

To the General Meeting of
Korean Reinsurance Switzerland AG, Zurich

Zurich, 29 February 2024

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 balance sheet as at 31 December 2023, the profit and loss statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 5-18) 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.



Other matter

The financial statements for the year ended 31 December 2023 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 2 March 2023.



Other information

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

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

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

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



Board of Directors' responsibilities for the financial statements

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

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



Auditor's responsibilities for the audit of the financial statements

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

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


Report on other legal and regulatory requirements



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

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



EY
Building a better
working world

Christian Fleig
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



EY
Building a better
working world

Meik Babylon
(Qualified Signature)

Licensed audit expert

Korean Reinsurance Switzerland AG

Annual Report

1 January 2023 – 31 December 2023

Details	
Issued by	Executive Management
Approval by	Board of Directors
Language	English
Report date	30 April 2024
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 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 2023), and historical rates for equity (see pages 9/10).

Financial review

For the year 2023, KRSA reported a net loss after taxes of CHF 5.6m (EUR 6.1) and its assets amounted to CHF 561.4m (EUR 603.9m).

As of 31 December 2023, the Gross Written Premium (GWP) amounted to CHF 159.5m (EUR 171.6m) which is in line with 2022. KRSA focused in its 2023 renewal on improving technical terms and positioning itself as reliable partner aiming at building long-term client partnerships. Proportional business accounted for 66% of the portfolio. The proportion of property was further reduced from 61% to 47%, while motor grew from 16% to 25%. Engineering lines and marine remained rather stable at 11% and 9% respectively (2022: 10% / 8%) while other lines expanded from 5% to 8%.

KRSA manages its insurance risk by buying proportional and non-proportional retrocession with its parent company and third parties. An average of 65% of premium is ceded to Korean Re.

The macro-economic environment continued to be challenging. Unfortunately, the war in the Ukraine continued, affecting trade in Europe and keeping governments worried about energy supply. Europe and particularly Germany experienced an economic slowdown. Inflation rates continued to be elevated and the European Central Bank took action by raising interest rates. Sentiment changed toward Q4 thanks to a declining trend in inflation and markets began to expect interest rates to decrease, while ECB and Fed held the interest rates at their elevated levels. Monetary policy and market expectations of economic growth led to higher fluctuation of exchange rates.

For KRSA these developments meant that corporate bond acquisition was advanced with a total of CHF 26m (EUR 28m) new investments. Also, cash could be kept in term deposits at attractive returns, improving net investment return. KRSA's corporate bonds' market value remained 18% under book value (as of 31.12.2023), an improvement from -25% at YE 2022. Thanks to the high rating quality of the bonds, no impairments were necessary. With continued payout of past losses and the inflation trend showing some improvement, KRSA was able to release a limited amount of its inflation load on the reserves. Finally, the currency fluctuations, mainly the devaluation of the EUR vs. CHF and the USD vs. EUR as of 31.12.2023 led to an increase in exchange rate losses at YE 2023.

KRSA continues to reduce its NatCat exposure but due to its limited regional diversification still is vulnerable to higher volatility. Compared to prior years, KRSA's underwriting region was less affected by NatCat losses. Yet, Italy faced its most severe NatCat loss event series in history in 2023: a series of hail storms July, causing an estimated total insured market loss of ca. CHF 5.6bn (EUR 6bn). The net impact of these storms amounts to CHF 3.7m (EUR 4.0m).

Net acquisition costs stood at CHF 10.3m (EUR 11.0m) and administrative expenses amounted to CHF 7.8m (EUR 8.4m). The latter are largely driven by personnel expenses of total CHF 5.5m (EUR 6.0m) for the average 20.5 full-time employees.

KRSA is solely invested in high investment grade corporate bonds which are carried at amortized cost and for which an annual impairment test is performed. Net investment income from the CHF 108.5m (EUR 116.6m) corporate bonds (nominal value) in 2023 was CHF 2.8m (EUR 3.0m), stemming from the bonds' and term deposits income, partly reduced by unrealized net foreign exchange losses of CHF 0.2m (EUR 0.2m) from USD positions.

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.

In order to maintain KRSA's SST ratio in line with the defined risk appetite, 2023 KRSA received a capital injection of CHF 10.4m (EUR 11.0m) from Korean Re. The Board of Directors will propose to KRSA's shareholder to carry forward the balance of CHF -35.1m (EUR -35.2m) to the next year (current year loss CHF -5.6m, prior years -29.4m / EUR -6.1m, -29.1m).

Business overview (2023)

In the aftermath of two very active European NatCat years 2021 and 2022, Hurricane Ian in the US and the inflation and interest rate developments, the January 2023 renewals were the most challenging for decades. The renewal was characterized by broadly applied strong underwriting discipline from all reinsurers. KRSA successfully improved its technical margins while writing a smaller but more robust NatCat portfolio and improving its LoB diversification.

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. An in-depth risk assessment is performed on an annual basis resulting in an overall risk profile, which was presented to the Board of Directors at its meeting on 2 March 2023.

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 2024 shows an SST ratio of 190% (vs 176% as of 1 January 2023).

Extraordinary events (during reporting period)

There were no extraordinary events during the reporting period.

Outlook

For the January 2024 renewal sufficient NatCat capacity was back in the market and it was more important than ever to support clients in their core placements across program structures and/or lines of business. KRSA was able to protect its position and continued to focus on improving technical terms and underwrote a smaller but more robust NatCat portfolio.

For the next 12-24 months we expect continued market discipline at a gradually increasing risk appetite from competitors for all lines of business. We also notice a closing window of opportunity which will make the further expansion in Europe more challenging to smaller players, unless further market changing events will manifest themselves.

Prior year loss developments are expected to remain mainly stable while there is some potential for deterioration from the 2023 Italian hail storms as claims numbers are still developing upwards.

Board of Directors, Management and Auditors

Board of Directors as of 31 December 2023	Residence
Yung Heub Song (Chairman)	Seoul, Korea
Joonha Yoo (Head of Global Business Team)	Seoul, Korea
Reinhard Thoennissen (Independent Director)	Wallisellen, Switzerland
Sven Siegin (Secretary of the Board of Directors)	
Management as of 31 December 2023	
Markus Eugster (Chief Executive Officer, CEO)	
Jazmin Seijas Nogareda (Chief Financial Officer, CFO)	
Jae Gyun Kim (Chief Operating Officer, COO)	
Michael Hinz (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 27 April 2023, Chairman Yung Heub Song, and board member Mr. Jin Hyung Lee as well as Independent Director Mr. Reinhard Thoennissen were reelected. At the Extraordinary General Meeting (EGM) on 3 August 2023, board member Mr. Jin Hyung Lee resigned and the EGM elected Mr. Joonha Yoo as his replacement.

Furthermore, the AGM replaced external auditor Deloitte AG with Ernst & Young AG, following KRSA's parent company's auditor rotation.

KRSA's management underwent one change – COO Won Joong Choi returned to Seoul and was replaced by Jae Gyun Kim as of 1 May 2023.

Financial Statements

Profit and Loss Statement

For period 1 January 2023 to 31 December 2023

(Expressed in thousands of CHF and EUR)

		01.01.2023- 31.12.2023	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022	01.01.2022- 31.12.2022
	Note	CHF k	EUR k	CHF k	EUR k
Gross written premium	3	159'531	171'595	170'662	172'823
Retroceded premiums	4	-106'799	-114'875	-104'020	-105'337
Net premiums written		52'732	56'720	66'642	67'486
Change in unearned premium reserves (gross)	6	-14'463	-15'557	-25'505	-25'828
Change in unearned premium reserves (ceded)	6	10'406	11'193	5'988	6'064
Net premiums earned		48'675	52'355	47'125	47'722
Other insurance income		1'040	1'119	9'797	9'921
Technical income		49'715	53'474	56'922	57'642
Gross claims and claim expenses paid		-84'477	-90'865	-83'420	-84'476
Reinsurer's share of claims and claim expenses		61'415	66'059	65'509	66'338
Change in technical provisions	9	-20'599	-22'156	-65'593	-66'424
Change in reinsurers' share of technical provisions	9	5'677	6'107	40'000	40'507
Net claims and claim expenses incurred		-37'983	-40'855	-43'504	-44'055
Acquisition costs and administrative expenses	10, 13, 14	-40'612	-43'683	-39'150	-39'645
Reinsurers' share of operating expenses (acquisition & admin)		22'506	24'208	22'789	23'078
Net acquisition costs and administrative expenses		-18'106	-19'475	-16'360	-16'568
Other technical expenses own business		-1'769	-1'903	-10'636	-10'770
Technical expenses		-57'858	-62'233	-70'500	-71'393
Income from investment activities	11	3'552	3'821	1'796	1'819
Expenses from investment activities	12	-769	-827	-562	-569
Net income from investments		2'783	2'994	1'234	1'250
Other financial expenses		-45	-49	-119	-120
Operating result		-5'405	-5'814	-12'463	-12'621
Non-operating expenses		-95	-102	-194	-197
Extraordinary expenses		-	-	-	-
Loss before tax		-5'500	-5'916	-12'657	-12'818
Income tax expense		-141	-152	-152	-154
Loss		-5'641	-6'067	-12'809	-12'971
Total Loss account		-5'641	-6'067	-12'809	-12'971

Balance Sheet

As of 31 December 2023

(Expressed in thousands of CHF and EUR)

Assets	Note	31.12.2023	31.12.2023	31.12.2022	31.12.2022
		CHF k	EUR k	CHF k	EUR k
Fixed-interest securities		108,455	116,656	86,426	87,520
Deposits on assumed reinsurance business		24,908	26,791	7,100	7,189
Cash and cash equivalents		62,988	67,751	82,865	83,914
Reinsurers' share of technical provisions	6	199,981	215,103	195,050	197,519
Property and equipment		23	25	63	63
Right of use asset		839	903	1,053	1,067
Deferred acquisition costs		9,775	10,514	9,105	9,221
Intangible assets		412	444	590	597
Reinsurance receivables	7	151,931	163,419	124,158	125,729
Other receivables	7	224	241	18	18
Other assets		121	131	111	112
Accrued assets	5	1,792	1,927	589	597
Total Assets		561,450	603,904	507,127	513,546
Liabilities					
Technical provisions	6	304,169	327,169	284,689	288,292
Lease liabilities	15	902	970	1,110	1,124
Liabilities from deposits retained on ceded business		31,330	33,699	16,996	17,212
Reinsurance payables	7	125,790	135,301	103,699	105,011
Other liabilities	7	474	510	668	677
Accrued expenses and deferred income		1,712	1,842	1,728	1,750
Total Liabilities		464,377	499,491	408,890	414,066
Shareholder's equity (before appropriation of available earnings) 8					
Share capital		10,000	8,761	10,000	8,761
Legal capital reserves		136,471	130,817	126,035	119,817
Reserves from capital contributions		136,471	130,817	126,035	119,817
Restructuring fund		-	-	-	-
Legal retained earnings		-14,326	-	-8,366	-
Revaluation reserve		-14,326	-	-8,366	-
Voluntary retained earnings		-35,073	-35,166	-29,432	-29,098
Loss carried forward		-29,432	-29,098	-16,623	-16,127
Loss		-5,641	-6,067	-12,809	-12,971
Total Equity		97,073	104,413	98,237	99,480
Total Liabilities and Equity		561,450	603,904	507,127	513,546

Cash Flow Statement

As of 31 December 2023

(Expressed in thousands of CHF and EUR)

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	CHF k	EUR k	CHF k	EUR k
Loss before tax	-5'500	-5'916	-12'657	-12'818
Depreciation and amortization	229	297	311	339
Loss (gain) on investments fixed-interest securities	38	40	-332	-336
Increase (decrease) in technical provisions	19'480	38'877	81'359	92'066
Increase (decrease) reinsurance share of technical provisions	-4'931	-17'584	-37'399	-45'376
Increase (decrease) in deposits ceded business	-17'808	-19'602	-1'001	-1'304
Increase (decrease) in deposits assumed business	14'334	16'487	-1'124	-275
Increase (decrease) in deferred acquisition cost	-670	-1'294	-6'819	-7'014
Increase (decrease) right of use asset	214	164	231	173
Increase (decrease) insurance receivables	-27'773	-37'690	-58'334	-62'205
Increase (decrease) other assets	-1'419	-1'572	-35	-68
Increase (decrease) lease liabilities	-209	-155	-231	-170
Increase (decrease) insurance payables	22'091	30'290	43'883	47'286
Increase (decrease) other liabilities	-194	-167	417	434
Increase (decrease) other deferred income	-15	92	-180	-91
Tax provisions	6	-20	-4	7
Tax settled	-147	-132	-147	-161
Cash flow from operating activities	-2'275	2'118	7'939	10'487
Investment in financial assets	-22'067	-29'176	-82	-4'177
Purchase of property and equipment	37	20	-9	-23
Purchase of intangible assets	-49	-125	-172	-220
Cash flow from investing activities	-22'079	-29'282	-262	-4'420
Increase in capital reserves	10'436	11'000	19'620	20'000
Revaluation reserve	-5'960	-	-4'372	-
Cash flow from financing activities	4'477	11'000	15'248	20'000
Cash flows for the financial year	-19'877	-16'163	22'924	26'067
Statement:				
Cash and cash equivalents as of 31 December 2022	82'865	83'914	59'941	57'847
Cash and cash equivalents as of 31 December 2023	62'988	67'751	82'865	83'914
Change in cash and cash equivalents	-19'877	-16'163	22'924	26'067

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 2023 to 31 December 2023.

2. Summary of significant accounting policies

a. Investments

The company holds corporate bonds, which are carried at amortized cost, and money market funds, which are evaluated at market value. 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 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 2023), 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	
	31.12.2023
CHF	0.9297
AUD	1.6189
CAD	1.4566
CZK	24.6886
DKK	7.4546
GBP	0.8666
HRK	7.5345
KRW	1423.6902
NOK	11.2185
PLN	4.3438
RON	4.9749
USD	1.1047
ZAR	20.2020

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 10.4m (EUR 11.0m) capital increase in 2023 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. Gross written premium (GWP)

GWP Treaty type	CHF k		%	EUR k	
	31.12.2023	31.12.2022		31.12.2023	31.12.2022
Proportional	105,216	111,486	66%	113,172	112,897
Non-Proportional	54,316	59,176	34%	58,423	59,925
Total	159,531	170,662	100%	171,595	172,823

GWP Line of Business	CHF k		%	EUR k	
	31.12.2023	31.12.2022		31.12.2023	31.12.2022
Property	75,494	104,273	47%	81,203	105,593
Motor	39,953	27,216	25%	42,974	27,560
Engineering	16,984	16,647	11%	18,269	16,858
Marine	14,500	13,779	9%	15,596	13,953
Other	12,600	8,748	8%	13,553	8,859
Total	159,531	170,662	100%	171,595	172,823

4. Premiums ceded to reinsurers

In 2023 KRSA ceded 95% of its property-cat, 75% of its other property and engineering business, as well as 45% of all other lines of business (prior year: 95% property-cat, 75% of property/engineering and 0% of other lines).

Furthermore, KRSA benefits from Korean Re's external XoL protection.

On average, the ceded premium (excluding XoL premium) was 65% of gross written premiums (2022: 60%).

5. Accrued assets

	CHF k		EUR k	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Accrued interest on investments	1,606	441	1,728	447
Prepay expenses	185	148	199	150
	1,792	589	1,927	597

6. Technical provisions

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	CHF k 31.12.2023	CHF k 31.12.2022	CHF k 31.12.2023	CHF k 31.12.2022	CHF k 31.12.2023	CHF k 31.12.2022
Insurance reserves (OSLR)	155,079	140,305	118,681	112,947	36,398	27,358
Unearned premium reserves (UPR)	67,134	55,250	34,826	25,567	32,308	29,683
Premium deficiency reserves (PDR)	460	1,480	(30)	497	490	982
Technical reserves (IBNR)	80,437	87,041	46,504	56,039	33,933	31,002
ULAE reserves	1,058	613	-	-	1,058	613
Total	304,169	284,689	199,981	195,050	104,188	89,639

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k 31.12.2023	EUR k 31.12.2022	EUR k 31.12.2023	EUR k 31.12.2022	EUR k 31.12.2023	EUR k 31.12.2022
Insurance reserves (OSLR)	166,806	142,081	127,655	114,376	39,150	27,705
Unearned premium reserves (UPR)	72,211	55,949	37,460	25,891	34,751	30,059
Premium deficiency reserves (PDR)	495	1,498	(32)	504	527	995
Technical reserves (IBNR)	86,519	88,143	50,020	56,748	36,499	31,395
ULAE reserves	1,138	621	-	-	1,138	621
Total	327,169	288,292	215,103	197,519	112,066	90,774

7. Receivables from and liabilities to third and related parties

CHF k	2023			2022		
	Third-party	Related-party	Total 31.12.2023	Third-party	Related-party	Total 31.12.2022
Reinsurance receivables	110,209	41,721	151,931	77,854	46,304	124,158
Receivables on assumed business	110,209	-	110,209	77,854	-	77,854
Receivables on ceded	-	41,721	41,721	-	46,304	46,304
Other receivables	215	9	224	-	18	18
Reinsurance payables	37,846	87,944	125,790	16,782	86,917	103,699
Payables on assumed business	37,846	-	37,846	16,782	-	16,782
Payables on ceded business	-	87,944	87,944	-	86,917	86,917
Other payables	474	-	474	668	-	668
EUR k						
Reinsurance receivables	118,543	44,876	163,419	78,839	46,890	125,729
Receivables on assumed business	118,543	-	118,543	78,839	-	78,839
Receivables on ceded	-	44,876	44,876	-	46,890	46,890
Other receivables	231	10	241	-	18	18
Reinsurance payables	40,708	94,594	135,301	16,994	88,017	105,011
Payables on assumed business	40,708	-	40,708	16,994	-	16,994
Payables on ceded business	-	94,594	94,594	-	88,017	88,017
Other payables	510	-	510	677	-	677

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 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	-	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

EUR k	Share capital	Capital reserves	Organization fund	Restructuring fund	Retained earnings	Voluntary retained earnings	Total equity
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
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

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
	2023	2022	2023	2022	2023	2022
Change in Insurance reserves (OSLR)	22,560	40,486	12,431	31,556	10,129	8,930
Change in PDR	-933	1,122	-498	419	-435	703
Change in Technical reserves (IBNR)	-1,510	23,691	-6,255	8,026	4,746	15,665
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	481	294	-	-	481	294
Total	20,599	65,593	5,677	40,000	14,921	25,593

EUR k	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2023	2022	2023	2022	2023	2022
Change in Insurance reserves (OSLR)	24,266	40,999	13,371	31,956	10,895	9,043
Change in PDR	-1,003	1,136	-536	424	-468	712
Change in Technical reserves (IBNR)	-1,624	23,991	-6,728	8,127	5,105	15,864
Change in Equalization reserves	-	-	-	-	-	-
Change in ULAE reserves	518	298	-	-	518	298
Total	22,156	66,424	6,107	40,507	16,049	25,917

10. Audit fees

	CHF k		EUR k	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
External audit fees	96	77	103	78
Internal audit fees	11	8	12	8
Total	107	85	115	86

11. 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
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed-interest securities	989	984	730	802	-	-	1,719	1,785
Money market	-	-	119	10	-	-	119	10
From time deposits	1,712	-	1	-	-	-	1,713	1
Total	2,701	984	850	812	-	-	3,552	1,797

	Income*		Unrealized gain**		Net realized gain		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed-interest securities	1,064	996	785	812	-	-	1,850	1,808
Money market	-	-	128	11	-	-	128	11
From time deposits	1,841	-	1	-	-	-	1,843	-
Total	2,906	996	915	822	-	-	3,821	1,819

*Income includes interest coupons.

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

12. 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
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed-interest securities	144	82	625	474	-	-	769	556
Money market	-	-	-	6	-	-	-	6
Total	144	82	625	480	-	-	769	562

	Current expenses*		Unrealized loss**		Net realized loss		Total	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed-interest securities	155	83	672	480	-	-	827	563
Money market	-	-	-	6	-	-	-	6
Total	155	83	672	486	-	-	827	569

*Current expenses relate to external asset management fees.

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

13. Personnel expenses

Personnel expenses for 2023 amounted to CHF 5.5m (EUR 6.0m) and are included in the line item "Acquisition costs and administrative expenses". Prior year personnel expenses were CHF 4.9m (EUR 5.1m).

14. Depreciation of equipment and amortization of intangible assets

	CHF k	CHF k	EUR k	EUR k
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
Property and equipment	41	76	44	77
Intangible assets	273	259	294	262
Total	314	335	337	339

15. Residual amount of lease obligations

	CHF k	CHF k	EUR k	EUR k
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
1 to 5 years	207	202	210	204
From 5th year	694	909	703	920
Total	902	1,110	970	1,124

16. Full-time equivalents

The annual average number of full-time equivalents for the year 2023 including trainees but excluding temporary employees was 20.5 (prior year 2022: 18.4).

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.
- KRSA cedes 65% 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 -35.1m.

in CHF k and EUR k , as of 31 December 2023

	CHF	EUR
Result brought forward	-29,432	-29,098
Net loss after taxes	-5,641	-6,067
Available earnings	-35,073	-35,166
Organization fund amount to be released	-	-
Dividend payment	-	-
Balance carried forward	-35,073	-35,166

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