

To the General Meeting of
Korean Reinsurance Switzerland AG, Zurich

Zurich, 10 March 2025

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 31 December 2024, 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 (page 6-19) 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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 2024 – 31 December 2024

Details	
Issued by	Executive Management
Approval by	Board of Directors
Language	English
Report date	30 April 2025
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"), 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 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 2024), and historical rates for equity (see pages 9/10).

Financial review

In financial year 2024, KRSA reported a net loss after taxes of CHF 5.0m (EUR 5.3m), with total assets amounting to CHF 520.2m (EUR 554.4m). This is primarily due to late reported claims developments in connection with the major hailstorm events in Italy in 2023, which were partially offset by favorable investment income and lower than planned administrative expenses.

Compared to 2023, Gross written premiums (GWP) increased by 2% to EUR 175.1m in 2024, representing a relatively stable portfolio size. In the 2024 renewals KRSA was able to further improve technical terms and conditions successfully, particularly in Motor, Property and Engineering and took a selective approach to natural catastrophe reinsurance (NatCat). Despite a slight increase in NatCat capacity from rising competition, KRSA was able to achieve very favorable signings and maintain and in some cases even improve its position with almost all clients.

In financial year 2024, a significant reversal of GWP from a multi-year treaty that inceptioned in 2023 was required due to a large motor client's revised business plan. This adjustment had a negligible impact on the technical result, as most of the premium was unearned. However, it temporarily affected the portfolio's line of business distribution. As a result the proportion of property increased from 47% to 52%, as motor declined from 25% to 3% due to the one-time effect of the adjustment. Engineering lines and marine grew to 17% and 13% respectively (2023: 11% / 9%) while the other lines expanded from 8% to 14%. Overall proportional business accounted for 63% of the portfolio.

After three consecutive years of losses due to severe (NatCat) events affecting Germany, France, and Italy, the Underwriting Year 2024 marked the successful turnaround and shows greater stability and profitability, whilst the financial year 2024 still remains negative due to the before-mentioned claims developments relating to the 2023 year of occurrence.

Disciplined underwriting measures implemented in prior years, particularly adjustments to NatCat structures, increased attachment points and reinsurance prices which are commensurate to the risk, helped to improve the portfolio quality and balance effectively. While Europe experienced notable new natural and Man-Made events in 2024 – Southern Germany floods, Eastern European floods, Riots in New Caledonia and the Valencia floods – these remained well within KRSA's modelled budgets for large and catastrophe loss events. For KRSA, the most impactful event was the continued claims development of the Italian hailstorms from 2023, where total market losses reached EUR 6 billion whereas the market originally expected a total amount in the order of EUR 2-3bn. The full magnitude of the deterioration became only transparent in Q1 2024 and impacted KRSA's Financial Year 2024 by CHF 16m (EUR 17m) gross.

KRSA manages its capital and net retained risk by placing proportional retrocession with Korean Re and is protected by Korean Re's non-proportional group protection with third parties. An average of 70% of premium is ceded to Korean Re's parent company in Seoul.

Net acquisition costs stood at CHF 10.2m (EUR 10.9) and gross administrative expenses amounted to CHF 8.1m (EUR 8.7m). The latter comprise primarily personnel expenses of CHF 6.4m (EUR 6.8m) for the average of 22 full-time employees.

The macro-economic environment in 2024 remained uncertain, shaped by geopolitical tensions, persistent inflationary pressures, and shifting monetary policies. The war in Ukraine continued, maintaining uncertainty in global trade, energy markets and supply chains. Additionally, geopolitical risks in the Middle East contributed to political and economic pressure.

In Europe, economic growth remained subdued, with Germany experiencing its third consecutive year of stagnation amid weaker industrial output and lower export demand. The broader European economy showed first signs of recovery, supported by a gradual improvement in consumer confidence.

Inflation moderated throughout the year but remained above the European Central Bank's (ECB) target. The ECB and the U.S. Federal Reserve (Fed) maintained their restrictive monetary policies, with interest rates staying elevated for most of the year to ensure inflation remained under control. However, as inflation trended downward, expectations for rate cuts emerged toward the end of the year.

For KRSA these developments meant that corporate bond acquisitions were anticipated in 2024, with a total of CHF 27.8m (EUR 29.6m) of new investments. Also, cash could be kept in term deposits at attractive returns, improving net investment return. KRSA's corporate bonds' market value has recovered to being 13% under book value (as of 31.12.2024), an improvement from -18% at YE 2023.

KRSA is invested in high investment grade corporate bonds which are carried at amortized cost and for which an annual impairment test is performed. Accordingly, no impairments were necessary. Net investment income from the CHF 134.4m (EUR 143.2m) corporate bonds (nominal value) in 2024 was CHF 2.8m (EUR 3m). Additionally, there was a foreign exchange gain of CHF 0.3m (EUR 0.3m) from USD positions. In 2024 KRSA started to further diversify its investments by committing EUR 10m to a Private Debt Fund (PDF), as of 31.12.2024 3.8m were effectively called. The total net investment income in 2024 was CHF 4.7m (EUR 5m) including corporate bonds, money market, time deposits and PDF.

Other financial income / expenses included the interest expense for the right of lease of our 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 -40.0m (EUR -40.5m) to the next year (current year loss CHF -5.0m /EUR -5.3m, prior years CHF -35.1m / EUR -35.2m).

Business overview (2024)

The January 2024 renewals were more orderly than in the previous year, with sufficient capacity for well-priced programs. Despite increased competition, KRSA successfully maintained its market position through its holistic client approach, supporting clients across multiple programs and lines of business while maintaining underwriting discipline and improving the portfolio diversification through selected portfolio adjustments.

In NatCat, as demand for more capacity grew less than new capacity returned into the market, competition increased slightly. Competitors behaved largely rationally and deployed additional capacity very selectively. KRSA could still improve contract terms and structures in some areas of its portfolio, while remaining a disciplined and predictable partner to its clients.

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. Regular risk assessments are performed, resulting in an overall risk profile, which are quarterly presented to the Board of Directors.

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 2025 shows an SST ratio of 164% (vs 190% as of 1 January 2024).

Extraordinary events (during reporting period)

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

Outlook 2025

The January 2025 renewal took place in a market that, showed signs of softening in the rather commoditized NatCat business after two years of substantial hardening, whilst it remained relatively stable in other lines of business. Overall, prices remained risk adequate. While early industry sentiment indicated the need for continued underwriting discipline, competitive market dynamics evolved during the renewal, with reinsurers demonstrating increasing appetite the more the renewal progressed. This was supported by favorable retrocession renewals and a well-functioning alternative capital market.

In this environment, KRSA maintained underwriting discipline and optimized its portfolio further. We strategically adjusted our Property and NatCat exposures, reflecting both evolving market conditions and a commitment to promote further portfolio diversification through a sustainable underwriting approach. These adjustments resulted in a more selective portfolio with an emphasis on long-term profitability and stable partnerships with key clients. At the same time, KRSA expanded its presence in targeted areas, such as structured Motor treaties, Cyber, and diversified Casualty portfolios, in line with its strategic ambitions.

Looking ahead, we anticipate continued underwriting discipline but further growing competition in the more commoditized property lines of business. Property and NatCat pricing are expected to remain firm in regions that experienced significant loss development or are more prone to climate change, while other markets may see further moderate softening as reinsurers seek to deploy capacity. For other more bespoke lines of business we expect a relatively stable environment. The Cyber segment continues to evolve in our portfolio, with pricing adjustments reflecting both improved risk modeling and sustained demand, at albeit lower primary insurance rates.

KOREAN Re

KRSA remains committed to supporting its clients with high-quality reinsurance solutions, leveraging its technical expertise and client-oriented but disciplined approach. While the evolving market landscape presents both opportunities and challenges, KRSA is well-positioned to navigate these dynamics through a focused forward-looking underwriting strategy, robust risk management, and alignment with long-term market needs.

Board of Directors, Management and Auditors

Board of Directors as of 31 December 2024	Residence
Yung Heub Song (Chairman)	Seoul, Korea
Se Koan Oh (Director)	Seoul, Korea
Reinhard Thoennissen (Independent Director)	Wallisellen, Switzerland
Sven Siegin (Secretary of the Board of Directors)	

Management as of 31 December 2024

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

At the Annual General Meeting (AGM) of 30 April 2024, Chairman Yung Heub Song, and board member Mr. Joonha Yoo as well as Independent Director Mr. Reinhard Thoennissen were reelected. At the Extraordinary General Meeting (EGM) on 1 August 2024, board member Mr. Joonha Yoo resigned and the EGM elected Mr. Se Koan Oh as his replacement with effect from 2 September 2024.

KRSA's management underwent following changes – CEO Markus Eugster resigned as of 30 June 2024 and was replaced by former CUO Michael Hinz as of 1 July 2024. Beatrix Dodgson joined the company and assumed the position of CUO on 1 September 2024. Jae Gyun Kim's role changed from COO (Chief Operating Officer) to CSO (Chief Strategy Officer) along with the role's responsibilities as of 1 September 2024.

Financial Statements

Profit and Loss Statement

For period 1 January 2024 to 31 December 2024

(Expressed in thousands of CHF and EUR)

		01.01.2024- 31.12.2024	01.01.2024- 31.12.2024	01.01.2023- 31.12.2023	01.01.2023- 31.12.2023
	Note	CHF k	EUR k	CHF k	EUR k
Gross written premium	4	164'333	175'111	159'531	171'595
Retroceded premiums	5	-115'320	-122'883	-106'799	-114'875
Net premiums written		49'013	52'228	52'732	56'720
Change in unearned premium reserves (gross)	7	2'265	2'414	-14'463	-15'557
Change in unearned premium reserves (ceded)	7	2'305	2'457	10'406	11'193
Net premiums earned		53'584	57'098	48'675	52'355
Other insurance income		1'159	1'235	1'040	1'119
Technical income		54'743	58'333	49'715	53'474
Gross claims and claim expenses paid		-96'211	-102'521	-84'477	-90'865
Reinsurer's share of claims and claim expenses		70'187	74'791	61'415	66'059
Change in technical provisions	10	-33'602	-35'806	-20'599	-22'156
Change in reinsurers' share of technical provisions	10	15'096	16'086	5'677	6'107
Net claims and claim expenses incurred		-44'530	-47'451	-37'983	-40'855
Acquisition costs and administrative expenses	11, 14, 15	-44'044	-46'933	-40'612	-43'683
Reinsurers' share of operating expenses (acquisition & admin)		25'706	27'392	22'506	24'208
Net acquisition costs and administrative expenses		-18'339	-19'541	-18'106	-19'475
Other technical expenses own business		-1'299	-1'384	-1'769	-1'903
Technical expenses		-64'168	-68'376	-57'858	-62'233
Income from investment activities	12	5'678	6'050	3'552	3'821
Expenses from investment activities	13	-1'006	-1'072	-769	-827
Net income from investments		4'671	4'978	2'783	2'994
Other financial expenses		-48	-51	-45	-49
Operating result		-4'801	-5'116	-5'405	-5'814
Non-operating expenses		-3	-3	-95	-102
Extraordinary expenses		-	-	-	-
Loss before tax		-4'804	-5'119	-5'500	-5'916
Income tax expense		-164	-175	-141	-152
Loss		-4'968	-5'294	-5'641	-6'067
Total Loss account		-4'968	-5'294	-5'641	-6'067

Balance Sheet

As of 31 December 2024

(Expressed in thousands of CHF and EUR)

Assets	Note	31.12.2024	31.12.2024	31.12.2023	31.12.2023
		CHF k	EUR k	CHF k	EUR k
Investments	3	142'499	151'845	108'455	116'656
Deposits on assumed reinsurance business		21'344	22'744	24'908	26'791
Cash and cash equivalents		43'475	46'327	62'988	67'751
Reinsurers' share of technical provisions	7	219'756	234'169	199'981	215'103
Property and equipment		54	58	23	25
Right of use asset		683	728	839	903
Deferred acquisition costs		8'915	9'500	9'775	10'514
Intangible assets		261	278	412	444
Reinsurance receivables	8	81'119	86'440	151'931	163'419
Other receivables	8	481	513	224	241
Other assets		90	96	121	131
Accrued assets	6	1'557	1'659	1'792	1'927
Total Assets		520'235	554'356	561'450	603'904
Liabilities					
Technical provisions	7	338'922	361'150	304'169	327'169
Lease liabilities	16	745	794	902	970
Liabilities from deposits retained on ceded business		28'147	29'993	31'330	33'699
Reinsurance payables	8	57'186	60'936	125'790	135'301
Other liabilities	8	361	385	474	510
Accrued expenses and deferred income		1'857	1'978	1'712	1'842
Total Liabilities		427'217	455'237	464'377	499'491
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		-13'412	-	-14'326	-
Revaluation reserve		-13'412	-	-14'326	-
Voluntary retained earnings		-40'041	-40'460	-35'073	-35'166
Loss carried forward		-35'073	-35'166	-29'432	-29'098
Loss		-4'968	-5'294	-5'641	-6'067
Total Equity		93'018	99'119	97'073	104'413
Total Liabilities and Equity		520'235	554'356	561'450	603'904

Cash Flow Statement

As of 31 December 2024

(Expressed in thousands of CHF and EUR)

	31.12.2024	31.12.2024	31.12.2023	31.12.2023
	CHF k	EUR k	CHF k	EUR k
Loss before tax	-4'804	-5'119	-5'500	-5'916
Depreciation and amortization	280	288	229	297
Loss (gain) on investments fixed-interest securities	2'066	2'202	38	40
Increase (decrease) in technical provisions	34'753	33'981	19'480	38'877
Increase (decrease) reinsurance share of technical provisions	-19'775	-19'066	-4'931	-17'584
Increase (decrease) in deposits ceded business	3'564	4'048	-17'808	-19'602
Increase (decrease) in deposits assumed business	-3'183	-3'706	14'334	16'487
Increase (decrease) in deferred acquisition cost	860	1'014	-670	-1'294
Increase (decrease) right of use asset	156	175	214	164
Increase (decrease) insurance receivables	70'811	76'979	-27'773	-37'690
Increase (decrease) other assets	8	30	-1'419	-1'572
Increase (decrease) lease liabilities	-156	-175	-209	-155
Increase (decrease) insurance payables	-68'604	-74'365	22'091	30'290
Increase (decrease) other liabilities	-113	-125	-194	-167
Increase (decrease) other deferred income	144	136	-15	92
Tax provisions	-15	-17	6	-20
Tax settled	-149	-158	-147	-132
Cash flow from operating activities	15'843	16'121	-2'275	2'118
Investment in financial assets	-36'110	-37'390	-22'067	-29'176
Purchase of property and equipment	-65	-66	37	20
Purchase of intangible assets	-94	-89	-49	-125
Cash flow from investing activities	-36'269	-37'545	-22'079	-29'282
Increase in capital reserves	-	-	10'436	11'000
Revaluation reserve	914	-	-5'960	-
Cash flow from financing activities	914	-	4'477	11'000
Cash flows for the financial year	-19'512	-21'424	-19'877	-16'163
Statement:				
Cash and cash equivalents as of 31 December 2023	62'988	67'751	82'865	83'914
Cash and cash equivalents as of 31 December 2024	43'475	46'327	62'988	67'751
Change in cash and cash equivalents	-19'512	-21'424	-19'877	-16'163

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 2024.

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 2024 to 31 December 2024.

2. Summary of significant accounting policies

a. Investments

The company holds corporate bonds, which are carried at amortized cost. Money market 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 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 are 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 2024), 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	
	31.12.2024
CHF	0.9385
AUD	1.6725
CAD	1.4893
CZK	25.1750
DKK	7.4573
GBP	0.8268
HRK	7.5346
KRW	1'526.0186
NOK	11.7606
PLN	4.2773
RON	4.9755
USD	1.0355
ZAR	19.5389

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 2024, as no capital increase took place. In contrast, in the prior year, a stamp duty of EUR 0.1m was incurred for a capital increase of the CHF 10.4m (EUR 11.0m) which was added to the free reserves.

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	CHF k	EUR k	EUR k
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Fixed-interest securities	134'427	104'444	143'244	112'342
Money market	4'506	4'011	4'801	4'314
Alternative investments	3'566	-	3'800	-
Total	142'499	108'455	151'845	116'656

4. Gross written premium (GWP)

GWP Treaty type	CHF k	CHF k	%	EUR k	EUR k
	31.12.2024	31.12.2023		31.12.2024	31.12.2023
Proportional	104'288	105'216	63%	111'128	113'172
Non-Proportional	60'044	54'316	37%	63'983	58'423
Total	164'333	159'531	100%	175'111	171'595

GWP Line of Business	CHF k	CHF k	%	EUR k	EUR k
	31.12.2024	31.12.2023		31.12.2024	31.12.2023
Property	85'973	75'494	52%	91'612	81'203
Motor	5'648	39'953	3%	6'019	42'974
Engineering	27'607	16'984	17%	29'418	18'269
Marine	21'775	14'500	13%	23'203	15'596
Other	23'328	12'600	14%	24'858	13'553
Total	164'333	159'531	100%	175'111	171'595

5. Premiums ceded to reinsurers

There were no changes in cession rates in 2024 for the company's retrocession to its parent company in Seoul. In 2024 and prior year KRSA ceded 95% of its property-catastrophe business, 75% of its other property and engineering business, and 45% of all other lines of business.

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

On average, the ceded premium (excluding XoL premium) was 69% of gross written premiums (2023: 65%).

6. Accrued assets

	CHF k	CHF k	EUR k	EUR k
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Accrued interest on investments	1,399	1,606	1,490	1,728
Prepay expenses	158	185	169	199
	1,557	1,792	1,659	1,927

7. Technical provisions

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	CHF k 31.12.2024	CHF k 31.12.2023	CHF k 31.12.2024	CHF k 31.12.2023	CHF k 31.12.2024	CHF k 31.12.2023
Insurance reserves (OSLR)	152'976	155'079	112'866	118'681	40'110	36'398
Unearned premium reserves (UPR)	65'862	67'134	37'693	34'826	28'169	32'308
Premium deficiency reserves (PDR)	2'160	460	794	-30	1'366	490
Technical reserves (IBNR)	116'630	80'437	68'403	46'504	48'227	33'933
ULAE reserves	1'294	1'058	-	-	1'294	1'058
Total	338'922	304'169	219'756	199'981	119'166	104'188

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k 31.12.2024	EUR k 31.12.2023	EUR k 31.12.2024	EUR k 31.12.2023	EUR k 31.12.2024	EUR k 31.12.2023
Insurance reserves (OSLR)	163'009	166'806	120'268	127'655	42'740	39'150
Unearned premium reserves (UPR)	70'181	72'211	40'165	37'460	30'017	34'751
Premium deficiency reserves (PDR)	2'302	495	846	-32	1'456	527
Technical reserves (IBNR)	124'279	86'519	72'890	50'020	51'390	36'499
ULAE reserves	1'379	1'138	-	-	1'379	1'138
Total	361'150	327'169	234'169	215'103	126'981	112'066

8. Receivables from and liabilities to third and related parties

CHF k	2024			2023		
	Third-party	Related-party	Total 31.12.2024	Third-party	Related-party	Total 31.12.2023
Reinsurance receivables	81'398	-279	81'119	110'209	41'721	151'931
Receivables on assumed business	81'398	-	81'398	110'209	-	110'209
Receivables on ceded	-	-279	-279	-	41'721	41'721
Other receivables	469	12	481	215	9	224
Reinsurance payables	880	56'306	57'186	37'846	87'944	125'790
Payables on assumed business	880	-	880	37'846	-	37'846
Payables on ceded business	-	56'306	56'306	-	87'944	87'944
Other payables	361	-	361	474	-	474
EUR k						
Reinsurance receivables	86'737	-297	86'440	118'543	44'876	163'419
Receivables on assumed business	86'737	-	86'737	118'543	-	118'543
Receivables on ceded	-	-297	-297	-	44'876	44'876
Other receivables	500	13	513	231	10	241
Reinsurance payables	937	59'999	60'936	40'708	94'594	135'301
Payables on assumed business	937	-	937	40'708	-	40'708
Payables on ceded business	-	59'999	59'999	-	94'594	94'594
Other payables	385	-	385	510	-	510

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 2021	10'000	106'415	-	4'701	-3'994	-21'324	95'799
Offset of prior period loss with funds	-	-	-	-4'701	-	4'701	-
Capital Increase (30.11.2022)	-	19'620	-	-	-	-	19'620
Loss for the period	-	-	-	-	-	-12'809	-12'809
Revaluation reserve	-	-	-	-	-4'372	-	-4'372
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

EUR k	Share capital	Capital reserves	Organization fund	Restructuring fund	Retained earnings	Voluntary retained earnings	Total equity
As of 31 December 2021	8'761	99'817	-	4'453	-	-20'579	92'452
Offset of prior period loss with funds	-	-	-	-4'453	-	4'452	-
Capital Increase (30.11.2022)	-	20'000	-	-	-	-	20'000
Loss for the period	-	-	-	-	-	-12'971	-12'971
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

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
	2024	2023	2024	2023	2024	2023
Change in Insurance reserves (OSLR)	-3'755	22'560	-7'190	12'431	3'435	10'129
Change in PDR	1'695	-933	824	-498	872	-435
Change in Technical reserves (IBNR)	35'436	-1'510	21'462	-6'255	13'974	4'746
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	225	481	-	-	225	481
Total	33'602	20'599	15'096	5'677	18'507	14'921

EUR k	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2024	2023	2024	2023	2024	2023
Change in Insurance reserves (OSLR)	-4'001	24'266	-7'662	13'371	3'661	10'895
Change in PDR	1'807	-1'003	878	-536	929	-468
Change in Technical reserves (IBNR)	37'760	-1'624	22'870	-6'728	14'891	5'105
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	240	518	-	-	240	518
Total	35'806	22'156	16'086	6'107	19'720	16'049

11. Audit fees

	CHF k		EUR k	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
External audit fees	86	96	92	103
Internal audit fees	9	11	10	12
Total	95	107	101	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
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed-interest securities	1'821	989	1'745	730	-	-	3'566	1'720
Money market	-	-	161	119	-	-	161	119
Time deposits	1'257	1'712	-	1	-	-	1'257	1'713
Alternative investments	694	-	-	-	-	-	694	-
Total	3'772	2'701	1'906	851	-	-	5'678	3'552

	Income*		Unrealized gain**		Net realized gain		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed-interest securities	1'940	1'064	1'859	785	-	-	3'799	1'850
Money market	-	-	172	128	-	-	172	128
Time deposits	1'339	1'841	-	1	-	-	1'339	1'843
Alternative investments	740	-	-	-	-	-	740	-
Total	4'019	2'906	2'031	915	-	-	6'050	3'821

*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
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed-interest securities	240	144	534	625	-	-	774	769
Money market	-	-	-	-	-	-	-	-
Alternative investments	233	-	-	-	-	-	233	-
Total	473	144	534	625	-	-	1'006	769

	Current expenses*		Unrealized loss**		Net realized loss		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed-interest securities	255	155	569	672	-	-	824	827
Money market	-	-	-	-	-	-	-	-
Alternative investments	248	-	-	-	-	-	248	-
Total	504	155	569	672	-	-	1'072	827

*Current expenses relate to external asset management fees.

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

14. Personnel expenses

Personnel expenses for 2024 amounted to CHF 6.4m (EUR 6.8m) and are included in the line item "Acquisition costs and administrative expenses". Prior year personnel expenses were CHF 5.5m (EUR 6.2m).

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

	CHF k	CHF k	EUR k	EUR k
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Property and equipment	16	41	18	44
Intangible assets	225	273	240	294
Total	241	314	257	337

16. Residual amount of lease obligations

	CHF k	CHF k	EUR k	EUR k
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
1 to 4 years	19	207	21	210
From 5th year	726	694	774	703
Total	745	902	794	970

17. Full-time equivalents

The annual average number of full-time equivalents for the year 2024 including trainees but excluding temporary employees was 21.7 (prior year 2023: 20.5).

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 31.12.2024 KRSA has a remaining contractual capital commitment of EUR 6.2m million 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. Otherwise, KRSA has no liabilities to pension schemes, no contingent liabilities, and no restricted assets.
- KRSA cedes 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 a 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 -40m.

in CHF k and EUR k , as of 31 December 2024

	CHF	EUR
Result brought forward	-35'073	-35'166
Net loss after taxes	-4'968	-5'294
Available earnings	-40'041	-40'460
Organization fund amount to be released	-	-
Dividend payment	-	-
Balance carried forward	-40'041	-40'460

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