russia's shocking invasion of the Ukraine has aggravated the macro-economic uncertainty and inflationary tendencies. KRSA is constantly assessing the situation, but sees no reason to adjust its strategy at present.

KRSA's growth plan for the coming years is ambitious but realistic based on the achievements in the last three renewals. Further investments in KRSA's operational capabilities are planned and KRSA is well prepared to benefit from a hardening of the reinsurance markets. KRSA is still in a build-up phase and – in line with its strategic plan – expects to achieve break-even financial results in 2024.

Board of Directors, Management and Auditors

Board of Directors as of 31 December 2021

	Residence
Chul Min Jang (Chairman)	Seoul, Korea
Ji Han Han (Member)	Seoul, Korea
Reinhard Thoennissen (Independent Director)	Wallisellen, Switzerland
Sven Siegin (Secretary of the Board of Directors)	

Management as of 31 December 2021

Markus Eugster (Chief Executive Officer, CEO)
Jazmin Seijas Nogareda (Chief Financial Officer, CFO)
Won Joong Choi (Chief Operating Officer, COO)
Michael Hinz (Chief Underwriting Officer, CUO)

Auditors

Deloitte AG

The mandatory functions of KRSA are the Internal Audit, Risk Management Function, Compliance Function and the Responsible Actuary.

The Board of Directors saw no change in 2021; all members were reelected at the Annual General Meeting (AGM) on 29 April 2021 for the period 2021/2022. Furthermore, the AGM confirmed Deloitte AG as KRSA's external auditors for the 2021 fiscal year.

Up to 31 March 2021 KRSA's CEO Markus Eugster held also the Chief Underwriting Officer (CUO) function. As per 1 April 2021 Michael Hinz was promoted to CUO, expanding the management team to four people.

Financial Statements

Profit and Loss Statement

For period 1 January 2021 to 31 December 2021

(Expressed in thousands of CHF and EUR)

		01.01.2021- 31.12.2021	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	01.01.2020- 31.12.2020
	Note	CHF k	EUR k	CHF k	EUR k
Gross written premium	3	110,902	107,027	56,198	51,959
Retroceded premiums	4	-82,315	-79,439	-37,544	-34,712
Net premiums written		28,587	27,588	18,654	17,247
Change in unearned premium reserves (gross)	6	-15,514	-14,972	-14,950	-13,823
Change in unearned premium reserves (ceded)	6	10,986	10,602	8,916	8,244
Net premiums earned		24,059	23,219	12,620	11,668
Other insurance income		2,183	2,106	1,413	1,307
Technical income		26,242	25,325	14,033	12,975
Gross claims and claim expenses paid		-39,578	-38,195	2,897	2,678
Reinsurer's share of claims and claim expenses		27,820	26,848	-2,110	-1,951
Change in technical provisions	9	-133,518	-128,853	-40,217	-37,183
Change in reinsurers' share of technical provisions	9	110,894	107,020	27,248	25,192
Net claims and claim expenses incurred		-34,381	-33,180	-12,182	-11,263
Acquisition costs and administrative expenses	10, 13, 14	-24,705	-23,842	-14,708	-13,599
Reinsurers' share of operating expenses (acquisition & admin)		14,096	13,604	6,696	6,190
Net acquisition costs and administrative expenses		-10,609	-10,238	-8,013	-7,408
Other technical expenses own business		-2,817	-2,719	-1,263	-1,168
Technical expenses		-47,808	-46,138	-21,458	-19,839
Income from investment activities	11	1,108	1,070	898	830
Expenses from investment activities	12	-93	-90	-1,002	-926
Net income from investments		1,015	979	-104	-96
Other financial expenses		-128	-123	-117	-108
Operating result		-20,679	-19,956	-7,646	-7,069
Non-operating expenses		-435	-420	-166	-154
Extraordinary income/expenses		-53	-51	-81	-75
Loss before tax		-21,167	-20,428	-7,893	-7,298
Income tax expense		-156	-151	-146	-135
Loss		-21,324	-20,579	-8,040	-7,433
Total Loss account		-21,324	-20,579	-8,040	-7,433

Balance Sheet

As of 31 December 2021

(Expressed in thousands of CHF and EUR)

		31.12.2021	31.12.2021	31.12.2020	31.12.2020
Assets	Note	CHF k	EUR k	CHF k	EUR k
Fixed-interest securities		86,012	83,007	55,362	51,186
Deposits on ceded reinsurance business		6,099	5,886	1,699	1,571
Cash and cash equivalents		59,941	57,847	42,878	39,643
Reinsurers' share of technical provisions	6	157,651	152,143	36,326	33,585
Property and equipment		121	117	196	182
Right of use asset		1,285	1,240	1,480	1,368
Deferred acquisition costs		2,286	2,206	1,260	1,165
Intangible assets		662	639	640	592
Insurance receivables	7	65,824	63,524	31,375	29,008
Other receivables	7	18	17	6	6
Other assets		102	98	98	91
Accrued assets	5	563	543	494	457
Total Assets		380,563	367,268	171,816	158,853
Liabilities					
Technical provisions	6	203,330	196,227	55,079	50,924
Lease liabilities	15	1,341	1,294	1,518	1,403
Liabilities from deposits retained on ceded business		18,120	17,487	1,184	1,094
Reinsurance payables	7	59,815	57,726	34,784	32,159
Other liabilities	7	251	242	435	402
Accrued expenses and deferred income		1,908	1,841	1,450	1,340
Total Liabilities		284,765	274,817	94,449	87,323
Shareholder's equity (before appropriation of available earnings)					
	8				
Share capital		10,000	8,761	10,000	8,761
Legal capital reserves		111,116	104,269	75,833	70,202
Reserves from capital contributions		106,415	99,817	63,093	58,317
Organization fund		-	-	2,741	2,521
Restructuring fund		4,701	4,452	10,000	9,364
Legal retained earnings		-3,994	-	-427	-
Revaluation reserve		-3,994	-	-427	-
Voluntary retained earnings		-21,324	-20,579	-8,040	-7,433
Loss		-21,324	-20,579	-8,040	-7,433
Total Equity		95,798	92,452	77,367	71,530
Total Liabilities and Equity		380,563	367,268	171,816	158,853

Cash Flow Statement

As of 31 December 2021

(Expressed in thousands of CHF and EUR)

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF k	EUR k	CHF k	EUR k
Loss before tax	-21,167	-20,428	-7,893	-7,298
Depreciation and amortization	269	269	174	161
Loss (gain) on investments fixed-interest securities	-395	-382	562	519
Increase (decrease) in technical provisions	148,251	145,303	54,924	50,781
Increase (decrease) reinsurance share of technical provisions	-121,325	-118,558	-36,218	-33,485
Increase (decrease) in deposits ceded business	-4,400	-4,315	-1,699	-1,571
Increase (decrease) in deposits assumed business	16,936	16,393	1,184	1,094
Increase (decrease) in deferred acquisition cost	-1,026	-1,041	-1,257	-1,162
Increase (decrease) right of use asset	195	128	185	171
Increase (decrease) insurance receivables	-34,449	-34,516	-31,242	-28,885
Increase (decrease) other assets	-84	-105	5	5
Increase (decrease) lease liabilities	-177	-109	-176	-162
Increase (decrease) insurance payables	25,032	25,566	34,648	32,034
Increase (decrease) other liabilities	-184	-160	175	161
Increase (decrease) other deferred income	458	501	459	425
Tax provisions	-9	10	11	11
Tax settled	-147	-161	-158	-146
Cash flow from operating activities	7,778	8,395	13,685	12,652
Investment in financial assets	-30,254	-31,440	-7,713	-7,131
Purchase of property and equipment	5	-8	-26	-24
Purchase of intangible assets	-221	-243	-67	-62
Cash flow from investing activities	-30,470	-31,691	-7,806	-7,217
Increase in capital reserves	43,322	41,500	27,040	25,000
Revaluation reserve	-3,567	-	-50	-
Cash flow from financing activities	39,755	41,500	26,990	25,000
Cash flows for the financial year	17,063	18,204	32,869	30,435
Statement:				
Cash and cash equivalents as of 31 December 2020	42,878	39,643	10,009	9,208
Cash and cash equivalents as of 31 December 2021	59,941	57,847	42,878	39,643
Change in cash and cash equivalents	17,063	18,204	32,869	30,435

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 15 December 2015.

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 2021 to 31 December 2021.

2. Summary of significant accounting policies

a. Investments

The company holds corporate bonds, which are carried at amortized cost. An annual impairment test on individual bonds is performed and the lower of amortized cost or market value is recognized in the income statement if there is significant doubt that the counterparty cannot repay or only partially repay the bond.

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 represent 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 subject of 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 (all 31 December 2021), and historical rates for equity. A resulting currency translation difference is shown as a revaluation reserve in the equity.

The main exchange rates used are presented below:

Foreign currency per EUR	
	Balance Sheet
	31.12.2021
CHF	1.0362
KRW	1352.6762
USD	1.1372
GBP	0.8396
PLN	4.5834
CAD	1.4365
ZAR	18.1500

Historical rates Equity

Foreign currency per EUR	
	CHF
16.08.2018	1.1534
15.05.2019	1.0272

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 amount to the stamp duty paid for the CHF 43.3m (EUR 41.5m) capital increase in 2021.

Direct tax expenses

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

3. Gross written premium (GWP)

GWP Treaty type	CHF k		%	EUR k	
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Proportional	64,622	20,354	58%	62,365	18,819
Non-Proportional	46,279	35,844	42%	44,663	33,140
Total	110,902	56,198	100%	107,027	51,959

GWP Line of Business	CHF k		%	EUR k	
	31.12.2021	31.12.2020		31.12.2021	31.12.2020
Property	79,202	38,671	71%	76,435	35,753
Motor	13,128	9,360	12%	12,669	8,654
Engineering	10,510	3,282	9%	10,143	3,035
Marine	5,772	4,695	5%	5,571	4,340
Other	2,289	191	2%	2,209	176
Total	110,902	56,198	100%	107,027	51,959

4. Premiums ceded to reinsurers

KRSA cedes 70% of its property and engineering and 50% of other business to Korean Re on a proportional basis.

Furthermore, KRSA benefits from Korean Re's external XoL protections at a premium of CHF 0.9m (0.9m EUR) in 2021.

Due to the large losses in Q2 and Q3 2021, which impacted the Group's XoL Retro program, extensive recoveries but also reinstatement premiums of EUR 23.3m were booked.

In average, the ceded premium was 74% of gross written premiums.

5. Accrued assets

	CHF k		EUR k	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Accrued interest on investments	454	432	439	400
Prepay expenses	109	62	105	58
	563	494	543	457

6. Technical provisions

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	CHF k 31.12.2021	CHF k 31.12.2020	CHF k 31.12.2021	CHF k 31.12.2020	CHF k 31.12.2021	CHF k 31.12.2020
Insurance reserves (OSLR)	105,995	18,584	87,415	12,732	18,580	5,852
Unearned premium reserves (UPR)	30,151	14,898	19,772	9,103	10,379	5,795
Premium deficiency reserves (PDR)	376	46	83	-49	293	95
Technical reserves (IBNR)	66,474	21,327	50,381	14,540	16,093	6,787
ULAE reserves	335	224	-	-	335	224
Total	203,330	55,079	157,651	36,326	45,679	18,753

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k 31.12.2021	EUR k 31.12.2020	EUR k 31.12.2021	EUR k 31.12.2020	EUR k 31.12.2021	EUR k 31.12.2020
Insurance reserves (OSLR)	102,292	17,182	84,361	11,772	17,931	5,410
Unearned premium reserves (UPR)	29,098	13,774	19,081	8,416	10,016	5,358
Premium deficiency reserves (PDR)	363	43	80	-45	283	88
Technical reserves (IBNR)	64,152	19,718	48,621	13,443	15,531	6,275
ULAE reserves	323	207	-	-	323	207
Total	196,227	50,924	152,143	33,585	44,083	17,338

7. Receivables from and liabilities to third and related parties

CHF k	2021			2020		
	Third-party	Related-party	Total 31.12.2021	Third-party	Related-party	Total 31.12.2020
Reinsurance receivables	45,297	20,527	65,824	24,496	6,879	31,375
Receivables on assumed business	45,297	-	45,297	24,496	-	24,496
Receivables on ceded	-	20,527	20,527	-	6,879	6,879
Other receivables	-	18	18	-	6	6
Reinsurance payables	9,205	50,610	59,815	8,835	25,948	34,784
Payables on assumed business	9,205	-	9,205	8,835	-	8,835
Payables on ceded business	-	50,610	50,610	-	25,948	25,948
Other payables	251	-	251	435	-	435
EUR k						
Reinsurance receivables	43,714	19,810	63,524	22,648	6,360	29,008
Receivables on assumed business	43,714	-	43,714	22,648	-	22,648
Receivables on ceded	-	19,810	19,810	-	6,360	6,360
Other receivables	-	17	17	-	6	6
Reinsurance payables	8,884	48,842	57,726	8,169	23,991	32,159
Payables on assumed business	8,884	-	8,884	8,169	-	8,169
Payables on ceded business	-	48,842	48,842	-	23,991	23,991
Other payables	242	-	242	402	-	402

8. 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 2019	10,000	46,394	8,000	-	-477	-5,259	58,658
Offset of prior period loss with funds	-	-	-5,259	-	-	5,259	-
Capital Increase (06.11.2020)	-	16,699	-	10,000	-	-	26,699
Loss for the period	-	-	-	-	-	-8,040	-8,040
Revaluation reserve	-	-	-	-	50	-	50
As of 31 December 2020	10,000	63,093	2,741	10,000	-427	-8,040	77,367
Offset of prior period loss with funds	-	-	-2,741	-5,299	-	8,040	-
Capital Increase (26.11.2021)	-	43,322	-	-	-	-	43,322
Loss for the period	-	-	-	-	-	-21,324	-21,324
Revaluation reserve	-	-	-	-	-3,567	-	-3,567
As of 31 December 2021	10,000	106,415	0	4,701	-3,994	-21,324	95,799

EUR k	Share capital	Capital reserves	Organization fund	Restructuring fund	Retained earnings	Voluntary retained earnings	Total equity
As of 31 December 2019	8,761	42,681	7,360	-	-	-4,838	53,964
Offset of prior period loss with funds	-	-	-4,838	-	-	4,838	-
Capital Increase (06.11.2020)	-	15,636	-	9,364	-	-	25,000
Loss for the period	-	-	-	-	-	-7,433	-7,433
As of 31 December 2020	8,761	58,317	2,522	9,364	-	-7,433	71,531
Offset of prior period loss with funds	-	-	-2,522	-4,911	-	7,433	-
Capital Increase (26.11.2021)	-	41,500	-	-	-	-	41,500
Loss for the period	-	-	-	-	-	-20,579	-20,579
As of 31 December 2021	8,761	99,817	-	4,453	-	-20,579	92,452

9. 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
	2021	2020	2021	2020	2021	2020
Change in Insurance reserves (OSLR)	87,024	18,671	74,313	12,793	12,711	5,878
Change in PDR	331	46	129	-49	202	95
Change in Technical reserves (IBNR)	46,043	21,276	36,452	14,504	9,591	6,772
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	120	224	-	-	120	224
Total	133,518	40,217	110,894	27,248	22,624	12,969

EUR k	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2021	2020	2021	2020	2021	2020
Change in Insurance reserves (OSLR)	83,984	17,262	71,717	11,827	12,267	5,435
Change in PDR	320	43	125	-45	195	88
Change in Technical reserves (IBNR)	44,434	19,671	35,178	13,410	9,256	6,261
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	116	207	-	-	116	207
Total	128,853	37,183	107,020	25,192	21,833	11,990

10. Audit fees

	CHF k		EUR k	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
External audit fees	90	62	87	57
Internal audit fees	3	3	3	3
Total	92	65	89	60

11. Income from investments

	Income*		Net unrealized gains		Net realized gains		Total	
	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k
	2021	2020	2021	2020	2021	2020	2021	2020
Fixed-interest securities	695	523	413	289	-	85	1,108	898
Total	695	523	413	289	-	85	1,108	898

	Income*		Net unrealized gains		Net realized gains		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2021	2020	2021	2020	2021	2020	2021	2020
Fixed-interest securities	671	484	398	267	-	79	1,070	830
Total	671	484	398	267	-	79	1,070	830

*Income includes interest coupons and recognized amortization.

12. Expenses from investments

	Current expenses*		Net unrealized losses		Net realized losses		Total	
	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k	CHF k
	2021	2020	2021	2020	2021	2020	2021	2020
Fixed-interest securities	76	66	17	739	-	197	93	1,002
Total	76	66	17	739	-	197	93	1,002

	Current expenses*		Net unrealized losses		Net realized losses		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2021	2020	2021	2020	2021	2020	2021	2020
Fixed-interest securities	73	61	17	683	-	182	90	926
Total	73	61	17	683	-	182	90	926

* Current expenses relate to external asset management fees.

13. Personnel expenses

Personnel expenses for 2021 amounted to CHF 4.1m (EUR 4.0m) and are included in the line item "Acquisition costs and administrative expenses". Prior year personnel expenses were CHF 4.2m (EUR 3.9m).

14. Depreciation of equipment and amortization of intangible assets

	CHF k		EUR k	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Property and equipment	75	72	72	67
Intangible assets	203	102	196	94
Total	278	174	269	161

15. Residual amount of lease obligations

	CHF k		EUR k	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
1 to 5 years	416	601	402	556
From 5th year	925	917	892	847
Total	1,341	1,518	1,294	1,403

16. Full-time equivalents

The annual average number of full-time equivalents for the year 2021 including trainees but excluding temporary employees was 16.3 (prior extended year 2020: 12.6).

17. 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.
- KRSA has no liabilities to pension schemes, no contingent liabilities, no restricted assets nor any other commitments.

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 partially offset the loss of CHF 21.3m with the Restructuring fund (CHF 4.7m).

The remainder of the loss of CHF 16.6m will be carried forward.



in CHF k and EUR k , as of 31 December 2021

	CHF	EUR
Net loss after taxes	-21,324	-20,579
Available earnings	-21,324	-20,579
Restructuring fund to be released	4,701	4,452
Balance carried forward	-16,623	-16,127

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